

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

11

PROJECT

FINAL REPORT

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AUSTRALIAN
ACADEMY OF SCIENCE
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Australia's Diaspora Advantage: Realising the potential for building transnational business networks with Asia



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Acronyms

457 visa	Temporary Work (Skilled) visa (subclass 457)
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ACOLA	Australian Council of Learned Academies
ACSRF	Australia-China Science and Research Fund
AIIMS	All India Institutes of Medical Sciences
AISRF	Australia-India Strategic Research Fund
ASEAN	Association of Southeast Asian Nations
ASIC	Australian Securities and Investment Commission
AQF	Australian Qualifications Framework
ASX	Australian Stock Exchange
ATO	Australian Taxation Office
BIIP	Business Innovation and Investment Program visas
C9	Chinese League of Nine universities
CECA	Australia-India Comprehensive Economic Co-operation Agreement
ChAFTA	China-Australia Free Trade Agreement

DFAT	Department of Foreign Affairs and Trade	JRC	Joint Research Centres
EABLD	Expanded Analytical Business Longitudinal Database	METS	Mining Equipment, Technology and Services
ELICOS	English Language Intensive Courses for Overseas Students	MOIA	Ministry of Overseas Indian Affairs
FTA	Free Trade Agreement	NISA	National Innovation and Science Agenda
FWO	Fair Work Ombudsman	NRIs	Non-Resident Indians
G20	Group of 20, forum for the governments and central bank governors of the world's top 20 economies	OCI	Overseas Citizen of India
G8	Group of Eight, Australia's research intensive universities	OECD	Organisation for Economic Co-Operation and Development
GDP	Gross Domestic Product	OMA	Office of Multicultural Affairs
HASS	Humanities, Arts and Social Sciences	PIO	Persons of Indian Origin
HILDA	Household, Income and Labour Dynamics of Australia survey	R&D	Research and Development
IABCA	India Australia Business and Community Awards	ROI	Return on Investment
ICT	Information and Communications Technology	RTOs	Registered Training Organisations
IE	Immigrant Effect	SAR	Special Administrative Regions of the People's Republic of China
IIM	Indian Institutes of Management	SIV	Significant Investment Visa
IIT	Indian Institutes of Technology	SME	Small to Medium Enterprises
IITB	Indian Institute of Technology Bombay	STEM	Science, Technology, Engineering and Mathematics
		TPP	Trans-Pacific Partnership
		UNESCO	United Nations Educational, Scientific and Cultural Organization
		VET	Vocational Education and Training

Glossary

Key concepts in order of their conceptual importance:

Diaspora	<p>Diasporas are characterised by five ever present and interrelated features. Diasporas make a <i>claim</i> to a country of family origin, regardless of time away from that country. Individuals <i>identify</i> with this claim and develop an <i>emotional attachment</i> to what the country of family origin represents to them. The diasporas are <i>dispersed, yet remain highly connected</i> with each other and individuals can easily activate these connects as and when needed. Finally, individuals are <i>recognised and accepted within their communities</i> as being diaspora members.</p> <p>These characteristics allow for a broader interpretation of diasporas, providing for a richer socio-political understanding of transnational dynamics.</p> <p>This notion of diaspora includes new migrants, Australian-born descendants, those of mixed-parentage, and temporary residents in Australia for work or study.</p>
Business diasporas	<p>Those within the diasporas engaged in some form of business activity and in Australia for an extended period, with or without the intention of permanent residency.</p>
Transnational economic space	<p>A dynamic and flexible space, both virtual and physical, where transnational circulation of ideas, knowledge, people and capital occurs for the purpose of trade, investment and collaboration.</p>
Diaspora advantage	<p>The use of language skills, cultural understanding and global networks to accelerate the transnational circulation of ideas, opportunities, people and capital for business purposes. The business diaspora's enthusiasm, entrepreneurial energy and preparedness to take risks further drives this global engagement.</p>
Asia capability	<p>This report re-conceptualises Asia capability in context of the capabilities and attitudes encapsulated in the diaspora advantage. In this sense, Asia capability measures the effective management of transnational circulation of ideas, knowledge, resources and capital within Asia—the fluid engagement between people, policy and place that allows individuals and organisations to anticipate, and swiftly respond to, opportunities in Asia in a highly nuanced way.</p>
Brain circulation	<p>The ongoing fluid global movement of knowledge, ideas and people.</p>
Glocal	<p>Being simultaneously globally orientated and connected, while being locally engaged and situated.</p>



Project aims

This Securing Australia's Future project 11, *Australia's Diaspora Advantage: Realising the potential for building transnational business networks with Asia*, explores the phenomenon and potential of Australian Asian business diasporas.

The main aims of this report are to:

- map the Asian business diasporas in Australia
- explore how these diasporas participate and contribute to enterprise and innovation
- identify the challenges they confront
- discuss some ways in which governments, industries and associations might address these challenges.



In identifying opportunities for Australia's Asian business diasporas, the challenges and impediments they face also become more apparent. In turn, these issues highlight where improvements to Australia's policy settings and knowledge systems may maximise economic links with Asia.

The terms of reference for the project are to:

- define, classify and measure the patterns of engagement of Australia's Asian diasporas in trade and investment activity and economic contribution
- identify the opportunities and challenges the diasporas face in expanding economic and trade links with China and India in particular
- provide an account of how other countries work with their business diasporas to strengthen the local economy through trade and investment and their applicability for the Australian context
- discuss the role of industry, institutions and government in accelerating diaspora participation in the transnational space, and the practices, policy settings and knowledge systems that would underpin this.



Executive summary

A potent economic force

Australia's Asian business diasporas are a rich source of innovation, enterprise and entrepreneurialism. Yet they are under-utilised. They have significant potential to further enhance Australia's economic engagement with Asia and help the nation's economy to thrive, for the benefit of all Australians.

The Diversity Council Australia estimates that approximately 17 per cent of people living and working in Australia (four million people) identify as being of Asian origin. This report estimates that the Chinese diaspora in Australia to be around 1.2 million, and the Indian diaspora 610,000 (Liu 2016, p. 4). Australia's Asian diasporas are well-educated and are driving new developments in knowledge-intensive and technology-intensive industries. They are stimulating and influencing trade, investment, technological innovation and knowledge flows between Australia and Asia. They are a potent economic force for Australia.



Within the globalised economy, the flow of ideas, capital and people is accelerating. This is resulting in new modes of investment, production, distribution and consumption. These transformations are likely to produce new trade opportunities for Australia, especially as it transitions from a reliance on resources towards an economy shaped by the worldwide demand for less tangible, knowledge-based products and services.

With Asia becoming a major engine of the global economy, this report, *Australia's Diaspora Advantage: Realising the potential for building transnational business networks with Asia*, explores the potential of Australian Asian diasporas to deepen economic links with Asia. It maps the Asian business diasporas in Australia; illustrates how they participate and contribute to enterprise and innovation; identifies the challenges they confront; and discusses ways in which governments, industries and associations might address these challenges.

A new way of viewing migration and multiculturalism

In this report, the concept of *diasporas* is used to capture the diversity, dynamism and mobility of Australia's Asian communities and their transnational connectivity in ways that traditional notions of migration and migrant settlement do not. Diaspora communities may be locally embedded within Australia, but often remain emotionally attached to their countries of family origin, and potentially to culturally aligned groups around the world. This broader definition of diasporas includes first generation immigrants as well as people who identify with a particular cultural origin, no matter how long they, or previous generations of their family, have lived in Australia. *Australia's Asian diasporas* describes communities of Asian backgrounds living and working in Australia, including people of mixed ethnic backgrounds and temporary residents in Australia for work or study, and those who remain connected to Australia even when residing elsewhere.

An opportunity to maximise Australia's economic future in Asia

With advances in transport and communication technologies, members of diasporas can easily connect with their countries of family origin. They can develop the transnational cultural, political and commercial links that have become a feature of the global economy—the importance of which is not yet widely understood.

This report, contributes to that understanding. It focuses on those within Australia's Asian diasporas who are engaged in business, trade and investment activities—the *business diasporas*. It presents evidence that these business diasporas are using their language capabilities, cultural understanding and global networks to accelerate the circulation of ideas, opportunities and people. Enthusiasm, entrepreneurial energy and preparedness to take risks often drives these business activities. This is their *diaspora advantage*. Australia can do much more to realise this advantage in enhancing and maximising its economic future in Asia.

This report builds on the insights of an earlier Australian Council of Learned Academies (ACOLA) report, *Smart Engagement with Asia: Leveraging language, research and culture* (Ang, Tambiah and Mar, 2015). That report describes the various ways in which Asian diasporas in Australia facilitate and strengthen science and research and cultural collaborations between Australia and Asia. It encourages Australia to develop mechanisms to better realise the considerable resources of its Asian diasporas, in long-term and mutually beneficial ways.

This idea echoes previous Securing Australia Future (SAF) studies, especially *Australia's Competitive Advantage*, which stresses the need to develop, enhance and use all of the nation's capabilities and resources. It suggests that Australia's competitive advantage is not static or sectoral, but is foundational and dynamic across politics, law, markets and culture (Withers, Gupta, Curtis and Larkins 2015). This dynamism is evident within Australia's Asian diasporas.

Australia's Diaspora Advantage uses the term Asia broadly to cover countries in East Asia, Southeast Asia and South Asia. This is in line with the widely understood idea of Asia in both a policy and public context. However, this approach is taken with caution, acknowledging the multiple, complex and contested ways in which the idea of Asia is used.

This report uses case studies from two of the largest Asian-Australian communities, Chinese and Indian, to deepen understanding of the role of Australia's Asian business diasporas in maximising commercial links with Asia. These diasporas are two of the largest and fast growing business communities in Australia. China is Australia's largest trade partner and India has the potential to become a much more economically significant partner. China and India also present two distinct cases, both in relation to the nature of their economies but also their cultural and political traditions.

While this report centres on the Chinese and Indian business diasporas in Australia, the analysis points to broader inferences and possibilities of other Asian diaspora communities in Australia. As a result, this work is highly applicable to Australia's other Asian diaspora communities including the Association of Southeast Asian Nations (ASEAN) countries. This is especially relevant as the next emerging Asian economic powers are expected to be Indonesia, Vietnam and the Philippines.

The opportunities for diasporas in Australia reflect recent policies around diversity, multiculturalism, access, equity and smart engagement with Asia, as well as positive shifts in public attitudes towards Asia. This has created a supportive economic, cultural and political climate for Asian business diasporas, who now feel more confident about investing in new business ventures and pursuing innovation and transnational enterprise. This has led to an increase in Australia's business and investment presence in China and India by way of *people, policy and place*.

A need to better understand and tap the economic potential

The size and nature of the transnational activities of Asian diasporas and their direct contribution to the Australian economy has yet to be quantified. Attempts to do so have encountered significant practical and conceptual challenges. Existing demographic, trade and migration data do not capture the global circulation or fully reveal the extent to which intensified relations between Asia and Australia have impacted the economy. The experiences of the broader diaspora communities are only available through qualitative enquiry. This report is based on available data including statistics from a variety of sources, the relevant literature, and over 100 interviews conducted for this project, mostly with members of Australia's Chinese and Indian business diasporas.

Interviews with Asian business diasporas 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 recognise their contributions. This report finds that their cultural knowledge, skills and networks need to be better used in more systematic and strategic ways. For instance, to more fully recognise Australia's competitive advantage, it would be highly valuable to understand the extent to which Australia's Asian diasporas are mobilised in developing and facilitating trade policies and their engagement in international, regional and national standards frameworks and regulatory regimes.

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.

This signals a leadership role for the Asian business diasporas in further enhancing *Asia capability* throughout the entire Australian community. Australia can better employ Asian business diaspora's linguistic skills, networks and cultural knowledge in anticipating and responding to emerging opportunities in Asia, in culturally informed and strategic ways.

A strategic national approach and leading international role

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 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. It also 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 these diasporas possess. It finds that these countries' efforts still occur within a migration framework, designed to attract skilled immigrants. Australia has an opportunity to take a leading international role in understanding how the diasporas' transnational experiences and networks can contribute in establishing economic relations and enhancing business and innovation productivity, and in developing innovative strategies which best utilise this comparative advantage to drive future engagement in the region.



Key findings

Rich potential

Finding 1: Australia's Asian business diasporas are a rich source of innovation, enterprise and entrepreneurialism. Their growing size and contribution to the Australian economy, as well as their potential, is an under-utilised resource for further enhancing Australia's engagement with Asia.

A demographic analysis of contemporary Chinese and Indian business diasporas in Australia shows that they are, in general, highly motivated and globally networked, with a larger proportion possessing a university degree than the general Australian population. They engage in high-skills industries that often require a predisposition towards enterprise, innovation and commercialisation of knowledge. Their business activities include employment in the corporate sector, networked business activity (such as franchising and licensing business models), representing overseas business interests, and business ownership and investment.

In this way, Australia's Asian business diasporas represent a substantial resource with immense potential for greater trade, investment and innovation links with Asia. In an increasingly transnational economic space, they are uniquely placed to forge and sustain closer commercial ties with Asia.



New conceptual thinking

Finding 2: Beyond the traditional concepts of migration and migrant settlement, the broader notion of *diaspora* more adequately describes how people of Asian origins living and working in Australia maintain emotional and cultural links with their country of origin and use their transnational networks to extend business activities and opportunities.

This project used diaspora as a more apt concept than immigrants to describe how many people of Asian origins who live and work in Australia simultaneously participate in the social, cultural and economic life of Australia and their homeland, as well as the world more broadly.

The idea of diaspora implies five ever present and interrelated features. They make a *claim* to a country of family origin, regardless of time away from that country. Members of the diaspora *identify* with this claim and have an *emotional attachment* to what their country of family origin represents to them. Diasporas are *dispersed, yet remain highly connected*—individuals within the diaspora communities can easily activate these connections as and when needed.

Finally, individuals are *recognised and accepted within their communities* as being diaspora members.

These characteristics allow for a broader interpretation of people of Asian backgrounds living and working in Australia, enabling a richer social-political-economic account of their transnational links and experiences.

To more adequately capture the size and dynamism of Australia's business diasporas and their networks and contribution to Australia, policy and programs require new conceptual thinking that extends beyond the traditional notions of migration and ethnicity.

The idea of diaspora includes immigrants and their subsequent generations, those of culturally mixed backgrounds, temporary work-visa holders and long-stay international students, and permanent and temporary residents who maintain connections and an affinity with Australia while living abroad. On the basis of this broad definition, the Chinese diaspora in Australia is estimated to be around 1.2 million people and the Indian diaspora just over 610,000 people.

The diaspora advantage

Finding 3: The idea of *diaspora advantage* suggests how the linguistic skills, cultural knowledge and global networks constitute an advantage that not only benefits the members of the Asian diasporas but also helps Australia extend its economic links with Asia, and promotes a culture of innovation within the transnational economic space.

Australia's Asian business diasporas have access to extensive global networks. When they activate these networks for the purpose of trade and investment, their business activities take place in the *transnational economic space*, which reflects the increasingly global and interactive nature of business activity and moves beyond the notion of linear, bi-lateral trade relations. This space is characterised by enterprise and innovation, and the ability to work across national and cultural borders.

It is a dynamic and flexible, virtual and physical space that greatly facilitates the effective and timely global circulation of ideas, knowledge, people and capital for the purpose of trade, investment and collaboration.

The strengths of the Asian business diasporas lie in their ability to accelerate the development and maintenance of trusted people-to-people links that provide real-time information on economic, political and cultural changes, emerging markets and business opportunities. They use their language skills, cultural knowledge and global networks in their business activities. These characteristics constitute their *diaspora advantage*.

Representation of Australia's Asian business diasporas

Finding 4: For Australia to further benefit from its *diaspora advantage*, its governments, businesses, and organisations need to ensure greater representation and participation of the Asian diasporas in the development of policies and programs aimed at strengthening Australia's economic, political and cultural relations with Asia.

While Asian business diasporas are developing Asia-Australia business links in a wide variety of ways, they face an equally significant range of barriers. Themes emerging from the interviews conducted for this project reveal many different challenges including bureaucratic impediments, lack of institutional capabilities and lack of clarity in both Australia and Asia about the rules of business activities across borders.

The under-representation of Australia's Asian diasporas in public office, industry councils, business associations and in trade discussions and delegations is of concern. Asian diasporas are also under-represented on peak bodies that promote Australia-Asia diplomacy, bilateral business relations and lead educational institutions. In corporate Australia, only around four per cent of Australia's top 200 publically listed companies have board directors of Asian descent.

To realise the diaspora advantage, Australia needs to increase the engagement and representation of the business diasporas across Australian governments, institutions and industry, and within the community more broadly.

Greater recognition needs to be given to the leadership roles that Australians of Asian origins can potentially play in driving more effective engagement with Asia. Such leadership can greatly assist in improving the quality of programs designed for the broader Australian community to enhance intercultural competence, the capacity to forge transnational science, research and cultural collaborations, and the ability to develop and sustain commercial networks across the region.

Policy and program development

Finding 5: While most advanced economies have developed policies to attract highly skilled migrants, they have yet to develop strategies that accommodate the changing nature of the business diasporas' experiences, motivations and advantages in a globally interconnected economy. Australia is well positioned to take a leading role in developing such strategies.

In considering opportunities for Australia to realise its diaspora advantage, this report discusses policies and initiatives of the United States, Canada, Germany and Singapore. These policies primarily focus on attracting skilled immigrants and inviting others for the purposes of skill transfer, business and investment.

These policies assume the ideas of *brain drain/brain gain* of intellectual capital and capability. They do not appear to adequately address the emerging phenomenon of diasporas—their dynamic circulation, connectivity and newer flexible forms of belonging. Less understood is how to articulate or encourage this emerging

phenomenon in financial incentives, ease of physical and resource mobility, and citizenship options. Moving beyond the traditional mode of thinking, the diaspora logic focuses instead on *brain circulation* through the ongoing and fluid transnational movement of knowledge, ideas and people.

With its multicultural population and location within the dynamic Asian region, Australia has the potential to lead the world in developing policies and programs that encourage more effective engagement of the Asian business diasporas in building transnational networks for trade, investment and innovation with Asia. This includes considering how to mobilise transnational capital, facilitate diaspora investments, and transfer human capital in ways that deliver mutual benefits.

An integrated approach to supporting the business diasporas by linking them into Australian science, technology and research infrastructures, and the cultural resources embedded within the broader Australian community, can be of enormous benefit to the diasporas and the nation.



Growth of diaspora populations

Finding 6: The estimated 1.7 million-strong Chinese and Indian diasporas in Australia are growing rapidly in size and significance. They are highly diverse, internally differentiated by religion, culture, language, politics and experience. They include a greater proportion of educated and highly skilled individuals who are globally networked. These networks are a major source of business opportunities, innovation and entrepreneurialism.

In 2015 around 28 per cent of Australia's resident population was born overseas (Australian Bureau of Statistics, 2016a). Over the past few decades, the number of Asian migrants to Australia has increased markedly. Migration data that quantifies country of birth indicates that Australia's two largest Asian populations are those born in China and India. Current estimates are 447,400 people born in China and 397,200 people born in India (Australian Bureau of Statistics, 2015a). However, this picture is incomplete and does not capture the totality and dynamism of diasporas.

The majority of the Chinese and Indian diasporas are employees. They are well-represented in knowledge-intensive, service-orientated industries with strengths and expertise in professional services and science, technology, engineering and mathematics (STEM) fields. Over the last decade, there have been marked increases in business ownership and investment visa applications in Australia by China-born and India-born diasporas. For example, China is the largest source country for the *Business Innovation and Investment Visa* program.

Through the interviews for this project, the Asian business diasporas display a greater propensity towards connectivity—becoming locally embedded in Australia while remaining connected to their friends and family around the world. These connections are multifaceted, borderless and highly valued. Networks are forged through social, cultural, educational and professional connections. Relationships are maintained through online communication and affordable travel. This helps to create extensive networks that are internationally dispersed and highly mobile, not constrained by location or nation, and that are timeless, with 24/7 instant updates.

Mapping and modelling

Finding 7: While qualitative interviews indicate the significant contribution Asian business diasporas make to the Australian economy, this contribution has yet to be measured quantitatively through economic modelling. However, such modelling requires new approaches to collecting, using and analysing data, as current data sets do not fully take into account diaspora experiences, flows and networks.

Much of the available data and research on the business activities of Asian-Australians is based around the categories of migration and ethnicity. This data is important for tracking legal changes in citizenship status and for monitoring other specific national demographic factors. However, the diaspora logic suggests a different orientation.

Australia needs new ways of mapping the number and contribution of business diasporas who circulate between countries—either as a matter of personal choice or more frequently for business and work—to deepen understanding and potential of the broader notion of diaspora.

To quantify the nature and extent of Australia's Asian diaspora advantage, new approaches to economic modelling need to go beyond the traditional notions of migration and ethnicity. Such economic modelling would be helpful in identifying the relationships between economic activity and outputs generated by the business diasporas, both within Australia and transnationally. It could also inform public debate and policy development for the greater mobility of transnational capital, attractive incentives, and better management of trade, investment and innovation with Asia.

Barriers and challenges

Finding 8: While the Asian business diasporas display an ability to negotiate the complexities of the transnational economic space, greater awareness of the many barriers they face is also needed. This will guide a better understanding of how cultural, national and regional differences influence approaches to business.

Public perceptions of Asia and Asians in Australia are gradually becoming more positive, despite some issues, such as reported concerns on foreign investment and ownership and treatment of international students. There is now a growing recognition of China and India as economic partners. Recent government policies herald a move beyond the policies of multiculturalism that supported passive tolerance and acceptance of diversity, towards deepening engagement with Australia's Asian population, as a resource to advance economic links to the region. This is articulated in trade policies and collaborative research programs that aim to facilitate greater people-to-people links between Australia and Asia. The physical institutional and corporate presence of Australian interests in China and India is also increasing.

Public diplomacy measures around *people, policy and place* have supported and encouraged the business aspirations and activities of Asian business diasporas in Australia. They now feel more confident about investing in new business ventures and pursuing innovation. However, it is important to recognise the barriers and challenges faced by the business diasporas to further support their work within the region.

Conduits for culture, commerce and connections

Finding 9: There is a compelling case for bilateral councils and business associations to engage Australia's Asian diasporas to enhance connections between investors, entrepreneurs and industry with innovation, research and science infrastructures and programs.

The interviews conducted for this project provide accounts of how the Australian Chinese and Indian diasporas engage with their global networks, local ethnic business councils and cultural associations. This demonstrates how their own intercultural capabilities and networks continually develop through such engagement, revealing interplay between culture, commerce and connectivity. As a result, their participation contributes to building a confident cultural community within Australia.

In particular, associations that promote bilateral business relations appear to have a strong diaspora membership base. Many members have 'on the ground' experience of doing business in China or India, resulting in a rich resource of information and connections. Australia's Chinese and Indian associations and chambers are well placed to act as conduits between research collaborations and the business diasporas. Their knowledge, expertise and connectivity can potentially assist efforts with commercialisation, business modelling and export into Asia.

While ethnic business associations would like to do more in regards to networking events, facilitating introductions, or even establishing branches in China or India, they are often constrained by time and financial resources.

Strategies to use diaspora expertise for mutual benefit

Finding 10: The Chinese and Indian governments recognise the importance of their diasporas abroad and have begun to develop strategies to use expertise to increase trade, investment and knowledge transfer. Australia needs to develop similar ways of using its own diaspora resources for research, cultural and business collaborations in ways that are mutually beneficial.

As outlined earlier, this report considers how other nations regard their own Asian business diasporas to learn how this project's findings resonate. China and India are alert to their significant global diasporas—estimated at 40 million Chinese and 25 million Indians. These countries want to continue using the knowledge and skills of their emigrants who have settled elsewhere. In recent years they have sharply focused on using their diasporas abroad to forge and sustain links for economic development and increased knowledge transfer and innovation collaboration. The Chinese and Indian governments are therefore working on strategies to overcome long-standing legal, political and administrative barriers to the participation of their diasporas abroad for the benefit of the Chinese and Indian economies respectively.

Asia capability and education

Finding 11: While science, technology, engineering and mathematics (STEM) education is positioned as a policy priority, the success of Australia's Chinese and Indian business diasporas point to the equal importance of the humanities, arts and social science (HASS) education in entrepreneurialism and business skills, Asian languages, and historical and cultural studies, as critical components of Asia capability.

The case studies in this report illustrate China and India's differences in economic relationships, political structures and cultural traditions. It is essential to recognise the complex differences and historical sensitivities of how China and India create knowledge and share information to improve business, policy processes and decision-making. For example, Australian processes may be perceived as impediments or even discriminatory without a culturally informed understanding of their purpose and application. This signals a role for Australia's Asian business diasporas to broker this understanding and support Australian enterprises and research collaborations advancing their *Asia capability*. To realise this, governments, institutions, business associations, and industries are encouraged to consider improvements to structures and mechanisms that facilitate greater engagement and alignment between the diasporas' interests and Australia's economic and trade policies, public and private research programs, and knowledge systems and regulatory frameworks.

This is not restricted to the public and private sector. There would also be benefits in further embedding Asia capability into school, vocational and higher education curriculum—namely humanities, arts and social sciences (HASS) related entrepreneurialism and business skills, Asian languages, history and cultural studies. This would shape the next generation's views on the importance of Australia in Asia (and vice versa), and their ability to successfully participate in the transnational economic space.

Co-ordinated national approach to diaspora policy

Finding 12: The case studies of Australia's Chinese and Indian business diasporas indicate an opportunity for Australia to develop a comprehensive and coherent policy that acknowledges the contribution of all of its diasporas and considers ways in which Australia may realise its diaspora advantage to further extend its economic links globally.

This report calls for a national co-ordinated approach to realising Australia's Asian diaspora advantage. New and responsive pathways for greater engagement of Australia's Asian diasporas are needed to create favourable social, economic, institutional and technical conditions to encourage transnational circulation of ideas, knowledge, people and capital. This report presents possibilities such as: increasing representation and mobilisation of the diasporas in economic and trade policy formation, as well as in the public and private sectors; improving mechanisms for greater engagement in business and investment programs; and connecting the business diasporas with research collaborations for innovation and commercialisation of ideas. Support for such options will boost nation-wide Asia capability and ways in which sources of advice, support and educational outreach can accelerate transnational entrepreneurialism.

This work needs to be underlined by a clear vision for Australia in Asia. A diaspora policy needs to build on work done to date, receive bipartisan support and not be subject to election cycles. It needs to recognise the complexities of Asia and seek a deeper understanding of its diverse interests. In creating fertile conditions for fluid engagement between *people, policy and place*, such policy will better position Australia to anticipate, and swiftly respond to, opportunities in Asia in a highly nuanced, Asia-capable way.



About the project

This Securing Australia's Future project 11, *Australia's Diaspora Advantage: Realising the potential for building transnational networks with Asia*, explores the phenomenon, potential and various manifestations of the Australian Asian business diasporas. The project aims to identify the challenges faced by Australia's Asian diasporas in developing and maintaining business links. It also explores the policy settings and knowledge systems that the business diasporas currently use. This report highlights how these settings and systems could be strengthened to enhance the potential of Asian business diasporas to contribute to Australia's commercial growth and further facilitate Australia's interconnections with Asia, thereby securing the nation's future.



China and India as case studies

In understanding the Asian business diasporas phenomenon in Australia, and responding to these tasks, this project focuses on Australia's Chinese and Indian diasporas as case studies. Just as this report uses the term Asia with care, it also recognises that the ideas of 'China' and 'India' are complex and contested. They are not homogenous nations and this report recognises the geo-political complexities of these nations and the language, cultural and regional differences.

Of all Asian countries, China and India stand out as emerging super-economies. Over the past 20 years China and India have almost tripled their share of the global economy and increased their economic size nearly six times over (Henry et al., 2012, p. 6). China is set to eclipse the United States as the world's largest economy and India was the world's fastest growing economy in 2015, and is estimated to reach third behind China and the United States in less than 15 years (Pandey, 2015).

China and India are significant economic partners with Australian industries in differing ways. China is now Australia's number one trading partner, mainly resources and minerals. This relationship reflects activities to date, and also signals potential for further trade. The full impact of the China Australia Free Trade Agreement (ChAFTA) is yet to be realised, likewise the Trans-Pacific Partnership (TPP). However, understanding the levers for long-term trade with China is essential to sustain demand for Australian products and services.

While China has received a lot of attention in recent years, India appears to be gaining some attention now. Bilateral trade with India peaked from 2008 to 2012, before declining due to falls in commodity prices. There have been encouraging increases in two way-trade with India since 2014 (but not to previous levels), with exports predominately from the resource sector and education-related travel (Department of Foreign Affairs and Trade, 2014a). There is emerging recognition of the potential of India as a significant economic partner, especially its growing infrastructure and investment needs. Final negotiations in progress for the Australia-India Comprehensive Economic Cooperation Agreement (CECA) may further boost these opportunities. This is supported by independent modelling indicating a net increase in Australia's gross domestic product (GDP) by up to A\$45.5 billion expected as a result of the CECA (Department of Foreign Affairs and Trade 2014b).

International education and tourism are key Australian exports of particular note. China is Australia's number one source country for international student enrolments (26 per cent) and India is the second source country (11 per cent) (Department of Education and Training, 2015a). Regarding tourism, Chinese visitors peaked for the first time at one million during the 12-month period ending in November 2015 (Tourism Australia, 2016) and India was one of the

fastest growing source countries, with visitors in November 2015 up 20 per cent on the previous year (Tourism Research Australia, 2015a).

The significant visitor numbers from China and India (many of whom are growing to be the 'new rich', mobile and globally-orientated middle class) are driving the need for 'brand Australia'. Based on February 2016 estimates from the United Nations, China's population is 1.38 billion with a median age of 37 years, and India's population is 1.32 billion with a median age of 27 years (Worldmeters, n.d.). While perceived to be a young nation—and in comparison to China and India—Australia's 24 million population has a median age of 38 years (Australian Bureau of Statistics, 2016b).

Australia's increased economic involvement with China and India coincides with a significant increase over the past four decades in the size of Australia's Chinese and Indian populations. The Chinese and Indian communities' long-standing presence in Australia dates from the early-to-mid 19th century. Engaging in business and trade has always been a major feature of income-generating activities of these communities in Australia. Yet, their demographic composition has changed. Australia's Chinese and Indian diasporas, by the conceptualisation used in this report, is estimated to be at least 1.7 million people, many from middle class metropolitan centres in China and India. They are generally much better educated than the rest of the Australian population, and often use international higher education as a path to permanent residence in Australia. Many are using other ways into Australia, based on demand for their expertise, business and investment interests. In doing so, they display a changing pattern of skill specialisation, reflected in the occupations and industries they contribute to in Australia.

Despite some similarities, Australia's Chinese and Indian diasporas are very different and

not homogenous groups. They are diverse, characterised by a whole range of cultural, linguistic, religious and regional backgrounds and experiences. Their links to China and India vary. While some choose to abandon these links, others strengthen them after moving to Australia.

This report explores the experiences of the Australian Chinese and Australian Indian business diasporas. In highlighting their contribution, success and challenges, the strengths and advantages they represent emerge. It considers ways in which Australia could realise these advantages through policy and practices. This project centres on the Chinese and Indian diasporas as case studies, however, the methodology is highly applicable to considering Australia's other Asian diasporas. This is especially relevant, with the ASEAN countries, notably Indonesia, Vietnam and the Philippines, expected to be the next emerging Asian economic powers, based on being the world's centre for manufacturing and increased consumerism.

Research methodology

Research undertaken for this project included drawing on readily available statistics and data, literature reviews, desktop research and commissioned work from the Australian Bureau of Statistics on Census data variables. Two independent reports were also commissioned; one on comparing country policies towards engaging the Chinese and Indian diasporas, and the other that consolidated known data from many agencies on Australia's Chinese and Indian diasporas.

Two customised data reports were obtained from the Australian Bureau of Statistics relating to demographical, occupation and business ownerships features of Chinese and Indian migrants. This work was then consolidated and

further developed through a commissioned report (see Liu 2016). A country comparisons report was also commissioned, investigating policy directions on how other nations regards their own Chinese and Indian business diasporas (see Cheng, 2016). The project's Expert Working Group selected a focus on China and India and the United States, Canada, Germany and Singapore for this work, with additional analysis conducted on Ireland and Israel. Incorporating the United Kingdom and New Zealand was deemed less relevant at this point in time, yet worthy of similar analysis. The Liu and Cheng reports can be found on the ACOLA website.

Supplementing this, were interviews, focus groups and consultations. A total of 104 people participated in face-to-face and telephone interviews and three focus groups held in Brisbane and Adelaide. Participants were mostly business owners and senior executives from the Australian Chinese and Indian diasporas, so as to deepen an understanding of successes, strengths and opportunities for maximising people-to-people links with Asia. A total of 39 interviewees were members of the Chinese business diaspora, and 25 from the Indian business diaspora. Consultations were also held with leaders from business councils (9 people); government departments and agencies, regulatory bodies (16 people), corporates (5 people) and academics (10 people) (refer to details in the *Evidence Gathering* section).

The project also sourced quantitative data on the diasporas' economic contribution from a national online survey aimed at Australia's Chinese and Indian business diasporas. The purpose of the survey was to capture general quantitative data on the type of business they own or operate in Australia, the nature and extent of any overseas business interests, the importance of networks and policy settings, their perceptions and attitudes on being in business in Australia, the

opportunities they create and the challenges they face. The survey was disseminated to 1,845 contacts. It yielded indicative results that support themes emerging from the interviews, but the response rate is statistically insufficient, so details are not included in this report. However, the survey did offer a qualitative experience of note. When individuals and associations were asked about any perceived challenges or concerns regarding the survey, responses pointed to suspicions towards government, data collection and reporting, a 'commercial in confidence' and cultural disposition of not wanting to disclose business detail, and possible uncertainty about how survey respondents position themselves within Australia's policy frameworks. These tensions were evident throughout this project.

In quantifying the size and nature of the Asian diasporas' contribution to the Australian economy, a number of significant challenges arose—some practical, others conceptual. The project attempted to determine the scope of the diaspora's business ownership, both here in Australia and overseas. It discovered relevant data across a number of entities, predominately the Australian Bureau of Statistics, Australian Taxation Office, Department of Immigration and Border Protection, Department of Foreign Affairs and Trade, and Austrade. The categories of data collection centred mainly on mapping characteristics of first generation migrants, permanent residents, and work visa holders.

Conceptually, however, challenges relating to quantitative data are more serious. These challenges relate to the assumptions that might underpin data collection and the lack of data consistent with the conceptualisation of business diasporas, transnational attachments, networks and connectivities. Much of the available information is based on country of birth, arrivals to and departures from Australia, and other data categories are insufficient (see examples in section 3.6 *Contribution to the Australian economy*).

Additionally, the research found that information is piecemeal across these agencies, spanning differing time frames and factors for analysis. There appear to be 'data silos', where individual agencies are collating their own data for their own purposes. As a result, the project's quantitative enquiry proved problematic and the accounts incomplete.

Understanding, statistically, the longitudinal dynamics of the business diasporas' activity highlights potential changes to the role, focus and capabilities of extensive data collation initiatives in Australia, such as the Census, the Household, Income, and Labour Dynamics of Australia (HILDA) survey, and the Expanded Analytical Business Longitudinal Database (EABLD). Economic modelling from a diaspora perspective would be helpful in identifying the relationships between economic activity and outputs generated by the business diasporas, both in Australia and overseas (this is discussed further in section 3.6 *Contribution to the Australian economy*).

The Expert Working Group

A multidisciplinary Expert Working Group formed in early 2015 guided each stage of the project. The group convened four face-to-face meetings between July 2015 and February 2016, and held four telephone conferences. Representatives from the Office of the Chief Scientist, the Australian Council of Learned Academies (ACOLA) and the Australian Academy of the Humanities also participated in these meetings. The Expert Working Group began by developing a coherent approach to addressing the project's terms of reference. It established a conceptual definition of business diasporas to focus the project and associated research activities. In addition, one group consultation meeting also took place with industry stakeholders, government and agency representatives and academics at the beginning of the project to seek feedback on the relevance and possibilities of the research and its findings.



1

The diaspora advantage and the new economy

The Diversity Council Australia estimates the proportion of people who identify as being of Asian origin living and working in Australia to be around 17 per cent. According to Census data, recent Asian immigrants to Australia are well-educated, globally connected and participate across all sectors of the Australian economy. More significantly, they are involved in various forms of transnational business activity, creating a complex network of 'Asian business diasporas' that are highly active in circulating ideas, knowledge, people and capital. These business diasporas are making a significant contribution to Australia, especially as the economy is increasingly reliant on Asian markets and a culture of innovation and entrepreneurialism. As Australia seeks to transition from an economy based largely on exporting resources, minerals and agricultural goods to an economy producing and exchanging services across international borders, it has a diaspora advantage. This report highlights the need to more adequately recognise, understand, celebrate and use this diaspora advantage, to assist in maximising Australia's economic future in Asia.



This introductory chapter presents a conceptualisation of diasporas that captures their dynamism, mobility and connectivities in ways that traditional notions of migration and migrant settlement do not. It introduces the concept of 'diaspora advantage' as a way of demonstrating the major advantage to Australia created by the language skills, cultural capabilities, personal and emotional connections that many Asian Australians often have with their country of family origin, as well as their access to extensive regional and global networks. Much of their business activity takes place in a 'transnational economic space', a dynamic and fluid space created by the forces of economic globalisation and characterised by enterprise, innovation, risk-taking and the ability to work across national and cultural borders. In a transitioning economy, it is essential to recognise and maximise the advantages of these transnational business networks, cultural knowledge, intercultural skills and entrepreneurial energy possessed by many within the Asian business diaspora.

1.1 Introduction

Australia's economic future

Over the past four decades, Australians have increasingly recognised that the nation's economic future lies within the Asian region. Numerous reports, dating back to the *Fitzgerald Report* (Fitzgerald, 1978) and *Garnaut Report* (Garnaut, 1989) have highlighted how Australia's national interests are now inextricably tied to Asia. More recently, an Australian Government white paper, *Australia in the Asian Century* (Henry et al., 2012), described the growing footprint of Australian businesses, investors and entrepreneurs across the region, and how Australia might expand this footprint. The current Government has repeatedly spoken of the importance of deepening economic, political and cultural ties with Asia and has introduced several initiatives to enhance these relationships with countries across the region.

Every section of the Australian community could strengthen links with Asia, but Australia's Asian communities are uniquely placed to play a leading role, given their language skills, cultural understanding and networks within the region.

Australia's Asian diaspora

This report adopts the notion of *diaspora* to capture a broader and more contemporary notion of Australia's Asian communities that transcends traditional categories of migrant, ethnicity and assimilation. Transnationally networked, fluid and dynamic diaspora communities include not only first generation immigrants but also subsequent Australian-born generations, people of mixed cultural backgrounds, permanent residents, those on temporary work visas, and some long-term international students who remain connected to their country of family origin while living and working in Australia. Based on this broader definition, the size of Asian diaspora communities in Australia—those who self-identify as 'Asian' (O'Leary 2015, p. 9)—is now considered to be

around four million (or 17 per cent) of Australia's population. The breakdown of country of family origin for this population is unknown at this point. Regardless, this is much larger than the number of Asian-born immigrants.

Australia's Asia diaspora have access to, and remain in regular contact with, extensive global networks. When these networks are activated for the purpose of trade and investment, their business activities occur in the *transnational economic space*. This is a dynamic and flexible, virtual and physical space where ideas, knowledge, people and capital are circulated globally for the purpose of trade, investment and collaboration. This idea of the transnational economic space moves beyond the notion of linear, bilateral trade relationships—business no longer happens 'here' or 'there'. The transnational economic space highlights the globally interactive nature of economic activity.

The term *business diasporas* is used to guide understanding of the phenomenon of diasporas in the transnational economic space, and the opportunities this creates for Australia. This term refers to those within the Asian diasporas who are engaged in some form of business activity and are in Australia for an extended period, with or without the intention of permanent residency. This report highlights the strengths of Australia's Asian business diasporas and the advantage they represent in furthering Australia's economic future in Asia.

The Asian business diasporas use their language skills, cultural knowledge and global networks. Their activities are bolstered by their high mobility and ability to engage in and realise the benefits of circulating ideas, opportunities, people and capital around the world. Their enthusiasm, entrepreneurial energy and preparedness to take risks drives these connections. The strengths of the Asian business diasporas have accelerated the development and maintenance of trusted people-to-people links that provide real-time information on cultural and political changes, emerging markets and business opportunities. These characteristics represent the *diaspora advantage*.

The potential of the Asian business diasporas

This report finds that Australia could more adequately identify, analyse and appreciate the capabilities and activities of Australia's Asian business diasporas, as they represent an economic advantage that Australia can ill afford to overlook. When supported and encouraged, the Asian business diasporas have the potential to make a greater contribution to realising Australia's strategic interests in, and with, Asia.

This conclusion is forcefully articulated in an earlier Australian Council of Learned Academies (ACOLA) report, *Australia's Competitive Advantage* (Withers et al., 2015) where Australia's increasingly diverse population 'with extensive links throughout the region and beyond could be leveraged to create global businesses linkages, especially now in Asia'. Specifically, the ACOLA report *Smart Engagement with Asia: Leveraging language, research and culture* (Ang, Tambiah and Mar, 2015) focused on the value of research collaborations between Australia and Asia. It finds that many of these collaborations are initiated, facilitated, and strengthened by Asian science and research diasporas in Australia. Referred to as the *research diaspora*, this diaspora includes transnational academics and those involved in private and publically funded bilateral and international research initiatives. *Smart Engagement with Asia* finds that a major challenge facing Australia is to develop mechanisms through which its considerable diaspora resources might not only be recognised and celebrated but also better utilised for long term, mutually beneficial relations.

The notion of Asia

This report builds on those insights and focuses on Australia's Asian business diasporas. However, this report uses the notion of 'Asia' with care—acknowledging the multiple, complex and contested ways in which the idea of Asia is used and understood.

