

Resilient and Optimistic: Immigrant Entrepreneurs Navigating the COVID-19 pandemic



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Abstract

This study explores the experiences of immigrant entrepreneurs in Nova Scotia (NS) and the effects of COVID-19 pandemic on their business operations and overall wellbeing. Conducted in partnership with the Immigrant Services Association of Nova Scotia (ISANS), the research highlights the vulnerabilities, coping strategies and adaptation processes of these businesses. Emphasizing the role of internal and structural factors, we begin with a comprehensive review of the literature on the pandemic's impact on immigrant businesses. The research findings are drawn from a survey of Canadian born and immigrant small business owners (N=125) and 25 semi-structured interviews.

Introduction

Immigrant Entrepreneurship in Canada

- Immigrants are more likely to be business owners than non-immigrants (2021): Age 25-69 self-employment rate: Immigrants (11.9%) vs. non-immigrants (8.4%)
- Almost same survival rate as non-immigrant businesses (2021): 80% (after 2 years) & 58% (after 7 years)
- Pre-pandemic financing pattern: largely similar → seems to be no discriminatory practices against immigrant businesses in financing

Nova Scotia:

- The province has been keen on attracting newcomers with entrepreneurial skills and minds in the last two decades.
- About 70% of business owners of the region is expected to retire within a decade or two.
- With PNP, Halifax is one of the fastest growing cities in Canada.

The COVID-19 Pandemic & Immigrant Businesses:

- According to Statistics Canada (2021), immigrant businesses are expected to have harsher impact.

Table 1. The Impact of COVID-19 on Business

2020	Immigrant business owners	All business owners
Experienced 30% or more drop in revenue	43%	31.2%
2021		
See a short-term drop in sales	43.3%	31.4%
Expect to see a decrease in profitability	56.2%	43%
Expect to see drops in demand	37.6%	25.3%

Source: Statistics Canada, Impact of COVID-19 on business majority-owned by specific populations, first quart 2021, March 26, 2021

Research Objectives

- To identify socio-demographic characteristics of immigrant and Canadian born entrepreneurs
- To compare type and characteristics of immigrant and Canadian born businesses
- To examine and compare the impact of the COVID-19 pandemic on immigrant and Canadian born entrepreneurs
- To examine the coping strategies of immigrant entrepreneurs in Nova Scotia

Methods

1. Literature review & Secondary data analysis

- Socio-demographic characteristics of immigrant entrepreneurs in Canada
- Types & characteristics of immigrant businesses in Canada → 11 Statistics Canada reports 2020-22 analyzed

2. NSIE (Nova Scotia Immigrant Entrepreneurs) Survey

- The socio-economic impact of COVID on business operation and wellbeing
- Comparative analysis on the experiences of Canadian born vs. NS Immigrant business owners → Survey data analysis of the responses from 106 Canadian born entrepreneurs & 19 NS Immigrant entrepreneurs

3. Semi-structured Interviews with NS Immigrant Entrepreneurs

- Immigrant business owners' experiences during the pandemic
- COVID related challenges & Factors (e.g. socio-demographic characteristics & types of businesses)
- Coping strategies and adaptation → 25 interview data analysis

