# The Potential of Hellenic-Australian Diaspora Entrepreneurial Networks

## Graeme Hugo and Steve Bakalis\*

In Australia's economic landscape, a key dimension of trade activity can be found in the important link between cultural diversity and international business. For example, new migrants are likely to have strong links to business communities back home. Moreover, there are no language barriers, nor any cultural adjustments to make. This provides the context for exploring the role of ethnic business communities in Australia in enhancing international business activity especially with member countries of the European Union (EU), which as a single entity remains Australia's largest economic partner. However, despite the importance of the EU to Australia as an economic partner, English-speaking nations (e.g., Britain) dominate Australia's exporter list. In this spirit, we examine some of the features of diaspora/expatriate communities within Australia and Greece and consider strategies that can help enhance the role of Greek-Australian diaspora entrepreneurial networks and expand Australia's economic engagement with the enlarged EU.

### Introduction

The discourse on the complex relationship between migration and development has, until recently, been dominated by "brain drain" concerns. However this has changed dramatically in recent years, predominantly through a number of reports of multilateral and national development assistance agencies (Ellerman, 2003; Asian Development Bank, 2004; Johnson and Sedaca, 2004; House of Commons, 2004; United Nations, 2006; World Bank, 2006) which have suggested that emigration can have positive developmental effects on "south" nations. Certainly "brain drain" effects are apparent but the evidence is that migration impacts are more complex and multidirectional.

Dr Steve Bakalis — School of Economics and Finance, Faculty of Business and Law, City Flinders Street Campus, Victoria University, PO Box 14428 MMC Melbourne, Vic 8001 Australia. Tel: +613 9919 1476 Fax: +613 9919 4888 Email: Steve.Bakalis@vu.edu.au

Address for correspondence:

In recent times, two key features of globalisation have focused greater attention on the migration–development relationship. Firstly the numbers of expatriates living and working on a permanent or long term basis in foreign countries has increased exponentially so there has been a rapid expansion of transnational communities. Secondly, the development of information and communication technology together with reduction in the time and money costs of international travel has meant that the diaspora can keep contact with their homeland in an unprecedentedly intensive and intimate way.

Yet, the emerging migration and development debate focuses overwhelmingly on south-north migration and its impact on south nations. However, north-north migration is also very substantial but its implications for economic and social development, actual and potential, remain little explored. The present paper focuses on two countries which have had both significant immigration and emigration — Australia and Greece. The Greece–Australia example is a most interesting diaspora to study since there are substantial communities of expatriates in both nations. On the one hand Greeks are the third largest overseas-born group in Australia and Melbourne remains the second largest Greek city globally given its Greece-born population. On the other, Greece is an important destination for the 1 million Australians currently living outside Australia. In fact, many of the Australian expatriates in Greece are the children and grandchildren of former Greek migrants to Australia.

However, the evidence shows that the strong people-to-people ties between Australia and Greece appear not to have enhanced the economic relationship. For example, from an economic perspective, despite the importance of the European Union (EU) as Australia's largest economic partner, English-speaking nations dominate Australia's exporter list, and there is a tendency among Australian exporters to test the export waters in Britain while there is reluctance to trade with other EU countries (Harcourt, 2005). Yet, there is scope for Australia's economic linkages with the EU to be tied to diaspora entrepreneurial networks so that business is able to capitalise on the skills and tacit knowledge held by migrant exporters who have maintained ties to their home countries (Harcourt, 2003). In this spirit, there is a need to consider strategies that can help enhance the role of Greek-Australian diaspora entrepreneurial networks and expand Australia's economic engagement with the enlarged EU as well as countries of South Eastern Europe. This is consistent with the Australian Government White paper on Foreign Affairs and Trade Advancing the National Interest (Department of Foreign Affairs and Trade, 2003) which devotes a full chapter to Europe, reflecting the substantial importance that Australia gives to its relations with the region and the EU.

Against this background, in this paper we examine some of the features of diaspora/expatriate communities within Australia and Greece and look at some of the characteristics of the networks established by those communities with their homeland and the potential for those networks to be utilised to the benefit of both origin and destination communities. We argue that much thinking about migration in Australia and

Greece remains rooted in the outdated paradigm of permanent settlement and there needs to be a reorientation to consider the impacts of transnational communities.

## The Greek diaspora in Australia

Australia is one of the contemporary world's quintessential immigration nations as was evidenced at the 2001 Census of Population in which only 36.5 per cent of Australians gave their ancestry as "Australian" or "Australian Aboriginal". Table 1 shows that the largest ancestry groups are European — English (6.4 million persons), Irish (1.9 million), Italian (800,256), German (742,212), Scottish (540,046), Greek (375,703), Dutch (268,754), Polish (150,901), Maltese (136,754) and Croatian (105,747). It will be noted in the table, however, that the majority of most European ancestry groups dominantly involve second, third and longer established generations. There are also more than a million Australians with an Asian heritage with the largest ancestry groups being Chinese (556,554), Indian (156,628), Vietnamese (156,581) and Filipino (129,821). However, unlike with the European ancestry groups the first generation of immigrants is still dominant among Asians, reflecting the relative recency of their migration (Hugo, 2004).

