



WHERE IN THE WORLD IS CANADA?

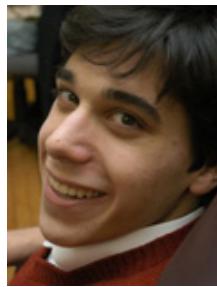
Building a
global network
of Canadians
abroad

Final Report of the
Action Canada Task Force
on Expatriate Engagement

FEBRUARY 2011

Action Canada is Canada's leading public policy fellowship. Fellows are chosen from all sectors, including business, science, government, academia, and the professions. The program revolves around working conferences held across Canada, during which Fellows interact with leaders from government, industry, the media, academia, and NGOs. In addition, Fellows work in teams on policy projects that have, in past years, inspired Canadian public policy.

The Action Canada Task Force on Expatriate Engagement is comprised of six Action Canada Fellows, and is advised by Prof. Antonia Maioni, Director of the McGill Institute for the Study of Canada. The Task Force developed the recommendations in this report, after nearly a full year of study, as a response to the 2010-2011 fellowship theme: Economic Transformations: Challenges and Opportunities for Canada—What policies should Canada implement to succeed as a strong nation?



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Executive Summary

In recent years, Canada has faced its deepest trade deficits in three decades. In emerging giants like China and India, our share of the import market has not kept pace with economic growth—or with our competitors.

Yet nearly three million Canadians live and work abroad. Many of them are highly educated, highly skilled, and highly connected. They have personal and professional networks that could benefit Canadian businesses seeking a footing overseas.

Other jurisdictions—including Australia, Chile, and Scotland—have built powerful networks of their citizens abroad that expand trade and investment opportunities, enhance business development, and advance their interests. Canada does little to engage its expatriate population as an economic resource in this way. There is sparse official tracking of Canadians residing outside the country, and even less effort to reach out to them.

Canada needs to establish a global network of talented expatriates who can help open doors, broker deals, and build connections for Canadians at home and abroad.

This report makes two key policy recommendations:

IDENTIFY CANADIANS LIVING ABROAD

We recommend that the Government of Canada fund and publish, through Statistics Canada, a full-scale survey of Canadian expatriates to provide reliable population data about Canadians who live and work abroad.

BUILD A GLOBAL BUSINESS NETWORK OF CANADIANS

We recommend the Government of Canada fund and develop a global business network of Canadians. The network secretariat would identify 500–1000 outstanding Canadians who are living and working abroad, in target markets and sectors, and invite them to join as “Global Canadians.” Accessing this network of “Global Canadians” would be open to anyone in Canada.

In a globally connected and competitive world, connecting Canadians has never been more important. A global network of Canadians abroad could change the way Canadians do business in the world.

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Introduction

The movement of people has become a central feature of the globalized world in the 21st century. The International Organization for Migration estimates that around 200 million people—about 3% of the world’s population—currently live outside their country of birth, and this trend is expected to continue¹.

Canada is very familiar with human migration. Indeed, our history and destiny have been—and are—shaped by immigrants; and we are thought to have the highest per capita immigration rate in the world². But with such a high level of immigration, emigration is often overlooked. Our citizens are not just diverse, they are also diffuse; nearly three million Canadians live and work abroad.

Canadians abroad are exceptionally well educated, highly skilled, and highly connected. As markets, business practices, and even individual supply chains go global, these expatriates are among our greatest and most under-utilized strengths. Canadian businesses need international connections and good advice, and Canadians abroad are in an ideal position to provide both. This report suggests a framework in which they can do so.

There are three main sections in this report. First, we review the current literature on Canadian talent abroad and profile the expatriate population. Second, we undertake a comparative analysis of other countries with existing programs that focus on their expatriates. Finally, we suggest a platform for the Government of Canada to use our expatriates as an economic resource.

Canadian talent abroad

WHERE IN THE WORLD IS CANADA?

Anecdotal evidence suggests that some of Canada’s top talent lives abroad. It is not uncommon to discover that an influential leader working in a foreign country is Canadian, particularly within the business community. Examples include the following:

- » Stephen Elop, CEO of Nokia (Helsinki, Finland)
- » Dominic Barton, CEO of McKinsey and Company (London, England)
- » Tony Burman, former Managing Director of Al Jazeera English (Doha, Qatar and Washington, DC)
- » Robert Greenhill, Managing Director of the World Economic Forum (Geneva, Switzerland)
- » Ken Courtis, former Vice-Chair of Goldman Sachs Asia, Chair of Next Capital Partners (Hong Kong)
- » Jeff Skoll, founder of eBay, President of the Skoll Foundation, and President of Participant Media (Los Angeles, USA)
- » Patrick Pichette, CFO of Google (San Francisco, USA)

Two of these influential expatriates—Stephen Elop and Tony Burman—are profiled on the next page.

