

6  **SIX DEGREES
CITIZEN SPACE
2016**



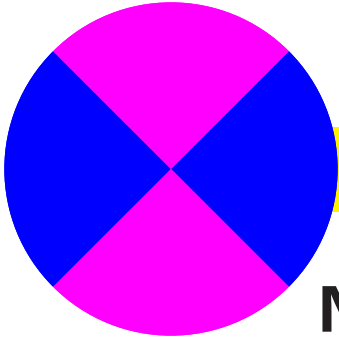
NEW CANADIAN ENTREPRENEURS

AN UNDERAPPRECIATED CONTRIBUTION TO CANADIAN PROSPERITY?

Bessma Momani

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NEW CANADIAN ENTREPRENEURS: AN UNDERAPPRECIATED CONTRIBUTION TO CANADIAN PROSPERITY?

MYTH BUSTING CANADA'S PROSPERITY STORY

Too often, immigration to Canada is viewed as a cost to our society, rather than as a net benefit. This 6 Degrees-CIGI report is intended to start a discussion about the economic benefits of immigration. It is not intended to take away from the normative and moral argument of why immigration is a good thing; we also need to change the conversation about immigration from being a burden or a cost to society to one about how it benefits Canadian prosperity. This Canadian story needs to be told now more than ever. From Europe to the United States, countries are increasingly becoming inhospitable to immigrants, and the talk of walls and quotas exceeds that of showcasing their contribution to prosperity.

Canada's story includes the fact that immigrants are highly entrepreneurial across all categories of entry — whether they come to Canada with a million dollars to invest, have a Ph.D. and hope to find work or arrive with nothing but the shirt on their back to seek political stability — putting into question our past emphasis on investor class immigrants. Canadian immigrants are more likely than Canadian-born people to start their own businesses. They employ other Canadians, innovate new products and services, disrupt business as usual, and generate wealth and prosperity for Canada and all Canadians.

Entrepreneurial immigrants do more than open convenience stores, ethnic restaurants or dry cleaners (the businesses many people may think of when they think about immigrant entrepreneurs); increasingly, they bring “creative destruction” to our knowledge sector. Canadian immigrant entrepreneurs are more likely to innovate, invest in research and development, and introduce a new product, than other businesses.

Immigrant entrepreneurs are not just diversifying our choice of products in Canada; they are also diversifying our exports. In a highly competitive global environment where Canadian firms must take advantage of rising purchasing power in more populous countries, pursue new and untapped markets to reduce risks from fluctuations in the domestic market, and find younger demographics in foreign markets, immigrant entrepreneurs are highly successful.

While Canadian businesses are notoriously risk averse and concentrate their exports to the United States for ease of doing business, immigrant entrepreneurs challenge this corporate culture and are far more likely to seek out new markets beyond our southern neighbour. Immigrant entrepreneurs take advantage of international networks and markets, exporting far more than other businesses.

The businesses owned by immigrant entrepreneurs range from small-scale businesses on Main Street to the corporate giants on Bay Street. It may come as a surprise that Canada's list of wealthiest individuals includes many immigrants who started businesses in Canada. Corporations such as Magna International, BlackBerry, Saputo, Larco and Shopify, to name a few, were started by immigrants to Canada, and are now among the largest employers and generators of wealth in the country.

Many immigrant entrepreneurs praise Canada for what it has to offer them, but this often has less to do with its liberalized business regulations than with the celebrated Canadian way of life. Immigrant entrepreneurs choose Canada not because of the ease of doing business or because of access to finance and capital, but for the appreciation for diversity.

This positive narrative does not mean we can rest on our laurels. There is a lot of work to be done on improving



funding for research and development, supporting and facilitating patenting, strengthening the intellectual property rights regime in Canada with better protection and enforcement, and improving the quality of universities to be truly world-class. Nevertheless, we are doing something right in this country. We may not be excelling in global rankings of innovation, but we are a chosen destination for providing a safe, supportive and prosperous home for new and old Canadians alike.

The story of the success of Canada's entrepreneurs is one that needs to be showcased and celebrated. The Six Degrees Citizen Space will provide a forum and space for this conversation to take place among celebrated Canadian intellectuals, artists and stakeholders.

INTRODUCTION

What drives the Canadian economy? Conventional wisdom, advanced by leading newspapers and conversations in the corporate hallways of Bay Street, says that Canada's wealth is primarily generated from natural resources such as oil, mining and logging, and manufacturing giants in the automotive and aerospace industries. But are we getting the full picture? Is there more to the Canadian wealth story? This 6 Degrees-CIGI report looks beyond these headlines and at one of the underappreciated contributors to Canadian prosperity: immigrant entrepreneurs.

Canada has a long history of welcoming immigrants and refugees to be a part of its multicultural tapestry. Canadian cities are increasingly diverse and prosperous, and are symbols of intercultural understanding and celebrate differences. People born outside of Canada make up a significant proportion of the population of Canadian cities and immigration will soon be the primary source for population growth in this country (Statistics Canada 2011a). The richness of differences immigration provides is not just found in our grocery stores, streets, festivals and common culture, but, increasingly, found in our economy.

For example:

- Canadian immigrants are more likely to own businesses, both small and incorporated firms, than those born in Canada.¹
- Approximately 24 percent of small to medium-sized enterprises (SMEs) in Canada with at least one

employee are owned or run by immigrants (Statistics Canada 2014). This has increased slightly from 22 percent in 2011 (ibid.).

- Immigrant-owned businesses are more likely to export than businesses that are Canadian-born owned (14 percent versus 11 percent) and nearly half of them introduced at least one type of innovation between 2012 and 2014 (ibid).
- The average age of immigrant-owned SME firms in Canada is 15.2 years, versus 20.2 years for non-immigrant-owned SMEs (ibid).

Based on the observation that new Canadians are rising among the entrepreneurial class, this report seeks to showcase the perspectives of successful new Canadian immigrant entrepreneurs, explore the conditions and context of their successes, and provide a better understanding of their place in Canada's economy as new generators of wealth. Are new Canadian entrepreneurs successful and how have they flourished in the Canadian economy? What value do they bring to the economy in a highly competitive and diverse marketplace?

While this report examines immigrant-owned firms that are SMEs, one cannot overlook the notable fact that among Canada's successful companies employing hundreds and earning billions are those also started and owned by immigrants. Individuals such as Frank Stronach, Mike Laziridis, Lino Saputo, Mark Scheinberg, David Azrieli, Mansoor Lalji, Tobias Lütke, Lawrence Ho and Rai Sahi come to mind here. The list of wealthiest Canadians includes many people who are also immigrants, which is a testament to the success of Canada's immigration and multicultural policies. For this report, the author met many successful immigrant entrepreneurs to get at the heart of understanding their experiences.

Twenty-one entrepreneurs from the greater metropolitan areas of Toronto, Montreal, Halifax, Ottawa, Calgary and Edmonton were interviewed. These in-person interviews were semi-structured conversations with successful entrepreneurs identified by partners of the Institute for Canadian Citizenship (ICC), including the Royal Bank of Canada, *Canadian Immigrant* magazine and Women of Influence Inc. By telling their stories, this report brings much needed attention to the newest engines of economic growth in Canada, and attempts to change the conversation about wealth generation in advanced economies.

¹ The data on immigrants was based on those ages 18–69 and those who entered Canada after 1980. This accounts for 75 percent of all immigrants in Canada and therefore underrepresents the total number of possible immigrant entrepreneurs who may not have been captured in the Green et al. (2016: 10) data set.



WHO ARE ENTREPRENEURS?

How do we define an entrepreneur? The Organisation for Economic Co-operation and Development (OECD) (2015, 12) has one of the most widely used definitions of an entrepreneur: an individual who undertakes “enterprising human action in pursuit of generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.” According to a report prepared for Industry Canada, an entrepreneur is someone who sees an “opportunity to create something new” (Fisher and Reuber 2010, 5).