Table 1: Major Ancestry Groups(a) by Generation, 2001

|                       | 1st generation | 2nd generation | 3rd+ generation |   |
|-----------------------|----------------|----------------|-----------------|---|
| Ancestry              | %              | %              | %               | Total number of people stating ancestry |
| Australian            | 1.4            | 15.4           | 83.3            | 6 739 594                               |
| Australian Aboriginal | 1.4            | 2.7            | 95.9            | 94 955                                  |
| English               | 18.0           | 20.9           | 61.1            | 6 358 880                               |
| Irish                 | 11.1           | 16.3           | 72.7            | 1 919 727                               |
| Scottish              | 27.5           | 26.7           | 45.8            | 540 046                                 |
| Italian               | 29.9           | 44.4           | 25.7            | 800 256                                 |
| German                | 18.5           | 22.5           | 59.1            | 742 212                                 |
| Greek                 | 36.4           | 46.5           | 17.1            | 375 703                                 |
| Dutch                 | 38.5           | 44.9           | 16.5            | 268 754                                 |
| Polish                | 48.0           | 39.0           | 12.9            | 150 901                                 |
| Maltese               | 34.9           | 49.2           | 15.9            | 136 754                                 |
| Croatian              | 49.6           | 43.1           | 7.4             | 105 747                                 |
| Lebanese              | 41.8           | 50.1           | 8.1             | 162 239                                 |
| Chinese               | 72.2           | 21.8           | 5.9             | 556 554                                 |
| Indian                | 75.6           | 21.8           | 2.6             | 156 628                                 |

| Vietnamese    | 71.1 | 27.4 | 1.5 | 156 581 |
|---------------|------|------|-----|---------|
| Filipino      | 73.5 | 24.5 | 2.0 | 129 821 |
| New Zealander | 60.0 | 33.8 | 6.2 | 123 314 |

(a) Those with at least 100,000 persons in 2001.

Source: Khoo and Lucas, 2004:20

The generational make-up of ancestry groups is of relevance since, other things being equal, the strength of linkages with the home country, which are usually maintained by first-generation immigrants, are likely to attenuate with time. The earlier European migration (especially of southern European groups) was overwhelmingly of unskilled and semi-skilled workers while in recent years the migrants have been more highly selected on the basis of education and skill (Hugo, 2004). The "traditional" linkages built up by the first generation between the home country and Australia were also conduits for remittances and information, whereby migrants maintained strong ties despite the fact that in the early post-war decades visiting and communication with home was expensive and time consuming.

According to the newly released 2006 Census statistics the generational make-up trend continues to reflect European ancestry groups which involve dominant second, third and longer established generations. More specifically, in the case of the Greek diaspora in Australia according to the 2006 Census statistics 365,200 Australians claimed Greek ancestry, of whom (only) 109,990 were born in Greece. The data released also indicates that in 2006, 109,990 Australians were born in Greece, a sharp drop from 1996 when 126,500 Australians were born in Greece, with the majority of them aged 50 years or older. These trends reinforce a shift of the generational composition towards a majority of second- and third-generation Greek ancestry groups in Australia, which should impact on the strength and the nature of linkages that are likely to emerge between these dominant Greek ancestry groups and their homeland.

At the same time, there is evidence of strong cultural and language maintenance among the southern European communities in Australia. For example, Table 2 shows that more than two thirds of all Greeks do not speak English at home, indicating that there has been strong maintenance of language among Australian Greeks. Indeed, Table 2 shows that more than a quarter of the third-generation Greeks in Australia speak Greek at home. These findings are also confirmed by statistics released following the 2006 Census, which show that Greek remains the third most popular language spoken at home in Australia, behind English and Italian.

Table 2: Australia: Ancestry by Language Usually Spoken at Home, 2001

|          | Per cent Speak | ting English at Home |
|----------|----------------|----------------------|
| Ancestry | Total          | Third Generation     |
| Italian  | 57.7           | 92.8                 |
| Maltese  | 69.6           | na                   |
| Greek    | 31.2           | 71.7                 |
| Croatian | 35.0           | na                   |

Source: Khoo and Lucas, 2004:89

Furthermore, considerable intra- and inter-generational occupational mobility has taken place and the second and third generations are showing higher proportions as managers, professionals and associate professionals. Second and third generations are associated with occupational profiles which were much closer to the host society than the first generations (Burnley, 2005), and they are usually associated with ethnic professional networks, originally founded for social purposes, which have evolved to become professional networks for advice, capital and know-how for immigrant entrepreneurs (Bakalis and Joiner, 2006). They are also tied into their home-countries' networks through alumni associations and family ties as well as with networks in their "host" country. The motivation of the second and third generations to maintain social networks and the importance of a strong social responsibility (or altruistic feelings) towards their "homeland" can become a stimulus for policymakers to develop effective linkages (Holeva, 2004).