That being said, efforts to map the Canadian expatriate population are minimal. In a 2008 study on Canadians abroad, Statistics Canada stated that, “while there are broad estimates of the number of Canadians who go abroad, there is little by way of information on who leaves and where they go.”³ Indeed, even the “nearly three million expatriates” figure used in this report is not statistically sound; it was compiled in an unofficial census by the Asia-Pacific Foundation of Canada in 2009.⁴

The most statistically robust estimates for numbers of Canadians abroad can be found in the thirty countries in the Organization for Economic Cooperation and Development (OECD). A 2005 study of OECD census records estimates that, at the beginning of the 21st century, 1.1 million Canadian-born citizens were residing in other OECD countries.⁵

The most important characteristic of a Canadian expatriate network are the 'Global Canadians.' Two examples are profiled here.



PROFILE
STEPHEN ELOP

Stephen Elop has been the President and CEO of Nokia Corporation since September 2010. A Canadian citizen, Elop is the first non-Finn to be the CEO of Nokia.

Before starting at Nokia, Elop was the President of the Business Division at Microsoft, where, from 2008–2010, he was responsible for the Microsoft Office line of products. Before his work at Microsoft, Elop was the COO of Juniper Networks, the President of Worldwide Field Operations at Adobe, and the CEO of Macromedia until acquisition by Adobe.

Elop has spent much of his business life outside of Canada—first in the United States with Microsoft and Adobe, and now in Finland with Nokia. He is an expert in internet technology and he is directly connected to most of the influential business leaders in internet technology. Elop would be an ideal "Global Canadian" within an international business network of Canadians.



PROFILE
TONY BURMAN

From 2008–2010, Tony Burman was managing director of Al Jazeera English (AJE), based in Doha, Qatar. In this role for two years, he returned to Washington, DC in 2010 and presently serves as chief strategic advisor for the Americas for AJE.

In 2009, Arabian Business Magazine named Burman the second most influential non-Arab in the Arab world. The Canadian Expat Association also announced, in 2009, that he had been voted the third most influential Canadian living abroad, behind Michael J. Fox and Wayne Gretzky.

Burman's time as a media executive outside of Canada connected him with media business leaders around the world, particularly in the Middle East. Burman would be an ideal "Global Canadian" within an international business network of Canadians.

CANADIANS IN THE UNITED STATES

Of the Canadian-born emigrants in OECD countries, around 900,000 (over 80%) resided in the United States. This substantial expatriate population includes experienced business leaders such as Patrick Pichette, CFO of Google, and Jeff Skoll, founder of eBay. As of the year 2000, over 50% of the Canadian-born residents of the US had been living there for over 20 years; another 30% had been there for more than 10 years.⁶

In *The Brain Drain Myth and Reality*, economist Ross Finnie points out that the Canadians who live in the United States seem to be among the most talented—as measured by income level.

"The country does indeed appear to be losing a significant fraction of its labour market elite, at least as judged by individuals' incomes, with 0.89 percent of all taxpayers earning \$150,000 or more in the last full tax year preceding their leaving the country, which contrasts with the 0.12 percent departure rate for all tax filers taken together (graph 7). Emigration rates were also well above average for those earning \$75,000–\$99,999 and \$100,000–\$149,999."

Canadians who migrated to the United States were also much more highly educated than Canadians in Canada, as shown in Figure 2 on page 8. Over half of Canadian-born residents in the US, aged 25 or older, had university education at the bachelor level or higher; this compares with just over one-fifth of all Canadian residents in the same age group. This finding is particularly relevant at the doctoral and professional level—Canadians in the United States are seven times more likely to have a doctoral or professional degree than domestic Canadians.

These statistics illustrates the selective nature of Canadian emigration. Some of Canada's most highly-educated talent seems to be emigrating to countries like the United States.