Research Findings

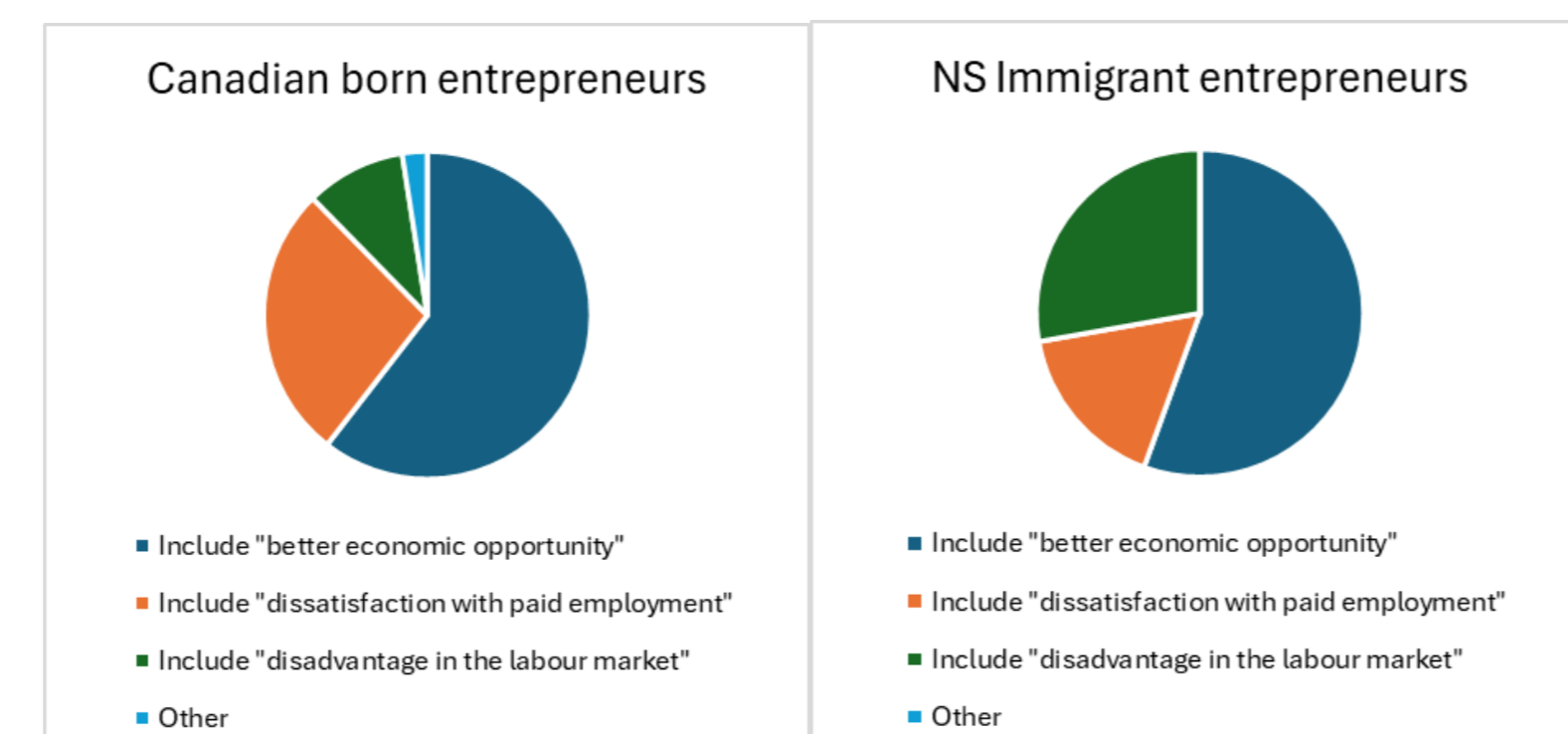
Characteristics of Immigrant Entrepreneurs

- Compared to Canadian born entrepreneurs, our immigrant entrepreneur participants are younger, married, highly educated and less likely in financial stability.
- Become self-employed seeking a better economic opportunity with labour market disadvantage

Table 2. Socio-demographic Characteristics of NSIE Survey Participants

		Canadian born entrepreneurs	NS Immigrant entrepreneurs
Gender	Male (%)	74/107 (69.2%)	8/19 (47.3%)
	Female (%)	33/107 (30.8%)	11/19 (52.6%)
Age	20 ~29 years old (%)	25/106 (23.6%)	2/19 (10.5%)
	30 ~39 years old (%)	69/106 (65.1%)	5/19 (26.3%)
	40 ~49 years old (%)	6/106 (5.7%)	9/19 (47.4%)
	50 + years old (%)	6/106 (5.7%)	3/19 (15.8%)
Marital status	Married	82/106 (77.4%)	17/19 (89.5%)
	Divorced/widowed/single	24/106 (22.6%)	2/19 (10.5%)
Edu level	High school or below	8/108 (7.4%)	3/19 (15.8%)
	College/some post-secondary	50/108 (46.3%)	4/19 (21.1%)
	University degree or higher	50/108 (46.3%)	12/19 (63.2%)
Ethnic Origin	European Origin	56/108 (51.9%)	5/18 (27.8%)
	Asian or Pacific Islanders	15/108 (13.9%)	10/18 (55.6%)
	Black	4/108 (3.7%)	2/18 (11.1%)
	Latin American	1/108 (0.9%)	1/18 (5.6%)
Household Income	First Nations, Inuit, Metis	32/108 (29.6%)	NA
	Under \$30,000	4/106 (3.8%)	2/19 (10.5%)
	\$30,000-\$49,999	20/106 (18.9%)	6/19 (31.6%)
	\$50,000-\$79,999	26/106 (24.5%)	6/19 (31.6%)
	\$80,000-\$119,999	29/106 (27.4%)	4/19 (21.1%)
	\$120,000-\$149,999	17/106 (16.0%)	1/19 (5.3%)
Over \$150,000	10/106 (9.4%)	0/19 (0%)	

