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**ENGLISH CARIBBEAN IMMIGRANT ENTREPRENEURS IN MONTREAL**

**Margaret-Ann Hall**

**A Thesis**

**in**

**The Department**

**of**

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## **ABSTRACT**

### **ENGLISH CARIBBEAN IMMIGRANT ENTREPRENEURS IN MONTREAL**

**Margaret-Ann Hall**

**Immigrants have a higher tendency to start their own businesses than the population at large, but English Caribbean immigrants, entering mainly under the Family Class category, tend to be salaried and wage earners as opposed to employers and self-employed persons. This thesis examines why English Caribbean immigrants to Montreal are less inclined than other ethnic minority groups to start their own businesses. The experiences of English Caribbean immigrants are examined in light of the Immigrant Adaptation and the Immigrant and Ethnic Entrepreneurship theories, as well as 13 studies of immigrant entrepreneur groups in Canada.**

**English Caribbean immigrant entrepreneurs and non-entrepreneurs were surveyed and compared. The non-entrepreneurs identified many obstacles which prevented them from starting businesses: poor motivation towards business creation, insufficient skills and resources, and the weakness of ethnic networks. English Caribbean immigrant entrepreneurs like other immigrant entrepreneurs were both 'pushed' and 'pulled' into self-employment. However, English Caribbean immigrant entrepreneurs depended more on class resources than on ethnic resources, whereas other immigrant entrepreneur groups depended at least as much on their ethnic community as individual class resources and were above all motivated towards starting businesses.**

Contrary to theory, labour market disadvantages are not the cause of English Caribbean immigrants' low participation in entrepreneurship. Instead, these immigrants are negligibly endowed in class and ethnic resources and their cultural value orientations do not embrace entrepreneurship. Nevertheless, it is feasible to implement policies to improve the potential for self-employment among the English Caribbean community.

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## **GLOSSARY OF ABBREVIATIONS**

<b>I.A.T.</b>	<b>Immigrant Adaptation Theory</b>
<b>I.E.E.T.</b>	<b>Immigrant and Ethnic Entrepreneurship Theory</b>
<b>M.A.B.B.P.</b>	<b>Montreal Association of Black Business Persons and Professionals</b>
<b>B.C.R.C.</b>	<b>Black Community Resource Centre</b>
<b>C.D.E.C.</b>	<b>Community Development Economic Corporation</b>



# CHAPTER 1

## GENERAL INTRODUCTION

### INTRODUCTION

Even a casual observer would be struck by the very low number of small businesses owned by English Caribbean immigrants in Montreal, compared to the large numbers of such ventures which are operated by immigrants from other ethnic groups. As a West Indian this has led me to question what factors contribute to immigrant business creation; specifically why are some immigrant groups more entrepreneurial than others and what are the reasons preventing English Caribbean immigrants from starting their own businesses.

#### 1.1. The Context

Immigrants have always been catalysts in the development of an entrepreneurial culture, and they remain adept at starting their own businesses as a mode of economic adaptation into Canada (Thompson,1986). In 1981 immigrant business owners comprised 20 percent of unincorporated businesses and are thus over-represented in the small business sector since they make up only 16 percent of the Canadian population (Cline,1988). Further, immigrant small businesses also create more jobs than those of non-immigrants and in so doing contribute disproportionately to the Canadian economy (Tepper,1988).

There are a variety of reasons why this has been the case. The small business sector has traditionally served as an employment route for those who arrive with the appropriate class and ethnic resources, but feel disadvantaged in the mainstream job market. Immigrants also turn towards business creation because of its promise of

independence and opportunity for economic advancement (Helly and Ledoyen,1994; Langlois and Razin,1989; Marger,1989; Razin,1993). However, Marger (1989) states that social, economic and political opportunities must be in place to encourage immigrant business in the host society.

Immigrant Adaptation and Immigrant and Ethnic Entrepreneurship theories contribute to our understanding of why immigrants become entrepreneurs. Immigrant Adaptation theory explores those factors which push immigrants towards business creation. Immigrant and Ethnic Entrepreneurship theory focuses on class and ethnic resources as well as on opportunities within the structure of the host society which encourage and facilitate immigrants to undertake business. On the other hand, neither theory looks at motivation although there is evidence that motivation is an important aspect of entrepreneurship. Nor do they examine how the absence of resources hinders immigrants from establishing their own businesses, or why the factors which normally encourage entrepreneurs might not do so among some immigrants, in this case English Caribbean immigrants.

## **1.2. Historical Background**

For most of the twentieth century, Canada has had a policy of encouraging immigration in accordance with the changing needs of the economy, but for much of this time this was premised on racial discrimination towards Blacks and Asians. These restrictive measures ruled out any large scale movement of West Indians into Canada. In the 1900s, Canadian immigration policy informally prohibited the entry of black persons, based on the racist ideology that they could not assimilate and were incapable of adjusting to the cold climate. However, Table 1 shows that some West Indians came to

Canada. Over the period of World War I, the skilled and unskilled were able to fill labour market needs. During the recession of the 1930s immigration from the West Indies was reduced to a trickle. After World War II, the Canadian economy experienced an expansionary phase.

**Table 1: West Indian Migration to Canada, 1900-1989**

Year	West Indians	Percentage of Total Canadian Immigration
1900-1909	374	.03
1910-1919	1,133	.06
1920-1929	315	.02
1930-1939	673	.27
1940-1949	2,936	.68
1950-1959	10,682	.69
1960-1969	46,030	3.34
1970-1979	159,216	11.02
1980-1989	115,753	9.49

Source: Walker,1984:9 and Anderson,1993:59.

In 1947 Prime Minister Mackenzie King announced that government policy on immigration would be based on the “careful selection” of immigrants within the absorptive capacity of Canada’s economy (Maxwell,1970:5). These and other features were incorporated into the Immigration Act of 1952 which gave preference to immigrants from countries having similar institutions to those of Canada, and where the racial stock was the same as that of Canadians, as it was felt that such immigrants would be better able to adapt to Canadian society. Caribbean immigrants were not among the preferred group. Nevertheless, a quota system was established under the West Indian Domestic

Scheme which provided the first flow of West Indian immigrants in 1955 to fill Canadian labour needs. For ten years following the 1952 Immigration Act about 1,000 West Indians came to Canada annually (Anderson,1993; Labelle et al.,1983; Maxwell,1970; Ramcharan,1974; Richmond,1988; Satzewich,1989; Walker,1984).

In 1962, the Canadian government officially removed racial discrimination from the Immigration Act and in its place a policy based on individual skills of prospective immigrants was adopted. Relative to previous years, this change in policy resulted in a dramatic increase in the number of Caribbean immigrants coming to Canada. Further changes in immigration policy in 1967 eliminated preferred nationalities and emphasized the selection of independent migrants, based on the introduction of the “points system” and contributed to augmenting Caribbean inflows after 1969. Two other factors contributed to the greater numbers of West Indians coming in at this time. First, heavy reliance was put by independent immigrants on the newly introduced Family Class category to bring their close relatives to Canada. Second, the Amnesty Program of 1973, intended to address the large number of illegal Caribbean immigrants who over-stayed on their visits in Canada, allowed them to seek landed immigrant status (Anderson,1993; Richmond and Mendoza,1990).

The points system was revised in 1976, placing less priority on education attainment and more on entrepreneurial experience of independent immigrants. As a result, Caribbean immigration into Canada started to show significant reduction in 1978. The points system was again amended in 1986 to specifically attract entrepreneur immigrants, and with the establishment of a business immigrant program the number and percentages of Caribbean immigrant inflows to Canada declined still further, suggesting

that Caribbean persons were not entering Canada with entrepreneurial skills (Anderson,1993; Richmond,1989).

Several studies have identified low rates of entrepreneurship among English Caribbean immigrants compared to immigrants from other ethnic groups. According to Richmond (1989), Caribbean immigrants who arrived between 1960 and 1979 are much more likely to be wage earners than employers and self-employed persons compared to immigrants as a whole and the Canadian-born population. Li (1994) shows that Blacks and Caribbean persons ranked lowest of all ethnic groups with only 3.4 percent of the labour force self-employed compared to 7.7 percent for all Canadians (see Table 2).

**Table 2: Self-Employment by Ethnic Origin in Non-Agricultural Industries, Canada 1986**

Ethnic Origin	Number of Self-employed*	Self-Employed As a % of the Same Origin in Labor Force
<b>White</b>		
British	245,000	7.4
French	207,000	6.7
Dutch	19,650	10.2
German	57,650	11.2
Scandinavian	11,050	11.5
Jewish	31,100	21.6
Greek	12,700	15.1
Italian	38,650	8.8
Portuguese	4,850	4.2
Hungarian	7,700	12.6
Polish	9,900	8.0
Ukrainian	21,550	8.9
Croatian Serbian, etc.	6,800	10.5
Multiple and other single origin, n.e.c.	275,700	7.3
Sub-total (all white ethnic groups)	950,200	7.7
<b>Non-white, Visible Minorities</b>		
West Asian and Arab origins	9,700	16.5
South Asian	10,450	7.3
Chinese	20,450	10.0
East/South East Asian	10,100	7.5
Black & Caribbean	4,400	3.4
Multiple and other single origin, n.e.c.	12,200	6.2
Sub-total (non-white, visible minorities)	67,300	7.7
<b>Non-white, Aboriginal Peoples</b>		
Aboriginal Peoples	5,000	3.8
Total (All groups)	1,022,500	7.7

Source: Li, 1994: 188.

Notes: \* Self-employed includes those persons 15 years of age and over who worked in 1985 and for whom the job reported consisted mainly of self-employment. The figures include self-employed persons in an incorporated or unincorporated business, with or without paid help.

### 1.3. Thesis Objectives

This thesis examines why English-speaking Caribbean immigrants to Montreal have a lower tendency than other ethnic minority groups to start their own businesses. Although a myriad of studies have been carried out on English Caribbean immigrants to Canada, surprisingly only a few have focused on their entrepreneurial endeavours. It is the intention of this thesis to fill this gap. Two groups of English Caribbean immigrants

were surveyed and compared. Those already in business were questioned as to the reasons why they chose self-employment and whether motivational factors had a role to play in their decision. Those not in business were questioned to identify the reasons which prevented them from starting their own business, especially if they had experienced labour force disadvantages which normally tend to encourage self-employment among other immigrant groups.

The next chapter explores the theories that have been put forward to account for the higher rates of ethnic entrepreneurship. There are two major theories in the literature - the Immigrant Adaptation Theory, and the Immigrant and Ethnic Entrepreneurship Theory. The chapter then considers 13 studies of immigrant entrepreneur groups in Canada which provided evidence relevant to both theories, show differences in levels and strategies used by different ethnic groups to become entrepreneurs and which may therefore shed light on the experiences of English Caribbean immigrant entrepreneurs. Chapter three endeavours to provide more context for the thesis, for it follows the migration of English Caribbean immigrants into Canada, their links to Canadian labour market needs and the effect of changes in Canadian policy on that migration flow. Finally the chapter profiles the age, gender, educational, occupational and labour force characteristics of English Caribbean immigrants compared, where relevant, to other immigrants and the Canadian-born population for the years 1960-1987.

Chapter four, five and six explore the low rate of business activity among English-speaking Caribbean immigrants by developing and using a questionnaire to survey a sample of English-speaking Caribbean immigrants to Montreal. Chapter four describes the methodology used to conduct the surveys on English Caribbean immigrant

entrepreneurs and non-entrepreneurs and indicates how the data from the surveys was analyzed. Chapter five analyses the survey data on the attributes of English Caribbean immigrant entrepreneurs and non-entrepreneurs, and compares these to all English Caribbean immigrants to Canada. It continues with an investigation of those factors hindering English Caribbean immigrant non-entrepreneurs from going into self-employment in Montreal based on the survey data. Chapter six analyses the survey data to identify the kinds of business operations which English Caribbean immigrants start and the reasons why they pursue such endeavours. The experiences of English Caribbean immigrant entrepreneurs are then evaluated in relation to Immigrant Adaptation and Immigrant and Ethnic Entrepreneurship theories as well as the experiences of other immigrant groups in Canada.

Chapter seven examines those institutional entrepreneurial services offered by English-speaking black community organizations, the Minority Institute of Entrepreneurship and those government and non-government organizations which network with organizations within the community that provide assistance to entrepreneurs. Chapter eight pulls the threads together to explain English Caribbean immigrants' low tendency to start their own businesses. It also looks briefly at cultural historical reasons why English Caribbean immigrants are not motivated to start their own businesses and concludes with some policy recommendations on how to improve levels of entrepreneurship and hence economic development within the English Caribbean community.



## CHAPTER 2

### BUSINESS CREATION AMONG IMMIGRANT COMMUNITIES IN CANADA

#### INTRODUCTION

Evidence tells us that immigrants have always been catalysts in the development of an entrepreneurial culture, and they remain adept at starting their own businesses as a mode of economic adaptation to Canada. There are a variety of reasons why this has been the case. Immigrants have gravitated towards becoming small business owners<sup>1</sup> and they are over-represented in the small business sector (Marger,1989; Tepper,1988; Thompson,1986). According to Cline (1988) and Loo (1990), a 1981 study found that immigrant business owners comprised 20 percent of unincorporated businesses, even though they made up only 16 percent of the Canadian population.

The small business sector has traditionally served as an alternative for those immigrants who arrive with the appropriate class and ethnic resources. Disadvantaged in the mainstream job market immigrants also turn towards business creation because of its promise of independence and a higher level of economic betterment (Helly and Ledoyen,1994; Langlois and Razin,1989; Marger,1989; Razin,1993;). Further, Marger (1989) states that circumstances of social and economic opportunity must be in place for immigrants to utilize business ventures as a means of establishing their economic place in the host society.

The first section of this chapter discusses the theoretical literature on how immigrant populations adapt to their host country. Specifically it looks at two bodies of

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<sup>1</sup> A small business is a firm employing less than 50 employees (except in the manufacturing sector, where the number is fewer than 100), and has less than \$5 million in assets (Bahormoz,1993; Weiner,1982).

theory the Immigrant Adaptation theory (IAT) and the Immigrant and Ethnic Entrepreneurship theory (IEET), which shed light on the factors affecting levels of entrepreneurship among ethnic minority groups. It starts out by showing that immigrants experience labour market disadvantages and how these contribute to push them into creating small businesses as a means of self-employment. It concludes with a discussion of three models of immigrant adaptation in which examples were found which tested their validity: the enclave economy model, the structural change model and the systems perspective model.

Section two examines theories of immigrant and ethnic entrepreneurship to show how cultural and structural forces are important to immigrant business creation. Section three examines 13 studies of immigrant entrepreneurs in Canada in terms of the IAT and the IEET. It concludes with a discussion of the policy issues stemming from the theory and studies, which will be examined in this study.

