

December 2015

 Hire Immigrants

IMMIGRANT ENTREPRENEURSHIP IN CANADA

**A scan of the experience of Canadian
immigrant entrepreneurs, and policy and
programs for encouraging immigrant business**

A report by the Global Diversity Exchange at Ted Rogers School
of Management, Ryerson University, funded by Citizenship and
Immigration Canada

Deanna Sim



**Ryerson
University**

The views expressed in this report are the views of the Global Diversity Exchange, and do not necessarily reflect those of Citizenship and Immigration Canada and the Government of Canada.

Any information and/or statistics referred to in this report that were taken from the Citizenship and Immigration Canada website and/or publications were accurate at the time of presentation of this report.

Hire Immigrants: Investing in Immigrant Talent

Hire Immigrants profiles “what works” in immigrant employment worldwide. It is an international, single point of entry to increase employer awareness of the value of immigrant skills and immigration to their business. It provides employers with practical tips, tools and evidence to benefit from immigrant talent. By profiling good (replicable) practices, tracking evidence, analyzing market trends, and convening, **Hire Immigrants** is a global hub for useful practice, policies, research, debate and ideas on leveraging diverse talent and immigration for businesses and the economy.

www.hireimmigrants.org

Global Diversity Exchange: Diversity Drives Prosperity

The **Global Diversity Exchange (GDx)** is a think-and-do tank based at the Ted Rogers School of Management at Ryerson University. **GDx** identifies and amplifies the links between prosperity, diversity and migration and anchors these in policy, research and practice.

www.globaldiversityexchange.ca

Immigrant Entrepreneurship in Canada: A scan of the experience of Canadian immigrant entrepreneurs, and policy and programs for encouraging immigrant business by Deanna Sim | Copyright © 2015 Global Diversity Exchange

Global Diversity Exchange
Ted Rogers School of Management, Ryerson University
415 Yonge Street, Suite 701
Toronto ON M5B 2E7

Exclusive Corporate Sponsor



THE J.W. McCONNELL
FAMILY FOUNDATION

LA FONDATION DE LA
FAMILLE J.W. McCONNELL



IMMIGRANT ENTREPRENEURSHIP IN CANADA

A scan of the experience of Canadian immigrant entrepreneurs, and policy and programs for encouraging immigrant business

Objectives

This scan on immigrant entrepreneurship will discuss the general climate of immigrant entrepreneurship within Canada touching on successes and challenges faced in previous decades and today. The report provides a discussion of immigrant entrepreneurship in Canada, identifies programs requiring increased attention for the improvement of immigrant experiences, and highlights key programs in Canada, Sweden, Germany, Finland, and the United States focused on facilitating immigrant entrepreneurship.

By scanning the ways that government and government-funded actors are creating pathways to entrepreneurship for immigrants, the analysis aims to provide strategic intelligence on the interventions that may facilitate or inhibit immigrant entrepreneurship. The goal is to further policy work to enhance pathways to entrepreneurship for immigrants to Canada.

Key Findings

In studying the immigrant entrepreneurship environment of Canada over the past few decades, it is clear that not all immigrants with entrepreneurial goals end up exploring business pursuits in a desired industry. Studies show that many immigrants, upon arriving in Canada, encounter challenges and barriers to opening a business. The literature discusses that some of the most common challenges faced by immigrant entrepreneurs are language, knowledge of the business culture and practices, and securing financing. Not all immigrants arrive with sufficient English skills to pursue a business idea in the Canadian context. Many are also faced with difficulty securing bank loans due to business inexperience in Canada and a lack of work and credit history. Without knowledge of business practices, many immigrants are unable to secure sufficient funding.

Immigrants from certain ethnic groups are more likely than others to open ethnic-related businesses catering to the goods and services needs of a particular ethnic group. Social and human capital earned in the country of origin and translated to Canada can be beneficial for immigrants, especially those who seek help from their networks in opening export businesses. Links back home can positively contribute to the successes of export/import businesses. Studies show that the others, who pursue non-ethnic business endeavours, outperform business owners of ethnic-related businesses. However, when it comes to exporting businesses, recent immigrants outperform all others including non-recent immigrants and non-immigrants.

The Canadian government has shifted its immigration policy objectives over the past decades. There is a current focus on attracting highly skilled entrepreneurs interested in developing businesses in high-growth markets. The new Start-Up Visa Program and the Express Entry system reflect this shift in objectives. The changing profile of immigrants to Canada may require changes to the support services now offered to facilitate business start-up and growth.

This report also identifies notable immigrant services and programs in Canada, Finland, Germany, Sweden, and the United States. From these highlights and observations of global immigration services, there are a few key findings that can be drawn. All five country experiences show the importance of a one-stop hub for immigrant services and services that support immigrant entrepreneurs. Access to educational programs, mentorship programs, settlement services, and business entrepreneurship programs is identified as essential for immigrants, and having one access point for all services can ease gaps in knowledge and access of available support. Connecting immigrant-oriented services with the greater community can assist in integration and also in the development of businesses through networking opportunities.

The changing profile of immigrants to Canada may require changes to the support services now offered to facilitate business start-up and growth.

Finally, the report identifies areas for further research based on what is not currently covered in the literature. These questions to better understand the experiences of immigrant entrepreneurs and how to improve their experiences in Canada are discussed at the end.

THE ENVIRONMENT

Immigrant Experiences Then and Now

Immigrant-owned businesses are increasingly recognized by countries of migration as being essential to economic growth. By investing in immigrant businesses and entrepreneurship, governments hope to fuel job creation, attract talent, and facilitate immigrant success in local communities.

While Canada has been attracting immigrant entrepreneurs for decades, the immigrant experience of today may be different even from one decade to another, as the immigrant profile evolves and as the Canadian economy transforms. What do we know about what happens when immigrant entrepreneurs enter a new business environment? What do we know about the successes of immigrant entrepreneurs and the challenges they face in Canadian society?