Figure 1. Motivation Factors to become Self-employed



Characteristics of Immigrant Businesses

- Typically, immigrant businesses are small in sizes and labour intensive
- Many are still in developing stage and less profitable compared to Canadian born owned businesses

Figure 2. Size of Business (NSIE Survey)

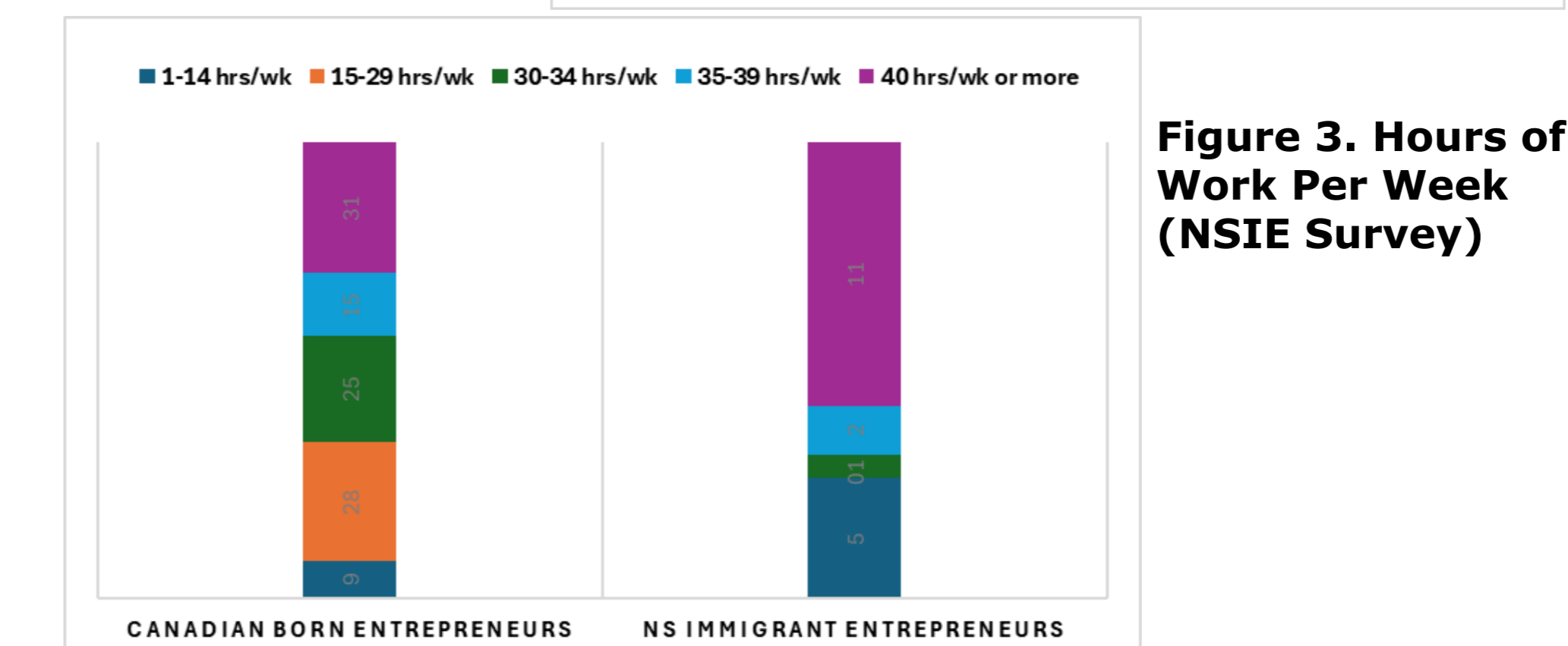
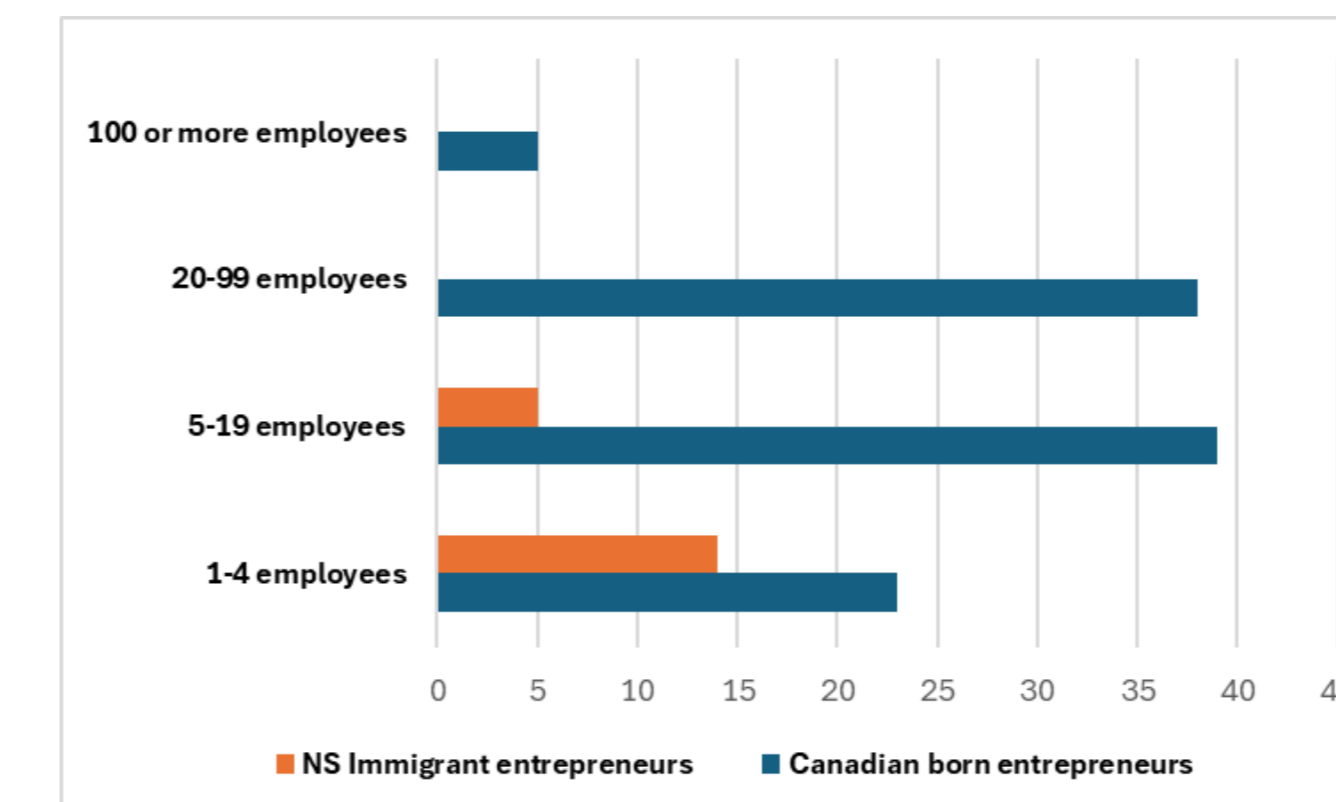
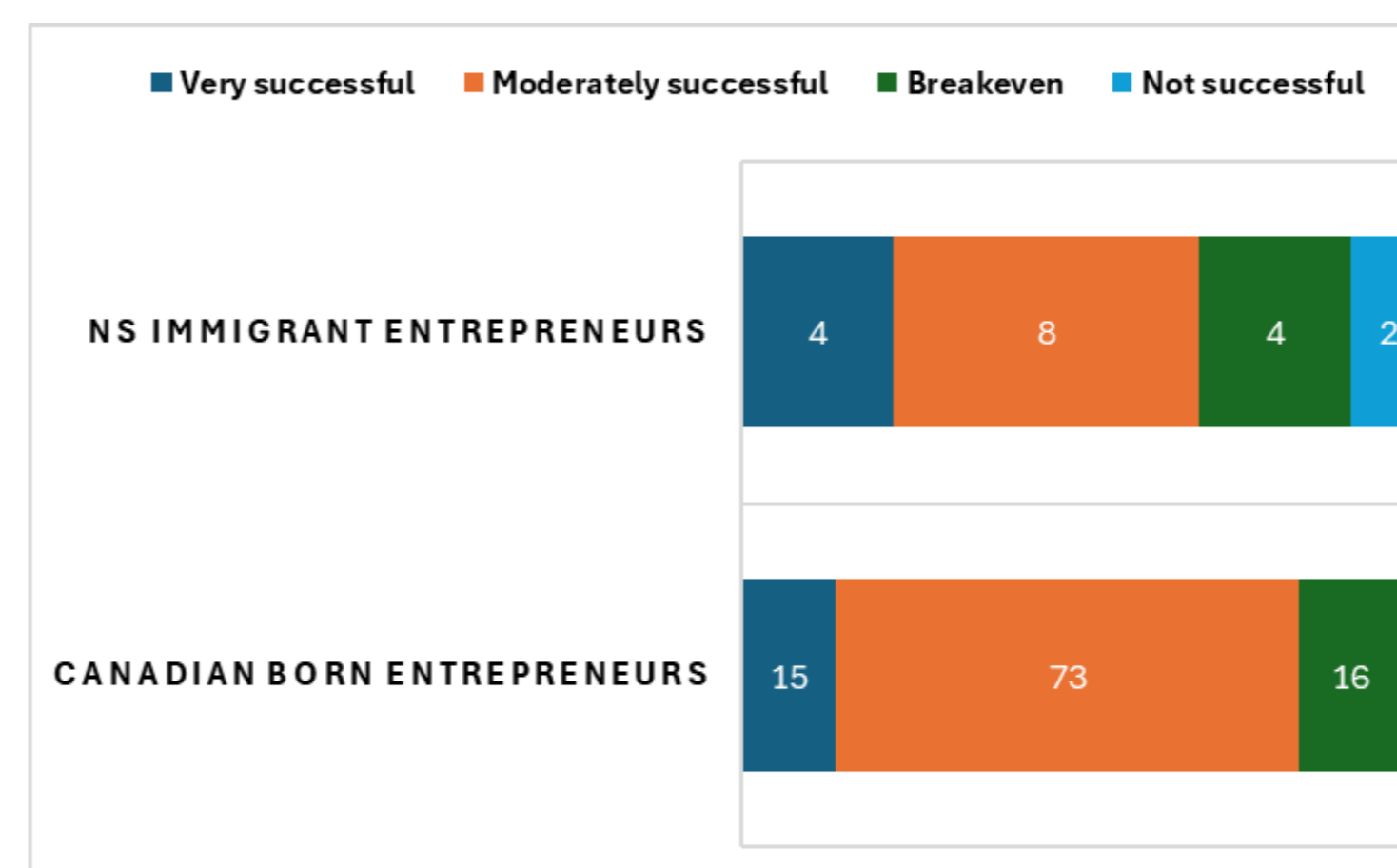