### **2.1. Immigrant Adaptation Theory**

The theory explains why immigrants almost always experience labour market disadvantages and how these contribute to push them into business creation. A number of theoretical models have been developed to interpret immigrant adaptation: the functional assimilation model, the ethnic stratification and segmentation models, the structural change model and the systems perspective model (Liu,1995; Michalowski,1987; Richmond and Richmond,1984; Verma and Basavarajappa,1989). As the Canadian immigration experience is so complex, Liu (1995) argues that no single model can adequately cover all the situations and these models are not necessarily mutually exclusive (Liu,1995; Michalowski,1987; Richmond and Richmond,1984).

### 2.1.1. Functional Assimilation Model

For many years the assimilation model was the only theoretical framework for understanding how immigrants adapt economically to a new society (Michalowski, 1987; Verma and Basavarajappa, 1989). Developed in the 1950s, it showed that new immigrants who enter the general labour market of an industrial country such as Canada, start off at the bottom of the social hierarchy because these immigrants usually find themselves handicapped in a number of ways. Many come with no knowledge of the official languages of their new country and also lack the occupational skills demanded by technologically advanced economies. Compared to the native-born population, these immigrants are therefore disadvantaged, and unlikely to receive comparable levels of income. Not all new immigrants, however, find themselves entering the labour market of an industrial society at the lowest levels. Those immigrants who come from the United Kingdom, Europe and the United States (traditional sources of immigrants to Canada) do not experience the same disadvantages; they are proficient in English and/or French, and have education equivalence and work force skills applicable to developed countries (Liu,1995; McDade,1988; Michalowski,1987; Richmond and Richmond,1984; Richmond and Verma,1978; Seward and Tremblay,1989; Verma and Basavarajappa,1989).

The model also suggests that over time as they acquire language and work skills in Canada, immigrants should achieve upward mobility to the point where they obtain income parity with the Canadian-born population. However, many immigrants never achieve equivalence in income levels with the native-born population. One factor inhibiting immigrant assimilation lies in institutional discrimination which may force immigrants with equivalent skills to remain in subordinate positions for many years, thereby blocking their

occupational advancement into better paying jobs (Chan and Cheung,1985; Kallen and Kelner,1983; Li,1992; Li,1993; Li,1994; Liu,1995; Maxim,1992; Michalowski,1987; Pao-Mercier,1982; Pineo and Porter,1985; Richmond and Richmond, 1984; Richmond and Verma,1978; Seward and Tremblay,1989; Thompson,1986; Verma and Basavarajappa,1989; Weinfeld,1980).

The model implicitly assumes that when an immigrant chooses to go into self-employment, labour market disadvantages would no longer be encountered. This however is not true for all immigrants, as generally they continue to experience barriers in language and occupational skills. Structural barriers exist not only in the labour market but in self-employment.

#### 2.1.2. Stratification and Segmentation Models

Since the 1960s many scholars (Liu,1995; Michalowski,1987; Richmond and Richmond,1984; Seward and Tremblay, 1989; Verma and Basavarajappa,1989), have identified ethnicity per se as a factor in the immigrant adaptation process. Their work has led to the formulation of a theoretical framework known as the “ethnic stratification model” which accounts for the placement of immigrants throughout the socioeconomic structure.

Canada is a vertical mosaic, where class and ethnicity are intertwined to determine the social structure. Ethnic groups are ranked hierarchially. The mosaic consists of two original or charter groups: the British and the French. These two groups protect their dominance and power by delineating society and reinforcing other ethnic groups into an array of various low status occupational positions (Chiang,1978; Liu,1995; Pineo and Porter, 1985; Reitz,1980; Reitz,1990; Thompson,1979). Reitz (1980) indicates that the metaphor of the mosaic suggests that each group is locked into its position, and that

generally low rates of social mobility serve to reinforce and maintain a system of ethnic stratification. Opponents to this viewpoint such as Chiang (1978) argue that significant upward mobility to high status occupational positions has occurred among immigrant groups because many have higher than average levels of education.

Another group of scholars have added to this picture by arguing that we need to consider the labour market as divided into two: a primary and a secondary labour market. The primary labour market is characterized by jobs offering high wages, good working conditions, employment stability, chances of advancement, equity and due process in the administration of work rules. On the other hand, jobs in the secondary labour market tend to have low wages and fringe benefits, poor working conditions, high labour turnover and little chance of advancement (Liu,1995; Pao-Mercier,1982; Reitz,1980; Richmond and Verma,1978; Satzewich and Li,1987; Seward and Tremblay,1989; Smith,1976). Workers in the primary labour market are hired according to ability and education, but Liu (1995) indicates that jobs in this sector also tend to be reserved for the native-born population. On the other hand, immigrant workers are more likely to be found in the secondary sector, where workers are hired mainly because of their ethnic origin rather than skills and education. Smith (1976) sees the division differently. The primary labour market houses advantaged workers, meaning those who are well-educated and qualified, whereas the secondary labour market contains disadvantaged workers, those who are not well-educated and qualified.

A further elaboration of the stratification and segmentation of the labour market is expressed in the enclave economy model. Helly and Ledoyen (1994), Langlois and Razin (1996), Liu (1995), Reitz (1980), Thompson (1979) and Weinfeld (1980) argue that

immigrants, faced with limitations in the mainstream labour market find an alternative mode of economic mobility in the ethnic enclave economy. Incorporating the idea of a dual economy they see the immigrant enclave as a third form of labour market incorporation, where immigrant groups concentrate within a given area to provide specialized goods and services to ethnic communities that cannot be supplied by the non-ethnic sector. Such enclave economies tend to develop within a cohesive ethnic community, having a high degree of institutional completeness, and where members are residentially and/or occupationally concentrated. However, not all ethnic groups adhere to the same characteristics and are highly concentrated geographically (Boyd,1989; Li,1994; Liu,1995; Marger,1989; Marger and Hoffman,1992; Reitz,1990; Rhyne,1982; Shaffir,1987; Thompson,1979; Weinfeld,1980).

The enclave economy thus provides opportunities for immigrant entrepreneurs to convert their past investments in human capital, through education and skills training, into better paid careers. Immigrant entrepreneurs generally start businesses in low-barrier-to-entry industries, since they tend to lack the capital, skills and market access necessary for other types of business. This allows them to earn more than if they were employees in the same type of industries. Those immigrants who aspire to upward mobility in terms of improved earnings and increased profits to human capital, would have to develop self-employment outside low-barrier-to-entry sectors (Célas,1991; Langlois and Razin,1989; Li,1994; Liu,1995; Razin and Langlois,1992; Thompson,1979).

### 2.1.3. Structural Change Model

Following the Second World War the economies of most of the advanced industrial nations experienced major structural changes which led to the growth of the

tertiary and the quaternary sectors (Liu,1995; Richmond,1992; Richmond and Richmond,1984; Richmond and Verma,1978; Verma and Basavarajappa, 1989). The structural change model is concerned with the impact which these changes have on the economic adaptation of immigrants. The model recognizes that ongoing economic restructuring creates a high demand for labour in some occupational skills where there is growth in the economy. In Canada, this restructuring has been reinforced by the selective features of Canadian immigration policy which encourages well-educated and qualified immigrants to come to Canada and fill labour shortages. However, these recent immigrants face obstacles, as mentioned under Section 2.1.1, to their hiring and promotion in order to fill high wage job vacancies (Liu,1995; McDade,1988; Pao-Mercier,1982; Richmond,1992; Richmond and Richmond,1984; Richmond and Verma,1978; Seward and Tremblay,1989; Verma and Basavarajappa,1989).

Economic restructuring can also lead to a shortage of labour in sectors which are declining. This is because a younger generation of better educated Canadians are no longer attracted to employment in declining industries. The demand for replacement labour is usually filled from the pool of recent immigrants who are not well qualified (Liu,1995; Richmond,1992; Richmond and Richmond,1984; Richmond and Verma,1978).

Business class immigrants can also be seen under the structural change model. These immigrants bring with them capital for investment which allows them to immediately gain high status in line with the native-born corporate elite, thereby accelerating their adaptation into the host society (Liu,1995; Razin,1993; Richmond,1992). Combining elements of the structural change model and the stratification and segmentation model, Liu (1995) argued that on one hand there is a movement of business immigrants to the high

strata, and well-qualified immigrants and professionals whose skills are in demand, toward better paid occupations in expanding sectors. On the other hand, unqualified immigrants end up in poorly paid jobs and in semi-skilled manufacturing industries.

#### 2.1.4. Towards a Systems Perspective

The systems perspective which is the most recent model, identifies three sets of conditions as important in understanding the process of immigrant adaptation to a host country: (1) migratory factors pertaining to the immigrant's country of origin; (2) structural conditions existing in the receiving society; and (3) the link between these two societies in terms of the role of social networks (Boyd,1989; Liu,1995). Three aspects of the society of origin have a bearing on immigrant adaptation into a receiving society: pre-migration conditions, transitional experience and the characteristics of immigrants themselves. In terms of the receiving society, government policies and economic conditions play a part in the adjustment process of immigrants. Most important, social networks act as a link between the origin and receiving societies and play a very important role in immigrant adaptation both over the short-term and over the long-term (Boyd,1989; Chimbos and Agocs,1983; Liu,1995). Regarding the role of social networks, research has taken place in a number of areas "in the etiology, composition, direction and persistence of migration flows, and in the settlement and integration of migrant populations in receiving societies" (Boyd,1989:639). Out of this has come many views on the role which social networks play in migration. Up until now however, "there is no one orthodox treatment of personal networks, and not surprisingly a number of empirical and theoretical challenges still remain" (Boyd,1989:639).



In the short-term, these networks facilitate the flow and counter flow of information, assistance and obligations. Over the longer-term, ethnic organizations as well as ethnic enclaves, provide immigrants with links to their ethnic community and ethnic businesses, which help new immigrants to adjust. For example, social networks provide new entrepreneurs with important information on human inputs (labour and expertise), physical inputs (facilities, machinery and equipment) and sources of capital needed for setting up businesses (Boyd,1989; Chimbos and Agocs,1983; Cline,1988; Douramakou-Petroleka,1985; Herman,1978; Herman,1979; Kwong,1984; Light,1984; Liu,1995; Pao-Mercier,1982; Razin,1993; Razin and Langlois,1992; Thompson,1983; Zenner,1982).

The systems perspective model assumes that all ethnic groups profit from strong social networks which provide entrepreneurs with assistance in starting businesses. However, there is some evidence that this does not apply to all ethnic groups, specifically English Caribbeans and East Indians from Continental India. These ethnic groups are heterogeneous and they exhibit weak ethnic support networks which are not helpful in the establishment of businesses (Marger, 1989; Ramcharan,1974). The cultural differences among ethnic groups are not recognized here by most researchers using a systems perspective.

#### 2.1.5. Conclusion

This section has shown that there are a number of models explaining the process of immigrant adaptation: the functional assimilation model, the ethnic stratification and segmentation models, the structural change model and the systems perspective model. In the functional assimilation model, time is a key element in the assimilation process. As the length of residence in the host society increases, the differences between immigrants and the

Canadian-born population in terms of income levels are gradually reduced. However, many immigrants never achieve this parity with the native-born because of institutional discrimination practised in the host society (Chan and Cheung, 1985; Li,1992; Li,1993; Li,1994; Liu,1995; Maxim,1992; Michalowski,1987; Pineo and Porter,1985; Richmond and Richmond,1984; Richmond and Verma,1978; Thompson,1986; Verma and Basavarajappa,1989; Weinfeld,1980).

The ethnic stratification and segmentation models put emphasis on the stratified nature of society and that of labour markets in particular, and its implications for immigrant adaptation. The enclave economy model which falls within the stratification and segmentation models, offers immigrants who are faced with disadvantages in the general labour market an alternative mode of social mobility. Based mainly on the Canadian experience, the structural change model links the allocation of immigrants with the process of economic restructuring. While highly qualified immigrants enter the economic structure at high levels, unqualified immigrants concentrate in those sectors that offer low wages. Finally, the systems perspective model considers micro and macro factors impacting on immigrant adaptation to the host society. In particular, the model highlights the role which social networks play in both the short-term and the long-term adjustment process of new immigrants to a receiving society (Boyd,1989; Liu,1995; Reitz,1980; Richmond,1992; Richmond and Richmond,1984; Richmond and Verma,1978; Smith,1976; Verma and Basavarajappa,1989).

It is appropriate to conclude this section with an examination of Canadian studies which validate or otherwise these four models. No Canadian examples were found in the literature which would be used to test the validity of the functional assimilation model.

However, several Canadian studies substantiate aspects of the stratification and segmentation model of the enclave economy. Razin and Langlois (1992), Razin (1993) as well as Langlois and Razin (1989) all show how ethnic networks function most extensively in metropolitan areas, and channel immigrants into ethnic enclaves, specifically distribution and blue-collar entrepreneurial niches. They also show how enclaves have opened the way to upward mobility for immigrants, by enabling them to acquire entrepreneurial skills through facilitating personal contacts and acquaintances with entrepreneurs (Chiang,1978; Li,1994; Liu,1995; Pao-Mercier,1982; Reitz,1980; Reitz,1982; Reitz,1990; Thompson,1979; Weinfeld,1980).

Korean immigrant entrepreneurs in Canada and West Indian immigrant entrepreneurs in Toronto both corroborate the structural change model. Under the selective features of Canadian immigration policy, many skilled Korean immigrants came to Canada in the 1970s to fill jobs which required skills training. Instead they encountered structural disadvantages; especially they faced language barriers and problems of gaining equivalence for their foreign credentials. Dissatisfied with the fact that despite their level of education they were not able to maintain equivalent status to that which they held in their country of origin many turned to creating their own businesses (Yao,1980). West Indian immigrant entrepreneurs also encountered similar structural barriers. Such barriers prevented these immigrants from obtaining jobs in the occupations for which they were trained. Those highly motivated West Indians, whose abilities were not normally recognized by Canadian employers, used their skills by starting their own businesses (Pool,1979).

Studies of occupational specialization and upward mobility among Greek and Macedonian immigrants as well as Syrian immigrants in Canada support the systems

perspective model. In the period immediately following World War II, many Greek and Macedonian immigrants knew before arriving in Canada that they would obtain jobs in restaurants owned by their relatives (Abu-Laban,1980; Chimbos and Agocs,1983; Douramakou-Petroleka,1985; Herman,1978; Herman,1979; Liu,1995). According to a series of scholars (Chimbos,1980a; Chimbos and Agocs,1983; Herman,1978), these job opportunities were intended to provide assistance to the new immigrants who had little knowledge of English and few occupational skills, and would therefore find great difficulty in securing employment in the open labour market. The occupational niche, which earlier Greeks and Macedonians had established in the restaurant business, provided employment and training opportunities for new immigrants.