In looking back at the successes and challenges faced by immigrants affected by the Federal Immigrant Investor and Entrepreneurship program (created in the 1980s), we can understand Canada's past entrepreneurial environment and the context that led to recent policy and program changes, namely the introduction of the Start-Up Visa and Express Entry programs.

A 1992 study by Kwok Bun Chan on ethnic resources, opportunity structure, and coping strategies reveals that Chinese immigrants from Hong Kong performed well under the federal entrepreneurial program. Upon arriving, many of these immigrants were able to thrive due to assets such as education, capital, business acumen, and experience that they had acquired in China (Chan 129). However, many Chinese immigrants experienced hardship and (along with other visible minorities) faced barriers to pursuing well-paid jobs. Experiences such as this led immigrants in Canada to turn to self-employment and business pursuits in order to survive. These are the “necessity” immigrant entrepreneurs (Chrysostome & Arcand). As this study mentions, the business pursuits of immigrants can also be seen as pursuits that opened up opportunities for social mobility and for the development of both individuals and immigrants as a group (Chan 130).

Similarly, a study on the use of social and human capital among Canadian business immigrants by Martin N. Marger concludes that immigrants who enter Canadian society with the goal to pursue business and entrepreneurship are able to thrive due to human capital (such as existing entrepreneurial skills and experience or education relevant to their business pursuits) which allows them to adapt economically.

Another earlier study by Marger and Constance A. Hoffman discusses immigrant participation in the small business sector in Ontario. They explain how immigrants entering the country with entrepreneurial goals tend to be the ones who create businesses with a non-ethnic focus and non-ethnic clientele. On the other hand, immigrants who do not enter Canada with entrepreneurial goals, but turn to entrepreneurship out of necessity, are those who tend to open ethnic shops such as restaurants and small businesses catering to their ethnic community. Immigrant entrepreneurs not tied to an ethnic enclave are also known to invest in innovative small businesses and purchase businesses abandoned by majority group owners (Marger and Hoffman 980). In this study, Marger and Hoffman found that the majority of immigrant entrepreneurs in Ontario originated from East Asia. Whether entrepreneurship is a pre-planned path or not, what makes Canada an attractive country for business pursuits? According to Marger and Hoffman, self-owned enterprises can benefit from a stable economic environment and a government with positive perceptions of ethnic enterprises (Marger and Hoffman 979).

“Immigrants entering the country with entrepreneurial goals tend to be the ones who create businesses with a non-ethnic focus and non-ethnic clientele.”

Sharon Jones delivers a few points on the challenges the Canadian government has faced in attracting and retaining immigrant entrepreneurs. With the aim of fueling the knowledge-based industry and manufacturing sector, Canada admitted immigrants who had the potential to contribute to these industries. From 1986-1993, 421 out of 56,000 entrepreneurs who arrived in British Columbia ended up establishing manufacturing businesses, which amounts to less than 8%. Of those 8%, nearly half could not be contacted in 1994 (Jones 1271). Jones explains that those who did not deliver to the manufacturing industry as expected

decided to settle and open businesses serving their ethnic community. Jones attributes this decision to the undesirable risk associated with innovation and new ventures in an unfamiliar industry (Jones 1271).

Another challenge faced by the Canadian government that has been identified but is little understood is the problem of return migration, or retaining talent in Canada (Jones 1271).

More recently (2006), David Ley discusses the business performance of immigrant entrepreneurs in Canada under the Business Immigration Program. The study by Ley examines the self-reported business performance of 90 entrepreneurs in Vancouver, a third each from Hong Kong, Taiwan, and Korea. Ley addresses the challenges immigrant entrepreneurs face and while immigrants with visions of entrepreneurial bliss may have entered Canada with lofty goals, many purchase existing businesses in retail and food preparation. The less regulated and easy start-up process of these industries offer a more promising path for immigrant entrepreneurs who were given two years to prove the vitality of their business and meet the government's eligibility rules under the Business Immigration Program (Ley 2006).

Ley also discusses a group that showed the most successful results in his study. According to Ley, Koreans were the only group that overall did not establish businesses dependent on buying and selling with their home country (Ley 761). An interesting finding is that while immigrants originating from other parts of the world maintained business links back home, Koreans did not. Ley found that these international links were more of a distraction than a strength for those who did maintain links back home. Additionally, many respondents indicated that they had income-generating activities back home and were mainly seeking a better quality of life and education. In contrast, Koreans who did not maintain links to home were focused on their economic prospects in Canada and therefore invested a high degree of effort into business pursuits. This group was the "most likely to remain self-employed, most likely to have their business as their principal income stream, and most likely to have the highest share of their income earned in Canada" (Ley 761).

A study by Margaret Dalziel in 2012 adds to the literature on the performance of immigrants compared with non-immigrants. Dalziel explains that when comparing successful entrepreneurs who are educated and knowledgeable of the local language and customs in Canada, immigrants are likely to outperform non-immigrants (Dalziel 33). Dalziel remarks "despite the anecdotal accounts of extremely successful entrepreneurs dropping out of school, no one advocates leaving school as a route to becoming an extremely successful entrepreneur. The best that can be done is to design policies that work in most cases while not placing unnecessarily high barriers in front of individuals who may later emerge as very positive outliers" (Dalziel 34).

Shift in Canadian Government Immigration Objectives

What were the earlier economic objectives of the Canadian government? Jones explains that the goals were to increase the domestic market size, improve the economy structure, fill labour shortages, create and retain jobs, and attract financing for risky small businesses (Jones 1264). Jones notes that around the time of the publication of her study the government had shifted its goals. The new objectives were to maximize long-term goals while minimizing the short-term costs of selecting the most fitting immigrants (Jones 1265). The creation of the Immigrant Investor Program was intended to attract business visitors for trade and commerce in Canada and to strengthen the Canadian economy. Regarding the two-year time limit for immigrant entrepreneurs, Jones argues that this limit is unreasonable and encourages entrepreneurs to open business with haste - no matter what the business, even if the business is not of significant benefit to the economy and enters a crowded market, competing with other small businesses (Jones 1273).