## The Australian diaspora in Greece

While Australia is best known as a country of immigration it is also a substantial country of emigration as the onset of globalisation has seen an increase in the outflow of people from all countries in Australia. Two elements have exacerbated such outflows:

- The fact that almost half the population is a migrant or the Australia-born child of a migrant has not only resulted in significant return migration (Hugo, 1994) but has also created strong family based networks linking Australian immigrants and their descendants with foreign countries, thus facilitating emigration.
- Australia's peripheral location both geographically and economically has meant
  that many of its most skilled people in seeking to enhance their careers need to
  move to economies and nations more centrally located in the global economy.

According to Hugo (2005c), Australia has a significant diaspora both numerically and in relation to its resident population. There are real difficulties in estimating the size

of any diaspora and Australia is no exception. Diasporas are obviously not captured in the population census of the home country. Moreover, foreigners are frequently missed in the censuses of the countries in which they are living.

In Table 3, for example, the numbers of Australia-born enumerated in the 2000 round of censuses in several destination nations are presented and several definitely understate the Australian presence. The 2001 census of the United Kingdom, for example, puts the number of Australians at 98,772 while an estimate by the Australian Department of Foreign Affairs and Trade (DFAT) put it at 200,000 and another writer (MacGregor, 2003) puts it at 300,000. Clearly, Table 3 shows that the United Kingdom is the pre-eminent destination within the European Union for both foreign-born and Australia-born, reflecting its role as a target for both return migrants and labour market driven emigration.

**Table 3:** Australia-born Population Living in Foreign Nations Around 2001 and Counted in Population Censuses

| Country           | Year | Source  | Number              |
|-------------------|------|---|---------------------|
| USA               | 2001 | US Census Bureau, Current Population Survey       | 56,000              |
| Canada            | 2001 | Statistics Canada, 2001 Census                    | 18,910              |
| New Zealand       | 2001 | Statistics New Zealand, 2001 Census               | 56,259              |
| England and Wales | 2001 | UK National Statistics, 2001 Census               | 98,772              |
| Japan             | 2001 | OECD 2003   | 9,200ª              |
| Greece            | 2001 | Greek Census of 2001                              | 18,376 <sup>b</sup> |
| Germany           | 2001 | Federal Statistics Office, Germany                | 8,322               |
| Netherlands       | 2001 | Statistics Netherlands                            | 4,313               |
| Sweden            | 2001 | Statistics Sweden                                 | 2,389               |
| Austria           | 2001 | Statistics Austria                                | 1,686               |
| Denmark           | 2001 | Statistics Denmark                                | 886                 |
| Finland           | 2002 | Statistics Finland                                | 673                 |
| Thailand          | 2000 | National Statistical Office, Thailand             | 1,400°              |
| Hong Kong         | 2001 | Commissioner for Census and Statistics, Hong Kong | 6,251 <sup>d</sup>  |

<sup>&</sup>lt;sup>a</sup> Population with Australian nationality

<sup>&</sup>lt;sup>b</sup> Australians with dual Australian-Greek nationality/Australian only nationality

<sup>&</sup>lt;sup>c</sup> Australian citizens

<sup>&</sup>lt;sup>d</sup> Population with Australian/New Zealander ethnicity born outside of Hong Kong

Although it should be noted the United States is investigating the feasibility of including its expatriate citizens in the 2010 census (US Census Bureau, 2002).

Hugo, Graeme, and Bakalis, Steve. 2009. The Potential of Hellenic-Australian Diaspora Entrepreneurial Networks. In E. Close, G. Couvalis, G. Frazis, M. Palaktsoglou, and M. Tsianikas (eds.) "Greek Research Australia: Proceedings of the Biennial International Conference of Greek Studies, Flinders University June 2007", Flinders University Department of Languages - Modern Greek: Adelaide, 215-232.

A number of methods are used elsewhere to estimate the size, characteristics and location of Australia's diaspora (Hugo et al., 2001; 2003) and there is space here only to make a few key observations. In Australia, there are excellent *flow* data on emigration (Hugo, 1994) but there is considerable difficulty in estimating the *stock* of expatriates. The most frequently quoted estimates are those made by DFAT embassies and consulates around the world (Southern Cross, 2002) and these suggest that in 2001 there were 858,866 Australians living in foreign nations and another 264,955 "temporarily present". While it has been difficult to assess the degree of accuracy of these data and indeed to establish the methodologies used to collect them in different nations, the DFAT estimates for each nation and the limited quality of the data is seen in the obvious DFAT over-estimation of the numbers in Greece which has been reported as the second biggest expatriate community (135,000 persons) to the United Kingdom (200,000).

The DFAT estimate of the Australian diaspora in Greece at 135,000 is significantly more than the 20,449 people with Australian or dual Australian Greek nationality who were counted in the 2001 Greek census (OECD database on immigrants and expatriates). Despite the fact that Greece is an important destination of emigrants from Australia (Hugo, 1994; Hugo et al., 2001), especially returning Greece-born immigrants and other Australians with a Greek heritage, it does not have the second largest Australian expatriate community. Nevertheless, the DFAT data despite the apparent over-estimation give an indicative picture of the extent and size of Australia's diaspora, and the rise of an Australian diaspora in Greece in particular. The large discrepancy between the census and DFAT figures undoubtedly may also be partly due to a significant circular movement of Australians (especially those of Greek heritage) to Greece.