Specialization in the restaurant business enhanced Greek and Macedonian immigrants' overall chances of moving out of low occupational status employment by providing these unskilled immigrants with a channel for upward mobility. It provided them with the opportunity to acquire language and entrepreneurial skills, which could be used to open their restaurant. While ethnic affinity and kinship assistance enabled Greek and Macedonian immigrants to find jobs in ethnic establishments, for many it also entailed the risk of entrapment in a dead-end job, and even exploitation, when a lack of language and occupational skills left the immigrant worker without alternative employment possibilities as implied by the vertical mosaic (Boyd,1989; Chiang, 1978; Chimbos,1980a; Chimbos,1980b; Chimbos and Agocs,1983; Cline,1988; Herman,1978; Herman,1979; Li,1994; Liu,1995; Pao-Mercier,1982; Razin,1993; Reitz,1980; Weinfeld,1980).

Syrian immigrants across Canada, who entered the country in large numbers at the turn of this century, initially gravitated towards self-employment as peddlers, vendors and

shopkeepers. Subsequent generations of Syrian immigrants who followed their relatives to Canada, likewise gravitated towards the existing ventures of relatives and kinsmen. This lead to joint ventures and securing mutual-aid to launch new undertakings in similar areas. Such kinship association provided economic benefits for new self-employment endeavours. The leaning towards peddling which Syrian immigrants displayed in their host country, is seen as a century-old occupational niche. Syria, lying strategically between its Eastern and Western neighbours, built its economy on trading among countries. It is not surprising, therefore, that Syrian immigrants entering Canada were propelled towards trading activities as a means of self-employment. The activities of these enterprising immigrants, reveal a pattern pointing to achieving upward mobility through self-employment opportunities, by specializing in particular niches where the ethnic network could provide support. Some Syrian immigrants who start off in peddling activities, improve their economic status by moving into other areas such as manufacturing and real estate business operations (Abu-Laban,1980).

## **2.2. Immigrant and Ethnic Entrepreneurship Theory**

Immigrants whose channels for upward mobility are impeded in the mainstream workforce are impelled in some measure to seek out opportunities for self-employment in order to improve their economic status (Célas,1991; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen,1994; Kallen and Kelner,1983; Li,1993; Light,1984; Marger,1989; Maxim,1992; Vallée and Toulouse,1993). Such an individual must have an entrepreneurial spirit. He/she sees an opportunity that others do not, and marshals the resources to exploit it by establishing and managing a business for the purpose of growth and profit (Bahormoz,1993; Célas,1991; Loo,1990; Vallée and Toulouse,1993).

Two bodies of theory exist to explain immigrant and ethnic entrepreneurship: the cultural theory of entrepreneurship and the structural theory of entrepreneurship. Under the cultural theory of entrepreneurship, immigrant entrepreneurs have cultural advantages in mobilizing class and ethnic resources to create small businesses. The structural theory argues that in addition to class and ethnic resources, certain social, economic and political conditions tend to encourage immigrant business creation (Brenner et al.,1992a; Brenner et al.,1992b; Brenner and Toulouse,1990; Célas,1991; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen,1994; Jones and McEvoy,1992; Langlois and Razin,1989; Li, 1994; Light,1984; Marger,1989; Razin,1993; Razin and Langlois,1992; Rhyne,1982; Toulouse and Brenner,1988; Toulouse and Brenner,1992; Vallée and Toulouse,1993).

#### 2.2.1. Cultural Theory of Entrepreneurship

Some immigrant groups, for example, have developed cultural advantages in the form of class and ethnic resources which are conducive to the success of small businesses, and for this reason show higher rates of entrepreneurship than other groups (Lasry,1982; Light,1984; Razin and Langlois,1995; Razin and Langlois,1996; Toulouse and Brenner,1988). Class resources include access to or possession of financial capital, education, business experience and occupational skills which are necessary ingredients for business success. Ethnic resources include orthodox cultural endowments, relative satisfaction and reactive solidarities which the host society sees necessary for success in business activity (Célas,1991; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen,1994; Jones and McEvoy,1992; Li,1994; Light,1984; Marger, 1989; Pool,1979; Razin,1993; Razin and Langlois,1992; Razin and Langlois,1996; Rhyne,1982; Tepper,1988; Thompson,1986; Toulouse and Brenner, 1988; Toulouse and Brenner,1992;

Weinfeld,1980).

Li (1992), Li (1993) and Light (1984) all refer to 'orthodox cultural endowments' as the 'transplanted cultural thesis'. This thesis claims that certain ethnic immigrants bring with them from their homeland, cultural achievement values including hard work and frugal attitudes. These qualities are valued because of the cultural belief which immigrant populations have that such attributes serve to motivate and encourage them in their pursuit of self-employment in the host society. Hard work and thrifty attitudes contribute positively to the establishment of small business for immigrants, by facilitating their accumulation of capital (Abu-Laban,1980; Célas,1991; Chan and Cheung,1985; Chimbos,1980a; Dana,1993; Kyle et al.,1990-91; Li,1992; Li,1993; Li,1994; Light,1984; Marger,1989; Pao-Mercier,1982; Ray et al.,1988; Razin and Langlois,1992; Tepper,1988; Toulouse and Brenner,1988; Toulouse and Brenner,1992; Weinfeld, 1980; Zenner,1982).

Specifically, different religious beliefs and social practices, which immigrants bring from their homeland, can combine to encourage and support their entrepreneurial activities. Ethno-religious cultural values of Protestant and latter-day Judaism ethics are particularly deemed conducive to entrepreneurial success (Abu-Laban,1980; Célas,1991; Helly and Ledoyen,1994; Jones and McEvoy,1992; Kallen and Kelner,1983; Toulouse and Brenner,1988; Toulouse and Brenner,1992). Kallen and Kelner (1983) argue that the Protestant religion cuts across ethnic lines and incorporates a universal ethic which values hard work, economic judgements based on rational thinking, and self-reliance. Latter-day Judaism likewise promotes a rational active orientation and a sense of control over the environment as well as encouraging strong kinship ties, intra-group bonds, and veneration of learning. It is this 'Jewish Ethic' which is put forward as the primary explanatory factor for

high rates of Jewish achievement in entrepreneurship in Canada (Jones and McEvoy,1992; Kallen and Kelner,1983; Kyle et al.,1990-91; Lasry,1982; Pineo and Porter,1985; Razin and Langlois,1995; Razin and Langlois,1996). On the other hand, traditional and conservative religious ideologies such as Catholicism and Greek Orthodoxy, do not espouse values promoting entrepreneurship and economic achievement (Chimbos, 1974).

In terms of social practices, a number of factors have been put forward which support and encourage the efforts of immigrants to go into businesses in the host country. Values promoting economic achievement have been seen in the business practices of Chinese immigrants who come to Canada to engage in business endeavours. Chinese immigrants come mainly from entrepreneurial families and from a commercial culture which places a high value on entrepreneurship (Brenner et al.,1992b; Jones and McEvoy,1992; Loo,1990). In addition, Toulouse and Brenner (1988) have noticed that Italian immigrants in Quebec, have developed a pro-business subculture towards entrepreneurship which has enabled them to better integrate into the host society. In the case of rural Greek and Macedonian immigrants, it has been observed that those who enter small business operations in Canada have portrayed entrepreneurial values such as individualism, hard work and profit-making which came about from having been exposed to a private enterprise economy based on ownership and management of farms in their native country (Chimbos,1974; Chimbos,1980a; Herman,1978; Herman,1979).

Immigrants who come from Third World countries tend to be satisfied with an economic return from self-employment far below those acceptable to Canadians. Having been accustomed to low employment incomes, they tend to establish the types of small businesses which, according to North American standards, provide low economic returns to



the entrepreneur. This is so because these immigrants are inclined to judge their 'relative satisfaction', not in comparison to that of other Canadians, but insofar as they are better off now than they were in their former country (Li,1994; Light,1984; Vallée and Toulouse,1993).

The third set of ethnic resources which are conducive to their starting a business include the role and value of strong ethnic ties of family, community and collective ethnic identity, in-group solidarity, and a well-developed ethnic institutional order including mutual-aid institutions (Breton,1971; Célas,1991; Chan and Cheung,1985; Herman,1978; Jones and McEvoy,1992; Kwong,1984; Light,1984; Marger,1989; Ray et al.,1988; Razin,1993; Razin and Langlois,1995; Razin and Langlois,1996; Reitz,1980; Rhyne,1982). According to a series of scholars (Chan and Cheung,1985; Helly and Ledoyen,1994; Kallen and Kelner,1983; Light,1984), these social networks create resources from which immigrant co-ethnics can draw on for business purposes. It is to these resources which ethnic groups resort in reacting to social and economic barriers encountered in the host society. Those immigrant groups which maintain strong ethnic ties and social networks have demonstrated their advantages over other groups in the process of establishing and operating businesses (Célas,1991; Helly and Ledoyen,1994; Herman,1978; Light,1984; Razin and Langlois,1992). For example, Kallen and Kelner (1983), Razin and Langlois (1995), as well as Razin and Langlois (1996) all claim that strong ethnic ties have led to the formation of economically advantageous support systems, among successful Jewish entrepreneurial ventures in Canada. Social networks provide immigrant entrepreneurs with business training, information on obtaining capital, machinery, raw materials and manpower as well as access to markets (Abu-Laban,1980; Boyd,1989; Célas,1991; Helly and Ledoyen,1994;

Herman,1978; Jones and McEvoy,1992; Razin and Langlois,1992).

### 2.2.2. Structural Theory of Entrepreneurship

Structuralists theorists like Célas (1991), Marger (1989), Razin (1993) as well as Razin and Langlois (1992) argue that while class and ethnic resources are in themselves advantages favouring small business operations, these are not sufficient on their own to ensure immigrant business success. Instead, they argue that social, economic and political factors in the host society, which afford immigrant entrepreneurs an opportunity to establish small business, must also be present (Célas,1991; Marger,1989; Razin,1993; Razin and Langlois,1992; Reitz,1982; Toulouse and Brenner,1988). Marger argues that what matters are “the nature of markets and the relative accessibility of newcomers to them, the needs of the work-force, the legal system that regulates economic activity, and the social conventions that both facilitate interaction and sustain boundaries among groups” (Marger,1989:542). In this respect, a number of factors tend to favour the development of immigrant small businesses. Five stand out: traditional societies, markets, industrial structure, location and institutional policies.

#### 2.2.2.1. Traditional Societies

In looking at how small businesses have been encouraged through structural influences within host societies, there is evidence going back to traditional societies of Jews in Spain and of Arabs in Portugal during the eighteenth and nineteenth centuries. In these societies, ethnic minorities were encouraged to enter into trade and commerce operations because of the low status and social stigma which the ruling groups attached to such entrepreneurial activities. In addition, the competitive nature of such businesses tend to run

counter to certain cultural teachings upheld by members of the dominant groups (Célas, 1991; Toulouse and Brenner,1992; Zenner,1982).

#### 2.2.2.2. Markets

Immigrant entrepreneurs can find opportunities in specific market niches, either by catering to an ethnic market or by entering into business areas shunned by Canadian entrepreneurs. Culturally-based consumer demands for ethnic goods and services from co-ethnic immigrants in ethnic enclaves create a protected market for immigrant entrepreneurs. They are familiar with the cultural needs of ethnic communities, benefit from being able to transact business in their own language, and know more about the special tastes and preferences of ethnic markets (Célas,1991; Helly and Ledoyen,1994; Li,1993; Li,1994; Marger,1989; Maxim,1992; Reitz,1980; Reitz,1990; Rhyne,1982; Tepper,1988; Thompson,1986; Toulouse and Brenner,1988; Weinfeld,1980; Zenner,1982). Immigrants can also gain entrepreneurial advantage by opening businesses in sectors of the market being abandoned by the majority group, on grounds of unprofitability. Ethnic groups operating in retail and small businesses are often in a position to fill the void and pose no threat to the dominant group (Célas,1991; Helly and Ledoyen,1994; Li,1993; Marger,1989; Razin and Langlois,1996; Reitz,1990; Rhyne,1982; Tepper,1988; Toulouse and Brenner,1988; Vallée and Toulouse,1993; Zenner,1982).

#### 2.2.2.3. Industrial Structure

The industrial structure also provides business opportunities for immigrant entrepreneurs. Hiebert's (1993) study on "Integrating Production and Consumption: Industry, Class, Ethnicity, and the Jews of Toronto", brings out the relevance of this,

particularly when looking at the early opportunities which opened up in Canada's garment industry. When the industry was expanding in the beginning of this century, a significant number of Eastern-European Jews, who were skilled textile workers, immigrated to Canada. By the 1920s the dominance of indigenous large garment establishments was challenged by small clothing workshops and factories, owned largely by Eastern-European Jewish immigrant entrepreneurs. The smaller firms were more flexible than the larger establishments and had access to cheap family labour, which made it easier for them to commence business ventures using simple technologies (Hiebert,1993; Reitz,1982; Toulouse and Brenner,1988).

The second example has to do with opportunities which came about as a result of developments in the construction industry. Italian immigrants came to Canada at the beginning of this century, as labourers in the building and road construction industry, which was at that time dominated by Anglo-Saxons. These immigrants soon began establishing a range of small sub-contracting firms operating in the construction industry. During the depression years, the large construction firms withered, but the small Italian firms were able to survive and ultimately seized new opportunities provided by the post-war construction boom. Small firms had less capital tied up in equipment making it easier for them to reduce their overhead costs. Small firms also had access to cheap family and low wage labour and could more readily convert to flexible work schedules (Célas,1991; Painchaud and Poulin,1988; Reitz,1980; Reitz,1982; Reitz,1990; Toulouse and Brenner,1988; Toulouse and Brenner, 1992).

#### 2.2.2.4. Location

Location in metropolitan areas offers opportunities to immigrant entrepreneurs

either in large cities or smaller cities in the Canadian hinterland. Large metropolitan areas generally offer the most favourable environment for immigrant entrepreneurs because of the ethnic diversity, extensive ethnic networks and the relative abundance of entrepreneurial niches for immigrants in distribution and in blue-collar activities. Still, many immigrants gravitate towards peripheral metropolitan areas in search of employment opportunities. Though they have a much lower concentration and less diversity in business activities, they can find opportunities in narrower entrepreneurial niches, and experience less competition from co-ethnics in the small business sector (Cohen,1988; Razin,1993; Razin and Langlois,1992; Razin and Langlois,1995; Razin and Langlois,1996). According to Razin and Langlois (1995 and 1996), a 1991 Canadian Census study showed that the rate of self-employment among immigrants, which was 10.6 percent in metropolitan areas was substantially higher than among the Canadian-born population at 7.6 percent. Furthermore, the difference in rate of self-employment between immigrants and Canadian-born entrepreneurs was particularly wide in peripheral metropolitan locations. For example, in the Maritime provinces the self-employment rate stood at 12.8 percent for immigrants and 5.8 percent for Canadian-born entrepreneurs (Razin and Langlois,1995).