James P. Walsh discusses how, in the current knowledge-based and service-oriented global economy, both Canada and Australia are looking to attract middle-class workers for tertiary industries, whereas in the past, the focus was on unskilled workers (Walsh 869). Walsh explains that through Canada and Australia's point systems, the two countries are "promoting a vibrant enterprise culture defined by competitiveness and individual autonomy and initiative" (Walsh 874). Enterprise culture and competitiveness has taken front stage with the introduction of the Start-Up Visa and the Express Entry programs in Canada.

Enterprise culture and competitiveness has taken front stage.

Where has this shift in government objectives left Canadian immigration policy today? What is the current thinking on effective policies to boost immigrant entrepreneurship? John Ibbitson argues in a 2014 policy brief that the Canadian government has changed the immigration system to prioritize immigrants who can quickly integrate into the Canadian job market. The Express Entry program is a good example. It replaces applicants of the previous program with a "high quality pool of applicants ranked by their suitability for the Canadian job market" (Ibbitson 1). Economic-class immigrants are set to form an increasingly large share of Canada's inflow.

Challenges Faced by Immigrant Entrepreneurs

Literature on immigrant entrepreneurship and immigration in general addresses several challenges immigrants face upon arrival in Canada. These challenges are important to understand in order to improve the immigration experience for current and future immigrants. Several authors point out that language is a clear barrier to entrepreneurship. In a case study of Portuguese and Black entrepreneurs in Toronto, Carlos Teixeira explains that language, a lack of knowledge about business practices, poor access to funding, and discrimination are among the challenges faced by immigrants (Teixeira 2001). Nevertheless, Teixeira also

notes that Canada is a more favourable environment for immigrant entrepreneurship when compared to the US and Europe (Teixeira 2062). This is thanks to policies on both the federal and provincial level, notably assistance programs for immigrant entrepreneurs.

Teixeira also found that people from different cultural backgrounds have different needs when setting up a business. For instance, Portuguese entrepreneurs tend to be more concerned with setting up a business near the Portuguese community whereas the Black entrepreneurs were more concerned with the cost of buying or renting business property (Teixeira 2063). The author suggests this concern may stem from the fact that Black entrepreneurs encounter more financial barriers while establishing their business. This example underscores the value of information about the business decisions of individual groups, and the importance of understanding why certain groups do business differently. It shows that support services must be tailored to meet different needs and individual requirements for setting up a business, as different immigrant groups face a different set of barriers.

In a study of recent immigrants to Canada, Francois Neville, Barbara Orser, Allan Riding, and Owen Jung find that a lack of business knowledge and being unable to hire skilled employees due to lack of finances are among the challenges immigrant entrepreneurs face in Canada. In the early start-up phase, immigrant entrepreneurs may suffer from a low level of early investment due to bank barriers and being unaware of essential business practices (Neville et al 58). Neville and colleagues explain that as a result of low awareness of business practices and the Canadian environment, immigrant businesses may grow slowly due to a lack of knowledge and resources. If there is also a lack of human and social capital, “immigrant-owned new firms may face liabilities of size, newness, and a limited resource base, factors that may hamper the expected performance of their enterprises” and decrease likelihood of funding (Neville et al 59).

A 2011 report by Sarah Wayland for the Metcalf Foundation and Maytree on immigrant self-employment and entrepreneurship in the GTA also identifies language, a lack of business culture knowledge, a lack of social and professional networks, and a lack of financing or capital assets as challenges faced by immigrants. The report states that while support services for starting a business in Canada are available, services catering to the specific needs of immigrants are few in number (Wayland 16). Speaking specifically to financing, the eligibility requirements for bank loans and other small business financing are difficult to meet and often exclude newcomers with little experience in Canada. Canada’s incubation programs offer mentoring and other services for start-ups, however, they favour entrepreneurs with a wealth of resources and high-growth potential (Wayland 22). As a newly arrived immigrant, it is difficult to secure bank loans that require a two year credit score in Canada and as a business start-up with high risk, the Canada Small Business Financing Program is often the only successful option for bank loans (Maytree 13). Being unfamiliar with Canadian customs and procedures can make it immensely difficult for immigrant entrepreneurs to write business plans and build social and professional networks. Services and programs that provide targeted support are important to immigration entrepreneurial success across a diversity of businesses.

Small Business and Government

First, the definition of some terms used in this section:

Small- and Medium-Sized Enterprises (SMEs): Small businesses are generally defined as having 1-99 employees. Medium have 100-499 employees. Large have 500 and more (Industry Canada).

Ethnic Economy: This term is loosely used to denote ways that ethnic groups intersect in economic activity. It can refer to a disproportionately self-employed ethnic group, and businesses that are owned and staffed by those from the same background. The term is also used to describe the specialization that occurs when ethnic groups focus on certain sectors. And finally, the term can describe an ethnic market, where the clientele are from the same ethnic group (Kaplan and Li 2-4).

High-Growth Enterprise: Enterprises with average annualized growth greater than 20% per annum over a three year period should be considered as high-growth enterprises. Growth can be measured by the number of employees or by turnover (Eurostat-OECD 61). High-growth firms are more likely than others to be research and development (R&D) intensive (Industry Canada).