In Canadian policy papers, the term entrepreneur is often conflated with the term SMEs, but are they the same? There are some distinctions worth noting. In Canada, small businesses are those that employ fewer than 100 employees, whereas those deemed medium-sized businesses have 100–499 employees and large business have 500 or more employees (ibid.). The majority of entrepreneurs start as and remain small businesses, while a few develop into medium-sized businesses. Hence, in a number of government reports on entrepreneurs, data on SMEs is provided to give context to the market segment in which most entrepreneurs work. In a number of Statistics Canada reports, a distinction is made between self-employed individuals that are not incorporated and incorporated businesses that are effectively owned by one or a few individuals. These two groups are often lumped together as entrepreneurs; however, the self-employed people may generally run home-based businesses with lower income to supplement paid work while the latter may be SMEs owned, for example, by an immigrant family or couple that can generate large revenues. This report will use the term entrepreneur to mean all of the above, unless specificity of using an alternative term is required.

While there are no typical characteristics of entrepreneurs, they are often thought to be innovative, risk-taking and driven to succeed. A degree of flexibility allows entrepreneurs to incorporate experimentation in their businesses and translate ideas into new products and services that larger firms are less willing to gamble on. While researchers have not uncovered the personality characteristics that could determine who becomes an entrepreneur, academic research has found that entrepreneurs do have cognitive properties that allow them to see opportunity in ventures where others might only see intolerable risk (Sarasvathy, Simon and Lave 1998). Compared to other people, entrepreneurs may not be as pessimistic about potential venture outcomes that others perceive as risky; they also exhibit less regret about past ventures — even if they fail — than those who are not

entrepreneurial (Baron 2000). Finally, business management theorist Peter Drucker (2014) argued that entrepreneurs see change as healthy and as an important part of life and society.

ENTREPRENEURSHIP IN CANADA'S ECONOMY

From business schools to the corridors of government, the positive impact of entrepreneurs on economic growth and prosperity has been highlighted and celebrated. Renowned economist Joseph Schumpeter (1942, 82–85) once noted the necessity of having entrepreneurs who can disrupt the capitalist economy from within. “Creative destruction” was necessary in modern economies to challenge monopolies and oligopolies, and create new and better products and services. Entrepreneurs delivered creative destruction to the modern economy by creating new technology, new markets and new capacities. Schumpeter’s logic challenged long-held assumptions that the accumulation of capital and its distribution in the economy were sufficient for economic growth. Simply put, without creative destruction, large firms would become stale, uncreative and inflexible as they take comfort in their accumulated wealth. It was the disruptive power of entrepreneurs that could challenge the economy and drive innovation, competition and efficiency from the bottom up. The academic evidence supporting Schumpeter’s hunch proved right: the positive value of entrepreneurs to economic growth across the globe has been well established in rigorous economic studies (Fritsch 2013).

It is widely accepted that Canadian small businesses are vital to the economy, in particular for being a key employer and creating a disproportionate share of new jobs. There are 1.2 million small businesses in Canada; cumulatively they employ nearly 70 percent of the Canadian workforce (Canadian Chamber of Commerce 2014, 9). Specifically, small businesses in Canada employ eight million of the 11 million people participating in the labour force (Statistics Canada 2008). These firms tend to stay small in size employing fewer than 100 people. But the small business category is the largest in terms of the number of firms and jobs created. Only a few Canadian businesses (20 percent of all firms) employ 100 to 499 people and even fewer (10 percent) employ more than 500. Canada’s entrepreneurs and small businesses are the strongest engines of economic growth in terms of employment (ibid.). Moreover, Canada’s small enterprises contribute approximately 30 percent of GDP, whereas medium-sized enterprises account for nine percent of GDP, leaving slightly more than 60 percent



of Canadian GDP contributed by large companies.² What is more, in the 10 years since 2000, 98.5 percent of all new Canadian jobs were generated by small businesses, and 60 percent of those were in businesses with fewer than five employees (Wayland 2011, 1).

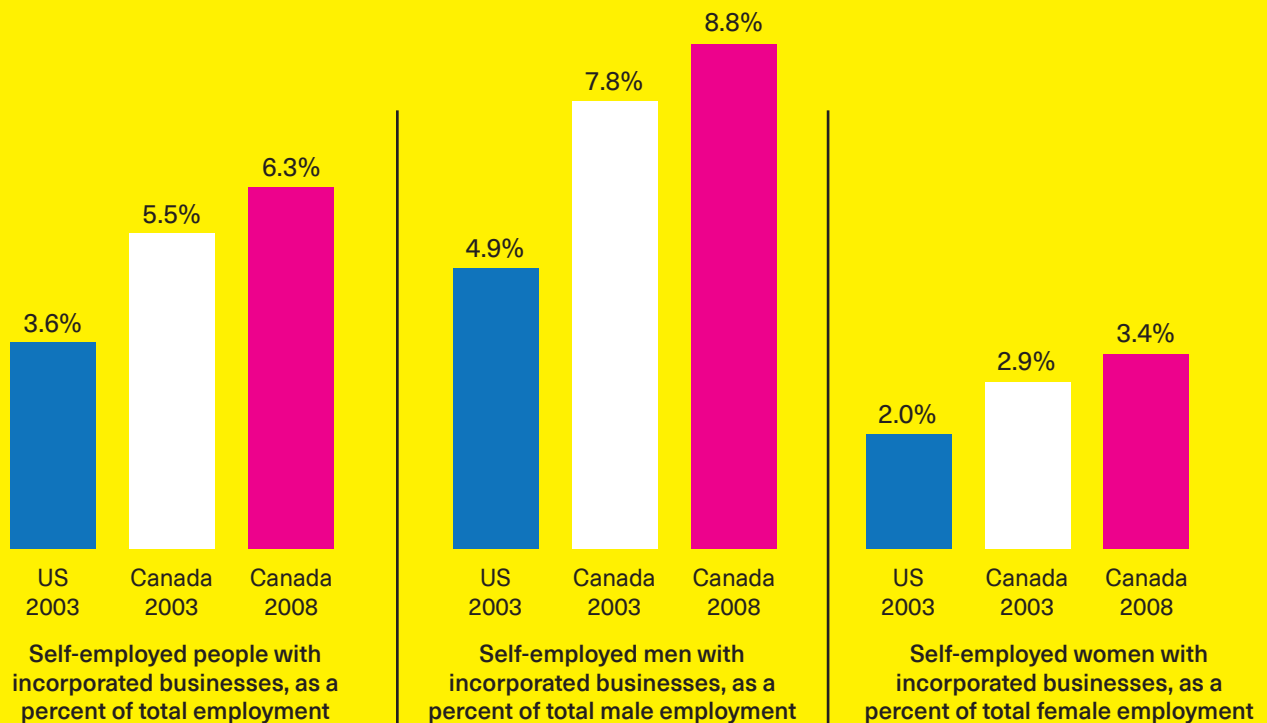
Exports are also an important contributor to the health of the Canadian economy. In 2005, 20 percent of small firms and 14 percent of medium-sized firms contributed to Canada’s total exports (Fischer and Reuber 2010, 19). This is a similar figure to US SME exports, but is significantly lower than many EU-based SMEs, which take advantage of open markets in the European Union. However, by 2013, Canada’s medium-sized businesses increased their share of total Canadian exports to 16.2 percent, despite their smaller numbers in the Canadian market (Industry Canada 2015, 23). Small businesses, it seems, could do better in taking advantage of opportunities to export their goods and services. SMEs that export also tend to be far more innovative, with a strong share of expenses put toward research and development, and these exporting SMEs tend to be in business longer with stronger expansion plans than

other firms (TD Economics 2012, 6). Like all Canadian exports, the overwhelming majority of SME-based trade is conducted with the United States. Regardless of size, SMEs are far more likely to be exporting to the United States, followed by exports to Europe, Latin America, China and other countries. Most of the SMEs exported goods only (49 percent), then services (40 percent) and only 12 percent of SMEs exported both (Statistics Canada 2011b).

