

# Immigrant Entrepreneurship in Canada

**Mohamed Elmi.**

**Diversity Institute, Ryerson University**

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**TED  
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# Agenda

- IMMIGRANTS AND SELF-EMPLOYMENT
- THE STUDY
- SURVEY RESULTS
- SERVICE PROVIDER PERSPECTIVES
- RECOMMENDATIONS

# Entrepreneurship

- Who is an entrepreneur?
  - Someone who carries out new combinations (Schumpeter, 1934).
- Pursues “opportunity without regard to the resources currently controlled” (Stevenson, 1983).
- Searches for change, responds to it and exploits it as an opportunity (Drucker, 1985).
- Should include more than tech! Services. Social entrepreneurs. Artists.

# Innovation In Canada

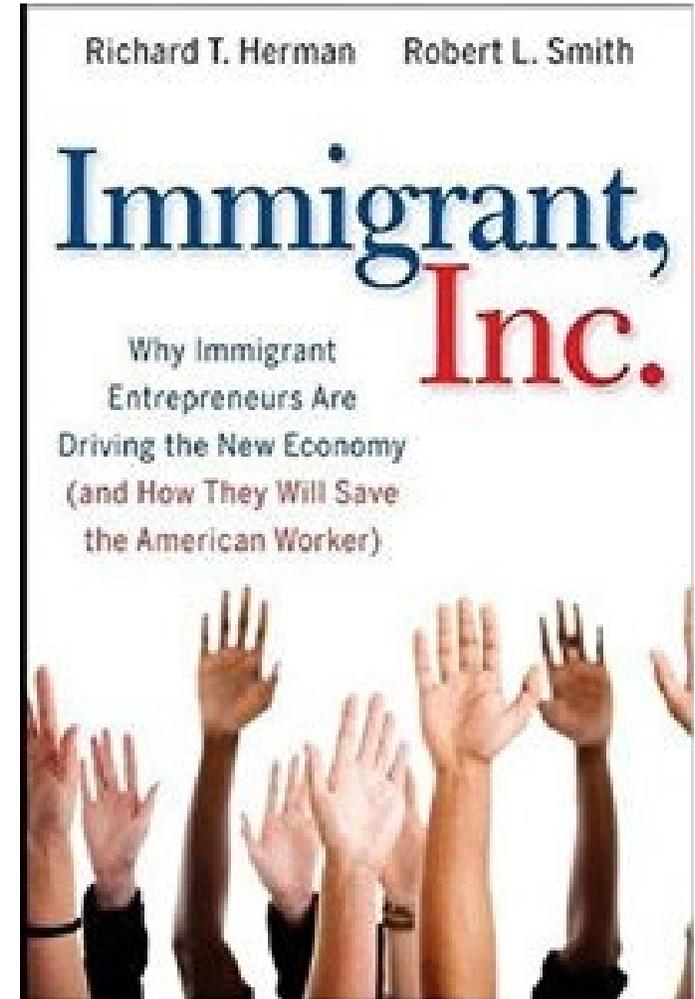
- Innovation is central to our competitiveness and sustainable prosperity, but our performance lags
- Entrepreneurship is a key element in any innovation ecosystem (GEM, 2005)
- SMES created 37% of all private jobs in the past decade
- SMEs spend a higher percentage of revenue on R&D
- Countries that thrive have high rates of new start up ventures
- Future economic success depends on ability of SMEs to take go global (Conference Board of Canada, 2008)
- Immigrants represent a significant percentage of the Canada's entrepreneurs

# Immigrant Entrepreneurs Drive Economic Success

52% of silicon-valley start-ups are founded by IMMIGRANTS



Immigrant-Founded Companies



# Skills gap paradox: diverse groups face barriers

- “Canadian advanced technology businesses believe - they face a skills shortage. - Globe and Mail, 1997
  - “By 2019 Canada will need to fill 182,000 tech jobs or lose economically”. – ICTC, 2017
  - 30% of SMEs do not have the talent they say they need to grow
- BUT**
- Applicants with “foreign sounding” last names are 30% less likely to be called for an interview.
  - University grads with a severe disability have same employment outcomes as HS drop-outs.
  - Socio-economic status can also present a big barrier including lack of social capital.
  - Indigenous youth are fastest growing segment of the population; worst education and work outcomes.

# Immigrant Entrepreneurship

- Immigrant entrepreneurs have access to knowledge, suppliers, capital and labour to serve global markets (Hiebert, 2006)
- 1% increase in immigrants from a specific country corresponds with a 0.21% increase in value of imports (Downie, 2010)
- Almost two-thirds of immigrants who enter self-employment and remain self-employed even if offered a job with comparable income (Hou & Wang, 2011).
- Businesses established by immigrants are more likely to enter global markets and expertise, the hallmark of growth (Sui, Morgan & Baum, 2015).
- In the US, 25% of technology-based ventures founded between 1995 and 2005 involved at least one foreign-born founder (Wadhwa et al., 2008).