In addition to facing immigrant-specific challenges, immigrant entrepreneurs also experience the challenges faced by the general business community in Canada. The 2013 Report on Angel Investing Activity in Canada by the National Angel Capital Organization indicates that investments are shifting away from first-time endeavours and more towards follow-on investments (Schure and Dodaro 30). Furthermore, The Canadian Federation of Independent Business published a report in 2014 on small business owners and the government's vision of small businesses at the provincial level. The survey measured business-government friendliness and how owners perceive their respective provincial government's vision and understanding of small businesses. Saskatchewan seems to be the outlier. Its small business owners reported overall satisfaction in the government's support of small businesses, but those in other provinces do not share the same satisfaction. Small business owners believe that taxes are constraining the growth of their businesses. And 93% responded that government policies have a lot (60%) or some (33%) impact on their business. There is an inverse relationship between the perception of policy impact and government support, namely that the greater the perceived impact, the less favourable a government appears in support of small business. The authors write that in general, "small businesses look more favourably on provincial government policies that are less intrusive on their day-to-day operations" (Ruddy, Kastelen, and English 7). The report also indicates that, while Premiers voice concern for small businesses and acknowledge the

Immigrant entrepreneurs also experience the challenges faced by the general business community in Canada. Investments are shifting away from first-time endeavours and more towards follow-on investments.

value in boosting small business growth, owners in all provinces ask that the focus turn to creating a better climate for small businesses. Greater engagement with small businesses at the provincial level (and likely municipal level) is important to improve the overall business climate, and is part of the big picture of improving the climate for immigrant entrepreneurs.

Immigrant Entrepreneurship in Import/Export and the Performance of Immigrants vs. Non-Immigrants

The findings of a study by Sui Sui and Horatio Morgan on immigrants in exporting businesses indicate that recent immigrants are an essential component to furthering Canada's export agenda. Sui and Morgan analyzed over 15,000 small- and medium-sized businesses with a focus on recent immigrants. Not only are recent immigrants more likely than non-immigrants to export to non-US markets, businesses such as this grew at an annual average rate of 21% between 2007 and 2011 while non-immigrants businesses grew 2%. This is due to their language, cultural knowledge, and network connections in their home country, indicating the value immigrants can bring to Canadian companies since they are aware of the culture, customs, and business practices of their home country. This information can help Canadian companies adjust to and expand in foreign markets. However, not all immigrant businesses have equal potential. The study found these businesses can be divided roughly as two types: those in the wholesale and retail sectors and likely competing on price; and those in the knowledge-based industry where innovation drives competition.

How can immigrants become involved in more innovative businesses rather than export businesses that focus on price competition? Sui and Morgan identify research and development initiatives as a key element in successful export businesses. In fact, the “most innovative immigrant exporters sell to the U.S., allocating four times the amount on R&D than those immigrants who export beyond the U.S.” The report also indicates that a different method of funding for trade entrepreneurs would allow ideas to become a reality and benefit Canadian exports without the initial need for assets. Ultimately, more support for immigrant R&D efforts is needed to grow companies that focus on emerging markets. A method for immigrants and non-immigrants to share their business knowledge would advance the Canadian export agenda.

**Recent immigrants
are an essential
component to
furthering Canada's
export agenda.**

What happens to Canadian export data when immigrants open export businesses? A 1998 study between 1980 and 1992 on immigration and trade creation by Keith Head and John Ries found that a 10% increase in immigrants to Canada is associated with a 1% increase in Canadian exports to the immigrant's home country and a 3% increase in imports (Head and Ries 60). Immigrants bring with them knowledge of and connections to their home country which can lower transaction costs of international trade with that country (Head and Ries 60). Preferences for foreign products and home-country imports also have an impact on trade. Also discovered was that immigrant entrepreneurs were less impactful on trade than all other immigrant classes (excluding refugees), where impact is defined as expanding Canada's

foreign trade. Head and Ries explain that entrepreneurs may have a weak contribution to trade expansion because “they are admitted to Canada primarily because of capital (investors) or because they are artists (self-employed) and therefore do not bring trade knowledge or connections to Canada” (Head and Ries 59).

According to a 2011 report from the Canadian Small Business Exporters, small business exports to BRIC (Brazil, Russia, India, China) countries increased from 1.3 billion in 1999 to 5.5 billion in 2009 which accounts for 2% and 7% of the total value of small business exports. In 2008, the total value of imports to Canada was 380 billion and 87% of importers were small businesses, which accounted for 88 billion of the total value of imports (23%).

A 10% increase in immigrants to Canada is associated with a 1% increase in Canadian exports to the immigrant’s home country and a 3% increase in imports.

Do immigrant entrepreneurs outperform non-immigrants when it comes to import/export businesses? Neville and colleagues (2014) found that recent immigrants who own export firms outperform firms that are not owned by recent immigrants. Both recent and non-recent immigrant export firms outperformed firms not focused on exporting. The authors suggest that recent immigrants are the top performers because they are “likely to manage the post-export network development and social capital more effectively than non-recent immigrants” (Neville and colleagues 12). They may also have a greater willingness to take risks and are able to use knowledge of their home country’s customs and culture and contacts at home. This reveals that owners of export firms are able to capitalize on their international orientation, and recent immigrants may be better positioned to do so (Neville and colleagues 68).

INTERNATIONAL IMMIGRANT ENTREPRENEURSHIP PROGRAMS IN CANADA, SWEDEN, FINLAND, GERMANY, AND THE UNITED STATES

Canada

In contrast to other countries and previous programs in Canada, the Start-Up Visa Program launched in April 2013 allows interested parties to pursue a business idea so long as they can prove to investors that it is worth pursuing. In order to do this, applicants must reach out to designated Canadian organizations in order to obtain support. Applicants must be admitted into a business incubator, secure at least \$75,000 in investments from an angel investor group, or secure at least \$200,000 in investments from a venture capital fund. This program appears to target highly qualified immigrant entrepreneurs who show promise of creating new jobs and driving economic growth. This group will contrast those immigrants who enter self-employment as a result of poor job prospects and an inability to otherwise enter the job market. With an immediate connection to incubator resources and investor connections, this program focuses on the outcome of businesses from the start. What challenge does this program face? It is early to assess, but one that has emerged is finding eligible applicants.