CANADIANS IN OECD COUNTRIES

Several other OECD countries were home to a substantial number of Canadian-born residents. Most popular was the United Kingdom, where an estimated 72,000 Canadians resided in 2000. Considerably fewer—about 27,000—lived in Australia, but the majority (60%) had been there for more than 10 years. France and Greece were the only other OECD countries that reported having more than 10,000 Canadian-born residents in the country. These figures are summarized below.

CANADIANS IN NON-OECD COUNTRIES

Outside the OECD, a very large community of Canadians live in Hong Kong. The Consulate General of Canada in Hong Kong estimates 220,000 Canadians call Hong Kong their home. Near 85% of Canadians in Hong Kong are Canadian-born, a figure higher than Canada itself (80.2%).

Apart from Hong Kong, however, data outside the OECD is sparse. The Asia-Pacific Foundation of Canada has done informal censuses in certain regions, as have other organizations, but the data is incomplete. There are well over 1 million Canadians living in non-OECD countries, but we don't have concrete details on who or where they are.

The clear lack of robust data on Canadian expatriates leads to our first policy recommendation.

POLICY RECOMMENDATION #1 A COMPREHENSIVE POPULATION RESEARCH PROJECT ON CANADIAN EXPATRIATES

We believe that it is necessary to enhance data and research on Canada's expatriate population. Countless authors and specialists in the field of talent mobility have noted a gap in Canada's research and understanding of its citizens living abroad, and this gap fundamentally limits discussion on how Canada can use its expatriates as an economic resource.

The purpose of this research is to more accurately understand what Canadians' living abroad are doing, and what types of social and economic links they maintain to Canada. This information should be used to improve expatriate engagement efforts, and to establish important links to Canadian industry and entrepreneurs.

As it stands now, Canada does not have reliable data to feed its expatriate engagement efforts, which would subsequently limit the country's ability to effectively maintain a global business network.

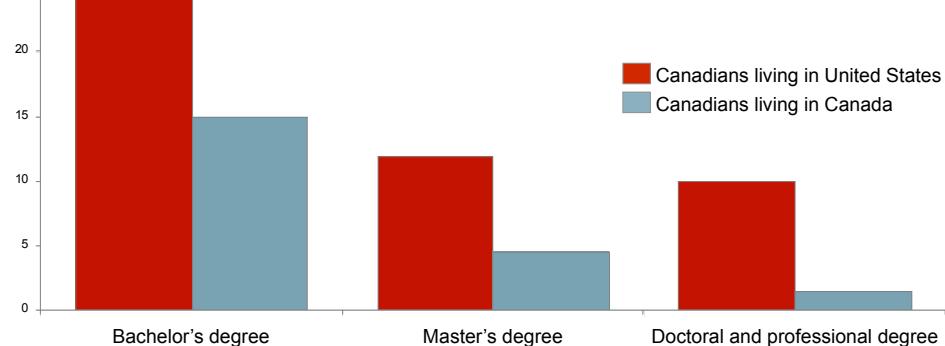
Country	Canadian expats
United States	950,000
Hong Kong	220,000
United Kingdom	72,500
Australia	27,000
France	20,000
Greece	12,500
Netherlands	7,500
New Zealand	7,000
... and many others ...	
Total	~2.8 million

FIGURE 1 The majority of the ~2.8 million Canadian expatriates live in the United States, but there are still substantial populations of Canadians in other countries. Unfortunately, even approximate numbers are largely limited to OECD countries.

SOURCE Statistics Canada, Asia-Pacific Foundation of Canada

FIGURE 2 Canadians in the United States take their degrees with them. Over 50% of Canadians in the US have university degrees; this compares to just over 20% of Canadians in Canada.

SOURCE Statistics Canada



Comparative analysis

In 2001, Scottish Enterprise, the Scottish Government Economic Development agency, invested £300,000 in a new government organization called GlobalScot. This organization has become Scotland's global business network and is widely considered to be a model for expatriate engagement.

The idea that germinated in Scotland has expanded to many other countries, with vibrant expatriate networks cropping up in Australia, New Zealand, Mexico, Chile, Singapore, and India, among others. All networks have local features—for example, the New Zealand network is small and invitation-only, while the Australian network has 20,000 members and is growing rapidly—but the broad strokes of each network involve using expatriates as an economic resource.

Given the prevalence of expatriate networks in other countries, several best practices have emerged. According to a report from an Australian think-tank, successful and effective expatriate networks have the following four characteristics⁷:

SEGMENTED

Any organization should balance vertical segmentation (defined by sector, industry, or topic area) and horizontal segmentation (defined by participants' seniority and experience).