Canadian entrepreneurs are also more likely to succeed than their counterparts in other countries. While the percentage increase in the number of businesses led by entrepreneurs is slightly lower than other advanced industrial countries, Canadian firms’ survival rates are higher than in other OECD countries (measured at the one-year mark), and Canadian firms have fewer bankruptcies — that is, lower “death rates” (Fisher and Reuber 2010). Interestingly, survival rates are higher for women-owned small businesses, perhaps because women tend to be less risk averse in business decisions than men (ibid.). Moreover, survival rates are higher in the service sectors, which is more resilient to market volatility than the manufacturing sector. However, manufacturing firms, on average, tend to grow faster in terms of both sales and employment than service firms (ibid). The international

² See “Key Small Business Statistics — June 2016,” www.ic.gc.ca/eic/site/061.nsf/eng/03027.html.

Figure 1: The Extent of Business Ownership among Canadians and Americans



Data sources: Hipple (2004); Statistics Canada (2008).



financial crisis of 2008 hit many entrepreneurs around the globe, with bankruptcy rates soaring, in particular across Europe. However, the rate of claiming bankruptcy has declined significantly among Canadian entrepreneurs, and entrepreneurs' firm life is at pre-crisis levels (OECD 2015, 18). Canadian entrepreneurs appear to be thriving compared to other advanced economies.

Entrepreneurs can be found in every sector of Canada's economy. While there are entrepreneurs throughout our vast country, 58 percent of SMEs are located in Ontario and Quebec, versus 37 percent in Western Canada, and five percent in Atlantic Canada (TD Economics 2012, 6). In terms of start-ups, British Columbia, followed by Alberta, had, as of 2012, the highest rates of new entrepreneurs, suggesting that these two provinces have been effective in spurring new firm creation (ibid.). Interestingly, Canadians are generally more entrepreneurial than their American counterparts.

In 2003, more than 5.5 percent or one in 20 Canadians were either self-employed or had incorporated a business; this increased to 6.3 percent in 2008 (Fisher and Reuber 2010, 20). While there were twice as many male entrepreneurs as female entrepreneurs at that time, the gap has narrowed over the years, and the share of female entrepreneurs is higher in Canada than in either the United States or the United Kingdom (ibid.).

Tapping into the economic growth potential of women entering the paid labour market has been an ongoing policy concern for successive Canadian governments. Women are highly under-represented in entrepreneurship — in 2011 only 15 percent of entrepreneurs were women (RBC Economics 2012, 1). This is particularly surprising given the fact that women account for more than 50 percent of the Canadian population and make up 47 percent of the paid labour force (Statistics Canada 2011c). In a survey conducted by the Bank of Montreal (BMO) in 2012, 71 percent of women stated they would like to start their own business if they could, and 80 percent indicated that they would benefit from having role models or mentors to help them make this leap (BMO 2012). Canadian women are more likely to start businesses in the professional services, consulting, wholesale, retail trade, and the food and hotel sectors (TD Economics 2012, 3). These businesses also tend to be smaller and hire fewer employees than male-owned firms; in fact, 99 percent of all female-owned small businesses in Canada have fewer than 20 employees (ibid.). Canadian women who own their own businesses are less likely to export than their male counterparts, even after controlling for sectoral differences (ibid., 3).

Canada's entrepreneurs are likely to have completed post-secondary education and education rates among them tend to be increasing significantly over the years, in line with the demographic trends of the country. Specifically, in 2014, 69.2 percent of Canada's SME owners had a university or college degree and the figure is even higher for SME owners born outside of Canada, at 77.7 percent (Statistics Canada 2014). Another important demographic trend is the fact that many of Canada's entrepreneurs are approaching retirement age. Nearly half of Canada's entrepreneurs were in their late 50s and early 60s in 2010 (ibid., 21). Moreover, surveys conducted by TD Canada Trust showed that many baby boomers from the general workforce who are approaching retirement are also interested in starting their own businesses (39 percent of respondents) or have already started ones (15 percent of respondents). Hence, it is likely that the number of entrepreneurs who are or will be in their "golden years" will increase and make up the majority of all small businesses. For those close to retirement, entrepreneurship offers an opportunity to be self-employed with flexible hours that allow them to work from home and tap into the business contacts they established in the workforce (ibid.). Like many entrepreneurs in Canada and the Western world who are close to the age of retirement, planning for their future and business succession will become an important issue.

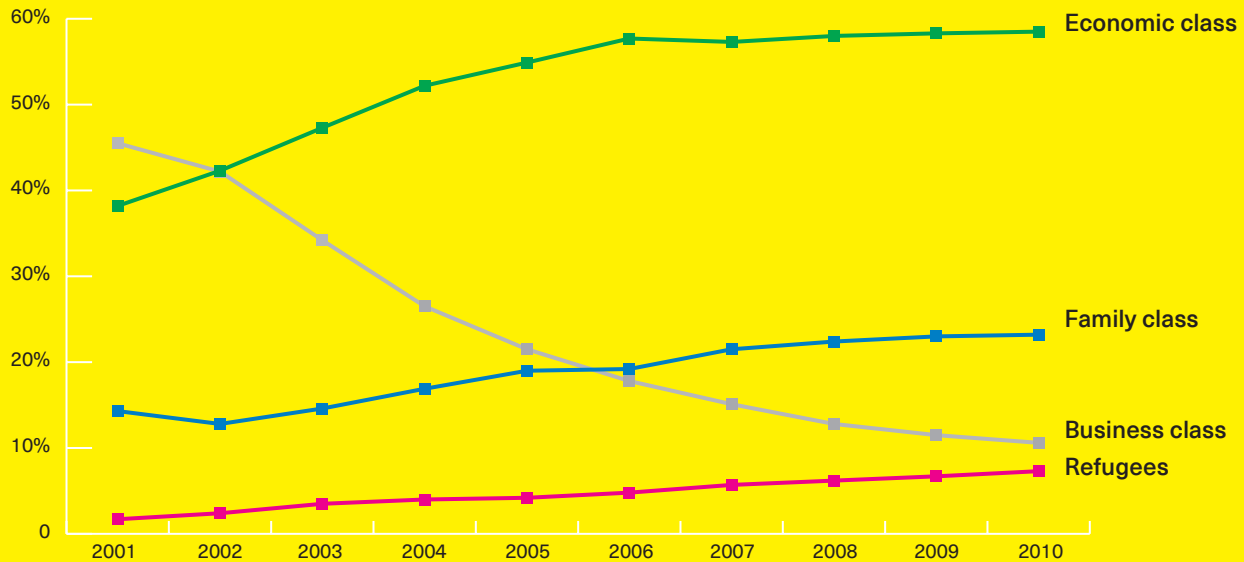
IMMIGRANT ENTREPRENEURSHIP: UNDER RECOGNIZED?

What do we know about immigrants who are part of the growing entrepreneurial class? A 2016 Statistics Canada study published what many had anecdotally believed to be the case: immigrants to Canada are more likely to own businesses than those born in Canada (Green et al. 2016). This finding holds true in almost every other OECD country, in particular in Australia, the United Kingdom, France, Belgium, Denmark, Sweden and Norway (OECD 2010). In the initial years after immigrating to Canada, new Canadians may not be as enterprising, but after four to eight years in Canada, they are more likely to become entrepreneurial than Canadian-born citizens (Green et al. 2016, 5).

Canada's immigration policy has favoured categories of immigrants who bring money and investments into the country, but what is interesting about Statistics Canada's study is that Canadian immigrants are generally more entrepreneurial across *all* categories of immigrant classes. So while entrepreneurial rates of immigrants in the



Figure 2: Distribution of Private Incorporated Business Owners, by Immigrant Class and Year, 2000 Immigrant Cohort



Data source: Statistics Canada, Canadian Employer–Employee Dynamics Database.

investor class are certainly higher than those entering other categories, beyond that, there is no discernible difference between immigrants who entered in the economic class (includes skilled-worker class), family class or refugee class. Moreover, in a period of 10 years, the refugee class's share of incorporated business had risen from 1.7 percent of all immigrant businesses in 2001 to 7.3 percent in 2010. Simply put, all classes of immigrants are enterprising and entrepreneurial. Again, these Canadian findings are shared across many advanced economies such as the United States, the United Kingdom and Australia, confirming the point that immigrants are highly entrepreneurial (Fairlie and Lofstrom 2014, 877). OECD (2010) studies have also confirmed that immigrants are highly entrepreneurial and that the class of entry explains very little about why they become business owners.