The geographical region of Asia includes a wide variety of cultural, political and religious

traditions. Its borders are seldom clear, and have been imagined in a variety of different ways (Anderson, 1983). Until recently, for example, in Australia, 'Asia' suggested East Asia. In the United Kingdom it mostly referred to South Asia. The diverse meanings reflect particular political histories and interests. The United Kingdom's colonial history and patterns of migration directed its focus on South Asia, while Australia's focus on East Asia emerged from its geographical location and trade relations. The meaning of Asia has also shifted, with new configurations such as Asia-Pacific and Indo-Pacific reflecting changing regional politics. In addition, Asia cannot be considered a homogenous market, as each Asian country has a markedly different economy.

Recognising the various ambiguities, this report uses the term Asia broadly to cover the countries of East Asia, Southeast Asia and South Asia. This is in line with the widely understood idea of Asia in both a policy and public context.

Based on this approach, this report explores the potential and activities of Australian Asian business diasporas, as well as the challenges they face in making the kind of contribution to Australia they feel capable of making and would like to make. Chapter 2 provides a specific focus on Australia's Chinese and Indian diasporas as case studies from which broader inferences about other Asian diaspora communities might be drawn. Chapter 3 discusses the activities of Australia's Chinese and Indian business diasporas in more detail, where various modes of investment, production and consumption involve regional and international collaboration. Through an understanding of the experiences of Australia's Chinese and Indian business diasporas, Chapter 4 offers deeper insights about the ways in which these communities exploit the opportunities they have, as well as the challenges they face. Chapter 5 considers how other nations regard their own Asian diasporas for the purpose of trade, investment and innovation, as a way of identifying institutional and organisational practices, policy settings and broader community dynamics that might strengthen the contribution of the Asian business diasporas to the Australian economy and society.

1.2 Australia's Asian business diasporas

Snapshot of Australia's Asian populations

Recent data estimates that in 2015 around 28 per cent of Australia's resident population was born overseas, with the two largest Asian populations born in China and India (Australian Bureau of Statistics, 2016a). Census data from 2011 estimates place Australia's China-born population at 447,400 people and Australia's India-born population at 397,200 people. Since 2007 the number of permanent migrants from China has doubled and the number of permanent migrants from India has tripled. This only includes those born overseas—the number of Asian-Australians is much larger than new migrants. As shown in the next chapter, Asian Australians are well-educated in comparison to the broader Australian community and remain in regular contact with family, friends and contacts around the world.

The notion of migration does not fully capture the size, nature and experiences of people of Asian origins now living and working in Australia. Migration is an administrative and legal concept, bestowing citizenship, which does not take into account the broader populations of citizens, and permanent and temporary residents who identify with Australia while retaining an emotional connection to their country of family origin. Nor does it adequately provide a contemporary account of the ways in which Asian Australians relate simultaneously to both Australia and their country of family origin, and sometimes also elsewhere. For example, Australians from South East Asia who have connections to both China and a South East Asian country, and Fijian or South African born Indians who maintain ties to both nations.

Migration is often interpreted as a permanent move with the prospect of assimilating into a new country. As a result, it is conceived in terms of a range of binaries, such as here/there, arrivals/departures and host/home. These binaries are no longer as valid as they might have been in the past, and it therefore follows that migration is no longer what it was considered to be in the past.

These binaries assume a logic of assimilation. Yet, experiences of transnational mobility are more fluid, flexible and dynamic. The link between migrant communities and their homelands has become more difficult to define and perhaps more precarious (Hall, 1993). Accordingly, *diaspora* is used in this report to more accurately reflect how people of Asian origins in Australia can now participate in the social, cultural and economic life of both Australia and their country of family origin. For them, assimilation is neither required nor necessarily desirable. Displacement is no longer inevitable.

The changing notion of diasporas

Traditionally, the idea of diaspora referred to the condition of being in exile. The Jewish diaspora consisted of the Jewish people scattered around the world as a result of their persecution. In this way, diasporas were viewed as victims from dual perspectives, as displaced from their country of origin and living as aliens in another country (Tung and Chung, 2010, p. 372). The contemporary notion of diaspora has been widely applied to a whole range of communities, focusing not so much on displacement and assimilation, but on transnational connectivities and linkages that have now become possible, even desirable. Contemporary diasporas are characterised as people belonging to a community and remaining connected to each other while dispersed across the globe. They self-identify as being a member of the diaspora and choose to maintain ongoing links to a common homeland or place of family origin. Their leaving or arriving is never complete, but involves continual processes of construction and reconstruction based on historical, political and economic forces.

Based on these theoretical considerations, Asian diasporas are characterised by five ever present and interrelated features. Members of diaspora communities make a *claim* to a country of family origin, regardless of time away from that country. They not only *identify* with this claim but also have an *emotional attachment* to what their country of family origin represents to them. The diasporas are *dispersed, yet remain highly connected* with each other, and individuals can easily activate these connections as and

when needed. Finally, individuals are *recognised and accepted within their communities* as being diaspora members. These characteristics allow for a broader interpretation of diasporas, providing for a richer socio-political understanding of transnational dynamics.

This conceptualisation captures (but is not necessarily limited to) Asian-born immigrants and their Australian-born descendants, those of mixed cultural backgrounds, those on temporary work visas, and long-term international students who have an affinity with Australia while remaining connected to 'home'. To illustrate, the estimated size and composition of two largest Asian populations living and working in Australia—the Chinese and Indian diasporas—is at least 1.7 million people, with the Chinese diasporas accounting for around 1.2 million people and the Indian diasporas accounting for just over 600,000 (Liu, 2016).

The inclusion of temporary residents is not limited to the period of time they live in Australia. They are emerging as highly valued members of the diasporas (and to Australia) after they return home. Temporary residents experience Australia by living, working and studying here, while maintaining their own cultural ties. When they leave, they share positive feelings for Australia with friends, family and others within their network. They maintain connections made while in Australia, furthering their global networks. When temporary residents return home, or go elsewhere, they may use these experiences and new connections to further their careers and business activities.

The contribution of diasporas

All members of the diasporas provide their view of Australia to their network. Through the information they share and the stories they tell, a significant global audience sees Australia through the diasporas' eyes. In many ways, Australia's Asian business diasporas are powerful advocates for Australia.

Diasporas represent relationships between globally dispersed, yet collectively self-identified ethnic groups across places where the diaspora

live and their homeland states and ancestral contexts (Vertovec, 2009a, p. 4). This suggests that diaspora communities can establish and easily activate global, social, economic, political and environmental networks to help build the capacity of both their home and host countries. The diaspora phenomenon is dynamic and complex. It can no longer be viewed necessarily as a *brain loss* or *brain drain* from the country of origin, nor a *brain gain* for the country of residency. Increasingly diaspora experiences involve *brain circulation*, through ongoing and fluid movement of knowledge, ideas and people.

This is supported by rapid changes to the modalities of mobility. Developments in communication, transport and other technologies have transformed the drivers of migration processes and experiences, enhancing the capacity to keep in touch with friends and family around the world. This shifts people's sense of belonging by potentially embedding them in more than one country. These developments have changed the sense that many Asian Australians have of belonging simultaneously to more than one country. Dual, multiple and flexible forms of citizenship have become increasingly possible and popular.

In recent years, a number of scholars and policy makers have shown diasporas to be an important aspect of economic productivity and growth. Diasporas are a potent economic force, irrespective of policy settings or frameworks in their country of residence. Research shows they play a role in facilitating transnational trade, foreign direct investment and the transfer of knowledge and skills, spurring innovation and collaboration (Cheng, 2016, p. 5).

One longitudinal study indicates that between 1970 and 2010, Chinese immigrants across 147 countries increased trade openness by 31 per cent, enhanced investment by 18 per cent and improved other productivity effects by 51 per cent in their country of residence (Priebe and Rudolf, 2015). While significant, the study only focused on new migrants, not diasporas as defined in this report, and was limited to migration data and official statistics on business ownership and economic activity over time.

Indian business diasporas have also been recognised for their role in developing the information and communications technology (ICT) sector in the United States, where an estimated 25 per cent of immigrant-founded transnational engineering and scientific companies were established by Indian diasporas, most notably in Silicon Valley (Chand, 2015).

To identify and recognise the impact of Australia's Asian diaspora on trade, investment and innovation—especially during a time when Australia's economic future is focused on Asia—this project centred on *Asian business diasporas*. Business diasporas capture those within the wider diasporas who are engaged in some form of business activity and are in Australia for an extended period, with or without the intention of permanent residency. Yet there were challenges in defining the scale of the business diasporas—the number of people within the diasporas involved in business activities—given current collation methods and deficiencies in business ownership data, and the challenges of accurately measuring those who self-identify as being diaspora.

However, Australian migration data focused on those born in China and India, shows their business activities include employment in the corporate sector, networked business activity (such as franchising and licensing models), representing overseas business interests, and business ownership and investment. The majority of Australia's China-born and India-born populations are employees and are well-represented in knowledge and technology-based, service-orientated industries. This is mostly in the professions and in science, technological, engineering and mathematical (STEM) fields. This might be attributed to Australia's point-tested visa programs that prioritise such skills.

Australian Census and other related data indicates a marked increase over the last decade in Australian business ownership and investment visa applications by China-born and India-born diasporas. Figures suggest about 28,800 enterprises are owned by those born in China and 16,700 enterprises are owned by those born in India (Liu, 2016, p. 19). Between 2006 and

2011, businesses owned by Australia's China-born population rose 40 per cent and businesses owned by Australia's India-born population rose by 72 per cent (mostly small to medium enterprises (SMEs). China, as the largest source country, accounted for nearly 90 per cent of all *Business Innovation and Investment Visa* program applications between 2012 to 2015, with nearly all being granted (ibid, p. 17).

However, such immigration-based data only partially maps the nature and extent of the Asian business diasporas in Australia. The data focuses on new migrants and those born in Asia, and excludes those captured in this report's conceptualisation of diaspora. It also does not provide detail on the Asian business diaspora's direct and indirect economic contribution to Australia, how they are transforming industries, and how they are realising their strengths to increase their business activities both here in Australia and overseas. Economic modelling along these lines would be helpful in identifying the relationships between economic activity and outputs generated by the business diasporas, both within Australia and transnationally. This would better inform policy would, especially in a time of great mobility of capital, to improve incentives and to assist with the better management of transnational trade, investment and innovation.

Finding 1: Australia's Asian business diasporas are a rich source of innovation, enterprise and entrepreneurialism. Their growing size and contribution to the Australian economy, as well as their potential, is an under-utilised resource for further enhancing Australia's engagement with Asia.

Strategic engagement with diasporas

Other nations are beginning to recognise the importance of their resident and globally dispersed business diasporas, and some have taken steps to engage with them. This includes: exploring more flexible forms of citizenship; introducing policies to encourage the circulation of people and capital for the purposes of research collaboration, innovation and commercialisation;

and helping diasporas maintain cultural connectivities with their countries of family origin.

As a result, these nations are beginning to strategically position their diasporas to further engage in transnational business activities, in the nation's interests. However, these efforts appear to mirror the traditional binaries of migration and have not fully captured the dynamism and mobility of contemporary diasporas. This report pursues how the conceptualisation of diaspora may be better suited to understanding the ways in which Asian business diasporas operate and how their strengths and activities could be supported through mutually beneficial national initiatives.

Finding 2: Beyond the traditional concepts of migration and migrant settlement, the broader notion of diaspora more adequately describes how people of Asian origins living and working in Australia maintain emotional and cultural links with their country of origin, and use their transnational networks to extend business activities and opportunities.

1.3 The diaspora advantage

Business activities

A large proportion of Australia's Asian diasporas are already engaged in business and trading across Australia and Asia. Many are involved in key knowledge-based service industries as creators and consumers of knowledge, products and services. They are playing an increasingly significant role as transnational investors, creators, mediators and consumers. Mobile phones, the Internet and related developments such as Skype, Facebook and WeChat, speed up the flow of information and ideas. This allows Asian business diasporas to operate and connect regardless of their physical location. They can accelerate the establishment of trusted people-to-people links and obtain knowledge of the local culture, emerging markets and business opportunities—reflecting Benkler's dimensions of the 'networked information economy' (Benkler, 2006, p. 3). Through this ability to operate in

two or more locations with ease, the business diasporas have capabilities to do more for, and by, themselves. They are not constrained by having to organise relationships through hierarchical models of social and economic organisation (ibid, p. 8). This allows for the transformation of relationships, resources and business activities in a highly responsive way, where and when needed.

This project involved just over 100 interviews, mainly with members of the Chinese and Indian business diasporas. The interviews suggested the business diasporas' propensity towards circulation and connectivity—becoming locally embedded in Australia while remaining connected to their friends and family around the world. Diaspora connectivities appear to be multifaceted, borderless and highly valued. Connections are forged through friends and family, educational alumni, business colleagues, professional networks, associations and clubs, as well as through engaging in respective cultural communities and other pursuits of shared interest. They maintain relationships through online communication and affordable travel, which help create extensive networks that are internationally dispersed and highly mobile, not constrained by location or nation, and that are timeless with 24/7 instant updates. For instance, the interviews revealed that the diasporas communicate with friends and family around the world at least daily or multiple times during the week. They also travelled to their country of family origin for a range of business and personal reasons. This ranged from twice a year or more to more intermittent travel.

Through their experiences, they have developed a wealth of knowledge on how to effectively build and sustain transnational business operations. Their networks allow them direct access to deep, real-time local knowledge to assist the effective navigation and management within local markets (PwC, 2013), as well as to seize business opportunities as they arise in their country of family origin and elsewhere. Such valuable information on the strengths and weaknesses of business opportunities needs to be assessed in a deeply nuanced way. This is something the diasporas are well positioned

to do, given their cultural capability. Australia's geographical proximity to Asia also offers a unique advantage as the diasporas can physically and virtually circulate between 'homes' with great ease and affordability.

Business opportunities

Australia's Asian communities could enable Australia to immerse itself in the vibrancy and multifaceted growth that characterises contemporary Asia, and therefore to benefit from transnational stimuli and productivity in fields as varied as business, research, education and the cultural and creative industries. These industries have been linked to what has been referred to as the 'creative economy', where new systems of technological creativity and entrepreneurship make for new and more effective models for producing goods and services (Florida, 2002, p. 48). Central to the creative economy are the 'creative class'—the knowledge-workers, intellectuals, innovators and artists who have been shown to bring economic growth to nations that nurture talent, tolerance and technological advancements (2002). More recent commentary focuses on public policy frameworks and pathways that connect creativity and innovation with economic development (see UNESCO Creative Economy Report 2013 and Cunningham 2012, 2013). Australia's Asian diasporas are strongly represented within the creative class and potentially bring with them new ideas, high-tech capabilities and regional outlook.

This report refers to these significant benefits as the *diaspora advantage*. The Australia's Asian diasporas' advantage includes their language skills, cultural understanding and global networks that are used to accelerate the circulation of ideas, opportunities and resources for the purpose of business around the world. Their enthusiasm, entrepreneurial energy and preparedness to take risks further drive this engagement.

The Australia's business diasporas represent particularly adaptive forms of social organisation for the purpose of trade, investment and

commercial collaboration in Asia. They are shown to be inherently agile, with entrepreneurial energy and capacity for enterprise and innovation. The more integrated they become into the Australian community, the greater their potential to share cultural knowledge, establish energetic and sustainable links, and shape economic reforms.

Finding 3: The idea of diaspora advantage suggests how the linguistic skills, cultural knowledge and global networks constitute an advantage that not only benefits the members of the Asian diasporas but also helps Australia extend its economic links with Asia, and promotes a culture of innovation within the transnational economic space.

To fully realise the diaspora advantage Australia needs to map and appreciate its nature and extent, especially as Australia's economic focus and future is linked with Asia. In identifying opportunities for Australia's Asian business diasporas, the challenges and impediments they face also become more apparent. In turn, these issues highlight where improvements to Australia's policy settings and knowledge systems may maximise economic links with Asia.

1.4 The business diasporas in transitioning economies

Profound global change

The 21st century has seen profound global economic, social and strategic transformations, largely catalysed by the major developments in Asia. Asia's rapid industrialisation and urbanisation is transforming the global commodity market. Improved and sophisticated production methods are transforming Asia into a global innovation hub. Asia's emerging mobile middle class is transforming the global consumer market.

Nearly each of the high-performing economies of Asia has deliberately used the benefits of regional and global integration to expand trade. To grow

employment opportunities for their people, these economies have supported capital investments, taking advantage of the globalisation of labour markets. While the rise of Asia has been uneven, the region as a whole has positioned itself as the new growth engine of the world economy (Credit Suisse, 2012). Abundant labour and integrated global production chains have enabled Asia to take the advantage in manufacturing many of the products the world consumes on a daily basis.

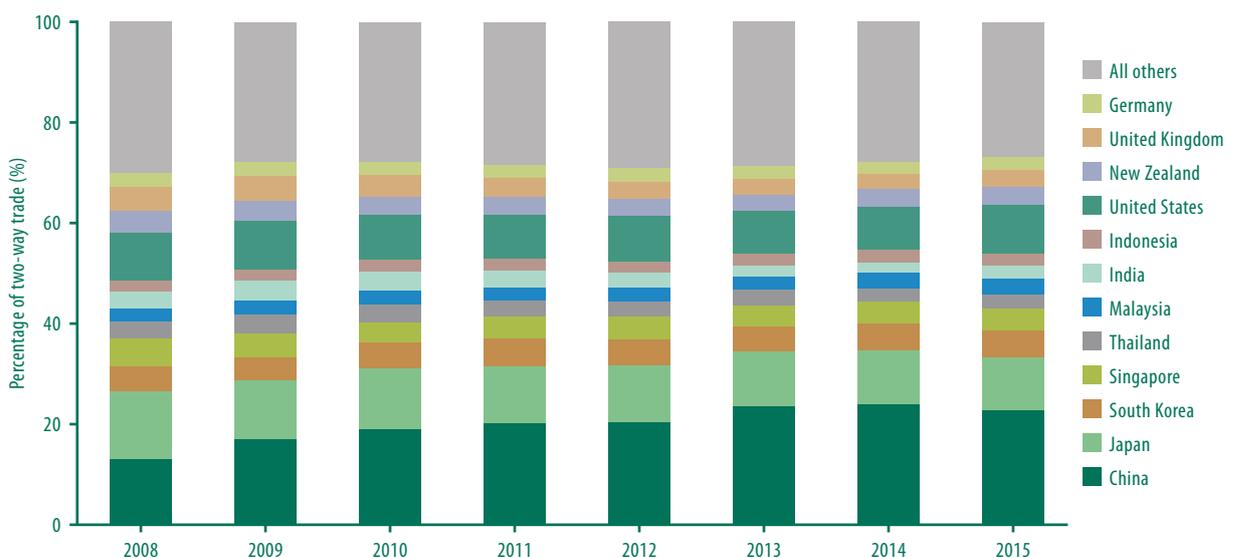
In many ways, the Australian economy has been transformed alongside Asia's, driven by changes within Asia and by Australia's ever deepening engagement within the region. Australia's increasing levels of two-way trade, investment and collaboration with Asia are well recognised. Australia is already significantly economically reliant on, and in partnership with, Asia. Figure 1.1 illustrates this, showing Australia's top trading partners as a percentage of overall two-way trade. As Figure 1.1 suggests, China has become Australia's number one trading partner. Since 2009, and in proportional terms, just over half Australia's two-way trade is conducted with countries of South Asia, Southeast Asia and East Asia (Australian Trade Commission, 2014; Department of Foreign Affairs and Trade, 2015a).

The continual rise of service industries

Asia's transitioning economy has demanded mining products and other tangible resources, significantly supporting these and related industries in Australia. As Asia continues to improve its production capabilities and consumer interests, the demand for intangible, highly valued services will grow. With service industries now accounting for over 70 per cent of the Australian economy (Connolly and Lewis, 2010), Australia has surpassed a reliance on mining and resources (Connolly and Lewis, 2010).

Figure 1.2 shows Australian industries' average annual growth rates (by real gross value added) from 1991–92 to 2014–15. Knowledge-based service industries are the standout performers year-on-year. Specifically, the industries with an average annual growth of 4.5 per cent or more over the past three decades are: information, media and technology; financial and insurance; construction; and professional, scientific and technical service industries (Australian Trade Commission, 2016a). This report recognises that the division between physical goods and intangible services is a simplification, as these

Figure 1.1: Australia's top trading partners as a percentage of two-way trade activity from 2008 to 2015



Sources: Australian Trade Commission, 2014; Department of Foreign Affairs and Trade, 2015a.

are not discrete categories. It is more appropriate therefore to view goods and services on a continuum with pure service at one end and pure goods at the other. Engineering, for example, falls between these two extremes, since it is concerned both with physical objects and a service, in the provision of technical advice.

The business diasporas and foreign direct investment

As with two-way trade, Asian investment in Australia has also risen. At the end of 2014, the total value of foreign investment in Australia amounted to A\$2.8 trillion. Japan, Singapore, Hong Kong and China are some of the key Asian nations investing in Australia.

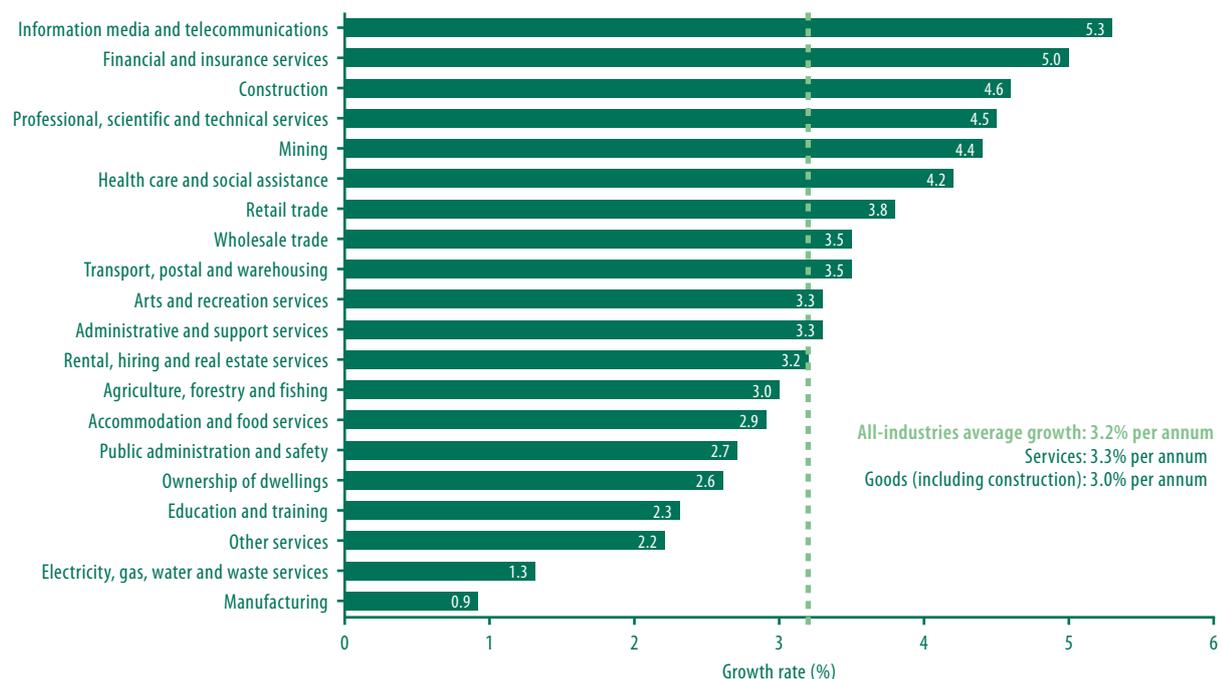
Figure 1.3 shows the percentage distribution of investment from the top Asian nations that have invested consistently in Australia since 2008. These Asian countries featured consistently in the top 20 investor countries during these years and this data excludes all non-Asian nations (Australian Bureau of Statistics, 2014; Department of Foreign Affairs and Trade, 2014b). Figure 1.3 excludes non-Asian countries, as some North American and Europe nations are equally dominant in foreign investment in Australia.

Australian industries that attracted the most foreign investment approvals in 2013–14 were real estate, financial and insurance services, mineral exploration and development and manufacturing, likely reflecting Asia’s demand for commodities and consumer interest (Foreign Investment Review Board, 2015, p. 31).

Trade is becoming increasingly service-orientated and knowledge-based. This is the new economy. It is characterised by the emergence of an increasingly globalised economic space, with new modes of production and consumption, transnational supply chains and a focus on knowledge and a culture of innovation. The new economy is elevated by how producers, distributors and consumers use technology, which will continue to significantly change workplace operations, job design, international collaboration and competitive advantage (Manyika et al., 2013).

What this report aims to understand is the business diasporas’ contribution to Australia’s own transitioning economy. The Asian business diasporas’ global networks and the knowledge they possess are likely to be significantly influencing trade and investment decision-making processes regarding ‘what to buy’ and,

Figure 1.2: Annual average growth of Australian industries (by real gross value added) from 1991–92 to 2014–15



Source: Australian Trade Commission, 2016a, p.10.

perhaps more importantly to the diasporas, 'who to buy it from'. In forming these decisions, the global Asian business diasporas would have, or would at least have attempt to, engage with the diasporas in Australia for information and introductions. The same could be suggested for foreign direct investment in Australia. Japan has been Australia's key Asian investor (as shown in Figure 1.3). However, investment decisions made by Hong Kong and Singapore could be strongly influenced by their own significant Chinese populations, who may be connected with Australia's Chinese diasporas.

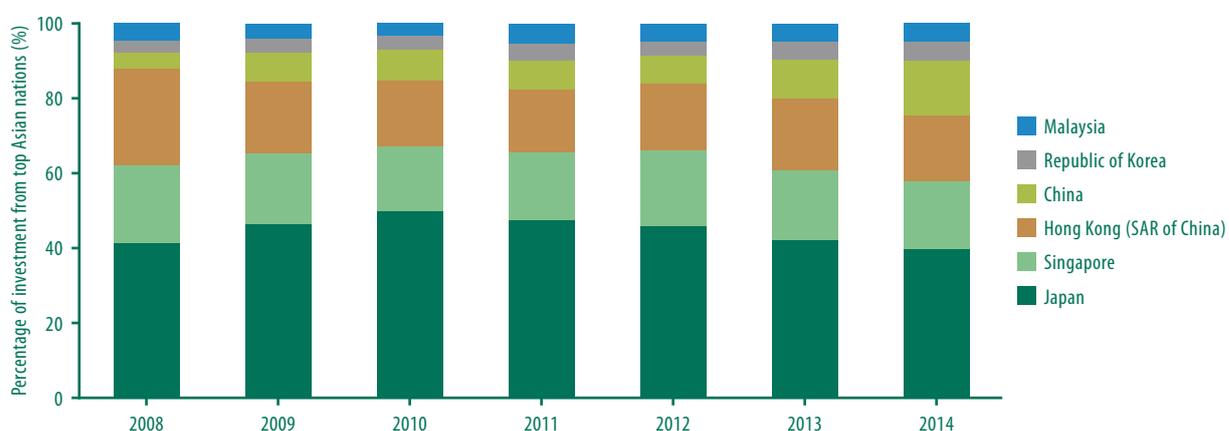
The two-way trade and foreign direct investment data collected does not consider the importance, contribution and circulation of remittances as foreign investment. For instance, in 2013 Indian families remitted to their children studying in Australia an estimated A\$1.4 billion and generated around 14,287 full-time equivalent jobs (Singh and Gatina, 2014, p. 6). Remittances go beyond support for education and extend to investing in housing, businesses, local consumerism and family reunion. This illustrates the flow-on effect of remittances and the need for 'measuring migrant-related money flows in business, trade and foreign direct investment' (Singh and Gatina, 2014, p. 6). It also highlights the problematic nature of data collation and analysis, as it does not fully capture the global circulation of capital or fully reveal the extent to which intensified relations between Asia and Australia have impacted the economy.

Asia-Australia relationships

Over the past few decades, Asia-Australia relationships have been supported by evolving policy frameworks that aim to advance existing economic exchanges. To this end, Australia has looked to innovation, infrastructure, tax and regulatory reform and greater collaborative relationships within the region. Trade easements and economic agreements between Australia and key Asian nations promise greater access to important export markets (such as Korea-Australia Free Trade Agreement, the China Australia Free Trade Agreement and current negotiations for the Australia-India Comprehensive Economic Cooperation Agreement). Multilateral institutions, regional and bilateral exchanges, and diplomatic measures to strengthen strategic alliances across the region have also been created, with the vision of building Asia-relevant capabilities within the Australian community. The *New Colombo Plan*, for example, has already proved popular with Australian students and also effectively enabled them to forge closer links with Asian universities and industries, and obtain a better understanding of the dynamic and diverse nature of Asian societies.

It is worth noting that programs such as the *Australia-India Strategic Research Fund (AISRF)* and *Australia-China Joint Research Centres (JRCs)* have promoted greater bilateral collaboration in research and the commercialisation of ideas. A large number of collaborative business

Figure 1.3: Percentage of investment from top Asian nations investing in Australia since 2008



Sources: Australian Bureau of Statistics, 2014; Department of Foreign Affairs and Trade, 2014b.

arrangements have also been established, with transfer of knowledge and expertise. The *Hugo Report* (Hugo et al., 2003) was one of the first reports to alert Australia to this. It revealed that the number of expatriate Australians living and working in Asia had increased over the past two decades, with work-related factors the most prevalent reasons (see also Hugo, 2008). While not the focus of this report—Australian's living and working in Asia—research on their potential contribution to the work of the Asian diasporas and to deepening economic links between Australia and Asia would be insightful.

Over the past two decades, Australian companies have established branches throughout Asia and outsourced some of their key functions to operations located in Asia. Australian banks have sought to become active facilitators of economic cooperation, with mixed outcomes.

There is little doubt that, in the decades ahead, trade and investment links between Australia and Asia will continue to grow. This provides new and exciting opportunities for Australian enterprises. The question is: how might the diasporas further help capture greater potential?

The flow of ideas and people will increase, with greater mobility of money resulting in new modes of production and consumption and transnational supply chains. The agile movement of capital and funding and the interconnectivity of human resources that enables sharing of knowledge and ideas are hallmarks of effective transnational supply chains in the new economy. This has led to 'long networks of interdependent producers, component suppliers and transporters—perhaps involving small, large and huge businesses—as well as wholesalers and retailers, brought together to service each other's needs by the compulsions of money and profits but with roots in different countries' (Kennedy, 2010, p. 69).

This challenges the traditional assumptions about trade, where business can only occur in a specific time and place. The new global economy is predicated upon economic interdependence among nations that could be politically, culturally

and ideologically different to one another (Droke, 2000). It follows that for international trade in goods to be cost-efficient and productive, cultural knowledge is needed, and national economies will become dependent on the extent to which they are able to exploit transnational diaspora networks. Where once it was about the wealth of nations, it can be argued that it is now about the wealth of networks across national borders (Benkler, 2006).

Australia's innovation productivity

For Australian enterprises to capitalise on the opportunities presented by a transnational economic space, innovation is a core requirement for success. Innovation can no longer be considered as something elusive or for the elite, but a practice that requires strategy and action.

Much empirical evidence points to the importance of innovation in enterprise competitiveness, and the positive impact on the national economy. However, the *Australian Innovation System Report* shows that 'Australia has one of the weakest levels of networking, collaborative innovation and business capacity to absorb and exploit external knowledge among OECD countries' (Office of the Chief Economist, 2014, p. 7). This was reinforced in *The role of science, research and technology in listing Australia's productivity* report (Bell et al., 2014) that found Australian companies and research institutions collaborate far less than in any other OECD nation thereby not stimulating innovation through collaboration. Australian large businesses were ranked 21st out of 32 OECD countries on the proportion of businesses innovating (from investing in research and development to international collaborations) (Office of the Chief Economist, 2014, p. 7). In contrast, Australian SMEs were found to be highly innovative by OECD standards, ranking 5th out of 29 OECD countries (Office of the Chief Economist, 2014, p. 7). Drawing on a range of Australian publications, the *Australian Innovation System Report* found the major impediments to business innovation were (among others) poor networking and collaboration, low levels of investment

in innovation, some fragmented Australian government policies, and business cultures that don't favour innovation and risk (Office of the Chief Economist, 2014, p. 7).

In seeking solutions to the impediments to innovation productivity, there have been calls to improve conditions to drive greater collaboration between businesses and publicly funded research. Australia's *Research & Development Tax Incentive* may be one avenue. Currently under the review, the incentive has received submissions that point its potential to be a catalyst for demand—for industry to become more active partners in national research and innovation efforts (Universities Australia, 2016). While financial drivers may prompt increased engagement, innovation productivity fundamentally relies on the interplay between science, technology, engineering and mathematics (STEM) and humanities, arts and social science (HASS) capabilities within collaborations. Innovation requires 'not only technical skills, but also an understanding of systems, cultures and how new ideas are adopted' report (Bell et al., 2014).

There are strengthening collaborations between Australia's research and business diasporas and relationships are growing with industry (see section 3.5 *Innovation and the business diasporas*). There is also strong recognition that Australia needs to create new pathways to bring together the research diasporas and business diasporas to pursue greater trade and investment with Asia.

Unlocking Australia's potential relies on understanding, anticipating, and leveraging the region's changing nature and possibilities. Innovation and entrepreneurialism, invigoration and creativity are required to fully realise Australia's possibilities in the region. Australia is often presented as being in a position of strength in the region; its locality, world-class institutions and multicultural highly-skilled workforce operating in a productive, resilient economy. While these features are not contested, consideration should also be given to the advantages that Australia's Asian business diasporas represent and how this has become more important than ever before.

1.5 Working towards the diaspora advantage

Recognising the economic importance of Asia

The Asian business diasporas are well placed to assist Australia through the economic transitions previously outlined and to deepen business links into Asia. To realise this, governments, institutions and industry need to better support diaspora strengths in transnational business activities. Creating favourable conditions for the business diasporas requires greater recognition and celebration of the importance of Asia in realising Australia's economic potential.

Public perceptions of Asia and Asians in Australia are becoming more positive (see the Lowy Institute Polls, Oliver 2014, 2015). As well as a more positive perception of Asia, there is specific recognition of the importance of China and India as economic partners. Such recognition heralds a move beyond policies of multiculturalism that supported passive tolerance and acceptance of diversity, towards deepening engagement with Australia's Asian communities as a resource to advance economic links to the region. As Papastergiadis (2016) notes, in a globalising world, the scope of belonging and forms of attachment change. The vitality of cultures and communities might be best measured by how connections are made and maintained.

Australia's success in promoting multiculturalism and productive diversity provides a strong basis for the development of new policies and programs that take into account experiences within the nation and also in the transnational space. Recent economic policies and collaborative research programs that aim to facilitate greater people-to-people links between Australia, China and India have been helpful. So too has an increased physical institutional and corporate presence through China and India. These moves in *people, policy and place*, as well as shifts in public attitudes towards Asia as a result of Australia's approach to multiculturalism, support the business aspirations and activities

of Asian business diasporas. They now feel more confident in being able to invest in new business ventures and pursue innovation.

Asia capability and glocality

The notion of Asia capability underlines the necessary knowledge, skills and attributes required for success in, and with, Asia. However, this has often set Asia apart from Australia, positioning Asia as something that can be readily understood and mastered. Asia is complex and diverse, as can be discerned just by looking at the two countries of China and India. Both nations present differences in economic relationships, political structures and cultural traditions. There are also differences relating to knowledge and information. Recognising the complex differences and historical sensitivities of knowledge-creation and information-sharing practices in China and India—indeed in any Asian country—is essential to improve business, policy processes and decision-making. For example, Australian processes may be perceived by the Asian diasporas as impediments or even discriminatory without a cultural understanding of their purpose and application. This signals a role for Australia's Asian business diasporas in brokering this understanding, as well as supporting Australian enterprises in recognising these differences. Their nuanced cultural knowledge and participation in the transnational economic space, allows the Asian business diasporas to anticipate and respond to the demands and opportunities Asia presents, while being alert to the needs of the broader Australian community.

During the interviews for this project, the Chinese and Indian business diasporas often describe turning to their own community and networks to realise their strengths and advantages. To them, connections within personal and family networks are often a more valuable source of support, especially when they need to interpret and negotiate complex regulations governing transnational business. They also assume that their business colleagues and clients across the diasporas, both in Australia and Asia, are more valuable than contacts outside the diasporas.

In the interviews, the Chinese and Indian diasporas spoke of their ability to easily activate their networks to speed up information sharing, facilitate introductions and spur 'on the ground' action, regardless of where they are in the world. Beyond the business benefits of these transnational connectivities there is a *glocal* cultural benefit (simultaneously globally orientated and locally embedded). As the Australian Chinese and Indian diasporas engage with their global networks and local ethnic business councils and cultural associations, they continually develop and master their own intercultural capabilities. At a local level, their participation contributes to building a confident cultural community within Australia. Examples from the interviews include participation in community cultural events (such as Lunar New Year and Diwali), ethnic business association networking activities, business award ceremonies and in the ethnic media. The interviewees suggest this *glocality* further enhances their advantage.

This presents opportunities for governments, associations and industries to improve the structures and mechanisms that facilitate greater engagement and alignment between diaspora interests and Australia's policy, research and knowledge systems. This report encourages: a shift in leadership thinking on the advantages Australia's Asian business diasporas represent; better development and resourcing of organisations and agencies that support trade and investment between Australia and Asia; and policy reform that encourages and supports connectivity, mobility and circulation for business, investment and innovation.

Finding 4: For Australia to further benefit from its diaspora advantage, its governments, businesses, and organisations need to ensure greater representation and participation of the Asian diasporas in the development of policies and programs that aim to strengthen Australia's economic, political and cultural relations with Asia.

Recognition and representation

The interviews with the Chinese and Indian diasporas also revealed numerous challenges including lack of recognition and representation, bureaucratic barriers, and the lack of clarity in both Australia and Asia about the rules of business activities across borders. The under-representation of Australia's Asian diasporas in public office, industry councils, business associations and in trade discussions and delegations is of key concern. Interviewees also specified the lack of representation of the Asian diasporas in peak bodies that promote Australia-Asia diplomacy, business relations and educational leadership. Research also shows that only around four per cent of Australia's top 200 publically listed companies have board directors of Asian descent (O'Leary, 2013, p. 3).

ACOLA's *Australia's Comparative Advantage* report noted that a culturally diverse society necessitates 'appropriate recognition and representation of 'non-mainstream' communities on councils and boards of non-profits, governments and business (Withers et al., 2015) not only for a sense of inclusivity but also to assure communities' access to resources and services, increase business networking, and regional research collaboration and public diplomacy. Under-representation extends to the media coverage and celebration of successful Australian Asian business diasporas. Greater recognition of achievements and leadership by Australians of Asian origins will assist in promoting the expertise and advantages they represent, as well as encouraging the development of opportunities for increased engagement. This is becoming more urgent in this Asia-centric era that demands the creation and diffusion of expertise, research collaboration, commercialisation of ideas and intercultural capability. The interviews with the business diasporas suggest that, while there is strong rhetoric on Australia's engagement with Asia, more work is needed to recognise the Asian business diasporas while challenges to realising the diaspora advantage persist.

How other nations regard their business diasporas

In considering Australia's options for providing greater support, it is useful to look at how other countries have approached the challenge of recognising and using the resources of their Asian diasporas. Much data collected by national governments are based on the traditional categories of inbound and outbound migrants. Given the focus on Chinese and Indian business diasporas, this report considers China and India's strategies and policies to learn how they regard their major globally dispersed diasporas—an estimated 40 to 65 million Chinese (the variance results from different affiliations attached to Hong Kong, Macau and Taiwan), and 25 million Indians. The Chinese and Indian governments are deeply conscious of their global diasporas and want to continue using the knowledge and skills of their emigrants who have settled elsewhere. In recent years these governments have become sharply focused on using the resources of their diasporas abroad to forge and sustain links for economic development, increased knowledge transfer and innovation collaboration. The Chinese and Indian governments are therefore working on strategies to overcome long-standing legal, political and administrative barriers to the participation of their diasporas abroad, for the benefit of the Chinese and Indian economies respectively.

Conversely, advanced economies, such as the United States, Canada, Germany and Singapore, mostly design policies to attract skilled immigrants for improved economic productivity. These economies, and others such as Hong Kong and the United Arab Emirates, have become highly dependent on immigrant labour and expertise (Tan, 2013; Wickramasekera, 2002). Several theorists argue that in an ideal liberalised economy, based on the principles of free trade, an equally free labour market should be encouraged where people can move just as freely as capital. In the European Union, the principle of regional mobility of labour, especially skilled labour, is widely supported, as is the recruitment of skilled labour from other

parts of the world. This is not surprising since the same overall global market parameters drive both immigrant and corporate economic interests to a significant degree, despite their different needs and interests. Both follow ‘the differential distribution of jobs, wages and market opportunities in the various parts of the world and...the pressures and possibilities generated by economic globalisation’ (Kennedy, 2010, p. 94). Even as nations find it necessary to influence and manage the flows of people, they recognise the importance of migration to economic productivity and growth.

In looking at the United States, Canada, Germany and Singapore, this report finds that the policies of these nations worked along migration binaries of inbound and outbound, focused on attracting new migrants and inviting their own global diasporas to return for the purposes of skill transfer, business and investment. The policies did not appear to adequately address the emerging phenomenon of diasporas—their dynamic circulation, connectivity and valued flexible forms of belonging, and how this could be articulated in financial incentives, ease of physical and resource mobility and citizenship options.

This suggests Australia has the potential to lead the world in developing policies and programs that encourage more effective engagement of the Asian business diasporas in building transnational networks for innovation, trade and investment.

Consider what Agunias and Newland (2012) refer to as the road map for maximising the economic potential for diasporas—namely mobilising

wealth via capital markets, facilitating diaspora investments, and transferring human capital through trade policies, visa programs and institutional practices. Elements of this align with the *National Innovation and Science Agenda* (NISA) and similar initiatives.

