

Submission to: The Secretary, Joint Standing Committee on Migration
Related to: The Inquiry into Multiculturalism in Australia
Due: AHP April 8 2011
From:

Title: Recommendations to maximise the positive effects of migration

My name is . I am an Economist-Educator employed at a university. This submission is made as a private individual, not on behalf of any group, institution or employer. Information on my qualifications and experience can be obtained from my staff profile on my employer's web-site viz

Over and above the information above, my Scottish ancestry on both sides may be relevant.¹ I was born in Sydney, spent most of my life in NZ and have spent the last 10 years based in Melbourne.² And in my recent 10 years in Melbourne I have experienced life and work adjustments similar to those of a migrant.

What follows are my recommendations to the Inquiry, the basis of my interest, thesis, and conclusions.

Recommendations

These are made as a possible contribution to those to be made by the Committee to *maximise the positive effects of migration*, which is in the terms of reference of the Inquiry.

- Strengthening Homeland-language acquisition and development of diaspora networks through support and expansion of services such as the state-government-run Victorian School of Languages, LOTE (Languages Other Than English) at primary and secondary schools, private institutions and Homeland-provided services (Alliance Francais, Goethe Institute etc);
- Pro-active networking forums for Homeland-Australian businesses through groups such as the ethnic Chambers of Commerce, Austrade and the Homeland Consulates.
- Pro-active support by Homelands of tertiary student organisations such as NUGAS (National Union of Greek Australian Students) and other ethnic-Australian student groups
- Research into the capacity of south European diaspora in Australia to provide services - skills and civil society experience – to the Homelands, to assist their process of European integration.

Addressing the above policy and research recommendations will likely have significant economic benefits for Melbourne, Victoria and Australia, as well as for the Homelands of diaspora communities.

My interest:

My interest is in economic growth. Multiculturalism contributes significantly to diversity; diversity is recognised through research as contributing economically to both the host country and the Homeland.

Research done recently by me has been into diaspora entrepreneurial networks as human capital. At the end of March I submitted a thesis toward a Master of Business (International Trade) to the School of

1 . The fled the Highland Clearances over 150 years ago to Australia via the USA; my mother's Harris ancestor came about the same time for the same reason to New Zealand.

2 And, after a little thought, one could say that I manifest the stereotypical traits of the Scots: having an admiration for the founding economist Adam Smith, a preference for the King James version of the Bible, a passing knowledge of the poetry of Robbie Burns, putting a high value on education, justice and freedom, feeling guilty when not saving 'enough', and appreciating the Continental Europeans and their culture more than that of the English. This may have more to do with the Continental European joie-de-vivre and imaginative cooking, rather than any historical animosities between the Scots and English or the historical alliances between the Scots and non-English

Economics and Finance, Victoria University, Melbourne. Its title was *Ethnic Diversity, Entrepreneurship and Competitive Advantage in Melbourne Metropolitan City*. My supervisor was Dr Steve Bakalis. The thesis is currently under examination.

My study related to the objectives of an Australian research Council (ARC) project, a consortium of four universities being lead by Victoria University, called *Australia Diaspora and Brain Gain: exploring current and potential transnational linkages*. It aims to investigate the current and potential future role of diaspora in Australia and the Australian Diaspora overseas in facilitating trade and investment as well as examine their political, cultural and kinship ties with their Homelands.

A summary of my thesis:

- It concerned ethnic diversity and city competitiveness, with particular reference to metropolitan Melbourne Australia.
- It updated literature related to hypothesised links between ethnicity, entrepreneurship and competitiveness; there was an 11-page literature review.
- It included a discussion on economic growth models and different types of human capital – social and creative – which may be influenced by linkages.
- One link, diaspora-based-linkages, was examined through eight enterprise case studies. These were chosen from three diaspora – Macedonian, Turkish and Greek. The industries in which these businesses operated were: Education, Hospitality, Media (Manufacturing – Publishing), Cultural Services, Wholesale and Retail, and Business Services. These Melbourne businesses were chosen because they did not fit the ethnic stereotype (restaurants) of a previous London study, and to better reflect the diversity of industries in which diaspora businesses actually are found to operate in Melbourne.
- Perceived self-efficacy³ in relation to trade with the Homeland was estimated.
- Results indicated that, for the Melbourne-based entrepreneurs, a high level of mastery of the Homeland language, plus strong beliefs and personal persuasion, represented by significant linkages, together enable self-efficacy with respect to effective diaspora entrepreneurial networking. This high level of self-efficacy was found in several of the eight studied.
- It concluded with a review of the means of increasing the self-efficacy, to the advantage of both Australia and Homelands, particularly those of Europe.