As many Western countries are grappling with slow-growing or even declining populations and limited policy space to directly create jobs, the attractiveness of immigrant entrepreneurship as part of the government's economic policy tool kit has increased. Some European countries continue to seek out immigrants who are investors or entrepreneurs, despite overall attempts to cap or slow immigration to their countries (Desiderio 2014, 2). There is a global understanding that immigrant businesses are good for domestic economies; however, some countries, like

Canada, have been among the ones most actively trying to attract and accept immigrant entrepreneurs.

To attract immigrant entrepreneurs to Canada, the regulatory environment has been liberalized and relaxed for new industry entrants in most sectors of the Canadian economy. The regulatory environment in Canada is seen as desirable for small businesses, as evidenced by Canada's high position in the World Bank's Doing Business rankings, coming in at fourteenth out of 186 countries in the 2016 report.³ When compared to other advanced industrial states, for example, Canada has low costs of licensing and registering a business and offers short wait times to do so. Moreover, federal, provincial and municipal governments offer a number of one-stop shops for retrieving information and government services, creating a relatively welcoming policy environment for entrepreneurs (OECD, 2015 18). But, Canada could clearly do better as it still ranks lower than a number of other advanced economies, including Scandinavian countries. Moreover, Canada continues to slip in global rankings on investments in research and development, university quality and in patenting (Dutta, Lanvin and Wunsch-Vincent 2016, 4; 18).

A number of immigrant entrepreneurs who came to Canada as part of the investor and business classes were interviewed for this report. They were asked why they chose to come

³ See www.doingbusiness.org/rankings.



to and stay in Canada. The overwhelming response was that the financial and economic benefits of immigrating to the United States was known to be higher than Canada, because of its larger market of consumers, fewer regulatory obstacles and diversity in supply chains. However, they still opted to come to Canada because of its policies promoting multiculturalism and the positive living environment the country offered them and their families. One entrepreneur noted, “I could have been 10 times more successful had I operated in the United States, but Canada is a good country to be in for my family.”

The idea of the United States being a melting pot was often thought of as less encouraging for immigrant entrepreneurs who wanted to retain aspects of their home cultures. In contrast, another entrepreneur added:

Canada is a great place to live, amazing in terms of structure and social fabric. The demographics are good. Toronto is a diverse city. I love the structure of the country, the values. But in business, it’s different.” One entrepreneur in the technology sector added that “access to capital is still the biggest problem...[yet] despite it being easier in Silicon Valley to get capital than here, I haven’t really considered moving anywhere else because our families are here, and that’s the reason we’re staying.

Another immigrant entrepreneur also made comparisons to the United States. He noted that:

It is a challenging environment when we talk to friends and relatives in the US, they tell us in the US it’s easier to get into business and climb the ladder but it’s also easier to lose money. That said, Canada has much slower growth and you have to work harder to get same kind of growth. Taxes are higher, the cost of doing business is higher and Canada is a much smaller market. Canadians are also very conservative, they are not spenders. And that impacts any business, not just our business.

Yet, when asked why he did not relocate to the United States, he responded, “We found that Canada welcomed us when we came here, gave us an opportunity to lay down our roots and the opportunity to grow and we didn’t want to give that up. Our roots are here, our families are here. We have good health care and education. [Plus] there’s no restrictions on practising our faith.” Another praised Canadians’ attitudes toward multiculturalism — “they consider this ethnic diversity as a wealth” — and added that Canada’s social infrastructure is particularly beneficial for entrepreneurs,

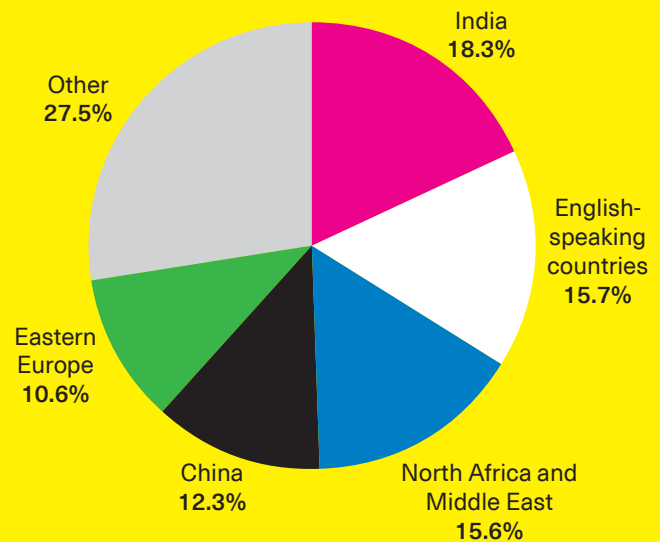
saying “there are lots of guarantees, lots of safety nets that help you make that decision [to start your own business.]”

PROFILE OF IMMIGRANT ENTREPRENEURS

Where do entrepreneurial immigrants mainly come from? A large proportion of immigrant business owners are originally from India, other Anglophone countries, Arab countries, China and Eastern Europe. Canadian immigrants hailing from Africa, Southeast Asia and Latin America were least likely to start their own businesses (Green et al. 2016, 7). It is interesting to note that the same pattern is found in most other OECD countries (OECD 2010, 32). What do we know about the demographics of entrepreneurial immigrants? Like the general population of Canadian entrepreneurs, the most common age group of business owners who were immigrants in 2015 was 50–59, meaning that succession planning for immigrant-owned businesses is likely an important issue in their future business and estate planning (Green et al. 2016, 7).

In terms of gender representation, two-thirds of business owners were male, for both immigrant and non-immigrant-owned businesses. Six female immigrant entrepreneurs were interviewed for this report. Many discussed their move into entrepreneurship as a means to better balance their family life and raise their children. One interviewee noted that when she had her first child, she started to think “where is

Figure 3: Breakdown of Immigrant Business Owners by Country (Top Five)



Data source: Green et al. (2016, table 3).



Table 1: Distribution of Private Incorporated Businesses Owned by Immigrants and Non-immigrants, by Firm Size, 2010

Firm size (number of employees ³)	Distribution			
	Businesses owned by immigrants ¹		Businesses owned by non-immigrants ²	
	ALUs	percent	ALUs	percent
0 to .99	56,820	39.4	171,340	26.7
1 to 1.99	28,910	20.0	116,430	18.1
2 to 3.99	24,330	16.9	120,220	18.7
4 to 9.99	21,400	14.8	120,620	18.8
10 to 24.99	8,850	6.1	68,880	10.7
25 to 49.99	2,620	1.8	25,820	4.0
50 and more	1,430	1.0	19,530	3.0
All firms	144,360	100.0	642,840	100.0

1. Immigrants who have entered Canada since 1980.

2. Canadian-born population, plus immigrants who entered Canada prior to 1980.

3. The number of employees is expressed in average labour units (ALUs).

Note: The sum of the figures may not correspond to the totals shown because of rounding.

Source: Statistics Canada, Canadian Employer–Employee Dynamics Database.

my career going?” She left a lucrative job in the paid labour sector and started her own business, which allowed her to take time off for her second child. A female interviewee noted that entrepreneurship allowed her to “see her children everyday”; another noted that having a small business “was on my terms. I didn’t have to work 9 to 5. The business runs itself. I don’t have to be there 24/7. I can be anywhere and run the business....I could take my baby to work if I wanted to. Having children made me make this decision [to start a business].” In terms of expansion, one woman noted that she would like to focus on growing the business, but only when her children are older. Having run a medium-sized, successful business in her home country, she said, “When [my] children [are] old enough, I would take the challenge again.”