This highlights the potential role of the Australian Asian business diasporas in creating favourable social, economic, institutional, and technical conditions to support the ease of transnational circulation of ideas, knowledge, people and capital. Possibilities presented speak to increased representation and mobilisation of the diasporas in economic and trade policy formation, as well as in the public and private sectors positions. Mechanisms for greater engagement in business and investment programs and visa pathways are mentioned. Also noted is the need to connect the business diasporas with the research diasporas for innovation and commercialisation of ideas. Supporting these possibilities is boosting nation-wide Asia capability and ways in which sources of advice, support and educational outreach can accelerate transnational enterprise.

Finding 5: While most advanced economies have developed policies to attract highly skilled migrants, they have yet to develop strategies that accommodate the changing nature of the business diasporas’ experiences, motivations, and advantages in a globally interconnected economy. Australia is well positioned to take a leading role in developing such strategies.

Box 1.1: Realising the diaspora advantage

Throughout this report, and specifically in Chapter 5, are suggestions for better recognising and using Australia's Asian diasporas for deeper economic engagement with Asia and beyond.

Examples include:

Creating favourable social, economic, institutional and technological conditions that support the ease of transnational circulation of skills, knowledge, people and capital.

Mobilising the diasporas in the development and facilitation of transnational economic and trade policies, standards frameworks and regulatory regimes.

Identifying factors that could shape possible visa, citizenship and travel conditions to improve the ease of mobility in and out of Australia (and pathways to permanent residency).

Increasing authentic representation of the Asian business diasporas in leadership roles in the public and private sectors, and in consultative groups, research collaborations, business and cultural associations, media and awards and recognition programs.

Improving mechanisms for connecting the business diasporas with local and international STEM and HASS researchers for the purpose of innovation and commercialisation of ideas.

Actively consulting with the Asian business diasporas about agendas, programs and practices that aim to support Australian enterprises to expand into Asia, and support Asian businesses wanting to invest or establish operations in Australia.

Furthering the involvement of the business diasporas in pre-entry business education and outreach programs on Australia's business and investment regulatory systems.

Providing resources and funding for bilateral business associations to assist with forging and sustaining links between industry, government, research collaborations and educational alumni networks.

Establishing diaspora alumni programs that maintain ongoing relationships with temporary residents once they leave Australia.

Creating organisational environments that embed Asia capability and nurture the key features of the diaspora advantage.

Promoting the benefits of including HASS skills for greater Asia capability (namely entrepreneurialism and business skills, Asian languages and cultural studies) in schools, vocational and higher education.

2

Mapping the Chinese and Indian diasporas in Australia

To illustrate the contribution of the Asian business diasporas to the Australian economy, this chapter maps what is known about Australia's Chinese and Indian diasporas. It describes how the number of Chinese and Indian immigrants to Australia is growing. However, a focus on migrants does not adequately reveal how Chinese and Indian diasporas in Australia are now much larger, mobile and complex. The idea of diaspora broadens the focus beyond issues of ethnic identity to include transnational connectivities based on shared cultural histories. Diaspora communities are locally embedded within Australia, but are also connected to their countries of family origin and potentially to culturally aligned groups around the world. Transport and communication technologies have greatly enhanced transnational connectivities. Diaspora connectivity has increasingly become multifaceted, borderless and highly valued. New approaches to economic modelling that go beyond the traditional notions of migration and ethnicity would provide a more precise and full understand the nature and extent of the Chinese and Indian diasporas' economic contribution to Australia, and greatly assist public policy development.



2.1 Introduction

In the 19th century, Asian migrants contributed to the development of almost all sectors of the Australian economy. For example, Afghan immigrants built the roads and railways infrastructure in Australia, while the Chinese helped establish the restaurant, retail and manufacturing industries (Béja, 2002). The White Australia Policy interrupted this contribution for much of the 20th century, but it became active again from the mid-1960s (Megalogenis, 2014).

Asian countries are now the largest source of immigration to Australia. These immigrants represent a rich diversity of cultural and intellectual traditions. They contribute to all facets of Australian life in a variety of different ways, integrating into Australia in ways that appear seamless.

Changing attitudes are influencing the way Asian immigrants are integrating. Positive shifts in

community perceptions of multiculturalism have influenced how Asian immigrants experience Australian life, increasing their level of confidence in Australian institutions. They no longer expect to abandon links to their homelands, and can remain in regular contact with friends and family around the world. Many enjoy what has been referred to as 'transnational' lives (Vertovec, 2009b). Dual citizenship and residency options have become possible in numerous cases, and there are many people of Asian origins who live and work in Australia who are not immigrants but are still making a significant contribution to Australian society. In this sense, the traditional categories of migration, assimilation and integration are no longer adequate to describe the complex, diverse and dynamic ways in which Asian Australians help advance the Australian economy and society, while remaining engaged with their countries of origin.

As outlined in Chapter 1 in *Finding 2*, this report uses the term *diaspora* rather than *migrants* in describing and mapping Australia's Asian communities and their transnational networks.

Australian Asian business diasporas are highly varied and diverse. It is unrealistic and unhelpful to use sweeping generalisations. However, it is possible to provide a cautious account of the ways in which business diasporas operate and have the potential to contribute to the Australian economy and Australia's integration within the region. Illustrative case studies of particular diaspora communities are helpful to better understand this potential. Accordingly, this report presents case-studies of Australia's Chinese and Indian business diasporas. This is not only because they are two of the largest and fast growing business communities in Australia, but also because China is Australia's largest trade partner and India has the potential to become a much more is set to become highly economically significant partner. China and India also present two contrasting cases, both in relation to the nature of their economies and their cultural and political traditions. This chapter maps the Chinese and Indian diasporas' demographic composition in Australia and their experiences. Chapter 3 provides an account of their business experiences within key Australian industries. Together this provides a better understanding of the direct and indirect social and economic contribution of the Chinese and Indian business diasporas.

2.2 Chinese and Indian diasporas in Australia

History

The Chinese and Indian communities have a long presence in Australia, dating from the early-to-mid 19th century. Engaging in business and trade has been a feature of these communities and the way in which they generate income in Australia. For instance in the late 19th century, Indian hawkers used horse-drawn carts to trade in a variety of wares around country New South Wales

(Potts, 2006) and Victoria (Immigration Museum, VIC, 2009), while Chinese furniture manufacturers and traders had thriving businesses in Melbourne in the late 19th and very early 20th centuries (Collins, 2002a) and the famed Chinese market gardeners provided vegetables for Sydney and many other Australian towns.

Asian migration to Australia continued, even if sparsely, through periods of limited opportunity and historical policy obstruction. For example, Victoria's 1855 Immigration Restriction Act aimed to limit Chinese immigration, and the Federal Immigration Restriction Act in 1901 (widely known as the White Australia Policy) almost entirely halted it.

The introduction of the Migration Act in 1966 enabled a large number of Chinese and Indians to immigrate to Australia in the 1960s and 1970s, bringing with them a range of skills and entrepreneurial intent. To illustrate, just 4,470 China-born migrants arrived in Australia between 1941 and 1960, increasing to 10,102 from 1961 to 1980. The number of India-born migrants arriving in Australia from 1941 to 1960 was 3,991 and this grew to 21,914 from 1961 to 1980 (Liu 2016, p. 7). Some of these immigrants have become highly successful and are now major employers. While much of their business activity was initially located within Australia, some have taken full advantage of the Australian economy opening up to Asia (see Box 2.1 and 3.2 for examples).

From 1976, the introduction of a business migration category has drawn entrepreneurs with substantial investment funds into Australia, the vast majority of whom are from Asia (Tung and Chung 2010). More recently, visa categories targeting employment and business ownership have facilitated 'permanent entry of those who can make a positive contribution to Australia through their skills, qualifications, entrepreneurial spirit and employment potential' (Department of Immigration and Border Protection, 2015a).

The growing size of the Chinese and Indian diasporas in Australia has its origins in these policy shifts. The number of China-born migrants arriving in Australia from 1981 to 2000 was

107,123 and this increased to 182,834 from 2001 to 2011. For India-born migrants, 54,424 arrived in Australia from 1981 to 2000, increasing to 205,275 from 2001 to 2011 (Liu, 2016, p. 6).

Understanding how Chinese and Indian immigrants who arrived in Australia after the introduction of the Migration Act 1966 established diaspora networks and to what extent

they move into transnational business activities would provide rich detail of generational differences within the business diasporas. Such exploration would show to what extent changes in migration policies have enabled them to draw upon labour provided by new generations of immigrants, temporary work visa holders and international students.

Box 2.1: Examples of Chinese and Indian business diasporas in Australia

Mr Alec Fong Lim AM was born in Katherine in 1931. He is a second generation Australian whose maternal and paternal grandfathers arrived in the Northern Territory in the 1880s from Canton. In 1937, his father bought a general store in Smith Street, Darwin rather than in Cavanagh Street, China Town as may have been expected. He was told 'no Chinese can run a business in the white man's area'. The family went on to purchase Darwin's premier pub, the Victoria Hotel, in 1946. Mr Lim had ambitions to study law. However, at the encouragement of his father, he ended up working with the hotel for 19 years. Mr Lim's business interests grew, including becoming a licensed bookmaker and wine and food wholesaler. In 1974 Mr Lim began his career in public life as a trustee of the Cyclone Tracy Trust Fund and in 1980 he became the inaugural chairman of the Northern Territory Australia Day Committee. He was elected Lord Mayor of Darwin in 1984 and again in 1988 and was awarded the Order of Australia in 1986 (NSW Government, Department of Education, 2015; Northern Territory Government, n.d.).

Mr David Neng Hwan Wang JP studied radio communications in Shanghai before entering the military academy in Chongqing in 1939 and sent to Australia as a captain with the Chinese military mission. In 1947 he married Australian-born Chinese Mabel Chen in Singapore and opened a business importing woollen goods from Australia. These connections to Australia enabled him to gain a seven-year Australian business residence permit in 1948. Mr Wang opened his furniture business in Melbourne's Little Bourke Street in 1950. Australia's growing taste for oriental wares, arts and crafts saw the business import from Asia and the Pacific Islands. In 1965 Mr Wang was appointed one of the first two Chinese-Australian Justices of the Peace in Australia. In 1969, he was elected to the Melbourne City Council, becoming the first Chinese-Australian to win a seat in local government. Mr Wang led the push for extended shopping hours, new parks in the city and the revival of Melbourne's Chinatown precinct to attract more tourists and shoppers, as well as promoting Chinese culture (Lack, 2002)

Mr Neville Roach AO came to Sydney in 1961 with New India Assurance. After a few years, he moved to South Australia where the Indian community of Adelaide consisted of 27 people. He had a distinguished career in the information technology and telecommunications industry, which began with IBM Australia in 1965. In 1980 he joined Fujitsu Australia, becoming the CEO in 1989, and then Chairman and CEO in 1997. Combining business and community interests, Mr Roach has chaired a number of high profile organisations such as the National Multicultural Advisory Council and the Committee of Enquiry into Temporary Business Migration that shaped the Temporary Work (Skilled) visa (subclass 457). In 2000, Mr Roach was appointed an Officer of the Order of Australia for service to business and his contribution to the development of Australian multiculturalism. In 2008 he received the prestigious Pravasi Bharatiya Samman Award (Overseas Indian Honour Award) from the President of India (Kanga and Mattoo, 2014; Nanda, 2002; Saxton Speakers Bureau, n.d.)

Mr Ravi Bhatia arrived in Australia in 1982. Born in India, Mr Bhatia established a career spanning technology, international business, trade and public policy. He has held senior executive positions in the United States, India, Europe and the Middle East. He is one of the founders of Primus Telecom and its CEO since October 1995. He implemented Primus Telecom's business strategy in Australia, creating a competitive telecommunications industry. The company went on to become Australia's fourth largest telecommunications carrier and third largest internet service provider (ISP) in an environment dominated by Telstra. After leaving to pursue other opportunities, Mr Bhatia returned to lead Primus Australia as its CEO from 2007 to 2011. Mr Bhatia has been highly involved in the community, serving as a founder, chair and board member of many associations, including the Alfred Foundation, the Australia India Business Council (Victoria), the Telecommunications Industry Ombudsman, and the National Council of Indian Australians. In 2013, Melbourne's Swinburne Institute of Technology awarded Mr Bhatia an Honorary Doctorate in Technology for his service and contribution to innovation in the telecommunication industry (personal correspondence, March 2016).

Growth

Figure 2.1 shows time of arrival for those born in China and India to Australia since 1941 to the last Census in 2011. To compare, those born in New Zealand and the United Kingdom (as Australia's traditional source countries of immigrants) are included. As the figures indicate, the number of permanent immigrants from China has doubled and the number from India has tripled since 2001.

The arrivals data in Figure 2.1 does not represent a full account of the demographic composition of the Chinese and Indian diasporas in Australia. The conceptualisation used in this report captures Australia's China-born and India-born population and their subsequent generations, those of ethnically mixed backgrounds, as well as temporary work-visa holders and some long-stay international students.

Table 2.1 outlines these components of diasporas and presents estimated populations for both the Chinese and Indian diasporas in Australia. The Australian Bureau of Statistics and others have attempted to capture each of these categories. While this report has drawn on a number of sources, the picture is still incomplete. However, as shown in Table 2.1, the best available calculation is that combined, the Chinese diaspora is estimated at nearly 1.2 million and the Indian diaspora just over 610,000.

Projections for the number of Australia's China-born and India-born population for 2031 forecast a tripling of those born in China to 1.3 million, with those born in India forecast to increase nearly four-fold to 1.4 million, surpassing the number of China-born population (Liu 2016, p. 45).

Figure 2.1: Year of arrival of those born in China and India to Australia from 1941 to 2011, compared with major source countries of New Zealand and the United Kingdom



Source: Australian Bureau of Statistics 2013a, 2013b.

Table 2.1: Estimated Chinese and Indian diaspora population in Australia

	China	India
Australian population born in China or India (30 June 2014)	447,400	397,200
Born in Australia and claim ancestry (2011)	225,200	58,800
Reside in Australia, claim ancestry but not born in China or India (2011)	329,200	66,200
International students (Oct 2015)	164,514	67,954
Temporary work visa (457) (30 Sept 2015)	7,000	21,000
Estimated total	1,173,400	611,200

Note: These are approximates only, as figures in each category are based on data from different sources, years, and collection methodology.

Sources: Australian Bureau of Statistics, 2012, 2015; Department of Education and Training, 2015; Department of Immigration and Border Protection, 2015.

Geographic distribution

The geographic distribution of the diasporas across the various Australian states and territories is outlined in Figure 2.2. This Figure takes the categories of diaspora from Table 2.1 and shows where each were located in the 2011.

New South Wales and Victoria were home to most of the Chinese and Indian diasporas. There appears to be similarities between the number of China-born and India-born populations and those indicating ancestry across all states and territories. This may indicate strong cultural communities or even family connectivity that makes integration easier.

Figure 2.2 also indicates the different locations of Chinese and Indian international students. Chinese students are more likely to be in New South Wales, and Indian students are more likely to be in Victoria.

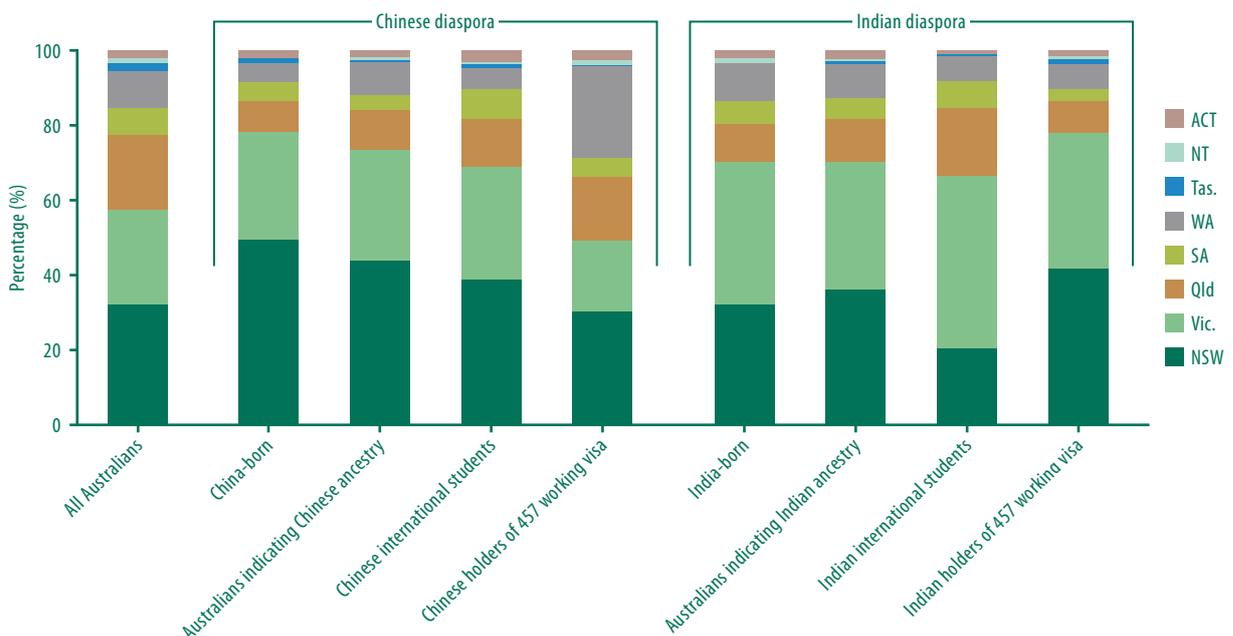
Regarding the Temporary Work (Skilled) visa (subclass 457), China-born holders of 457 visas are mostly in New South Wales and Western Australia in health and STEM roles. India-born 457 visa holders are mainly in New South Wales and Victoria in information and communications technology (ICT) roles. Chapter 3 presents details

on the occupations and key industries that the Chinese and Indian business diasporas are involved in.

Although this data is helpful, it is still far from complete. Various formal reporting activities, such as those from the Census and the Department of Immigration and Border Protection, can provide data on the number of people born in China and India, as well as the number of people under various visa categories. However, it is much more difficult to accurately capture the diasporas in their totality. This includes those who self-identify as being neither a member of a diaspora nor born in Australia or in the country of their family origin, but elsewhere (such as Fijian Indians or Malaysian Chinese). It also includes the full extent of those who are Australian-born descendants and those who are of mixed parentage. In addition, many international students and those on temporary visas for work or business purposes may have a close connection and loyalty to Australia, and can therefore legitimately be considered as a part of the Australian Chinese or Indian diaspora.

These shortcomings suggest that data collection and measurement has not yet sufficiently adopted an understanding of diaspora.

Figure 2.2: National geographic distribution of Chinese and Indian diaspora categories by Australian state and territory in 2011



Sources: Australian Bureau of Statistics, 2011a; Australian Education International, 2011; Department of Immigration and Border Protection, 2015a, 2015c; Department of Immigration and Citizenship, 2011.

Trends

While it is difficult to quantify the size and scope of Chinese and Indian diasporas in Australia, attempts to map demographic trends and project future numbers present additional challenges. Not only are Australia's Chinese and Indian diasporas very different to each other, they are also diverse within themselves, rather than homogenous groups. They are characterised by a range of issues and experiences.

The Chinese and Indian communities have a long presence in Australia supported by gradual migration with notable waves of movement spurred by social, economic and political factors. Australia's Chinese population was notable during the Victorian gold rush, with the Chinese diasporas accounting for nearly seven per cent of the Victorian population in 1861 (Museum of Victoria, 2016). Further influxes are attributed to specific historical events historical significance in Asia, such as social upheavals in China and the Tiananmen Incident in 1989. In recent decades the trend has now shifted toward a strong migration pathway fuelled by favourable business conditions and investment opportunities in Australia. India's independence from Britain provoked a wave of migration from the late 1940s, followed by a strong contingent of professionals in the late 1960s and again in following decades.

Shifts in economic conditions in Asia and changes in Australian migration policies will understandably determine the extent to which Australia will continue to attract people from China and India. Shifts in the laws governing citizenship and proposed changes to the study and investment visa structures, for example, might abruptly change the diasporic landscape, both in terms of the number of residents of Chinese and Indian origin and the kind of skills and investments they might bring to Australia.

Australian arrival and departure cards may provide a comprehensive account of the

diasporas who circulate between countries either as a matter of a personal choice or, more frequently for study, work or business. Such people have a flexible attitude towards citizenship and make strategic decisions about where to live and work at various stages of their life (Ong, 1999).

The continuing growth in Chinese and Indian international students and tourists in Australia (especially increasing numbers for business visits) provide another view on this circulation. Little is known about how visitors and students to Australia are connected to the local diaspora communities and how they develop cultural, social and business networks. Further research is needed to fully map the extent to which their experiences in Australia create an affinity or relationship with Australia, and how that leads them to consider permanent or temporary settlement.

What is clear is that these communities are much more mobile than earlier generations of immigrants. A wide range of purposes and interests motivates their mobility, supported by a range of pathways into permanent and temporary residency for family, study, employment or business reasons.

These factors could be seen both as an expression of globalisation, and a driver of it. Transnational networks, affordable travel and communication, and Australia's proximity to Asia encourages business activities across national borders. This relates to Australia's visa regimes, which support mobility that encourages skilled migration, international education and temporary work. It also persuades those who might have moved to Australia for a variety of other reasons to embrace business as a vocation. Chinese and Indian business diasporas are shaped around these considerations.

2.3 Characteristics of the Chinese and Indian diasporas

Key characteristics of Australia's Chinese and Indian diasporas can be drawn from the available information. Indicative data that includes Australian-born descendants, and work-visa holders and others paints a partial picture of the complexity of Australia's Chinese and Indian diasporas. This provides an understanding, albeit limited, about characteristics such as citizenship, workforce participation, expertise and qualifications, and preferred visa pathways to permanent and temporary residency in Australia.

Demographic profile

The first characteristic of the diasporas relates to their demographic profile. Table 2.2 shows selected aspects of Australia's population born in China and India from the 2011 Census. However, this data only relates to new migrants and excludes the other groups within the diasporas. In regards to age, those born in China and India have a younger age profile than those born in other countries (shown in Table 2.2 as 'all overseas born'). The age profile of those born in China and India may be attributed to their strong representation in the *Skilled Migration Program*, which requires applicants to be between 18 and 45 years old.

The data shows there are more Indian males than females (125 men to 100 women) and the reverse for the China-born population in Australia (80 men to 100 women). The reasons behind such contrasts are not provided in the data. Speculated, however, were issues such as family status and dynamics may come into play. For example, Chinese men leaving their families in Australia as they pursue opportunities in China or elsewhere, or a propensity for single Indian men rather than women to be deployed to work abroad. It would be instructive in highlighting the mobility of the diaspora to explore these contrasts in detail.

Table 2.2 also notes that just under half of those born in China and India are Australian citizens. Those born in India are far more active in labour force participation, with the China-born less so when compared with those born in Australia and overseas.

Education and qualifications

The second characteristic that the data suggests is that China-born and India-born Australians are better educated and more highly skilled than the broader Australian community, as indicated by their qualifications.

Table 2.2: Selected characteristics of China-born and India-born population in Australia in 2011

Country of birth	Median age	Sex ratio (a)	Citizenship				In labour force (b)	
			Australian citizen		Not an Australian citizen			
	Years	Number	Number ('000)	%	Number ('000)	%	Number ('000)	%
China (c)	35	79.8	150.7	47.3	162.1	50.8	173.5	57.6
India	31	125	131.4	44.5	158.4	53.6	205.7	77.3
All overseas born	45	96	3,308.9	62.5	1,886.3	35.6	2,981.6	61.6
Australian born	33	97.5	14,717.1	98	61.6	0.4	7,549.7	67.6
Total	37	97.8	18,261.8	84.9	1,959.3	9.1	10,658.5	67

Note that (a) Number of males per 100 females, (b) People aged 15 years and over, (c) Excludes SARs and Taiwan.

Source: Australian Bureau of Statistics, 2013a, 2013b.

Figure 2.3 provides a view of post-secondary school education for Australia's China-born and India-born populations, showing higher education attainment than other Australians by 2011. India-born Australians were almost three times as likely as other Australians to have a Bachelor degree or above, while the China-born were almost twice as likely. Moreover, India-born and China-born Australians were six times and four times (respectively) as likely as other Australians to have a post-graduate degree.

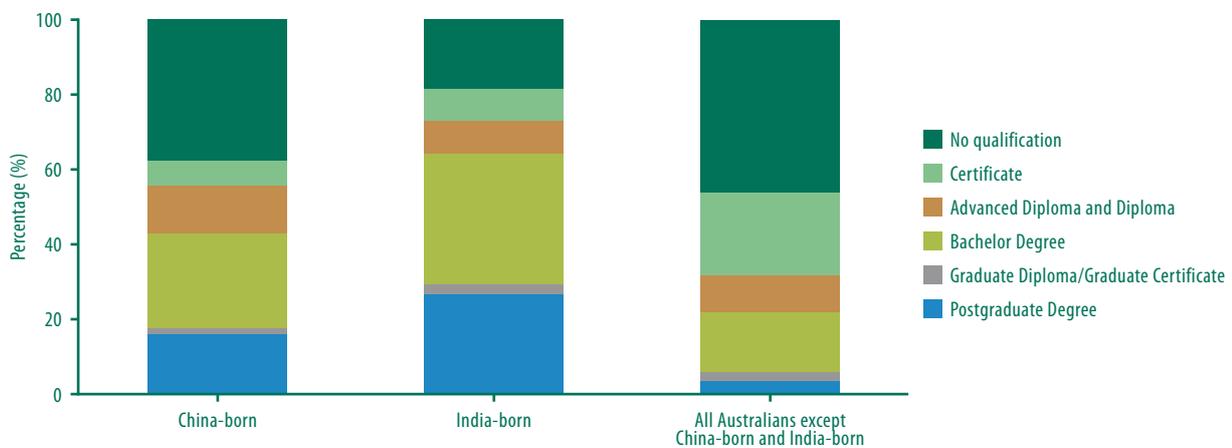
Some reports aim to map the disciplines of these qualifications and compare the pathways visa applicants pursue (such as temporary or permanent migration). For example, work undertaken by Engineers Australia seeks to quantify the number of permanent and temporary migrants to Australia with engineering qualifications. (There was no commentary on the country of origin for these visa applicants). This work notes a trend over the last decade where the number of visa applicants with engineering degrees was, in some instances, greater than the number of domestic Australian students graduating with an engineering qualification, illustrating a deficient local skill gap (Kaspura, 2014). There was no commentary on the country of origin for these visa applicants, however, it is likely that India may be a key source country (as shown in Chapter 3).

Visa pathways

Finally, there is pattern indicated in the visa pathways used by the Chinese and Indian applicants for work, business and investment. Tables 2.3 presents the permanent visa categories accessed by and granted to China-born applicants from 2010–11 to 2013–14. Table 2.4 presents the same information for India-born applicants. The visa categories in both tables include points-tested skilled migration, employer sponsored (non-points tested), the *Business Innovation and Investment Programme* (BIIP), and family migration.

Figures for recent first generation arrivals, from 2010 to 2014, reveal that Indian applicants have been much more likely to follow the opportunity of skilled migration or employer sponsored visa pathways: numbers have doubled since 2010–11 (see Table 2.4). For the same period and same categories, there have been fluctuations for the Chinese diasporas (see Table 2.3). However, Chinese applicants have sought entry via the BIIP in much higher numbers than Indians, whose applications for this category are nominal and in decline. Permanent family migration from both China and India appears to have stabilised after a period of growth, with larger numbers from China.

Figure 2.3: Highest post-school qualification for people aged 25–64 by country of birth in 2011



Source: Australian Bureau of Statistics, 2011a.

The BIMP provides opportunities for applicants to own and manage a new or existing business, or invest in complying investments. It is a visa pathway to permanent residency and applicants must satisfy several criteria relating to age, business and investment history, and current assets (among others). China is the number one source country for BIMP applications in recent years. Table 2.3 shows that there were 4,614 Chinese holders of BIMP visas during 2011–2012, accounting for 64 per cent of the total number of BIMP visas granted during that period. This has grown, with China-born applicants accounting for nearly 75 per cent of all BIMP visas in 2013–14.

One stream of the BIMP is the *Significant Investment Visa (SIV)* scheme. This scheme requires applicants to invest a minimum A\$5 million in complying investments, with stipulations as to how the investment is divided and where these funds are directed. Specific conditions require capital funding to be committed to start-up and small private

enterprises, in listed investment companies that support emerging enterprises, and in managed funds, or in a combination of eligible assets (Australian Trade Commission, 2016b). In data collated since 2012, China ranked number one as the source country for SIVs, representing 90 per cent of all applications, with 87 per cent granted (Lui, 2016). Applications from Hong Kong and Malaysia were the next highest source countries, again indicating the possibility that investment decisions are driven by their own significant Chinese diaspora populations. While data was readily available on Chinese applicants, statistical information on India appears to be much less comprehensive and sufficient. For example, data on holders of BIMP and SIV visas and their income streams is available for the Chinese diasporas, but not for Indian diasporas (ibid, p. 17).

Chinese and Indian diasporas in Australia on a temporary basis favour the *Temporary Work (Skilled) visa (subclass 457)*. The 457 program was created to support approved businesses with

Table 2.3: Permanent migration visa categories granted to China-born applicants from 2010–11 to 2013–14

Permanent migration category	2010–11	2011–12	2012–13	2013–14
Skilled (points tested)	12,158	7,895	6,944	8,339
Employer sponsored (non-points tested)	3,480	3,235	3,718	3,476
Business innovation and investment	4,791	4,614	5,058	4,614
Family migration	9,077	9,703	10,428	10,327
Total	29,506	25,447	26,148	26,756

Source: Department of Immigration and Border Protection, 2015a.

Table 2.4: Permanent migration visa categories granted to India-born applicants from 2010–11 to 2013–14

Permanent migration category	2010–11	2011–12	2012–13	2013–14
Skilled (points tested)	12,733	17,025	24,812	24,568
Employer sponsored (non-points tested)	4,537	6,419	8,645	8,104
Business innovation and investment	61	64	48	40
Family migration	4,426	5,489	6,498	6,295
Total	21,757	28,997	40,003	39,007

Source: Department of Immigration and Border Protection, 2015c.

immediate human resource shortages. It allows for the temporary migration of skilled labour and sought-after expertise. Table 2.5 shows the number of successful applications for 457 visas by China-born and India-born applicants from 2010–11 to 2013–14. The data suggests that four to five times more Indians than Chinese secure 457 visas. (Chapter 3 explores the occupations and industries benefiting from these increased application numbers). Figure 2.2 illustrates where the majority of 457 visa recipients are located, with the majority of Indians in New South Wales and Victoria, and the Chinese in New South Wales and Western Australia, pointing to where health, STEM and ICT expertise has been needed.

This account of known information about new and temporary Chinese and Indians in Australia illustrates that they are more than just migrants. They are dynamic as a demographic cohort, significant in number, and highly educated when compared with the broader Australian population. They take very different routes in their migration patterns. There appears to be a preference for the Chinese diaspora toward permanent skilled migration, whereas more Indian diaspora entering under temporary 457 visas. The Chinese diaspora show a stronger interest in the BIMP visa options than the Indian diaspora. Yet, this account excludes demographical insights on other members of diasporas, namely Australian-born descendants, those of mixed parentage and temporary visa holders that transition or return at a later date and seek residency.

Much of the data Australia collects is still predicated on the traditional categories of migration such as place of birth, ethnicity, citizenship, reasons for coming to Australia, and

arrivals and departures. Further research on the diasporas is needed to understand the situation more fully, and exploration to understanding the constitution of other Australian Asian diasporas would be a worthy follow-up project.

Notwithstanding the relative lack of data on groups outside the traditional categories of migration, an understanding of the Chinese and Indian diaspora phenomenon in Australia is forming. New and temporary Chinese and Indian diasporas are transcending migration patterns of the past and possibly represent a new wave of movement of people from metropolitan centres in China and India, with highly cosmopolitan lives and who are used to the mobility and connectivity afforded by the new economy.

2.4 Diaspora experiences in Australia

This has led to the establishment of long-standing diaspora communities in Australia, making it easier for new immigrants to settle and integrate. This is strongly recognised with well-established Chinese communities in Melbourne and Sydney, and to a lesser extent with the Indian community, given its size and length of time in Australia.

There are sometimes tensions between established and contemporary diasporas. The multitude of cultural groups and associations, events and ethnic media outlets facilitate co-operation between the diaspora generations. They have helped promote integration of the old and new and further supported the reconciliation of those strongly motivated to recover something that is lost or never experienced, such as their

Table 2.5: Temporary Work (Skilled) visa (subclass 457) awarded to China-born and India-born applicants from 2010–11 to 2013–14

Temporary Work (Skilled) visa (subclass 457)	2010–11	2011–12	2012–13	2013–14
China	2,979	4,804	6,609	6,159
India	15,808	22,078	27,211	24,521

Source: Department of Immigration and Border Protection, 2015b.

emotional affinity with, or nostalgia for, their country of family origin. This holds true for 'double migrants' living in Australia who strongly identify with being Chinese and Indian but who were not born in either country (such as Fijian Indians and Malaysian Chinese). This phenomenon is explored elsewhere, by the likes of Brij Lal, Purushottama Bilimoria, and Margaret Kumar.

One advantage in the new conceptualisation of diasporas is its ability to capture all these diaspora experiences, from those born in China and India and their subsequent generations, through to temporary migration for work and business and international students who maintain connections and an affinity for Australia after they leave. Diasporas, in this sense, are dynamic and complex yet with some recognisable patterns. One such pattern that justifies international students as part of the conceptualisation is the transition of Chinese and Indian international students into permanent residents.

International students

Studying in Australia is emerging as a significant experience for both Chinese and Indian students, as well being highly valued from Australia's standpoint. China and India are Australia's two top source countries for international students. China represents 26 per cent of enrolments and India as the second source country represents 11 per cent (Department of Education and Training 2015). A range of temporary student visas are available, that include opportunities for schools, vocational education and training (VET), short courses, higher education, and post-

graduate courses. Table 2.6 outlines the number of total international student visas offered to China-born and India-born applicants between 2010–11 to 2013–14. The data indicates that the numbers of Chinese international students are sometimes double the number of Indian international students.

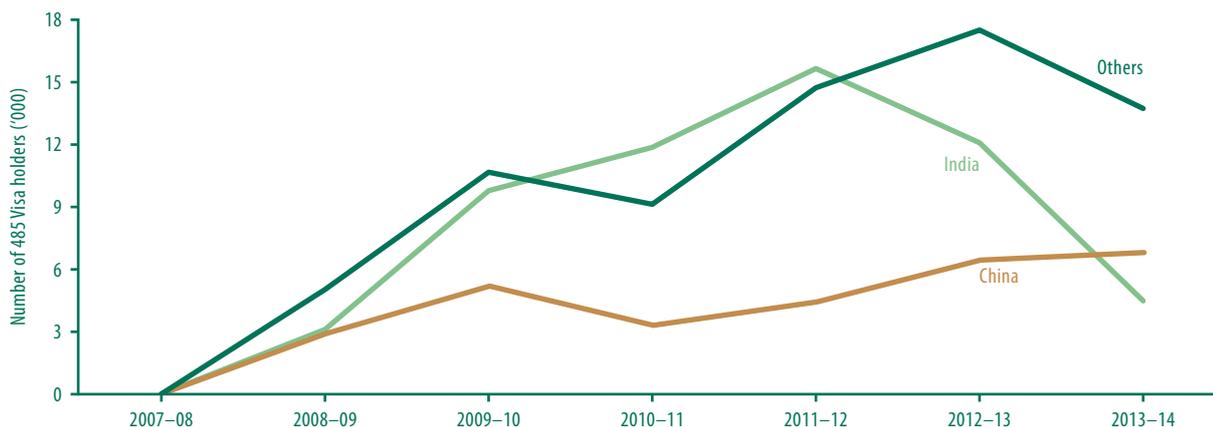
In 2008, the *Temporary Graduate (subclass 485) visa* was introduced as a temporary working visa for international students having completed two years of study in Australia. It provides students an opportunity to extend their stay after graduation to gain work experience, depending on the qualification achieved. This visa class can increase the applicant's potential to gain permanent residency. Figure 2.4 illustrates the number of both Chinese and Indian holders of the 485 visa from 2007–08 to 2013–14, compared with all other overseas-born holders. It shows the dramatic increase of a combined 6,000 Chinese and Indian visa holders from 2007–08 to 2008–09. Indian holders of subclass 485 visa continued to increase markedly after 2008 and peaked at 15,711 during 2011–12 before declining in 2013–14. The number of Chinese holders of subclass 485 visa fluctuated slightly after 2009 before increasing again. Reasons for decline are unclear and worthy of investigation. However, a couple of interviewees speculated controversial factors that could have had an effect, such as alleged racism, violence and employment exploitation (more notably towards Indian students) as reported in the media. Proposed changes to Australian visa regulations, such as improved permanent residency pathways for high quality STEM and ICT post-graduate students, may influence future international student enrolments.

Table 2.6: Temporary student visas awarded to China- and India-born applicants between 2010–11 to 2013–14

International student visas	2010–11	2011–12	2012–13	2013–14
China	49,852	49,592	54,015	60,315
India	28,954	33,764	24,808	34,130

Source: Department of Immigration and Border Protection, 2014.

Figure 2.4: China-born and India-born holders of Subclass 485 Visa from 2007–08 to 2013–14 compared with all other visa holders born overseas (excluding China and India)



Source: Department of Immigration and Border Protection, 2014.

Box 2.2: From international student to transnational entrepreneur

Mr Ruchir Punjabi came to Sydney as an 18-year-old university student. He soon fell into student politics, representing the interests of international students. Mr Punjabi eventually was appointed the President of the University of Sydney Union. Passionate about international students and young professionals, he was instrumental as the Founding Chair of the Australia India Youth Dialogue and as the Founder of Australia India Business Council Young Professionals. Upon graduating he founded a digital creative agency Langoor in 2009, which has grown to be a transnational company, employing more than 150 people between Sydney, Melbourne, Bangalore, Ahmedabad, Dubai, Hong Kong and Singapore. Client demand took the company to these cities for consulting and business development purposes, while the Indian operations provided highly skilled IT labour, and an internet connection speed greater than Australia—providing the company with a point of difference from Australian competitors.

Ms Lei He came to Australia as a 16-year-old secondary school student and went on to study business and marketing at the University of Melbourne. Her 'Uncle' (father's friend in China) manufactured bus and coach air conditioners and offered her an opportunity to conduct a feasibility study of the Australian market, with the view to export to Australia. She conducted the market research and made connections with local manufacturers and bus companies. The Uncle found office space for her in Melbourne through another contact—another 'Uncle'—who ran his own importing and exporting business between China and Australia. Being based in this office enabled Ms He to develop her transnational business skills. She also experimented with exporting wine and food from Australia to China. However, her major focus was on importing air conditioners and, as a result of her success, Ms He was appointed as the Australian agent for Chinese manufacturer King Long buses.

Mr Punjabi and Ms He are both active in a number of new business ventures, in addition to their main roles, and participate in a range of industry and cultural community groups.

The presence of international students in Australia does not automatically assure integration with mainstream Australia. International students pursuing the 'Australian experience' have demonstrated a willingness and ability to develop new and diverse relationships. In doing so, they minimise a potentially mono-cultural experience in Australia in 'educational enclaves' where people from the same country are enrolled in the same courses and live in the same residential housing facilities or areas. There are opportunities to form local connectivities. For example, Chinese and Indian international

students are interacting with Australian students of Chinese and Indian descent through campus clubs and broader links into the local cultural community, facilitated by more established diasporic generations. In return, older and Australian-born diaspora generations enrich their own cultural understanding and capabilities by engaging with their international student counterparts who have more up-to-date knowledge of their common countries of origin. However, the merging of these two diasporic groups is never complete or absolute.

Box 2.3: The Australia-China Youth Association

The Australia-China Youth Association aims to create a transnational community of young Australians and Chinese secondary school students, university students, and early career professionals. As its website states, 'ACYA's objectives are to facilitate and develop lasting bilateral friendships, partnerships and opportunities across a variety of social sectors, including but not limited to: business, academia, government, sport and the arts' (Australia-China Youth Association, 2016)

The Association currently has 24 Chapters located in Australian and Chinese universities. It actively hosts social and educational events, mentoring programs and language corners. The Association is active across a range of bilateral policy forums and initiatives, and also hosts a number of signature events such as the Australia-China Emerging Leaders' Summit. This summit brings together delegates from across Australia and China to discuss ways of furthering the bilateral relationship, as well as hearing from existing leaders in the field.

The President, David Douglas, says that the Association's Chapters play a critical role in providing a form of connectivity with Australia, and an element of pastoral care to Chinese international students by local Australians to help support them through their studies and work. There is a reciprocal aspect to the Association's role. It wants local Australians be excited by China and help them upskill through a deeper educational experience by connecting with Chinese students. The Chapters also appear to be active in finding pathways for industry to access their members.

International students-turned-residents can have very different study and work experiences. Attributed factors that may impact workforce participation include low English language proficiency (especially for students from China, Vietnam, Thailand, Taiwan and Korea), on-campus linguistic and cultural isolation, and inadequate quality control of VET Registered Training Organisations (RTOs) (Hawthorne, 2010). This is where international students-turned-resident can be highly vulnerable.

There are numerous reports of international students being led into contingent work, such as low-skilled labour, driving taxis, retail and restaurants, and work placements managed by RTOs. Such incidents reported in the media indicate that this may significantly compromise their Award conditions, industrial relations rights and entitlements, as well as their visa conditions. The Fair Work Ombudsman is alert to these situations. Its 2014–15 Annual Report cites work done to date to support Australia's international student population (Fair Work Ombudsman, 2015, p. 19). There have also been reports of organisations—even those owned by members of the diasporas—seizing opportunities to target international students for financial benefit. Far from creating cultural understanding, these unethical practices only create a very disagreeable picture of Australia in the minds of some international students, and within their transnational networks, as well as possibly perpetuating negative perceptions

of the diasporas within the broader Australian community.