#### 2.2.2.5. Institutional Policies

Finally, institutional policies can encourage small business activities. The Canadian federal and provincial governments both energize the small business sector by making available assistance programs through loans, subsidies and grants in areas of business start-up, management training, technical assistance and marketing. Immigrant participation in small business activity also increases when credit can be more easily obtained for entrepreneurial ventures (Célas,1991; Marger,1989; Marger and

Hoffman,1992; Rhyne,1982; Weiner,1982).

A major policy initiative promoting immigrant business ventures is the federal government Business Immigrant Program. This program allows business class immigrants to enter Canada and set-up business operations under three categories; the self-employed, the entrepreneur, and the investor category. Under the self-employed classification, skilled immigrants with proven track records in business are granted entry into Canada to create their own employment. The entrepreneur grouping attracts business immigrants who have previous business experience, capital and definite plans to start a business in Canada to provide employment opportunities for Canadians. Finally, the investor category, allows business immigrants who have an individual personal net worth of \$500,000 Cdn. or more to invest half of this amount for at least three years in a business development venture to be approved by the province in which they intend to reside. The stable political climate along with access to the United States market make Canada particularly attractive to business immigrants (Cline,1988; Lamoureux,1988; Loo,1990; Marger and Hoffman,1992; Nash,1987).

#### 2.2.2.6. Conclusion

This section examined the two bodies of theory explaining immigrant and ethnic entrepreneurship: the cultural theory of entrepreneurship and the structural theory of entrepreneurship. The cultural theory sees the success of immigrant entrepreneurs as dependent on the advantages they have in class and ethnic resources to create businesses. However others argue that cultural factors, although important, are not sufficient conditions for immigrant business success. Structural opportunities of markets, location and institutional policies must also exist within the host society to encourage immigrant business

creation.

### **2.3. Studies of Immigrant Entrepreneurs in Canada: Immigrant Adaptation Theory and Immigrant and Ethnic Entrepreneurship Theory**

This section examines 13 studies of immigrant entrepreneur activities in Canada of relevance to this study which were documented over the years 1974-1993.<sup>2</sup> A list of these studies are included in Appendix A. These studies of immigrant entrepreneur groups represented immigrants from many ethnic groups. The next section looks at the findings of the studies in terms of both the IAT and the IEET. The purpose was to see the extent to which each study validated both theories and to assess which combination of factors might contribute to differences among ethnic groups in levels of entrepreneurial activity.

#### **2.3.1. Purpose of Studies**

Chan and Cheung (1985) examined theories of ethnic enterprise. Several studies examined the process of business creation. These included an assessment of how class and ethnic resources as well as opportunities within the structure of the host society assisted and facilitated immigrants in creating and operating businesses (Brenner et al.,1992a; Brenner and Toulouse,1990; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen,1994; Marger,1989; Rhyne,1982; Vallée and Toulouse,1993). Four studies

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<sup>2</sup> The procedure employed to access these studies involved the use of: the Social Sciences Index data base (the key words used were: “entrepreneurs and Canada” and “business enterprise and Canada”); the library catalogues at Concordia University and École des Hautes Études Commerciales (the key words used were: “immigrant\* Canada” and “immigrants”); and bibliographies cited by the work of scholars surveyed in this literature review.

compared the entrepreneurial activities of different ethnic groups and a few studies focussed on how the actual experiences of business immigrants conformed to the requirements of the Business Immigrant Program (Bahormoz,1993; Dana,1993; Helly and Ledoyen,1994; Loo,1990; Ray et al.,1988; Rhyne,1982; Vallée and Toulouse,1993). Brenner et al.,(1992a) and Helly and Ledoyen (1994) researched into the types of businesses entrepreneurs create and why they choose to establish businesses in particular sectors in the economy. The sample size of the studies ranged from a group of five Italian immigrant entrepreneurs to a group of 203 immigrant entrepreneurs of mixed ethnic origins. The majority of the studies were undertaken in Montreal followed by Toronto.

### 2.3.2. Immigrant Adaptation Theory

Four of the 13 studies of immigrant entrepreneurs examined structural barriers which immigrants faced in their previous employment in the labour market (see Table 3). The majority of immigrants experienced many disadvantages in the general labour market, such as low wages, lack of knowledge of the host languages, non-recognition of foreign qualifications, over qualifications for jobs, lack of professional experience, blocked opportunities for advancement, no suitable openings and difficulty in obtaining first time entry into the work-force for older age-group immigrants (Helly and Ledoyen,1994; McDade,1988; Verma and Basavarajappa,1989).



**Table 3: Immigrant Adaptation Theory: Studies**

Ethnic Grouping	Location	Number of Entrepreneurs
Haitians	Montreal	53
Entrepreneurs of Mixed Ethnic Origins	Montreal	203
East Indians	Toronto	38
Non-Visible And Visible Minorities	Toronto	61

Source: Compiled by the author from data in the studies (see Appendix A).

Brenner et al. (1992a) study of Haitian immigrant entrepreneurs indicated why these immigrants create businesses. Forty-four of 53 had been exposed to structural disadvantages in the general labour market. These Haitian immigrants to Montreal found employment in marginal industries that paid low wages. To escape the marginal conditions and to improve their economic or social status in society, they all started their own businesses (Brenner et al., 1992b; Célas, 1991; Toulouse and Brenner, 1992).

Helly and Ledoyen (1994) looked at why immigrants from different ethnic backgrounds become entrepreneurs.<sup>3</sup> Based on the employment experiences of 203 entrepreneurs of mixed ethnic origins, 37 percent had to take on jobs at levels lower than that which their previous occupational status would have warranted.<sup>4</sup> In most of these cases immigrants faced barriers such as lack of knowledge of the host languages, lack of

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<sup>3</sup> Entrepreneurs were comprised of 49 Arabs, 29 Armenians, 28 Vietnamese, 26 Indo-Pakistanis, 21 Chinese and Koreans, 13 Latin-Americans, 13 Sephardic Jews, 10 Iranians, 8 Portuguese and 6 Polish immigrant entrepreneurs.

<sup>4</sup> Another 38 percent of the 203 entrepreneurs found salaried jobs identical to or better than the occupations that they held before emigrating to Canada, and the remaining 25 percent of the entrepreneurs found employment in Canada corresponding to their qualifications.

equivalence in certification and professional experience and advanced age (immigrants in the forty-plus age group found it difficult to gain first time entry into the labour market). In order to improve their occupational status, these immigrants directed their efforts towards creating self-employment ventures.

Of the 38 East Indian immigrant entrepreneurs studied by Marger (1989), 17 went into businesses primarily because they perceived limitations for advancement in their former employment. Such feelings were based on the fact that immigrants held higher qualifications than those required for specific technical, managerial and white collar jobs.

Rhyne (1982) investigates the similarities and differences in the experiences of non-visible minorities and visible minorities. She focussed on five groups of immigrant entrepreneurs, made up of 12 Non-Visible Minorities, 11 Blacks, 12 Chinese, 14 South Asians and 12 Japanese. Entrepreneurs in all the groups experienced structural barriers in their previous employment which pushed them towards entrepreneurial ventures but to varying degrees. These disadvantages were most prevalent among Blacks, who had the highest percentages with poor pay, non-recognition of qualifications, over qualification for jobs and no suitable openings. Japanese entrepreneurs were the least disadvantaged in all areas, while the group of non-visible minorities experienced levels midway between these two. The study provides no explanation for the variation in percentages experienced among the groups and made no mention that entrepreneurs indicated being pushed towards business creation because they were discriminated against in the labour force (Rhyne,1982).

### 2.3.3. Immigrant and Ethnic Entrepreneurship Theory

Each of the 13 studies was examined to see the importance of class resources (such as financial capital, education, business experience and occupational skills) and ethnic

resources (such as ethnic networks providing information, assistance, capital, and labour) to the start-up and maintenance of an immigrant's business; and to see how markets, location and institutional policies influenced an immigrant's ability to establish a business enterprise (Célas,1991; Dana,1993; Marger and Hoffman,1982; Razin,1993; Razin and Langlois,1992; Rhyne,1982; Toulouse and Brenner,1992).

Table 4 shows the percentage of immigrant entrepreneurs in each study using class resources by ethnic group and location of study. In every case, except among Macedonians

**Table 4: Percentage of Immigrant Entrepreneurs Using Class Resources by Ethnic Group and Location of Study**

Ethnic Group	Location	No. of Entrepreneurs	Financial Capital (%)	Post-Secondary (%)	Previous Business Owners (%)	Occupational Skills (%)
Arabs	Montreal	20 <sup>1</sup>	100	75	n.d.	100
Chinese	Montreal	35 <sup>2</sup>	100	76	63	n.d.
Indians	Montreal	6	100	100	n.d.	n.d.
Polish	Montreal	50	100	75	n.d.	88
Chinese	Calgary	14 <sup>3</sup>	100	n.d.	100	n.d.
Far East Chinese	Canada	11 <sup>3</sup>	100	n.d.	100	n.d.
Haitians	Montreal	53	85	26	n.d.	n.d.
East Indians	Toronto	38	84	45	55	"many"
Non-Visible and Visible Minorities	Toronto	61	77	n.q.	29.5	n.d.
Entrepreneurs of Mixed Ethnic Origins	Montreal	203 <sup>4</sup>	73	75	11.3	n.d.
Chinese	Toronto	187	40	86	n.d.	n.d.
Italians	Montreal	5	"some"	20	n.d.	n.d.
Macedonians	Toronto	n.d.	n.d.	n.d.	n.d.	"many"

Source: Compiled by the author from data in the studies (see Appendix A).

Note: The following studies specifically involved immigrants under the Canadian Business Immigrant program. The numbers in each study: <sup>1</sup> 12; <sup>2</sup> 19; <sup>3</sup> all; <sup>4</sup> 10 business immigrants.  
n.d. =no data and n.q. = not quantifiable.

personal savings were crucial in enabling immigrants to start businesses. In ten of 13 studies, immigrant entrepreneurs provided more than 70 percent of such resources. Post-secondary education was also very important in assisting immigrants to start their own businesses. In six of the nine studies where data on educational levels was quantified more than three-quarters of the entrepreneurs had attained post-secondary education. East Indians, Haitians and Indian immigrant entrepreneurs had the least levels of education. Business experience was also an important attribute for starting one's own business. In four of six studies more than 50 percent of the immigrant entrepreneurs were former business owners. For many others experience from working in similar ventures either in Canada or before emigrating was crucial. Fifty percent of Chinese immigrant entrepreneurs in Montreal and 44 percent of entrepreneurs of mixed ethnic origins had family members who operated a firm and in this way the entrepreneurs acquired business experience from working in those ventures. All six Indian immigrant entrepreneurs as well as 80 percent of Italians, but only 11 percent of Haitians, most non-visible and visible minority entrepreneurs, obtained business experience from working in a business in Canada or in their respective countries of origin. Occupational skills are useful in helping immigrants to identify the areas in which they would like to pursue businesses. Arabs and Polish immigrant entrepreneurs brought to their business operations entrepreneurial skills and previous job-related experiences.

Ethnic resources have contributed greatly to the business endeavours of immigrant entrepreneurs. Only four of the studies of immigrant entrepreneur groups specifically indicated whether or not advice was sought before embarking on independent business and

if so from whom?<sup>5</sup> Three of five Italian immigrant entrepreneurs got directions from professionals and the remainder did not seek any assistance before venturing into business. Roughly half of Haitian immigrant entrepreneurs in Montreal received guidance from professionals while only seven obtained such assistance from government agencies. Nine of 35 Chinese immigrant entrepreneurs in Montreal sought professional advice and five consulted government agencies before starting business. Reportedly, a number of Indian immigrant entrepreneurs used the advice of professionals and only one approached a government agency for assistance in establishing a business (Brenner et al.,1992a; Brenner et al.,1992b; Brenner and Toulouse,1990; Celas,1991; Dana,1993).

Ethnic networks operated either directly by lending money, by providing partnerships or indirectly by identifying others who could support entrepreneurs otherwise unable to meet requirements for outside financing. One-quarter of entrepreneurs of mixed ethnic origins received their initial capital from parents, friends and members of their ethnic group. In addition, 41 percent formed partnerships to secure their capital needs for start-up, and three-quarters obtained financing directly from their business associates, located through family members and individuals who were linked to the entrepreneur's own ethnic group as well as to other ethnic groups. For Macedonian immigrant entrepreneurs, capital most frequently came from within their community with financing in the form of interest free loans provided by relatives, friends and senior members. Forty-seven percent of ethnic Chinese immigrant entrepreneurs in Toronto

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<sup>5</sup> Not included are studies on Arabs, Polish, entrepreneurs of mixed ethnic origins, Macedonians, East Indians, non-visible and visible minorities, Chinese in Toronto, Calgary and Far East Chinese in Canada as no information was available.

relied heavily on partnerships primarily among family members and relatives to provide capital. Of 35 Chinese immigrant entrepreneurs in Montreal, 19 entered Canada as business immigrants but all of the remaining 16 relied on additional capital needs from family members and their ethnic network. Among East Indian immigrant entrepreneurs 16 percent obtained funds from family and friends and 29 percent of additional sources of business finance were derived through partnership ventures (Brenner and Toulouse,1990; Chan and Cheung,1985; Herman,1979; Helly and Ledoyen,1994; Marger,1989).

Thirty-two percent of mixed non-visible and visible minority entrepreneurs obtained some of their start-up capital by borrowing from family and friends. This source of funding was especially common among the Japanese and the Chinese immigrant entrepreneurs. Some of the Italian immigrant entrepreneurs obtained part of their initial capital requirement through family ties. Only one-fifth of Haitian immigrant entrepreneurs were able to obtain financial support from their community; half borrowed from friends and half from relatives (Brenner et al.,1992a; Brenner et al.,1992b; Dana,1993; Rhyne,1982).

