

Determining Antecedents and Consequences of the Greek Diaspora Networking

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Introduction

Diaspora operationalization

Vertovec (1999) uses the term «'DIASPORA' to describe practically any population which is considered 'de-territorialized' or 'transnational' that is, which has originated in a land other than which it currently resides, and whose social, economic and political networks cross the borders of nation-states or, indeed, span the globe. To be sure, such populations are growing in prevalence, number, and self-awareness. Several are emerging as (or have historically long been) significant players in the construction of national narratives, regional alliances, or global political economies». The word 'diaspora' has a greek origin, meaning dispersion or scatter. However, Vertovec (1999) identifies the term as referring almost exclusively to the experiences of Jews, invoking their traumatic exile from an historical homeland and dispersal throughout many lands. Connotations of a 'diaspora' situation were usually rather negative as they were associated with forced displacement, victimization, alienation and loss. Along with this archetype went a dream of return. These traits eventually led by association to the term's application toward populations such as Armenians, Africans and Greeks. Baumann indicates three different referential points with respect to the historical Jewish experience 'in the diaspora': (a) the process of becoming scattered, (b) the community living in foreign parts, and (c) the place or geographic space in which the dispersed groups live.

From another point of view, Safran (1991) and Clifford (1994) stress the consciousness nexus of the term 'diaspora', thus, placing greater emphasis on describing a variety of experience, a state of mind and a sense of identity. In this sense, 'diaspora' is a particular kind of awareness to be generated among contemporary transnational communities. Its particularity is variously described as being marked by a dual or paradoxical nature. It is constituted negatively by experiences of discrimination and exclusion, and positively by identification with an historical heritage (such as 'Indian civilization'), or contemporary world cultural or political forces (such as 'Islam').

Furthermore, Vertovec (1999), citing other writers, notices that 'diaspora' is usually conveyed in discussions of globalization, as contributing to the world-wide flow of cultural objects,

images and meanings, resulting in variegated process of creolisation, back-and-forth transferences, mutual influences, new contestations, negotiations and constant transformations. In this way 'diaspora' is described as involving the production and reproduction of transnational social and cultural phenomena.

Roles of Diaspora

According to Bauböck and Faist (2010), different diasporas are distributed unequally throughout the world at the beginning of the twenty-first century, with a generally confirmed tendency for them to be found on one or several continents. In every diaspora, culture in the widest sense – folklore, cuisine, language, literature, cinema, music, the press, as well as, community life and family bonds – plays a fundamental role. Family bonds, in fact, constitute the very fabric of the diaspora, particularly in the case of diasporas stemming from Asia and the eastern Mediterranean, with their well-known extended family nature; similarly, the community link is always present in, and constitutive of, all types of diasporas. What distinguishes diasporas, however, is the unequal density of their organizational structure, and the greater, or lesser, influence exerted by, if it still exists, their nation of origin. Religion, enterprise, politics and a combination of race and culture are the four major domains in which these two discriminating features manifest themselves. The combination of these criteria allows a typology of diasporas to be sketched out here, as four types, i) the entrepreneurial role, ii) the religion role, iii) the political role and iv) the cultural role.

The Greek Diaspora

According to Laliotou (2006), the notion of diaspora necessarily implies the connection between dispersed populations and a real or imaginary center. However, as modern history has often demonstrated, the notion of diaspora does not necessarily presuppose the existence of a nation-state of origin. The history of modern diasporas is defined by the continuous interplay between the centripetal forces of nationalism, tending to relate culture and politics to a territorially contained space, and the centrifugal dynamic of human mobility, tending to disassociate culture and politics from confined territories.