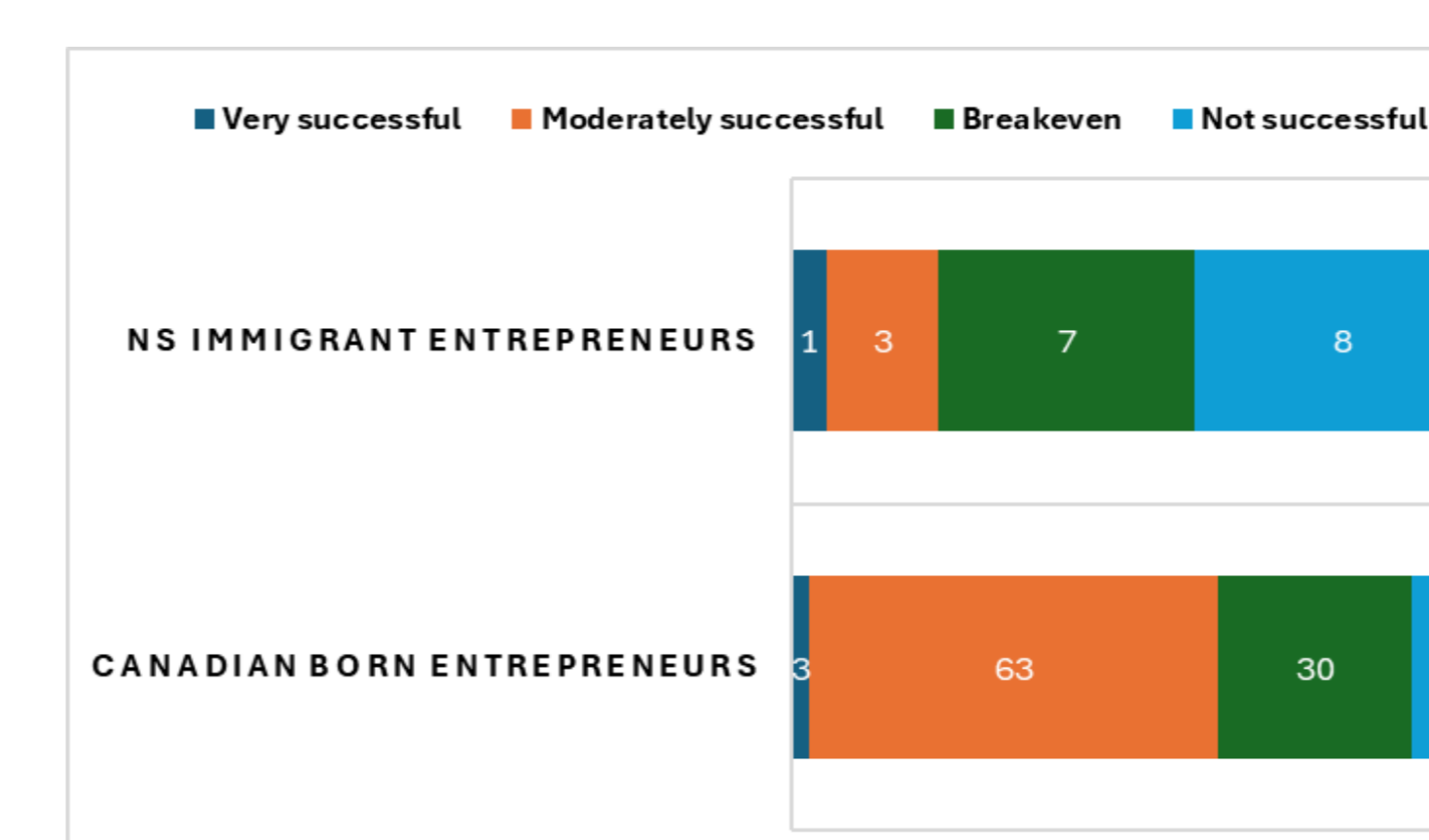
Figure 4. Level of Business Success Before COVID