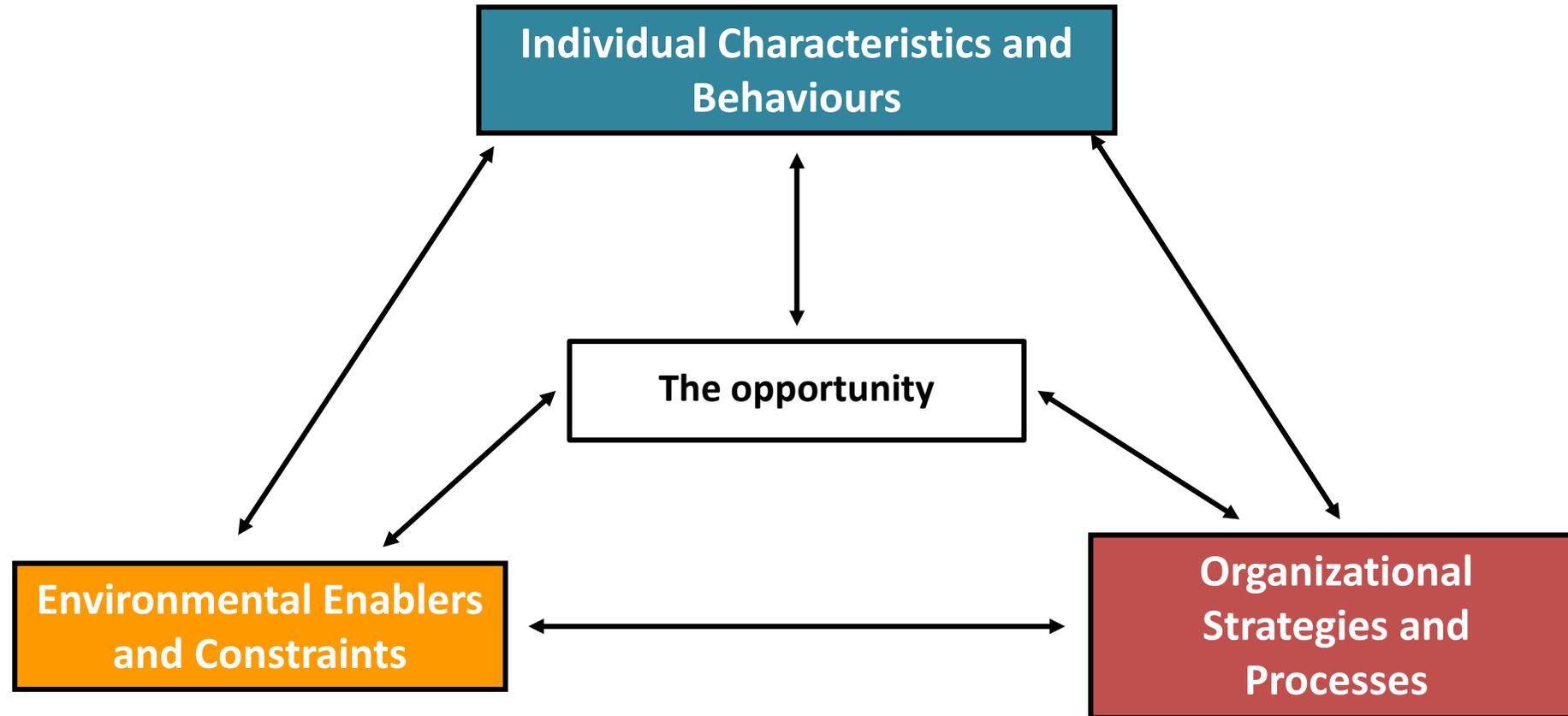
# Immigrants and Self-Employment

- Self-employed Immigrants are more likely than non-immigrants to be “involuntary self-employed”; a majority consider themselves to be self-employed by choice (Wayland, 2011)
- New immigrants (in Canada for 10 years or less), prefer paid employment (Wayland, 2011)
- Majority of self-employed immigrants would prefer to stay self-employed even if a job providing equivalent income were available to them (Hou & Wang, 2011)

# Immigrant Entrepreneurship

- Canadian immigrant entrepreneurs mobilize their diverse socio-cultural networks in helping to overcome market-size limitations, and commercialize innovations in the world market either through export (Sui & Morgan, 2014) or transnational new ventures (Lin et al., 2008)
- **The same goals that motivate an individual to immigrate have been linked to increased innovation: they seek Achievement and Influence**

# A Framework for Understanding Entrepreneurship



# Our Study

- Looking at immigrant entrepreneurship in three regions within Ontario
  - Small (Picton), Medium (Niagara Falls), and Large (Mississauga)
- Gathering the lived experiences of entrepreneurs and service providers, we aim to:
  - Further understand the barriers and enablers for immigrant entrepreneurs in the region
  - Identify gaps in skills, and barriers to accessing entrepreneurship programs, services and resources

# Our Study

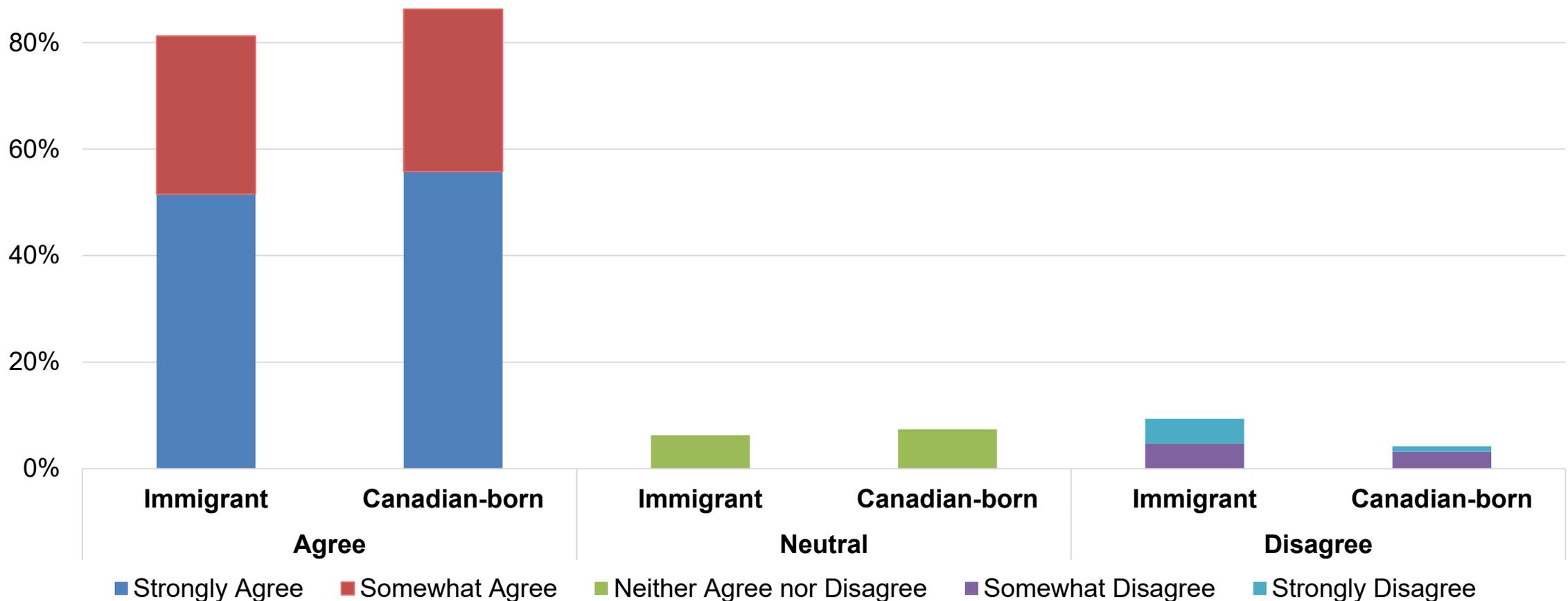
- Surveyed entrepreneurs in the 3 regions, with a focus on newcomer entrepreneurs (N = 234)
- Mapped existing services at the federal, provincial, and local level
- Interviewed service providers to better understand the gaps in available services (N = 33)
- Supported by the Ontario Ministry of Citizenship and Immigration