Immigrants are more likely to be self-employed than Canadian-born individuals, and the rate of self-employed immigrants continues to rise. In fact, a CIBC Economics (2012) paper reported that immigrants now make up almost 20 percent of those who are self-employed, “more than double the rate [in the] 1980s.” However, nearly half of those immigrants are also engaged in paid employment and are therefore more likely to be working two jobs. In these cases, paid employment outside their business likely surpasses revenues earned in self-employment (ibid.). Moreover, nearly half of these self-employed immigrants

with two jobs are in the real estate sector, either as landlords, property managers or brokers (ibid). Of all the self-employed Canadian immigrants, many do not hire any other employees. This could indicate that self-employment is often a necessary means for immigrants to create their own jobs.

The higher tendency of immigrants to be self-employed compared to Canadian-born citizens raises an interesting question of whether immigrants are entrepreneurial by choice. Or, as one article put it: “Entrepreneurs because they are immigrants or immigrants because they are entrepreneurs?”⁴ In a study of Toronto’s immigrant community, it was found that the rate of self-employment was in fact lower among immigrants within the Greater Toronto Area (GTA) than for immigrants outside the GTA (Wayland 2011). This study suggested that this was because the GTA’s highly diverse workforce provides more opportunities for immigrants to work in the paid labour force. However, when researchers have asked immigrant entrepreneurs if they started their own businesses by choice, the majority responded affirmatively (ibid., ii; Teixeira 2001).

Immigrants who have been in Canada for 10 to 30 years outpace ownership rates of incorporated businesses when compared to all other owners (5.8 percent compared

⁴ See Ensign and Robinson (2011).



to 4.8 percent) (Green et al. 2016, 5). Among these incorporated firms, immigrant-owned businesses tend to be smaller, with fewer employees than corporations owned by Canadian-born individuals (*ibid.*). Specifically, almost 60 percent of immigrant-owned incorporated firms in 2010 had under two employees (*ibid.*, 28). The finding that immigrant-owned corporations have fewer employees is likely explained by the fact that immigrants' corporations tend to be younger, and may still be in the early stage of business development. As the firms grow in size and value, second-generation Canadians, that is, the Canadian-born children of immigrants, are more likely to now be owners of larger incorporated firms (*ibid.*).

Immigrant-owned sole proprietorships tend to be clustered in a relatively small number of industries: real estate, including rental and leasing; "administrative and support, waste management and remediation services; health care and social assistance; professional, scientific and technical services; transportation and warehousing; and construction" (*ibid.*, 7). Similarly, incorporated firms owned by immigrants tend to be clustered in professional services, such as consulting; retail trade; hotel and food services; transportation, logistics and warehousing; and construction (*ibid.*). Immigrant entrepreneurs enter these sectors as opposed to others because they tend to have lower barriers to entry, including fewer regulations and lower start-up costs. A number of the interviewees started in the consulting industry to take advantage of their foreign education, which was not recognized as equivalent to Canadian credentials. For example, not being able to practise as an architect led one of the entrepreneurs interviewed to start her own design and management consulting business. It is interesting to note that many of the immigrant entrepreneurs the author spoke to started generating their wealth in the real estate sector — one noted: "Immigrants like to invest in real estate because we believe in having an asset." Immigrant entrepreneurs also tend to gravitate toward the food services sector, where immigrant business owners were more likely to own restaurants than Canadian-born business owners (23.1 percent versus 11.8 percent, respectively, in 2010) (*ibid.*, 27).

While it is often evident that immigrants are likely to own businesses that cater to co-ethnics (people of the same ethnic group) or are ethnic-related (for example, ethnic restaurants and ethnic food stores), immigrant entrepreneurs provide more to the Canadian economy than just catering to co-ethnics. Immigrant-owned SMEs are more likely than non-immigrant-owned SMEs to use debt financing for research and development investment (7.6 percent versus 5.0 percent) and also more likely to innovate — 46.5 percent

introduced a new product, process, marketing strategy or organizational method between 2012 and 2014, versus 40.2 percent for non-immigrant-owned SMEs (Statistics Canada 2014). Some immigrant business owners are small and cater to co-ethnics by filling market gaps that service their communities. Despite evidence of some clustering, the sectoral makeup of immigrant ownership is changing. A TD study, for example, found that new immigrants to Canada (in the country for less than five years) have a greater propensity than older immigrants to start businesses in the knowledge-based sector and, interestingly, tend to be younger than other Canadian-born entrepreneurs in the same sector (TD Economics 2012, 5). The youngest interviewee, for example, started his first knowledge-based business upon arrival in Canada at the age of 19. He has since started other high-tech businesses, supporting the notion that younger immigrants are more focused on the knowledge sector.

Are these incorporated firms owned by immigrants also exporting? Researchers have long theorized that immigrant-owned businesses would be more likely to engage in exporting than non-immigrants. The underlying assumption of this argument is that immigrants have existing networks, knowledge and information in their home countries that makes it easier for businesses to export to those markets. Many of the immigrant entrepreneurs interviewed for this report were indeed active in exporting. As one man noted, "People [born in Canada] are so scared to go abroad and [yet] policies support them [to export].... [there's a] lot of government support to do business but [you] have to plan globally.... The world is open now, why stop?" Another entrepreneur suggested that the immigrant experience makes them better at exporting. She noted, "One advantage immigrants have is a view of the world outside of Canada." As one entrepreneur similarly added, "immigrants can import new ideas, new ways of doing business."

Canadian research supports the notion that increased levels of immigration are positively correlated with increased Canadian exports. Specifically, economists found that from 1980 to 1993, for every 10 percent increase in the immigrant population, there is a corresponding one percent increase in Canadian exports and three percent increase in imports from immigrants' home countries (Head and Ries 1998). A Conference Board of Canada (2014, 2) study also examined over 15,000 Canadian SMEs with immigrant owners and found that they are indeed more likely to export to non-US markets, compared with Canadian-born owned SMEs. Where Canadian-born owners of SMEs are most likely to export to the United States, new immigrant-owned SMEs



are almost twice as likely to seek out non-US markets for their exports. Moreover, these immigrant-owned firms that export outside of the United States are among the fastest growing SME businesses in Canada (ibid.).

In a large sample of Canadian SMEs, academics found that immigrant-owned exporting firms that are new to Canada tend to have higher profits than those owned by Canadian-born individuals. But, when immigrant-owned firms did not export, their profits were no different than those owned by Canadian-born individuals (Neville et al. 2014). Simply put, immigrants who engage in export-import businesses seem to have some competitive advantage over Canadian-born individuals, likely owing to their networks in and local knowledge of home countries. Immigrant entrepreneurs are proving to be important facilitators of expanding Canada's trade networks (ibid.). This Canadian evidence mirrors other countries' findings. Studies in the United States have established that immigrant-owned firms do export at higher levels than others (Fairlie and Lofstrom 2014). An OECD study also confirmed that immigrants can increase trade with foreign markets in a range from 0.1 percent to 3.5 percent with every 10 percent increase in immigrant populations, and more robust evidence of this phenomenon has been found in Sweden, the United States and Bolivia (Hatzigeorgiou 2010).

EXPLORING ENTREPRENEURSHIP AMONG IMMIGRANTS

In Canada and in almost all Western countries, immigrants are more entrepreneurial than those born in the country. This raises many interesting questions that this study grapples with. Why are immigrants more likely to be entrepreneurs? To explain the higher rates of immigrant entrepreneurship, analysts have proposed a number of theories, mainly based on US and European experiences, although some account for Canadian experiences as well.

Early academic research pointed to cultural explanations for immigrant success as entrepreneurs, pointing out that immigrants become entrepreneurs because they tap their co-ethnics for networks, financing and a market for their goods and services. This was the case for some of the entrepreneurs interviewed, but many stated they purposely stayed away from co-ethnics to widen their networks and integrate into the broader business community. As one entrepreneur noted, "some people gravitate to their existing [ethnic] community — I integrated into Canadian society; there's a 'Little' everywhere [Italy, Portugal, etc.]. I didn't want any of that. I thought if I didn't integrate, I would not be successful here."