The Impact of COVID-19 Pandemic on NS Immigrant Businesses

- Since the COVID pandemic, the business success was more negatively affected for NS immigrant businesses.
- However, the percentages of the participants who answered 'YES' for the questions on pandemic related challenges were slightly lower for NS immigrant business owners. This seems largely due to the smaller size of their business and ineligibility for government emergency relief funding.

Figure 5. Level of Business Success Since COVID



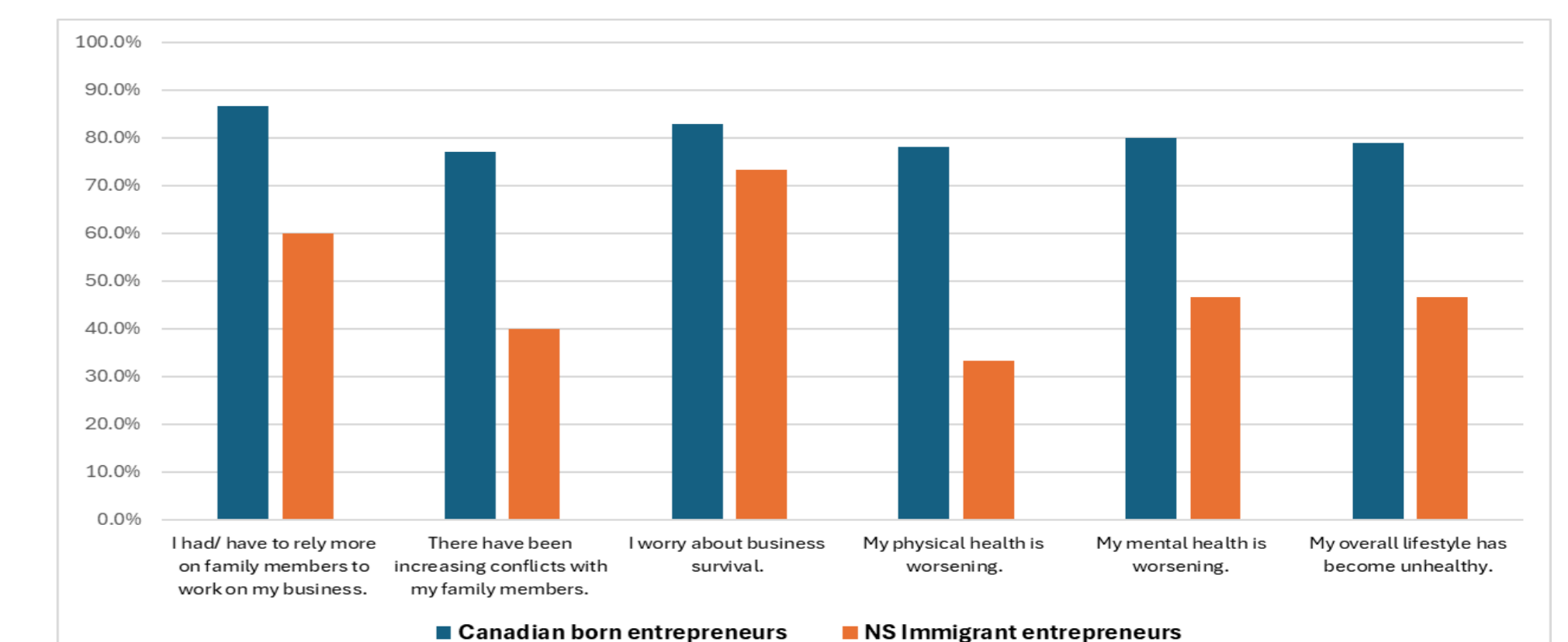
Why Immigrant Businesses are more Vulnerable?

- Immigrants make up 21.9% of total population but over 25% of SMEs are immigrant businesses.
- Almost a half of all immigrant entrepreneurs are self-employed with no employees.
- 46% of immigrant business owners make more/extra income from other paid work.
- The rise of e-commerce & responses:
 - Pre-pandemic online sale activities: small businesses (22.5%) vs. larger businesses (38.5%)
 - Intention to turn to online sale: small businesses (18.3%) vs. larger businesses (25.6%)
 → Business size matters

The COVID-19 Pandemic on Wellbeing of NS Immigrant Business Owners (Interview Data & NSIE Survey)

- Financial difficulties/uncertainties
- Lack of networking opportunities (esp. for new businesses)
- Slow pace of government services/travel restrictions (esp. for immigrant consulting agencies)
- Staffing issues (esp. for businesses with staffs)
- However, the percentages of "YES" response to the COVID impact questions on their family, health and wellbeing are lower than those of Canadian born business owners.

Figure 6. COVID Impact on Family, Health and Wellbeing (% of Yes responses)



Conclusion

- NS Immigrant entrepreneurs demonstrated strong agency being resilient, hard working and optimistic for the future.
- "I've just started and realize that there's a need for what I do. I would like to jump on the opportunity post pandemic, to grow and to scale up that business to get a delivery vehicle and continue to deliver smiles to the wider communities outside of Halifax to touch even greater lives with love with what we do. So short term post pandemic, I'm trying to see how best I can develop my company to push it forward, so that I can do this full-time. So, looking at that as an opportunity, if I can do this full time, it gives me the opportunity as well to grow my little four-year-old to be there for her during this era that we're in. So awesome. Yeah, that's amazing." (IB03, Event organizing service, 39)

Acknowledgement

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