# Survey Results

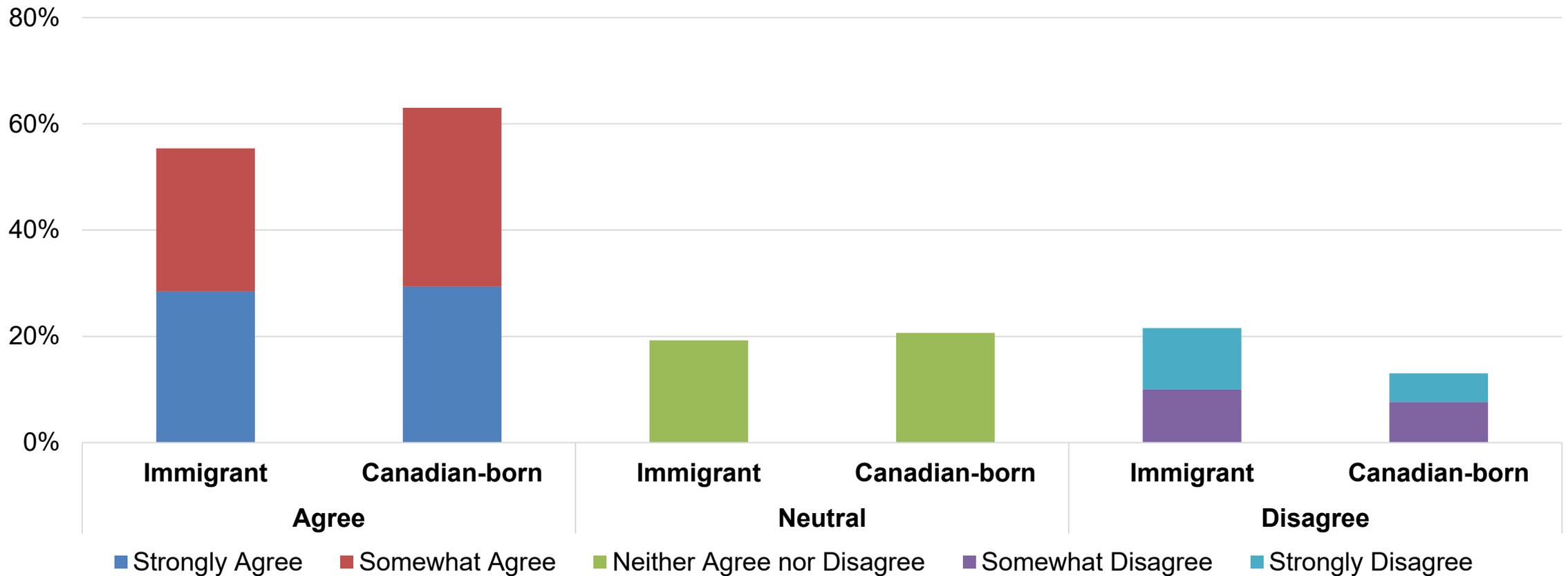
## Who were the Immigrant Entrepreneurs Surveyed?

- 37% are women
- Well educated – 60% had university degrees including 33% with graduate degrees
- Most of the immigrant entrepreneurs surveyed came to Canada via the family class (39%), 3% came as entrepreneur class, and 6% as investor class
- Of immigrant entrepreneurs surveyed:
  - 14% arrived from China
  - 11% from India, 11% from Pakistan
  - 12% from Middle Eastern Countries
- More likely to have an export business than Canadian-born entrepreneurs