Diaspora connectivity

The project interviews found that one of the key strengths of diasporas is their propensity towards connectivity—creating and maintaining relationships that are 'here, there and everywhere'. Diaspora connectivity appears to be multifaceted, borderless and highly valued. Relationships are formed through personal, social, cultural, education and work-based connections. The diasporas demonstrate a strong disposition towards sharing knowledge, contacts and exploring opportunities within their networks. Cost-effective mobile phones, and real-time Internet and social media platforms accelerate this connectivity, greatly supporting the speed with which diasporas nurture emotional ties and explore and capitalise on business opportunities.

To manage this rich resource of advice, information and potential introductions, it is essential to frequently engage and participate in all the groups and networks of which one is a member. While this is no different to good networking practice, the Chinese and Indian diasporas who were interviewed for this project displayed a prevalent well-intended reciprocity—a willingness to immediately activate global connections to help a trusted member of their network pursue a business opportunity, source products or seek advice.

In a conversation with two Chinese entrepreneurs, one explained:

I think one of our key strengths is our resourcefulness. My network is made of people I've met from long ago and today ... we love opportunity and when someone has an idea or needs something, we post it on [social media platform] WeChat. Everyone wants to be involved and help the opportunity. Results happen quicker and you can beat the competition ... but there is an expectation that there will be something in it for you. That conversation is easy. It is comfortable negotiation.

The other entrepreneur spoke of the importance of supporting their networks:

It's a sort of culture in China that if you want to do business, you want to buy something, you have to know the person. If I want to buy a car, I need to know the dealer ... the dealer has to be my friend or my friend's friend, or my Dad's friend. Okay? If I want to buy a property, then that person has to be my uncle or my uncle's friend. So the connections sort of play out that way.

However, such connectivities are not always as successful. As one Indian business person mentioned:

It's a good idea to have people that, you know, who are Chinese, Indian, whatever Asian background [in your network]. You try to tap into their skills and connections, but there are also dangerous aspects about it too ... because to me, I find that sometimes those people may have some connections in China or in India, but it doesn't mean that their connections in China or India are going to work. I would never give a contact of mine unless I am 200 per cent sure that they're going to be looked after because it's gone downhill a few times with a few people for me.

In addition to the technical advances that enable connectivity, Australia's proximity in the region and affordable travel between Australia and Asia allows the business diaspora to travel frequently into Asia for both business and personal reasons. Discussions with the diasporas reveal varied travel patterns to their country of family origin, with some travelling as often as twice a year or more

and others undertaking more intermittent travel. A line of further useful enquiry may be to extract leading indicators of business activity associated with commercial travel. Such mobility also has a direct impact on Australia's travel industry. There are converse benefits with increased inbound tourism from China and India and marked increased in permanent family migration and temporary business visitors most likely sparked by Australia's Chinese and Indian diasporas.

Finding 6: The estimated 1.7 million-strong Chinese and Indian diasporas in Australia are growing rapidly in size and significance. They are highly diverse, internally differentiated by religion, culture, language, politics and experience. They include a greater proportion of educated and highly skilled individuals who are globally networked. These networks are a major source of business opportunities, innovation, and entrepreneurialism.

Mainstream and ethnic media

News stories in mainstream and ethnic media provide insights into the experiences and perceptions—both positive and negative—of the Chinese and Indian diasporas in Australia. The term ethnic media, in this instance, refers to the types of print, radio and digital media used by the Chinese and Indian diasporas in Australia. The ethnic media provides a view that often inextricably links business and community.

Printed Chinese and Indian publications are prevalent in Australia. There are at least 35 Chinese and Indian newspapers (respectively) in either a daily or weekly format, some with a specific focus on real estate. While the major publications are easily identified, some interviewees claimed there are at least 'thousands' of large and smaller publications throughout Australia. Examples of readily accessible media include the printed national *Indian Telegraph* with a monthly circulation of 180,000 and *Sydney Chinese Daily* with a circulation of around 24,000. There are a number of well-supported state and national radio stations (some with smartphone apps) and news-based websites, such as <www.1688.com.au> and <www.indialink.com.au>. These websites also well-supported

social media interactivity, with just over 10,000 Facebook followers each. Additionally, electronic newsletters and social media activity from ethnic business councils and community groups can be regarded as contributing to the ethnic media space.

Business and trade are central to building both ethnic media and diaspora communities. Ethnic media are businesses themselves, and rely heavily on advertising. The business diasporas often advertise in ethnic media, resulting in stronger economic links within the diasporas (Ip, 2003). Advertising aside, journalistic content within ethnic media can help negotiate the tensions of differing views and interests within the diaspora communities. Journalistic content can also represent and communicate community sentiments to the government and mainstream society, and report back to the communities on the views and opinions of the dominant or mainstream societies (Sun, 2005, p. 73).

Ethnic media provide a rich source of the diasporas' activity, successes and challenges as reported by the diasporas themselves. They provide a mix of cultural activity and news with reports of local issues in Australian politics, economy and business, along with views of their own country's events and international news.

The diasporas' print, radio and digital media are vibrant examples of the importance and value of being diaspora. This is evident in the number of Chinese and Indian media outlets in Australia. Such media has a sizable claim to circulating and rating the representation and perceptions of diaspora communities (Suryadinata, 1997, p. 12). Yet there is a need to explore 'how the mobility of media images across national and regional borders impact the ways in which a diasporic ... group perceives and relates to its counterparts elsewhere in the world' (Sun, 2005, p. 75).

However, mainstream Australia may overlook, or perhaps dismiss, the value of ethnic media because they use languages that mainstream Australians do not understand, and their viewpoints are often radically different. This is reflected in some disparity between how the diasporas are shown in Australian mainstream media compared with ethnic media. A major

critique of Australia's mainstream media that surfaced through the interviews for this project is concern that the mainstream media feeds a particular perception about China and India (as nations) and Chinese and Indian business intentions and behaviours, without challenging such ideas or providing a balanced view.

Recent stories related to large foreign investments have perpetuated somewhat negative perceptions of the diasporas. Examples include coverage about the challenges facing Adani's Carmichael coal mine (which has spent many years navigating the Australian approvals system and facing community opposition) and the 'Great Wall of Money' *Four Corners* report on foreign Chinese investment and property development (Besser and Hichens 2015). Other examples include multiple reports on the diasporas' activity in buying and shipping vitamins, supplements and infant formula, and the exploitation of international students as employees in national retail chains.

Balanced reporting in the media of Australia's Asian diasporas and Australian enterprises succeeding in Asia will continue to shape positive, confident, and informed public opinion. This depends greatly on the extent to which industry, institutions, and government are responsive to the Australian Asian business diasporas, and how they counter biased perceptions of Asia.

In addition to ethnic media, the diasporas appear to make good use of smartphones, apps, Skype, social media and the like. The interviews reveal anecdotal evidence of frequent communication with friends and family overseas, at least daily or multiple times during the week. For specific business purposes, the Chinese diasporas commonly mention WeChat. It is an indispensable platform used to quickly activate global networks for business purposes. Research on social media and business diasporas is occurring, for example one current study—*The Business of Belonging* (Leong, n.d.)—focuses on how new Chinese business migrants in Australia are using WeChat.

2.5 Operating in the transnational economic space

This discussion of the experiences of Australia's Chinese and Indian diasporas indicates that increased connectivity and communication have created a transnational space, which they use for the purpose of business, trade and collaboration. Diasporas are now able to activate their strong connections or 'embeddedness' across two or more countries, with their personal networks a source of business opportunities.

For example, one Chinese interviewee spoke of the complexities of operating in the transnational economic space:

I grew up in China and moved to Australia for 10 years. It was pretty tough to set up my business as an immigrant. I was determined. I had my contacts in China ... but I needed to be patient. I had to learn how business worked in Australia first and this took a couple of years. Today, it is still challenging. For my business, I need to work with a range of people in Australia and China ... as well as two governments [Australia and China] and in different business formats all at the same time. Very complex. My industry is small, so having a good reputation in your network is very important. Being Chinese has been also helpful. Knowing the language is one thing, but not 'the' thing. You need to know the right people to do the right thing.

One member of the Indian business diaspora described their responsibility within the transnational economic space:

If I'm sitting in Sydney and an Indian wants to sell their merchandise, their services in Australia, I should try my level best through my contacts to help them. But that to me is not the full, or all, of my responsibility. I think that's half the responsibility. I think there's another half that says that Australia has a lot to offer to India. That India is a great growth opportunity to Australia, and why don't I help because anything that Australians invest in India, that they sell in India, is not only going to help create jobs and profits here in Australia but is also going to help create jobs in India. It's good for India.

A Chinese business owner believed that their ability to operate in the transnational space was just part of their service offering:

I play a small but sort of important part in [my Australian client's] eyes, because the thing I do is connecting them to suppliers in China. And that's a huge part. Sourcing different things for them. Like, the packing cardboard box. I source it for them. They're so expensive here, but in China it's so cheap ... really important for business is you have to hear the people. You have to know what they're thinking. And you have to know where the need is.

There is no available quantitative evidence on the type and extent of Australia's Asian diasporas' business interests within the transnational economic space, or the economic impact of their mobility. However, research for this project (especially the interview results) shows that both direct and indirect links between mobility and commercial productivity are increasingly becoming more significant.

The Immigrant Effect

Diaspora links with 'home' constitute an important source of social capital, contributing to what has been termed the *Immigrant Effect* (Chung and Enderwick, 2001). Studies have shown that companies owned by diasporas, or where they hold key decision-making positions, stimulate a greater level of trade between their country of origin and country of residency (Gould, 1994; Rauch and Trinidad 2002). Such companies also enable a higher level of commitment to resources and growth when entering a foreign market because they are more familiar with conditions in the target market (Chung 2014; Leung-Kwong Wong and Ellis 2002; Zhao and Hsu 2007). The Immigrant Effect speaks to the ability to engage with transnational networks that raised familiarity with local customers, government regulations and business practices 'to reduce the psychic distance between home and target markets' (Tung and Chung 2010, p. 375).

Regardless of the particular political and economic environments, regulatory regimes, or length of time engaged in international business, these studies show that diasporas benefit from their transnational social capital. It is advantageous in stimulating and expanding

Box 2.4: Chinese students in the South Australian wine industry

Preliminary findings from an ongoing project by the Australian Population and Migration Research Centre at the University of Adelaide reveal how Chinese international students can play a crucial role for wine business seeking to penetrate the Chinese market. The study has found that while wine businesses are interested in starting, or increasing, export to China, many are unaware or unsure of how to engage with the Chinese market. This is a need that Chinese international students and graduates can meet.

For example, a medium-sized wine business located in the Adelaide Hills had very minimal engagement with China. An interview with its General Manager revealed that their business gained momentum largely due to employing a Chinese wine business post-graduate from mainland China who spoke fluent Mandarin:

... she basically started answering some of the few enquiries [we were getting from China] and translated [wine] tasting notes. After six months we actually appointed her permanently and it's from that real point that we started generating sales in China ... 'cause we were easy to deal with, people could do business with us in their native language ... we had to develop very quickly a strategy for China. She brought with her all this additional 'bonus material' which we weren't looking for and essentially she created a job for herself.

As a result, China now accounts for 36 per cent (around A\$2 million) of this particular wine business' total revenue.

Further, the study also found that the entrepreneurial spirit of international students should not be understated. Interviews with a number of Chinese international graduates from the University of Adelaide's wine business programs found that their language skills, networks and business connections, and familiarity with both Australian and Chinese business cultures, allowed them to start-up their own businesses and navigate through a commonly perceived complex market to actively export large quantities of wine to China. For example, one Chinese student in the wine business program revealed how he acted as a bridgehead and assisted in the export of over 40 containers of wine to China during his time as a university student.

business and trade between country of origin and country of residence. In a Chinese context, Tung and Chung (2010) found that while there may be no short-term gain in the long run it gives diaspora firms an advantage over non-diaspora firms in terms of profitability and sales growth (Tung and Chung 2010, p. 385).

In the context of SMEs, Collins (2002) observed that the family is a key resource for Chinese entrepreneurs. They draw employees primarily from family and community networks, with expectations of trustworthiness and heightened commitment to the business. Such personal networks are also important for start-up capital, offer an overall advantage of minimising transactions cost, and are crucial for trade flow, and business and market knowledge (Collins, 2002b).

In contrast, Voigt-Graf (Voigt-Graf, 2005) notes that the Australian Indian diaspora has made few formal economic links in terms of economic investment in India. There was some investment in the real estate sector in India (such as in Bangalore), as well as intentions to invest in the local economy. In comparison, a larger proportion of Americans of Indian descent have invested in Bangalore and are found to be taking greater advantage of the connections made in the transnational space than Australia's

Indian diasporas. However, remittances from Australia to relatives in India were more likely than investments made in the formal, national economy. This connectivity propels or facilitates business activity, and the flow of finances for both trade and other family purposes.

This report's findings align with insights offered by institutions such as Asialink and Diversity Council Australia, highlighting need to recognise and value Asian Australian leadership in the business arena in order to promote Australia's business and innovation links with Asia. While there are some major differences between the ways in which Australia's Chinese and Indian diasporas take advantage of the fast emerging transnational economic space, there is a growing recognition among these communities about the opportunities inherent in this space. Both diasporas are continuing to explore its potential, with every indication that economic exchange through their networks will increase in the future. Much will depend on a prevailing economic climate that is supportive, and the extent to which rules and regulations govern business collaboration and exchange. Free trade policies will clearly help but a commitment is also needed to overcome the more informal cultural and political barriers faced by the business diasporas.

3

Enterprise and innovation

In addition to being highly motivated and better educated, with a particular disposition towards innovation, enterprise and entrepreneurialism, contemporary Chinese and Indian business diasporas enjoy an additional advantage. This chapter describes the nature of that advantage, based on over 100 interviews with a range of individuals from the business diasporas, industry and bilateral business associations,, and policy leaders in relevant government and non-government organisations. The results of the interviews suggest how the diasporas' enthusiasm, entrepreneurial energy and preparedness to take risks enable them to develop cross-border business activities and engage more strategically and effectively in those activities. Their cultural knowledge, international skills, and diaspora networks have become a major advantage that Australia should not overlook. This chapter provides an account of the diasporas' participation in Australia systems of innovation across a range of industry areas, from retail to tourism and international education. Some of these areas are linked to the diasporas' own consumption practices. This chapter shows how the diasporas are facilitating Australia's economic integration into Asia as they forge transnational collaborations.



3.1 Introduction

This chapter focuses on the contemporary Chinese and Indian business diasporas in Australia. It discusses their business experiences and activities, how they navigate economic transitions, and thus contribute, both directly and indirectly, to the Australian economy through transnational business collaborations. This complements the analysis of another ACOLA Report, *Smart Engagement with Asia: Leveraging language, research and culture* (Ang, Tambiah and Mar, 2015), which highlights some other ways in which Asian research diasporas contribute to Australia's growing relationship with Asia. This report shows how the business activities of the Chinese and Indian diasporas are linked to issues of public diplomacy, research and cultural collaborations. Indeed, the diaspora's business activities demand working across cultural and

political realms, making full use of the knowledge systems and applied research conducted across national borders.

Of particular interest are the ways in which diasporas become active in exchanging goods, services, capital and labour across at least two countries, most frequently with their country of family origin (Portes et al., 2002; Zhou, 2004). Business success is often due to existing social connections in target markets, as these connections are valued purveyors of knowledge of local environmental conditions, familiarity with customer needs and aspiration, government regulations, culture and language. Transnational entrepreneurs, more broadly, are also, in the main, self-employed, better educated, higher salaried and equipped with a greater

understanding of policy, legal and regulatory frameworks than their migrant counterparts (Vertovec, 2009a, p. 102). Research also points to professional, middle-class migrants making up a substantial and increasing share of the world's diasporas, some arriving with investment capital and intending to facilitate transnational connections (Voigt-Graf, 2005, p. 367).

3.2 Patterns of employment and business ownership

As at June 2015, there were 2,121,235 actively trading businesses in Australia. Almost 97 per cent are classified as small businesses, typically defined as employing one to 19 people (Australian Bureau of Statistics, 2016c). The available data and the interviews conducted for this project provide indicators of the breadth and depth of Australia's Chinese and Indian business diasporas, regarding business ownership, size, and most active occupations and industries.

The Australian Bureau of Statistics collects a vast amount of data on first generation migrants as owner-managers of either incorporated (such as proprietary limited companies and incorporated non-profit associations) or unincorporated (sole trader or partnership) enterprises. In 2011, ABS data suggests that China-born Australians owned 28,800 businesses, and India-born Australians owned 16,700 businesses (Liu, 2016, p. 19).

However, diasporas goes beyond the first generation and information on the broader range of diaspora business activities is unavailable. Additionally, information on India is not as comprehensive as information on China. Key characteristics, such as annual turnover and the length of time that Chinese and Indian diasporas have been in business, are not easily accessible. As a result, this discussion draws heavily on migration-based data and should be interpreted with care because this does not represent the full picture of the Chinese and Indian business diasporas in Australia. To supplement these deficiencies, this report considers additional information and insights gathered from desktop research and the interviews conducted for our project.

Business ownership and growth

Existing data shows that Australia's combined China-born and India-born populations own around 45,500 businesses. Between 2006 and 2011 there was a marked increase in the number of businesses owned or operated by those born in China and India. Figure 3.1 shows this growth in business ownership and also indicates the size of the business by number of employees. It shows a growth rate of 40 per cent for business owners born in China and a 72 per cent increase in India-born business owners. Deeper comparative analysis to identify trends in Australian business ownership, and businesses owned by other foreign-born populations, would be worthy of further exploration.

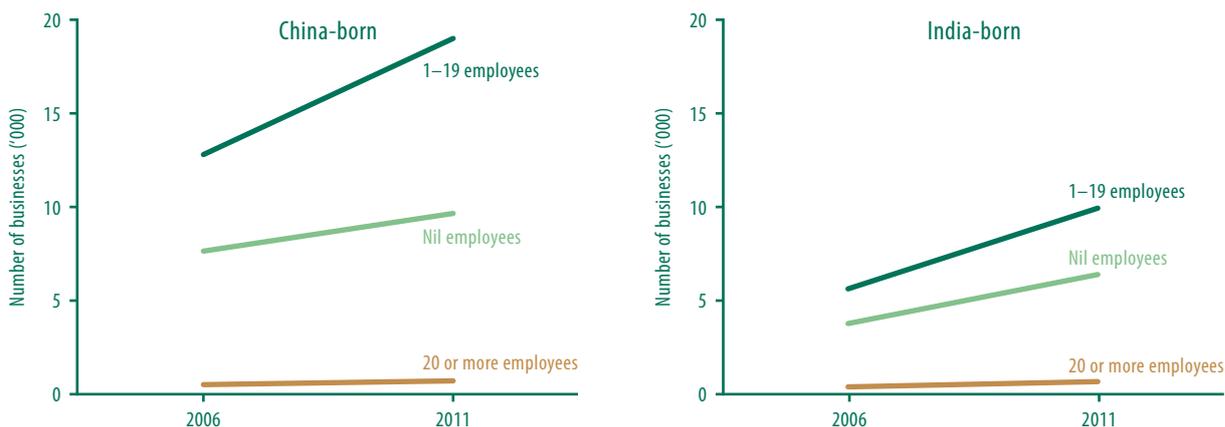
The rapid growth may be attributed to a number of factors. One factor could be the diasporas' disposition towards enterprise and seeking opportunities to create business ventures. Another factor could be a rise in businesses being created out of necessity, where the diasporas may not have been able to secure employment in their chosen fields. Additionally, changes around 2008 to the BIMP visas could have made it easier to establish Australian enterprises. Given changes in 2015 to the *Significant* and *Premium Investment Visa* categories, further growth by the Chinese diasporas may be realised in the 2016 Census (as they tend to favour this pathway over skilled migration visas, as described in Chapter 2).

Size of businesses

The two most common ways of defining an Australian business are by annual turnover or the number of employees (or a combination of the two). This report adopts the ABS's definition based on number of employees, where small business have one to 19 employees; medium enterprises have 20 to 199 employees; and large businesses employ more than 200 people (Australian Bureau of Statistics, 2015b)

Figure 3.1 illustrates a notable increase in small businesses between 2006 and 2011. In 2011, small businesses accounted for 64 per cent of businesses owned by those born in China small business, the 'nil employees category' accounted

Figure 3.1: Number and size of business owned or operated in Australia by those born in China and India (aged 15 years or over) by number of employees in 2006 and 2011



Source: Australian Bureau of Statistics, 2015c.

Box 3.1: Franchising

Franchising is a business pathway often associated with Chinese and Indians in Australia, because of their visibility in food retailing, convenience stores, and cleaning and home services. In 2014, the Franchising Australia report identified 1,160 franchise systems in Australia with an estimated 79,000 franchised businesses in operation (Frazer et al., 2014, p. 5). For the first time in its 17-year history, the report gathered data on migrant ownership of franchised businesses. Franchisors (as the only respondents to the survey) indicated that up to 20 per cent of their franchisees were predominately first generation (mainly from Asian nations), with China and India identified as number one and two source countries (Frazer et al., 2014, p. 51). If true across all franchise systems, this indicates that Asian immigrants could own and operate around 15,800 franchise business. However, care must be taken in extrapolating the number of Chinese and Indian franchisees specifically, as only 15 franchise systems responded to the question.

In exploring franchising further, 7-Eleven was invited to share its view as one of Australia's most culturally diverse franchise systems. As of July 2015, 7Eleven Australia has 614 stores across Australia with outlets owned by a reported 21 nationalities. The majority of franchisees are Indian (including Fijian-born Indians) and account for 46 per cent of the franchisee cohort. The Chinese diaspora are the next largest franchisee group at 21 per cent, followed by those of Pakistani descent at 15 per cent (personal correspondence, January 2016). The average length of tenure is four years, and nearly half the network comprises multi-store ownership, with one franchisee operating 10 stores.

In Australia more generally, word-of-mouth referrals from existing franchisees is a major contributing factor to generating introductions to new franchisees. Given the Chinese and Indian diasporas' strong connectivity this represents a rich resource for franchise growth. Most franchisors do not appear to specifically target new migrants and local cultural communities (such as ethnic media and migration agents) as a pathway to attract new franchisees, although 12 per cent plan to do so in future (Frazer et al., 2014, p. 51).

While 7-Eleven has received extensive media coverage about non-compliance to industrial relations laws, more information would be useful in judging if such practices are systemic across a majority of franchisees, or located within only a few cohorts. Further research on this issue would produce insights on the relationship between the Australian legal and regulatory systems and culturally diverse franchise systems, and how risks are mitigated through due diligence, pre-entry education and ongoing franchisee development. An extension to this would reveal the extent that cultural diversity impacts recruitment and selection processes of franchisees and employees (such as international students) and the vulnerability this implies.

for 32 per cent while the medium and large business category accounted for two per cent. Similarly, those born in India owned mainly small businesses (57 per cent), followed by nil employees (37 per cent) and medium and large businesses (three per cent).

In relation to employees, the diaspora interviewees noted that their workforce included local Australians and Australians of Chinese or Indian origin.

Industries favoured by the business diasporas

This report draws on three sources of information to identify industries where the business-owning diasporas are prevalent. These are ABS, interviews with the business diasporas and desktop research. This approach provided a broader view of activity, as it is difficult to gain a full understanding based on current available data. Consolidated results from these sources reveal that China-born and India-born Australians favour owning businesses in industries that are predominately service-based.

Australian Bureau of Statistics data shows the top industries favoured by those born in China and India in 2011 (outlined in Table 3.1). Table 3.1 is limited in that it does not capture the international orientation and transnational activities of these businesses within these industries. Interviews with the business diasporas highlighted different industries to the Australian Bureau of Statistics data. The interviewees' businesses were strongly represented in information, media and telecommunications; professional, scientific and technical services; and financial and insurance services.

Further examples can be found via online business directories, such as <www.trueindia.com.au> that lists businesses, services and events offered by (and ostensibly for) the Indian community in Australia. The directory shows that business categories of 'restaurants' and 'supermarkets and grocery stores' carry the highest number of listings (True India, 2015).

In comparison, the bilingual online <www.chinesebusinessguide.com.au> lists a range of businesses, with the highest listing being accountants, dentists, doctors, immigration agents, restaurateurs, grocers and cleaners, computer technology, travel agencies. While useful information, it does not mean that members of the Chinese and Indian business diasporas own and operate all these enterprises.

Annual turnover and time in operation

Estimating the annual turnover of the diasporas' businesses is a complex undertaking, requiring commercial sensitivity. Data analysis from the Australian Bureau of Statistics released in 2015 begins to map immigrant income from employment, business and investment. This release shows that United Kingdom, India and China are the top three countries with the highest proportion of migrant taxpayers in Australia—collectively generating A\$15.4 billion in income from employment, business and investment (Australian Bureau of Statistics, 2015d). For China-born Australians, an estimated A\$156.3 million was generated as unincorporated business income and A\$99.2 million from investments. While neither definitive nor inclusive of the entire diasporas, these figures are certainly indicative of economic contribution.

As with revenue, there is no straightforward or adequately captured data to identify the length of time businesses have been in operation. This issue is clouded by determining the difference

Table 3.1: Australian Bureau of Statistics data on the top industries in which China-born and India-born business owners operate their enterprises in Australia

China-born	India-born
Accommodation and food services (16 per cent)	Health care and social assistance (14 per cent)
Retail trade (12 per cent)	Manufacturing (10 per cent)
Manufacturing (11 per cent)	Professional, scientific and technical services (10 per cent)
Health care and social assistance (10 per cent)	Retail trade (9 per cent)
Professional, scientific and technical services (9 per cent)	Accommodation and food services (9 per cent)

Source: Australian Bureau of Statistics, 2015c.

between start-up and business, and at what point a business is no longer considered a start-up enterprise (Department of Industry, Innovation, Science, Research and Tertiary Education, 2012). Anecdotal evidence from the interviewees suggests a strong desire to own a business and willingness to realise this goal as soon as possible after coming to Australia. Some are bound by the requirements of their visa to establish their business within specific timelines. Quantifying the length of time the business diasporas have been in operation might allow insightful contrasts to all Australian enterprises, to ascertain trends.

Employment, occupations and industries

Despite the stated desire to own a business, the majority of Australia's China-born and India-born population are employees, and are included as part of the business diasporas. Figure 3.2 presents the number of China- and India-born residents over time and their employment type as either, employee not owning a business, or owner and manager of either an incorporated or unincorporated business. The data shows growth in employment and steady, but minimal increases in business ownership. However, this data does not capture any local or transnational business activity diaspora employees might be engaged with.

In regard to occupations, China-born are mainly professionals, technicians and trades workers, managers and labourers. The India-born are professionals, clerical and administrative workers, managers and labourers. Figures 3.3 and 3.4 illustrate shifts since 2001, and amplify the diasporas' growing influence within Australian enterprises as professionals, technical experts and managers who are highly likely to be using their qualifications. The data indicates that labouring roles are mainly in the manufacturing and administration and support services for both China-born and India-born employees. An interesting line of enquiry may be to compare occupation with qualifications to illustrate the extent to which the diasporas' education and capabilities are being fully recognised and used.

In the main, Australia's China-born population is made up of professionals, technicians, managers and labourers. A total of 54 per cent of the all China-born employees are managers in the agriculture, forestry and fishing industry, and they are also well represented in retail and wholesale trades. The industries with a high proportion (50 per cent and above) of China-born professionals include education and training; professional, scientific and technical services; electricity, gas, water and waste services; and mining. China-born technicians and trades workers are most likely

Figure 3.2: Number of permanent Australian residents (aged 15 years or over) born in China and India who are employed compared with those from China and India owning or operating a business, between 2001 and 2011



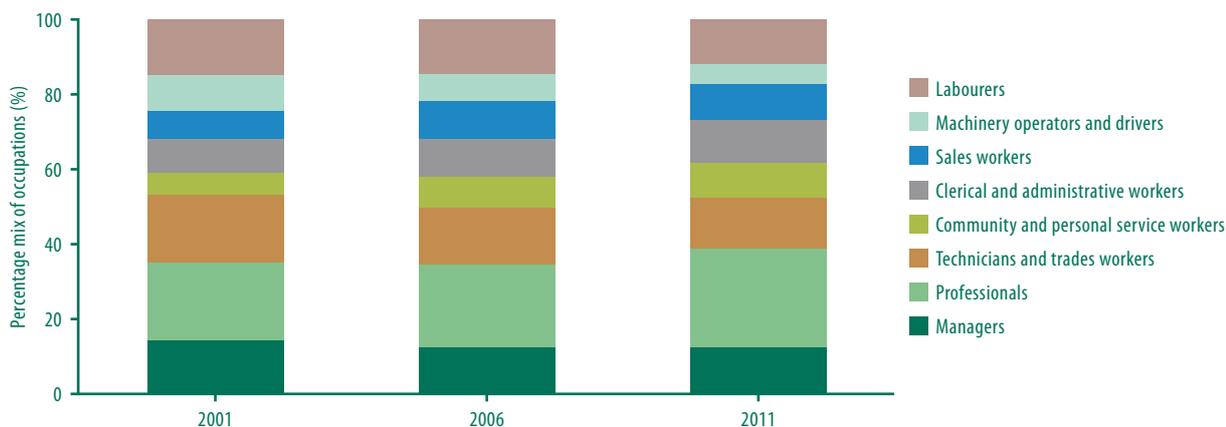
Source: Australian Bureau of Statistics, 2015c.

to be in the construction industry. Figure 3.5, based on data from 2011, shows the Australian industries where China-born Australians play a major role.

Based on data for 2011, the major occupations of those born in India are professionals, clerical and administrative workers, managers and labourers. Figure 3.6 shows they hold professional occupations in education and

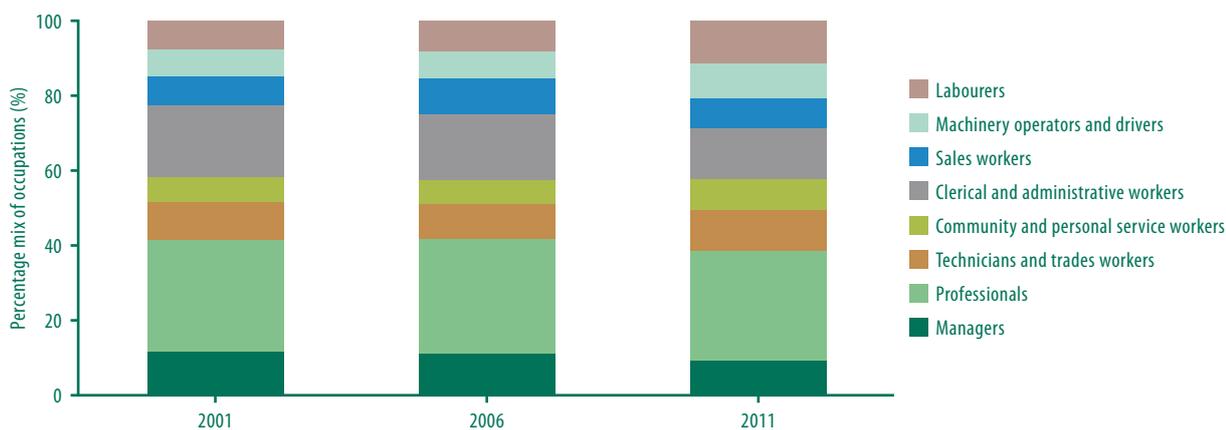
training; professional, scientific and technical services; health care and social assistance; and mining industries. The highest proportion of clerical and administrative workers is in financial and insurance services. The agriculture, forestry and fishing industry has the most India-born employees working as labourers, the highest proportion among all the industries.

Figure 3.3: Occupations of China-born permanent employees in Australia (aged 15 years or over) between 2001 and 2011



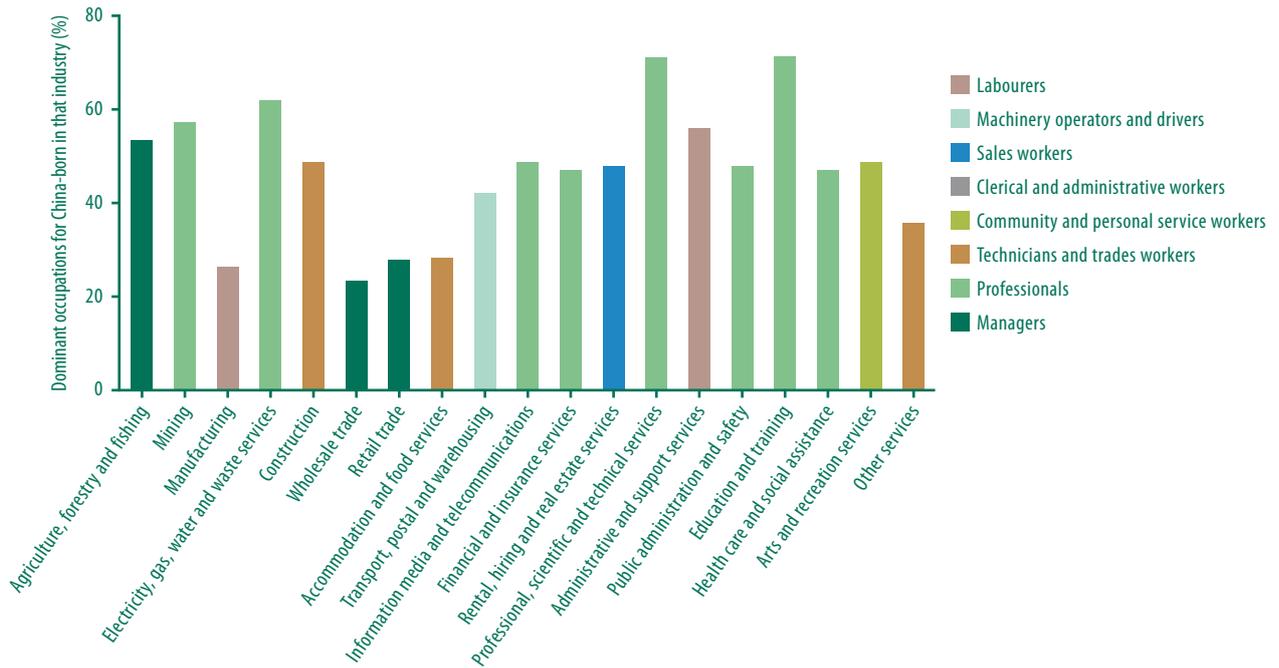
Source: Australian Bureau of Statistics, 2015c.

Figure 3.4: Occupations of India-born permanent employees in Australia (aged 15 years or over) between 2001 and 2011



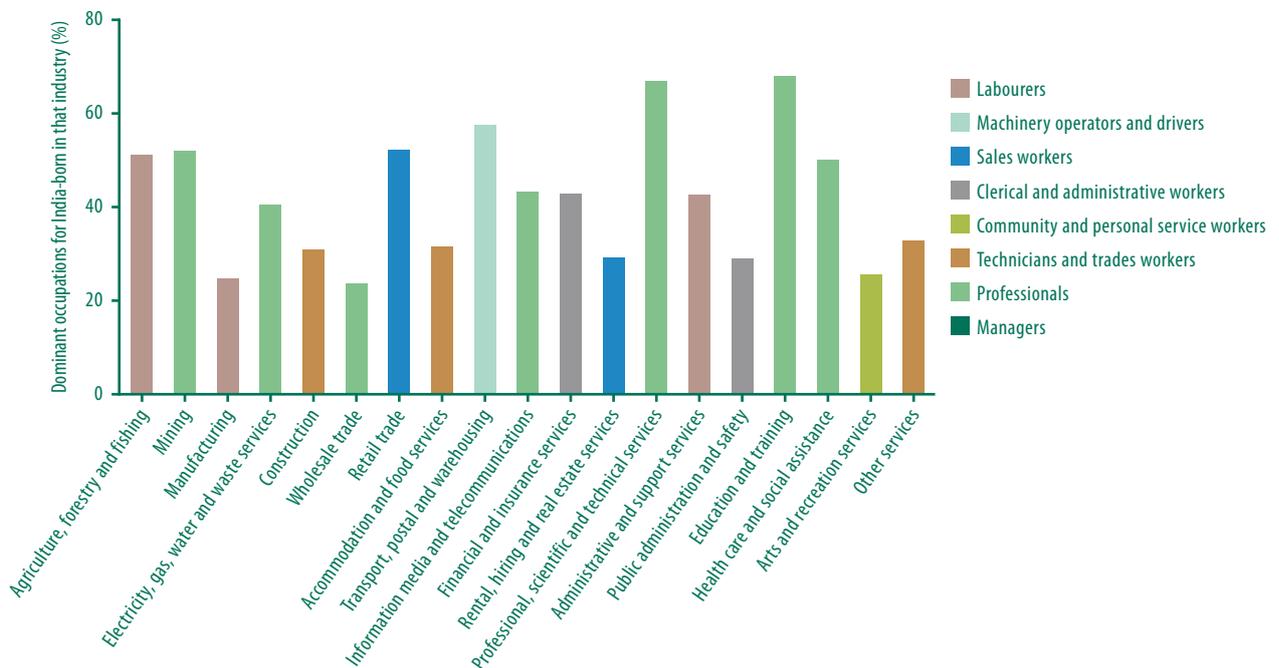
Source: Australian Bureau of Statistics, 2015c.

Figure 3.5: Major occupation of permanent employed China-born Australians (aged 15 years or over) by industry in 2011



Source: Australian Bureau of Statistics, 2015c.

Figure 3.6: Major occupation of permanent employed India-born Australians (aged 15 years or over) by industry in 2011



Source: Australian Bureau of Statistics, 2015c.

Pathways to permanent migration

Migration data from 2010–11 to 2013–14 show continued growth in professional occupations from both permanent and temporary skilled migration pathways. China-born show a preference for permanent skilled pathways to residency in the professional and technical occupations. Those born in India are mainly granted 457 visas in ICT and professional roles.

Data from 2010–11 to 2013–14 outlines the top five professions and industries entered into via permanent points-test skill migration visa programs. This is shown in Table 3.2 which indicates the number of applications granted each year. This contributes to ongoing evidence that the China-born and India-born populations are occupying knowledge-based roles in service industries in ever increasing ways, most significantly in ICT, STEM and hospitality.

Temporary Work (Skilled) visa (subclass 457)

Details of 457 visas for the same period, shows half of the occupational categories are the same as for permanent skilled migration. This indicates that supplementary resources were needed to meet demand in these key industries. Table 3.3 indicates the number of 457 visas granted in

each year. A key difference for the Chinese diaspora is more management and professional roles in the creative and hospitality industries, as well as academia and specialist ICT positions. For the Indian diaspora, the differences lie with management and specialist roles in ICT and hospitality.

Patterns in business ownership and employment

This discussion on the patterns of business ownership and employment of Australia's Chinese and Indian business diasporas reveals a number of features. While available data only shows a partial picture of the business diasporas activities, it does begin to show growth in the number and size of businesses owned by the diasporas in Australia.

Australia's service industries are greatly benefiting from the participation of Chinese and Indian business diasporas, as they are mostly active in professional, scientific and technical; health; education; and ICT fields. They occupy roles that require business and leadership acumen, as well as qualification-based skill expertise. Proportionally speaking, they are key contributors in industries and occupations critical to the Australian economy.

Table 3.2: Main occupations for skills based (points tested) permanent migration in 2010–11 and in 2013–14 for both China- and India-born applicants

China	
2010–11	2013–14
Accountants (6,513)	Accountants (2,353)
Software and applications programmers (781)	Software and applications programmers (457)
Registered nurses (321)	Registered nurses (348)
Civil engineering professionals (173)	Cooks (327)
ICT business and systems analysts (165)	Civil engineering professionals (185)

India	
2010–11	2013–14
Accountants (2,308)	Software and applications programmers (2,661)
Software and applications programmers (1,242)	Cooks (2,354)
Cooks (681)	Accountants (868)
Motor mechanics (431)	ICT business and systems analysts (619)
ICT business and systems analysts (315)	Registered nurses (610)

Source: Department of Immigration and Border Protection, 2015a, 2015c.

Table 3.3: Main occupations for Temporary Work (Skilled) Visa (subclass 457) in 2010–11 and in 2013–14 for both China- and India-born applicants

China	
2010–11	2013–14
Registered nurses (115)	Advertising and marketing professionals (286)
University lecturers and tutors (89)	Accountants (264)
Software and applications programmers (79)	Café and restaurant managers (236)
General managers (56)	University lecturers and tutors (226)
ICT support and test engineers (54)	Advertising, public relations and sales managers (159)

India	
2010–11	2013–14
Software and applications programmers (4,102)	Software and applications programmers (3,301)
ICT business and systems analysts (845)	Cooks (1,428)
Registered nurses (751)	ICT business and systems analysts (1,238)
ICT managers (488)	Café and restaurant managers (578)
Database/systems administrators and ICT security specialists (298)	ICT support and test engineers (512)

Source: Department of Immigration and Border Protection, 2015a, 2015c.

While this account shows Australia’s Chinese and Indian diasporas are employed across most industries, and are participating in Australia’s domestic economy through arrangements such as franchises, this participation also has a transnational dimension. It has resulted in culturally-specific industries, involving transnational business networks, and various complex arrangements in the production, distribution and consumption of goods and services across national borders.

3.3 Transnational business activities

The exploration of these arrangements is hampered by a data deficit on the transnational business activities that Chinese and Indian diasporas initiate, support and sustain. To understand the diaspora advantage phenomenon more deeply, empirical research is needed to show the importance and wealth of diasporic networks. This requires an exploration of the number of businesses owned by the Chinese and Indian diasporas in Australia and overseas, including how they came to be, their location, and industries. Such mappings may identify overseas regional centres, industries and

business models that are emerging within the transnational economic space—a space that is possibly being used by other Asian diasporas to great, yet unrecognised, success.

However, anecdotal evidence indicates that enterprises established by the Chinese and Indian business diasporas in Australia do have a transnational component. The interviews for this project reveal how these are manifested in different ways. A majority of the interviewed diasporas indicated they are engaged in business activities overseas. This is mostly in their country of family origin and characterised by either an agent or distributor, a branch or a partner company in fields directly related to their Australian business. Personal and family networks are of great support in establishing these operations and, to a certain extent, business colleagues in Australia. For example, a Chinese small business owner in Australia said:

It is not very practical to just focus your business just in Australia and being Asian. You should just leverage on your network back home or wherever you are from.

