

## Diaspora communities

### Introduction

- 8.1 Diasporas are a world-wide phenomenon. There are currently 215 million first generation migrants, 40 per cent more than in 1990.<sup>1</sup> This chapter identifies and discusses the types of contributions made by diaspora communities to Australia's relationships with Europe, the UK, the Middle East and the immediate Asia-Pacific region. It also acknowledges the contribution of diaspora communities to Australia's relationships with other regions of the world, such as Latin America and Africa.
- 8.2 This chapter comments on the views presented to the Committee regarding the underutilisation of the diaspora by the Australian Government. It also discusses the acute absence of Government research, analysis and data collection on both the Australian diaspora living abroad and diaspora communities settled in Australia.

### Defining diaspora

- 8.3 From the outset, it is important to establish a definition of the term 'diaspora'. It is primarily used to refer to a group of people, bound together by a common ethno-linguistic and/or religious identity, who no longer reside in their home country. Though once specific to groups of people who had fled their home country due to fear of persecution, the

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1 'Weaving the World Together', Nov 19th 2011, *The Economist Online*, <[www.economist.com/node/21538700](http://www.economist.com/node/21538700)> viewed 6 June 2012.

term diaspora has progressively adopted a far broader definition to reflect the contemporary trends of globalisation and transnationalism.<sup>2</sup>

- 8.4 Modern conceptualisations of the term incorporate migrant communities into the overall definition. The United Macedonian Diaspora notes that ‘diaspora’ now alludes to the global, social, economic, political and environmental networks established by migrant communities to help build the capacity of both their home and host countries.<sup>3</sup>
- 8.5 Globalisation has further contributed to the emergence of modern day diasporas on the basis of opportunity rather than displacement. These opportunities include the pursuit of work and study in a host country likely to have better outcomes than those available in the diaspora’s home country.<sup>4</sup>
- 8.6 Taking both the conceptual frameworks and contemporary trends into consideration, the Committee defines diasporas as constituting all identifiable migrant and refugee communities settled in a host country. In this case, diasporas refer to any of Australia’s settled CALD communities as well as Australia’s own expatriate population currently living abroad.

## **Contribution of diaspora communities to Australia’s international relationships**

- 8.7 The Committee found that diaspora communities have the potential to play a significant role in Australia’s international relationship with other countries and regions. They project a positive image of Australia as a tolerant, liberal and multicultural society through their informal networks across the world.<sup>5</sup> More specifically, diaspora communities have the potential to contribute to Australia’s international relationships by:
- establishing and facilitating international trade, investment and commercial opportunities between Australia and their home countries; and
  - strengthening Australia’s bilateral relationships with other states and regions.

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2 G Hugo, ‘An Australian Diaspora?’, *Internal Migration*, Vol. 44 (1), p. 55.

3 United Macedonian Diaspora, *Submission 472*, p. 1.

4 M Reis, ‘Theorizing Diaspora: Perspectives on “Classical” and “Contemporary” Diaspora’, *International Migration*, Vol. 42:2, 2004, p. 48-49.

5 Department of Immigration and Citizenship (DIAC), *Submission 450*, pp. 11-13.

## Investment and commercial opportunities

8.8 Diaspora communities can play an important role in facilitating and promoting Australia's cross border investment and commercial flows from other countries and regions. They can often be responsible for establishing important social and economic connections between Australia and their home countries. Research indicates that these social and economic ties foster a greater degree of familiarity between home and host country due to the provision of local information on foreign markets and customs.<sup>6</sup>

8.9 With the Victoria being one of the most culturally and linguistically diverse jurisdictions in Australia, the State Government informed the Committee of the extensive commercial benefits stemming from diaspora communities. As noted in their submission:

Diaspora communities provide important and immediate links into their countries of origin, allowing not only powerful or influential personal relationships to be maintained, but providing a strong foundation for professional and business relationships to form and flourish.<sup>7</sup>

8.10 The Ethnic Communities' Council of Victoria's submission similarly acknowledged the potential of diaspora communities in creating business and bilateral trade opportunities in the State through their informal networks and community connections.<sup>8</sup>

8.11 Appearing before the Committee, the United Macedonian Diaspora provided specific examples of how diaspora communities open up the Australian market to foreign investment and business opportunities. One example is the settled Italian diaspora in Australia. While acknowledging that Italian businesses are dissuaded by Australia's distance, DFAT informed the Committee that an increasingly diverse range of Italian businesses are setting up contracts in Australia due to a climate of confidence, trust and familiarity:

There have been decisions by some of the larger agricultural Italian companies like Monini, which is a major olive oil producing company, to buy land and produce olive oil in Australia.<sup>9</sup>

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6 P Ellis, 'Social Ties and Foreign Market Entry', *Journal of International Business Studies*, Vol. 31:3 (Third Quarter 2000), p. 443.