# Pull Factors – I found an opportunity to provide products or services

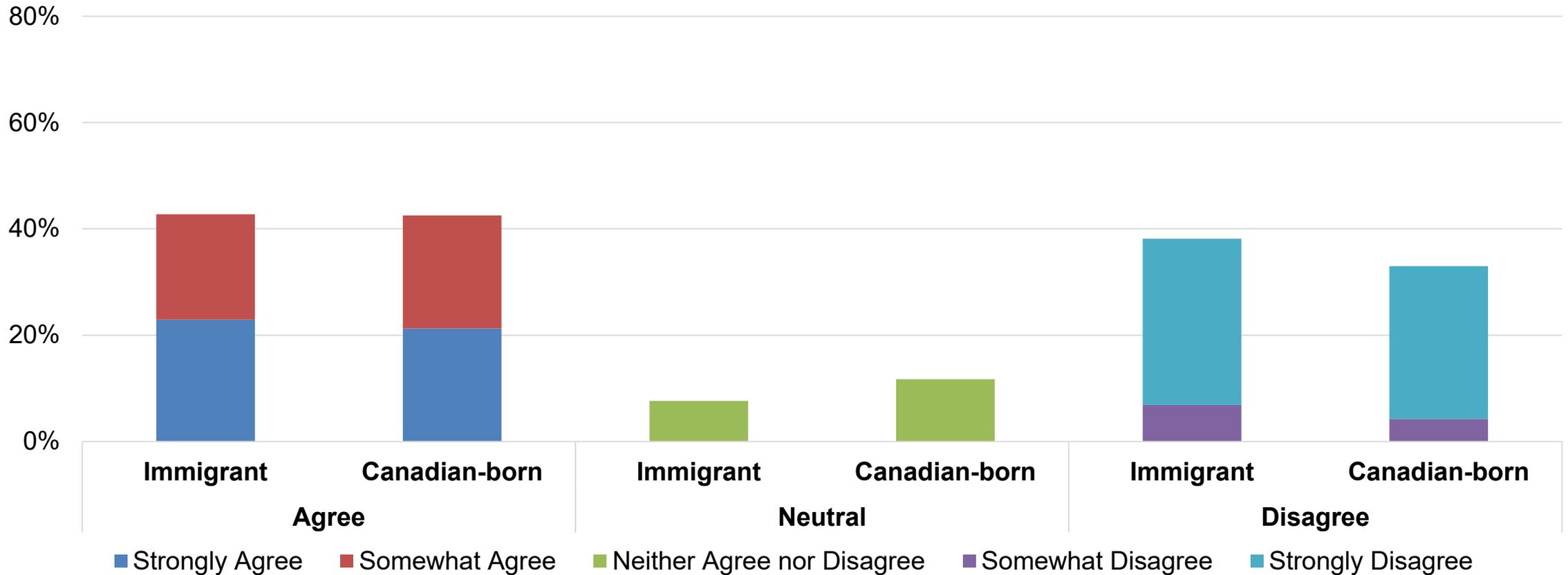


# Pull Factors – I found an unexpected opportunity

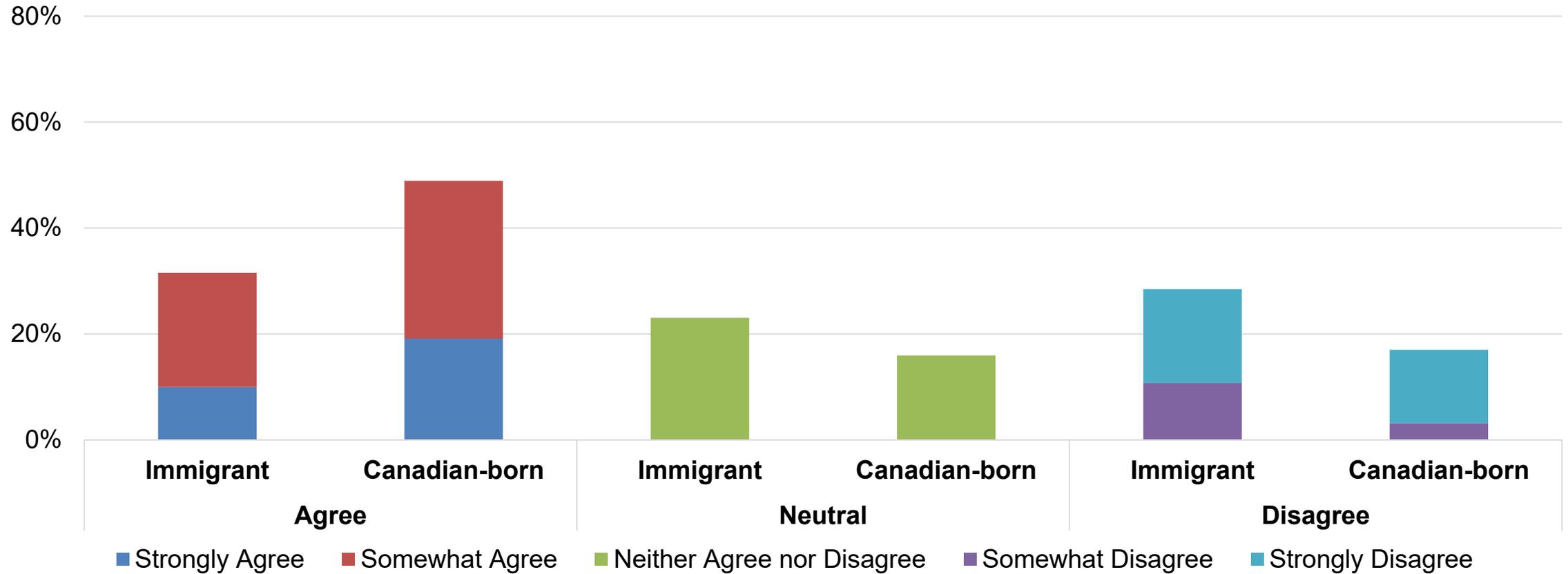


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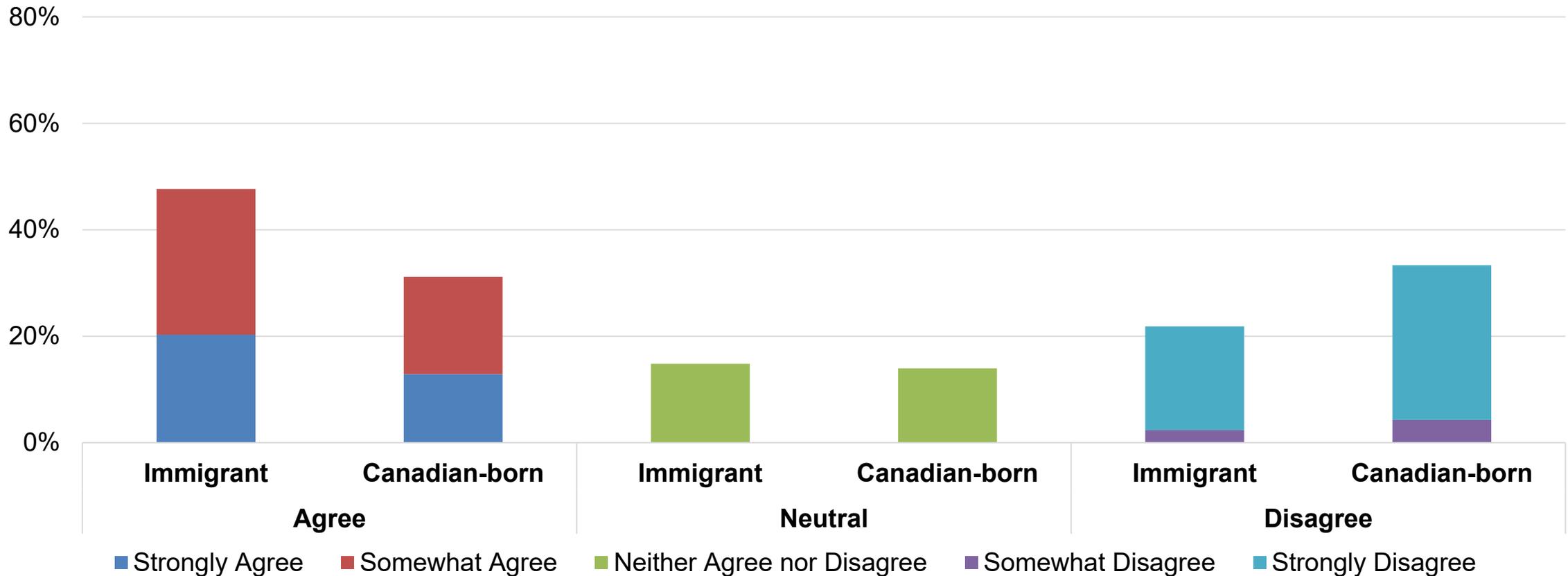
# Pull Factors – My family has a history of business ownership