The diasporas noted that their linguistic and cultural background is essential, as well as their business experience in Australia. Such dual embeddedness also seems to facilitate reciprocal

Box 3.2: Further examples of Australia's Chinese and Indian business diasporas

In 2014 Ms Natasha Malani was included in *The Advertiser's* Top 50 Rising Stars in South Australia. She currently serves on the Adelaide City Council and previous roles include the General Manager of the Australia India Business Council, President of the Australia India Business Council (SA Chapter) and Board Member of the South Australian Council for International Trade. Australian-born Ms Malani manages her own consultancy, Access India, supporting Australian companies wishing to enter India (Adelaide City Council, 2016; Access India, 2013). Ms Malani explains:

My father is from India. I have Indian heritage. I know that market. My heritage wasn't something I really embraced when I was younger, but when I hit my twenties all of a sudden I recognised it was inherent in me. Going back to India at that time, I found a part of who I was ... India [is] really changing and the economic opportunities were obvious. I decided that inherently there was something I could do commercially that could also stem my passion [for India] as well (Dindemic, 2013)

Chinese-born Ms Melissa Ran is a tech entrepreneur who came to Australia in the mid-1990s to start her secondary school education. She arrived with her mother who was part of the wave of Chinese students offered the opportunity to continue their studies in Australia. Her own business ventures include recruitment and coaching start-up <GetThatGradJob.com.au> and project management software tool, Mijura. Ms Ran has been reported as saying:

I do this [start-ups] because I get to create something from scratch and make my visions into reality and I get to chase after dynamic opportunities unique at this particular time in history. It's faster moving, much riskier and uncertain, less financially rewarding (at least in the short term) and requires much harder work than a graduate job, but it's also far more intellectually challenging and creatively satisfying (UNSW Australia Business School, 2016)

Ms Ran is also an advisor and mentor with the University of New South Wales Innovations initiative. There she works with students and alumni in developing their start-ups, with a focus on how they can take advantage of opportunities in Asia. Independently, Ms Ran has organised and led delegations to the technology and talent conferences in China, including the Conference for the International Exchange of Professionals that targets foreign experts in technology and innovation (Ran, 2015; Parkanyi, 2013).

knowledge sharing and insights on Australian business opportunities. Similar experiences were indicated for Australian-born diasporas with business interests overseas. While their language and cultural capabilities may not be as strong as their immigrant counterparts, they were more actively engaging their existing networks to source support in these areas, to maintain momentum in seizing opportunities.

Simultaneous involvement in multiple businesses is common within the business diaspora. Examples of where they direct their entrepreneurial energy include start-ups based on opportunities provided from their connections, mentoring entrepreneurs, overseeing their own mature business operations, involvement in investments and board directorships. Most of this activity appears to occur in, and from Australia.

Chinese and Indians representing commercial interests and multinational companies in Australia are also engaged in the transnational space. Of significance is the presence of global Indian information technology firms operating in Australia since the mid- to late-1990s, such as

Infosys, Tata Consulting Services, Tech Mahindra, HCL and Wipro. These firms have facilitated the deployment of a large number of employees, mostly from India, to work in their Australian operations and on Australian client projects. The need for their expertise has possibly been a key driver for temporary work visa applications for Indian applicants in the critical fields of information technology—clearly meeting a high demand for STEM expertise in Australian enterprises. These members of the business diasporas have new and different experiences of Australia and business in Australia that is often shared 'back home'.

An Indian manager for a multinational company explained:

You need to learn Australian business culture quickly. India and Australia have different ways of doing business. We have different ways of negotiation and talking about money. I need to know when to be Indian, when it's needed, and when to give an Indian point of view. I am a business interpreter ... not just language ... but really understanding the short and long term plans for both sides.

One Chinese executive mentioned:

You can't do Asia with a Western head, with Western thinking. Australian businesses miss opportunities because of a mindset that 'Aussies know best'. You can't think as an Aussie in China. It just won't work. Aussies need to change the way they think about their business. The Chinese will always find someone else to do business with.

The emerging dynamic business activities undertaken by the diasporas, encapsulate employment, networked business activity (such as franchising and licensing models), representing overseas business interests, and business ownership and investment. Within these business activities the diasporas are well-represented in knowledge-intensive and technology-intensive, service-orientated industries. This illustrates strengths and expertise in these fields (and subsequently highlights the deficiencies in local resources to meet demand). Seizing new opportunities and exploring ways to improve production and performance appears to be bolstered by insights and introductions made within their networks, and the diasporas act quickly on these opportunities. Combined with the business diasporas' decision-making capacity and autonomy—either through occupational position (that is, management and professional roles) or as business owners and investors—this means they are well positioned to influence the public and private sectors in establishing greater economic links in, and with, Asia.

3.4 Enterprise in key Australian industries

The industries selected for discussion are based on high demand exports to China and India, and industries where Australia's Chinese and Indian business diasporas appear to be most active. Importantly, some of these selected industries have been signalled by the Australian Government as needing further invigoration in collaboration and commercialisation so they can 'transition into smart, high-value and export focused industries' (Department of Industry and Science, 2014, p. 3). Singled out in the *Australia's*

Competitive Advantage report was the capacity of the health, education and professional services industries for further development to Australia's benefit and advantage (Withers et al., 2015). A 2013 survey conducted by the Centre for Economic Development in Australia also found market potential with a high level of domestic competition within the agriculture, property and retail trade industries (amongst others) (CEDA-ACOLA, 2013). Financial and insurance services, international education and training, property, tourism, healthcare, retail trade, food and agriculture, mining, and the cultural and creative industries are highlighted below. The Chinese and Indian diasporas already contribute to these industries in some form, heightening their value as a resource for further accelerating Australia's industries in the new economy and supporting innovation priorities.

Financial and insurance services

As outlined in Figure 1.2, financial and insurance services has grown an average five per cent per annum since 1991 (Australian Trade Commission, 2015, p. 10), and contributed A\$130 billion to gross domestic product (GDP) in 2014 (Financial Services Council, 2014, p. 6). There are an estimated 164,438 financial and insurance service business in Australia (98 per cent classified as small business). Australian Bureau of Statistics data indicates that in 2011 there were 7,562 China-born and 12,755 India-born permanent residents in this industry as employed professionals and business owners. For example:

Mr Dinesh Aggarwal migrated to Perth in 2008 with an extensive background in accounting and business consulting in a multinational firm in India, where he was responsible for managing an extensive workforce. After initial setbacks in entering the Australian workforce and having his qualifications and experiences recognised, Mr Aggarwal was offered an opportunity to buy into an existing accounting practice and become a partner. Since then, he has been recognised as one of Australia's top three SME Tax Advisers of the Year 2015 by the Tax Institute, and winner of the prestigious 40 Under 40 Young Business Leader in 2012

and 2013 by CPA Australia. His firm, Fortuna Advisory Group, has grown to be one of the very few multi-disciplinary practices in Australia having dedicated divisions across a range of financial and business disciplines. It uses 'fintech' (see explanation below) to support its clients' work and increase its service reach. The Fortuna Advisory Group was the Western Australian finalist for the 2015 Telstra Business Award small business category.

SMEs are expected to continue to dominate this sector, with transnational activity greatly accelerated by *fintech* (the melding of technology and financial services, transforming how money is mobilised and managed), allowing SMEs to generate income from overseas markets. It has been estimated that within three years, around 66 per cent of SMEs in countries with advanced economies could derive at least 40 per cent of their revenue from outside their country of operation (Oxford Economics, 2015). Fintech has been driven by three Chinese tech-firms (Baidu, Alibaba and Tencent) and by new developments in Australia by the 'big four' banks. It has the potential to expand small financial and insurance service businesses easily and increasingly overseas. This is becoming of interest to Australian banks, which may be more inclined to work with SMEs in this sector on fintech initiatives. With their strong presence in the sector and transnational connectivity, the Chinese and Indian business diasporas are well placed to partner with Australian fintech companies to expand into Asia.

International education and training

International education and training is one of Australia's key exports, and international students are the source of substantial income both in terms of fees and other education-related services. In 2013–14, the industry contributed A\$18.2 billion to the economy, around a 15 per cent increase from the previous financial year (Department of Education and Training, 2015a, 2015b). Higher education generated the most income at A\$12.5 billion, VET was next at A\$2.9 billion,

followed by English Language Intensive Courses for Overseas Students (ELICOS) at A\$1,001 million, schools at A\$691 million, and non-award education programs at A\$722 million (Department of Education and Training, 2015d, 2015e).

The Australian Qualifications Framework could be included as an extension to this list as an export as it is currently being promoted and emulated in China and India. With such work underway, there are numerous opportunities to facilitate additional diaspora engagement and connections.

The number of students from China and India is growing and they are now recognised for their participation and potential in making 'a significant contribution to Australian society, diversifying and enriching communities, and strengthening Australia's global networks' (Australian Bureau of Statistics, 2011b). There is a significant economic flow on in residential property, local consumerism and tourism. Despite this, the advantage of international students is yet to be fully realised, not only in cultivating international talent for Australian industries and forming more extensive people-to-people links into Asia and beyond, but also in assisting educational institutions overcome critical challenges that may impact the industry's growth.

A member of the Indian diaspora said:

Australian universities can make great dual diasporas from their international students. They benefit from an Australian education and if they are given an opportunity to work in industry ... in really meaningful work, I mean ... they could take Australia to Asia. Industry needs to develop a package and offer jobs to the best and brightest international students. They could be the ones to set up the business's Asia operations.

The OECD has been reported that China and India will account for 40 per cent of all tertiary qualified young people in G20 and OECD countries by the year 2020 (OECD, 2012). This highlights Australia's need to effectively compete against China's emerging League of Nine universities (C9) and

the Indian Institutes of Technology (IIT), Indian Institutes of Management (IIM) and All India Institute of Medical Sciences (AIIMS). The rise of these and other institutions can impact student enrolments in Australia, potentially resulting in less diasporic connections being made for business and research collaboration. In mitigating declining enrolments, Australian educational institutions could benefit greatly from ongoing consultation with the student diasporas on how to improve their international standing in research collaborations, learning and teaching standards, the student experience, and how to best nurture ongoing connectivity through clubs, associations and alumni. Changes to Australian visa regulations, such as the proposed improved permanent residency pathways for high quality STEM and ICT post-graduate students, may influence future student enrolments.

Property

The property sector has a larger footprint in the Australian economy than any other industry. The sector contributed A\$182.5 billion directly to GDP in 2013–14 and a likely further A\$279.7 billion GDP contribution through flow-on demand for goods and services (AEC Group, 2015, p. ii). Data about diaspora occupations (see Figures 3.5 and 3.6) shows that those born in China and India hold more sales positions than any other occupation in this industry. While there is little data to determine the number of Chinese and Indian diaspora who are registered agents, anecdotal evidence suggests a rise in specialist agencies and property publications mainly targeting the Chinese diaspora. Evidence of this is seen in exclusive property-related ethnic print media, such as *Chinese Herald Property Weekly* and *Chinese Sydney Property Weekly*, and Fairfax Media's online *Chinese Domain*.

In 2013–14, Australian property attracted nearly 45 per cent of all foreign investment. (Foreign Investment Review Board, 2015) China was the number one investor during this time, investing more across seven Australian industries than the United States, Canada, Malaysia and Singapore (Foreign Investment Review Board, 2015; KPMG,

2015). Recent reports in the media suggest that Chinese investment in the Australian property market may be a response to changes in investment and visa policies in other countries. For instance, in 2014 the Canadian government ceased its investor visa program and around 40,000 Chinese visa applicants were given back their C\$800,000 capital, resulting in an estimated C\$32 billion primed for foreign investment (West, 2015).

Public perception of foreign investment, especially from China, tends to question motivations and methods rather than acknowledging the economic contribution to Australia. Commentary has questioned the legitimacy of investment funds, suggesting that 'China [is] by far the biggest exporter of illicit capital' (Besser and Hichens, 2015). Australian policy appears to be alert to this and recent reforms to the Foreign Investment Review framework came into effect in December 2015, signalling changes to rules and strengthened criminal and civil penalties (Foreign Investment Review Board, 2015).

Tourism and travel

The Australian tourism industry welcomed 6.6 million international visitors and hosted 83.2 million domestic overnight visitors during 2014–15. Tourists from China increased 22 per cent and, for the first time, peaked at just over one million visits within the 12-month period. They spent A\$7 billion, accounting for around A\$1 in every A\$5 spent by international visitors (Tourism Australia, 2015; Tourism Research Australia, 2015). Visitors from India increased 20 per cent during the same period, with 39 per cent increase in spending compared with the previous year, attributed, in part, to Australia and New Zealand hosting the ICC Cricket World Cup in 2015 (Tourism Research Australia, 2015). As previously noted, the increased activity of national airlines in Australia, such as China Southern Airlines, Air China and Air India, may be supporting these movements as well as promoting Australia as a prime tourism destination.

Box 3.3: Sporting nations

While tourists are not considered as part of the conceptualisation of diasporas, their growing numbers do have an economic impact. For instance, when the Indian cricket team tours Australia, aside from tourism benefits, there are also significant gains from advertising and broadcasting rights. In 2014, Cricket Australia's chief executive Mr James Sutherland was reported as saying:

We have a bumper year when India tours because the value of the Indian broadcast rights are higher than for any other tour. When India is touring Australia it is a time to be proud because the whole world is watching. The Indian diaspora around the world is phenomenal. Our third biggest overseas broadcast market is the US where the diaspora of Indians [...] want to watch India playing Australia (Evans, 2014)

Additionally, sport is considered a conduit for tourism and trade. The Australian Turf Club hosted the inaugural Chinese Festival of Racing in January 2016 at Randwick. The initiative aimed to engage with Sydney's significant Chinese community and showcase racing. The Club aims to create something unique for the Chinese community now that can grow in time. Mr James Tong, co-ordinator of the Chinese Festival of Racing said:

Now it's about other investment opportunities [for Sydney's Chinese community] and at the same time they want something where they can enjoy life. (Clover Hill Dairies Diary, 2016)

Entrepreneur Mr Tong founded the Australian Chinese Primary Industry Council, engineered a Sydney Kings basketball tour to China, and is involved with the Chinese Domain product that attracts property investors to Australia. Mr Tong used the race day to host an Agri-Innovation Forum and launch the Australian Chinese Primary Industries Council's innovative producer-to-consumer trading cloud platform Agribaba. The platform will connect Australian farmers and small producer with buyers and investors in China through a membership-based system (Clover Hill Dairies Diary, 2016). The combined Chinese Festival of Racing and launch of Agribaba, promoted small Australian farmers to the race day's Chinese visitors, who may go on to facilitate trade links between local producers and Asia.

Tourism forecasts estimate Asia to be a prime market, with China alone potentially worth A\$8.48 billion in 2020 (Australian Trade Commission, 2016c). The *Tourism 2020 Plan* underpins these forecasts. It intends to grow demand from Asia, with a specific focus on China and India. To achieve growth projections, 'industry and governments need to deepen consumer understanding, strengthen distribution, develop tailored marketing campaigns, and appropriate products, as well as relevant policy frameworks' (Tourism Australia, 2011, p. 2). Developing mechanisms for the tourism industry to engage with Australia's Chinese and Indian diasporas could greatly assist marketing efforts and the service experience, as well as helping local operators and attractions. For instance:

In 2012, Sovereign Hill (an outdoor museum on Australia's gold rush history) opened a sales office in Shanghai to promote the brand to travel agents and wholesalers. This development is a strategic initiative of the museum, building on its industry leadership in developing China's inbound tourism market since the 1990s and helping thousands of Chinese trace their Australian roots (Sovereign Hill, 2012).

Healthcare and social assistance

In 2011 the healthcare and social assistance industry was Australia's number one employer, accounting for around 1.4 million employees (Financial Services Council, 2014). China- and India-born employees predominately occupy professional roles in this industry (see Figures 3.5 and 3.6). This presence may be attributed to an earlier wave of migration from India in the late 1960s that included medical professionals, increased enrolments from Chinese and Indian local and international students in medicine and related fields, and registered nurses being one of the top occupations for both permanent and temporary visa applications since 2010.

Recent policy initiatives have created new opportunities for this industry to increase its presence in Asia.

Firstly, product quality issues and recent policy changes in China saw a jump in demand for baby formula and other health products and supplements. Mainstream media reports and evidence of pop-up stores have shown the diasporas to be capitalising on the demand from Asia. The ease of buying, selling and distributing health goods creates informal and highly

responsive transnational supply chains based on their connections back 'home'. Additionally, China's decision to end its one-child policy in late 2015 impacted global stock exchanges with significant positive results for Australian listed companies, such as Blackmores and Bellamy's (Evans, 2015).

Secondly, under the China-Australia Free Trade Agreement (FTA), Australia can establish wholly owned aged care institutions in China (Department of Foreign Affairs and Trade, 2015b). It is China's first FTA to include this provision. However, in November 2014, China announced that foreign investors could establish wholly owned, for-profit elderly care institutions in China (Ministry of Commerce, People's Republic of China, 2014). While the provision does not give Australian firms a distinct advantage, deeper engagement with the Australian Chinese business diaspora might do so, in regard to circulating ideas and resources.

Finally, medical technologies and pharmaceuticals are identified as a Growth Centre under the national *Industry Innovation and Competitiveness Agenda*. Here, the Chinese and Indian business diasporas represent a rich resource that might be instrumental in supporting medical researchers to: develop new biomedical devices and platform technologies to improve health outcomes; advise on commercial feasibility and suitable markets; and develop business models that will best support production and distribution.

Retail trade and precincts

Australia's retail trade industry tends to be divided into two broad categories: merchandise (such as fashion, household goods and fuel) and food (including grocery, cafés, restaurants and take away food services), which often overlaps with the accommodation and food services industry. As identified earlier Australia's Chinese and Indian diasporas are highly represented in the retail trade and food services industries. While the number of retail stores in Australia is difficult to ascertain, retail spending is a key measure of economic performance and consumer confidence and consumption.

The retail consumer experience has transformed Australia's retail industry into a multifaceted industry including physical sites (leased spaces, pop-up shops and mobile vans), established shopping centres and online shopping. The diasporas bring a unique cultural component to retail—the rice and spice grocers, cultural goods, textile and crafts, and Chinese and Indian restaurants found in most parts of Australia, including regional and rural areas.

This strong cultural element has given rise to highly visible ethnic retail precincts, such as long-standing Chinatowns, with valued historical, social and cultural aspects that support a vibrant retail experience. To some extent it is possible to link the production of commodities with the cultural context of their producers, thereby 'peopling' production processes and sales. Specific business councils charged with promoting the businesses and the cultural events and festivals these precincts host often support these retail hubs. For example:

In December 2015, the Victorian state government announced plans to fund two Indian Cultural Precincts to be established in Dandenong and Wyndham, as 'a hub of activity—hosting festivals, a drawcard for tourism, supporting small businesses and boosting the local economy' (Premier of Victoria, 2015). This combines a very potent economic mix of culture, trade and tourism created, produced and consumed by the diasporas.

Agriculture, forestry and fishing

From farm and fisheries production, to food and beverage manufacturers, Australia's agriculture, forestry and fishing industry had an estimated workforce of 1.68 million people in 2011 (Department of Agriculture, Fisheries and Forestry, 2011). As employees, Figure 3.5 shows that Australia's China-born population held mainly management positions over other occupations within this industry, indication their possible influence in transitional business activities with Asia.

With eight of the top 10 destination markets in Asia comprising 56 per cent of exports (Australian

Trade Commission, 2016a, p. 14) there is noted much discussion and contentious debate about Australia being Asia's food bowl and feeding Asia. The ACOLA *Australia's Agriculture Future* report found a range of community concerns with regulatory, social, and political implications important to the future development of agriculture that need to be acknowledged and managed sensitively, including foreign investment, ownership and the number of foreign workers (Daly et al., 2015). The industry has the opportunity to capitalise on a market for high-value products domestically and in Asia.

At the upper end of the food market, there is a strong and increasing Asian appetite for quality Australian primary produce, wine, craft beer and whiskey and cottage industry specialty food

products. There is an emerging market of smaller producers entering into Asia via co-op business models that are being supported by state and national programs. Along with co-ops, Australian quality food products are being distributed into Asia via Australia's Chinese and Indian diasporas (such as online platform is outlined in Box 3.3). As highly agile transnational traders, the diasporas are servicing their networks through the purchasing, selling and distributing small quantities of food product through standard postal and freight systems. While having a positive impact in promoting the quality of 'brand Australia', this form of trade contributes to the broader debate in the industry on environmental issues, biosecurity, supply chains and trade policy settings.

Box 3.4: Riverina Oil and BioEnergy

Indian born Mr DD Saxena came to Australia in the mid-1990s. He attended high school in the United States, studied for his Bachelor of Engineering at the Indian Institute of Technology Kanpur in India and went on to establish a career in management with multinationals such as Unilever, as well as overseeing greenfield developments in developing nations. He is now the Founder and Managing Director of Riverina Oils and Bio Energy (ROBE). In 2015, he was awarded the IABCA Indian Ambassador of the Year Award and in 2016, the Non-Resident Indian Asia Pacific Entrepreneur of the Year by India's Times Now publication.

Mr Saxena decided to build ROBE in Wagga Wagga (in the New South Wales Riverina district) as a state-of-the-art, fully integrated, oilseed crushing and refining plant. The intention is for ROBE to be the best factory within the Asia-Pacific region and to be one of Australia's top food manufacturers. While plans commenced in 2006, progress stalled due to sourcing world-class equipment from Belgium and Germany, and lengthy delays in local permits and approvals.

The operation supported the development of regional infrastructure in building local roads. The A\$150 million operation commenced a trial production in late 2012. Since 2013, it has been producing over 200 tonnes of refined vegetable oil and 300 tonnes of vegetable protein meal per day for the poultry, dairy and animal feed industries. It will eventually produce biofuel. ROBE is one of the largest food and agricultural investments in Australia. It exports, directly or through partners, to India, Korea, Malaysia, New Zealand and the United States. ROBE was the second company approved by the United States Department of Agriculture as a supplier of non-genetically modified canola oil to the United States.

With no Australian funding available, Mr Saxena self-funded ROBE using a combination of his own seed capital with investors from India and China (backed by Indian banks) and a United States venture capital fund. In doing so, ROBE became the only Indo-Chinese joint venture partnership in the Australian food and agricultural industry. As of March 2016, ROBE directly employs 95 people (with a number of engineering specialists from India on 457 visas). The company has supported over 200 construction jobs, 500 indirect jobs and 18,000 trucks in and out of the plant each year within Wagga Wagga and the region (Indian Monthly, 2014)

ROBE maintains strong links with India. In a newspaper interview, Mr Saxena explained:

Our business has lots of Indian elements and components, which we believe have helped in understanding and improving relations. We did most of our Engineering from India. Over 70% of the factory was built in India. We have 30 families of India Origin (experienced engineers with significant exposure to the Industry) residing in Wagga Wagga NSW. Their families and children are interacting and participating with local community. I do believe that the wealth creation of our factory and company and the multiplier effect it has will help in building credibility and mutual understanding and also improving economic and social relationships [for Wagga Wagga, as well as Australia and India] (Indian Newspaper Sydney, 2014)

Mining and resources

The mining and resource industry is Australia's highest earner in total exports and in fuelling rapid development throughout Asia. Australia's leading mining companies, such as BHP Billiton and Rio Tinto, play a dominant role in providing the raw materials that China and India needed for their development. At the same time, many Australian mining firms have relied heavily on foreign investment.

There have been a number of significant investments in Australian resource projects, especially from China. Some investments have encountered challenges that may hamper ongoing interest, and that illustrate the 'complex connection between the economics and politics of international investment in Australia' (Hurst, 2014). For instance, the eight-year development of CITIC Pacific's Sino Iron Ore Mine project has cost around four times its initial budget and encountered legal action that has compelled CITIC Pacific to seek significant funding from its parent company. In another example, Indian firm Adani has spent at least six years navigating the Australian approvals system and facing cultural, environmental and community opposition to the Carmichael coal mine (the Crawford School of Public Policy has other examples and commentary).

Investments aside, the national *Industry Innovation and Competitiveness Agenda* is keen to support the industry to move towards developing Australia's mining equipment, technology and services (METS). Given the number of China-born and India-born in professional roles within the industry, they may be able to easily transition into these new developments, bringing with them expertise and transnational connectivity that could speed expansion into Asia.

Cultural and creative industries

The cultural and creative industries encapsulate the fields of: advertising and marketing; architecture; design and visual arts; film, television and radio; music and performing arts; software development; and publishing (Commonwealth of Australia, 2011). The former Australian Government's 2011 *National Cultural*

Policy noted the crucial importance of Asia and the role of Australia's cultural industries in forging stronger people-to-people links. However, criticism of this policy centred on the lack of national engagement with Asia and Asian arts and culture.

This policy is not part of the current government's framework. However, while it was in operation, it attempted to invigorate Australia's creative industries into Asia by identifying potential export opportunities tied to the development of cultural precincts and venues throughout Asia (Creative Australia, 2012, p. 116). Additionally, some state governments have developed their own initiatives for creative industry links into Asia. Examples include the Victorian Government's *Securing Victoria's Economy* report (Department of Premier and Cabinet, 2012) and the South Australian Government's steps to connect culture, tourism and trade with India and China, and mechanisms for increased engagement with the local diasporas within the creative industries. The *Smart Engagement with Asia* report, points out that Australia's federal-level cultural diplomacy has moved from simply showcasing Australia to developing more collaborative initiatives with the region. There is also a range of region-oriented, non-governmental cultural networks that recognise and support cross-national collaboration and production (Ang, Tambiah and Mar, 2015).

However, one of the greatest challenges facing the industry is the large contingent of 'individuals as enterprises', where sole practitioners, freelancers, contractors and SMEs are encouraged to be entrepreneurial in ways that will assist their own productivity and distribution into China, India, and Asia more broadly (Innovation and Business Skills Australia, 2014). This is an area where the potential for greater collaboration between the creative industries and Australia's Chinese and Indian business diasporas could help trade pathways and commercialisation of ideas. However, the industry faces challenges in knowing who are 'the best people' within the diasporas to collaborate with, and concerns over copyright and intellectual property protection (Innovation and Business Skills Australia, 2014).

3.5 Innovation and the business diasporas

Opportunities abound for the business diasporas to further their links with science and research activities and their research diaspora counterparts. This will open up more avenues for commercialisation of ideas and increased knowledge transfer within the transnational economic space. As outlined earlier, collaborations between businesses and publicly-funded researchers can increase innovation, and in turn, improve the innovativeness of business. The *Technology and Australia's Future* report highlights that international collaborations between business and researchers helps both gain access to high technology sectors as well as accessing new markets and trade networks (Williamson et al., 2015). As an extension to these benefits, *Smart Engagement with Asia* found that

strategic research collaboration across the region could serve as an arm of science diplomacy to strengthen links both between states as well as people-to-people (Ang, Tambiah and Mar, 2015).

Such collaborations will also foster mutually beneficial skill development, where the business diasporas advantage and Asia capability strengths compliment STEM expertise. Mirroring the business diasporas' own mobility and connectivity, the movement of scientists and researchers across national boundaries is an intrinsic part of research production and application that is almost inevitably transnational. If encouraged and managed well, collaborations will deliver knowledge and products of value to all countries involved by:

...developing innovative processes or products; training young engineers and scientists; application and commercialisation of research outcomes; academia and

Box 3.5: Films and festivals

Sydney hosts one of the biggest Chinese New Year festivals outside of Asia. It is a month-long program of arts, cultural, sport and culinary events organised by the City of Sydney. In 2016, the Festival celebrated its 20th anniversary and was curated by Australian-born fashion designer and presenter of Chinese origin, Ms Claudia Chan Shaw. The Festival has attracted the largest corporate sponsor in its history, securing Westpac as the principal partner for the next two years. The Festival attracts more than 600,000 local and international visitors per annum and there are economic flow-on effects into tourism, accommodation, transport, restaurants and retail. For instance, data from the 2014 Festival indicated that an estimated audience of 63,000 spectators watched the 2014 Twilight Parade and spent A\$2.7 million that night alone (City of Sydney, 2015a, 2015b; Donegan, 2015). Another key festival is Western Sydney's Parramasala event that celebrates Australia's Indian and South Asian communities. In its sixth year, this free public event mixes music, dance and parades with theatre, food, film and heritage. It attracts 30,000 visitors over the three-day event (Parramasala, n.d.).

Mr Anupam Sharma came to Australia in the early 1990s to join his parents and complete his under-graduate and post-graduate studies with the University of New South Wales on Indian cinema. As a recognised international expert on Indian entertainment and cinema (as well as a director, actor, author and producer) he has been named by *Encore Magazine* as one of the 50 most influential professionals in the Australian film industry. Mr Sharma has been widely credited for pioneering Australia's film trade with India.

As the Managing Director of Films and Casting TEMPLE (an Australian film production, casting and consulting company working from Sydney's Fox Studios) Mr Sharma has been instrumental in securing significant financial and production support for Indian film production in Australia since the late 1990s. Mr Sharma is the Creative Director and Producer of Australia's biggest tourism advertising campaign for the Indian market, by Destination NSW, directing four ads as part of the campaign (Films and Casting Temple, 2016).

Mr Sharma was appointed Head of Films for the Australia India Film Fund in 2013. The Fund will finance films exploring both Indian and Australian cultures and experiences. The Fund's first project made in Australia for the Indian market was the 2015 'UnIndian', starring Tannishtha Chatterjee and former cricketer, Brett Lee. The Fund will follow Mr Anupam's philosophy of:

Western Body—Indian Soul' [as] all projects will adopt western principles and business structures, including transparent accounting, efficient management, and Western distribution norms in order to maintain the spirit of fair trade and accountability. At the same time, the films will be a testament to the Indian soul, creating stories of emotion, colours and music, bringing with it the mystical Indian touch that no one can define (Australia India Film Fund, 2014).

industrial linkages for knowledge and technical transfer; and the formulation of informative and strategic advice for the development of government policies (Yu, 2015).

Australia's professional, scientific and technical services industry has enjoyed an average 3.5 per cent GDP growth per annum over the last two decades (Australian Trade Commission, 2015, pp. 3, 10). Comprising myriad scientists, lawyers, engineers, ICT and specialist consultants, those born in China and India have been dominating these occupations in permanent and temporary visa applications since 2010–2011. In filling an identified STEM skill gap in Australian enterprises across the board, the number and expertise the diasporas represent significant potential for Australia's research and development efforts to energise collaboration, training, innovation and the commercialisation of ideas. The role for industry and enterprises is essential for 'increasing collaboration and commercialisation, improving capabilities to engage with international markets and global supply chains and enhancing management and workforce skills' (Department of Industry, Innovation and Science, 2016). Collaborations between Australia's research and business diasporas are strengthening and relationships are growing with industry.

Australia-China Collaborations

In a January 2015 speech, Premier Li Keqiang spoke of China's twin engines of mass entrepreneurialism and innovation, and the supply of goods and services. In recent years, China has become one of the top three nations in innovation, science and technology strengths and outputs. Australia's role in this development has been the marked increase of joint research publications with China, more so than any other country, in the fields of engineering, physics, materials science, chemistry, and computer science (Yu, 2015).

Between 1993 to 2010, a large number of researchers moved to Australia from China and India as permanent residents. Research

collaborations across national borders are sometimes the result of scholars connecting with other scholars from their same ethno-cultural group. This is highlighted in particular by the links created and maintained by scholars of Chinese descent internationally. This has powerful potential in a context where China has risen rapidly in research production and invested significantly in research institutions and capabilities. As *Smart Engagement with Asia* found:

The Asia Pacific region has seen a steeper rise in research and development (R&D) expenditure and scientific publication outputs than anywhere else in the world ... China is fast becoming the world's largest producer of research output and is expected to overtake the United States before the end of the current decade. In 2011, its share of total regional output in science and engineering papers was 38 per cent (Ang, Tambiah and Mar, 2015, p. 23).

Australia and China have a wide range of platforms for science and research collaborations. Among noteworthy opportunities for post-graduate linkages are those between Australia's G8 universities and China's C9. Joint activities include forums for top graduate students from G8 and C9 universities, such as the 2011 *Clean Energy and Global Change for the Future* meeting. Joint degrees and exchange programs have been considered, as well as initiatives enabling research policy leaders to spend two weeks at an institution in the other country to observe management processes and facilitate professional relationships (Department of Industry, Innovation, Science, Research and Tertiary Education, 2011).

Specific initiatives are in place, such as the *Baosteel-Australia Joint Research and Development Centre*, with one of China's leading steelworks companies supporting links between Chinese industry and four Australian universities. The *Southeast University-Monash University* venture offers a joint Graduate School and Research Institute. Monash was the first Australian university to receive a licence to operate in China,

offering post-graduate degrees at masters and PhD levels. The joint venture aims to build a critical mass of researchers that will deepen R&D relationships with local Chinese and Australian institutions and global enterprises. They are actively pursuing target enrolments of 1,000 masters and 500 PhD students by 2019 (Yu 2015 p. 10).

The *Australia-China Science and Research Fund* (ACSRF) supports six *Australia-China Joint Research Centres* (JRCs), which cover fields such as energy, light metals, river basin management, food and agribusiness and marine science. Exchanges of students and staff, joint research and joint symposia appear to characterise the operations of the JRCs. The ACSRf also funds Australia's engagement in the *Australia China Young Scientists Exchange Programme* for early to mid-career researchers. This is supported by the governments of the two countries (Department of Industry, Innovation and Science 2015). In addition, the various Confucius Institutes in Australia offer a site and process for collaboration and relationship-building between Australian and Chinese students, including in the humanities, arts and social sciences (Ang, Tambiah and Mar, 2015).

India as a centre for global innovation

India is now recognised as a global R&D centre. Indian firms and more than 800 international companies base their R&D facilities in India for (among others) IT and telecommunications through to pharmaceuticals and biotechnology innovation (Sridhar and Krishnamoorthy, 2015). For many, India is the largest research centre outside the United States or Europe. Feeding into this are the global Indian diasporas engaged in transnational collaborations.

Over the past decade, joint research papers between Indian and Australian researchers have doubled, indicating increased collaborations

(ibid p. 16). These connections may have been facilitated through the academic diasporas and through post-graduate education, which supports networking between Australia and Asia with prospects for collaborative training and innovation. One example is the *TERI-Deakin India Research Centre* (Deakin University and The Energy Research Institute), which prepares industry-ready doctoral graduates. It offers opportunities to Indian students to receive training at Deakin University and applied experience with industries in Geelong, Victoria for a short period, coupled with longer periods of in-country delivery in India. Another is the *IICT-RMIT Research Centre* (the Indian Institute of Chemical Technology and RMIT University).

A key program is the *IITB-Monash Research Academy*, a joint venture between the Indian Institute of Technology, Bombay (IITB) and Monash University. Physically situated in India, the Academy is supported by the *Australia India Strategic Research Fund* (AISRF), BHP Billiton in Australia and Tata Consulting Services in India. Doctoral students are trained by scholars from both institutions and industry partners (spending six months at Monash), and receive a dual-badged degree (IITB-Monash Research Academy, 2015; McDonald, 2013). The Academy maintains a strong focus on computer engineering, energy and nanotechnology. In 2015 it launched PhD programs in the humanities and social sciences. As the Academy's doctoral students and their supervisors are located in different countries, this signals both the transnational nature of the modes of education and training, as well as transnational content. Some of the Monash-based researchers engaged in training students in India are themselves of Indian descent. As a result the circulation of knowledge to realise strategic outcomes in research and industry, in both India and Australia, is enabled by transnational networks.

Box 3.6: Hubs, incubators and accelerators

A number of technology start-up hubs, incubators and accelerators are currently operating in Australia. Examples that are not aligned with universities or institutions include Fishburners, the New South Wales Government supported Stone and Chalk, and the Brisbane River City Labs.

One new initiative is seeking to better promote the Asian business diasporas in Australia.

The Chan family are the owners of Sydney property development and management firm Banna Property Group. Ranked 42 in the 2014 BRW Rich Families List, the family fortune was built by Mr Bernard Chan, who began with a general merchandise store in Rabaul, Papua New Guinea. He migrated to Australia in 1967 where his business interests expanded. His grandson, Mr Brad Chan, currently oversees the Group. He has led the development of a philanthropic foundation so the Chan family can support local charities and initiatives. One concept under development is the Asian Innovation Hub. The Chan family has committed a floor in one of their properties in Sydney's Chinatown to the Hub. The vision is to create a working space, where Asian Australians can collaborate and accelerate start-up enterprises. This will also provide an access point for local Australians looking to connect with the Asian diaspora.

Additionally, global associations are also attempting to do similar work. The Indus Entrepreneurs (TiE) group has assisted entrepreneurs of Indian origin in the United States with mentoring, incubating, networking and venture capital financing. While TiE chapters exist in Australia, they maintain a low profile and little is known about their success in supporting the Indian business diaspora.

3.6 Contribution to the Australian economy

A picture is emerging of the direct contribution the Chinese and Indian diasporas are making through business ownership, investment and employment. They are visible and active across all industries and crucial in providing sought-after expertise. There are also a number of indirect benefits.

The diasporas appear to be active in cultural community groups. This project identified at least 200 Chinese and Indian groups, clubs, and associations in Australia. It was difficult, however, to ascertain actual numbers as there is no centralised directory of associations. These groups tend to be formed along cultural commonalities (such as religion, language or regional origins) and provide a *face, place and space* for diaspora connectivity. Interviews for this project noted that participation within these groups often leads to business introductions and information about opportunities, but in an informal way.

The interviews also noted the generational tension within these groups—between older, first generation members of the diasporas, the Australian-born second generation and international students. A number of diasporic youth wings are arising out of these tensions, some linked to ethnic business councils and cultural associations, others as standalone groups. These are quite active and led by the youth themselves but do not necessarily involve direct support or engagement with first generation or leaders of associations. This suggests that diasporic youth are energised about their connection with the diaspora but wish to create entities of their own to realise different outcomes that existing cultural groups or associations may not be willing or able to facilitate. A young Indian entrepreneur explains in an interview:

Youth movements in ethnic associations are more successful. There is a real incentive to be part of it, with people who think the same and want to really do something ... [youth wings and independent groups] have disrupted the business councils because they have failed to executive this for us.

Box 3.7: From the Commonwealth, curry and cricket to the economy, energy and education

The Australia India Youth Dialogue (AIYD) is the leading track-two (that is, professional non-government) young leaders' dialogue between Australia and India. Its vision is to provide a sustainable platform for Australian and Indian young professionals to come together and foster an enduring partnership. Each year, the Dialogue invites 15 young Australian leaders and 15 young Indian leaders in the fields of commerce, arts, academia, policy, science and sport (among others) to discuss opportunities and challenges significant to the Australia-India relationship.

Chair of the Dialogue, Shaun Star, said in an interview for the project:

We have seen that young people invest more time and energy into outcomes for themselves and their country ... and when 50 per cent of India's population is under the age of 25, India's future will be driven by the youth and their ideas. To be part of this, Australians need to start the conversation with them now and get connected. Australians and Indians have relatable aspects we can talk about, such as the three Cs of curry, cricket and the Commonwealth. These are good talking points that help break the ice and make it easier to connect ... and this puts Australia at the envy of other Asian relationships. But where we need to centre our attention on—as it's the future of the Australia-India economic relationship—is what Amit Dasgupta's [former Indian Consul General in Sydney, 2009 to 2012] calls the three Es of economy, energy and education. This is what we want young people to be talking about.

Interaction between the Chinese and Indian diaspora with local, state and federal politics and political structures in Australia is low, compared with anecdotal evidence suggesting stronger connections with government officials in China and India. Engagement with Australian politics and politicians seems to be activated by the diasporas. This is done as individuals or organised groups based on need (such as encouraging action where bureaucratic processes have slowed business progress, seeking support for business initiatives, or extending invitations to present at events).

While engagement may tend to be low, the diaspora demonstrate an astute understanding of the political landscape both in Australia and in their country of family origin, and the possible impact on business activities. Of recent note is the diaspora's contribution to international political events. For instance, following Prime Minister Modi's success and 2015 visit to Australia, some interviewees noted a marked increase in national pride and renewed excitement within the Australian Indian diaspora about India and being Indian. This may illustrate India's ability to engage with its global diasporas for political purposes. The United States Indian Political Action Committee is another example, where the Indian diasporas in America played an influential role in the recent United States-India Civil Nuclear Agreement.

The need for economic modelling

The diasporas' economic, social and political participation in Australian life is gradually being revealed. This report describes the various industries and ways in which Australia's Asian diasporas are engaged in business activities, and are making a significant contribution to Australia. As noted in the *About the project* section, attempts to quantify this contribution in econometric terms were made, but limited. Economic modelling of the business diasporas would be helpful for a number of reasons.

Better data is needed on (but not limited to):

- number of businesses and employees (both here and overseas), locations within Australia and overseas, length of time, industries, and estimated turnover of enterprises owned by the diasporas, especially first and subsequent generations
- sources and mobility of funding and capital
- nature and extent of global circulation of resources, as well as the diasporas own mobility (within Australia and overseas)
- type of business activity undertaken by temporary residents
- profile and source of the diasporas' connections and pathways to activating them.

Economic modelling of the business diasporas along these lines would clearly be helpful for a number of reasons. To begin with, the size of the current contribution of Chinese and Indian diasporas to the Australian economy could be measured. This is suspected to be considerable and growing rapidly. The types of businesses and industries in which the diasporas operate could also be quantified. This would reveal trends in business models, transnational trade relationships, and longitudinal economic impact, illustrating the unique and innovative business practices within the region and emanating from Australia's diasporas. This assists in providing quantitative indicators and trends useful for forecasting economic activity. Projections for Australia's Chinese and Indian migrant population alone are estimated to be a combined 2.7 million in 2031 (Liu, 2016, p. 45). Considering how this may influence transnational economic activity over the coming years would help guide planning, resource allocation, and the management of enterprises and agencies.