Indeed, one of the most important ways in which immigrant groups have maintained linkages with their homeland has been through return movements, both permanent and temporary. What is apparent, however, is that it is not only elderly Greek former settlers who are moving between Australia and Greece but also second-generation Australians born to Greek parents are a significant part of the flow from Australia to Greece. Hence, between 1991 and 2004 there were overall 4,907 persons who left Australia permanently for Greece. The older Greece-born group are evident but so also are Australia-born Greeks aged in their 20s and 30s and their children, possibly drawn back by a longing to return to their home country or by employment and entrepreneurial opportunities presented by the expanding Greek economy which is now an integral part of the dynamic EU.

## Overview of economic linkages between Australia and Greece

In terms of economic linkages, there are not strong linkages between the size of diaspora communities and the scale of export and import trade, as is evident in Table 4. This shows that there is only a moderate correlation between the size of a diaspora

community in Australia, on the one hand, and exports, imports and total international trade on the other. For example, Greece has the seventh largest birthplace community in Australia but is only Australia's 58th largest trading partner with exports valued at A\$59 million, less than half as large as imports from Greece (\$145 million).

Table 4: Australia: Correlation Co-efficient Between Size of Immigrant Communities,\* 1991 and International Trade, 2005

| Variables   | Correlation  |
|---|--------------|
|   | Co-efficient |
|   | (r)          |
| Imports x Number of Australian Residents Born in that Country     | .314         |
| Exports x Number of Australian Residents Born in that Country     | .294         |
| Total Trade x Number of Australian Residents Born in that Country | .318         |

<sup>\*</sup> Persons aged 15 years and over

However, from a broad perspective a recent report revealed that, of Australia's almost three-quarters of a million employing businesses, a mere 25,000 (less than 4 per cent) are engaged in exporting (Austrade, 2002). Furthermore, the report showed that only two per cent of non-exporting Australian businesses surveyed even expressed the intention to export within the next three years. This striking finding led Austrade (Australian Trade Commission) to the conclusion that a focus on improving *intention* would be critical to increasing the number of exporters. Thus, one of the challenges facing Australia is to further enhance its export performance by encouraging more firms to address the challenge of globalisation through exports.

In the same report by Austrade, it was noted that each year 20 per cent of exporters were new exporters classified into three groups: the "successful intenders", the "born globals", and an extremely important group of Australia's new exporters were considered to be "accidental". More specifically, it was noted that almost half of all new exporters had not expressed any intention of exporting — they just seemed to fall into export serendipitously. These findings are consistent with academic research that consistently finds serendipity, or "accidents", to be a key explanation for why many firms become exporters. For example, Ellis and Pecotich (2001) note that exports occasionally appear to be lacking "rhyme or reason", and in such cases, the salient influences are more often social than economic. They propose the adoption of a social network perspective that emphasises the role of interpersonal ties in export initiation. One of the implications here is that social networks can go some way towards explaining serendipitous market entry in conjunction with market forces and strategic plans.

It is apparent that there is then only a weak economic dimension to the relationship between Australia and Greece, despite the strong diaspora linkages which exist. At the macro level, while Greece remains a minor trade partner for Australia, Greece's entry into the European Union and the adoption of the Euro has really helped the Greek economy along with growth rates of between 3 and 5 per cent over the past five years.

In 2005–2006, Greece was Australia's 54th largest trading partner. In 2005–2006 exports to Greece were valued at A\$109.25 million and imports from Greece were worth A\$143.56 million. According to Austrade in Athens, many of our key exporters to Greece are of Greek origin or Greek descent, but are pretty diverse, with everything from shipping with Austal Ships and Liferaft Systems (lifesaving systems for ships), to lifestyle consumers products such as Gloria Jeans coffees, Chocolate Graphics, Intraceuticals (cosmetics) and cinema giant Village Roadshow (Harcourt, 2004). In total, there are just over 300 Australian exporters selling in Greece — compared to over 5,500 to the UK so there's plenty of room for expansion (Harcourt, 2007).

We also know how important the Greek community has been to Australia's development and in particular the Greek contribution to social development, but there are commercial benefits too. Many Australian small businesses and entrepreneurs are of Greek origin and descent and with 50 per cent of all Australian small and medium sized exporting businesses having an overseas-born owner the Greeks have done a fair bit for export development as well. Is there potential to enhance trade spinoffs from all this good Hellenic will? Can the second- and third-generation Greek-Australian entrepreneurs identify and mobilise business opportunities in their home countries and extend the networks to support these new ventures?

## Diaspora policy issues

## Australian perspective

It is clear from the previous sections that several of the migrant communities and their descendants in Australia, like those of Greek origin, have strong linkages with their home countries and hence represent considerable potential for enhancing economic, social and cultural ties in a globalising world. Australian immigration and settlement policy for most of the post-war period has focused on attracting immigrants who settle permanently. Although it has had a policy of multiculturalism for almost thirty years, the emphasis has been more on facilitating adjustment to Australia than on cultural and language maintenance or on migrants keeping ties with their home country (Jupp, 2002).