The ethnic enclave was also important in providing labour. All immigrant entrepreneur groups drew on their ethnic groups to supply labour, some groups were totally dependent while others were more or less dependent on ethnic labour. Macedonian and Polish immigrant entrepreneurs used only ethnic workers. Groups more dependent on ethnic labour were those of mixed ethnic origins, Chinese in Toronto, East Indians and the group of mixed non-visible and visible minority entrepreneurs. Entrepreneurs of mixed ethnic origins and Chinese in Toronto relied on non-ethnic labour, to a lesser degree. Least dependent were Chinese immigrant entrepreneurs in Montreal, Haitians, Italians and Indian

immigrant entrepreneurs. Data was not available for three of the immigrant entrepreneur groups, Arabs, Chinese in Calgary and Far East Chinese immigrant entrepreneurs in Canada (Brenner et al.,1992a; Brenner et al.,1992b; Brenner and Toulouse,1990; Célas,1991; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen,1994; Herman,1979; Marger,1989; Rhyne,1982; Vallée and Toulouse,1993).

**Table 5: Immigrant Entrepreneurs by Ethnic Group Dependence in Varying Degrees on Ethnic Resources**

<b>Ethnic Group</b>	<b>Location</b>	<b>No. of Entrepreneurs</b>	<b>Capital (%)</b>	<b>Ethnic Labour</b>	<b>Non-Ethnic Labour</b>
Macedonians	Toronto	n.d.	"most"	Totally Dependent	
Entrepreneurs of Mixed Ethnic Origins	Montreal	203	68	More Dependent	Less Dependent
Chinese	Toronto	187	47	More Dependent	Less Dependent
East Indians	Toronto	38	45	More Dependent	n.d.
Chinese	Montreal	35	45	Less Dependent	n.d.
Non-Visible and Visible Minorities	Toronto	61	32	More Dependent	n.d.
Haitians	Montreal	53	11	Less Dependent	n.d.
Italians	Montreal	5	"some"	Less Dependent	n.d.
Polish	Montreal	50	n.d.	Totally Dependent	
Indians	Montreal	6	n.d.	Less Dependent	n.d.
Arabs	Montreal	20	n.d.	n.d.	n.d.
Chinese	Calgary	14	n.d.	n.d.	n.d.
Far East Chinese	Canada	11	n.d.	n.d.	n.d.

Source: Compiled by the author from data in the studies (see Appendix A).

Note: Percentages, numbers and words are translated into 'less dependent' for 50 percent and below, 'more dependent' for above 50 percent and 'totally dependent' for 100 percent. n.d.= no data.

Markets are important for immigrant businesses as immigrants tend to specialize in ethnic or niche markets. The attraction to ethnic markets rests on demand for ethnic goods and services from large immigrant concentrations in ethnic enclaves.

Likewise, niche opportunities offer potential for mass markets to develop among the wider population for new goods and services.<sup>6</sup> Chinese and Italian immigrant entrepreneurs in Montreal and East Indian immigrant entrepreneurs in Toronto setup businesses catering both to their ethnic markets as well as to the wider Canadian market (Brenner and Toulouse,1990; Dana,1993; Marger,1989). Some Arab immigrant entrepreneurs catered primarily to their ethnic clientèle and others went into business to serve the general population (Bahormoz,1993). The majority of Haitian immigrant entrepreneurs established businesses offering goods and services to meet the specific needs of Haitians consumers (Brenner et al.,1992a). Of six Indian immigrant entrepreneurs, two served their ethnic clientèle and two others catered to the wider Canadian market. The study did not specify the markets for which the remaining two entrepreneurs catered (Dana,1993). Polish immigrant entrepreneurs drew customers primarily from the wider Quebec market (Vallée and Toulouse,1993). For entrepreneurs of mixed ethnic origins, those serving ethnic markets were in the minority (15 percent) while by far the greater number (85 percent) relied on the wider Canadian market (Helly and Ledoyen,1994). Fifty-four percent of Chinese business operations in Toronto served their ethnic market, and 22 percent were in business to serve the wider Canadian market (Chan and Cheung,1985). Macedonian immigrant entrepreneurs operated restaurants which catered only to a Canadian clientèle and served North American food (Herman,1979). From the group of mixed non-visible and visible minorities, several entrepreneurs catered to both their ethnic market and the wider community (Rhyne,1982).

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<sup>6</sup> No information was given for the studies on Chinese in Calgary and Far East Chinese in Canada.



It would seem that although immigrant entrepreneurs benefit from specialized knowledge of their ethnic markets, the tendency when opportunities arise is for them to move into serving the wider market, and benefit from a broad based clientèle as distinct from the limited ethnic market.

Immigrant entrepreneurs take advantage of ethnic niche markets by maximizing on locational opportunities afforded through access to immigrant concentrations and to the general population through shopping corridors. This is because such locations provide businesses with the maximum access to consumers.<sup>7</sup> The presence of a large Chinese population in Toronto provides a locational advantage for those Chinese immigrant entrepreneurs who establish businesses to serve their ethnic clientèle. Sixty-five percent of Chinese business operations were located in high to moderate Chinese residential districts of metropolitan Toronto, of which one-half lie within the downtown Chinatown area. The remaining 35 percent of Chinese businesses appeared to have been located outside high to moderate concentrations of Chinese. Businesses catering to the East Indian ethnic market were concentrated in a South Asian commercial area of downtown Toronto. This location gave East Indian immigrant entrepreneurs access to South Asian clientèle seeking those types of products in which East Indian entrepreneurs specialize. In this way, East Indian immigrant entrepreneurs were able to secure the level of ethnic market support necessary for business success. Those East Indian immigrant entrepreneurs whose businesses served the wider Canadian market were also located in downtown Toronto. This area, being a shopping corridor, gives East Indian immigrant

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<sup>7</sup> Not included are studies on Arabs, entrepreneurs of mixed ethnic origins, Haitians, Indians, Italians, Polish, Chinese in Montreal, Calgary and Far East Chinese in Canada as no information was given.

entrepreneurs access to consumers from the general population. Herman's (1979) study of Macedonians in Toronto attempted to examine the reasons behind their concentration in the restaurant industry. As a major center of commerce and industry, Toronto was popular for Macedonian restaurants to serve a growing market. As the general population benefitted from more disposable income, this translated into greater demand for meals outside of the home. Consequently, fast food services developed to meet the limited amount of time that workers had available for meals. From the group of mixed non-visible and visible minority entrepreneurs, a number of them catered to ethnic markets. Three of seven Blacks, three of six South Asian immigrant entrepreneurs and five of 12 Chinese immigrant entrepreneurs were located in their ethnic commercial concentrations areas within Toronto because the majority of their customers were of the same ethnic group as themselves. Apparently, for 12 Japanese immigrant entrepreneurs and one non-visible minority immigrant entrepreneur, it appears that there are no specific ethnic commercial concentrations for these entrepreneurs as they have been accustomed to accessing their ethnic clientèle through shopping corridors which are common to the general population (Chan and Cheung,1985; Herman,1979; Marger,1989; Rhyne,1982). Immigrant entrepreneurs can therefore benefit from different locational situations not necessarily tied to their immigrant concentrations.

Institutional policies through the provision of credit facilities are important to entrepreneurs in facilitating business start-up.<sup>8</sup> Sixty-six percent of Haitian immigrant entrepreneurs obtained some of their capital needs through credit arrangements, although the

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<sup>8</sup> Not included are Arabs, Indians, Italians, Polish, Macedonians, Chinese in Calgary and Far East Chinese in Canada as no information was provided.

financing received was not adequate to undertake the types of business activities that were originally intended. Almost 60 percent of Chinese immigrant entrepreneurs in Toronto used such financing to go into businesses. Among the group of 61 mixed non-visible and visible minority entrepreneurs, 38 percent received credit facilities to assist them in establishing their businesses. Availability of capital from financial institutions was of benefit to 25 percent of 203 entrepreneurs of mixed ethnic origins to help meet their additional financing needs. At the lower end were 17 percent of Chinese immigrant entrepreneurs in Montreal and 13 percent of East Indians who obtained such financing (Brenner et al.,1992a; Brenner et al.,1992b; Brenner and Toulouse,1990; Chan and Cheung,1985; Helly and Ledoyen,1994; Marger,1989; Rhyne,1982).

Canadian government policy played a role in promoting entrepreneurship through the Business Immigrant Program. This was demonstrated in studies of Chinese immigrant entrepreneurs in Calgary and Far East Chinese immigrant entrepreneurs in Canada and to a lesser extent for 12 Arabs, 19 Chinese and ten entrepreneurs of mixed ethnic origins all from Montreal. As set out under the program, business immigrants are required to have business experience, a specified amount of funds and the opportunity to invest these in a business operation, and create employment for Canadians. In this way the program directly selects for entrepreneurs rather than through the points system which indirectly selects for class resources (Bahormoz,1993; Brenner and Toulouse,1990; Helly and Ledoyen,1994; Loo,1990; Ray et al.,1988).

#### 2.3.4. Conclusion

This section examined 13 studies of immigrant entrepreneur business activities in Canada, which provided documentation applicable to the IAT and the IEET. Four of the

studies support the IAT and showed that barriers which immigrants encountered in the labour market were instrumental in pushing them to start their own businesses. In terms of the IEET, the importance of class and ethnic resources were demonstrated to varying degrees in the analysis of all 13 studies. In particular, entrepreneurs relied on their ethnic networks to provide capital and labour. The importance of ethnic and other niche markets, location in metropolitan centers in general and ethnic neighbourhoods in particular, and institutional policies especially the Business Immigrant Program are all relevant in stimulating immigrant businesses. Markets are important to immigrant entrepreneurs in determining the demand for specific goods and services within their ethnic communities and in the wider population. Location is also important to entrepreneurs to the extent that it provides easy access for concentrations of the population who require the goods and services which immigrant entrepreneurs are able to supply. Institutional policies can encourage and promote immigrant entrepreneurship through various government information and assistance programs. As well from the stand point of private financial institutions, such policies can assist entrepreneurs by providing easier access to credit facilities (Célas,1991; Helly and Ledoyen,1994; Jones and McEvoy,1992; Light,1984; Marger,1989; Marger and Hoffman,1982; McDade,1988; Razin,1993; Razin and Langlois,1992; Rhyne,1982; Toulouse and Brenner,1992; Verma and Basavarajappa,1989).

In conclusion, therefore, these studies show four things. First, a majority of immigrant entrepreneurs employed a mix of class and ethnic resources in starting their business ventures, which corroborates existing literature from North America concerning the importance of these factors. On the other hand, while the larger literature documents no examples of entrepreneurial groups using class resources, five Canadian studies showed that

entrepreneurs employed such resources to establish their businesses: Chinese immigrant entrepreneurs in Calgary, Far East Chinese immigrant entrepreneurs in Canada, 12 Arabs, 19 Chinese and ten entrepreneurs of mixed ethnic origins all from Montreal who entered under the business immigrant program (Bahormoz,1993; Brenner and Toulouse,1990; Helly and Ledoyen,1994; Light,1984; Loo,1990; Ray et al.,1988).

Second, only one-seventh of the studies (3 out of 13) showed any evidence that immigrant entrepreneurs were aware that provincial or federal government programs existed to help small business development in Canada. On average roughly one out of seven immigrant entrepreneurs from the three studies made use of government assistance programs. In examining the related percentages pertaining to entrepreneurs who used government assistance programs, this went from a low of 9.4 percent for Haitian immigrant entrepreneurs to a high of 20 percent for Italian immigrant entrepreneurs. The small number of cases and relatively low percentage of entrepreneurs who indicated familiarity with government programs, implies that government assistance programs are very little used by immigrant entrepreneurs in the start-up of their businesses. This therefore suggests that these programs, which are supposed to help small businesses, are not effective in reaching these immigrant entrepreneurs (Brenner et al.,1992a; Brenner et al.,1992b; Dana,1993; Rhyne,1982).

Third, the vast majority of immigrant entrepreneur groups concentrated in two sectors, "trade" and "community, business and personal services"(see Table 6). The 1981 Census shows a wider distribution with most immigrant businesses concentrated in five areas of activity: agriculture; manufacturing; construction; trade; and community, business and personal services (Ahmad Consultants Inc.,1985; Cohen,1988; Employment and

Immigration Canada,1989; TEEGA Research Consultants Inc.,1986; Tepper,1988). The group of Italian entrepreneurs showed equal numbers engaged in the manufacturing sector as well as in services (Dana,1993).

**Table 6: Distribution of Ethnic Immigrant Entrepreneurs by Industrial Sectors in the 13 Studies**

<b>Ethnic Grouping</b>	<b>Location</b>	<b>Trade</b>	<b>Community, Business and Personal Services</b>	<b>Manufacturing</b>	<b>Other Sectors</b>
Haitians	Montreal	19	29	-	5
Chinese	Montreal	20	9	6	-
Indians	Montreal	-	5	1	-
Italians	Montreal	1	2	2	-
Polish	Montreal	13	32	5	-
Entrepreneurs of Mixed Ethnic Origins	Montreal	87	91	7	18
Chinese	Toronto	63	124	-	-
East Indians	Toronto	24	8	-	6
Non-Visible and Visible Minorities	Toronto	26	27	8	-

Source: Compiled by the author from data in the studies (see Appendix A).

Note: Not included were: One group of Macedonians in Toronto engaged in restaurants (community, business and personal services sector), because their numbers were not given. Three groups of entrepreneurs, Arabs in Montreal, Chinese in Calgary and Far East Chinese in Canada, because the types of industries in which they operated were not specified.

Several studies emphasize the tendency for immigrants to engage in retail and food services (Ahmad Consultants,1985; Employment and Immigration Canada,1989; Helly and Ledoyen,1994; Langlois and Razin,1989; Li,1994; Razin and Langlois,1992; Razin and Langlois,1996; Toulouse and Brenner,1988; Vallée and Toulouse,1993). Most argue that these operations are highly accessible to ethnic markets as they have low barriers-to-entry

and are popular within ethnic enclaves. As such it is advantageous for these immigrant entrepreneurs to use ethnic workers, allowing them to operate with minimal financial resources by relying on unpaid family labour and employing low wage ethnic workers. The enclave economy model argues that ethnic businesses particularly those catering to ethnic markets, always tend to favour low-barrier-to-entry industries. These industries provide entrepreneurs who are constrained by capital, educational credentials and skills, the ability to achieve higher earnings than if they were wage earners in the same sectors. Those immigrant entrepreneurs possessing capital, higher education and experience tend to go into high-barrier-to-entry industries in order to benefit from higher levels of earnings and profits.

Fourth, according to Light (1984) there is no immigrant entrepreneur theory expounding the role which motivational factors play in immigrant business formation. The most common explanations given by entrepreneurs for going into business were 'to be independent' and 'to be their own boss'. The majority of Haitians, Polish, Italians, Indians, Chinese in Montreal and Far East Chinese immigrant entrepreneurs in Canada were encouraged to go into business because they wanted to be independent. Further, the group of mixed non-visible and visible minority entrepreneurs as well as Polish immigrant entrepreneurs wanted to be their own boss. Far East Chinese immigrant entrepreneurs also expressed the desire to succeed while Italians immigrant entrepreneurs were also influenced by the desire to create their own employment. A small percentage of Arab immigrant entrepreneurs indicated that they went into business to comply with the Business Immigrant Program (Bahormoz,1993; Brenner and Toulouse,1990; Célas, 1991; Dana,1993; Loo,1990; Rhyne,1982; Vallée and Toulouse,1993).