Hassiotis (2004) and Yannoulopoulos (1985), indicate that along with the Jewish and the Armenian, the Greek diaspora has been considered one of the paradigmatic historical diasporas. The migration phenomenon is inextricably intertwined with the history of Greece (Christopoulos et al, 2014). Though some trace the origins of the Greek diaspora to ancient Greek colonies, it should be seen as a more modern phenomenon and its history can be divided into three broad phases. The first coincides with the period of Ottoman rule (mid-fifteenth century to the emergence of the Greek state in 1830); the second extends from the mid-nineteenth century until the beginning of World War II; and the third covers the period from the 1940s to the 1970s. In the second period the Peloponnese tended to be the main supplier of the migratory flow, though very few women emigrated (on average 2.5–5 per cent of the overall total of emigrants between 1869–1925). In the third period northern Greece produced the bulk of the migrants and the proportion of women among them increased dramatically». Traditionally until twenty years ago, Greece has been a sending country, provided immigrants all over the world (ICT, 2011). The most Greek immigrants moved to transoceanic countries, such as the USA, Canada, Australia and Western Europe, mainly in Germany and Belgium.¹ Greek Diaspora currently estimated at 7 million worldwide.

¹ <http://www.tovima.gr/opinions/article/?aid=117495>

According to Sheffer (2003)², Greek immigrants maintain emotional and social ties with their homeland. High concentration of Greek immigrants today exists in United States (official data: 1.280.777 Greeks, estimations: 3 millions), Australia, Germany, United Kingdom, Cyprus, Belgium, among others.³ And while the phenomenon of immigration from Greece was declining for few years, the last five years comes back strongly in the limelight, mainly due to the economic recession prevailing in the country.

Today, Greece is in the midst of an international economic crisis and Greek people are facing the greatest economic crisis of the postwar period. In the last decade, Greece has entered a critical juncture in its modern history, as the economic policies of the last decades have led to the brink of bankruptcy. The austerity measures implemented by the government had enormous social and economic consequences. The main repercussions inflicted the economic indices, in terms of entrepreneurial risk, unemployment, lower wages, pensions, welfare, demand, production and consumption. Today the poverty rate in Greece corresponds to 34.6%, namely at 3,795,100 people (ELSTAT, 2014). According to the Hellenic Statistical Authority, the percentage of the population of Greece that is at risk of poverty is higher than in other EU countries (EU-28: 25.1%), with the exception of Bulgaria (49.3%), Romania (41.7%) and Latvia (36.6%).

The overall unemployment rate in Greece in 2013, according to Eurostat (2014) , climbed to 27.5%, whilst the respective rate in the European Union was 11%. On the other hand, the low unemployment rates, compared to Greece that were observed in other countries, such as United States (6.3%, May 2014), Australia (5.8%, March 2014), United Kingdom (6.8%, May 2014) and Germany (5.1%, February 2014) , acted as a magnet for Greek immigrants today. However, the unemployment rates for the foreign - born citizens scored higher rates than the in-born citizens, in some host countries. For example, the unemployment rates for the foreign-born, scored 9,1%, 5.2%, 9.5% and 9.4% for United States, Australia, Germany and United Kingdom, respectively, in 2011, which is quite higher than the in-born working class, which deteriorates migrants employment opportunities in the host countries, (OECD, 2013).

Yet, the immigration goal of this period was to get a better standard of living and to find jobs according to skills and education, especially for the younger ages (Christopoulos & al. 2014).

During this period, immigration involved not only individuals of different ages, but also of entire families. The main characteristic of this migration though, is the large number of scientists, especially young. According to Trachana (2013), the imposed austerity measures and the high unemployment rates were the reasons forcing young scientists to go abroad. Thus, nowadays, Greece is facing the “brain drain” phenomenon. The term is usually used to describe departure from homeland concerning highly educated people, as compared to the average population, such as, doctors, scientists, engineers and financial professionals, among others, (Investopedia). Brain drain is a "bleeding" case for Greece, because the country is losing its main cells and the nation will not be able to survive in the long term (Bourna, 2012)⁴.

² Referred to Brubaker (2005), “The ‘diaspora’ diaspora”, *Ethnic and Racial Studies*, Vol 28, pp 1-19.