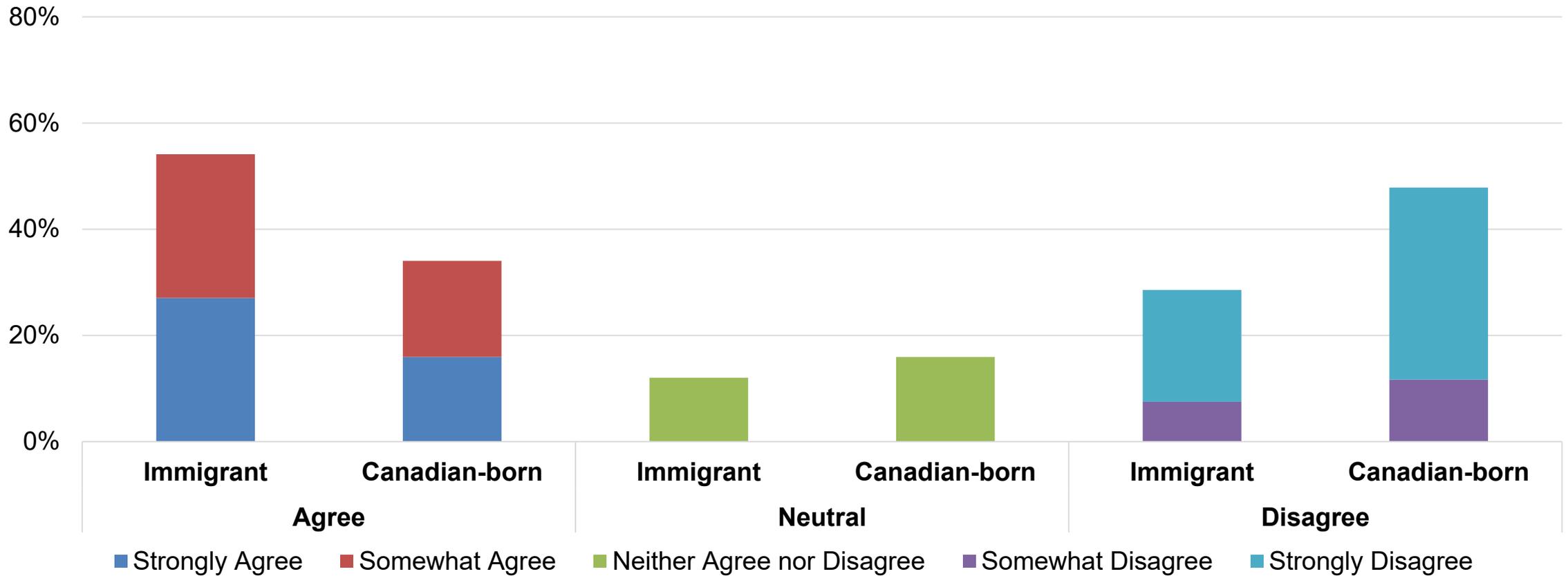
# Push Factors – I was dissatisfied with my job



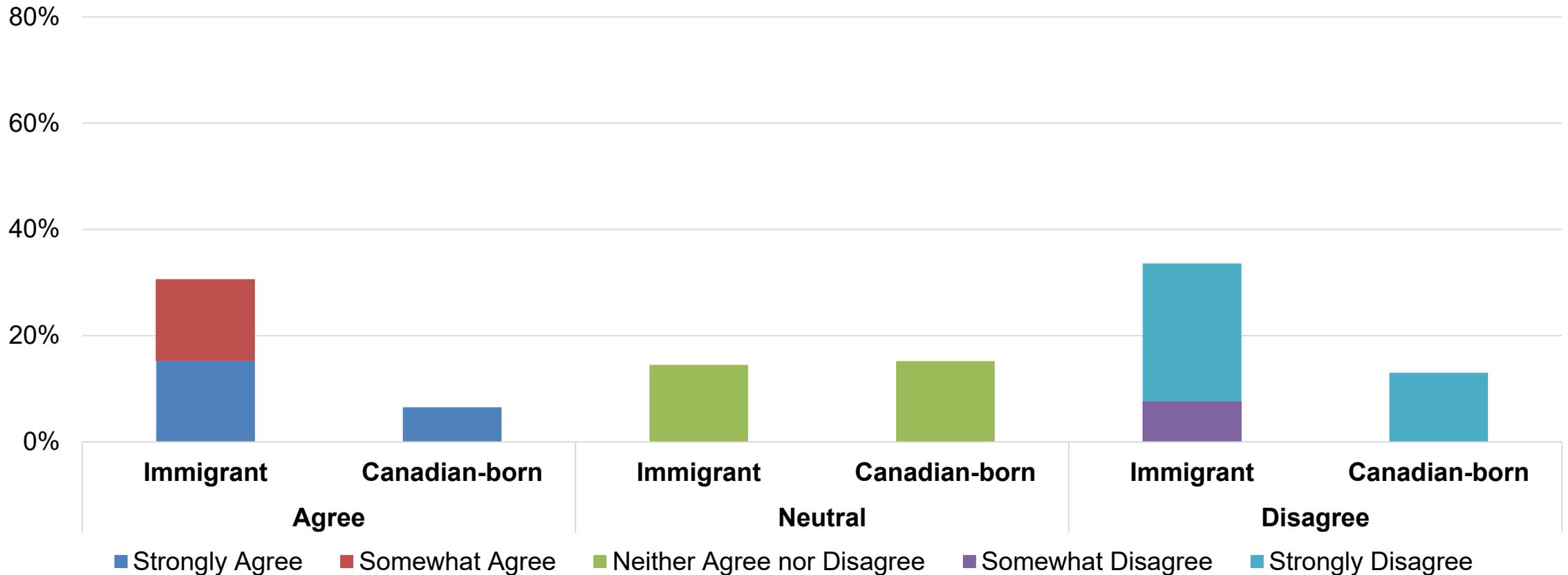
# Push Factors – I needed to supplement income from employment