7 Victorian Government, *Submission 482*, p. 12.

8 Ethnic Communities' Council of Victoria (ECCV), *Submission 340*, p. 5.

9 Mr Jeremy Roger Newman, First Assistant Secretary, Europe Division, Department of Foreign Affairs and Trade (DFAT), *Committee Hansard*, 23 November 2011, p. 3.

8.12 Australian Trade Commission (Austrade) spoke to the Committee of their involvement in promoting trade development and attracting productive foreign investment from overseas markets. In the Chinese market, for example, Austrade is aware of strong Chinese-Australia representation among businesses in the market:

Both education and migration flows have created a large base of people with origins in some part of China and they are quite strongly represented in the companies that we deal with, either running their own businesses, as executives based in China, as executives back here at headquarters...<sup>10</sup>

8.13 Austrade also commented on second and third generation Indian Australians involved in companies which are actively building linkages and business ties in India. It was suggested that such activity reflects an ongoing trend among second and third generation migrants living in Australia in establishing commercial links with the country from which their family originated.<sup>11</sup>

8.14 While the Committee acknowledges that diaspora communities play an important role in facilitating trade and investment flows between Australia and their home countries, it was apparent that the nature of their contribution fluctuated across the different communities. For example, while Australia does have a well established Greek community, the commercial and business flows between Australia and Greece are relatively small.<sup>12</sup> Similarly, while the Netherlands is an important trading and investment partner with Australia, the settled Dutch community constitutes a small proportion of the Australian population.

8.15 In considering the important role of some diaspora communities in facilitating bilateral investment and commercial flows, DFAT concluded that the overall contribution of diasporas living in Australia is significant, but not overriding.<sup>13</sup>

### **Role of bilateral business councils and chambers of commerce**

8.16 The Committee found that bilateral business councils and chambers of commerce are well informed indicators of diaspora contribution and

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10 Mr Laurie Smith, Executive Director, International Operations, Australian Trade Commission (AUSTRADE), *Committee Hansard*, 23 November 2011, p. 6.

11 Mr Smith, AUSTRADE, *Committee Hansard*, 23 November 2011, p. 7.

12 Mr Newman, DFAT, *Committee Hansard*, 23 November 2011, p. 9.

13 Mr Peter Suckling, First Assistant Secretary, Consular, Public Diplomacy and Parliamentary Affairs, DFAT, *Committee Hansard*, 23 November 2011, p. 9.

engagement with Australian society. DIAC affirmed the important role of bilateral business councils and chambers of commerce in facilitating business and trade links between Australia and migrant home countries.<sup>14</sup>

8.17 This view was similarly shared by DFAT who recognised that diaspora communities often have leading and influential business people in business councils and chambers of commerce. These people can be very active in promoting business flows within their diaspora community while also putting business people and potential investors in direct contact with their local and informal diaspora networks.<sup>15</sup>

8.18 One example of business councils facilitating international business links and trade flows is the Australia India Business Council (AIBC). The AIBC provides advice to Indian companies wishing to invest in Australia and helps facilitate greater economic, cultural and business ties between Australia and India through their local knowledge. For example:

...the Australia India Business Council's advice to Indian companies that are investing here is that they have to become part of the community. We advise them that they have to support the community. They have to do everything to educate and train people who are here, but obviously they may not be able to address all the needs so they will have to bring people there. So we are doing our bit to help make them part of the community for the longer term investment.<sup>16</sup>

## Australia's regional and state relationships

8.19 Diaspora communities living in Australia can be seen as influential advocates for strengthened relationships between Australia and their respective home countries, and in some instances, home regions.<sup>17</sup> As noted by DIAC, diaspora communities dispel misconceptions of Australia and project a modern image of Australia as a modern and culturally diverse nation.<sup>18</sup>

8.20 The informal networks formed by diaspora communities have the potential to strengthen Australia's bilateral relationships. DFAT reminded the Committee of the Indian community's active participation in helping

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14 DIAC, *Submission 450*, p. 11.

15 Mr Suckling, DFAT, *Committee Hansard*, 23 November 2011, p. 2.

16 Professor Arun Sharma, National Chairman, Australia India Business Council (AIBC), *Committee Hansard*, 8 February 2012, p. 2.