Another aspect of the same academic cultural thesis posits that immigrants have a positive work ethic, a tendency to work longer hours and greater self-reliance — some argue this explains their relative success as entrepreneurs. In making comparisons to Canadian-born workers, many of the entrepreneurs suggested that the immigrant work ethic was indeed stronger. The entrepreneurs interviewed said the following: "Canadians don't have to work so hard, they take that for granted." Another added, "In my company, the most hard-working people are immigrants." In comparing herself to Canadian-born people, one of the immigrant entrepreneurs suggested: "Immigrants tend to do better than those born locally. When you know the language and the culture, you don't have as many challenges. But it's those challenges that make a person stronger." Another entrepreneur echoed these thoughts and said, "Someone who is from here takes things a bit more for granted. Whereas I started from scratch; I had nothing to lose, I had burnt my bridges. Immigrants [also] have a bit more stress than others because they're trying to prove themselves, prove their own value." Another successful entrepreneur noted, "I think immigrants are more creative — they think of the same thing from a different angle...It gives us a wider perspective. People tend to follow what they're taught, so immigrants might come up with a different solution because they were taught different."

Structural explanations have also been given for the prevalence of immigrant entrepreneurs by noting that they start businesses as survival strategies because they are discriminated against, especially when they have foreign credentials that are not recognized. Immigrants can then be thrown into niche sectors or enclave economies by circumstance. One of the entrepreneurs we met noted, "Many people do business because they cannot find a job, a decent job." Another added, "Many of us are highly educated and...they still offer you cleaning jobs."

Many of our interviewees concurred that the immigrant experience itself selects individuals who are prone to be risk-takers and entrepreneurial. As one man put it: "immigrants are not more innovative, but have more opportunities to be innovative....[because] they have no way back, so in order to put food on the table, they take the risk. In certain aspects, immigrants work harder...because they come to a new environment...they don't know the system — you have to know someone to get somewhere. They have to innovate by necessity...[as they are] put into difficult situations and have no other choice but to innovate."

Another immigrant entrepreneur offered an interesting view that echoed the above: "immigrants aren't more innovative,



it's a stereotype...I can see immigrants being more *risk-taking*, but not innovative. Innovation comes from anyone." Other immigrant entrepreneurs gave similar views:

- "Immigrants are not more innovative and creative, but they are more hungry."
- "The spirit of immigration is an indication of a person to accept change and take risk."
- "The reason immigrants do very well is because we don't have a class system...[we] don't really have a choice so you're fearless; we don't take anything for granted."
- "Figuring something out from nothing, that's very much the immigrant way."
- "Where immigrants come from they don't have the Rotmans and Schulichs [business schools]...they take risks and they get into business."
- "An immigrant is willing to go further — they're much more willing to endure hardship."

Among our interviewees, many came from entrepreneurial families in their home countries, others had much humbler backgrounds and others came from poverty. But some added that they always knew deep down that they were entrepreneurs: "Entrepreneurs are not born on another planet, but they think a bit differently from the others." Several of them left highly sought-after professional jobs to start their businesses because they wanted to "build something." Immigrant entrepreneurs frequently talked about how "they like excitement" or they "were a serial entrepreneur looking for new opportunities," and many others talked about how they saw service or product gaps that needed to be filled. One reflected:

When I came to this country, everywhere I saw many opportunities. Locals don't have the same spectrum, they get too used to it. I saw dollar signs. Canadian-born owned businesses are pretty standardized and more driven by lowering costs. So, Canadians are absolutely risk-averse...to me, not taking a risk is boring. Canadians [who are not immigrants] are happy with the return on the investment they're getting. They live comfortably, no need to work harder, but there's dramatic change when you immigrate, and you are willing to take more risk, not a lot to lose already.

Academics suggest that structural explanations can also mean that immigrant entrepreneurs take advantage of their circumstances and better utilize government programs that encourage small businesses. Canadian researchers tend to see a combination of explanations at play and

find socio-cultural, economic and regulatory factors to be important to understanding the Canadian context of why immigrants become entrepreneurs (Lo and Teixeira 2015). This theoretical approach (called the mixed embeddedness thesis) suggests that the broader economic and policy contexts need to be considered in explaining the prevalence of immigrant entrepreneurs (Kloosterman and Rath 2001).

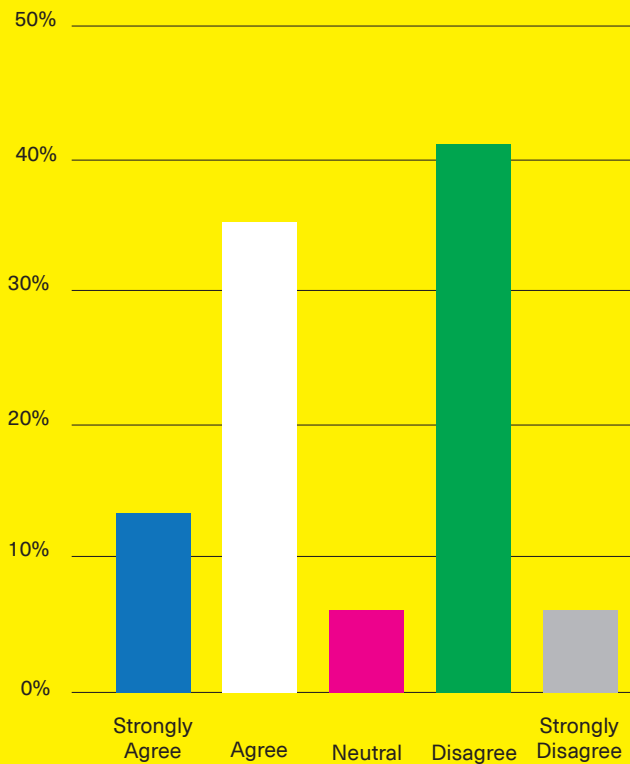
While the question about immigrants' choice in becoming entrepreneurs is frequently asked, a less popular question is that of whether Canadian-born individuals avoid certain types of businesses that immigrants then see as an untapped opportunity. This starts a broader conversation about whether Canadian-born business owners are generally less risk-averse than immigrants. Brought to public level conversation with the provocative title *Why Mexicans Don't Drink Molson*, Andrea Mandel-Campbell's (2007) book argued that Canada's corporations are timid about foreign ventures beyond the United States. Even when they are presented with the opportunity to invest in foreign markets, many Canadian executives prefer not to, for fear of unknown risks that could be involved. Canadian executives prefer the safety and comfort of trading with the United States, ignoring important and valuable markets further afield. In 2011, Deloitte conducted an attitudinal survey of 450 Canadian and 452 American business executives across a variety of industries and of various size and scale. It found that these Canadian executives perceived themselves as taking on significant levels of risk in business ventures. In actuality, American executives were significantly more likely to be risk-tolerant than their Canadian counterparts (Deloitte 2011, 13).

Many interviewees made distinctions between immigrants and Canadian-born, with the latter being more risk-averse: "Canadians [born in Canada] play it safe, buy RRSPs; [whereas] immigrants are fearless because they've come with nothing, so they take bigger risks." Another entrepreneur in the IT sector noted, "Immigrants grow up without things and want to build them." He added that immigrants are "more ready than people born here to go into a fight." Finally, another entrepreneur added: "Canadians [born in Canada] don't have to work so hard, they take that for granted...they have a sense of entitlement." Another of our interviewees added: "Immigrants are more positive. To succeed you need to be positive. They take charge, they don't rely on others to do things for them...They are more friendly. They try to connect with people... You have to have the people skills [to succeed in business]."

Despite the apparent success of many immigrant entrepreneurs, they still face a number of challenges, notably



Figure 4: I Have Faced Discrimination in Business Because I'm an Immigrant



Source: Author.

financing, attaining language skills and getting accustomed to Canadian business culture (Sim 2015). On the question of discrimination, as one entrepreneur put it: “I did not experience the depth of discrimination directly, but I am sure I experienced a lot indirectly. A lot more doors could have been opened for me if my last name was [Smith].” In the small survey that was conducted, almost half reported some form of discrimination.