The Accelerator Centre in Waterloo region and Stratford has been named a designated business incubator for Canada's Start-up Visa Program. Successful applicants to the tech program will receive help starting and growing their business. Through tailored programing, in-house mentorship, access to funding, office space, education, and networking opportunities, start-ups are offered a rich environment to grow their business. While there are not yet case studies on immigrant entrepreneurs at the Accelerator Centre, the program has a history of success. Over 130 start-ups have been through the program, over 1,100 jobs have been created, and over \$350 million has been seen in revenue and funding. The centre has also graduated 43 companies including Clearpath Robotics, Magnet Forensics, Miovision, and Kik. Being located in a city with other entrepreneurial resources such as the Waterloo Region Small Business Centre and Communitech (a tech hub of close to 1,000 companies that generate over \$30 billion in revenue) successful applicants to the Accelerator Centre will enter an entrepreneurial hub and region rich with resources. Case studies on immigrant business growth in these environments will be an important assessment tool on the Start-Up Visa program.

“Through tailored programing, in-house mentorship, access to funding, office space, education, and networking opportunities, start-ups are offered a rich environment to grow their business.”

Finland

Roughly one third of immigration to Finland falls under the employment stream. Different residence permits are required for those seeking employment versus those who will be self-employed. There are no targeted programs for start-up entrepreneurs. Immigrants either enter Finland on a residence permit for an employed person with proof of a job offer, or they are already a business owner.

What began as a counselling services hub for Finnish entrepreneurs in Helsinki, evolved into a centre for both native-born and immigrants: EnterpriseHelsinki opened in 1993, and today serves immigrant clients who account for about 35% of its clientele. That's triple the size of the immigrant population in Helsinki, at about 8%. The higher number reflects the fact that, similar to many other countries, immigrants begin more companies than their native-born counterparts in Finland.

EnterpriseHelsinki is a free business counselling service that offers personal consultations and online support tools. It aims to be a one-stop shop for everything a new entrepreneur needs to know about starting a business in Finland and targets those looking to grow their business too. To reflect the diversity of its clientele, the centre offers multi-lingual service. Entrepreneurs can attend in-person courses that are offered in Finnish, English and Russian. They can be connected to experts who will consult, free of charge, in Swedish, English, Russian, Estonian, German, and Arabic. The website also offers multilingual information. An interesting aim of EnterpriseHelsinki is to help immigrant entrepreneurs before they run into legal trouble. The Finnish business environment is known to be highly bureaucratic, so problems can be many, and immigrants are known for seeking help only after they encounter problems. Offering first language support is seen as an important early intervention.

To reflect the diversity of its clientele, the centre offers multi-lingual service. Entrepreneurs can attend in-person courses that are offered in Finnish, English and Russian.

An innovative offering at EnterpriseHelsinki is a course for unemployed immigrants with knowledge of Finnish and a business idea. The course runs for seven weeks, and throughout, the 20 students have access to an individual business advisor. Course topics include business economics, marketing, sales, business law, and developing a business plan. EnterpriseHelsinki is supported by the local Employment and Economic Development Office, and it is at this government office where unemployed immigrants apply to enrol in the business start-up course.

In 2013, EnterpriseHelsinki helped approximately 1,000 immigrant clients. Also in 2013, over 1,000 new businesses were started using this service (owned by immigrants and native-born). Of all businesses created through EnterpriseHelsinki, 90% are operational after two years, and 80% after five years. Similar one-stop shop models can be found in Vienna's Mingo and Barcelona Activa.

Germany

Similar to Sweden, Germany offers a work permit for those wishing to pursue self-employment. In order to qualify for a work permit, applicants must propose a plan that is in the economic interest of Germany or addresses a regional need. Applicants are more likely to receive a permit if they will be creating at least five jobs in Germany and at least 250,000 Euros will be invested in Germany. It is necessary to provide a business plan, qualifications and documents or references that can prove suitability, and proof of capital or loan that will support the business idea. However, if an applicant is determined to be highly skilled based on their job position and experience, the applicant may receive a permanent settlement permit.

One notable program is the Stuttgart Welcome Centre. This centre promotes equal opportunities for immigrants and assistance in setting up daily life. The centre is connected with multiple associations and provides information on everything from what to do with waste, to starting a business in Stuttgart. Language and integration courses are provided including specialized language courses such as “German for Business” and “German for Students.” To set up a business The Company Founder Office provides a free consultation and The Business Development Department at State Capital Stuttgart offers seminars and meetings to assist in the business setup process. The Stuttgart Welcome Centre exists as a thorough point of information for immigrants with a diverse range of needs.

“The Stuttgart Welcome Centre offers specialized language courses such as “German for Business” and “German for Students.””

While there are no available reports on the success of the Welcome Centre, certain elements of success are evident. The centre, being connected to other organizations, acts as a resource hub. As the literature notes, simply having access to a wealth of resources is an encouraging advantage to settling in a new environment and starting a business. The Stuttgart Welcome Centre offers connections to Business Angels which is a potential source of funding and support in starting a business. Since securing funding is a major challenge immigrants face, the connection to angel investors is an excellent resource. The literature also mentions that securing funding can be a challenge due to a lack of knowledge of business practices and local culture. To solve this problem, the centre provides connections to language and cultural courses that can help prepare immigrants for presenting and defending business ideas.

Sweden

Along with several other European countries, Sweden offers a self-employment visa for those wishing to move businesses to Sweden or pursue entrepreneurship within the country. The conditions are that the applicant must present a sound business plan, demonstrate knowledge of the business sector, knowledge of Swedish or English, ownership of half the business (if you are moving a business to Sweden) and have enough funds to support self and family for two years. After a two year probationary period, the business must be able to support the immigrant and family.