³ http://en.wikipedia.org/wiki/Greek_diaspora#cite_note-American_Community_Survey-19

⁴ <http://exelixeis.gr/koinonia/brain-drain>

However, on the whole, the migration of human capital has both negative and positive impact (Beine et al., 2001). Thus, according to Christopoulos & al (2014), i) "the Greek presence around the world can strengthen the foreign policy of Greece and, simultaneously, contribute to the dissemination of its cultural heritage to the rest of the world. (ii) The Greek immigrants may contribute to the improvement of the current account with the sending of migration remittances to the country. (iii) Well educated immigrants, may be in the future a "reservoir" of well-trained workforce, which will help the country to speed up the recovery when the economy switched to an upward phase.

On the other hand, the adverse effects of Greek immigration, mainly concern demographic consequences for the country of origin, low birth rates, shortage of skilled labor force in the labor market, lost of national consciousness, among others.

Greek Diaspora and especially Greeks immigrants' entrepreneurs, participate in programs and investments for economic recovery in Greece. For example, Printzos (2014)⁵, the program director of the Hellenic Initiative, an organization that mobilizes the Greek Diaspora to invest in the Greek recovery, cites that Greek diasporans (even of third and fourth generation immigrants), from U.S.A. to Australia, provide a tremendous outpouring of support, in many cases, from helping to fund the poverty relief efforts of non-governmental organizations, to providing financing and mentoring to businesses and entrepreneurs. In 2012, the Hellenic Initiative Fund started its operations with 100 million dollars initial capital, aiming to attract large amounts of foreign direct investments in Greece in the coming years. Four of the most influential businessmen of Greek origin in the United States marked the beginning of the initiative.⁶ Thus, entrepreneurship of Greek Diaspora may become a lifeline for the Greek economic recovery.

The Greek Diaspora and the entrepreneurial and scientific networks

Newland and Tanaka (2010) cite that since 1970's studies have emphasized immigrants' contributions to local economies through the small and medium enterprises (SMEs) that they establish and run, their role in creating and expanding niche markets in immigrant communities, and their ability to offer jobs to natives and other immigrants. Recent research shows that entrepreneurship among immigrants living in the world's advanced economies is on the rise, and that the bulk of immigrant entrepreneurs in more than ten advanced economies of the world work in the retail, wholesale, restaurant, and catering businesses. Numerous studies have tried to assess the economic impact of both high- and low-skilled immigrants in their countries of destination. One study of Chinese and Indian entrepreneurs in Silicon Valley, for example, shows that companies founded by immigrants employed 45,000 workers and generated \$52 billion in revenue in 2006.

The same researchers underpin that even though very little research has been completed on how diaspora entrepreneurs contribute to the economic development of their countries of origin, through what is sometimes called diaspora direct investment (DDI), there is reason to

⁵ <http://www.thinkadvisor.com/2014/05/23/greek-recovery-spurred-by-innovation-and-entrepren?page=4>

⁶ http://www.greporter.info/en/100_million_dollars_investments_greek_diaspora/7379#sthash.SN8yuzH6.dpuf

believe that diaspora entrepreneurship has the potential to contribute to development in four ways: a) diaspora entrepreneurship fosters business development, job creation, and innovation; b) DDI creates economic, social, and political capital through global networks; c) diaspora entrepreneurship taps into social capital through cultural and linguistic understanding and, d) entrepreneurship and economic development are positively linked. Furthermore, they distinguish five levels of commitment to diaspora entrepreneurship, in terms of i) networking, ii) mentoring, iii) training, iv) investment and v) venture capital and partnerships.

In this context, networking organizations are those that promote diaspora entrepreneurship by offering opportunities for diaspora and local business leaders and professionals to meet one another and discuss potential business and investment opportunities in the homeland.

From a similar point of view, Ancien, Boyle and Kitchin (2009) define diaspora knowledge networks as “overseas networks that mobilize the skills, expertise, contacts, knowledge, business acumen, and financial and political resources of diasporians as a collective resource to benefit the local and global diaspora as well as the homeland”.