MUTUALLY BENEFICIAL

The beneficiaries of the network cannot be restricted to the domestic market. Expatriates will remain engaged in the network if they genuinely benefit from the experience.

VIRTUAL AND PHYSICAL

While all successful expatriate talent networks have a dynamic online presence, the successful networks tend to generate programming that ensures a physical meeting space for participants.

PUBLIC-PRIVATE PARTNERSHIP (P3)

The most successful networks are not solely financed or managed by the government or the private sector alone; rather, they involve a public-private partnership.

These best practices are taken into account in policy recommendation #2.

FIGURE 3

Many other countries have built business networks of expatriates; however, despite Canada's large expatriate population, we do not tap into our human resources abroad.





PROFILE
GLOBALSCOT

Created in 2001 as a business-to-business network, GlobalScot seeks to develop and expand Scotland's standing in the global business community by establishing a worldwide network of influential, well-connected Scots. As of 2011, over 1000 GlobalScots give freely of their time and expertise to broker deals, leverage finance, and establish contacts. Accessing the network is open to any Scottish business and is completely free of charge.

The GlobalScot network secretariat is headquartered in Glasgow and is funded by Scottish Enterprise, a non-departmental public body. The peer-to-peer nature of the network results in a small staff—only 10 at headquarters—and a very low budget of £300,000 per year.

An independent consulting firm, tasked with evaluating GlobalScot's economic impact, showed that the network had a direct gross value added of over £28-million to the Scottish economy from 2004–06. It is clear that each year, the GlobalScots facilitate business transactions that eclipse the network budget.

With annual conferences and connect events, a YouTube channel featuring 'Meet the GlobalScot' videos, and steadily growing membership, the GlobalScot network has become an essential contributor to Scottish business expansion and trade development.



PROFILE
C100

C100 brings together a talented group of Canadians living abroad, who work to "mentor and grow a new generation of successful Canadian-led technology companies."¹⁰ While the organization is heavily financed by private sponsorship, the Government of Canada has played an important role in contributing to its success. From advice on pitching to venture capitalist, to identifying promising industry leaders, C100 continues to provide Canadian entrepreneurs and CEOs living in Silicon Valley with the knowledge and guidance to become more successful.

A Canadian expatriate network

CURRENT EXPATRIATE ENGAGEMENT EFFORTS

Any Canadian who has lived abroad knows how far behind we are in connecting with our expatriates. Existing networks are informal and often used only for social or emergency purposes.

The Government of Canada, particularly the Department of Foreign Affairs and International Trade, places considerable diplomatic and trade emphasis on the very same foreign markets in which Canada's expatriate community live and work each day. Still, Canada's current efforts to engage our expatriates remain fragmented, without a centralized strategy or coordination.

Much of Canada's efforts to engage our expatriates focus on building social networks, not business networks. That said, fledgling Canadian expatriate business networks do currently exist. One example is the regionally focused C100, a non-profit organization dedicated to supporting Canadian technology entrepreneurship and investment in Silicon Valley. This network is profiled on page 11.⁸ We can learn from these existing efforts; however, a comprehensive, global network to use Canadian expatriates as an economic resource does not currently exist.

PROPOSAL OF A GLOBAL BUSINESS NETWORK OF CANADIANS

Given the large number of influential Canadians living abroad and the success of expatriate business networks in other countries, we believe Canada should build a global business network of Canadians. This network will have three main benefits:

It will utilize a hidden national resource—the talents of nearly three million Canadians who live and work abroad; It will link Canadian businesses to a global network of Canadians who want to tighten their connections to Canada, while strengthening the Canadian economy; It will add a new citizen-based and international dimension to the Government of Canada's Economic Action Plan, notably its objectives of (a) creating the economy of tomorrow; and (b) supporting industries and communities.⁹

The proposed network would centre on three primary participant groups:

GLOBAL CANADIANS

The network would identify 500–1000 outstanding Canadians who are living and working abroad, and invite them to join as "Global Canadians," volunteer ambassadors, and trade representatives for Canada in target markets and sectors around the world. These "Global Canadians" would then be connected with Canadian network users, the majority of whom would be domestic business owners.

CANADIAN NETWORK USERS

The network would be an important resource for businesses and governments that are working to expand their presence abroad. Global Canadians would be in a position to make connections, broker deals, and offer advice to these businesses and governments, where their interests align.