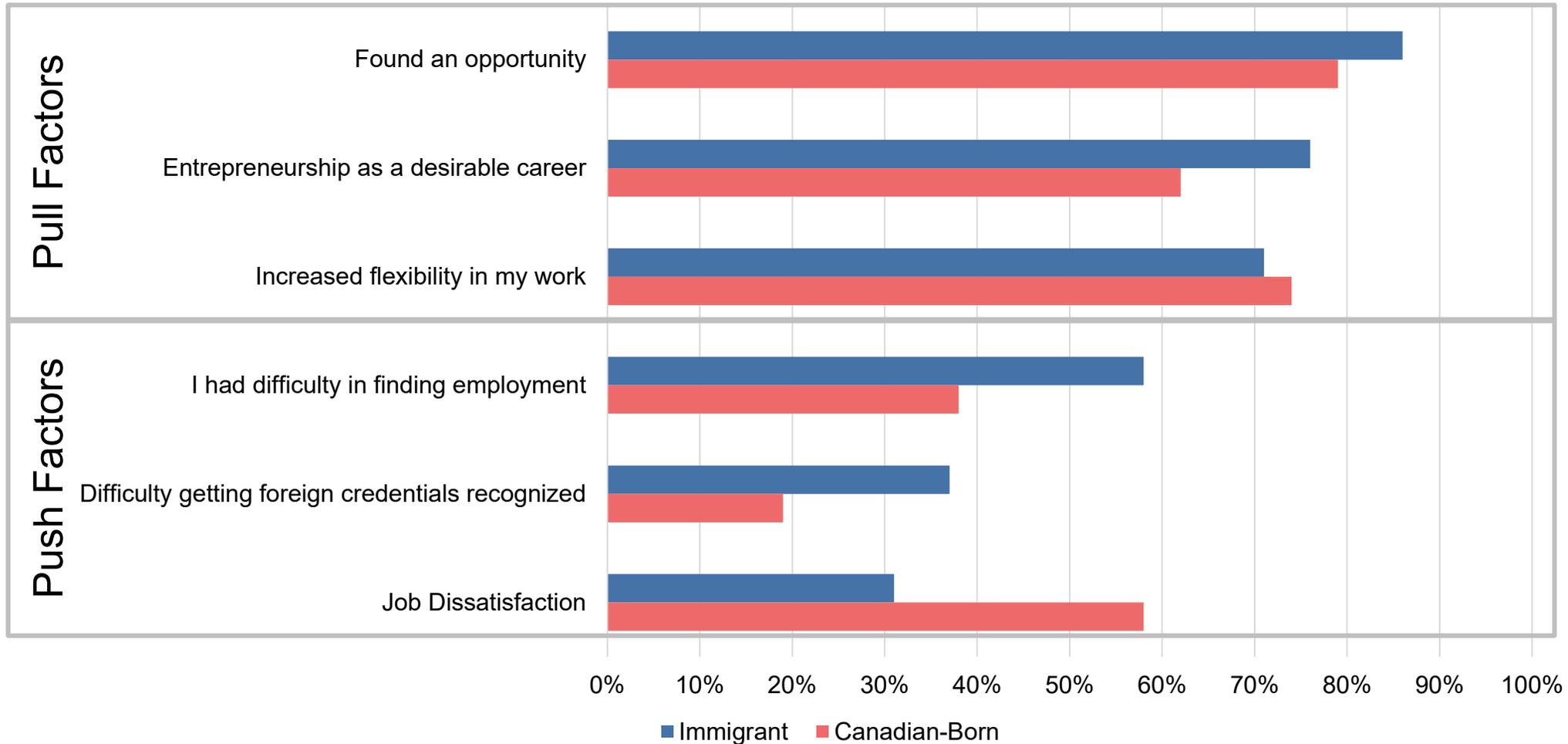
# Push Factors – I had difficulty in finding employment



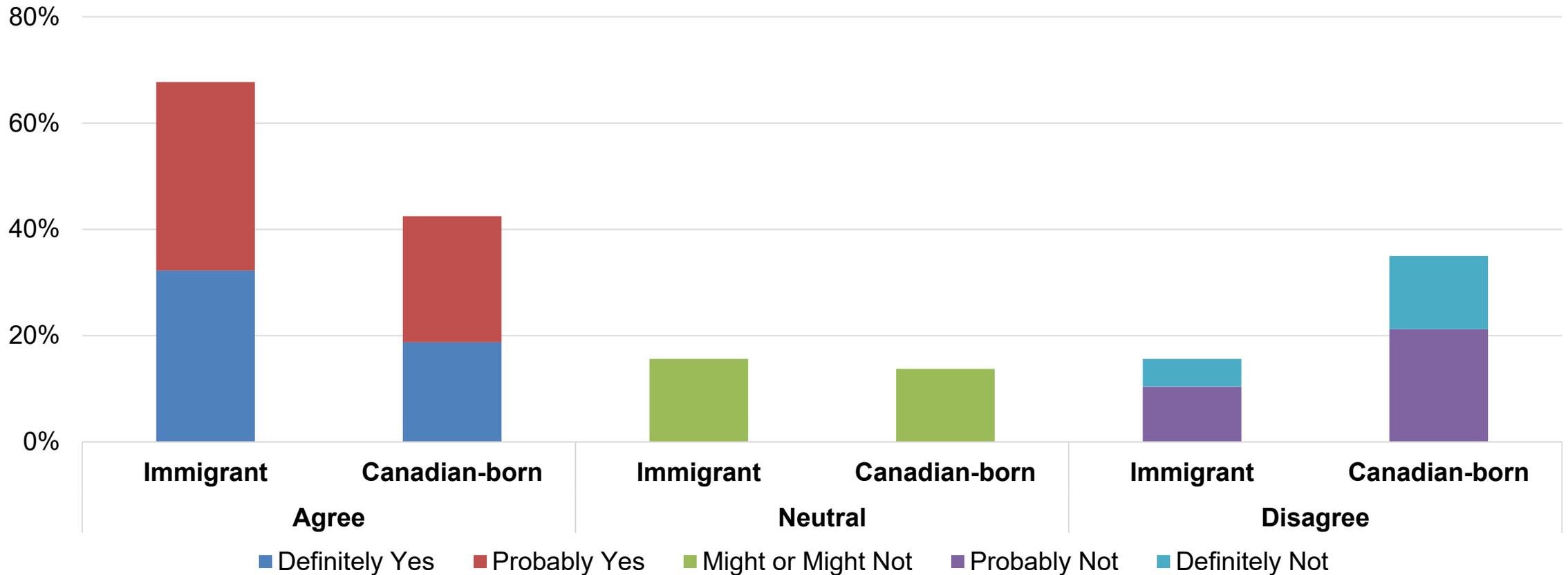
# Push Factors – I had difficulty getting foreign credentials recognized