O’Neill (2009) distinguishes four kinds of diaspora knowledge network: global, specialist, professional and transnational. Specifically:

- i) *Global knowledge networks* are transnational networks linking global regions with the homeland, including trade missions, business forums, mentoring, advice and access to decision makers.
- ii) *Specialist knowledge networks* are sector specific (for instance biotechnology, ICT, law) and generate dense and specific ties to the homeland to aid the expansion of respective sectors, for instance through providing knowledge, mentoring, expertise and finance (venture capital).
- iii) *Professional knowledge networks* are networks of professional and highly skilled expatriates located in cosmopolitan cities. The focus is upon both social and business networking and the exchange of contacts, skills, advice and ideas.
- iv) *Transnational business networks* aim to foster economic ties between the place in which the diaspora resides and the homeland. Here the diaspora plays the role of a broker of relationships to a particular country. The network resources produced include knowledge of markets, cultural knowledge and access to transnational opportunities.

In this research we will focus in the last two forms of diaspora networks, with the aim to scan the dynamics of professional knowledge and transnational business networks of the Greek diaspora.

Literature review enumerates a few examples of successful professional and transnational business networks, though in the context of others than the Greek diasporas. Some examples are i) the GlobalScot, has been the creation of Scotland’s Global Connections Strategy, an elite, global business network; ii) the ChileGlobal is an elite, global business network of successful overseas Chileans; iii) the KEA, who’s mission is to ‘connect New Zealand with its large global talent community’ and to ‘contribute to the growth, development, and future prosperity of New Zealand by sharing knowledge, contacts and opportunities’ with its diaspora; iv) the Armentech (Armenian High Tech Council of America) that seeks to use

its collective expertise to promote and support the creation and development of technology-based businesses in Armenia through inward investment and venture capital

The research purpose

The purpose of our research is to identify strength of bonds, similarities, attitudes, as well as, cooperation and networking orientation among Greek diaspora entrepreneurs and managers (which, from now on, will be referred to as research subjects) across countries and continents. Following Boyle and Kitchin (2014) attitudes, researchers need to develop new competencies, in order to play a purposeful role into the future research upon the subject matter. Among others, they suggest that academic researchers should expand to: i) *interdisciplinary literacy* with respect to the differing perspectives, which exist in the disciplines of development studies, international affairs and migration studies; ii) *methodological competency in new cultural settings*: for instance, researchers need to upskill in conducting online surveys in cross-cultural contexts; iii) *research management skills and consortium building*: need to develop and extend international research networks and establish a deeper presence in globally significant academic and policy networks; iii) *develop outreach skills and reach multiple publics*, that is to disseminate applied and publicly useful knowledge to a wider range of actors beyond academy, which expertise in diaspora and development.

Specifically, our qualitative and quantitative research objectives are:

- 1) To make a thorough descriptive research on the Greek diaspora entrepreneurial hubs and business clusters worldwide.
- 2) To investigate the bonds, strength of relationships, interdependence and cooperation among the research subjects within and among countries and continents.
- 3) To search for similarities and differences in entrepreneurship and business practices, among the research subjects across countries and continents.
- 4) To scan the research subjects (diasporeans)' attitudes towards investing in metropolitan country (i.e., Greece).

Methodology

The following steps will implement the proposed research:

- A) Exploratory Research (qualitative research) design. This will include extensive ad-hoc and qualitative research in order to unveil the determinants and socioeconomic factors that have to be examined in order to fulfill the research objectives. Furthermore, it will enable us to determine which variables are essential and will have to be included in the quantitative research objectives. Specifically, in this phase, we will have to consider and select existing knowledge on research subjects that we hypothesize that may be critical for diaspora business networking, (i.e., examining the impact of variation on culture, business ethics, civic socialization dimensions of organizations across countries and continents, network orientation, marketing orientation, etc.), as the diaspora entrepreneurs operate in various international business environments
- B) Quantitative research design. The data selected by the exploratory research will enable us a) to proceed to descriptive research design and b) to proceed to causality research design, that is to set our research hypotheses and to formulate a

quantitative research instrument (i.e., questionnaire), in order to test these hypotheses in a scientific manner.

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