As for other challenges in starting their businesses, many interviewees noted the paperwork was the easy part. While most of the entrepreneurs suggested that Canadian regulations were easy to navigate, a number cited the Workplace Safety and Insurance Board (WSIB) policies as being among the most cumbersome. “Starting a business in Canada is easy. It’s everything that follows that’s not.... [one] need[s] access to capital that is not there...banks are terrible at lending money to new businesses, because they look at risk profile...the first two years are really, really hard from a financial standpoint and there a lot of laws you don’t understand, accounting rules are very complex.” In contrast

to the WSIB, a number of entrepreneurs hailed the Business Development Bank of Canada (BDC) as a resource they leveraged and received support from when starting their business. One immigrant suggested that BDC was “an excellent initiative, not available everywhere else...There should be some sort of information about BDC provided as options [to immigrants].”

For most of the entrepreneurs interviewed, the most difficult aspect of their start-ups was getting capital, a struggle for many entrepreneurs in Canada, not only immigrant entrepreneurs. One interviewee noted, “Immigrant entrepreneurs face huge trouble in the investment phase; investors don’t invest in the idea, they invest in the person, so you need to build that trust.” Others lamented that it was very difficult to raise money in Canada for research and development. There was a lack of coordination between the private sector, universities and government. One entrepreneur noted that small business loans for entrepreneurs are often for equipment, but after that there is limited support. “That is something that can be improved, to make it easier for entrepreneurs,” she noted. To illustrate Canada’s need to catch up to emerging market economies, “China gives you \$2 million to come start a business, free office space.” The lack of a support system specifically for immigrant entrepreneurs made the experience an uphill battle: “It’s assumed that you know everything.” As one interviewee noted, “I don’t know what I don’t know.” Another entrepreneur suggested a telephone hotline be set up for immigrant entrepreneurs in their native languages to help them start their own businesses and walk them through the regulatory and operating challenges.

Many of the entrepreneurs interviewed made comparisons between their SMEs and large Canadian corporations with great criticism of Canadian policies favouring the latter. One entrepreneur who chose to immigrate to Canada as opposed to the United States still lamented the business environment in Canada, which favoured and supported monopolies and oligopolies that, in his opinion, often do great damage to market competition. Large Canadian companies were so big that small businesses are not given a fair playing field in which to move forward, he opined, adding, “The capitalist model to me means survival of the fittest. Efficiency is the first and foremost criteria for survival of the fittest. When you become so big you’re inefficient, you’re not following the ideal capitalist model. I don’t agree with that philosophy. It kills entrepreneurship.”



Another entrepreneur also shared a similar perspective:

Canada needs to [similarly] think about entrepreneurs. Entrepreneurs are really the engine of the economy; they all started in the garage somewhere...but in Canada big giants get all the attention. When General Motors, for example, opens a plant and creates jobs, we celebrate — why don't we celebrate small business? When you have a small business open up, where's the celebration? You want to balance the market out a bit between small and large businesses, otherwise the rich get richer. Demographic changes mean more young people are not able to find jobs, [yet] entrepreneurship offers opportunity. We need to encourage more young people to start a business. If we only feed the giants, we continue to do the same thing over and over, there's no innovation.

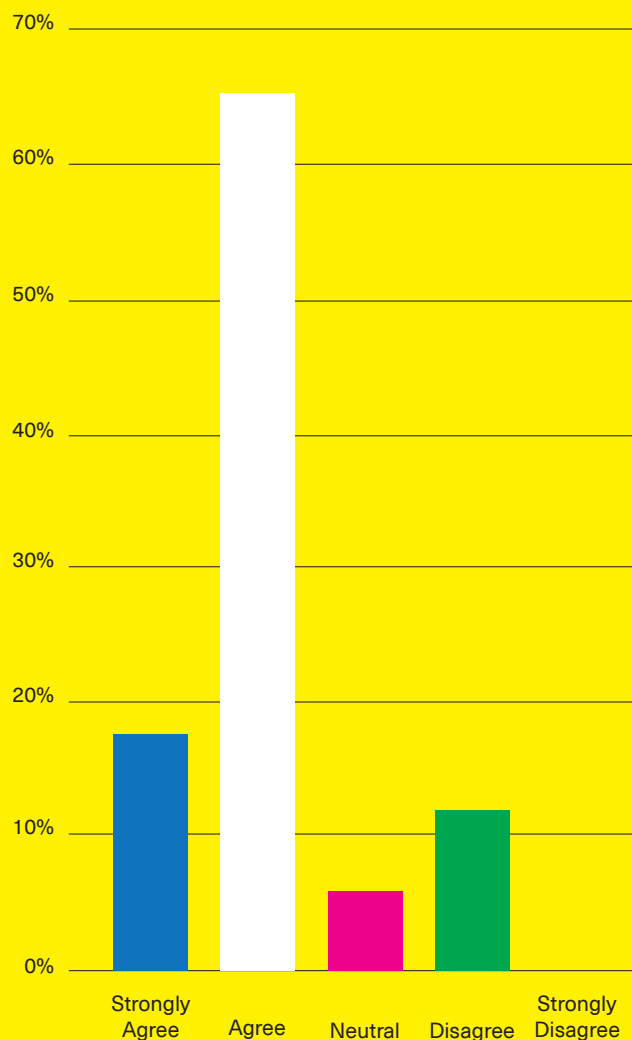
She went on to elaborate that immigrant entrepreneurs were not recognized, “as much as I would like to see.” This was partly the case because there were not that many immigrant entrepreneurs who were “big giants.” But, we should focus on emerging, fast-growing businesses, she noted, which are more likely owned by immigrants. In relation to metaphorical Bay Street and its perception of new Canadians, she noted “they don't care about entrepreneurs, they only care about investors. People who care are other immigrants.”

A Canadian Chamber of Commerce (2014, 11) report substantiates what was heard from the immigrant entrepreneurs. Some entrepreneurs believe that Canada does not sufficiently celebrate the success of entrepreneurs. Many of the entrepreneurs that the Chamber spoke to believed that this could be partially remedied by better celebrating entrepreneurs and by teaching entrepreneurial skills in schools and post-secondary institutions. Rather than training students to be employees, they argued, schools should guide young people to become employers — a sentiment echoed by one of our interviewees (ibid. 14). The entrepreneurs noted that to get the recognition they deserved, we need more data on the economic impact of immigrant businesses and to celebrate new companies. One entrepreneur even added that the prime minister should invite successful immigrant entrepreneurs to meet with him, much like he does with enterprising youth who are part of the Prime Minister's Youth Council, which advises Trudeau on national issues. This would go a long way, he suggested, to bring public attention to the contribution of immigrant entrepreneurs to the wider Canadian economy and help encourage others to start their own businesses. One entrepreneur, however, suggests that things might be

changing: “There's been a shift in mindset to recognize the value of entrepreneurship. We have so many hidden gems — big companies are turning to them for innovation. Entrepreneurs are looking for gaps to fill in the market.”