17 City of Whittlesea, *Submission 446*, p. 4.

18 *Submission 450*, p. 11.

both the Australian and Indian government during the Indian student protests in 2009. This was an effective example of diaspora communities using their informal networks to help alleviate crisis and strengthen Australia's relationship with other countries during a time of social crisis.<sup>19</sup>

- 8.21 Another example presented to the Committee was Australia's New Zealand community:

A very good example... is the extensive New Zealand community in Australia and how active they have been over many decades in promoting a much closer relationship [with New Zealand] and in advocating closer economic cooperation and ideas for how that might be done.<sup>20</sup>

- 8.22 Diaspora communities can also be a valuable asset for Australia's foreign policy engagement with neighbouring regions. For example, the Asia-Pacific Regional Interfaith Dialogues (APRID), a consultative forum in which 15 governments send delegations of religious representatives to take part in interfaith discussion relevant to the Asia-Pacific, originated from bilateral discussions between the Australian and Indonesian governments. As a pioneer of these talks, Australia was able to draw from its religiously diverse community and use their skills as a means of enhancing regional cohesion in the Asia-Pacific.<sup>21</sup>

- 8.23 The Committee is aware, however, that tensions between different diaspora communities settled in Australia may arise as a result of ongoing conflict overseas or historical grievances.<sup>22</sup> If not managed well, these tensions could lead to negative outcomes that affect Australia's bilateral relationships with other countries as well as its international image as a tolerant multicultural society. The Committee understands the important role of the Government in maintaining domestic equality for all diaspora communities and not allowing for particular tensions to undermine Australia's commitment to multiculturalism, or its international relationships.

## Remittances

- 8.24 Evidence to the Committee showed that remittances from diaspora communities to their home country play an important role in
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19 Mr Suckling, DFAT, *Committee Hansard*, 23 November 2011, p. 2.

20 Mr Suckling, DFAT, *Committee Hansard*, 23 November 2011, p. 2.

21 Australia/Israel & Jewish Affairs Council, *Submission 357*, p. 10.

22 Australia/Israel & Jewish Affairs Council, *Submission 357*, p. 10.

strengthening Australia's relations with countries and regions. Spectrum Migrant Resource Centre commented on the importance of remittances sent from Tongans living in Australia back to the Pacific region.<sup>23</sup> The Refugee Council of Australia (RCOA) noted in their submission that outward remittances from African-Australians to Sub-Saharan Africa significantly contribute to social and economic development of the region.<sup>24</sup>

## The Australian diaspora

8.25 The Australian diaspora is a term used to refer to Australian citizens currently living abroad. In 2000, there was estimated to be approximately 316 000 Australian expatriates.<sup>25</sup> Additional research from 2004 also shows that the overall return rate for Australian residents who plan to leave long-term or permanently is around 75 per cent.<sup>26</sup>

8.26 The Committee heard from Professor Graeme Hugo, Director of the Australian Population and Migrant Research Centre, University of Adelaide, that:

Linkages are created by Australian migrants going overseas – and there are a million of them, which we often forget about. Many of them want to come back but many of them also want to maintain a significant relationship with Australia.<sup>27</sup>

8.27 In a report undertaken by the Committee for Economic Development in Australia (CEDA) in 2003, it was argued that the Australian diaspora is commonly generalised as being either a 'brain drain' to Australia's national productive capacity, or conversely a 'brain gain' in terms of expatriates returning with a range of acquired skills. This report found that innovative approaches need to be developed in order to better enhance the Australian diaspora's economic, social, political and cultural contribution to Australia.<sup>28</sup>

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23 *Submission 106*, p. 2.

24 *Submission 416*, p. 6.

25 OECD 2000 *Emigration Rates by Country of Origin, Sex and Educational Attainment Levels*.

26 B Birrell et al, *Skilled Movement in the New Century: Outcomes for Australia*, Centre for Population and Urban Research, Monash University, 2004.

27 *Committee Hansard*, 2 April 2012, p. 2.

28 G Hugo, D Rudd and K Harris, 'Australia's Diaspora: its Size, Nature and Policy Implications', *CEDA Information Paper No. 80*, 2003, p. 76.

8.28 One beneficial aspect of the Australian diaspora is the skills, knowledge, experience and networks they could potentially bring back to Australia should they elect to return. Some of the recommendations made in the CEDA report included a call for Australia to develop mechanisms to strengthen its links with its diaspora, encourage the expatriate community to be involved with fellow Australians, and, most importantly, facilitate and encourage return migration. In making these recommendations, however, the report recognised many gaps in the knowledge of the Australian diaspora and proposed a number of research initiatives required in order to develop effective policy.<sup>29</sup>

### **Senate Inquiry into Australian expatriates**

8.29 On 8 March 2005, the Senate Standing Committee on Legal and Constitutional Affairs tabled a report titled: *They Still Call Australia Home: Inquiry into Australian Expatriates*. The report provided a detailed examination of the Australian diaspora and identified ways in which Australia could better use its expatriates to promote its economic, social and cultural interests.<sup>30</sup>