## CONCLUSIONS

As this chapter has shown, the review of the literature presented two bodies of theory for investigating the phenomenon of immigrant business creation: The IAT and The IEET. In terms of the IAT, immigrants who are disadvantaged in the labour force derive from such unfortunate situations a special incentive to consider self-employment (Célas,1991; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen,1994; Kallen and Kelner,1983; Li,1992; Li,1993; Light,1984; Marger,1989; Maxim,1992; Toulouse and Brenner,1988; Vallée and Toulouse,1993). However, according to some labour market disadvantages alone do not explain why some immigrant groups show higher rates of entrepreneurship than others. The IEET argues that this is because some immigrant groups have cultural advantages which are conducive to the development of small businesses. Such cultural advantages include class and ethnic resources which immigrants draw on to help in the start-up and operation of businesses. These cultural factors can account for a significant level of business creation, however, only when social, economic and political opportunities exist in the host society (Brenner et al.,1992a; Brenner et al.,1992b; Brenner and Toulouse,1990; Célas,1991; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen,1994; Jones and McEvoy,1992; Kallen and Kelner,1983; Li,1994; Light,1984; Marger,1989; Razin,1993; Razin and Langlois, 1992; Reitz,1982; Rhyne,1982; Toulouse and Brenner, 1988; Toulouse and Brenner,1992; Vallée and Toulouse,1993).

The literature discussed above concerning the IAT has revealed agreement among a number of researchers (Célas,1991; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen,1994; Li,1992; Li,1993; Li,1994; Light,1984; Maxim,1992; Rhyne,1982; Thompson,1986; Toulouse and Brenner,1988; Toulouse and Brenner,1992) as to the reasons behind immigrants going into businesses of their own. They agree that immigrants perceive disadvantages with respect to education, language and opportunities for participation in the host society, and this pushes them into business creation more out of necessity than a



personal desire. Immigrants overcome labour market disadvantages through small business creation because there is no easy route for them to integrate into industrial societies. Self-employment is seen as an important route in their adaptation process because it provides an avenue for immigrants to integrate economically within the receiving country (Célas,1991; Helly and Ledoyen,1994; Toulouse and Brenner,1992). Consequently, “the creation of businesses thus becomes a vehicle which promotes the integration of the immigrant community, and not only a means by which entrepreneurs create jobs for themselves” (Vallée and Toulouse,1993:3).

In terms of the IEET, the consensus is that the culture of a given group cannot solely determine the behaviour pattern of immigrants towards entrepreneurship endeavours. The performance of immigrant entrepreneurs depends to a large degree on their ability to access group resources. Such resources embody class and ethnic elements. However, despite the usefulness of these in determining immigrant business success, such group resources must find favourable structural circumstances within the receiving society, if immigrant entrepreneurs are to secure a livelihood in their new country through their efforts in business creation (Brenner et al.,1992a; Brenner et al.,1992b; Célas,1991; Chan and Cheung,1985; Dana,1993; Helly and Ledoyen, 1994; Jones and McEvoy,1992; Li,1994; Light,1984; Marger,1989; Razin,1993; Razin and Langlois,1992; Reitz,1982; Rhyne,1982; Toulouse and Brenner,1988; Toulouse and Brenner,1992; Vallée and Toulouse,1993).

Of special significance is the evidence that social networks are important in influencing entrepreneurial behaviour. This goes back to historical contexts linking immigrant business to such collective aspects as family, kinship ties and group solidarity. These are cultural resources that give immigrant entrepreneur groups advantages in small businesses. In such instances, a number of studies have put forward the view that ethnic networks make a major contribution to business start-up, operational factors and growth prospects. Specifically, these areas involve giving information and assistance, providing capital and know-how, meeting labour requirements and supplying the customer base for

immigrant entrepreneurs. One example is the use made of rotation credit associations by Chinese entrepreneurs to amass capital for the start-up of their business establishments. The maintenance of this cultural tradition by Asians is given as the explanation for their over-representation in small business. Immigrant entrepreneurs also benefit through their social networks, from the provision of unpaid family members as well as cheap ethnic labour for low cost operation of their businesses (Boyd,1989; Célas,1991; Dana,1993; Li,1993; Light,1984; Maxim,1992; Razin,1993; Toulouse and Brenner,1992).

On the other hand, the cultural attitudes among Haitian immigrants in Montreal are seen to hamper their efforts in creating business establishments. The Haitian culture considers small business creation subservient, and instead puts priority on immigrants acquiring higher education, furthermore, envy towards those Haitian immigrant entrepreneurs who succeed, makes successful entrepreneurs fear reprisals such as being the targets of Haitian witchcraft. These conditions therefore stand in the way of the Haitian community benefitting from the existence of a strong intra-ethnic network and group solidarity which support immigrant entrepreneurship success (Brenner et al.,1992a; Brenner et al.,1992b; Célas,1991; Toulouse and Brenner,1992). Such cultural attitudes may also apply to English Caribbean immigrants.

On the subject of class/ethnic balance, the Indian and the Polish immigrant entrepreneurs in Montreal gravitated more towards class resources, while the Macedonian immigrant entrepreneurs in Toronto leaned heavily towards the use of ethnic resources, as contributing to their business undertakings (Dana,1993; Herman,1979; Vallée and Toulouse,1993). The remaining seven cases demonstrated that business creation comes about through a mix of class and ethnic resources while three other cases did not mention the use of ethnic resources. Since the greater number of these cases testify to employing a mix of resources, this strengthens the argument, according to Light (1984), that more entrepreneurs rely on a combination of class and ethnic resources, which have supported both individualistic and collective styles of entrepreneurship. Although Haitian immigrant

entrepreneurs in Montreal employ a balance of class and ethnic resources, these inputs are at low levels and according to Dana (1993) and Light (1984), this underlies low rates of entrepreneurship.

In terms of public policy, the importance of immigrant business in Canadian society should not be underestimated. Such business enterprises create jobs for Canadians, and contribute to the development and growth of the Canadian economy, and in so doing have an important stake in the wealth of the country (Multiculturalism Canada,1986). It is therefore in the interest of both federal and provincial governments to foster a climate which is conducive to small business creation. Canadian federal and provincial governments have over the years put forward measures and programs designed to stimulate and assist entrepreneurial enterprise. Immigrant entrepreneurs can find information to help simplify access to programs, services, expertise and technical support offered through many government agencies. Despite these government efforts to provide a diversity of assistance to entrepreneurs, findings from these studies have indicated that only a small number of entrepreneurs actually made use of such facilities. Most immigrant entrepreneurs were found to have poor knowledge of government aid and venture capital funding, due to a lack of promotion of programs and services. Another view brought out in the findings was that entrepreneurs were generally reluctant to get involved with government red tape (Rhyne,1982; Vallée and Toulouse,1993). With this background information, some authors have suggested, that these government programs need to be redesigned and promoted to better serve entrepreneurial enterprise (Brenner and Toulouse,1990; Brenner et al.,1992a; Brenner et al.,1992b; Toulouse and Brenner,1988).

So far few studies have focussed on the importance which location plays in decisions to establish immigrant business operations in Canada, but the few that have show the role which location plays in entrepreneurial behaviour has varied among ethnic minority groups. Immigrant businesses tend to locate in major metropolitan areas, while some do establish in peripheral metropolitan locations. It would be useful to know whether those

immigrant entrepreneurs who establish in the outlying metropolitan areas achieve equivalent returns or are able to achieve upward mobility while remaining there, or if they tend to migrate elsewhere in search of personal economic advancement (Razin and Langlois,1996).

There are three gaps in our knowledge of immigrant entrepreneurship which this study attempts to address. The IAT and IEET do not look as the reasons why some ethnic minority groups have a lower tendency than others to start businesses. Specifically they do not look at how the absence of certain class and ethnic resources might prevent immigrants from starting their own businesses, or why the factors which normally encourage entrepreneurs might not do so among some immigrants, in this case English Caribbean immigrants. Although there is widespread agreement that motivation is an essential attribute of entrepreneurship, its link to the cultural theory is on the grounds that immigrant entrepreneurs can bring from their homeland, religious beliefs and social practices which serve to encourage their entrepreneurial activities. In this thesis, I shall raise the question that cultural factors might equally contribute negative attitudes and social practices which inhibit entrepreneurship.

## CHAPTER 3

### WEST INDIAN MIGRATION INTO CANADA

#### INTRODUCTION

While Caribbean persons have been in Canada for over two hundred years, the vast majority came to Canada in the last 50 years.<sup>1</sup> For most of the twentieth century, Canada has had a policy of encouraging immigration, but it fluctuated with the needs of the economy and was premised on racial discrimination towards blacks and Asians. These restrictive measures therefore ruled out any large scale movement of West Indians into Canada. It was only when the Canadian government wanted to fill specific labour needs as in the case of labourers, female domestics and stenographers that West Indians were allowed into Canada (Anderson,1993; Barran,1970; Labelle et al.,1983; Walker,1984).

In 1967, new immigration regulations came into force, and Canada's immigration policy ceased to be discriminatory on the grounds of race. During that same year, an immigrant selection criteria known as the "points system" was introduced, emphasizing education and qualifications. The changes also recognized three classes of immigrants: The Family Class, The Independent Class and The Political Refugee Class. Since that year thousands of West Indian blacks and Asians have taken advantage of the egalitarian admission qualifications and have migrated to Canada in order to improve their socio-economic status. The 1978 Immigration Regulations provided for a revised "points system" placing less priority on educational attainment and more on the

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<sup>1</sup> Almost all Caribbean migrants are blacks, but other ethnic groups such as Europeans, Chinese and East Indians are also represented among these immigrants to Canada.

occupational experience of Independent immigrants. This legislation also moved away from the Family Class and towards the Independent and Refugee Classes. Since, the Family Class was the major category under which Caribbean immigrants came to Canada the impact of changes in immigration regulations was a decline in numbers and percentage of Caribbean inflows into Canada compared to total Canadian immigration. In 1986, there was a further change in the application of the points system, designed to attract entrepreneurs by emphasizing training and employment. The impact of this change on Caribbean immigration was again measured in its decline when compared to total Canadian immigration, indicating that Caribbean immigrants were not particularly inclined towards entrepreneurial activities since many were not entrepreneurs before coming to Canada (Anderson,1993; Labelle et al.,1983; Pool,1979; Ramcharan,1976).

### **3.1. Definitions**

The terms “Caribbean” and “West Indian”, for the purpose of this study, are used here to refer to nationals of islands in the Caribbean Sea which originally were dependent on the British and continue as dependencies. These islands are Anguilla, Antigua and Barbuda, Bahamas Islands, Barbados, Bermuda, Cayman Islands, Dominica, Grenada, Jamaica, Montserrat, Nevis, St.Kitts, St. Lucia, St.Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos, and the British Virgin Islands. The two other Central and South American mainland territories of Belize and Guyana which although not technically located in the Caribbean, were former British dependencies and are included in this listing of Caribbean countries (Anderson,1993; Hayes,1979; Schreiber, 1970; Thompson,1970).

### **3.2. English Caribbean Migration into Canada**

This section traces the historical pattern of Caribbean migration to Canada and its relation to immigration policy after the 1900s. Where possible comparisons are made with all other immigrants and with the Canadian-born population.

#### **3.2.1. Pre-1945: Early West Indian Immigration**

Black West Indians have been a part of the Canadian population for more than two centuries. However, there is a general paucity of historical data on black West Indians in Canada during the eighteenth and nineteenth centuries. According to Hayes (1979), this could have been because West Indians formed such a tiny fraction of the Canadian population (Barran,1970; Hayes,1979; Ramcharan,1974).

Small numbers of slave labour from the British West Indies were imported into New France and Nova Scotia before 1796, but in that year, the first large group of runaway slaves were shipped from Jamaica to Halifax, Nova Scotia to relieve labour shortages in British North America. Their anticipated settlement in British North America did not materialize and in the year 1800 they were sent to Sierra Leone, West Africa. Only a small number of West Indians came to Canada after that year. There were a few dozen West Indians in Victoria, Canada in the 1850s, where their status as British subjects earned them the vote and other privileges that were denied to the large number of black American fugitives. Black West Indians continued to migrate to Canada and towards the urban centres of Montreal and Toronto in the 1880s and 1890s, where they worked on the railroad. At the end of the nineteenth century, the number of West Indians gradually increased, when black workers were brought from Barbados to work in the coal mines of Sydney, Nova Scotia. It was not until the early 1900s that West Indian

immigrants coming to Canada for permanent settlement increased in small numbers (Barran,1970; Hayes,1979; Pool,1979; Walker,1984).

In the 1900's Canada's immigration policy was decided by Immigration Department officials. They appointed themselves guardians of Canada's racial purity and because of this, the immigration of black persons including those from the West Indies were informally prohibited. Objections towards the immigration of blacks by the Canadian government was based on the racist ideology that they were unassimilable and incapable of adjusting to the Canadian climate. However, reports reached Ottawa that black West Indians were still entering Canada through shipping ports in the Maritimes, especially Nova Scotia who had long had trading connections with the Caribbean. This entry was facilitated through Caribbean government assistance to nationals wanting to migrate to Canada. In particular, the government of Barbados assisted migrants with the cost of transportation by sea. These West Indian migrants had no difficulty meeting Canadian immigration requirements. Most were skilled in a trade and were therefore able to satisfy Canada's manpower needs. The majority of the West Indian immigrants found work in mines and steel plants in Sydney, Nova Scotia, while others worked as waiters, carpenters and in shoe shine shops (Pool,1979; Richards,1978; Schultz,1982; Walker,1984).

In 1912, the Superintendent of Immigration wanted to discourage the entry of West Indian immigrants who were seen to be of the general labour class. This view was, however, not seen in the same light by others, who had a vested interest in West Indian labour. Shipping lines were then involved in the legal passenger traffic with the islands,



there were also companies like Dominion Coal which depended a great deal on the incoming West Indian labour to work in the mines (Pool,1979; Schultz,1982).

According to Pool (1979), correspondence between the Dominion Immigration authorities and immigration agents of ports in Nova Scotia in 1914 revealed how the West Indian immigrant was seen.

West Indian negroes are hereafter to be rejected as L.P.C.<sup>2</sup> notwithstanding the possession of \$25, as that, or even a larger amount, in hand at time of arrival is no guarantee against those people becoming public charges, in view of the fact that scores of them are idle in Sydney, as actually reported by the Department (Pool,1979:250).