Why start a business in Sweden? Sweden is marketed as an excellent country to begin a business due to its size and community. With low corporate taxes, minimal bureaucracy, and a skilled workforce, starting a business in Sweden is an attractive option. In addition, Sweden has a strong history as an export-oriented industry and boasts consumers who are willing to adopt new technologies and products.

One program making efforts in immigrant entrepreneurship services is the IFS (International Entrepreneur Association in Sweden). The IFS collaborates with another service called ALMI which has 40 offices located across Sweden. Together, these organizations offer services to immigrant entrepreneurs to assist in starting a business. Services offered include general immigration information in multiple languages, review of business concepts and help to establishing a business plan and budget, and information on public authorities. Immigrants benefit from the creation of networks between both immigrants and non-immigrants on behalf of the IFS. In addition, IFS offers financing support in the form of loans. These loans include idea-based loans, business credits (for both new and existing businesses), micro credits for businesses with small capital needs, innovation credits for innovation projects, and export financing for those selling in foreign markets. Furthermore, financial support also includes exposure to venture capitalists and general advice on finance in Sweden. Additional services include growth advice, individual mentors, innovation consulting, and seminars and courses in business. The comprehensive service for immigrant entrepreneurs and self-employed immigrants incorporates the benefits of mentorship and education as well as financing opportunities. A thorough one-stop service such as this would benefit immigrant entrepreneurs and the self-employed at a local level in Canada.

IFS offers idea-based loans, business credits for both new and existing businesses, micro credits for businesses with small capital needs, innovation credits for innovation projects, and export financing.

ALMI matches 1,500 to 2,000 mentor pairs each year to help with starting business and developing established companies. ALMI also provides an incubation program for entrepreneurs which evaluated approximately 1,600 ideas in the first half of 2014. According to their 2014 incubator report, in 2014, 127 projects had fulfilled the requirements of the incubator and had taken an average of 19 months to develop. Of the alumni, 72% were limited liability companies. The year 2013 saw 243 projects and companies graduating the program after an average of 27 months and 82% of these were limited liability companies. Emigration saw 149 new companies admitted to the program in the first half of 2014. In 2013, 58 companies traded between 5 and 15 million dollars and 9% of companies had sales over 5 million. In addition, 7% of companies (88) had been bought out or merged with another company. While further research is required to determine why certain companies are more successful than others, the data indicates that the program is successfully graduating valuable companies.

United States

The United States has several visa options available for immigrants meeting a set of specific requirements. If one does not wish to enter the country as a student, an intern, or a tourist, there are still several visa options for those wishing to travel for business or to work in the US. However, immigrant entrepreneurs are still awaiting a proposed start-up visa program similar to that offered in Canada. Once in the US, immigrants will find that there is no shortage of business start-up centres and accelerators.

The organization Welcoming America is working to create more welcoming communities for immigrants and to increase cooperation between immigrants and non-immigrants. This grassroots organization promotes their mission to governments and provides training to organizations interested in supporting their cause. Identifying this as an opportunity to support current and future immigrants who play an essential role in economic growth, Chicago mayor Rahm Emanuel began the Chicago New Americans Plan in an effort to create a more welcoming environment for immigrants. In 2011, Emanuel created the Office of New Americans and established an advisory committee in order to create a plan to improve Chicago for immigrants. Chicago's efforts are unique for the focus the Mayor placed on immigrant entrepreneurship and business growth. Along with community development programs, language programs, and cultural sensitivity programs, the intention was also to support business growth. Initiatives aim to increase exports from immigrant-owned businesses, create a small business incubator that will include mentorship, provide workshops for communities in the form of pop-up city services, promote tourism in immigrant neighbourhoods, assist high-skilled immigrant transition back into professional careers, expand English and educational programs, and provide employee programs to enhance skills (City of Chicago). This comprehensive plan promises to provide useful services to immigrant entrepreneurs and should be examined by Canadian communities wishing to transform their own business environments.

Another program to note is the award-winning St. Louis Mosaic Project in Missouri that features an entrepreneurship program just recently established in November 2014. The program administers an award program for successful immigrant entrepreneurs, provides access to additional resources and methods of funding for immigrant entrepreneurs, and funds a Fellow who channels local resources and provides education on business planning. The program has an advisory board of eight entrepreneurs that represent various ethnic groups. This board oversees the progress of the Mosaic Project and outreach initiatives targeted at local entrepreneurs. This program contains several promising elements. The existence of an advisory board is an important point of advocacy. As discussed earlier, the ability to communicate immigrant entrepreneur needs to the broader community and to government can pave the way to positive future changes in policy and programs serving immigrants.

An advisory board of successful immigrant entrepreneurs is an important point of advocacy, working to communicate immigrant entrepreneur needs to the broader community and to government.

QUESTIONS FOR FURTHER STUDY

With the introduction of new immigration programs for immigrant entrepreneurs and the continual improvement of support services for immigrants, new areas of research are opening on how effectively Canada is facilitating and enabling immigrant entrepreneurship. There is value to looking closer at particular markets and high-growth industries. How do immigrant entrepreneurs in priority businesses fare, and what are the factors leading to their successes? What challenges do these highly skilled entrepreneurs face in Canada and what are the barriers to starting a business?

As Canada's immigration system undergoes fundamental shifts, questions that have been asked before must be asked again: What happens when the particular profile of immigrant entrepreneur courted by the Startup Visa Program and Express Entry enters the Canadian business environment? Who is admitted into these programs and how do they perform in their respective industries? What challenges do they face and what improvements can be made to the eligibility requirements in order to attract more qualified entrepreneurs who are better positioned to respond to Canada's growth needs? In addition, how do these immigrants compare to other classes of immigrants?