Furthermore, Australian cultural and education policies have an orientation towards facilitating the integration of diaspora cultures into Australia's dominant culture, despite multiculturalism being the national overarching settlement policy. There may be scope for some reconsideration, which seeks to encourage, develop and harness diaspora culture, education and intellectual interaction with homelands. This should not be seen as being antithetical toward effective integration within Australia. This dimension of cultural maintenance has not been strong in the past in Australia, but as part of the national adjustment to the realities of globalisation some reconsideration is needed. Diaspora communities themselves have taken the initiative thus far in Australia with respect to cultural, educational and intellectual linkages between their new home and their country of origin but there is a need to recognise

that Australia as a whole can benefit substantially from these dynamic linkages in the contemporary world. Undoubtedly modern communication and information technology can be harnessed to strengthen and expand these linkages.

From the perspective of Australia's diaspora, in October 2003 the Australian Senate established an inquiry with the following terms of reference:

- The extent of the Australian diaspora;
- The variety of factors driving more Australians to live overseas;
- The costs, benefits and opportunities presented by the phenomenon;
- The needs and concerns of overseas Australians:
- The measures taken by comparable countries to respond to the needs of expatriates:
- Ways in which Australia can better use its expatriates to promote economic, social and cultural interests.

This reflected an increasing national discourse on emigration, a spectacular rise in the number of Australia-born leaving the country on a permanent basis and strong lobbying from Australian expatriate groups.

### Greek perspective

According to Bitros and Minoglou (2006) the historical role of the Greek diaspora can be traced to the nineteenth century when consortia of financiers who wished to invest in Greece were based on informal networking, with the Greek diaspora playing the cohesive role. Diaspora financiers through their informal network arrangements interlocked with elite western banks, raising in collaboration with them substantial long term capital for the Greek government. These financiers were uniquely placed, as they were familiar with western business practices, while they also had efficient information channels and an intimate knowledge of local conditions, thus lowering the risk and transaction costs for foreigners. These services were indeed of crucial significance as Greece was not easily penetrable. It was a country with a "peculiar" legal system in which the Byzantine legal tradition, personal bonding, and informal contracts weighed heavily; thus creating high *de facto* entry barriers for outsiders.

Bitros and Minoglou (2006) have also asserted that on the basis of available evidence, another contribution of the Greek diaspora was associated with its role of an initiator/instigator for the spread of optimally adjusted institutions in business operations, since the state was weak and the supply of local entrepreneurship limited. The authors have argued that in such cases the diaspora acts as a third party and substitutes for the state in supplementing the market system with rules, enforcement mechanisms and institutional change. More recently, Petrakos and Totev (2000) note that a diaspora is evolving in the Balkans, Russia and Middle East areas with a geographical

proximity to Greece, where from the late 18th and throughout the 19th centuries the Greeks had an important entrepreneurial presence (Petrakos and Totev, 2000). It might not be far-fetched to propose that possibly, albeit to a small extent, they are building on the traces of the networks of their far away in historical time predecessors.

In this context, the Council of Greeks Abroad has been established in order to express the wishes and aspirations of the Greeks of the diaspora, propose solutions to their problems, and be the main instrument of cooperation and dialogue with the Greek State. The Council of Greeks Abroad is recognised by the Greek State as the advisor and clearinghouse of information on issues involving the diaspora and Greece. Aiming to unite and engage Greeks around the globe, the Council has also formed the International Trade and Business Network (BizNet). BizNet, as a network, will be the ultimate guide for Hellenes involved in business all over the world. An Advisory Board consisting of leaders of Greek business associations reviews the project's direction and policies.

In a parallel fashion, Bakalis and Joiner (2006) explored in Australia the role of ethnic chambers of commerce and industry in promoting international business activity and opportunities for the development of effective partnerships with external stakeholders. Their findings reveal (among other things) the existence of Young Business Forums for younger business and professional members in order to introduce the next generation of business leaders from a broad variety of professions and to widen the chambers' circle of contacts, thus recognising the generational change in its community.

The Council for International Trade and Commerce SA Inc (CITCSA) is an example of a South Australian Government initiative aimed at assisting South Australian companies to take their goods and services to the world. Almost 40 International Chambers of Commerce are members, representing countries and regions as diverse as Italy, France, Russia, South Africa, United States of America, Israel, China and Indonesia. South Australian small to medium sized companies looking to export to countries that are very different from our own have the expertise available within the multicultural entrepreneurs that exist in South Australia who are able to offer a valuable service backed up with government grant funds to either go overseas or bring investment into this State.