The basis of this action was because thousands of West Indians were at that time laid off at the Sydney mines and Immigration officials were not being flexible to the opposing views of those who had a vested interest in West Indian labour (Pool,1979; Schultz,1982). The position of the Immigration Branch on West Indian immigration was also reinforced in a memo sent out by the Superintendent of Immigration indicating that "...the Department does not encourage the immigration of persons of negro origin from the West Indies or elsewhere ..." (Pool,1979:250). With the curtailment of West Indian male labourers, the Dominion Coal Company later complained to the Immigration Branch that it could not find enough men to work in its mines, and sought permission to import 150 West Indians (Pool,1979; Schultz,1982). The request was however, not granted and the Company was informed by the Superintendent of Immigration that "coloured immigration is not considered any real asset to the country" (Pool,1979:251). Although these efforts resulted in a measure of curtailment of West Indian labour, this

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<sup>2</sup> Likely to become public charges.

did not stop the movement of West Indians coming to Canada (Labelle et al.,1983; Pool,1979; Schultz,1982; Walker,1984).

During World War I, several hundred more West Indians from Jamaica, Trinidad and Tobago as well as Barbados were brought into Canada to fill manpower needs. These immigrants worked in the mines of Nova Scotia and in the shipyards of Collingwood and Halifax. They also worked as porters, labourers, waiters and chefs on the expanding railroad systems. In addition they tended to boilers, furnaces and worked as general seamen on ships in the Great Lakes (Ramcharan,1974; Walker,1984).

The demand for West Indian domestics was also strong during World War I, because of a shortage of British domestic workers. The requirement was that female domestics entering Canada from British West Indies undergo proper medical examination, enter with the required amount of money and have assured jobs. In a move to dampen the demand for West Indian domestics, the Superintendent of Immigration suggested that a way be found to prevent these domestics from coming to Canada. Short of the passage of legislation, considerable effort was made to restrict immigration from the West Indies (Labelle et al., 1983; Pool,1979). An immigration officer had this to say with regard to reasons for excluding West Indian domestics:

1. The climate does not agree with them, they become dissatisfied and want to go home.
2. They are not particularly good servants and are inclined to be lazy.
3. They do not intermarry or mingle with our people and are therefore not absorbed and it is not a good form of immigration.
4. It seems to me that they will endeavour to use Canada as a back door to the U.S. as that is their real destination (Pool,1979:253).

Despite these stated objections towards West Indian female domestics, their movement to Canada continued and from 1910-1915 immigrants of English Caribbean origin numbered 2,800 (Labelle et al.,1983; Pool,1979; Walker,1984).

After World War I, Canadian war veterans returned to Canada to take up their jobs displacing many West Indian workers who moved on to Montreal and to Toronto in search of employment. They were hired as bellhops and porters on the railroad, which was a traditional line of work for blacks in North America. In the 1920s, exceptions were made to Canada's exclusionist laws in order to allow a limited number of West Indian women to enter and work as domestics. After the 1920s, immigration from the West Indies almost ceased, as only between 25 to 75 immigrants were entering annually (Labelle et al.,1983; Pool,1979; Turritin,1976;Walker,1984). According to Labelle et al. (1983) and Pool (1979), the recession into the 1930s resulted in an overall decline in total immigrants to Canada and the numbers of English Caribbean immigrants entering were marginal.

### 3.2.2. 1945-1960: Canada's Post War Immigration Policy

After World War II, the Canadian economy experienced an expansionary phase with growing industrialization, diversification and an emerging tertiary sector. There was a shortage of skilled labour as up to then Canadian immigration policy was not designed to reflect these needs (Labelle et al.,1983).

Dating back to the early 1900s but particularly after 1945, West Indian governments have been actively involved with the government of Canada in seeking that country's favourable consideration towards accepting the out-migration of West Indian nationals as migrant workers and permanent settlers (Roth,1973; Satzewich,1989). Since

1947, requests were made by Ontario farmers and West Indian government representatives from Jamaica and Barbados, to the Canadian Department of Labour and the Department of Citizenship and Immigration, to use migrant contract labour from the Caribbean on Ontario farms. Despite such requests, it was not until 1966 that this was allowed. From the Canadian point of view, two reasons were brought out as grounds for the government not deciding to comply earlier with such demands. The government of Canada felt that Caribbean workers did not possess the skills which Ontario farmers needed. So, despite the fact that Ontario farmers were enduring persistent shortages of farm labour, the government of Canada was not won over by this view. Also, the government felt that if West Indian workers were allowed into Canada, they would likely come forward to request permanent settlement, bearing in mind the historical ties which Caribbean countries have with Canada as members of the Commonwealth community (Satzewich,1988).

It should be pointed out that these decisions flowed from the 1947 statement in the House of Commons by the then Prime Minister Mackenzie King that:

The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation, and vigorous administration, to ensure the careful selection and permanent settlement of such numbers as can advantageously be absorbed in our national economy (Maxwell,1970:5).

This and other features of King's speech were incorporated into the Immigration Act of 1952. The "careful selection" of immigrants was operated without significant amendment until 1962. Preference was given to migrants from Britain, France, the United States and "white" Commonwealth Countries and their relatives. This was because these immigrants came from countries having similar institutions, and where the

racial stock was the same as that of Canadians. Accordingly, it was felt that these immigrants would be better able to adapt to Canadian society (Labelle et al.,1983; Maxwell,1970; Pool,1979; Ramcharan,1974). The 1952 Act also empowered the Minister of the Department of Citizenship and Immigration to prohibit the entry of people to Canada for any of the following reasons: “nationality, ethnic group, or an immigrant’s unsuitability having regard to climatic, economic, or social, industrial, educational, labour, health or other conditions ...” (Pool,1979:259). When the Minister of Immigration and Citizenship was asked to document statements that non-whites failed to assimilate or that they were affected by harsh Canadian winters, no concrete evidence could be provided (Ramcharan,1974). Rather, the official stand taken by the Prime Minister was that “the people of Canada do not wish as a result of mass immigration to make a fundamental alteration in the character of our population” (Satzewich,1989:78). In the ten years following the 1952 Immigration Act about 1,000 West Indians came to Canada annually until restrictions on non-white immigration were lifted in 1962 (Richmond,1988; Walker,1984).

The 1950s also saw increased pressure being put on the Canadian government by prospective Canadian employers of domestics, as well as by West Indian governments to allow West Indian female domestic workers to enter Canada. The demand for West Indian domestic workers resulted from a short supply of European domestics in Canadian households. There was also the indication from Canadians who vacationed in the British West Indies that there was an abundant supply of cheap domestic labour in the islands. Further pressure came in 1953 when the West Indian governments, particularly Jamaica and Barbados, approached the Canadian Minister of Citizenship and Immigration

requesting that the government of Canada change its immigration policy to allow female domestic workers to enter Canada. The West Indian governments felt that the change in immigration policy would satisfy the demand for domestic labour in Canada, and at the same time help to relieve the chronic unemployment situation in the West Indies. Immigration officials however, were reluctant to encourage an increased movement of West Indian domestics to Canada and used fears of alleged immorality to support their case. On the other hand, immigration officials were inclined to favour limited exceptions to Canada's prevailing policy of non-white exclusion. Justification for this was based on the fact that Canada was benefitting from increased trade with the Caribbean region. Furthermore, the improved political relations leading to Canadian investment opportunities in the Caribbean were also considered adequate and strategic returns for allowing West Indian domestics to enter Canada (Mackenzie, 1988; Pool, 1979; Roth, 1973; Satzewich, 1989).

In 1955, under the West Indian Domestic Scheme, the Canadian government entered into an agreement with the governments of Jamaica and Barbados to supply female West Indian domestic workers to fill employment positions in Canada. In view of the fact that Canadian immigration policy favoured non-white exclusion, the scheme would have been seen as a breach of the Immigration Act so the government of Canada exercised its Order-in-Council powers to create the program because of the shortage of labour in this area. This gave formal recognition to domestics as a special group warranting exception to prevailing immigration rules. On June 8, 1955 100 female domestic servants from Jamaica and Barbados were admitted on a trial program. The experiment was successful and the numbers thereby increased. Other English Caribbean

territories joined the scheme later and by 1965 a total of 2,690 female domestic workers from the Caribbean were recorded as having entered Canada (Labelle et al.,1983; Leah and Morgan,1979; Mackenzie,1988; Turritin,1979).

Domestics were required to be between 18 to 35 years, unmarried, without dependents, have a minimum grade eight education and be in good health. Their contract specified they remain employed with a Canadian family for at least one year before being eligible to apply for landed immigrant status. Strict quotas served to restrict the supply of West Indian domestics to the needs of the Canadian labour market, but allowed an equal number of domestics to come from various Caribbean islands. Because of chronic employment and under-employment in the West Indies, many of these domestics came from middle-class families, as this was the only way for them to migrate in order to improve conditions for themselves and their families (Armogan,1976; Chodos,1977; Leah and Morgan,1979; Richards,1978).

From 1946 to 1961 a total of 12,841 West Indians migrated to Canada. For these West Indian migrants, entry into Canada could only be under one of three categories: female domestic workers, close relatives of West Indians who had become Canadian citizens as well as those who qualified for entry on the basis of special merit, such as nurses and stenographers (Anderson and Grant,1975; Greene,1970; Labelle et al.,1983; Satzewich,1988).

One other route of Caribbean immigration was the large numbers of West Indian students who were leaving the Caribbean for educational opportunities and entering Canada to pursue post-secondary education. The students came in as temporary migrants and their numbers increased dramatically over the ten-year period, from 450

students in 1955 to 3,000 by 1965. Based on their qualifications upon graduation many students were able to find employment in Canada's expanding economy. They were therefore allowed to remain on as permanent migrants, thereby augmenting the number of West Indian immigrants in Canada (Chambers,1977; Christiansen et al.,1982; Richmond and Mendoza,1990; Walker,1984).

In the late 1950s, there was a movement towards independence of the British West Indian islands from Britain. At the same time, Canada was undergoing an economic recession and wanted to put emphasis on attracting a qualified and professional workforce, thus reducing the overall numbers of unqualified migrants to Canada (Barran,1970; Labelle et al.,1983; Walker,1984).

### 3.2.3. 1960-1990: The 1962, 1967 and 1978 Immigration Regulations and their Effects on West Indian Migration

Caribbean islands joined by other newly independent Third World countries, successfully pressured the Canadian government in the early 1960s into amending its racist immigration policy. The Immigration Act of 1962 removed the racial discrimination measures contained in the earlier 1952 Act and in its place the labour needs of the Canadian economy were given priority and reduced emphasis was put on preferred nationalities (Anderson,1993; Barrett,1980; Labelle et al.,1983; Ramcharan,1974).

The 1962 revised immigration regulations removed "country of origin" as the basis for entry and made "education, training, skills or other qualifications" (Anderson, 1993:41) the primary conditions under which all immigrants were eligible for permanent admission into Canada. Emphasis on skilled training provided an opportunity for



Caribbean immigrants to qualify for entry into Canada as many could not find suitable employment in the Caribbean. The changes in immigration regulations were impacting on the Canadian economy about the same time as the Canadian economy was expanding and opportunities were contracting in many Caribbean countries (Ramcharan,1973; Roth,1972; Thompson,1970).

In the 1960s, the economies of independent Caribbean islands were undergoing periods of nation building while faced with high unemployment. Political uncertainty as well as economic and social frustrations accompanied the transition period from colonialism to independence. This prompted many West Indians to migrate to Canada in search of a higher standard of living and greater economic advantages. By 1962 both Britain and the United States began to close their doors to West Indian immigrants. The British Commonwealth Immigration Act of 1962 restricted the free flow of West Indian immigrants to that country. Also, the United States in the same year introduced a quota system for West Indians wanting to migrate to that country. Consequently, Canada was seen as an alternative destination for West Indian immigrants and their families (Anderson,1993; Barrett,1972; Ramcharan,1973; Stewart,1975).

Expansion of the Canadian economy which began in 1963, was particularly evident in the health and para-medical sectors, and in the teaching and research areas. In order to better service potential migrants by 1965 Canada employed as many as 30 immigration offices overseas, but these were located in Europe and the United States, and hence Canada recruited the majority of its skilled labour to meet the needs of the growing economy from those countries (Chodos,1977; Labelle et al.,1983; Larose and Pierre-Jacques,1984; Ramcharan,1974). No such services were established in the West Indies

because Canada “ recognized that Commonwealth Caribbean countries must retain their skilled manpower if they are to achieve economic growth” (Labelle et al.,1983:49). For this reason although the 1962 Immigration Act was no longer discriminatory in theory, in practice the absence of immigration offices outside of traditional source areas meant that it was difficult for West Indians to apply for entry into Canada. However, there was growing immigration from this area and from 1961 to 1966 more than 12,000 West Indians migrated to Canada (Walker,1984).

In 1965, Ontario farmers were again experiencing shortages of farm labour and the demand was met on a temporary basis through importation of farm labour from the United States. This situation, like the earlier one in 1947, led to a repeat of the pressures from Caribbean governments for Canada to consider allowing migrant contract labour from the West Indies. The Canadian Department of Citizenship and Immigration yielded to the urgency of this request. As a result, in 1966 the Canadian Offshore Labour Programme with the Caribbean was instituted to assist farmers in Ontario with labour shortages. The programme was originally started through an agreement between Canada and Jamaica. One year later, the agreement was extended to include participation by Barbados as well as Trinidad and Tobago. Nine years later the Eastern Caribbean islands of Anguilla, Antigua, Barbuda, Dominica, Grenada, Monsterrat, St. Kitts, St. Lucia and St. Vincent were brought into the programme (Cecil and Ebanks,1992; Ganaselall,1992; Satzewich,1988; Whyte,1984).

Under this programme, migrant farmworkers were recruited for entry into Canada every year to harvest crops. The agreement first allowed 264 migrant farmworkers into Southwestern Ontario on a contractual basis. The contract period

ranged from six weeks to four months, after which the workers returned to their country of origin. The farmworkers were considered well paid in relation to opportunities available to them in their home country. As a result, during the contract period they were able to make regular remittances of money to their families in the Caribbean (Cecil and Ebanks,1991; Larkin,1989; Thomas-Hope,1986; Thompson,1970; Whyte,1984).