NETWORK SECRETARIAT

At the centre of the network's operations would be a dedicated team of professional staff. The network secretariat would lead efforts to identify and recruit Global Canadians, and then make connections between them and Canadian network users. The secretariat would be responsible for both the day-to-day operations and long-term strategy of the network.

In order to create a more comprehensive and coordinated expatriate strategy, we recommend the following:

POLICY RECOMMENDATION #2

BUILD A GLOBAL BUSINESS NETWORK OF CANADIANS

We recommend that the Government of Canada develop and fund a public-private partnership (P3) to create a global business network of Canadians as outlined above. Canada should follow the international best practice for highly effective global business networks, and support an organization that is organized through a P3.¹²

We believe the network should strive to engage 500–1000 expatriate Canadians who are deeply rooted in the global economy. We believe the network should first target Canadian CEOs and high performing entrepreneurs living abroad; this particular demographic is the constant among all the existing global business networks. If the program fulfills its objectives with the initial 500–1000, we would recommend the network expand to include a broader-base of expatriates as well as new programming. We believe that it will be relatively easy to identify this core group of 500–1000 expatriate Canadians, as embassies should be privy to this information.

Power in the old world was organized into hierarchies while in the digital world it revolves around networks. The goal... used to be to get to the top of the heap; increasingly, it is to get to the centre of the network. A mid-size country like Canada may lack the capacity to climb to the top rung, but it certainly can build the connections to position itself in the middle of the action.

There is no limit to the connections Canada can have; the more targeted our network, the greater our chance of being in the right place at the right time, whether with another country, a foundation, corporation, NGO or diaspora community.

**CANADIAN INTERNATIONAL COUNCIL
OPEN CANADA: A GLOBAL POSITIONING
STRATEGY FOR A NETWORKED AGE**

By viewing these expatriates as an asset, and actively empowering them to play an active role in contributing to Canada, these Canadians can emerge as an important supplementary tool to support and reinforce the work of governments and other organizations working to achieve Canada's aspirations for the 21st century....

Canadians can no longer be thought of as only those living in the territory above North America's 49th parallel, but more accurately as a potential network of people spanning the globe.

**ALISON LOAT
CANADA IS WHERE CANADIANS ARE:
THE CANADIAN EXPATRIATE AS AN
ELEMENT OF INTERNATIONAL POLICY¹¹**

Conclusion

Canada can only fulfill its potential when we invite all of our citizens, including those living abroad, to help build and contribute to our country.

We must acknowledge that our citizens are active participants in the global economy, and that the trend for global citizens to work and live in various locations across the world is increasing. The objective is no longer solely to recruit expatriates back to their home country, but to build effective and meaningful networks with those abroad who desire to collaborate.

Canada is extremely fortunate to have nearly three million of our citizens living abroad, many of whom have established reputations, businesses, and most importantly, connections. We believe that Canada will continue to be internationally recognized for our economic performance, and the future of this performance depends on our ability to identify new wealth-creation opportunities.

Canada's next big opportunity is found within its own population. A Canadian global business network will finally connect our economy to the country's largest untapped resource—the highly talented Canadian citizens living abroad who are tapped into the global economy.

Endnotes

- 1 "World Migration Report 2010—The Future of Migration: Building Capacities for Change," International Organization for Migration, November 2010.
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- 5 J.C. Dumont and G. Lemaitre, "Counting Migrants and Expatriates: A New Perspective." Social, Employment and Migration Statistics Working Papers No. 25. Organisation for Economic Cooperation and Development: Paris. 2005.
- 6 Finnie, Ross, "The Brain Drain Myth and Reality," 9.
- 7 Flutter, Chloe, Fullilove, Michael, "Diaspora: the world wide web of Australians," Lowy Institute for International Policy. 2004. Available at: <<http://www.lowyinstitute.org/Publication.asp?pid=182>>.
- 8 See <http://www.thec100.org/>
- 9 See <http://www.actionplan.gc.ca/eng/index.asp>
- 10 See <http://www.thec100.org/>
- 11 Loat, Alison, "Canada is where Canadians are: The Canadian Expatriate as an Element of International Policy," presentation to Priorities and Planning Secretariat, Privy Council Office, Government of Canada, April 2008, 12.
- 12 Conversation with Yevgney Kuznetsov, Senior Economist, Innovation and Growth, World Bank, November 2010.



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