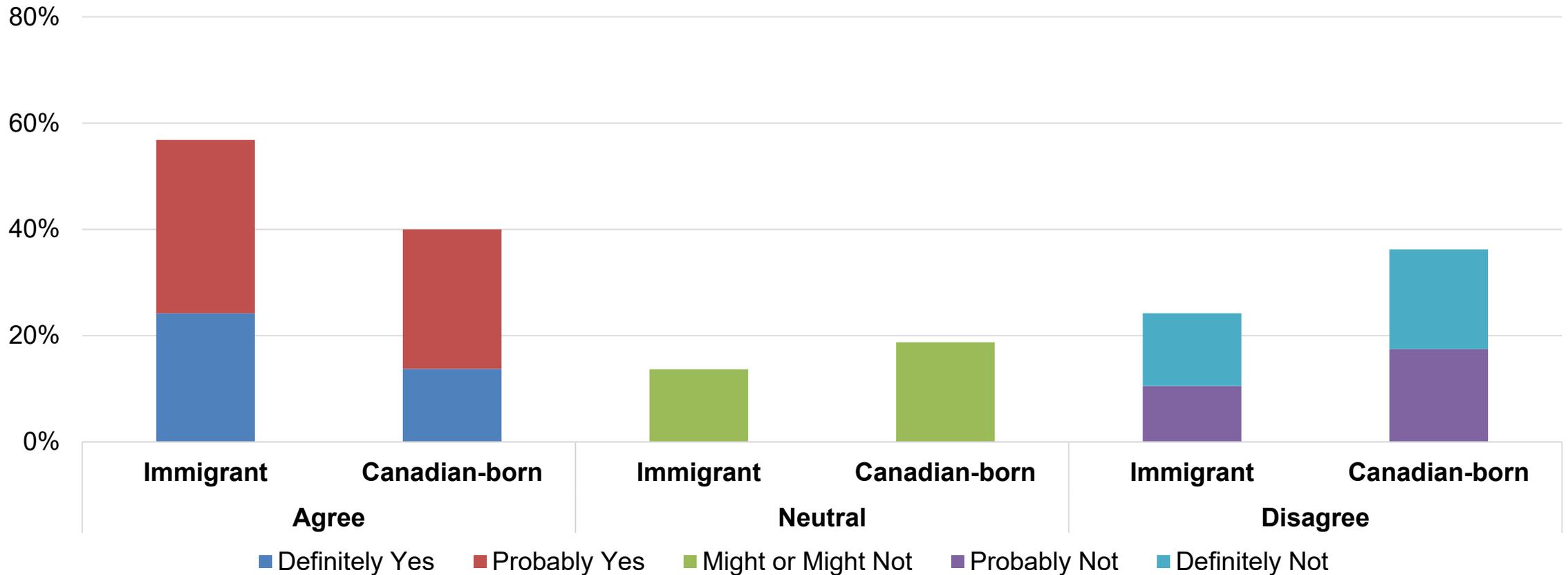
# Factors influencing entrepreneurship



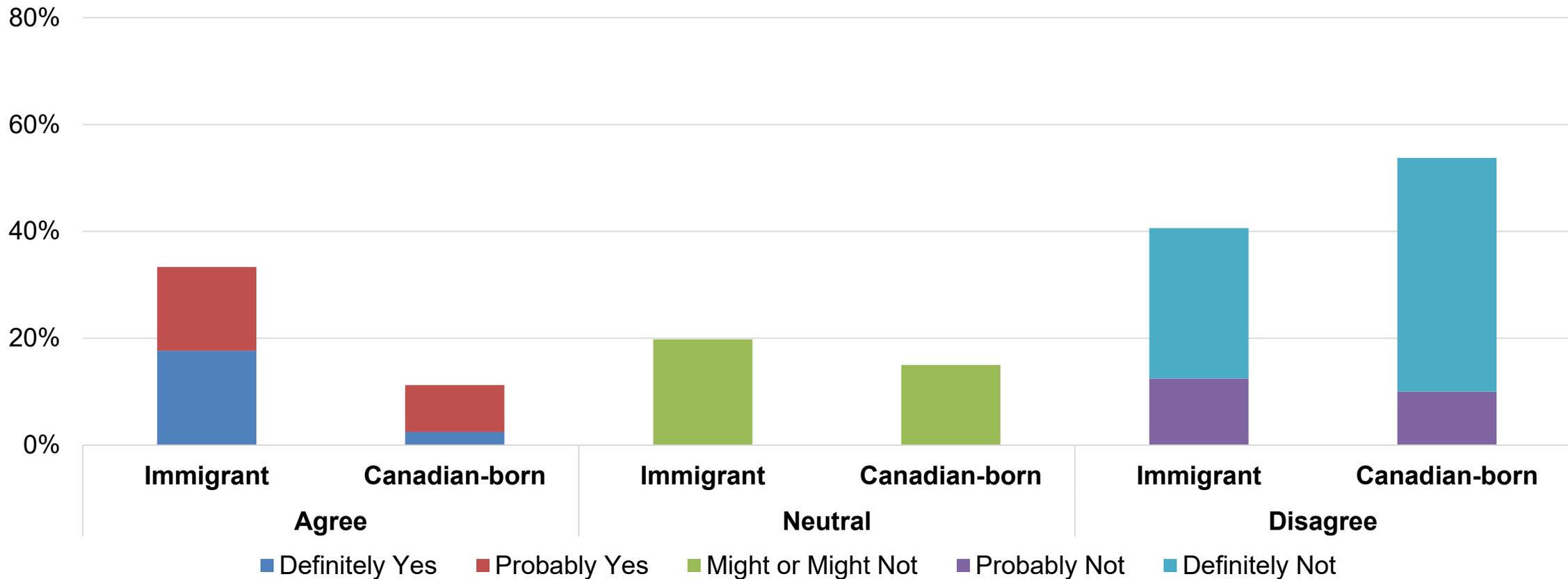
# Entrepreneurship Challenges - Understanding legislation and rules



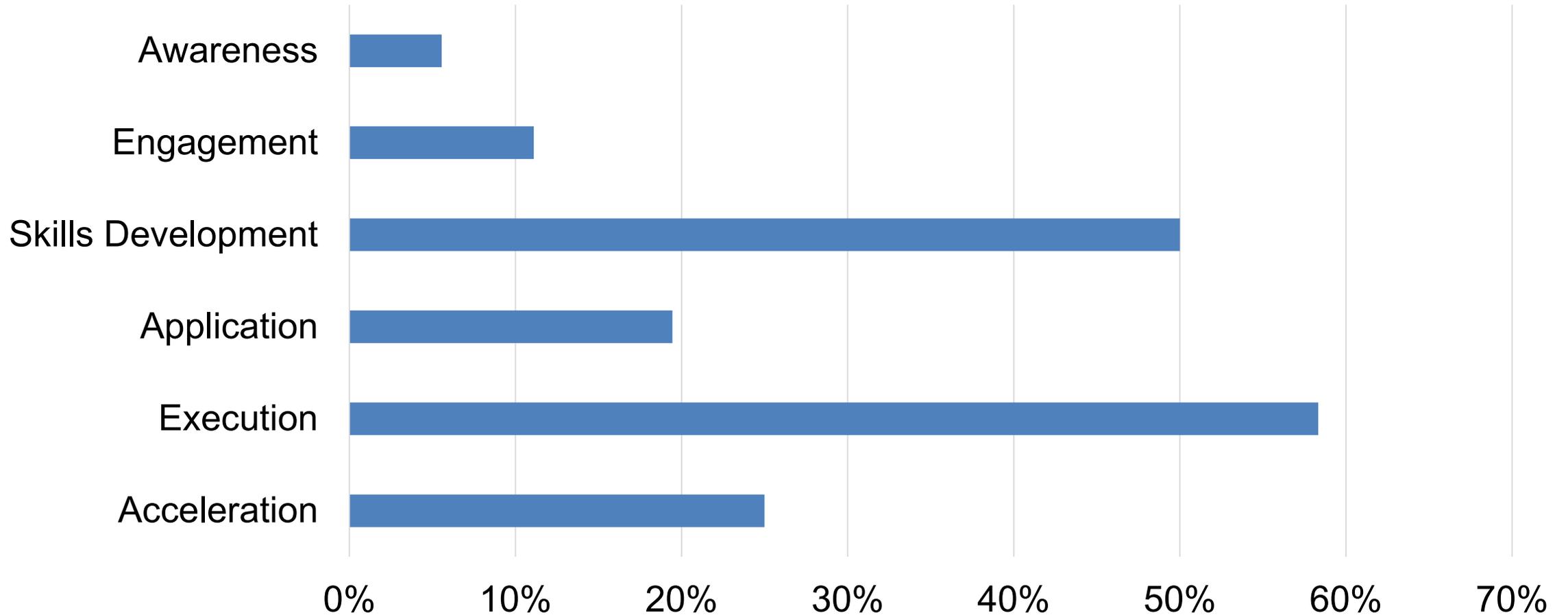
# Entrepreneurship Challenges - Establishing the Business Organization