Despite the views expressed above, several of the entrepreneurs interviewed did not think it was important to recognize immigrant entrepreneurs. For example, one person explained: “I don't think it makes a difference. Entrepreneurs don't do what they do for recognition. Their success is their reward. Another stated: “I believe they [immigrant entrepreneurs] are not active enough to be recognized... it's not the fault of the system...they're trying to be less visible to competitors.” He suggested here that immigrant

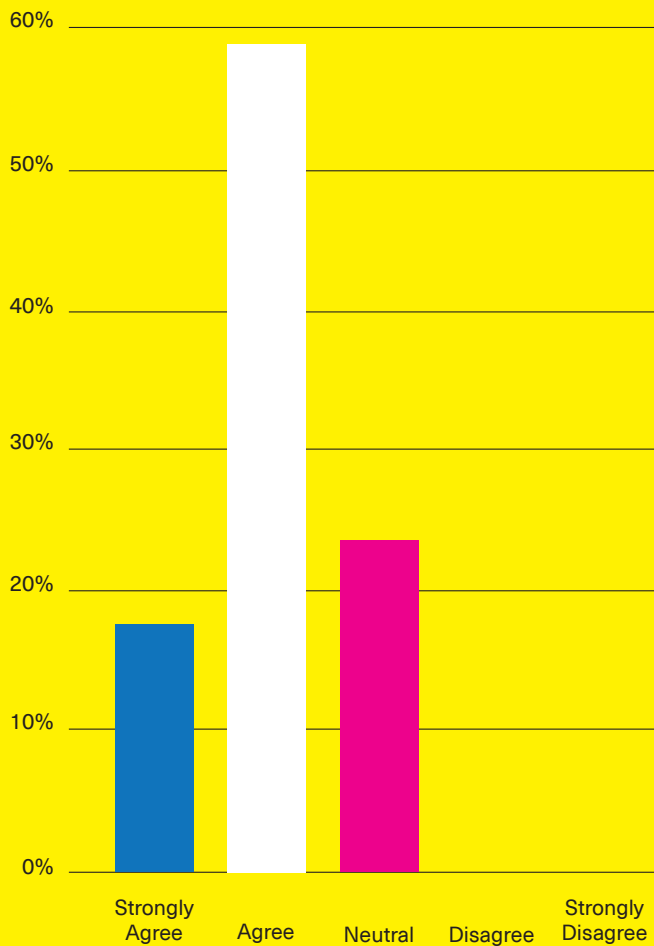
Figure 5: Canadian Immigrants Are Being Publicly Recognized for Their Contribution to Canada's Economy



Source: Author.



Figure 6: Canadian Entrepreneurs are Being Publicly Recognized for Their Contribution to Canada's Economy



Source: Author.

entrepreneurs are often not seeking recognition, and are trying to stay below the radar of competition. Also in contrast to most immigrants we interviewed, one entrepreneur in the tech sector suggested we should not recognize individuals, but rather businesses, saying “I am a success because of my team.” He also added that there is no “need to make the [immigrant] distinction...who cares, we’re all Canadian.” Moreover, the survey shows that immigrant entrepreneurs feel they are recognized for their contributions to society as entrepreneurs, but some respondents are less in agreement that immigrants in general are recognized.

The entrepreneurs were asked about their plans for the future of their businesses — if they intended to go public, sell the company or give the businesses to their children. Like the majority of entrepreneurs in Canada, many of

them were approaching retirement age. Interestingly, many interviewees did not imagine their own children taking over their businesses. They gave comments such as: “[My children] should be independent; I don’t like my son to replace a professional. Everybody in the family is on the outside but fully involved. They are not accountable [for business success or failure], that belongs to people who are responsible for meeting the targets. My family [is] not involved in current operations, but rather involved in the future planning.” Another added: “I would like to sell the company — a business is an investment vehicle; from my own perspective, when my kids grow up and want to take [over the] business, fine. But if a buyer comes along, and we liked the number, we wouldn’t say no. I don’t want to be emotionally attached to an investment. Also, if kids have an entitlement problem, [that’s a] red flag.”

One entrepreneur had an important insight. He believes that “there is no culture of succession planning for [our] kids [in Canada] because there are so many other opportunities for them to pursue.” Another entrepreneur added, “my children are doing well on their own — none of them are interested in becoming entrepreneurs,” adding, “in Asia, they [children of business owners] are always groomed to take over, [but] because of [Canada’s] education system they grow up with independent minds.” Indeed, we similarly heard stories of entrepreneurs whose children were already successful professionals who did not have the same interest in running a business. A number of our interviewees also expressed ambivalence about giving their businesses to their children. A few noted that their millennial children did not have the same work ethic as they did. They feared their children had become spoiled, did not have the same drive to succeed and would not be good managers of their businesses upon retirement.

As for going to the market with a business, one interviewee noted that going public was not a viable option for her business because it was the type of enterprise that generally had low barriers of entry. As described above, Statistics Canada has noted that there is a clustering of immigrant entrepreneurs in sectors with lower barriers of entry. It could prove well worth the effort to study whether or not this exit plan is of less interest and/or less viable for many immigrant entrepreneurs because of the difficulty of getting investors to buy into a business that they could hypothetically replicate themselves.

Others rejected the idea of going public for a variety of different reasons. One entrepreneur suggested that the paperwork in terms of reporting was too onerous for a small business with relatively few employees, while another



suggested that this was not a great idea because it would change the philosophy of his business “from long-term viability to quarterly value to shareholders, [introducing] too many market pressures. [Besides], the market doesn’t care how you treat your employees, there’s no metric for this in quarterly reports...employees are part of our success.” Instead, he saw “benefit for them in profit sharing” and is considering an employee stock ownership plan (ESOP) as a means for his company to provide stock value for employees and his own retirement. An ESOP was noted by a number of our entrepreneurs as a viable exit option.

Entrepreneurship among immigrants is a multi-faceted phenomenon. While the statistical evidence clearly shows that entrepreneurship among immigrants is on the rise, the challenges they face and the opportunities they create for themselves and others are where the really interesting stories lie.

CONCLUSION

One of the most celebrated entrepreneurs in the world, Steve Jobs, who was the son of an immigrant, once said, “Being the richest man in the cemetery doesn’t matter to me. Going to bed at night saying we’ve done something wonderful, that’s what matters to me.”⁵ This sentiment was echoed by many of the immigrant entrepreneurs interviewed, who talked about the value of their businesses as more than just a vehicle to create money. To highlight a few of the recurring responses:

- “It’s not about money...for an entrepreneur, that is not the inspiration, the motivation,” but rather “the satisfaction you get from putting something in your head on a Home Depot shelf...that is more satisfying than money.”
- “I love to make money for something that matters.”
- “Money to me is also about making people’s lives better.”
- “Don’t go into entrepreneurship if you just want to make money...you need the passion.”

Many of the entrepreneurs noted that money was not their main motivation, instead it was the creativity and ingenuity of bringing something new to the market that fills a need. Nevertheless, immigrant entrepreneurs are economically valuable to Canada. Canada is undoubtedly changing and becoming increasingly diverse, particularly in its cities, but there is still a lot more to be done to tackle systemic discrimination. As one entrepreneur said, “We spend so

much money bringing immigrants in, we should make it worth it [by helping them succeed].”

Arbitrary discrimination, a lack of recognition of foreign credentials and getting capital are among the challenges that immigrants face. These issues are particularly acute for immigrant entrepreneurs. Surprisingly, or perhaps not so, the small sample of interviewees expressed more optimism than criticism of the Canadian environment: “Canada is a small country but with immense potential.” In fact, the incredible resilience of the immigrant entrepreneurs that were interviewed and their commitment to volunteerism, philanthropy and community building was very impressive.

In sum, immigrants are by virtue of their experiences risk-takers, and that is at the heart of being entrepreneurial. In Canada, entrepreneurs derive from across the social, economic and ethno-cultural spectrum of immigrants, and are found across the business spectrum from smaller mom-and-pop operations to large publicly listed firms. This report’s spotlight on immigrant entrepreneurs’ success and their contributions to the Canadian economy will hopefully spark further debate, research and policy development around this burgeoning group of successful new Canadians. While access to finance and support for risk taking is modest by some international standards, Canada’s social safety net may curiously also encourage risk taking by providing a cushion for the inevitable failures. Explaining the success of immigrant entrepreneurs is a complex and nuanced set of relationships that no doubt vary over time and by country.

How does the nexus of issues surrounding immigration, entrepreneurship, prosperity and social cohesion play out in, say, Germany and the United States? In France or Australia? Discussion around this report is intended to also inform a wider, multi-country endeavour co-sponsored by the Centre for International Governance Innovation, the Institute for Canadian Citizenship and the Institute for New Economic Thinking. It is hoped public discussion at 6 Degrees on this report will inform richer policy in Canada and in other countries.

⁵ See www.cnn.com/2012/10/04/tech/innovation/steve-jobs-quotes/.



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