Such initiatives can play a role in helping second and subsequent generations of the first migrants with a business interest, increase their business self-efficacy so that they feel capable of contributing to the economic development of home and/or host country. Such initiatives are very important as they could improve the self-efficacy of migrant entrepreneurs (or potential migrant entrepreneurs) so that they feel more confident and competent in international expansion of their businesses. Empirical research on self-efficacy has consistently found that it has a significant impact on performance in a variety of tasks as well as motivation (i.e., effort), emotional relations, and performance (Gist and Mitchell, 1992).

## Diaspora policy implications

The foregoing comments lead to the realisation that (more than ever before) there needs to be an orientation towards issues associated with development that are not so much about allocation of existing resources but rather about mobilising resources that are hidden, scattered or badly utilised (Hirchman, 1958). To this end, there are good reasons therefore for the host and home countries to work cooperatively towards the development of common policies that encourage and assist their respective diaspora communities to maintain links with their homeland.

In a globalising world, which places a premium on linkages between countries, there is increased scope to introduce policies to enhance those linkages and utilise them for increasing economic and social activity between nations. While there is considerable variation between different birthplace groups in Australia in the extent to which they have maintained linkages with their homelands, there would seem to be scope for policy intervention.

What are some of the types of policy and program interventions which may be considered? What are the types of initiatives which could build on the strong existing linkages between Australian immigration based communities and their homelands to encourage economic activity? According to Hugo (2005c) the following initiatives may be worth considering:

- Identify entrepreneurs in Australia with a particular heritage and establish the
  extent to which government intervention can assist them in trading with their
  homeland, in undertaking joint activity with communities in the homeland
  and the extent to which they can be conduits for investment from the homeland to Australia.
- To what extent can the diaspora community play a significant role in matching Australian products and services with relevant areas of demand in their homelands? Can they provide advice regarding entrance into appropriate business networks in their homelands to Australian businesses? Can they provide advice on relevant business methods and organisation?
- To what extent can ethnic based entrepreneurs and business organisations be used to enhance economic activity with particular destination nations? Can their transnational dimensions be encouraged and expanded?
- One area where there has been considerable mobility is in the area of academics, scientists and researchers. To what extent can we identify programs to encourage linking them through programs of visits, joint research activity, etc., which could result in rapid knowledge transfer and enhancement of innovation within Australia?

Some of these issues are gradually being taken up and they undoubtedly meet the concerns of some, especially some of the expatriate lobby groups and ethnic business

associations (e.g., ethnic chambers of commerce and industry and bilateral business councils).

They undoubtedly provide a basis for an overdue recognition of the significance of the diaspora and can go some way towards enhancing its engagement in mainstream Australian life. However, it would seem that some opportunities were missed to fully develop a blueprint which would fully recognise that in a globalising world the Australian community comprises more than those who live within its national boundaries, and which would fully engage them in the economic, social, cultural and political development of Australia.

Indeed, according to Gillespie et al. (1999) members of diaspora and/or expatriate communities experience a strong pull to their homeland that manifests as a strong social responsibility towards the homeland. Fostering ethnic altruism and the desire to put something more permanent back into the development process in the homeland, as well as the concomitant development of ethnic social networks, is likely to benefit not only the individual ethnic person but also, more broadly, the host country through the potential for increased international business activity.

This gains greater importance given the maturity and changing structure of the European ancestry groups in Australia, where the second and subsequent generations of the first European migrants are now requiring support not only in areas of culture and language but more so in areas of business, trade and entrepreneurship. There is a need to preserve and utilise effectively the first European migrants' access to tacit knowledge (technical and managerial), their common understanding of entrepreneurship, their shared language and culture, as these have all been considered factors that contribute to the success of regional economies. Saxenian (2000) refers to these ethnic entrepreneurs as the new Argonauts (people who work in two or more regions, shuttling back and forth several times per month) who literally carry market and technological knowledge, contacts, business models and capital around the world.

## Concluding remarks

Dade (2004) has argued that among the challenges which have confronted nation states as a result of globalisation is the rise of transnational communities, which has blurred the distinction between foreign and local. He maintains that no longer can nation states afford to only follow development strategies which are exclusively domestic in focus. Although nation states have done much to accommodate globalisation through making the domestic structural economic adjustments to enhance international trade they have been slower to realise the potential of migration and diaspora to deliver dividends in a globalising world. Even in a nation which is arguably more influenced by international migration than any of the world's medium or large nations this realisation has been slow to come.

Both Australia and Greece are "hard-wired" internationally by their substantial communities of emigrants, immigrants and their descendants linking with their

#### GRAEME HUGO / STEVE BAKALIS

homeland and its expatriate community networks. However there is a dearth of interest in either set of networks among governments — so much so that virtually all of the activity in both arises out of the communities themselves. In Australia, Greek-Australian based organisations are crucial elements in enhancing and developing diaspora linkages and trading networks while the same is true of an emerging group of Australian-Greek expatriate organisations in Greece. However, to a very large extent the bulk of networks linking diaspora and origin remain family-based even though the shift of the generational composition towards a majority of second- and third-generation Greek ancestry groups in Australia is likely to change the nature of these linkages with appropriate policy intervention.