At the other end of the spectrum, there is equal value in looking closer at the non-high-growth businesses. Those that may be assumed to be necessity entrepreneurs, but in fact are opportunity entrepreneurs either from the start, or over time as their business acumen improves. The franchise industry is an excellent example. What is the net impact of franchise business start-ups in the Canadian economy? What distinguishes immigrant-owned and native-owned franchise businesses? What is the life cycle of an immigrant-owned franchise, and what is the pathway of these entrepreneurs? Anecdotally, we know that immigrant owners may close and open multiple franchises, and this does not necessarily represent failure. Each may be a better business opportunity. But little is known about why immigrants exit their businesses - franchise or other. More knowledge on immigrant franchise experiences can inform policy in an industry that, according to the Canadian Franchise Association, directly employs 1 in every 14 Canadian workers.

Further research is needed on the different experiences of immigrant entrepreneurs in different regions, to observe what attracts them to a given area, and what causes them to stay. What gives one region or community sticking power? What are the conditions for success outside urban areas, which traditionally have more robust, accessible and tailored services? What is unfolding for immigrant businesses in rural Canada? These questions are increasingly relevant as research is building on the revitalizing effect of immigrant-owned business in formerly vibrant but now hollowed or slump regions. We know that immigrant businesses have an important role in community development as "place-makers," transforming rough or abandoned neighbourhoods (Schuch and Wang), but what do we know about the profile of these renewal entrepreneurs and their business motivations?

Further research on challenges faced by immigrant entrepreneurs and the success of tailored programs and services in Finland, Germany, Sweden, the United States, and other similar jurisdictions can enhance policy making in Canada. It is clear that destination countries are increasingly looking at immigrant entrepreneurship as an attractive solution to domestic growth and furthering trade agendas, among other needs. The experience and solutions tested in foreign environments is a valuable source of learning for Canada.

Future research should also examine ethnic vs non-ethnic business creation and understand, in greater detail, why certain immigrants choose to open ethnic-related businesses while others do not. What is the business environment like for owners of ethnic businesses and do any leave their business to pursue non-ethnic business? What are the differences in import/export tendency of ethnic vs non-ethnic businesses? The literature touches

upon social and human capital and how it impacts the pathway of immigrants in business. How has changing social and human capital impacted business decisions over the past few decades, if at all? What role do social networks and human capital play in the experiences of Start-Up Visa entrepreneurs in particular? What is the difference in contribution to trade among the various classes of immigrants, and does it still hold that entrepreneurs may have less impact than immigrant entrepreneurs admitted under different immigration streams?

An avenue to look more closely at is the role of existing immigrant networks, such as professional immigrant networks and ethno-cultural chambers of commerce, in supporting entrepreneurship, and what untapped potential these networks have. One existing support network that could be better leveraged are the Local Immigration Partnerships (LIPs), which the literature suggests are addressing local immigrant needs, but are encountering many challenges in regards to structure and funding. LIPs exist to assist with enhanced integration outcomes such as social, political, and economic participation. Entrepreneurs can benefit from high-performing LIPs since they have the potential to provide business start-up services and education on how to conduct business in Canada. LIPs can also provide links to further resources and represent immigrant entrepreneur interests at a government and policy-making level. Ultimately, a successful LIP can provide essential services and work with entrepreneurs to advocate for better business environments.

Another interesting area of focus would be to examine entrepreneurship by non-recent immigrants. The literature focuses primarily on new immigrant entrepreneurship, but is light on entrepreneurship in the longer-term. Literature on entrepreneurship in general has debunked the myth of the “garage entrepreneur,” or the lone wolf start-ups that go it alone without networks or much experience. The more typical pathway to starting a business is developing an idea after experience with existing companies, after networks have been built and industry skills developed. Canada needs further study on the pathways of its

“These questions can lead to a better understanding of Canada’s immigrant entrepreneurship ecosystem.”

successful immigrant entrepreneurs: what are the commonalities and differences among their experiences? Where did they go to school, how large were their Canadian networks, and where did they work before starting a company? These questions can lead to a better understanding of Canada's immigrant entrepreneurship ecosystem.

Moving forward, understanding these areas of study will be important for determining the success of new immigration programs, immigrant business services, and other policies affecting all immigrants.

WORKS CITED

- Accelerator Centre*. N.p., n.d. Web. 30 Mar. 2015. <<http://acceleratorcentre.com/>>.
- Adult Multicultural Education Services*. AMES, n.d. Web. 30 Mar. 2015.
- ALMI*. Almi Företagspartner, n.d. Web. 30 Mar. 2015.
- Australian Government: Department of Immigration and Border Protection*. Australian Government, n.d. Web. 30 Mar. 2015.
- Bouw, Brenda. "I want to be a franchise owner. What will my salary be?" *Globe and Mail*. 11 June 2015.
- Chan, Kwok Bun. "Ethnic Resources, Opportunity Structure and Coping Strategies: Chinese Businesses in Canada." *Revue Européenne des Migrations Internationales* 8.3 (1992): 117-37. Print.
- Chrysostome, Elie, and Sebastien Arcand. "Survival of Necessity Immigrant Entrepreneurs: An Exploratory Study." *Journal of Comparative International Management* 12.2 (2009): 3-29. Print.
- Dalziel, Margaret. "Immigrants as Extraordinarily Successful Entrepreneurs: A Pilot Study of the Canadian Experience." *Journal of Small Business and Entrepreneurship* 21.1 (2012): 23-36. Print.
- Enterprise Helsinki Brochure. Web. 30 May 2015. <http://www.yrityshelsinki.fi/sites/www.yrityshelsinki.fi/files/article-attachments/201503/yh_esite_eng.pdf#overlay-context=en/what-is-enterprisehelsinki>.
- Eurostat-OECD Manual on Business Demography Statistics, High-Growth Enterprises (2007): 61.
- Froschauer, Karl. "East Asian and European Entrepreneur Immigrants in British Columbia, Canada: Post-Migration Conduct and Pre-Migration Context." *Journal of Ethnic and Migration Studies* 27.2 (2001): 225-40. Print.
- Head, Keith, and John Reis. "Immigration and Trade Creation: Econometric Evidence from Canada." *Canadian Journal of Economics* 31.1 (1998): 47-62. Print.
- Ibbitson, John. "Bootstrap Immigrants: Assessing the Conservative Transformation of Canada's Immigration Policy." *Policy Brief* 52 (2014): 1-10. CIGI. Web