With the limitations of current Australian data sets, further enquiry is required to understand the ways in which diaspora identification, enterprise and mobility can be quantified. One possibility is expanding the remit of some of Australia's largest data collation programs (especially the Census) within the diaspora logic, as well as supporting calls to have the Census linked, allowing for greater longitudinal analysis. However, these suggestions require resources.

Yet, such economic modelling (not just of the Chinese and Indian business diasporas, but of all diasporas in Australia) would be helpful in identifying the relationships between economic activity and outputs generated by the business diasporas, both within Australia and overseas. It would enable policy to focus on considerations for the greater mobility of capital, incentives

and better management of transnational trade, investment and innovation. It could also identify pathways for deeper collaborations across business diasporas and across various sectors of the economy. In this way, economic modelling would further inform government, institutional and enterprise risk management strategies. It would help government agencies, regulators, and professionals to improve their own Asia capability, as well as the quality of information, education and services provided.

Finding 7: While qualitative interviews indicate the significant contribution that the Asian business diasporas are making to the Australian economy, this contribution has yet to be measure quantitatively through economic modelling. However, such modelling requires new approaches to collecting, using and analysing data, as the current data sets do not fully take into account diaspora experiences, flows and networks.

In the absence of such economic modelling, this project drew additional insights and information from the interviews, mainstream and ethnic media outlets, readily available reports, information from business councils and associations, and publications and online business directories. Evident throughout is the reach of the business diaspora across all Australian industries and the importance of networks and people-to-people links in their business activities. They actively pursue relationships and protect networks, indicating their value and the importance of reciprocity. Transnational networks are an asset, assisting the mobility of knowledge, people, ideas and capital. However, networks can also be a liability. For example, they can amplify challenges and barriers when expectations and promises are not met.

4

Opportunities and challenges

This chapter describes the opportunities that the Chinese and Indian diasporas have in Australia, as well as the challenges they face. It suggests that recent policies around notions of diversity, multiculturalism, access, equity and smart engagement with Asia—as well as positive shifts in public attitudes towards Asia—are contributing to a supportive climate for Asian business diasporas. They now feel more confident about investing in new business ventures and pursuing innovation, often by using their transnational networks. This has led to an increase in Australia’s business and investment presence in China and India by way of ‘people, policy and place’. Yet, the business diasporas still face major impediments, which need to be overcome for Australia to realise the diaspora advantage. A key concern is the under-representation of Australia’s Asian diasporas across government, institutions and industry in an era that not only demands technical knowledge and research but also cultural understanding. Correcting this would help to ensure the Asian diasporas are represented across all forms of decision-making roles and bodies. It is also important to increase recognition and celebration of the leadership roles that Australians of Asian origins can play in driving more effective engagement with Asia.



4.1 Introduction

A range of diverse factors support the business activities of the Asian diaspora. This includes their own skills and interests, public perceptions and support of their enterprise, and incentives provided by governments, associations and industries. Contemporary Chinese and Indian diasporas in Australia make the most of these. A majority of the contemporary Chinese and Indian diasporas in Australia hail from the growing Asian middle class. They have strong traditions of educational aspirations and professional achievement. As with the previous generations of immigrants, the contemporary Chinese and Indian business diasporas in Australia have a keen desire to succeed. This report finds that the Chinese and Indian diasporas are characterised by higher levels of education and training than the rest of the Australian population. This is likely to be in the disciplines of business studies, financial services, computer science, and engineering. They are highly skilled, and well disposed towards innovation and entrepreneurialism. They are prepared to take commercial risks. Their cultural knowledge, intercultural skills and transnational networks thus represent a major advantage both for the diasporas and Australia.

In this way, the diasporas contribute significantly to the global circulation of capital for the exchange of goods and services, now increasingly produced, distributed and consumed across national borders. The globalisation of the economy has greatly facilitated the opportunities the Chinese and Indian business diasporas now enjoy. It has enabled them to form transnational businesses that use expertise and labour wherever it is most profitably located. They have become much more mobile, managing different parts of the same business across national borders. As the American sociologist AnnaLee Saxenian notes, 'the increasing mobility of high-skilled workers and information, as well as fragmentation of production in information and communication technology sectors, have led to unprecedented opportunities' (Saxenian, 2006, p. 4).

However, with opportunities come challenges to achieving better outcomes. Strong themes emerged from the interviews with the Chinese and Indian diasporas, business councils, government departments and agencies, regulatory bodies, financial institutions, corporates and academics. Challenges particular to the business diasporas in Australia include the lack of visibility in leadership, decision-making and engagement mechanisms that affects the advancement of trade, investment and innovation both in Australia and into Asia.

4.2 Structure of opportunities

Recent shifts in attitude towards Asia within Australian governments, institutions and industries provide the key to creating supportive structures and opportunities. There now appears to be a mostly positive perception of, and confidence in, Asia, with specific recognition of the importance of China and India as economic partners (Oliver, 2014, 2015). Such recognition signals Australia is moving from policies of multiculturalism that support tolerance and acceptance of diversity, towards a deeper engagement with Australia's Asian population

as a resource to advance economic links to the region. This has been articulated through policies and programs that aim to facilitate greater people-to-people links between Australia, China and India, as well as an increased physical institutional and corporate presence through China and India.

This move is underpinned by recognition of the importance of *Asia capability* and the push to develop individual and organisation 'ability to interact effectively in Asian countries and cultures, and with people from Asian cultural backgrounds, to achieve work goals' (O'Leary, 2015, p. 6). Asia is important to Australia's future and having an Asia capable workforce is beginning to be seen as a competitive advantage in maximising trade and investment opportunities offered by China and India, and Asia more broadly. These shifts and structures recognise the importance of China and India in, and for, Australia. This is creating a fertile environment for the enthusiastic and entrepreneurial Australian Chinese and Indian business diasporas and their potential.

Attitudes and perceptions

General Australian attitudes towards immigration and engaging with people of Asian descent have always been mixed. However, there appears to have been a shift over the past decade and a half. An opinion poll published in *The Age* in 2001 indicated that 41 per cent of those polled believed the level of immigration to Australia (not only from Asia, but overall) was too high. While the business community of the time favoured increased immigration, including from Asia, other Australians did not (Birrell and Betts, 2001). In contrast, in 2014, the Lowy Institute Poll indicated that 47 per cent regarded the current level of immigration to be just right (Oliver, 2014, p. 13), illustrating a slightly more positive shift in the community's perception towards immigration more generally.

Australian attitudes towards Asia are not the same across the entire Asian continent. Attitudes towards some Asian countries appear to be

more positive than towards others. The 2015 Lowy Institute Poll represented Australians' sentiment towards various Asian countries, not populations or their citizens, as measurements on a thermometer: feelings towards China (58 degrees) and India (56 degrees) were middling, feelings were higher for Japan (68 degrees), lower for Indonesia (46 degrees) and cooler for North Korea (29 degrees) (Oliver, 2015, p. 15). In comparison, New Zealand topped the scale, with positive feelings at 83 degrees, the United Kingdom at 79 degrees and the United States of America at 73 degrees (Oliver, 2015, p. 16). Such work intends to illustrate public imagination and feelings about a particular country. Less known is how much this influences decisions that centre on business, investment and collaboration. The same Lowy Institute Poll also noted mixed responses regarding China. While 70 per cent were concerned that the Australian Government was allowing China to have too much foreign investment in residential real estate, 77 per cent saw China as more of an economic partner than a military threat (Oliver, 2015, p. 22).

The Chinese and Indian diaspora communities in Australia are aware of these mixed public opinions. As one member of the Indian business diaspora observed:

We're trying to change the mindset and attitudes, right? And that to me is more difficult. But I think that's where the change is needed. I think we have good policies both sides ... in Australia and India. Both sides, you know, want to do business and when Modi was here he clearly said he wanted to do business with Australia and so on. So I don't think there is any dearth of policies. It's just, what is the mindset? What is the perception? What are the competing factors and what is your attitude towards that?

People, policy and place

Recent initiatives by governments, institutions and industry may have helped advance positive public opinion towards, and recognition of, China and India. These include a growing number of both formal and informal programs, designed to

facilitate greater people-to-people links in China and India. For example, Chapter 3 presented some examples of attempts to not only connect academics and the research diasporas with industry to help commercialise ideas, but also to enhance science and technology and research collaborations (see section 3.5 *Innovation and the business diasporas*). A vast number of ethnic business associations are dedicated to expanding bilateral relationships (some of which were identified in the 1995 Department of Foreign Affairs and Trade report on overseas Chinese business networks in Asia).

There has also been a rise in the number and size of trade delegations to and from China and India, led by Australian state and federal governments, industry associations and independent institutions. With its broader Indo-Pacific focus, the *New Colombo Plan* has seen around 10,000 students participate throughout the region since its creation in 2014. It assists students to develop their people links within the region. These are some of the more high profile examples of how Australia deploys people within the region.

From an economic policy perspective, the China Australia Free Trade Agreement is in place and the Australia-India Comprehensive Economic Cooperation Agreement is nearly complete. Some state governments have created and are pursuing their own policy agendas for Asia. The *National Innovation and Science Agenda*, the *Industry Innovation Competitiveness Agenda* and the *Public Diplomacy Strategy* will specifically engage with China and India—and the Australian Asian business diasporas—to achieve their goals. The potential of these initiatives is significant but yet to be fully realised.

Finally, Australian government departments, institutions and corporates are increasingly 'opening up shop' in China and India. The number, location and purpose of Australian offices in China and India demonstrate investment in key commercial centres and their importance within the Australian supply chain. In addition to diplomatic posts, Austrade has 10 offices in China and 10 in India in major centres and second tier cities. Tourism Australia

has offices in China and India, as do most state government departments relating to trade, investment and state development. Similarly, some Australian universities and vocational institutions have established offices or agent networks in Asia, as have top Australian public and private companies. Westpac and the National Bank of Australia established branching in China in the early 1980s, with all four major banks now having offices, mainly in Beijing and Shanghai. Macquarie Bank appears to have been the first to open operations in India in 2006, with the 'big four' following five years later.

Governments, associations and industries appear committed to expanding economic links with Asia. Policies such as multiculturalism that are supportive of cultural diversity have also helped provide the foundation from which to develop a range of ways to support trade and innovation collaboration. They have also underlined the importance of developing a better understanding of Asian cultures, languages and traditions and support the development of an Asia capable workforce in Australia. Beyond these developments in people, policy and place, what is less known is the extent to which Australia's Chinese and Indian diasporas are involved in creating these programs and initiatives, establishing overseas offices, and what leadership and management roles they have in these operations.

4.3 Challenges to better outcomes

A wide variety of stories can be told about how the Chinese and Indian diasporas are playing an active role in developing Asia-Australia business links. There is an equally diverse range of stories about challenges, barriers and impediments. Interviews conducted for this project reveal many challenges including lack of recognition, under-representation on decision-making bodies, bureaucratic impediments, and the lack of clarity in both Australia and Asia about the rules of business activities across borders. The interviews suggest that while the rhetoric of Australian engagement with Asia is strong, not enough work has been done to support and actively engage with the business diasporas, and challenges to better outcomes persist.

Recognition and representation

The key challenge to realising the diaspora advantage is the recognising the roles the diasporas can potentially play across government, institutions and industries. According to the Chinese and Indian Australians interviewed, their advantages are not adequately employed in developing policies and programs. Asian Australians, more broadly, are increasingly raising concerns about the imbalance in their

Box 4.1: The Chinese diasporas in the Australian banking industry

Hong Kong born Ms Alice Wong has an extensive 38-year career in the Australian finance and banking sector. In an interview for this project, Ms Wong spoke of her career and being a champion for those of Asian origin in business and in the industry. She is passionate about helping create awareness of their strengths and opportunities for greater representation. Ms Wong's message is the capacity of Asian migrants to contribute to the side of Australia that extends beyond transactions and business deals.

In 2014, Ms Wong was recognised as one of the new faces of Australia's business relationships with China. She was acknowledged for her commitment to introducing new Chinese business people and investors to networks in Australia to help establish themselves. This was done from two perspectives, business and community, helping them get started in their business and suggesting how to best settle into new suburbs and schools. Helping Chinese small and medium-business owners understand the structure and culture of Australian banking has been key to Ms Wong's work, as their experiences with Chinese banks may have been remarkably different (Callick, 2014).

Recently retired from banking, Ms Wong now consults to business, industry and academia on cultural diversity in leadership.

representation in the private and public sectors, on local and national professional and business associations, or forums with the capacity to influence Australian public policies relating to economic growth and development of more people-to-people links abroad.

A recent study on the cultural ancestry of leaders in Australia's top publicly listed (ASX 200) companies found the ethnicity of directors and senior executives to be overwhelmingly of Anglo-Celtic cultural origin, with only 22 per cent who could be referred to as culturally diverse (that is, of a non-Anglo-Celtic background) (O'Leary, 2013, p. 3). It highlighted weak representation of Chinese and Indian directors and executives, who were significantly under-represented when compared with Australia's population. The study also indicated that 1.7 per cent of ASX 200 directors and senior executives are of Chinese descent (O'Leary, 2013, p. 16). Figure 4.1 reinforces this, showing 9.4 per cent of the Australian labour market are Asian born while only 4.9 per cent advance into senior management roles (such as partners in consulting service firms). An even smaller proportion progress into senior executive and director positions in ASX 200 listed companies (O'Leary and Tilly 2014 p. 5).

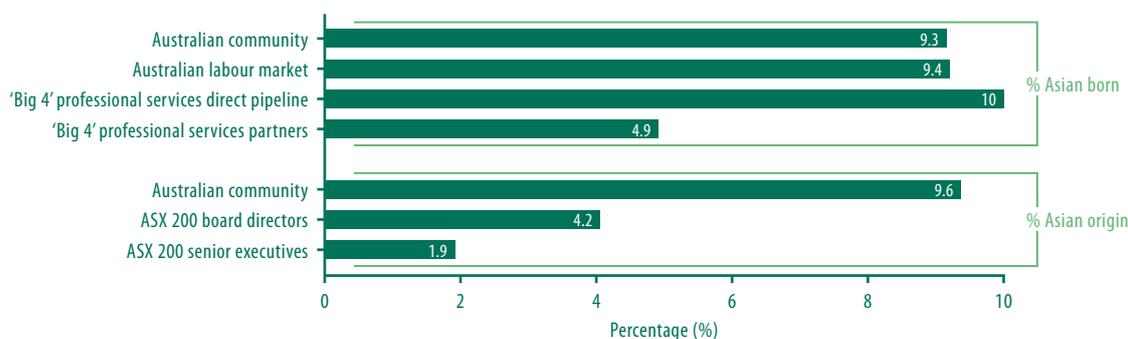
On numerous occasions interviewees observed that how 'pale, male and stale' Australian boards and leadership appears to be. One interviewee

even cited a study that found there are more men named Peter in chief executive and chair positions in ASX 200 companies than there are women (Dent, 2015).

There are similar trends in the professions. While law and medicine continually attract enrolments of Chinese and Indian students (both international students and local Australian-born diasporas), they are under-represented in practice. A research study conducted by the Asian Australia Lawyers Association found that among Australian branches of international law firms, three per cent of partners were of Asian background. The percentage of barristers of Asian descent ranged from zero to 2.5 per cent across Australia's states and territories, and among judges from zero to 1.7 per cent (Wu, Nguyen and Zhu 2014 pp. 7–8). Similarly, in the health and medical professions, where the Chinese and Indian diasporas are highly visible in hospitals and private medical clinics, they appear under-represented in senior medical appointments and management roles.

Under-representation also extends to senior academic and leadership roles within higher education. Given the significant and growing number of international students from the region, the low number of Asian diasporas among senior leadership in universities is particularly striking.

Figure 4.1: Representation of Asian born and Asian cultural origins in the Australian community compared with those of Asian origin in senior corporate positions and ASX 200 executive and director roles



Source: O'Leary and Tilly, 2014, p. 5.

Box 4.2: The Asian diasporas in public life

There are some well-known public representatives of Asian origin in federal positions. In 2016, Ms Harinder Sidhu was appointed as Australia's new High Commissioner to India, the second diplomat of Indian origin to be appointed to the role, after Mr Peter Varghese from 2009 to 2012. In federal politics, current sitting members of Asian origin include Senators Penny Wong, Lisa Singh, Zhenya Wang and MP Ian Goodenough. Also noted are former Senators Bill O'Chee and Tchen Tsebin and MP Michael Johnson.

To appreciate the situation, the University of Melbourne's Asia Institute has undertaken the Asian-Australian Public Policy Project. The project aims to better understand the experiences, contribution and diversification of Asian-Australian communities and their role in forging relations with Asia. The project will elicit Asian-Australians' representation, contribution and recognition in electoral politics and public representation (Bunyan, 2014). Lawyer, property-developer, philanthropist and leading member of the Asian-Australian community, Mr Jason Yeap OAM is supporting the project. He has been reported as saying:

We are recent migrants to this country, and I would say we are a reasonably successful group, but the representation of Asian-Australians in public life and politics is not proportionate to the population ... This is especially strange given our success at all levels in schools. If you look at VCE results, the musical talent, talent across the health professions, and indeed all areas, Asian-Australians are so successful academically. Yet when they reach their 40s and 50s they seem to disappear from public life, presumably stuck in middle management (The Age, 2014)

The Asian-Australian Public Policy Project will progressively focus on Asian-Australian representation in other spheres of public life, such as leadership roles in government departments and agencies, the legal and medical professions, and academics and administrators at Australia's leading G8 Universities (Bunyan, 2014).

A retrospective study of Australia's Asian diasporas in leadership roles within the public and private sectors could supplement this work. Such a study may reveal appointment surges and trends of the Asian diasporas in leadership roles, occupations and industries. This might allow for insightful comparative work against other diversity regimes (such as women in leadership positions) and international trends.

The influence and presence of the Chinese and Indian diasporas on government delegations to China and India is also yet to be studied or analysed. Of interest is understanding not only numbers but also how members of the diasporas are consulted on a delegation's aims, and their roles in facilitating highly valued people-to-people links, beyond providing translation or cultural etiquette advice. In recent years, an Indian-Australian has been overseeing the South Australian Government's *India Engagement Strategy* and it relies on collaboration with South Australia's Indian diaspora, but the extent and impact of this advice is not known.

Governments, institutions, and industries in Australia increasingly acknowledge the importance of cultural diversity and its potential to contribute to richer decision-making, competitive advantage and organisational capability. However, symbolic support without concrete changes is insufficient to deliver desired results. In considering the possible reasons for their under-representation on decision-

making and leadership positions, members of Australia's Chinese and Indian diasporas who were interviewed cited factors including overt discrimination and xenophobia, leadership reluctance to recognise the importance and potential of China and India as economic forces, failure to identify and nurture Asian talent, and other challenges associated with the *bamboo ceiling*.

The bamboo ceiling

The term *bamboo ceiling* has been used to indicate a range of contexts and forms that prevent Asian Australians from getting the opportunities to maximise their participation in, and contributions to, the Australian economy and society (Safi, 2014; Soutphommasane, 2014). A wide variety of explanations of bamboo ceiling have been put forward, some cultural and others structural. The existence of the term bamboo ceiling recognises two interrelated tensions. Firstly, the concept itself acknowledges the existence of mindsets, unconscious bias,

Box 4.3: The bamboo ceiling

During the interviews, three professional Chinese Australian women discussed their experiences of the bamboo ceiling. They spoke of how their upbringing shaped their values of humility, respect and hard work. Self-promotion is not something they do, and their reserve and under-stated manner may have adversely affected their career advancement. One woman spoke of humility being a virtue and how it is often seen as a sign of weakness, not a leadership strength; 'it takes effort to maintain composure [and it is] wrong to assume that I am not driven'.

Their quiet resilience has afforded them to continually seek mentors and champions to further their career. Yet, they face subtle biases and challenges. One woman spoke of the dominant male mono-culture of the industry she works in:

Meetings are chaotic. You wait for the pause in the conversation so you can say something but there is no pause. Everyone talks over everyone, aggressive. So you are seen as passive and not contributing. There is the social agony of corporate life, knowing who the most important person in the room is ... and it is difficult to serve leaders when you don't share the same values. Our cultural upbringing doesn't prepare us for the political games in corporate Australia. I don't want to crack through the bamboo ceiling into this!

Another mentioned the challenges she had to overcome to integrate:

I was told to be more social, come out of your shell more ... Corporate Australia socialises Friday after work. It's a big drinking culture. I'd go to be more social, a strategic approach to integrating ... but I don't drink. In our culture you don't stand around drinking. My colleagues would say 'Why are you not drinking? Don't drink? Are you pregnant?' That kind of thing. It makes it hard to build networks when this is all they focus on.

In some ways this has been hampered by a lack of corporate networks and sponsors, as well as a lack of Asian leaders in senior roles to help develop scaffolds and mentor. The interviewees recognised that they are these leaders and are more alert to cultural differences within their professions because there is 'less of us and even less opportunities'. One interviewee spoke of managing the tricky mix of being young, Asian and female in corporate Australia:

Not much I can do about it. I will get older. I cannot change my sex ... but I will always fiercely protect my Asian-ness. My Asia capability has increased in value as an asset.

dominant logic and systems that prevent the advancement of Asian Australians. Secondly, it reveals the possibility of a 'sticky floor'. This is where Asian Australians may themselves be reluctant or unsure about how to break through the ceiling, and exactly what they are breaking into and why. As one Chinese business executive said:

For the longest time I thought that we all had to just sort of assimilate and conform. And then I realised ... no ... by doing that you actually miss the point of diversity in the first place and I think that's sort of why our model hasn't really worked.

Some Chinese and Indian diasporas speak of an *accent ceiling*, where linguistic capability has the potential to compromise their entrepreneurial expansion and labour market opportunities (Collins and Low, 2010, p. 98). Even though entrepreneurs may be proficient in two or more languages, their level of fluency in English (or their accent, even if fluent in English) operates

as a barrier to advancement because they are perceived by mainstream Australia as being less educated rather than multilingual. As one interviewee suggested:

Some Chinese business people ... to them, [real estate is] an accessible way to generate an income stream that respects their limitations with respect to language. They can buy property, rent it out. There are no great language skills that are needed.

Australia's intercultural capability

Both Asialink (Asialink Taskforce for an Asia Capable Workforce, 2012) and the Diversity Council Australia (O'Leary, 2013) have noted that business performance in the Australia-Asia arena is likely to be higher when there is a significant proportion of senior leaders 'who have cultural training, speak an Asian language or have lived and worked in Asia for more than three months' (O'Leary, 2013, p. 6). Other studies indicate that Anglophone nations, such as the United

Box 4.4: The China Australia Millennial Project

The China Australia Millennial Project (CAMP) attracts 150 top young leaders aged 18 to 35 from China and Australia to participate in a bilateral business incubator across a broad range of industries. The five-month project creates bilateral cross-disciplinary teams that first collaborate online and then 'unite in Sydney for a face-to-face intensive hackathon to kick-start their own ventures in Australia or China' (China Australia Millennial Project 2016). CAMP is embarking on its second project intake in 2016. CAMP's Co-founder and Chief Executive Officer Ms Andrea Myles explains the vision:

With the global economic and geopolitical shifts in the world, Australia and China will do well to know each other better. Our starting point should be the year 2050 ... this should be the first horizon for Australia-China relations. We need to define what Australia's value proposition is in 2050 and what we need to do today about that.

This is where CAMP comes from. It's a new model for bilateral connectivity. It plugs into youth, business and government today that result in relationships, business links and confidence that lay the foundation bigger bilateral relationships for 2050.

You need strong connectivity for enterprise and innovation. Ideas need to come together fast to get the quick wins ... and we know that culture feeds business, and vice versa. So then ... entrepreneurialism and Asian studies are not mutually exclusive, nor is diversity and innovation. These things should be integrated in all under-graduate degrees but they're not, so CAMP provides an alternative to bring all these things together. Imagine this ... what if the CEO of Westpac and Bank of China have known each other since they were in their 20s? What would that mean for our two nations?'

Kingdom and the United States have noted a decline in multilingual capabilities and its adverse economic impact (Ang, Tambiah and Mar, 2015). They note that the opposite is currently true. Countering this, 2007 research regarding entry-level jobs found that 'in order to get as many interviews as an applicant with an Anglo-Saxon name, someone with a Chinese name needed to submit 68 per cent more applications' (Booth, Leigh and Varganova, 2012, pp. 554, 558). While it may take time and dedicated resources to realise these developments, actively acknowledging and offering of opportunities to talented Australian Asian diasporas already within the business (whether SMEs or in larger enterprises), could facilitate business engagement in Asia. This can be viewed as not only a moral but also a commercial imperative.

While success is not guaranteed, there is no doubt about the potential of the business diasporas' cultural capital—the strengths they already possess in linguistic skills, cultural awareness and their networks. If such networks are minimal, their cultural capital appears to facilitate the development of necessary contacts and networking faster than those with no such capital to draw on. Diversity Council Australia notes that greater cultural diversity in leadership

positions can increase the number of customers by more than 400 (O'Leary, 2013, p. 12). Another survey of 115 Fortune 1000 companies found that companies with higher diverse cultural leadership tended to launch more competitive actions (for example, new product introductions, creative advertising, and promotions and sales incentives) than those with homogeneous management (O'Leary, 2013, p. 12).

Establishing a business in China and India

Most of the interviewees noted the ease of establishing a business in Australia supported by freely available information and simple processes. The same cannot be said for starting a business in China and India, nor are the challenges the same. Impediments to doing business between Australia, China and India also include issues pertaining to China and India themselves. The *Australia's International Business Survey: 2015 Report* identified New Zealand, Singapore, United Kingdom, United States and Japan as the top overseas markets with which Australian enterprises found it easy to do business (Export Council of Australia and University of Sydney 2015 p. 27). The majority are Anglophone

states with whom Australia has long-standing political and economic ties and which, therefore, possibly provide a sense of certainty, comfort and predictability. The same report indicates that Australian enterprises found China and India the most difficult countries to do business with. The key difficulties with China were local language, culture and business practices, understanding local regulations, payment issues and regulations that favour local firms. Australian enterprises encountered similar barriers to doing business in India, with specific mention of tariffs, quotas and import duties (Export Council of Australia and University of Sydney, 2015, pp. 29–30).

When a similar question was posed to members of the Chinese and Indian business diasporas in the interviews, they identified particular barriers to doing business with China and India from Australia. These included the differing legal systems and red-tape, inadequate support from the Australian government to expand into China or India, competition from other transnational enterprises and countries with favourable trade agreements, and the need to have a local presence or a business partner in China or India. While there are similarities in the challenges, they are not balanced and the impediments play out in different ways for numerous reasons. However, interviewees generally agree that these factors and experiences created frustration that slow business production and performance.

When asked what support the state and federal government could provide, the interviewed business diasporas mentioned: grants for trade, business and investment; meaningful and targeted trade delegations; support and advice on new markets and business opportunities; access to innovation and technology; introductions to business networks overseas; support and advice in incorporating a business internationally; and assistance with establishing subsidiaries and branches overseas. While some of these services already exist, they appear to be unknown and under-utilised by the Chinese and Indian business diasporas.

In establishing, managing and growing business links, it clearly is necessary to have access to expert advice on doing business in, and with, China and India. Three formal sources are identified as being useful: ethnic business associations, multinational consulting firms and state and federal government services (such as state departments of trade and Austrade). For instance, one Australian survey found that 49 per cent of respondents would approach Austrade for information on engaging in China, followed by the Australia China Business Council (37 per cent), and the state government (37 per cent) (Zhu, 2015, p. 9). These entities have immense potential as conduits for businesses wanting to expand into Asia and those wanting to establish in Australia. However, what is not known is the extent to which Australia's Chinese and Indian diasporas are used for the advice they can provide.



Diaspora business associations (such as national groups, the *Australia China Business Council* and *Australia India Business Council*) that promote bilateral relations have a membership base to draw on for those seeking advice with an assumed nuanced knowledge of doing trade in China or India. (*AsiaLink* operates in similar ways to a bilateral business association, with its research, education and business resources for establishing businesses in Asian nations.) Many business association members have 'on the ground' experience, with varying degrees of success. Accessing this information comes from engagement within the business associations through attending events and networking. However, it takes time to build trusted relationships in this way, and trust is essential in accessing accurate information and quality advice. While ethnic business associations would like to do more in regards to networking events, facilitating introductions or even establishing branches in China or India, they are often constrained by time and financial resources.

Interviewees discussed the role of Australian state and federal governments. They mentioned information available on the Department of Foreign Affairs and Trade (DFAT) website, information and consultations with Austrade, finance programs (such as the *Export Market Development Fund* and *Export Council Credit Agency*) and engagement with Australian state government departments. Mostly the business diaspora interviewed did not access or use the information, programs and services offered by these entities. When they did, they reported varying degrees of success and some found the experience unhelpful. This may have been because the diasporas favour support and information from their connections as well as observations on the calibre and capability of individuals within these agencies to provide sound, informed advice. Some interviewees also noted the cost of consulting services provided by Australian agencies. In some cases, return

on investment was perceived to be low, and for others the consulting rates were cost-prohibitive and services were not pursued. Speaking of DFAT and Austrade, an Indian business person said that:

Honestly I am not sure how they can help. They have succeeded in introducing a qualified regime by appointing agents, and curbing free market in education [of how to do business in Australia and India]. Business happens between people and not by qualifying whom to do business with. This may be good for the Australians not familiar with the country, not the diaspora.

Another Indian entrepreneur pointed out that:

What happens is that when an Australian wants to do business in India they go there and then they get in touch with the Australian Embassy in India. And they reach out to the officials. And so the officials in New Delhi get an inquiry from an Australian amidst inquiries from 30 from the United States, 20 from Germany, 10 from the UK so on and so on. So the Australian businessman or businesswoman is competing with all these other people who are trying to attract the attention of New Delhi. It is hard to stand out unless you have a way in.

Not spoken at length by the interviewees, and worthy of further enquiry, is the role of the Chinese and Indian embassies and commercial attachés in supporting the business diasporas in their transnational business activities. Understanding the relationships between the diasporas and their respective consulates in China and India would provide insight on how to expedite business development and mitigate risk within their policy frameworks.

Others commented on Australian Government agencies and multinational consulting firms based in Australia to help establish business overseas. Such agencies and firms often portray themselves as being well placed to provide expert advice on business in China and India,

but interviewees suggested that this advice was often inconsistent, and based on limited experience. Inconsistency was attributed to three factors. Firstly, the length of time in the advisory role and the level of Asia capability are important. For instance, a typical three-year overseas posting with Austrade in China or India is not enough for individuals to develop local connections and a deep appreciation of current and anticipated business challenges and trends. Secondly, business experience and having owned and operated a business in Asia is often highly regarded as ideal for giving advice. Thirdly, and possibly as a result of the previous two factors, the interviewees commented on the formulaic, transactional nature of the advisory services provided by government rather than a consultative approach to determine individual needs and wants.

These experiences suggest that basic knowledge is not enough, and a deep appreciation and extensive experience of business in China or India is necessary to have credibility as an advisor with the diaspora in Australia. At a minimum, advisors should have lived and worked in China or India. According to one Chinese Australian business person:

To understand China or India you need to go there. Spend three months on the ground and if you talk to the kids on the street—especially Chennai in India—you will get so much information on what it means to be truly innovative. These kids are self-employed with international experiences and disrupt how we do things. How can a business make an informed decision about entering China or India without going there and spending time?

Box 4.5: Lessons learned from the business diasporas

Throughout the interviews, lessons learned from the business diasporas on doing business in China and India emerged and the differences between the two acknowledged. These comments are just a sample:

You need to build trust before you can do anything so that's why you need to meet them one time, two times, 10 times before they can say 'now I know you.'

Be patient and build relationships. Learn the art of negotiation and how to compare legal standards and contracts. Knowing when a deal is actually a deal is very tricky.

Joint ventures and finding local partners [has been] essential to tapping into local knowledge and help in navigating the scene ... but there are risks in finding the right partner. Do your market research. Who has got the track record that would add value to the business? What do you know about their past business successes? Then go there and meet them face-to-face and start building the relationships. The government could help in facilitating these introductions if they know who the right people are.

Build links at government level, at an industry level and at an individual level. You need links everywhere. Never rely on one relationship.

Remember to put people first, language second. If I've got to learn broken English, you can learn broken Chinese.

Think differently. Don't play the margin game as we tend to do in Australia you need to work your ability to produce scale and volume ... and quickly.

There is no right or wrong way [to do business in China or India]. Start small and [let the business] build within itself. Have a well thought out strategic plan that is flexible, adaptable and with contingencies that relate to them, to China or India's economy, politics and environment. What happens if there is a landslide somewhere and your trucks can't get through?

Understand how your customers in China or India will use your products and services. What do you need to modify or change to make it about them?

Many Australians struggle to find connections to people in Asia, but they fail to really find that connection in Australia itself—all they have to do is engage and ask ... Talk to Aussie colleagues, neighbours and your kid's classmates who are Asian. Be social and with good intent. Go embed yourself in Australia's Asian community properly ... so many things to learn and connections to be made.

Managing risk and compliance

Business diasporas found establishing a business in Australia to be a relatively easy process, however, they cited challenges in navigating Australia's regulatory landscape, visa conditions, and other mobility related policies. While perhaps not unique to the Chinese and Indian business diasporas, interviewees noted the challenges associated with translating (both linguistically and into practice). They also highlighted the regulatory framework relating to investment and establishing a business, and specific industry laws and regulations, learning how to navigate laws and regulations, understanding the importance of compliance and governance, and keeping up-to-date with changes.

This report supports the view that knowing and understanding are central to risk management. While there may be familiarity with 'rule of law' between India and Australia, and possibly less so with China, it is essential to understand the practicalities of Australian policy and legal frameworks that promote a sense of obligation and compliance. When are not fully understood, such frameworks and the mechanisms by which businesses and individuals are monitored may be viewed as bullying or discriminatory in practice. This repositions regulators from highly valuable resource to enforcer. There are many freely available educational programs, resources and information (with translations) that support business-related laws and regulations. Examples include <www.business.gov.au> and from the regulators, the Australian Taxation Office (ATO), Australian Securities and Investments Commission (ASIC), Australian Competition and Consumer Commission (ACCC) and the Fair Work Ombudsman (FWO) as well as state government agencies and industry associations.

While considerable information is available on Australia's laws and regulations, the extent to which the Chinese and Indian business diasporas access such information is not known, or if they do, how useful and relevant it is to their needs.

Furthering this line of enquiry may indicate approaches unique to the business diasporas and how they identify and manage investment and business risks.

Anecdotal testimonies from the interviews suggest there might be a preference to bypass these resources and source information and support from their diasporic connections already in business in Australia to better understand regulatory and compliance requirements. This represents a valuable resource for regulators. . Greater engagement with the local diasporas and identifying leaders within the local Chinese and Indian business community could bolster educational outreach, as well as provide case study examples from experience.

Additionally, greater promotion of existing business programs and resources could form the foundation of pre-entry education tied to applications for permanent and temporary visas for business and investment purposes. Interviewees suggested that once approved, and for those granted investment visas particularly, greater engagement by the likes of Austrade, state governments and industry with the Asian business diaspora would be valuable in facilitating introductions to businesses seeking investment. Enhancements made in July 2015 to the *Significant* and *Premium Investor Visa* categories, and the proposed *Entrepreneur Visa* aim to direct investment from areas that already attract large capital flows (such as government bonds and residential real estate) into more dynamic and productive areas of the Australian economy, which experience thin capital flows, such as Australian innovation and high-growth companies. These efforts also aim to improve Australia's global competitive advantage in attracting overseas investment that might invigorate innovation and commercialisation of Australian research and development. Helping these visa holders make informed decisions on where to invest their money is of benefit to both the visa holders and the nation's interests.

Tensions within connections

By and large, the Chinese and Indian diasporas rely on the advice and resources available within their own communities. However, the effectiveness of this advice and resources is constrained by suspicions within, and across, business actors and cultural, linguistic and religious sub-groups within the Chinese and Indian communities in Australia. As noted throughout this report, there are tensions within the diasporas and across a number of entities within Australia and abroad.

There appears to be a complex relationship between the earlier generation of migrants from China or India and those who have come to Australia more recently. The relationship that these two groups have with governments, institutions and industries varies markedly. Long-standing first generation diasporas appear to distance themselves from Australian-born generations in business and trade, and vice versa. Business models and level of transnational activity appear to be different with Australian-born generations, surfacing differing needs in regards to support and connections. One interviewee offered an explanation:

There is an element of suspicion and distrust between the generations. The new ones have a different geographic background, they might be small town students. There are limited links between the new and older generations. Different people, different era and differences in how we communicate and socialise ... but there is osmosis now. We are coming together more and that is good.

Such tensions may account for the number of ethnic business associations around the country that serve different interests and ambitions, as opposed to finding ways within current structures to best address these differences. Attempts to form single diaspora-wide business associations, or even a national federation of ethnic business councils, have been unsuccessful. This makes it difficult for governments,

associations and industries to address the challenges in supporting the business activities of the diasporas and fully benefitting from the advantages they possess. Unravelling the complex relationships between the different generations in the business diaspora and how this plays out within ethnic business associations is outside the scope of this project. This raises an opportunity to quantify the number of ethnic business associations, who they represent, their advocacy reach and impact, and the activities they undertake to create stronger business diaspora communities in Australia.

Finding 8: While the Asian business diasporas display an ability to negotiate the complexities of the transnational economic space, greater awareness of the many barriers they face is also needed. This will guide a better understanding of how cultural, national and regional differences influence approaches to business.

4.4 Overcoming the challenges

In establishing their Australian enterprises, the participants in this project overwhelmingly indicated that people-to-people links within Australia's Chinese and Indian community networks were significant in enabling their strengths and advantages. Their networks enable them to identify business opportunities and secure the knowledge required to pursue them. In this sense, their business in Australia is opportunistic, rather than accidental in approach. Connections within personal and family networks are a valuable source of support, especially when navigating complex regulations. Business colleagues or clients across the diasporas in Australia and in China or India are highly valued in facilitating introductions to suppliers, promoting the business, providing advice, and even part-funding operations.

The bamboo network

Much has been written about the Chinese *guanxi* 关系—colloquially known a *bamboo network*—that relies on trusted relationships and connections (Luo, 2007). Many of the Chinese Australians interviewed for this project mentioned their networks and how they fiercely protect them. While not speaking about them openly and widely, they did say *guanxi* are crucial to business development. In many cases *guanxi* operate beyond Australia and China, throughout Asia and elsewhere. For Chinese Australians, *guanxi* are critical in not only establishing new businesses but also in navigating systems and frameworks, particularly in China. Also in the emerging markets beyond Australia and China, ethnic, cultural, and business links and networks can greatly facilitate ‘leapfrogging traditional barriers to internationalisation’ (Coviello and Martin, 1999).

The cultural background and language capabilities are also key diaspora advantages in pursuing business interests within Australia and overseas. It is easier to active connections through a shared language and cultural background, allowing trust and relationships to develop more effectively. In turn, this appears to speed up information sharing, facilitated

introductions and ‘on the ground’ action. Beyond the business rewards of connectivities, there is a *glocal* (simultaneous global orientation and local participation) cultural benefit. As the Australian Chinese and Indian diasporas engage with their global networks, their intercultural capabilities continually develop. At a local level, their participation contributes to building a confident cultural community in Australia.

A number of award programs recognise this interconnectivity of business and community, playing a significant role in boosting the profile and visibility of the Australian Asian business diasporas, both within their ethno-cultural communities as well as in the wider Australian community. Awards and related public recognition offer the possibility for increased networking among fellow entrepreneurs, greater exposure to potential customers, and being noted by public policy makers and governance bodies as success stories and leaders—as well as celebrating culture.

Several award programs recognise achievement in bilateral business and relations, such as the *Australia-China Business Awards* and the *Australia-China Achievement Awards*. Others specifically celebrate the successes of Australia’s Chinese and Indian business diasporas, for example,

Box 4.6: The India Australia Business and Community Awards

Launched in 2014, the *India Australia Business and Community Awards* (IABCA) celebrate successful migrant stories and showcase the contribution of Australian Indians in Australia from a cultural and business perspective. A young Indian migrant, Ms Sonia Sadiq Gandhi, created the IABCA. Award categories include Community Service Excellence, Indian Australian Ambassador of the Year, and business categories across travel, tourism, hospitality, education and technology.

The Awards deliberately mesh business and community interests, acknowledging their interconnectivity in the Indian Australian community. Initially there were mixed reviews about combining the business and community elements within the categories. Feedback was to keep these two elements separate, as it was felt that ‘mixing business and community will not work, as businesses rarely have anything to do with cultural community groups’.

However, the IABCA has proven this integration works harmoniously. As Ms Gandhi states:

I believe successful businesses and entrepreneurs contribute significantly towards their communities through various projects in Australia or overseas. I believe that people who are running successful businesses are the people that do a lot of the community work as well. There is a fine line; however they are strong supporters and pillars of the community.

the *Australia-China Alumni Awards*, the *Indian Executive Club Awards* and the *Spice Out Awards* for Indian cuisine. These awards link business and community interests, highlighting the interconnectivity between the two, even though some of these programs and their nominees and winners remain relatively unknown in mainstream Australia.

Support from Australian state and federal governments

Australian Governments and institutions have been supportive of the business diasporas and this meshing of business and community interests. All levels of government in Australia are relatively easy to access, and have supported various diaspora initiatives. However, a number of interviewees spoke of disparities they experience between local, state and federal government processes and approaches. They felt these were not adequately aligned or in sync with each other. They also spoke of time lags in decision-making within the Australian bureaucracy that impact progress, frustrating the entrepreneurial energy of the business diasporas. 'Not in my pay grade' attitudes were commonly found, and gave rise to the perception that the bureaucracy was not entirely service orientated, accountable to actions or solution focused. Interviewees speculated whether this might be due to organisational histories and practices that are inadequately aligned to diverse traditions of business activities and the emerging forms of transnationally oriented business in the new economy.