Furthermore, while there is a lack of policy interest in diaspora at home and abroad, it is also true that there is little or no research in this area to provide an evidence-base for program development and policy formulation. This is because the research agenda is still predominantly locked in the paradigm of migration, which dominated in the first five postwar decades, and focused exclusively on permanent settlement of immigrants in Australia. Despite the introduction of a national policy of multiculturalism, this focused particularly on development of services to facilitate adjustment to Australia rather than on maintenance of linkages with the home country. Similarly emigration from Australia has not been on the Australian radar screen until recently because of an overwhelming focus on immigration and settlement. However, the emergence of transnationalism as the dominant paradigm in global international migration and the rise of transnational communities, which observe national borders, makes it imperative that a reorientation occur in both research and policy.

This is because the onset of globalisation has greatly expanded the means through which people can remain actively involved in another country's cultural, economic, and political life. For these reasons, governments should consider tapping into the wealth of resources and talents contained in diaspora/expatriate business communities for the "right" reasons rather than for political gain — which is a wasted opportunity. The evidence suggests that it would make more sense for governments to utilise diaspora/expatriate business communities as a key part of their strategies for economic development, in very much the same way as they develop policies that aim to entice multinational corporations and international foreign investors into their countries.

## **Bibliography**

#### Asian Development Bank, 2004

"Developing the diaspora." Paper presented at Third Co-ordination Meeting on International Migration, Population Division, Department of Economic and Social Affairs, United Nations Secretariat, New York, 27–28 October.

#### Austrade, 2002

*Knowing and Growing the Exporter Community.* A Report from the Australian Trade Commission (in http://www.austrade.gov.au/cda/k\_g.pdf).

#### Australian Bureau of Statistics (ABS), Migration

Migration Australia, various issues. ABS, Canberra.

#### Australian Bureau of Statistics (ABS), Arrivals and Departures

Overseas Arrivals and Departures, Australia. Catalogue No. 3402.0, ABS, Canberra.

#### Australian Bureau of Statistics (ABS), 2005

International Trade in Goods and Services, Australia. Catalogue No. 5368.0, ABS, Canberra.

#### Australian Senate Legal and Constitutional References Committee, 2005

They still call Australia home: Inquiry into Australian expatriates. Department of the Senate, Parliament House, Canberra.

#### Bakalis and Joiner, 2006

S. Bakalis and T. A. Joiner, "The role of ethnic networks in export activities: the case of Australia", *Journal of International Business and Entrepreneurship Development* 3, 1/2:85–108.

#### Birrell, Dobson, Rapson and Smith, 2001

B. Birrell, I. R. Dobson, V. Rapson and T. F. Smith, *Skilled Labour: Gains and Losses*, DIMIA, Canberra.

#### Bitros and Minoglou, 2006

G. Bitros and I. Minoglou, *Enterpreneurship and Market Order: Some Historical Evidence*. Athens University of Economics and Business, Department of Economics, Discussion Paper No. 179.

#### Burnley, 2005

I. H. Burnley, "Generations, mobility and community: geographies of three generations of Greek and Italian ancestry in Sydney", *Geographical Research* 43, 4:379–392.

#### Commonwealth Bureau of Census and Statistics (CBCS)

Demography, various issues. CBCS, Canberra.

#### Dade, 2004

C. Dade, "Transnationalism foreign assistance, domestic communities: new opportunities and new challenges for Canada and the United States", *Focal Point*, Spotlight on the Americas Special Edition, Canadian Foundation for the Americas, March.

#### Department of Foreign Affairs and Trade, 2003

Advancing the National Interest, Commonwealth of Australia, Canberra. http://www.dfat.gov.au/ani

## Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), *Statistics Australian Immigration Consolidated Statistics*, various issues. Canberra: Australian Government Publishing Service (AGPS).

Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), *Immigration Immigration Update*, various issues. Canberra: Australian Government Publishing Service (AGPS).

#### GRAEME HUGO / STEVE BAKALIS

#### Ellis and Pecotich, 2001

P. Ellis and A. Pecotich, "Social factors influencing export initiation in small and medium-sized enterprises", *Journal of Marketing Research* 38, 1.

#### Ellerman, 2003

D. Ellerman, *Policy Research on Migration and Development*, http://econ.worldbank.org/view.php? type=5&id-29100

#### Fullilove and Flutter, 2004

M. Fullilove and C. Flutter, *Diaspora: The World Wide Web of Australians*, Lowy Institute, Paper No. 4, Lowy Institute for International Policy, New South Wales.

#### Gillespie, Riddle, Sayre and Sturges, 1999

Kate Gillespie, Liesl Riddle, Edward Sayre and David Sturges, "Diaspora interest in homeland investment", *Journal of International Business Studies* 30, 3:623–634.

#### Gist and Mitchell, 1992

M. E. Gist and T. R. Mitchell, "Self-efficacy: a theoretical analysis of its determinants and malleability", *Academy of Management Review* 17, 2:183–211.