- IFS. International Entrepreneur Association in Sweden, n.d. Web. 30 Mar. 2015.
- Immigrant Welcoming Center*: Indianapolis. N.p., n.d. Web. 30 Mar. 2015.
- Industry Canada. SME Research and Statistics. Ottawa: Industry Canada.
- Industry Canada. Small Business Branch. Canadian Small Business Exporters. Ottawa: Industry Canada, 2011. Print. Key Small Business Statistics.
- Jones, Sharon. "Canada and the Globalized Immigrant." *American Behavioral Scientist* 47.10 (2004): 1263-77. Print.
- Kaplan, David H. and Wei Li, eds. "Landscapes of the Ethnic Economy." Lanham: Rowman and Littlefield Publishers, Inc (2006): 2-4.
- Ley, David. "Explaining Variations in Business Performance among Immigrant Entrepreneurs in Canada." *Journal of Ethnic and Migration Studies* 32.5 (2006): 743-64. Print.
- Marger, Martin N., and Constance A. Hoffman. "Ethnic Enterprise in Ontario: Immigrant Participation in the Small Business Sector." *International Migration Review* 26.3 (1992): 968-81. Print.
- Marger, Martin N. "The Use of Social and Human Capital among Canadian Business Immigrants." *Journal of Ethnic and Migration Studies* 27.3 (2001): 439-53. Print.
- Neville, François, et al. "Do Young Firms Owned by Recent Immigrants Outperform Other Young Firms?" *Journal of Business Venturing* 29.1 (2014): 55-71. Print.
- Qayyum, Adnan, and Meyer Burstein. "Organizational Best Practices of Local Immigration Partnerships." *Citizenship and Immigration Canada - Ontario Region* (2012).
- Ruddy, Amber, Kimball Kastelen, and Jennifer English. "Wanted: Government Vision for Small Businesses." *Canadian Federation of Independent Business* (2014)
- Schuch, Johanna Clair, and Qingfang Wang. "Immigrant businesses, place-making, and community development: a case from an emerging immigrant gateway." *Journal of Cultural Geography* (2015).
- Schure, Paul, and Melissa Dodaro. "2013 Report on Angel Investing Activity in Canada: Accelerating the Asset Class." *National Angel Capital Organization* (2014).
- "Settlement Systems Mapping Project Report." *Citizenship and Immigration Canada, Region of Waterloo, United Way Kitchener Waterloo and Area* (2012).

Sivertsen, Silva Pilarv, Thomas Jonsson, and Margareta Wallentén. "Almis rapportserie om inkubation" ["Almis Report Series on Incubation"]. *ALMI*. N.p., n.d. Web. 30 Mar. 2015. <<http://www.almi.se>>.

St. Louis Mosaic. St. Louis Mosaic Project, n.d. Web. 30 Mar. 2015.

Sui, Sui, and Horatio Morgan. "Immigrants Critical to Export Success." *The Canadian Trade Commissioner Service*. The Government of Canada, 12 Mar. 2015. Web. 30 Mar. 2015. <<http://www.tradecommissioner.gc.ca/eng/canadexport/document.jsp?did=156387>>.

Teixeira, Carlos. "Community Resources and Opportunities in Ethnic Economies: A Case Study of Portuguese and Black Entrepreneurs in Toronto." *Urban Studies* 38.11 (2001): 2055-78. Print.

"The Chicago New Americans Plan: Building a Thriving and Welcoming City." *Office of the Mayor*: n. pag. Web. 30 Mar. 2015.

"Understanding the Current Service Landscape within the Immigrant Settlement Sector." *Social Planning Council of Cambridge and North Dumfries and the United Way Kitchener Waterloo and Area* (2011): n. pag. Print.

Walsh, James P. "Quantifying Citizens: Neoliberal Restructuring and Immigrant Selection in Canada and Australia." *Citizenship Studies* 15 (2011): 861-79. Print.

Wayland, Sarah V. "Immigrant Self-Employment and Entrepreneurship in the GTA: Literature, Data, and Program Review." *Prepared for Maytree and Metcalf Foundation* (2011).

Welcome Centre Stuttgart. Robert Bosch Foundation and Baden-Württemberg Ministry of Integration, n.d. Web. 30 Mar. 2015. <<http://www.welcome.stuttgart.de/en/>>.

"Why Start a Business in Sweden?" *Startup Overseas*. Caroline Jones Marketing, n.d. Web. 30 Mar. 2015.

Hire Immigrants: *Investing in Immigrant Talent*

Hire Immigrants profiles “what works” in immigrant employment worldwide. It is an international, single point of entry to increase employer awareness of the value of immigrant skills and immigration to their business. It provides employers with practical tips, tools and evidence to benefit from immigrant talent. By profiling good (replicable) practices, tracking evidence, analyzing market trends, and convening, **Hire Immigrants** is a global hub for useful practice, policies, research, debate and ideas on leveraging diverse talent and immigration for businesses and the economy.

www.hireimmigrants.org

Global Diversity Exchange: *Diversity Drives Prosperity*

The **Global Diversity Exchange (GDX)** is a think-and-do tank based at the Ted Rogers School of Management at Ryerson University. **GDX** identifies and amplifies the links between prosperity, diversity and migration and anchors these in policy, research and practice.

www.globaldiversityexchange.ca