8.30 Seven of the recommendations from the Senate inquiry were accepted by the Howard Government, including:

- ongoing improvement of collected statistical information regarding Australian expatriates;
- engagement of Australian foreign missions with the local expatriate community;
- the improvement of the then Department of Immigration and Multicultural and Indigenous Affairs (now DIAC) website in order to provide more accurate information for expatriates; and
- improved citizenship advice services for Australians living overseas.<sup>31</sup>

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29 G Hugo, D Rudd and K Harris, 'Australia's Diaspora: its Size, Nature and Policy Implications', *CEDA Information Paper No. 80*, 2003, pp. 14-15.

30 Senate Standing Committee on Legal and Constitutional Affairs, *They Still Call Australia Home: Inquiry into Australian Expatriates*, 2005, p. 1.

31 Senate Standing Committee on Legal and Constitutional Affairs, *They Still Call Australia Home: Inquiry into Australian Expatriates*, 2005, pp. 122-29.



## Strengthening the contribution of diasporas

- 8.31 While the Committee recognises the significant contribution of diaspora communities to Australia's international relations, a number of submissions expressed some concern regarding the under-utilisation of diaspora communities in Australia.
- 8.32 The United Macedonian Diaspora recognises the potential of diaspora communities to enhance Australia's international relations, and thus recommended that all diaspora communities in Australia be formally recognised as legitimate stakeholders in the formation and delivery of Australia foreign policy.<sup>32</sup> A similar view was shared by the RCOA. They recommended that the Government engage directly with refugee community diasporas in order to develop bilateral and multilateral relationships in regards to economic development and human rights issues.<sup>33</sup>

## Pacific Islands community

- 8.33 The Pacific Islands community is one particular diaspora group confronting a range of settlement obstacles which undermine its overall contribution and participation in Australian society. The Committee received evidence from the South Pacific Islanders' Forum, an organisation comprising representatives from New Zealand, Samoa, Tonga, Cook Islands, Niue and Fiji communities that have settled in Australia.
- 8.34 The South Pacific Islanders' Forum informed the Committee that, as a result of a bilateral social security arrangement between Australia and New Zealand introduced in 2001, the Pacific Islander diaspora has been confronted with a huge financial burden in managing living expenses and access to housing. In some instances, this has had a significant impact on youth education, community health and ability to gain sustainable employment.<sup>34</sup>
- 8.35 The Committee found the lack of data and research on the Pacific Islands community stood as an example of the Australian Government underutilising the potential contribution of settled diasporas to local community cohesion and economic development.

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32 United Macedonian Diaspora, *Submission 472*, p. 7.

33 Refugee Council of Australia (RCOA), *Submission 416*, p. 6.

34 Ms Vivian Joanne Urzua, Three Seas; Open Family Australia, *Committee Hansard*, 8 June 2012, p. 11.

- 8.36 The issues faced by Pacific Islander communities in Australia may warrant further review.

## Data and research

- 8.37 Many submissions to the Committee expressed concern at the lack of data and research analysis capabilities on issues of migration and multiculturalism. CEDA's report commented on the lack of Government research and data collection on the Australia diaspora. The report called for greater research to address significant knowledge gaps.<sup>35</sup>
- 8.38 Dr James Jupp AM was of similar disposition, arguing that Australia needs to focus on the development of dedicated study on diasporas. He informed the Committee that studies primarily concerned with the associated effects of diasporas are currently being developed overseas and this needs to be adopted as an area of study by relevant institutions in Australia.<sup>36</sup>
- 8.39 These views were reinforced through the current absence of substantial research on diaspora contributions to Australia's international relationships. The Committee found that the lack of empirical evidence on the topic makes it inherently difficult to quantify the extent to which diaspora communities contribute to Australian trade and investment flows, thereby leading to an over-reliance on anecdotal evidence. From the evidence received, it is clear that the diaspora's contribution to Australia's international relationships is positive and has the potential to be further enhanced should relevant policies and programs be introduced.

### Recommendation 17

- 8.40 **The Committee recommends that the Australian Government undertake greater qualitative and quantitative research on Australian expatriates, and diaspora communities settled in Australia to better inform Government policy. The Committee recommends that such research should be carried out by an independent research institute in collaboration with business councils, chambers of commerce and community groups. This research could be undertaken by the previously proposed independent collaborative institute for research into multicultural affairs.**

35 G Hugo, D Rudd and K Harris, 'Australia's Diaspora: its Size, Nature and Policy Implications', *CEDA Information Paper No. 80*, 2003, p. 72.

36 *Committee Hansard*, 14 September 2011, p. 5.