#### Harcourt, 2003

T. Harcourt, "Immigration means business", *Economist's Corner*, Australian Trade Commission, at http://www.austrade.gov.au

#### Harcourt, 2004

T. Harcourt, "It's all Greek to me? Australian business and the Athens Olympics", *Economist's Corner*, Australian Trade Commission, at http://www.austrade.gov.au

#### Harcourt, 2005

T. Harcourt, "Europhobia? Australian trade opportunities in New Europe", *Economist's Corner*, Australian Trade Commission, at http://www.austrade.gov.au

#### Harcourt, 2007

T. Harcourt, "My big fat Greek export", *Economist's Corner*, Australian Trade Commission, at http://www.austrade.gov.au

#### Hirschman, 1958

Albert Hirschman, *The Strategy of Economic Development*. New Haven, CT: Yale University Press.

#### Holeva, 2004

A. Holeva, "Current trends of the linguistic and cultural values of the Greek Australian community in South Australia", *International Education Journal* 4:212–225.

#### Hugo, 1994

G. J. Hugo, *The Economic Implications of Emigration from Australia*. Canberra: Australian Government Publishing Service.

#### Hugo, 2003

G. J. Hugo, "A new paradigm of international migration between the European Union and Australia: Patterns and implications". Paper presented to a conference on *The Challenges of Immigration and Integration in the European Union and Australia*, organised by the National Europe Centre, the Australian Centre for Population Research, Research School of Social Sciences, Australian National University and the Multicultural Research Centre at the University of Sydney, Sydney, 18–20 February.

#### Hugo, 2004

G. J. Hugo, *Australia's Most Recent Immigrants*. Report to the Australian Census Analysis Program (ACAP) of the ABS.

#### Hugo, 2005a

G. J. Hugo, "The longitudinal survey of immigrants to Australia". In *Immigration Research* and Statistics Service workshop on longitudinal surveys and cross cultural survey design. Workshop proceedings, Jurys Inn, Croydon, 11th and 12th May 2004, ed. B. Morgan and B. Nicholson: 67–102. Crown Copyright, London.

#### Hugo, 2005b

G. J. Hugo, "Some emerging demographic issues on Australia's teaching academic workforce", *Journal of Higher Education Policy and Management* 27, 3:207–230.

#### Hugo, 2005c

G. J. Hugo, "Australian diaspora: a demographic perspective". Paper presented to Second Pan-Hellenic Conference on International Political Economy: Global Political Economy and the New Challenges for Development. Harokopeion University, Athens, Greece, 16–18 September.

#### Hugo, 2006

G. J. Hugo, "An Australian diaspora?", International Migration 44, 3:105-132.

#### Hugo, Rudd and Harris, 2001

G. J. Hugo, D. Rudd and K. Harris, *Emigration from Australia: Economic Implications*. CEDA Information Paper No. 77, CEDA, Melbourne.

#### Hugo, Rudd and Harris, 2003

G. J. Hugo, D. Rudd and K. Harris, *Australia's Diaspora: Its Size, Nature and Policy Implications*. CEDA Information Paper No. 80, CEDA, Melbourne.

#### Johnson and Sedaca, 2004

B. Johnson and S. Sedaca, *Diasporas, Emigrés and Development, Economic Linkages and Programmatic Responses*, A Special Study of the U.S. Agency for International Development, Carana Corporation, March.

#### Jupp, 2002

J. Jupp, From White Australia to Woomera: The Story of Australian Immigration. Cambridge: Cambridge University Press.

#### Khoo and Lucas, 2004

S. Khoo and D. Lucas, *Australians' Ancestries 2001*. Australian Census Analytic Program, Catalogue No.2054.O. Canberra: ABS.

#### MacGregor, 2003

A. MacGregor, "Australia remains part of us". In Australian Expats: Stories from Abroad, ed.

B. Havenhand and A. MacGregor: 12-20. Newcastle, Australia: Global Exchange.

#### Martin, 2004

P. Martin, "Migration and development: Toward sustainable solutions". International Institute for Labour Studies Discussion Paper DP153/2004, Geneva.

#### Organization for Economic Co-operation and Development (OECD), 2003

Trends in International Migration: Continuous Reporting System on Migration: Annual Report 2002 Edition. Paris: OECD.

#### Petrakos and Totev, 2000

G. Petrakos and S. Totev, "Economic structure and change in the Balkan region: Implications for integration, transition and economic cooperation", *International Journal of Urban and Regional Research* 24, 1:95–113.

#### Saxenian, 2000

Anna Lee Saxenian, *The New Argonauts*. Cambridge, MA: Harvard University Press.

#### GRAEME HUGO / STEVE BAKALIS

#### Southern Cross, 2002

Estimates of Australian Citizens Living Overseas as at 31 December 2001.

http://www.southern-cross-group.org/archives/Statistics/Numbers\_of\_Australians\_ Overseas\_in\_2001\_by\_Region\_Feb\_2002.pdf

#### United Nations, 2006

*International Migration and Development*, Report of the Secretary-General. Sixtieth Session, Globalization and Interdependence: International Migration and Development, 18 May, United Nations.

#### World Bank, 2006

*Global Economic Prospects 2006: Economic Implications of Remittances and Migration.* World Bank, Washington, DC.