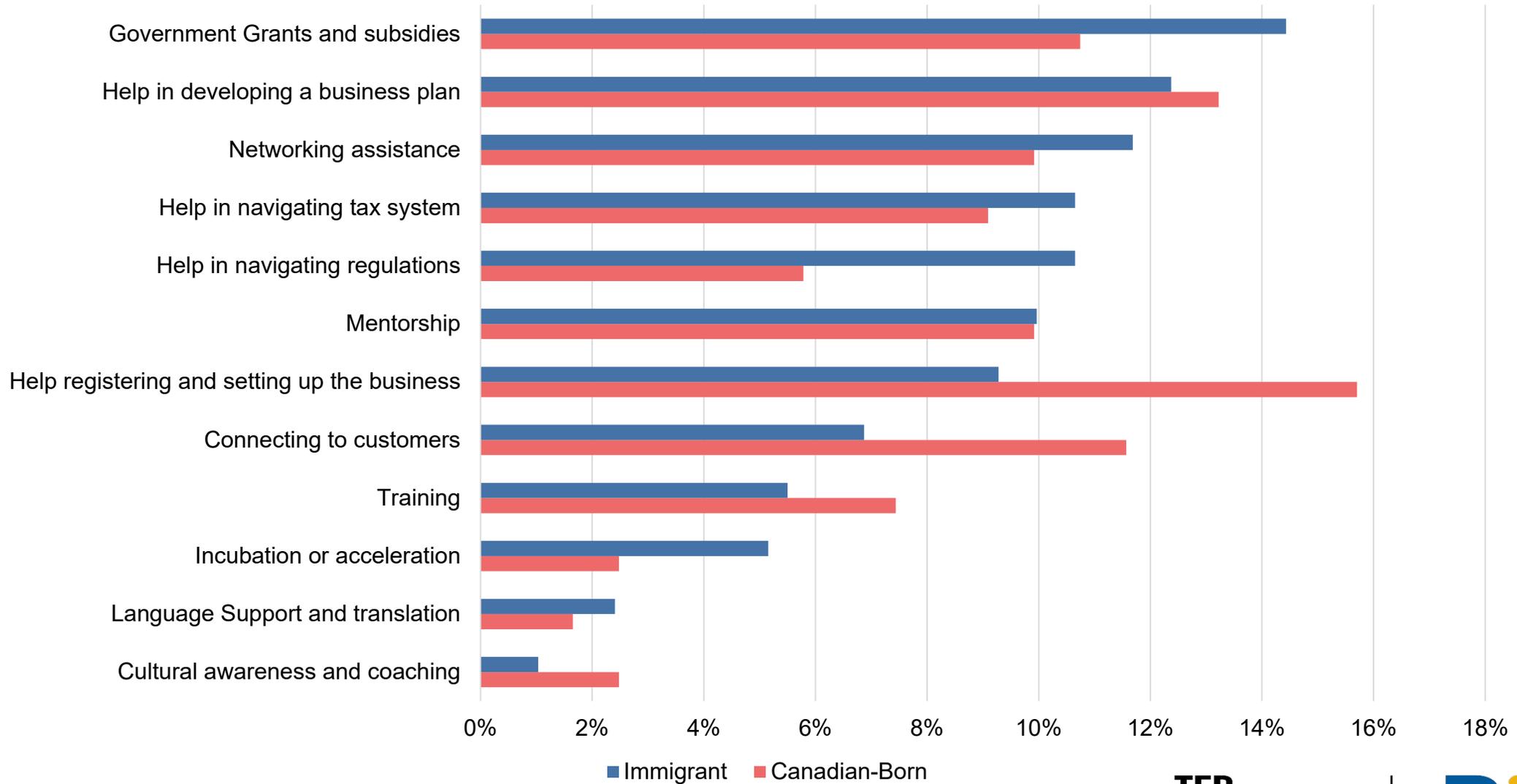
# Entrepreneurship Challenges - Language and Culture



# Types of Support Available (54 service providers)



# Top Ranking Support Services



# Service Improvement

- Most settlement agencies and support organizations focus on language training and traditional employment pathways
- Organizations designed to support entrepreneurs had limited understanding of the challenges that newcomers or women face
- Some focused on the need for newcomers to learn language and culture, while others stressed the importance of service providers becoming more inclusive

# Service Provider Perspectives

- Uneven awareness of the issues among Service providers
- Issues identified with include:
  - Immigration policies – e.g. students cannot easily transition into entrepreneurship
  - Access to finance,
  - Networks and mentoring
  - Knowledge of processes
- Most settlement agencies and support organizations focus on language training and traditional employment pathways
- Organizations designed to support entrepreneurs had limited understanding of the challenges that newcomers face
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# Creating more inclusive supports

- Address unconscious and cultural biases built into many of the processes associated with securing financing, “pitching” ideas, networking, and navigating systems
- Challenge the conventional assumptions that language training must precede employment: providing opportunities to earn and learn are better suited to the needs of some newcomers
- Problems of fragmentation of services and the challenges that presents to navigating opportunities
- “Meet people where they are”
- Provide better support to ethnic chambers of commerce and business associations
- Innovative ideas about attracting immigrant entrepreneurs to smaller communities eg. sharing more information about established small businesses that need successors

# Recommendations

- Support networking, mentoring and sponsorship of immigrant entrepreneurs and women by recognizing that entrepreneurial opportunities and businesses are diverse and extend beyond technology
- Provide more multilingual supports
- Provide better integration of services, including “concierge” approaches to providing information about the full range of programs supporting startups, talent, financing, research and development

THANK YOU!



# International Innovation & Inclusion Network

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**CONTACT**

**Diversity Institute**  
Ted Rogers School of  
Management  
Ryerson University

<http://www.ryerson.ca/diversity>  
[diversityinstitute@ryerson.ca](mailto:diversityinstitute@ryerson.ca)  
416-979-5000 ext. 7268

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