Success, however, can be achieved when the business diasporas persist through the system so they can 'get on with business'. Often that requires finding the one individual within bureaucratic or institutional systems who is willing and able to advocate in support of an innovative proposal, and who understands how business across national borders demands some

flexibility in applying the regulations. As one Indian Australian business leader said:

My business exists in spite of the [both Australian and Indian] governments. All I was told was what I couldn't do and what the problems were. They didn't want to be part of the solution.

In contrast, many Chinese Australians felt that the Chinese Government better supported them, even at its rate of change. One member of the Chinese diaspora said:

The Chinese Government is difficult, not as easy to understand but not impossible. Lots of policy changes and it is speedy. Very fast change. It is a challenge for everyone, even for the Chinese Government. Not impossible.

It is clear that the Chinese and Indian governments take different approaches to the business ventures of their respective diasporas in Australia. It is therefore unwise for Australian governments, agencies and commercial institutions to rely on a 'one size fits all' strategy to support diaspora business. Differences matter, both in terms of cultural and political traditions, and they need to be considered when developing policies for developing and strengthening business links between Australia and various Asian countries.

The Chinese and Indian diaspora communities have very diverse views about the role of the state in promoting and supporting business activities. Some interviewees believe the government should leave business activities to the market, and roll back the regulations that often prevent innovative ventures. Others want an expanded role for government, in providing better advice, helping businesses to negotiate transnational rules, and creating additional funding sources in support of good business ideas. Some interviewees also think that governments have a role in creating rules of trade and investment that encourage and support the development of transnational business relations.

Funding business activities

The interviewees identified three main funding sources for establishing their businesses: self or family-funded; venture capital; and investment partnerships. While these sources of funding are not entirely unique to business start-ups, close connections are often made in financial transactions, and this is where diaspora links become highly salient. One interviewee observed unease within the Australian banking sector regarding loans to support start-ups and mid-sector investments. As they said:

It took us eleven months to secure funding. To get money in this country you need a track record and you need to get face time with decision makers. It is fine to say that business should take risks and if you haven't failed you haven't learned anything ... but show me a bank that is going to support that.

Chinese and Indian banks are opening branches in Australia, however, it is difficult to ascertain how they are positioned within the Australian finance sector and the extent to which the Australian Chinese and Indian business diasporas are using their services. This may contribute to diasporas seeking funding elsewhere, beyond institutional conventions—again illustrating the enhanced mobility of money and flow of capital that is easily afforded by, and through, transnational connectivities. These experiences and observations of government and the banks highlight an opportunity to develop new ways of understanding cultural diversity within increasingly transnational business settings.

Ethnic business associations

Ethnic business associations are well known for their ability to facilitate trade and foreign investment (Tong, 2005; Raunch and Trindade, 2002). A desktop search of Australian Chinese and Indian business, professional and cultural groups resulted in around 200 groups. Examples of professional networking groups include international groups such as The Indus

Entrepreneurs, the Indian Executive Club, the Chinese Professional and Business Association, and a number of state chapters of the Chinese Chamber of Commerce. Other groups are organised on a regional basis. A number of groups are listed on online platforms, such as LinkedIn and MeetUp. Two of the most prominent bilateral networks are the Australia China Business Council and Australia India Business Council, organised through state chapters and overseen by a national board.

Such associations are making significant advances in promoting the collective needs of their members, reinforcing the reputation and achievements of their members and the culture and the business industries they serve. In doing so, they advance knowledge, skills and shared business practices. While not all the interviewees are members of ethnic business councils, those who are indicated three major reasons for joining: to learn about changing rules and regulations; to get advice on challenges and possibilities in Australia and overseas; and to explore and establish partnerships that provide access to new markets. An interviewee academic highlighted the power of ethnic business associations:

[They can] inform the Indian and Chinese governments on the problems we are having in doing business with them [from Australia]. We can ask them to play a role with Australia's Chinese and Indian business people and ask them what they can do to help.

Interviewees also suggested improvements. The interviewees' experiences and observations do not pertain to any one association, rather they are generalised themes. Firstly, the large number of business associations and professional networks is a challenge in itself. This creates confusion for government, agencies, industry and enterprises in knowing who precisely to engage with on business and investment issues relating to China and India. The default position is to engage with the dominant national-level associations while unintentionally overlooking other groups who

would equally be a rich resource of information and connectivity. This affects the associations' advocacy efforts, as their ability to access government to influence policy and represent the voices of their members may be hampered by competition and larger national groups. As one member of the business diaspora observed:

We don't seem to have a single voice on where Australia [and Asia] businesses can really meet. It is very fractured and political.

Secondly, as membership is voluntary, interviewees stressed the importance of the association's relevance and return on member investment. General comments from interviewees indicated that members want valued and exclusive experiences, products and services, quality events, delegations and conferences, and the ability to influence and action change. Members want to effectively network and form new connections. This may be difficult when membership numbers are low, or when the dynamic within the membership is dominated by others and not the business diasporas themselves.

Finally, interviewees observed that leadership within these associations is fractured, and they provided examples where leadership decisions appear to have deviated from, or disregarded, the association's purpose. These included association leaders seeking their own meetings with visiting officials from China or India without adopting a national collective approach, lack of sharing information and opportunities, and leaving individual members to form their own connections to ensure they are up-to-date.

There is inconsistency in adopting and promoting initiatives among some national associations, with some states more engaged in national strategy than others. While this is assumed to be unintentional, these examples may also indicate (or potentially lead to) internal politics,

which may significantly affect the associations' reputation and relevance to members, sponsors and the broader community. There is a strong feeling that to be effective, these associations and councils need to be more coherent, cohesive and cooperative. In an interview, a business diaspora member said:

They [ethnic business councils and chambers] are too divisive, too argumentative within themselves. There are so many councils. Good knowledge and experiences are available, but they are too fragmented ... they don't like each other. What are the methodologies that government bureaucrats use to select which council to seek advice from? They shouldn't listen to just one group.

This is especially important since these associations—and the business diasporas—are knowledge systems within themselves, possessing information on the transnational economic space and connectivity into China, India and beyond. There is an opportunity to elevate the business diasporas' business knowledge, experiences and resources and create pathways for greater engagement in innovation, research collaborations and the commercialisation of ideas. Australia's Chinese and Indian business councils are well placed to act as conduits between research collaborations and the business diasporas, potentially assisting efforts with commercialisation, business modelling and export into Asia, given their knowledge, expertise and connectivity.

Finding 9: There is a compelling case for bilateral councils and business associations to engage Australia's Asian diasporas to enhance connections between investors, entrepreneurs, and industry with innovation, research and science infrastructures and programs

Pre-entry education and outreach programs

Australia's Chinese and Indian business diasporas and ethnic business associations have an understanding, and experience of, Australia's legal and regulatory landscape. As a valued resource, they could bolster government and agency educational outreach for new migrant business owners (such as the information and programs offered by ASIC and the ACCC). In sharing their stories, Australia's business diasporas provide localised information and have the potential to facilitate introductions for migrants on business, investment and entrepreneur visas to find the right investment for their needs and obligations. Beyond pre-entry business education for new migrants, engaging Australia's business diasporas in programs targeting ethnic entrepreneurialism as mentors and advisors may lead to greater numbers of Australian micro and small businesses expanding into Asia. For example:

Australia's longest running self-employment program—the New Enterprise Incentive Scheme (NEIS)—targets job seekers interested in small business. Successful participants receive a nationally recognised qualification in small business management, and elective units include promoting innovation, importing and exporting (Department of Education and Training, 2016). This type of program lends itself to targeting diaspora entrepreneurs who wish to export Australian-made products back to their country of origin. This project spoke with the National NEIS Association, which note many success stories of participants establishing trade links in Asia. The Association is working on strengthening relationships with Australia's Asian business community to mentor participants in expanding their business activities into Asia.

The competitive advantage of the business diasporas in their cultural and language capabilities and connectivity is highlighted throughout this report. It also indicates how this advantage is activated through their enthusiasm, entrepreneurial energy and preparedness to take risks. Nurturing these attributes and skills in young Australians could begin in school and through higher education. While STEM education is positioned as a policy priority, the success of Australia's Chinese and Indian business diasporas point to the equitable importance of entrepreneurialism and business skills, and Asian languages and cultural studies as critical components of employability.

Connecting the research and business diasporas

It is clear that diaspora talent contributes to the creation and diffusion of knowledge. This talent not only performs an important role in producing and disseminating codified knowledge, it is also an important means of transmitting informal and tacit cultural skills. Equally, Australia's Chinese and Indian business diasporas require knowledge produced by Australia's universities and research centres. Access to quality research infrastructure and leading researchers can assist in testing and refining their innovative business ideas. In turn, Chinese and Indian business diaspora can help researchers to consider ways of commercialising research, taking it to new markets in China and India.

In the ACOLA report, *Smart Engagement with Asia* (Ang, Tambiah and Mar, 2015) the possibilities of research collaborations across Australia and Asia are highlighted. It points out that research collaborations between Australia and Chinese researchers are growing rapidly and India-Australia partnerships are also set to take off. Many of the projects catalysed by these partnerships involve commercial concerns and possibilities. However, collaboration between Chinese and Indian business and research diasporas within Australia remains limited.

Another ACOLA report—*Translating research for economic and social benefit: country comparison*—identified a number of broad challenges. These include, but not limited to, low collaboration between public sector researchers and business; a lack of demand and motivation by business, industry and other potential users to engage; and a lack of effective intermediaries to facilitate links between public sector researchers and external parties (Bell et al. 2015, p. 10). Additional obstacles have been cited elsewhere. Research collaboration in China is hampered

by inadequate resources and capabilities at Australian universities, as was inadequate support by the Australian government have been identified. With India, bureaucratic red tape in India, and lack of interest from Australian institutions were key concerns (Ang, Tambiah and Mar, 2015).

As Australia seeks to improve the quality of its research infrastructure, towards a focus on innovation and commercialisation, greater collaboration between Australia's Asian business and research diasporas is clearly helpful. The knowledge produced by Australia's Asian research diasporas through collaborations with Chinese and Indian universities should assist the business diasporas. Such cooperation should be viewed as a conduit for transnational business ventures: not only for flows of knowledge and information and the development of science, technology and research capacity, but also as a stimulus for commercially-oriented research and social innovation in the not-for-profit sector.



5

Realising the diaspora advantage

Australia's Asian business diasporas are a rich source of innovation, enterprise, and entrepreneurialism, yet they are under-utilised for further enhancing Australia's economic engagement with Asia and helping the economy to thrive for the benefit of all Australians. The question of how to realise the diaspora advantage is critical in securing Australia's future. This chapter describes some of the ways in which the Chinese and Indian governments are seeking to benefit from their diasporas abroad. It also considers how economies similar to Australia—the United States, Canada, Germany and Singapore—work with their Asian business diasporas to forge greater transnational commercial links. This chapter identifies Australia's potential to lead the world in developing a national, coherent policy and programs that encourage more effective uses of Asian business diasporas in building transnational networks for innovation, trade and investment. Integrating Australia's approach to supporting diaspora business requires linking them to science, technology and research infrastructures, business communities and industry, and the cultural resources embedded within the broader Australian community.



5.1 Introduction

With an illustrative focus on Australia's Chinese and Indian diasporas, this report has described the contribution these diasporas are already making in driving trade and innovation. Their agility and capacity for fluid engagement between people, policy and place transnationally allows them to seize business opportunities in Asia in the most productive ways. However, their contribution is insufficiently recognised within the broader Australian community, and their knowledge, skills and networks are under-utilised. This is partly because this contribution continues to be interpreted in conceptual categories that are outdated, such as migration and settlement. This suggests the need for more targeted policy research where newer, more contemporary notions of mobility, and circulation of capital, people and knowledge takes centre stage—where Asian business diasporas are viewed as a major resource for driving trade and investment with Asia.

Most Asian countries, especially China and India, have begun to recognise the importance and potential of their diasporas abroad and are taking steps to engage with them. This includes: exploring more flexible forms of citizenship; policies designed to encourage the circulation of people and

capital for the purposes of research collaboration, innovation and commercialisation; and helping diasporas to maintain cultural connectivities designed to keep them motivated and engaged with their countries of family origin. As a result, their diasporas are strategically positioned to engage in transnational business activities in pursuit of their own interests and the interests of their country of family origin and country of residency. Many governments in Asia, including those in China and India, are working on strategies to overcome long-standing legal, political and administrative barriers to the participation of their diasporas abroad for the benefit of their economies.

High income economies such as the United States, Canada, Germany and Singapore have similarly developed programs to attract highly skilled migrants and investors, with extensive business networks in Asia. They recognise the significant benefits related to the global mobility of people, knowledge and money. The exceptional contribution of the Chinese and Indian diasporas in Silicon Valley, California, is widely known. Saxenian (2006) has referred to these diasporas as the 'new Argonauts' whose transnational connectivities have been central to technology developments and entrepreneurialism, not just within the United States but also in their home countries. While the benefits of diaspora connectivities for business are widely recognised, governments of advanced economies have been slow to develop a systematic, evidence-based approach to engaging their diasporas in ways that contribute simultaneously not only to their own national interests but also assist the economies of the diaspora's countries of origin.

Australia has an opportunity to provide global leadership in the development of national, co-ordinated policies that realise the advantage and acknowledge the importance of Australia's Asian diasporas. Australia is already known globally for innovation in policies designed to celebrate cultural diversity. Australian multiculturalism has now become embedded in the popular imagination of most Australians. Policy on productive diversity developed in the late

1980s heralded a new way of thinking about the global economy. This policy acknowledged how changing modes of production demanded skills of intercultural communication and understanding. More recently, the idea of Asia capability has been promoted. Building on these policy achievements, and the diasporas' advantages, would be timely and beneficial to Australia's interests.

To consider Australia's policies options in this area, it is useful to look at how other countries have approached the challenge of recognising and using the resources of the diasporas. This is not an easy task because much of the data that national governments collect, and the understanding they have of the policy challenges, are based on the traditional categories of inbound and outbound migrants. China and India's policies are based on a desire to continue to use the knowledge and skills of emigrants who have settled elsewhere. In contrast, the policies of the United States, Canada, Germany and Singapore are designed to attract skilled migrants in order to drive innovation, investment and trade.

What is not adequately addressed is the emerging phenomenon of the global circulation of people who are dispersed but remain connected to their countries of family origin in a number of diverse ways. Much of the data collected by both governments and international organisations (such as the OECD and UNESCO) relate to patterns of migration and settlement. This ignores the emerging dynamics of the global mobility of skilled people and business diasporas who see considerable value in flexible forms of belonging. Much of the literature on the mobility of highly skilled people focuses on remittances and the binaries of brain drain/brain gain. This often overlooks the fact that, in a globally connected economy, capital flows across national borders and *brain circulation* stimulates knowledge transfer, international trade and economic productivity.

Migration data, both inbound and outbound, is still important in tracking legal changes in

citizenship status and monitoring nationally specific issues such as migrant settlement. Nonetheless, this migration logic does not fully capture the diaspora concept examined in this report. As noted earlier, diasporas include migrants, but they also include residents who retain a sense of emotional and cultural connection with their countries of family origin, work visa holders and international students who either aspire to become permanent residents or leave and maintain strong connections and affinity with Australia. The question of how governments might recognise and use diaspora resources is therefore broader than the question of migrant settlement. The following sections review policies pursued by various governments that are relevant to an understanding of the diaspora contribution to their national economies, covering both outbound and inbound diasporas.

5.2 Chinese and Indian governments' approaches

The Chinese and Indian governments are deeply conscious of their outbound diasporas. They are now sharply focused on using the commercial resources their diasporas abroad represent. As recently as a few decades ago, they regarded their outbound skilled diasporas as an economic loss to the nation. However, both Chinese and Indian governments have increasingly recognised

that the mobility of people contributes to the creation and diffusion of knowledge and skills that have the potential to serve national interests by generating productive arrangements of transnational trade and investment. The term *brain circulation* has now replaced forms of thinking associated with the idea of brain loss. The policy challenge for China and India is to develop strategies that recognise and use the unique strengths, connectivities and capabilities of their globally mobile diasporas, and draw them back into practices that might be beneficial to the national economic interests.

Such 'inviting back' strategies have a two-fold purpose: to tap the financial resources of the diasporas to assist with development needs for their country of family origin (recognising that diasporas are a source of significant remittances); and to advance developments in the new economy to capitalise on the knowledge and expertise of the diaspora (Ho et al., 2015). Newman and Plaza (2013) posit that diaspora engagement is felt most strongly in trade, investment, and skill and knowledge transfer.

To realise the advantage that Chinese and Indian diasporas abroad represent, how China's government regard recognises an estimated 40 to 65 million overseas Chinese (the variance results from different affiliations attached to Hong Kong, Macau and Taiwan), and how India's government recognises the estimated 25 million overseas Indians (Cheng, 2016, p. 6) are discussed.

Box 5.1: Some terms that describe the Chinese diaspora

A range of official and colloquial terms are used to categorise the Chinese diaspora. They are somewhat contested in the literature and in practice. However, for the purposes of this report, the global Chinese diasporas are referred to as overseas Chinese unless stipulated otherwise. Some terms include:

Huaqiao: refers to Chinese citizens who were born in mainland China and legally reside outside China.

Tongbao: compatriots eligible for Chinese citizenship but who reside in Hong Kong, Macau and Taiwan.

Guiqiao: overseas Chinese who have returned to China for permanent settlement.

Qiaojuan: relatives of *huaqiao* and *guiqiao*.

Haigui: Chinese students, scholars or professionals who have studied or worked abroad and who return.

These terms are not necessarily exclusive, as the *huaqiao* could become *haigui* on return to China (Pieke and Speelman, 2013; Wang et al., 2006)

China's decentralised approach to their diaspora

For various reasons, the Chinese Government did not engage much with the Chinese diaspora from the mid-1950s until the 1980s (Lum, 2015; Wang et al., 2006). During this time, there was a very restricted notion of 'Chinese' that only included those living in China, and those with citizenship. The Office of the Overseas Chinese Affairs of the State Council (*Qiaoban*) leads diaspora strategy efforts. This relatively unique institution forms part of the State Council, one of China's highest executive bodies. The *Qiaoban's qiaowu* policy includes measures and strategies to deal with the overseas Chinese diaspora. All other ethnic Chinese are considered foreign nationals beyond China's responsibility (Pieke and Speelman, 2013).

Following the Cultural Revolution and during the early 1980s, the privileges and profiles of some overseas Chinese were expanded in an effort to leverage their capital and know-how. The government began to engage with the overseas Chinese abroad while remaining conscious of political concerns and considerations in Southeast Asian countries with extensive Chinese diasporas. Beijing lifted the notional ban on emigration, which led to a new flow of emigrants. This was actively facilitated through a 'going out' (*zou chuqu*) migration policy in the 1990s to strengthen China's economic presence abroad. This policy supported the migration of students, skilled professionals, business people and organised contract workers resulting in more educated and wealthier expatriates (Pieke and Speelman, 2013). The *zou chuqu* policy ignored unskilled emigration due to its links with illegal activity, human trafficking and asylum seeking.

The 'going out' policy *increased* numbers of a new diasporic cohort of students, scholars and professionals, who then returned after time abroad and challenged Beijing's existing *qiaowu* policy. Beijing saw this as critical for enhancing knowledge and skills transfer from developed countries. Beijing has focused on overseas Chinese as they are seen as being more capable of raising China's profile abroad and promoting

foreign investment in China, and as they are more likely to return they can directly contribute to national prosperity and success (Lum, 2015).

As the 'going out' policy became so successful, Beijing became increasingly concerned about the consequent brain drain—many who went abroad to study did not return to China (for example from 1985 to 2004, more than 815,000 Chinese had gone abroad to study and during this time, Chinese students in Australia rose from 400 in 1985 to 63,600 in 2005 (Australian Bureau of Statistics, 2007). From the late 1990s to 2000s, Beijing began to stress an 'inviting in' (*yin jinlai*) policy alongside the 'going out' policy. For outbound students, the 'inviting in' policy stipulated 'support study overseas, promote return home, maintain freedom of movement' (*zhichiliuxue, gulihuiguo, laiquziyou*) (Barabantseva, 2005). This policy went above and beyond enticing students, scholars and professionals to return: it saw the educated Chinese diaspora as a major talent pool to draw from and to assist with transition to technology-intensive economic growth (Pieke and Speelman, 2013). The policy aimed to attract and retain highly educated workers, entrepreneurs and talents (*rencai*) (Simon and Cong, 2009). Initially, the aggressive 'inviting in' policy created tensions between returnees and those who never left. However, distinction between the factions blurred as travel and engagement opportunities increased, and overseas Chinese are widely seen as bringing financial resources and knowledge into China (Agunias and Newland, 2012). The 'inviting in' strategy has effectively encouraged the *haigui* back to China. By the end of 2011 the Ministry of Education calculated that around 36 per cent of students who had gone abroad had returned to China (Wang, 2012). While Beijing has focused substantially on its 'inviting in' strategy, it has remained relatively restrictive on nationality and citizenship issues, and not facilitated better administrative procedures to attract mobile members of the Chinese diaspora or assist Chinese nationals deciding to apply for residence in a foreign country.

Overall, the Chinese government has a relatively decentralised approach to managing and engaging with migration and the global Chinese diaspora. Migration was too diverse and too subject to individual, local or sectorial agencies to be aligned 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. The decentralised approach means that various ministries and departments at the central level, as well as different layers of government, often pursue their own agenda (Pieke and Speelman, 2013). This has facilitated an expansive network of diaspora offices and organisations across local and provincial governments in China. There are also private sector actors and associations for diaspora engagement and some creative innovative spaces for competition, collaboration and other initiatives (Agunias and Newland, 2012; Meyer, 2011).

India's centralised diaspora policies

Following economic liberalisation in the early 1990s, Delhi took the novel step of conducting an overarching review of its global Indian diaspora and developing government policies toward the diaspora. In the 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 Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs) overseas. This resulted in a significant report (the *LM Singhvi Committee Report*) that set a new direction in diaspora policy. The Ministry of Non-Resident

Indians' Affairs was created in 2004, and renamed the Ministry of Overseas Indian Affairs (MOIA) later that year (Agunias and Newland, 2012; Gangopadhyay, 2006; Lum, 2012; Ministry of Overseas Indian Affairs, 2015).

MOIA signalled Delhi's attempt to centralise all diaspora affairs into one key agency:

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).

MOIA policies and programs that drive this agenda include: the Overseas Indian Facilitation Centre (a 'one stop shop' to facilitate diaspora investment into India); the India Centre for Migration (a research think tank on migration and diaspora issues); and approval of Non-Resident Indians in key developed countries such as the United Kingdom, Australia, Canada and others (Cheng, 2016, p. 26–27).

Of particular note is *Pravasi Bharatiya Divas* (Overseas Indians' Day) sponsored by MOIA and celebrated on 9 January each year in India, recognising the contribution of India's overseas diasporas. The day commemorates Mahatma Gandhi's arrival in India from South Africa, and is supported by a three-day convention, an Indian diaspora forum, and an international awards ceremony.

Box 5.2: Some terms that describe the Indian diaspora

Terms used to describe the Indian diaspora include:

Non-Resident Indians (NRIs): Indian nationals who hold Indian passports but who reside abroad, or have temporarily migrated to another country for six months or more for a range of reasons, such as employment, education or business. NRI relates to the tax status of the person.

Persons of Indian Origin (PIOs): Members of the wider Indian diaspora who are no longer Indian nationals.

Overseas Citizen of India (OCIs): Includes PIOs up to the third generation and who have held or been eligible for Indian citizenship in the past, as well as their children and grandchildren.

The *Person of Indian Origin* (PIO) Card was introduced in 2002. PIOs covered those up to the fourth generation. Cardholders enjoyed parity with NRIs in a number of areas including the ability to purchase property (except agricultural land), access central and state level housing, and participate in education schemes. The PIO Card also granted visa-free travel to India for 15 years. However, PIO Card holders had no political rights and could not vote (Lum, 2012; Gangopadhyay, 2006).

India introduced the *Overseas Citizenship of India* (OCI) program in 2005. It targeted PIOs up to the third generation who have held or been eligible for Indian citizenship in the past, as well as their children and grandchildren. OCI holders enjoyed additional benefits such as multiple-entry, multipurpose and lifelong visas to visit India; not having to register with the police on arrival; and having access to professional qualifying examinations (allowing them to enter previously protected industries for Indian nationals).

In early 2015, the Indian Government 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. Delhi had been criticised for focusing on OCI holders, as they seem wealthier and more successful and seemingly have more to offer India (Lum, 2015). Overall, the PIO card and OCI programs have been an unqualified success. In 2012, MOIA reported that more than one million PIOs had successfully applied for OCI status. By January 2015, this number had risen to nearly 17 million PIOs (Gangopadhyay, 2006; Lum, 2015, 2012; Ministry of Overseas Indian Affairs, 2015).

Connecting with the diaspora youth

Both China and India have policies and programs targeting diaspora youth. For example, one initiative aligned with China's 'inviting in' policy, encourages Chinese diaspora youth to visit China for HASS-based root seeking education, to learn

about the Chinese language and culture and their heritage (the Chinese Government pays for all domestic expenses) (Lum, 2012). During the 1990s alone, the program received almost 100,000 participants (Thunø, 2001).

Similarly in India, the *Know India Program* (launched in 2004) and *Study India Program* (launched in 2012) promote social, economic and cultural awareness of India among second and subsequent generations of emigrants over three-month programs. These programs cover full hospitality in India as well as 90 per cent of the cost of a return economy class air ticket to the country of residency. The *Scholarship Programme for Diaspora Children* (launched in 2006) offers scholarships of up to US\$4,000 per annum to PIO and NRI students for particular under-graduate courses at Indian universities (Agunias and Newland, 2012; Lum, 2012; Ministry of Overseas Indian Affairs, 2015).

China and India's policies for knowledge and talent circulation

Of significance is China and India's move towards capturing the skills and knowledge of their diasporas for research, development and innovation. Their efforts centre on attracting back talent, recognising that their experiences abroad are of immense value. Various initiatives pursued by the Chinese Government (under and aligned with the 'inviting back' policy) provide significant funding to key programs for this purpose. Examples include establishing science parks, special development zones and high tech complexes to attract overseas Chinese to invest and work in China. The high profile *1000 Talents Program* directly recruits leading overseas Chinese scientists and entrepreneurs based abroad. The *111 Project* also facilitates collaboration with the Chinese diaspora, where top overseas Chinese scholars team up with domestic researchers working in one of the 126 innovation bases located throughout China (Agunias and Newland, 2012).

India's diasporas are recognised for the ways in which they serve India in skills and knowledge transfer, such as developing the information technology sector through the expertise of Indian engineers and entrepreneurs in the Silicon Valley (Kapur, 2010; Saxenian, 2007). A 2007 survey of 208 software entrepreneurs in India indicated that 58 per cent had lived outside India as NRIs and 88 per cent had used the diaspora network to obtain contacts in the United States to help them secure contracts for their start-up firms (Khanna, 2007). India has begun introducing policies similar to China's, such as directly recruiting leading Indian diaspora scientists and experts, and establishing research fellowships (Lum, 2015).

It is clear from this account that both China and India now value the advantage represented by their diasporas. The focus of China and India's governments to date has been on outbound diasporas, although it is commonly understood that relatively few governments have successfully engaged diasporas in their country of residence to find areas of mutual interest for practical collaboration (Newland and Plaza, 2013). China has energised STEM-based professionals, with in-country policies to support their work as well as financial incentives, employment pathways and mechanisms for greater cultural connectivity. India has increased the 'ease of being Indian' and allows for return, participation and deeper connectivity.

Both China and India are attempting to be strategic in their engagement, and recognise the advantage of diaspora connectivity and circulation. However, there are many substantial challenges ahead for both China and India in their efforts to engage with their diasporas. These include their respective infrastructure, regulatory and bureaucratic challenges, and an effective lack

of integration between research, development and commercialisation. As migration becomes more multidimensional, both countries may find it harder to retain talent within their borders. In considering the trajectories for China and India, it is likely that both countries will '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 and Boyle, 2015).

Implications for Australia

Australia has the opportunity to establish a national, co-ordinated policy that realises the diaspora advantage and better promotes the global circulation of ideas, knowledge, people and capital. This involves moving beyond visa conditions and migration settlement programs. Such a move requires consideration for policies that not only attract Chinese and Indian skilled immigrants, but also sustain their greater economic engagement with Australia, as well as supporting China and India's diaspora policies for mutual benefit.

To develop such conditions it is useful for Australia to look at the experiences of other advanced economies with their own inbound Asian business diasporas, most particularly, their own Chinese and Indian diasporas.

Finding 10: The Chinese and Indian governments recognise the importance of their diasporas abroad and have begun to develop strategies to use their expertise to increase trade and investment and knowledge transfer. Australia needs to develop similar ways of using its own diaspora resources for research, cultural and business collaborations in ways that are mutually beneficial.

5.3 Business diasporas in advanced economies

China and India are not the only fast growing transitional economies that recognise the economic and cultural importance of the advantage of their diasporas abroad. Like Australia, countries such as the United States, Canada, Germany and Singapore have developed migrant categories that value highly educated migrants with business and entrepreneurial skills. Indeed, the OECD (2005) has noted an intense race in advanced economies for skilled talent from Asia in particular, especially in STEM fields. This is based on the belief that skilled migrants can spur innovation and bring a range of other positive impacts on knowledge creation and commercialisation into new markets.

Cheng (2016) shows how the United States and Canada have had very similar experiences as Australia with their own Chinese and Indian diasporas. Similar to Australia's experience, the Chinese and Indian diasporas in the United States and Canada appear to be well-educated, and likely to work in highly-skilled industries and professions, predominately in STEM-related fields and the business, financial, administrative and manufacturing sectors. Across all the countries discussed below, migration systems appear similar with assessed and conditional pathways to permanent and temporary residency for humanitarian, family, study, work, business and investment purposes. The differences lie in the engagement with their resident Chinese and Indian business diasporas.

United States

In the United States, the Chinese and Indian diasporas are the first and second largest Asian-origin groups. The United States China-born population is estimated to be between 3.8 million and 4.4 million (the variance results from different affiliations attached to Hong Kong, Macau and Taiwan). The India-born population diaspora is estimated to be between 2.8 million and 3.8 million (Cheng, 2016, p. 30). Visa pathways in the United States remain fixed to ideas of permanent and temporary migration (see Cheng, 2016, p. 47

and 48, for key classes of admission into the United States for those born in China and India and American state of residence).

A number of mechanisms and bodies have been established to engage with America's Chinese and Indian diasporas, including several Chinese and Indian professional associations. For example, the Silicon Valley Chinese Engineers Association and The Indus Entrepreneur (which is also active in Australia) have proved useful as cross-generational forums. These groups have facilitated older professionals helping finance and mentor younger diaspora entrepreneurs and have also proved useful for engaging with their countries of family origin.

In measuring the impact of business diasporas in the United States, one study quantified the economic contribution and migrant business ownership in American technology and engineering firms. Results showed that immigrant-founded companies produced US\$52 billion in sales and employed 450,000 workers in 2005 (Wadhwa et al., 2007).

During 1995 to 2005, permanent resident Indian diasporas were found to have established more engineering and technology companies in the United States than immigrants from the United Kingdom, China, Taiwan and Japan combined. It is now estimated that the Indian diasporas have formed more than 25 per cent of immigrant-founded engineering and scientific companies in the United States, and that 53 per cent of the science and engineering workforce is foreign born (Chand, 2015).

California

Of all the American states, California has attracted the greatest number of permanent Chinese and Indian migrants. Chinese and Indian diasporas have made a widely recognised and significant contribution in Silicon Valley, California. Saxenian (2006) has referred to the Silicon Valley Chinese and Indian diasporas as the 'new Argonauts':

... US-educated but foreign-born entrepreneurs embarking on risky foreign adventures in pursuit of wealth ... Armed with their knowledge of technology markets

and their global contact-books, the new Argonauts are in a strong position to mobilise the expertise and capital needed to start successful global ventures (Saxenian, 2006, p. 99).

Saxenian (2006) states that in the late 1990s, nearly a third of Silicon Valley start-ups were run by immigrants, mostly from India and China, and over half of the Valley's 200,000 scientists and engineers were foreign-born (primarily in Asia). The diaspora networks they formed supported their career prospects and enterprising endeavours. Some of the Chinese and Indian diasporas have become transnational entrepreneurs. Some have stayed in California and used human and financial resources from their country of family origin, while others returned home to establish their own businesses (often with Silicon Valley clients and partners). On return, the diasporas were found to adapt business models and practices learned in the United States, rather than simply replicate them. This in turn has altered design, production and supply of these transnational products and services (Saxenian 2006).

Canada

In Canada the 2006 Census suggested an estimated China-born population of 1.3 million, and in 2011 Census there were an estimated 1.1 million born in India—with both China-born and India-born numbers growing since 2001 (Chand, 2014; Chand and Tung, 2014). Over the last decade, there has been a decline in the number of skilled worker and entrepreneur visa applications, with investor applications remaining steady (Cheng, 2016). In response, Canada's immigration system is currently undergoing significant change with the aim of: improving the economic outcomes of new migrants; attempting to better respond to short-term regional skill shortages; and shifting immigration from the three largest regional centres to other hubs within the country (Ferrer et al., 2014).

Canada espouses an official policy of multiculturalism, which celebrates inter-group differences as a valuable resource and as a foundation for cultural strength. Canada has used

a number of techniques to mobilise diaspora groups for development in their countries of family origin (mainly developing countries, not China or India) (Agunias and Newland, 2012). However, more recent initiatives have potential for greater engagement with China and India as nations, and their own Chinese and Indian diasporic communities. Under the broader *Global Commerce Support Program*, the specific *Going Global Innovation Program* assists and supports Canadian researchers to develop partnerships with partners in other nations to foster research and development collaboration. The *International Science and Technology Partnerships Program* supports bilateral projects for commercialisation of research and development, with India, China and Brazil cited as potential partners (Chanoine et al., 2013).

Germany

Whereas the Chinese and Indian diasporas are notable in their number in the United States and Canada, China and India do not rank in the top source countries for Germany's 10.7 million immigrants (World Bank, 2011). Germany has lagged behind other countries in forming an Immigration Policy, with the *Citizenship Bill* passed in 2002 including regulation to attract highly-skilled professional migrants, modelled after the points-tested Canadian system (Oezcan, 2002). From 2005 to 2008, Germany implemented certain labour migration policies to attract particular talent, which included targeting highly skilled foreign nationals with ICT expertise. With Germany considered to have the greatest shortage of ICT expertise, 25 per cent of ICT vacancies were estimated to remain unfilled in 2015 (Workpermit.com, 2015). Other pathways to permanent residency (after a qualifying period) target post-graduates of German universities, highly qualified employees and self-employed business owners (Federal Office for Migration and Refugees, 2013).

The German Agency for Development (*Deutsche Gesellschaft für Internationale Zusammenarbeit*, the GIZ) had conducted special studies of resident diaspora populations. The GIZ does not have a specific budget for migration and development

projects, but does engage diasporas through linking diaspora-related projects to other topics like climate change and security (Agunias and Newland, 2012). The GIZ has a human resources placement organisation, the *Centre for International Migration and Development* and its *Integrated Experts Programme*. This supports individuals from developing, emergent and transition countries who have live, work or studied in Germany, to return home to use their skills and knowledge. This aims to establish returning experts as bridge-builders for international economic and development cooperation. China and India are both partners under this program and, since 2004, it has assisted more than 10,000 people to return to their home countries and search for appropriate connections and partnerships there.

Singapore

The Chinese and Indian diasporas are large and integral to Singapore's multicultural fabric and historical legacy. They have been the two top source countries for immigration into Singapore, and combined they make up over 80 per cent of the 5,469,724 population (Singapore Department of Statistics, 2015). It is difficult to argue that the Chinese diaspora is a 'diaspora' in Singapore, given that they are the dominant ethnic group in the country.

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. Over the years, Singapore had relied on a foreign workforce at both the high and low ends of the labour spectrum to overcome the limitations of local human capital (Yeoh and Lin, 2012). Today, the majority of skilled workers are from China, India and Malaysia (Yeoh and Lin, 2012), with an apparent dependence on Indian workers for a number of critical sectors and skills for ICT, banking and finance, healthcare, education and manufacturing (Chandra, 2010).

Singapore separates the term immigrant workers into *foreign workers* and *foreign talents*, with foreign talents referring to the highly skilled workers the country has continuously sought.

Singapore's system issues foreign talents visas depending on tertiary qualifications from a reputable university, relevant professional experience, as well as level of income guaranteed from an employer (Hawksford Singapore, 2015a, 2015b). Singapore had pushed forward with numerous programs to attract foreign talents, such as housing schemes, subsidised living costs, company grants to ease costs of employing foreign talents, and numerous recruiting missions abroad (Yeoh and Lin, 2012).

For business and investment, Singapore's *Global Investor Programme* allows successful applicants to attain immediate permanent residency through investing at least S\$2.5 million in a new business or expansion, or in an approved fund (Hawksford Singapore, 2015c). In 2004, Singapore introduced the *Entrepreneur Pass Scheme* (EntrePass) to attract entrepreneurs with solid and innovative business proposals, but without the capital available. Since 2014, EntrePass holders are subject to strict progressive renewal criteria relating to new job creation for locals and minimum investment back into the business within certain time periods (Hawksford Singapore, 2015d).

Singapore is facing some critical challenges ahead, in particular: low fertility and an aging population; problems of maintaining ethnic, cultural and linguistic balance; and maintaining a cohesive national population. Immigration can solve one issue but may negatively affect others (Jones, 2012). This could be further compounded by moves to curtail immigration substantially by introducing quotas for particular sectors, (Department of Finance, 2013; United States Census Bureau, 2014).

Ireland

Ireland's diaspora efforts are also noteworthy. In 2015, Ireland launched a comprehensive government policy to recognise, engage with and develop its diaspora overseas. The *Global Irish* policy (Ireland Department of Foreign Affairs and Trade 2015a) intends to create connections with and among those who are Irish, of Irish descent or have a tangible connection to Ireland. Located under Ireland's Department of Foreign Affairs and

Trade, the policy is led by the Minister of State for Diaspora Affairs.

Initiatives under the new policy include the Global Irish Media Fund to support media coverage of the diaspora and emigration experience. There is also an alumni challenge to seed-fund new collaborative initiatives by Irish institutions to engage with their Irish and non-Irish graduates working around the world. A dedicated website provides information on living overseas, staying in contact, returning to Ireland, and support services relating to these aspects. The *Global Irish* policy has dimensions covering welfare, economic, and social concerns. The economic dimension includes: facilitating conventions and forums; support for business networks to facilitate the success of Irish people at home and abroad; creation of increased opportunities for economic recovery so those who left the country because of economic need can return; and support for developing Ireland as a hub for research into the potential of diasporas and the practical application of such research (Ireland Department of Foreign Affairs and Trade, 2015b).

Australia's opportunity

There are similarities among these nations' migration and visa systems to attract skilled entrepreneurs and attempts to connect the research and business diasporas. However, it appears there are no purposeful, direct initiatives beyond migration and settlement programs or market-drive initiatives and diaspora associations that engage the diasporas strategically. Where governments do engage with resident diasporas, it is usually in the framework of migration and development. Cheng (2016) shows there is global demand, and encouragement for, attracting highly qualified and skilled professionals (more so in STEM disciplines), entrepreneurs and investors. Migration data indicates that the Indian and Chinese diasporas are active in pursuing these opportunities.

Existing policies are linked to binaries of outbound/inbound and brain drain/brain gain. They do not seem to adequately address the emerging phenomenon of diasporas—their



dynamic circulation, connectivity and newer flexible forms of belonging, and how this could be articulated in financial incentives, ease of physical and resource mobility, and citizenship options. The above discussion shaped *Finding 5* outlined in Chapter 1:

While most advanced economies have policies to attract highly skilled migrants from Asia, they have yet to develop strategies that accommodate the changing nature of the business diasporas' experiences, motivations and advantages in a globally interconnected economy. Australia is well positioned to take a leading role in the development of such strategies.

With its multicultural population and its location within the dynamic Asian region, Australia has the potential to lead the world in developing policies and programs that encourage more effective engagement of the Asian business diasporas in building transnational networks for trade, investment and innovation with Asia.

An integrated approach to realising the diaspora advantage may include (but certainly not limited to):

- creating favourable social, economic, institutional, and technological conditions to support the ease of transnational circulation of ideas, knowledge, people and capital
- mobilising the Asian diasporas in the development and facilitating trade policies (such as the ChAFTA, TPP and CECA) and in international, regional and national standards frameworks and regulatory regimes
- creating flexibility citizenship and visa entry pathways
- increasing representation of the Asian diasporas in leadership roles and decision making bodies
- improving mechanisms for linking the research and business diasporas through science and technology infrastructures for the commercialisation of research and development
- improving Asia capability and HASS skills in schools, vocational and higher education and in government agencies and consulting firms

- establishing diaspora alumni programs, which maintaining ongoing relationships with temporary residents who worked and studied in Australia.

Some of these are discussed in the following sections.

5.4 Developing a culture of support in Australia

In developing policies to benefit from the Chinese, Indian and broader Asian diasporas in Australia, there needs to be a supportive culture across governments, institutions, enterprises and within the community. Creating favourable conditions for the business diasporas to continue their work depends on recognising and celebrating the importance of Asia and Australia's potential in Asia. This is a moral and economic imperative, a commercial necessity to build nation-wide capabilities for greater engagement with Asia, so Australia can anticipate and respond to the demands and opportunities Asia presents while being alert to the needs of the broader Australian community.

Favourable conditions that support this thinking within businesses, industry and institutions will shift the mindset that regards Asia, China and India as mono-cultural markets without recognising regional, linguistic and cultural differences. As one academic said in an interview:

The more [these] differences are recognised and understood, the greater Australia becomes sensitive to, and for, Asia.

In recognising such differences, and understanding Australia's relationship and location relative to Asia, positive community attitudes will continue to rise. Building the nation's Asia capability is critical to this.