The conclusions of my thesis were:

The people of Melbourne, Victoria and Australia are better-off because of the business activities of the eight diaspora entrepreneurs studied. Those who benefit include customers/ debtors, employees, suppliers/creditors, government (local, State and Federal), community groups these businesses support and the public (both local and international visitors) who participate in events sponsored by these businesses.

The competitive industries in which the businesses operate benefit from the standards each business meets and the innovations they make.

Over and above benefits to people in Australia, people in approximately twenty other countries benefit from import and export activity with these eight businesses. For instance, it was found that 75% of the diaspora entrepreneurs studied exported product or services, when only 2% of Australian businesses export.

While the eight businesses were ethnic Macedonia, Greek and Turkish, all can be considered European, if one considers the likely membership of the European Union.

³ Self-efficacy: the 'judgements of how well one can execute courses of action required to deal with prospective situations'. Bandura, Albert 1982. 'Self-Efficacy Mechanism in Human Agency', *American Psychologist* Vol 37 no 2

The European Diaspora Network Project claims that there is potential for the European diaspora in Australia to engage in European integration⁴. The basis of this is:

- 'The broader dimension of European citizenship, specifically the significance and evolving nature of European migrant diaspora
- South European diaspora in Australia and their links with home countries
- In anticipation of the next phases of EU enlargement, the scope for greater involvement of these communities in the process of European integration' (ibid).

Hugo and Bakalis assert that maintenance of 'cultural and economic links with the home country is perceived as an asset rather than an obstacle to successful integration with the host country. Increasingly, second and third generation descendants of migrants, especially those from higher socio-economic groups, find their ethnicity to be a source of competitive advantage. The retention of linguistic skills and cultural links with the 'old' country facilitates labour mobility and opens business and employment opportunities abroad'.

Maintenance of a diaspora no longer depends on continuing migration. Traditional inward-looking institutions (social clubs, language schools, professional associations) established by first generation migrants 'are becoming more outward-oriented by forging strong links with home countries', 'changing attitudes to diversity and social cohesion in host countries' (ibid p.3).

The capacity of a country to accede to the European Union is advantaged by that country's diaspora: 'It has been suggested that the European and North American diasporas of Poland, Hungary and the Czech Republic have played a significant role in both the post-communist transformation and the formation of EU accession capacity through transfers of skills and civil society experience' (ibid p. 5).

There exists the capacity of south European diaspora in Australia to provide such services - skills and civil society experience – to the Homelands, to assist their process of European integration. The demand for these services was highlighted in the 2004 conference *The Countries of South Eastern Europe on the Path to EU Membership: Opportunities for Australia* organised by the National European Centre at the Australian National University and the International Business Education and Research Unit of Victoria University Melbourne (ibid p.5).

Much of this area remains under-researched as at 2011 and it is therefore more desirable than ever that 'all existing, albeit limited' work is brought together as a foundation for extensive research' (ibid p.6).

The experience of Australia as a successful community that has 'integrated its migrant communities into a single yet diverse national entity' 'offers many lessons for students of European integration (ibid p.6). This supports Federal politician Maria Vamvakinou's claim that Australia has 'a multicultural model that can be held up as an example for the rest of the world' ⁵.

Restating the recommendations

These are made as a possible contribution to those to be made by the Committee to maximise the positive effects of migration, which is in the terms of reference of the Inquiry.

- *Strengthening Homeland-language acquisition and development of diaspora networks through support and expansion of services such as the state-government-run Victorian School of*

⁴ As proposed in Hugo, G and Bakalis, S 2005 *European Commission: Erasmus- Jean Monnet Project Description*, sourced from S Bakalis, Victoria University March 2011

⁵ Vamvakinou, Maria MP 10 Feb 2011, *Speech in the Australia House of Representatives* <http://www.aph.gov.au/hansard/reps/dailys/dr100211.pdf> pages 521-522, accessed 4 March 2011

Languages, LOTE (Languages Other Than English) at primary and secondary schools, private institutions and Homeland-provided services (Alliance Francais, Goethe Institute etc);

- *Pro-active networking forums for Homeland-Australian businesses through groups such as the ethnic Chambers of Commerce, Austrade and the Homeland Consulates.*
- *Pro-active support by Homelands of tertiary student organisations such as NUGAS (National Union of Greek Australian Students) and other ethnic-Australian student groups*
- *Research into the capacity of south European diaspora in Australia to provide services - skills and civil society experience – to the Homelands, to assist their process of European integration.*

Addressing the above policy and research recommendations will likely have significant economic benefits for Melbourne, Victoria and Australia, as well as for the Homelands of diaspora communities.

Once my thesis has passed its examination, copies of the 52-page pdf file can be made available by emailing me at

Thank you for the opportunity to contribute toward the Inquiry's considerations of recommendations to maximise the positive effects of migration.

Yours sincerely