Asia capability

Asia capability is an individual's ability to interact effectively in Asian countries and cultures and with people from Asian cultural backgrounds (O'Leary and Tilly 2015). The work of the Diversity Council Australia, Asialink and others

strongly advocates Asia capability. Discussing Asia literacy primarily in the context of school education, the *Asia Education Foundation* referred to Asia capability as developing the capacity in knowledge and skills to relate to and communicate across cultures, in particular the cultures and countries of Asia (Asia Education Foundation, 2011). It is necessary to become Asia literate to build strong relationships with countries such as China and India, which are growing in power and influence. This a perspective is endorsed by Ministers of Education across Australia in the *2008 Melbourne Declaration on Educational Goals for Young Australians* (Ministerial Council on Education, Employment, Training and Youth Affairs, 2008). Such work has further promoted HASS skills—such as intercultural, language, culture and history, business and entrepreneurial abilities —and their importance in strengthening economic links with Asia.

Yet, the Diversity Council Australia’s nationally representative survey of 2000 Australian employees uncovered the following: one in three has no or very little Asia capability; two out of three have no or very little operational knowledge of how to manage in Asian business contexts; and just one in 20 is fluent enough in an Asian language to comfortably communicate on complex business matters with colleagues or clients (O’Leary, 2015b, p. 15).

In 2012, Asialink proposed a national strategy on developing an Asia capable Australian workforce (Asialink Taskforce for an Asia Capable Workforce, 2012). It articulated specific Asia capabilities and stressed the urgent need for their development at the individual and organisational level, if

Australia is to benefit from opportunities on offer in Asia. Table 5.1 outlines these capabilities for both individuals and organisations.

These capabilities highlight the importance and necessity of Asia and Asia literacy for business and beyond. Asialink’s 2012 strategy urged Australian businesses to take the lead:

All institutions should also consider how best to utilise existing talent pools, including Asian Australian communities, repatriates and international students, to drive their Asia-focused strategies (Asialink Taskforce for an Asia Capable Workforce, 2012, p. 19).

There are many examples of how this is taking place, such as internal Asian talent programs in some of the large multinational firms that position Asia capability firmly within organisational-wide human resource strategies. An increasing number of formal education programs are readily available on doing business in Asia and on Asia capability.

While the notion of Asia capability is helpful in identifying the discrete knowledge, skills, and attributes required for success in and with Asia (as outlined in Table 5.1), it sets Asia apart from Australia. ‘Asia’ is positioned as something that can be readily understood and mastered. This creates the risk of simplifying, generalising and commodifying Asia capability within these programs. The existence of the transnational economic space and the ways in which the Asian business diasporas flourish within it is potentially overlooked.

Asia capability education needs to acknowledge Asia’s complexities and differences, for example, the differences between China and India. Both nations present differences in regard to

Table 5.1: Individual and organisational Asia capabilities

Individual Level	Organisation Level
<ul style="list-style-type: none"> Sophisticated knowledge of Asian markets/ environments. Extensive experience operating in Asia. Long-term trusted Asian relationships. Ability to adapt behaviour to Asian cultural contexts. Capacity to deal with government. Useful level of language proficiency. 	<ul style="list-style-type: none"> Leadership committed to an Asia-focused strategy. Customised Asian talent management. Customised offering/value proposition based on customer insights. Tailored organisational design with tendency to local autonomy. Supportive processes to share Asian learnings.

Source: Asialink Taskforce for an Asia Capable Workforce, 2012, pp. 14–15.

economic relationships, political structures and cultural traditions. There are also differences relating to knowledge and information. It is essential to recognise the complex differences and historical sensitivities of knowledge creation and information sharing practices in China and India, to improve business, policy processes and decision-making. This is where the nuanced sophistication of the diasporas is valuable, as is their potential to work with mainstream Australians who wish to develop their own Asia capability in organisational human resource activities, education programs and elsewhere.

An analysis of Asia capability education programs is outside the scope of this project but worthy of pursuing. This might include evaluation of: the programs' own Asia capability (including that of facilitators and presenters), the demographic of participations and longitudinal outcomes, and the extent to which Australia's Asian business diasporas are involved in program design, development and delivery.

Asia capability reconceptualised

Given the economic importance of Asia, there is a sense of urgency to develop Asia capability. Asia capability (as presented in Table 5.1) can no longer be seen as aspirational for individuals and organisations. Rather, these abilities are foundational, a necessary requirement for successful interactions with Asia. This report suggests a reconceptualisation of Asia, one that speaks to the capabilities and attitudes

encapsulated in the diaspora advantage. Asia capability would measure the effective management of transnational circulation of ideas, knowledge, resources and capital with Asia—the fluid engagement between people, policy, and place that allows individuals and organisations to anticipate, and swiftly respond to, opportunities in Asia in a highly nuanced way. In doing so, individuals and organisations would demonstrate strengths in intercultural and Asian language skills (among others) and show how the Asian diasporas have been essential in driving transnational connectivity, as well as improving enterprise performance and potential in Asia

This reconceptualisation of Asia capability relies on three factors. Firstly, a strategic commitment to build on the capabilities presented in Table 5.1. Secondly, the establishment of organisational cultures and systems that encourage entrepreneurial energy, competition and risk taking—key features found to drive the Chinese and Indian business diasporas' success. Finally, mechanisms for active and authentic consultation and engagement with the Australian Asian diasporas within organisations and institutions, as well as taking on coaching and mentoring responsibilities.

Asia capability in government and consulting firms

Many interviewees mentioned as a priority the need to advance the knowledge and skills of individuals in government agencies and

Box 5.3: Translating business practices and workplace cultures

South African-born Indian Ms Div Pillay is the Founder and Managing Director of MindTribes, a consultancy group that works with Australian and multinational corporates to develop intercultural business capability. She believes performance coaching for behavioural change is essential for successful transnational business relationships, where a job-centric view accelerates competence for working in a foreign climate (MindTribes n.d.).

Over the last 16 years, she has been in senior People and Culture roles in South Africa, India, Malaysia, and virtually with Manila and has been based in Australia for the past 11 years. When interviewed for this project, Ms Pillay spoke of how she uses her diaspora advantage for business:

I see myself as being an Australian, South Indian and a South African woman in business ... I am wired to firstly translate how Eastern and Western businesses and workplace cultures operate and then drive the behavioural shift—the thinking and believing—through coaching that lifts performance. It was easy for me to be a conduit. When I was working in India, I was Indian as well as being something else, Western.

Ms Pillay reinforces the importance of quickly connecting and measuring the importance of relationships and cultures when doing business between Australia and India. She calls it a 'funny cycle of coming together' where people need to be truly aware of the other and know what actions need to be put in motion to close the gap in communication, values, understanding and work processes.

organisations that provide information and advice on establishing business in Asia, and assist Asian enterprises to come to Australia. This captures myriad organisations and programs, such as Austrade, state government development agencies and multinational and domestic corporate advisory firms. Heightened Asia capabilities would be essential for AusIndustry, for instance, as it oversees the government's *Entrepreneurs Programme*, which offers support to Australian enterprises in accelerating commercialisation, business management and innovation connections

As one Indian business person said:

You know what would be good? If Austrade sent their staff to work with the Indian or Chinese business councils here in Australia first before going overseas. They will learn and they will meet people who will help their work here and there.

Working towards the reconceptualisation of Asia capability, and being alert to the differences and potential of Asia provide, would provide agencies and firms with a distinct and highly valued advantage. This presents an opportunity for the Australian Asian business diasporas to co-ordinate with agencies and firms to assist efforts, as they are well placed to view a business's potential in either Asia or Australia and could identify opportunities, challenges and development pathways and possibly facilitate introductions.

Bilateral business associations as hubs of Asia capability

Most of the interviewees insist that quality advice and good connections needed to be made, both here among the business diasporas and overseas. Examples emerged from the discussions of business connections facilitated by Australia's Asian diasporas within their own communities. Interviewees spoke of some Australian enterprises wanting to expand into Asia who had received poor advice from members of the Australian Asian business diasporas and how this resulted in detrimental outcomes. The interviewees saw a role for the peak Australian Chinese and Indian business associations to

promote successes and lessons learned from the Asian business diasporas and help facilitate introductions within the membership.

Additional resources and funding may help Australian Chinese and Indian business associations continue their roles as knowledge centres for transnational trade and act as conduits to connect Australia with counterparts in India or China, such as: government; industry; sites of science, innovation and technology; and alumni groups. Such business associations are well placed to explore challenges for doing business in Australia, China, and India and advocate bilaterally for better outcomes.

Developing Asia-HASS skills in students

While industry and the current workforce may be the prime focus for developing Asia capability, there are also gains for students in schools, vocational and higher education. This would include a nation-wide approach to better promote the importance and benefit of Asia-HASS skills—specifically intercultural skills, language, culture and history, business and entrepreneurialism.

Studies have highlighted Australia's Chinese diasporas, as their language capabilities appear to get lost more quickly, to the extent that the next generation no longer have these language skills (Louie and Edwards, 1995; Louie et al., 1997). This is reinforced in *Smart Engagement with Asia* (Ang, Tambiah and Mar, 2015). While Asian languages do form part of the school and higher education curriculum, more could be done to promote Asian language subjects to the Australian-born Asian diasporas to assist them in developing and maintaining their language advantage.

Finding 11: While science, technology, engineering and mathematics (STEM) education is positioned as a policy priority, the success of Australia's Chinese and Indian business diasporas point to the equal importance of the humanities, arts, and social sciences (HASS) education in entrepreneurialism and business skills, Asian languages, and historical and cultural studies, as critical components of Asia capability.

5.5 Australian policies and programs

A common thread throughout this project is the notion of productive diversity—the recognition and use of cultural diverse capabilities to further Australia’s participation in the global economy. In the late 1980s, the Office of Multicultural Affairs (OMA) developed productive diversity to underline the importance of Australia’s cultural diversity as a key driver of productivity in a new economy characterised by complexity, multiplicity, flexibility, managerial devolution, and pluralism. The OMA argued that Australia stood to benefit greatly from its cultural diversity. It proposed diversity as a principle of social order and productive community. Many of our interviewees did not specifically use the term, productive diversity, but pointed to its significance in their own understanding of the distinctive contribution they can make to the Australian economy. The debates and ideas surrounding of productive diversity are worthy of reviving but through the lens of diaspora, focusing on how Australia’s productivity could be enhanced in an Asia-centric transitioning economy and within the transnational economic space.

This report finds that the business diasporas’ experiences have transcended productive diversity into diaspora advantage, where their language skills, cultural capabilities, and connectivities create new forms of productivity.

While not fully articulated at a political or policy level, there is an emerging understanding of this, as the Member for Gellibrand Tim Watts indicated in the Australian House of Representatives:

[recognising Australia’s] enormously large diaspora communities ... enormous pool of potential cultural understanding and cultural projection into our region ... [and I] encourage all MPs to draw on that very valuable pool of human capital in our own communities ... [so as] to project a more modern, multicultural national identity of our country into our region ... (Watts, 2014)

The following section discusses some of the ways in which Australia can draw on the Asian diasporas.

Mobilising the diasporas in economic and trade policies

With the effects of the China Australia Free Trade Agreement (ChAFTA) and Trans-Pacific Partnership (TPP) yet to be fully realised, forthcoming economic analysis will reveal the benefits and barriers faced by both Australian and Asian enterprises in deepening trade links. Analysis of policy outcomes, and the practices inherent within them, may point to similar challenges as those raised by the Asian business diasporas in this report as requiring further attention. Stories and learnings experienced within Australia and Asia are as important as economic analysis. Capturing and sharing such insights will further promote the influence of the Asian business diasporas in driving Asia capability and evolving business practices that could inform policy reform. In time, it would also be valuable to analyse the Comprehensive Economic Cooperation Agreement (CECA) and India’s moves to implement a Goods and Services tax.

This would involve further inquiry on how the business diasporas operate within international, regional and national standards and regulatory frameworks, and how these could further facilitate global diaspora connections. For instance, understanding how the business diasporas engage with mandatory and voluntary standards requirements in the production and servicing of their business may reveal innovative practices, emerging transnational business models, compliance management practices, and how knowledge transfer is circulated within these frameworks. Such study has the potential to provide insights on the application of the International Organization of Standardization (ISO), the International Electrotechnical Commission (IEC), the Australian/New Zealand Standard systems, and others as overseen by Standards Australia. Another example, as mentioned in Chapter 3, is considering the Australian Qualifications Framework (AQF) as an export.

Additionally, some research has been undertaken on how to mobilise diasporas in economic policy. Agunias and Newland (2012) roadmap three components for maximising the economic

potential for diasporas, namely: mobilising wealth via capital markets; facilitating diaspora investments; and transferring human capital. These components speak to policies and conditions that: regulate greater ease of transnational money mobility (such as transnational loans, diaspora bonds and securing remittance flows); introduce supports for better foreign investment into growth centres requiring invigoration; and introduce mechanisms for greater circulation of skills, knowledge, people and ideas (ibid 2012). Further research on how these elements play out in both policy priorities and institutional practices with Asia would be of interest.

In overcoming some of the challenges experienced by the business diasporas (as acknowledged in Chapter 4) enhancements could be made to strengthen 'one stop shop' efforts for foreign direct investment and the business diasporas' transnational activities. With a more active role, the Australian Asian business diasporas (or bilateral business associations co-ordinating efforts) could further enhance national strategies and programs that provide advice on where to invest and why (with diaspora case studies and key suggestions). They could also enhance strategies and advice on pre-entry business investment education on Australian laws and regulations, and facilitate introductions to help match local entrepreneurs, industry, government and sites of research.

This could further contribute to channelling business activity and investment into nominated growth centres, research collaboration and innovation as determined by recent changes to the *Significant* and *Premium Investor Visa* programs, and initiatives under the *Industry Innovation and Competitiveness Agenda* and *National Innovation and Science Agenda*.

Agunias and Newland (2012) also speak of the potential for creating elite international networks for top business diasporas and investors to further regional and global engagement and provide policy advice for issues pertaining to significant transnational economic activity.

Trade delegations

Interviewees also mentioned trade delegations as having possible obstacles to greater trade. In the main, interviewees perceive missions and delegations as lacking purpose and measurable outcomes, without a strategic focus on potential industries and sectors within geographical regions in China and India that are best matched to engage Australian services. Some interviewees spoke of limited opportunities for genuine business connectivity, with 'not enough time due to a tight schedule' and 'the wrong people in the room for my needs'. They observed in some trade missions 'insincere political photo opportunities' and 'bureaucratic junkets', which lead the business diasporas to question their own efforts and Return on Investment (ROI).

Another observation by interviewees was the occasional lack of representation of the Asian business diasporas on trade delegations. Compounding these observations is the lack of readily accessible information on the number of public and private inbound and outbound trade delegations (both historical and current) between Australia and Asia. Such data would assist evaluating trade and mission objectives through a richer understanding of who participated, outcomes and returns, and the cost of hosting them.

Frustrations pertaining to trade delegations have given rise to new formations of special purpose missions. For example:

AsiaRecon was established by two young Australians from the Chinese and Indian diasporas (who were both interviewed for this project). Their work aims to connect tech leaders between Australia and Asia to bridge the technology, innovation, and start-up ecosystems. Their missions take a diverse delegation of entrepreneurs, investors, government, and community contributors to experience the reality of Asia by learning and engaging with people on-the-ground. Core outcomes from their work span raising awareness of tech innovations in Asia in Australia, bringing communities together, and advising how people can best position themselves to do business in Asia.

Fast tracking representation

This report's conceptualisation of diaspora may be useful to extend ideas of productive diversity and help frame policies and practices that better use the diasporas' knowledge, connectivities and mobility. Yet, it is recognised that the Asian diasporas have an equal responsibility for fast tracking their own representation and engagement. With the leadership representation of the Australian Asian diasporas in the public and private sectors disproportionate to their population, pathways to greater representation need to be considered. This mirrors other diversity challenges and regimes, such as gender equality and Indigenous affairs. Interviewees spoke of 'Asian quotas' as a possible mechanism for speeding progression and recognition. However, they recognise how problematic, tokenistic and potentially divisive this would be in a highly diverse population such as Australia's.

Asian diasporas' representation also extends to visibility in consultative panels, academic collaborations, business and cultural associations, the media, in public opinion and national awards and recognition programs. Here, more extensive mechanisms for engagement and collaboration will help Australia hear the voices of the diasporas, as well as being responsive to them. This may require stronger integration between all forms of government with institutions, industry and the Australian Asian diasporas.

Visa simplification and diaspora alumni

Visa pathways are another obstacle. The flexibility, responsiveness and integrity of the 457 visa program was reviewed and reported in 2014 (Azaria et al., 2014). Recommendations currently being implemented aim to simplify the program, reduce red tape, strengthen integrity, prevent abuse and protect Australian workers (Department of Immigration and Border Protection 2014). The full effect of these changes is yet to be understood in relation to the impact on the Asian diasporas granted these visas, and the occupations and industries they are entering.

An evaluation of these changes may also identify further factors that could shape possible visa, citizenship and travel conditions, to improve the ease of mobility in and out of Australia (and logical pathways to permanent residency).

While moves are underway to consider visa changes for science and ICT post-graduates, it would be worthwhile to extend this to top Asian international students across a range of disciplines, who could assist Australian enterprises understand their Asian potential and enter the marketplace.

In furthering knowledge transfer and mobility within the region, quantifying the number of bilateral public and private sector scholarships, fellowships, collaborations, partnerships, and business networks would be highly valued as a starting point in determining the breadth and depth of current activity between Australia and Asia.

In regards to Australia's temporary residents, those here for work or study, establishing alumni-style relations with them may prove valuable. Diaspora alumni initiatives may further ongoing connections and affinities that temporary residents create in, and for, Australia. Maintaining such relations extends the breadth and depth of Australia's Asian business diasporas. Sustaining an affinity with Australia has the potential to deepen economic links. Those on temporary work or study visas continue and develop their careers elsewhere and may be influential in transnational trade, investment and research collaboration decision making processes. Additionally, they may wish to continue their consumption of 'brand Australia' through purchasing products and services, promoting the benefits of Australian education, and increasing tourism and travel by returning as visitors, or encouraging others to do so.

Innovation and science

The *National Innovation and Science Agenda's* provocative narrative signals great technological change and economic possibilities that place innovation, science and research at the heart of Australia's future prosperity. Central to the

Agenda is cultural change across governments, institutions, industry and individuals, towards risk taking in the pursuit of the 'big ideas'. The Agenda creates the expectation that policy and bureaucratic barriers for business start-ups will be removed, and innovation and science will be central to government decision-making. Supporting this are four pillars that will guide policy and action: culture and capital; collaboration; talent and skills; and Government as an exemplar (Commonwealth of Australia, 2015). Aspects of the Agenda were spoken about in the interviews.

The first *pillar of culture and capital* encourages taking the leap in 'backing our entrepreneurs by opening up new sources of finance, embracing risk taking on innovative ideas, and making more of our public research' (ibid, p. 1). However, in response, some of interviewees are not confident about the banking sector's commitment to supporting start-ups and mid-sector investments due to the sector's understandable disposition towards risk management. Other interviewees are keen to learn more on how proposed changes would integrate with Australia's business and investment visa framework (including the new proposed *Entrepreneur Visa* category) and capture those already granted visas. Additionally, some diaspora members are interested in what supports could be in place to encourage the growing transnational SME business diaspora and how the Agenda could transition all Australian SMEs into larger businesses.

The Agenda promotes increasing connectivity between investors, entrepreneurs and industry with sites of innovation, research and science through the *pillar of collaboration*. One Chinese entrepreneur spoke of the proposed 'landing pads' outlined in the Agenda that aim to support entrepreneurial Australians:

Silicon Valley got mentioned. So did Tel Aviv ... but nowhere in Asia. Nowhere. Plus, we have so many [tech and start up] hubs here in Australia, but only those in the know [are aware] about them. We have landing pads here and we should be landing in Asia. That's where it's at.

The Agenda's collaboration pillar also speaks to the need for a better balance between academic incentives based on traditional outputs of publications towards forging stronger, demonstrable links to industry. One interviewee wondered if this could be extended to measure Asia capability within university students (during study and post-graduates), given the growing importance of employability in a global economy.

The third pillar centres on Australia having the *best and brightest talent and skills*, developing and attracting world-class talent for the jobs of the future. With efforts on making STEM education a priority and exploring visa pathways and post-graduate programs, the advantage the Australian Asian diasporas represent signals the equal importance of Asia-HASS skills, not just in higher education but also in VET and schools

Finally, the *leading by example* pillar centres on how the government should 'do business'. A few interviewees mentioned that in leading by example, they expect the public sector to take risks, be less bureaucratic and learn how to advocate issues generally on behalf of those accessing the services. They also cite improving the quality of Asia capability and Asia diaspora representation within government agencies as opportunities to lead by example.

Additionally, with data collection and transparency especially noted in the final pillar of leading by example, this project highlights the need to consider new ways that data is collated and for what purpose (*Finding 7* from Chapter 3). Since the concepts of migration no longer adequately capture the dynamism and transnational contribution of the Australian Asian business diasporas in the new economy, fresh interpretations and more adequate economic modelling are needed.

5.6 Towards a coherent policy

This project, *Australia's Diaspora Advantage: Realising the potential for building transnational business networks with Asia*, signals a significant opportunity for Australia to lead the world in developing a national policy that acknowledges Australia's Asian diasporas and considers how to further realise the business, investment and entrepreneurial advantages they represent.

This report encourages consideration of new and responsive pathways for greater engagement of Australia's Asian diasporas, with the aim of creating favourable social, economic, institutional and technical conditions to support the ease of transnational circulation of ideas, knowledge, people and capital.

Possibilities presented in this report includes increased representation and mobilisation of the diasporas in economic and trade policy formation, as well as in the public and private sectors. Mechanisms for greater engagement in business and investment programs and visa pathways are also mentioned. Also noted is the need to connect the business diasporas with the research diasporas for innovation and commercialisation of research and development.

Supporting these possibilities will boost nationwide Asia capability and ways in which sources of advice, support and educational outreach can accelerate transnational entrepreneurialism.

This requires a step forward from previous notions of migration and multiculturalism towards diaspora as a more apt concept, that makes sense of the ways in which people of Asian origins living and working in Australia participate in the social, cultural, and economic life of both Australia and their homeland.

To date, there has been little consideration or use of the broader Australian Asian diaspora as a valued partner in Australia's economic future, especially in transitioning towards a knowledge-intensive and technology-intensive economy focused on Asia.

This report attempts to identify the opportunities for more active engagement with Australia's Chinese and Indian business diasporas. This moves beyond passive acceptance of the diasporas as members of Australia's community, so they no longer remain a hidden resource. It recognises the Asian diasporas' advantages in building transnational networks for greater economic links with Asia.

This report has discovered an interplay between culture, commerce and connectivity. The Asian business diasporas appear to seamlessly mesh these elements together successfully, as they benefit from their unique skills and attributes. This is where the advantage of Australia's Asian business diasporas' language skills, cultural understandings and wealth of networks are revealed. This is timely in an era where Australia's economy is in transition towards service-orientated industries with a focus on Asia.

In developing a national policy and guidelines to further realise the diaspora advantage, the complexities of Asia, its regionality and diversity need to be better understood. Asia is not a homogeneous space and strategies developed to deal with it must consider this. So while this project centred on the Chinese and Indian diasporas as case studies, the methodology is highly applicable to Australia's other Asian diasporas, especially with the ASEAN countries— notably Indonesia, Vietnam and the Philippines— projected as the next emerging Asian economic powers on the basis of becoming the global centre for manufacturing and increased consumerism.

Underlining a coherent policy for realising the diaspora advantage there needs to be a vision for Australia in Asia, and vice versa. A diaspora policy would build on the work already done, to develop long-term plans that receive bipartisan support and are not subject to election cycles. It would speak to the different relations, magnitudes and economic dynamics of Asia and Australia's future in Asia and clarify where Australia will be investing its attention and resources, why, and how.

While a coherent policy that represents and promotes such diverse interests is not easy to construct, at least the necessary conditions for achieving them are known. Such a policy would go far in creating the fertile conditions for fluid engagement between people, policy, and place and will position Australia to anticipate, and swiftly respond to, opportunities in Asia in a highly nuanced, Asia capable way.

Finding 12: The case studies of Australia's Chinese and Indian business diasporas indicate an opportunity for Australia to develop a comprehensive and coherent policy that acknowledges the contribution of all of its diasporas and considers ways in which Australia may realise its diaspora advantage in further extending its economic links globally.

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Expert Working Group

Professor Fazal Rizvi FASSA, Co-Chair

Professor Fazal Rizvi is a Professor of Global Studies in Education at The University of Melbourne, as well as an Emeritus Professor at the University of Illinois at Urbana Champaign. He has worked in a number of academic and administrative positions in Australia and elsewhere, including Pro Vice Chancellor (International) at RMIT University and the Foundation Director of the Monash Center for Research in International Education. He is currently a board member of the Asia Education Foundation and a fellow of the Australian Academy of the Social Sciences and Australia India Institute. Through the 1990s, he edited the journal *Discourse: Studies in the Cultural Politics of Education*. He has written extensively on globalisation and education policy, issues of identity, difference and culture in transnational contexts, Indian higher education and Australia-Asia relations. His most recent books include: *Globalising Education Policy* (Routledge (2010) and *Encountering Education in a Global Era* (Routledge 2014). He was a member of the Expert Working Group of ACOLA's Securing Australia's Future project *Smart Engagement with Asia: Leveraging language, research and culture*.

Professor Kam Louie FAHA FHKAH, Co-Chair

Before serving as Dean of Arts at Hong Kong University (2005–2013), Professor Louie was Professor of Chinese at University of Queensland and the Australian National University. Currently, he is Adjunct Professor, School of Humanities and Languages at the University of NSW and Honorary Professor, School of Chinese at Hong Kong University. He has served on a number of committees such as the Cultural and Educational Advisory Committee of Queensland-China Council and the Australia-China Council. As well as authoring numerous articles and government reports, he has published eighteen books on various aspects of Chinese culture, including *Chinese Masculinities in a Globalising World* (Routledge 2015); *Diasporic Chineseness after the Rise of China* (co-editor) (British Columbia University Press 2013) and editor of *Hong Kong Culture: Word and Image* (Hong Kong University Press, 2010) and *The Cambridge Companion to Modern Chinese Culture* (Cambridge University Press, 2008). He was also Chief Editor of the journal *Asian Studies Review* (from 1998 to 2006).

Dr Marlene Kanga AM FTSE

Dr Marlene Kanga is a leading engineer and director of Innovation Australia, Sydney Water Corporation, Asialink, and iOmniscient Pty. Ltd. which has developed patented technology for intelligent video analytics. Dr Kanga is an executive board member and will be president of the World Federation of Engineering Organisations (WFEO) in 2017. In 2013, she was the national president of Engineers Australia. Dr Kanga is a Distinguished Fellow of the Australia India Institute and was listed among the Top 100 Engineers in Australia in 2013, 2014 and 2015 and the Top 100 Westpac Women of Influence in 2013. She was made a Member of the Order of Australia for engineering leadership and as a role model.

Mr Kevin Hobgood-Brown

Mr Kevin Hobgood-Brown is the Managing Director of HHK Advisory Pty Ltd, a corporate advisory firm which works on transactions involving Chinese enterprises in the global mineral resources industry. Previously, he was an international law firm partner for 18 years, in which capacity he had postings in Beijing, San Francisco, Taipei and Sydney. With a Bachelor of Arts and Juris Doctor degrees from the United States and a Diploma in Chinese Law, Mr Hobgood-Brown is a member of the California and Texas Bar Associations, and the Law Society of New South Wales. He is a citizen of Australia and the United States and grew up in the Democratic Republic of Congo. An active board executive, he has served as the National President

of the Australia China Business Council from 2005 to 2008, Deputy Chairman of the Australian government's eight-member Australia-China Council from 2007 and 2013; member of the Global Council of the Asia Society. Mr Hobgood-Brown is also the Chairman of the Foundation for Australian Studies in China, a non-profit foundation created to support the BHP Billiton Chair of Australian Studies at Beijing University and to support the 41 Australian Studies Centres located at Chinese universities and institutes throughout China.

Professor Aibing Yu FTSE FAA

Professor Yu is the Pro Vice-Chancellor and President of the Monash University-Southeast University Joint Research Institute in Suzhou, China. Specialising in process metallurgy, Professor Yu obtained a Bachelor (1982) and Master of Engineering (1985) from Northeastern University, a PhD in 1990 from the University of Wollongong, and a doctor of Science in 2007 from the University of New South Wales. He is a recipient of a number of prestigious awards and fellowships including an ARC Federation Fellowship, the Josef Kapitan Award from the Iron and Steel Society, the Ian Wark Medal from the Australian Academy of Science, the Exxon Mobil Award from the Australian and New Zealand Federation of Chemical Engineers, and NSW Scientist of the Year 2010. He was elected to the Australian Academy of Technological Sciences and Engineering in 2004, and to the Australian Academy of Science in 2011.

Evidence gathering

1. Interviews, consultations and focus group participants

The Expert Working Group is very grateful for the individuals who participated in face-to-face and telephone interviews, consultations and the three focus group discussions that were held in Brisbane and Adelaide as part of the evidence gathering process. Out of the total of 104 participants, 39 were members from the Chinese business diaspora, and 25 from the Indian business diaspora. Consultations were also held with leaders from business councils (9 people); government departments and agencies, regulatory bodies (16 people), corporates (5 people) and academics (10 people). Those that agreed to be acknowledged are as follows:

Mr AK Tareen, Director of AKT Strategic Consulting

Ms Alice Wong

Dr Amanda Budde-Sung, University of New South Wales

Ms Andrea Myles, Chief Executive Officer of the China Australia Millennial Project

Mr Andrew Parker, Partner & Asia Practice Leader at PwC Australia

Professor Anthony D'Costa, Chair of Indian Studies at the Australia India Institute

Mr Arie Moses, Chairperson of the National New Enterprise Incentive Scheme Association

Professor Arun Sharma, Deputy Vice Chancellor Research and Commercialisation at Queensland University of Technology

Ms Bing Liu, Austrade Senior Trade Commissioner Shanghai (acting)

Mr Brad Chan, Chief Executive Officer of the Banna Property Group

Mr Brett Bassett, Senior Executive Leader-Small Business Compliance & Deterrence and Regional Commissioner-Queensland at the Australian Securities and Investment Commission

Mr Brian Hayes QC, Strategic Advisor and Special Envoy to India for the Government of South Australia

Brisbane Chinese Professionals Network

Mr C. Sarat Chandran, Director of the Indo-Australian Chamber of Commerce

Ms Cindy Li, JAI Films

Professor David Carter, University of Queensland

Mr David Douglas, Managing Director of Australia-China Youth Association

Mr DD Saxena, Managing Director of Riverina Oils and BioEnergy

Senator Dean Smith, Western Australia Senator

Department of Foreign Affairs and Trade's China Economic and Trade Section, India Economic Division, and Trade and Economic Policy and Diplomacy Division.

Department of Industry, Innovation and Science

Mr Dinesh Aggarwal, Chief Executive Officer of Fourtuna Advisory Group

Ms Div Pillay, Chief Executive Officer of Mindtribes

Ms Elaine Heng, Operations Manager of the Smoothie Factory

Ms Eric Yap, Chief Executive Officer of the Smoothie Factory

Professor G Q Max Lu, Provost and Senior Vice-President, University of Queensland

Dr Geoff Wade

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Dr Jane O'Leary, Research Director at the
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Mr Jason Lim, Co-founder of AsiaRecon

Dr Jason Olsen, Principal Project Officer at the
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Mr Ky Chow

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Mr Matthew Benjamin, Co-founder of AsiaRecon

Ms Melissa Ran, Founder of China Ambition

Dr Merriden Varrall, Director of the East Asia
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Mr Michael Abbott AO QC

Dr Michael Shaper, Deputy Chair of the
Australian Competition and Consumer
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Ms Michele Fleming, Associate Principal at
Populous

Ms Michelle Wade, General Manager of
International Operations at Trade & Investment
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Ms Natasha Malani, Adelaide City Councillor and
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Professor Pookong Kee, Director of the Asia
Institute

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Ms Qi Qi, China Australia Consulting

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Ms Reena Dahiya

Ms Renee Choong

Mr Reynah Tang, President of the Asian
Australian Lawyers Association

Mr Ric Liu, Director of AurumTek

Mr Ruchir Punjabi, Managing Director of Langoor

Ms Sadhana Smiles, Chief Executive of Harcourts
Victoria and 2013 Victorian Telstra Business
Woman of the Year

Mr Sanjay Jain, Director at Texas Peak
Mr Sanjeev Kumar, Managing Director of EMT Motors
Ms Sew Lee
Dr Shadadat Khan, RMIT University
Mr Shawn Star, Chair of the Australia India Youth Dialogue
Ms Sonia Sadiq Gandhi, Founder of Gandhi Creative and the India Australia Business & Community Awards
Professor Stuart Cunningham, Queensland University of Technology
Dr Susan Leong, Department of Internet Studies School of Media, Culture & Creative Arts at Curtin University
Dr Tana Li, Chinese Southern Diaspora Studies, College of Asia and the Pacific, Australian National University
Mr Tyler Zhang, Coordinator of the Business Chinese Professionals Network
Ms Vera Ou-Young
Ms Vincent Sheehy, former Chief of Staff for the Office of the Federal Minister for Small Business
Mr Vivek Chopra
Ms Wini Lam, X Factor Health
Professor Ying Zhu, Australian Centre for Asian Business at University of South Australia
Mr Zubin Pratap

2. Online survey

The project aimed to source quantitative data on the diasporas' economic contribution from a national online survey. The *International Trade and Business: Opportunities and challenges for Australia's Chinese and Indian business diasporas* was aimed at Chinese Australians and Indian Australians who are involved in business, such as being a business owner, franchisee or manager, or working for a business owned by

Indian or Chinese Australians. The 40-question online survey was prepared in both English and Mandarin and allowed for total anonymity. The purpose of the survey was to capture general quantitative data on the type of business they owned or operated in Australia, the nature and extent of any overseas business interests; the importance of networks and policy settings; their perceptions and attitudes on being in business in Australia in order to highlight the strengths of the Asian business community; the opportunities that they enable and the challenges that they face.

The survey was disseminated to 1,845 contacts that included 25 state and national business networks, councils and chambers; 13 alumni associations; 29 online and print Australian Chinese and Indian media publications; 16 banking institutions and multinational consulting firms; 163 target individuals (including selected interview and focus group participants and others) and a database of 1,700 contacts sourced from freely available contact details from ethnic online business directories such as True Indian, Desi Market and the Chinese Business Directory. Links to the survey were also posted to ACOLA's website and social media activity of the four learned academies. The survey relied on snowball dissemination, with time spent with individuals and organisations encouraging them to forward to their contacts and membership base. Follow up reminder emails were also sent, and there were 21 bounce back emails.

This activity generated 57 survey responses.

While it yielded indicative results that supported themes emerging from the interviews, the response is statistically insufficient to be presented here. However, the survey did offer a qualitative experience of note and spoke to perceived challenges and concerns about data instrumentality and commercial and cultural approaches to sharing business information.

3. Data sets and reports

The Expert Working Group commissioned two data reports from the Australian Bureau of Statistics, being:

- Census of Population and Housing—a count of Employed Persons aged 15 and over by Employment Type, Occupation, Industry and Country of Birth/Ancestry/Birthplace of Parents, for Australia.
- Net Overseas Migration Data: Net arrivals, departures and NOM by Country of Birth (China & India) by 10-year Age Groups, Sex and selected Visa subclass, for 2004 to 2013.

We wish to thank Ms Amy Donnelly and the Demography Statistical Services Group, and Mr Rob Destradi from the Customised and Microdata Delivery Section for the preparation of these data reports.

The main data sets drawn upon for this project include (but not limited to):

Australian Bureau of Statistics

2006 Census – Ethnicity
2011 Census – Cultural and Language Diversity
2011 Census of Population and Housing
2011 QuickStats Country of Birth: China
2011 QuickStats Country of Birth: India
3105.0.65.001 – Australian Historical Population Statistics
3222.0 – Population Projections
3412.0 – Migration
3418.0 – Personal Income of Migrants
4102.0 – Australia Social Trends
5302.0 – Balance of Payments and International Investment Position
5352.0 – International Investment Position
8165.0 – Counts of Australian Businesses
Dataset: Estimated Resident Population by Country of Birth – 1992 to 2014

Department of Education and Training

Export income to Australia from international education activity
Monthly Summary of International Student Enrolment Data

Department of Immigration and Border Protection

Australia's Migration Trends
Country profile – India
Country profile –China
Significant Investor Visa statistics
Student visa and Temporary Graduate visa programme trends
Subclass 457 Quarterly Report
Subclass 457 State – Territory Summary Report

Department of Foreign Affairs and Trade

Australia's trade in goods and services
Composition of Trade
Trade and Economic Fact Sheets for Countries and Regions – India
Trade and Economic Fact Sheets for Countries and Regions – China
Where Does Australia Invest?
Which countries invest in Australia?

Australian Trade Commission

Why Australia – Benchmark Reports

Additionally, two independent reports were commissioned for this project and are available from ACOLA's website:

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

Prepared by: Mr Jonathan Cheng

Date: February 2016

Title: Australia's Chinese and Indian Business Diasporas: Demographic Characteristics and Engagement in Business, Trade and Investment

Prepared by: Dr Xuchun Liu

Date: February 2016

Peer Review Panel

This report has been reviewed by an independent panel of experts. Members of this review panel were not asked to endorse the Report's conclusions and findings. The Review Panel members acted in a personal, not organisational, capacity and were asked to declare any conflicts of interest. ACOLA gratefully acknowledges their contribution.

Professor Chennupati Jagadish AC FAA FTSE

Chennupati Jagadish is a Distinguished Professor and Head of Semiconductor Optoelectronics and Nanotechnology Group at the Australian National University (ANU), Research School of Physics and Engineering. He is the convenor of the Australian nanotechnology Network and Director of Australian National Fabrication Facility, ACT Node. He has served as Vice-President and Secretary Physical Sciences of the Australian Academy of Science during 2012–16. He has served on expert panel of Australia-India Strategic Research Fund. He and his wife Vidya have created Chennupati and Vidya Jagadish Endowment Fund to support the visit of students and researchers from the developing world to visit ANU to carry out research in the Research School of Physics and Engineering. He was appointed as Companion of the Order of Australia (AC) in 2016 Australia Day Honours list.

Professor Anthony Reid FAHA

Anthony Reid, FAHA, is a Southeast Asian historian, once again based as emeritus Professor at the Australian National University, where he also served as Professor of Southeast Asian History for many years before 1999. In between he was founding Director of the Center for Southeast Asian Studies at UCLA (1999–2002) and of the Asia Research Institute at NUS, Singapore (2002–07). He is a Corresponding Member of the British Academy, and was awarded the Fukuoka Asian Culture Prize in 2002. He has written ten books on Southeast Asian history, and edited or co-edited 30, including three on the Chinese diaspora.

Neville Roach AO

Neville Roach is Chairman of the Advisory Board for ANZ, Tata Consultancy Services, India's largest IT company. He was previously Chairman and CEO of Fujitsu ANZ.

He was appointed an Officer of the Order of Australia (AO) in 2000 for his contribution to business, and the development of Australian Multiculturalism. He was a member of the Indian PM's Global Advisory Council and received the Pravasi Bharatiya Samman, the highest honour for Overseas Indians. He was Chairman of the Australia India Business Council, the Australian Government's National Multicultural Advisory Council and the Committee responsible for the introduction of the 457 visa.

Dr Ziggy Switkowski AO FAA FTSE

Dr Ziggy Switkowski AO is chairman of the Suncorp Group, and NBN Co, and chancellor of RMIT University.

He is a non-executive director of Tabcorp, Oil Search and Healthscope.

He is a former chief executive of Telstra and Optus, the former chair of the Australian Nuclear Science and Technology Organisation, and Opera Australia.

Dr Switkowski is a graduate of the University of Melbourne with a PhD in nuclear physics. He is a Fellow of the Australian Academy of Science, Academy of Technological Sciences and Engineering, and of the Australian Institute of Company Directors.

In 2014, Dr Switkowski was appointed an Officer in the Order of Australia for distinguished service to the community, particularly tertiary education, administration, scientific organisations and the telecommunications sector, to business and to the arts.



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About Securing Australia's Future

In June 2012 the Australian Government announced *Securing Australia's Future*, a \$10 million investment funded by the Australian Research Council in a series of strategic research projects. Projects are delivered to the Commonwealth Science Council by the Australian Council of Learned Academies (ACOLA) via the Office of the Chief Scientist and the Australian Chief Scientist.

Securing Australia's Future is a response to global and national changes and the opportunities and challenges of an economy in transition. Productivity and economic growth will result from: an increased understanding in how to best stimulate and support creativity, innovation and adaptability; an education system that values the pursuit of knowledge across all domains, including science, technology, engineering and mathematics, the humanities and social sciences; and an increased willingness to support change through effective risk management.

Six initial research topics were identified:

- i. Australia's comparative advantage
- ii. STEM: Country comparisons
- iii. Smart engagement with Asia: leveraging language, research and culture
- iv. The role of science, research and technology in lifting Australian productivity
- v. New technologies and their role in our security, cultural, democratic, social and economic systems
- vi. Engineering energy: unconventional gas production

Five further research topics have been identified:

- vii. Australia's agricultural future
- viii. Delivering sustainable urban mobility
- ix. Translating research for economic and social benefit: country comparisons
- x. Capabilities for Australian enterprise innovation
- xi. Business diasporas in Australia: maximising people to people relationships with Asia

The Program Steering Committee responsible for the overall quality of the program, including selection of the Expert Working Groups and the peer review process, is comprised of three Fellows from each of the four Learned Academies:

Professor Michael Barber FAA FTSE
(Chair)

Mr Dennis Trewin AO FASSA
(Deputy Chair—Research)

Professor James Angus AO FAA

Dr John Burgess FTSE

Professor Bruce Chapman AO FASSA

Professor Ruth Fincher AM FASSA

Professor Paul Greenfield AO FTSE

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