In 1967, changes to the Canadian immigration regulations once more affected West Indian migration into Canada. A “points system” was introduced as the basis for determining the qualifications of prospective immigrants, in response to the labour needs of the economy. Points were assigned to various characteristics pertaining to the migrant, with special emphasis on educational background, skills training and work experience. Accordingly, West Indian blacks and Asians who were sufficiently educated and skilled could now qualify to enter Canada. In addition to the “points system” the 1966 White Paper also made recommendations that family reunification be stressed. The 1967 changes therefore recognized three classes of immigrants: The Family Class, The Independent Class and The Political Refugee Class. Family class applicants and refugees were admitted into Canada without the stringent qualifications required of independent immigrants. With respect to family class applicants, West Indians whose close relatives were residing in Canada were given favourable consideration under the sponsorship and nominated categories (Anderson,1993; Labelle et al.,1983; Ramcharan,1976).

A further provision in the Regulations allowed visitors to apply for landed status when in Canada. This encouraged many less qualified Caribbean persons who were in Canada as visitors between 1968 and 1972, to request immigrant status. Taken together, the 1967 regulations had the effect of opening the doors to skilled immigrants from the

Caribbean to an unprecedented extent, although there was also a continuing flow of domestic workers and others who were less qualified. Caribbean immigrants from Jamaica, Trinidad and Tobago, Guyana as well as Barbados lead in the numbers of new immigrants to Canada since 1962. Because of the need for skilled labour to fill jobs in Canada's growing economy, at a time when the United States and Britain were restricting numbers Caribbean labour also came in through Britain and the United States (Anderson,1993; Christiansen et al.,1982; Richmond and Mendoza,1990; Thompson,1970).

Starting in 1962, the number of immigrants coming from the Caribbean into Canada grew dramatically while, at the same time, a large number of illegal migrants were entering as tourists. In 1967, a total of 8,403 West Indian immigrants were admitted into Canada, accounting for 3.8 percent of total Canadian immigration. In order to better service the flow of these West Indian migrants to Canada and to control the numbers of those who were entering illegally, Canadian immigration offices were established in 1967 in Jamaica as well as in Trinidad and Tobago, the two islands from which most of these immigrants originated (Anderson,1993; Chodos,1977; Labelle et al.,1983; Satzewich,1989).

**Table 7: Caribbean Immigrant Inflows into Canada, 1967-1989**

<b>Year</b>	<b>Total Canadian Immigration</b>	<b>Caribbean Inflow</b>	<b>Percentage</b>
1967	222,876	8,403	3.8
1968	183,974	7,533	4.1
1969	161,531	12,003	7.4
1970	147,713	11,932	8.4
1971	121,900	10,843	8.9
1972	122,006	*8,233	6.7
1973	184,200	24,404	13.2
1974	218,465	27,915	12.8
1975	187,881	22,367	11.9
1976	149,429	18,172	12.2
1977	114,914	14,383	12.5
1978	86,313	10,581	12.3
1979	112,096	8,839	7.9
1980	143,117	9,639	6.7
1981	128,618	11,470	8.9
1982	121,147	11,855	9.8
1983	89,177	9,982	11.2
1984	88,239	7,571	8.6
1985	84,302	8,479	10.1
1986	99,219	12,820	13.0
1987	152,098	17,445	11.5
1988	161,929	12,393	7.7
1989	189,956	14,099	7.4
<b>TOTAL</b>	<b>3,271,100</b>	<b>301,361</b>	<b>9.2</b>

Source: Anderson, 1993:59.

\*This figure does not include the cohort from Guyana, which was not available for this year.

Table 7 shows that over the six-year period from 1967-1972, following the elimination of racial barriers and the adoption of a universal points system, Caribbean immigration rose dramatically and averaged 9,824 persons per year or 6.7 percent of total Canadian immigration. In the following six years from 1973 to 1978 West Indian immigration increased rapidly again, averaging 20,000 persons per year or 12.5 percent of total immigration into Canada, due to heavy use of the nominated relative category by independent immigrants bringing in close relatives to Canada (Anderson, 1993).

The Immigration Act of 1976, which came into force in 1978 revised the “points system” to place less emphasis on education and more on entrepreneurial experience. This legislation also moved away from emphasizing the Family Class and instead prioritized the Independent and Refugee Classes and introduced the Business Migrant category. As a result, Caribbean immigration into Canada started to show significant reduction from a peak of 25,000 persons per year during the Amnesty years between 1973-1975 to 15,000 persons between 1976-1978, and to an average of 11,375 immigrants per year between 1979-1989. This reduction showed the effect which the 1978 Immigration Regulations had on Caribbean migration into Canada (Anderson,1993; Breton,1983; Chambers,1977; Morgan and David,1980).

In 1986, a change was made to the 1978 Immigration Regulations which once again significantly reduced the percentages of Caribbean inflows into Canada for the years 1988 and 1989. This change in policy was intended to further attract entrepreneur immigrants by placing emphasis on training and employment. The priority given here to the entrepreneur category was in keeping with the needs of Canadian economic productivity goals. The impact of this change on Caribbean immigration was measured in its decline when compared to total Canadian immigration, suggesting that Caribbean immigrants were not entering Canada with entrepreneurial skills. During the same period, however, actual Caribbean inflows did increase by 13.8 percent from 12,393 in 1988 to 14,099 in 1989, but because total Canadian immigration grew at a faster rate from 161,929 in 1988 to 189,956 in 1989 (or 17.3 percent) this was reflected in lower representation of Caribbean inflows (7.7 percent and 7.4 percent) to total Canadian immigration (Anderson,1993).

Jamaica was by far the major source island supplying 35.7 percent of Caribbean inflows during the 1967-1989 period. Next in line was Guyana (20.8 percent), followed by Haiti (17.4 percent), Trinidad and Tobago (13.6 percent), Barbados (2.9 percent) and the rest of the Caribbean (9.5 percent) (Anderson,1993).

Table 8 shows the provincial destination of Caribbean immigrants during the period 1974-1989.

**Table 8: Provincial Destination of Caribbean Immigrants, 1974-1989 (Select Years)**

Year	Ontario	Quebec	Alberta	British Columbia	Manitoba	Elsewhere	Total
1974	19,210 68.5%	7,129 25.5%	436 1.6%	540 1.9%	422 1.5%	268 1.0%	27,915
1977	9,868 68.6%	3,185 22.1%	469 3.3%	312 2.1%	321 2.3%	228 1.6%	14,383
1980	6,223 64.5%	2,258 23.4%	521 5.4%	229 2.4%	277 2.9%	131 1.4%	9,639
1983	5,482 55.5%	3,505 35.5%	403 4.1%	154 1.6%	212 2.1%	114 1.2%	9,870
1986	8,907 69.5%	3,001 23.4%	437 3.4%	136 1.1%	213 1.7%	126 1.0%	12,820
1989	9,897 70.2%	3,173 22.5%	405 2.9%	229 1.6%	276 2.0%	135 0.8%	14,115
Percent Average	(66.1)	(25.4)	(3.4)	(1.8)	(2.1)	(1.2)	

Source: Anderson, 1993:66.

Over the years, two-thirds of Caribbean immigrants chose Ontario, one quarter went to Quebec and 8.5 percent to the other provinces. Caribbean immigrants, like all immigrants, are inclined to settle in Canada's largest metropolitan centres namely Toronto, Montreal, Edmonton, Winnipeg and Vancouver where West Indian communities have long been established (Anderson,1993; Richmond,1990).

#### 3.2.4. Summary

The immigration of West Indians for permanent settlement began in the 1900s with migrants coming as labourers, female domestics and stenographers. At that time, Canada's immigration policy was decided by Immigration Department officials, who informally prohibited black persons, including those from the West Indies, based on the racist ideology that they were unassimilable and incapable of adjusting to the Canadian climate. This however, did not stop the movement of West Indian labourers coming primarily to Atlantic Canada based on long standing trading links. In the 1920s, exceptions were made to Canada's exclusionist laws in order to allow in a limited number of women from the West Indies to enter and work as domestics. From the early 1900s, West Indian governments have been actively involved with the government of Canada in seeking that country's favourable consideration towards accepting the out-migration of West Indian nationals as temporary workers and permanent settlers (Labelle et al.,1983; Pool,1979; Satzewich,1989; Schultz,1982).

Only after World War II, when the Canadian economy experienced an expansionary phase with growing industrialization and the emerging tertiary sector did this pressure begin to be reflected in legislative changes to Immigration. In 1947, Prime Minister Mackenzie King stated that immigration would be selective and preference given to migrants from Britain, France, the United States and "white" Commonwealth countries and that immigration was to be encouraged based on the absorptive capacity of Canada's economy. These features of King's speech were incorporated into the Immigration Act of 1952. In the years following the 1952 Act, about 1,000 West Indians came to Canada annually until restrictions on non-white immigration were finally lifted



in 1962. In 1955, contractual arrangements between Canada and certain Caribbean island governments lead to the establishment of annual quotas of female domestics entering Canada to work with Canadian families for a minimum of one year. In this same year, Caribbean students started to come to Canada to study. Upon graduation, many found jobs in Canada's expanding economy, thus becoming permanent settlers. From 1946 to 1961, over 12,000 West Indians were recorded as having entered Canada. These migrants came as female domestic workers, close relatives of West Indians who had become Canadian citizens and those who qualified on the basis of special merit such as nurses and stenographers (Labelle et al.,1983; Mackenzie,1988; Ramcharan,1974; Walker,1984).

In the 1960s, the Caribbean islands of Jamaica, Trinidad and Tobago as well as Guyana and Barbados gained their independence. Commonwealth Caribbean governments and other newly independent Third World countries started to put pressure on the Canadian government to change its racist immigration policy and to include non-white countries in the selection of independent immigrants to Canada. The result of such pressure led the Canadian government to amend the Immigration Act in 1962 to put less emphasis on preferred nationalities and stress the needs of the Canadian economy (Anderson,1993; Ramcharan,1974; Walker,1984).

In 1967, changes in Canadian immigration policy finally eliminated preferred nationalities and emphasized instead the universal selection of independent immigrants based on the "points system". These changes gave priority to a interconnection between immigration and the labour needs of the economy, but they also recognized three classes of immigrants: The Family Class, The Independent Class and The Political Refugee

Class, and allowed persons on visits to Canada between 1968 and 1972 to apply for landed immigrant status. These provisions encouraged many less qualified Caribbean immigrants to become permanent residents. The 1967 regulations therefore had the effect of opening the doors to skilled immigrants from the Caribbean to an unprecedented extent, although there was also a continuing flow of domestic workers and others who were less qualified. The Immigration Act, tabled in 1976 and proclaimed in 1978, provided for a revised points system that placed less emphasis on education and more on entrepreneurial experience. This legislation also moved away from the Family Class, the major category for Caribbean immigrants and towards the Independent and Refugee Classes. Predictably, the impact on the volume of migrants from the Caribbean was for it to fall. In 1986, the Immigration Regulations of 1978 were changed again to attract entrepreneurs with more emphasis on independent immigrants with adequate training and employment-related credentials. Once again the numbers of Caribbean immigrants entering Canada declined (Anderson,1993; Labelle et al.,1983; Morgan and David,1980).

### **3.3. Demographic and Economic Characteristics of Caribbean Immigrants in Canada**

This section analyses data on the sex and age distribution, educational level, occupational distribution and labour force characteristics of Caribbean immigrants in Canada. Comparisons are made where relevant to all other immigrants as well as to the Canadian-born population over the years 1960-1987.

#### **3.3.1. Age and Sex Profiles of Caribbean Immigrant Flows**

Table 9 shows the age and sex characteristics of Caribbean immigrants at time of arrival for selected years during the period 1967-1987.

**Table 9**  
**Age and Sex Distribution of Caribbean Immigrant Flows,**  
**1967-1987 (Select Years)**

Year	Age And Sex														
	0-4			5-19			20-64			65+			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
1967	215 (2.6)	237 (2.8)	452 (5.4)	647 (7.7)	802 (9.5)	1,449 (17.2)	2,753 (32.8)	3,680 (43.8)	6,433 (76.6)	16 (0.2)	53 (0.6)	69 (0.8)	3,631 (43.2)	4,772 (56.8)	8,403 (100)
1974	707 (2.5)	710 (2.5)	1,417 (5.0)	3,729 (13.4)	4,032 (14.4)	7,761 (27.8)	8,624 (30.9)	9,775 (35.0)	18,399 (65.9)	130 (0.5)	208 (0.8)	338 (1.3)	13,198 (47.3)	14,275 (52.7)	27,915 (100)
1980	182 (1.9)	205 (2.1)	387 (4.0)	1,675 (17.4)	1,725 (17.9)	3,400 (35.3)	2,438 (25.3)	2,957 (30.7)	5,395 (56.0)	164 (1.7)	293 (3.0)	457 (4.7)	4,459 (46.3)	5,180 (53.7)	9,639 (100)
1986	145 (1.1)	162 (1.3)	307 (2.4)	1,703 (13.3)	1,737 (13.5)	3,440 (26.8)	3,373 (26.3)	5,158 (40.2)	8,531 (66.5)	205 (1.6)	321 (2.5)	526 (4.1)	5,435 (42.4)	7,385 (57.6)	12,820 (100)
1987	212 (1.2)	227 (1.3)	439 (2.5)	2,689 (15.3)	2,758 (15.7)	5,447 (31.2)	4,805 (27.5)	6,152 (35.3)	10,957 (62.8)	227 (1.3)	375 (2.1)	602 (3.4)	7,933 (45.3)	9,512 (54.6)	17,445 (100)
Average Percentages	1.9	2.0	3.9	13.4	14.2	27.6	28.7	37.0	65.7	1.1	1.8	2.9	44.9	55.1	100

Source: Anderson, 1993:77.

Less than 4 percent of all Caribbean immigrants were children 0-4. This low percentage reflects the tendency of West Indian parents who migrate to leave their young children in the care of relatives in the Caribbean so as to make it easier for them to find employment and a residence in Canada (Anderson,1993; Anderson and Grant,1987; Richmond,1989; Scarborough Board of Education,1976).

On the other hand, school age children (5-19 years) accounted for as high as 27.6 percent of all Caribbean immigrants. The larger numbers reflects the tendency of immigrants to sponsor their school age, or teenage children as soon as they are settled in Canada. This may explain the difficulties young Caribbean immigrants experience in integrating into the Canadian school system and subsequent problems of youth unemployment (Anderson,1993; Elliston, 1976; Henry,1987; Stasiuk,1976).

By far the largest group of immigrants were 20-64 years: on average two-thirds of all Caribbean immigrants were of workforce age with females outnumbering males: five females to every four males. The high proportion of women immigrating alone is perhaps the most distinctive feature of Caribbean immigration over the years. This is contrary to the more usual pattern of male numerical dominance which prevailed in the early years of West Indian immigration into Canada. A number of factors contributed to this unusual sex ratio: (1) canadian immigration policy gave formal recognition to female domestics workers from the Caribbean to enter Canada; (2) in the 1960s, nurses and teachers from the Caribbean were allowed into Canada to fill jobs during Canada's expansionary period; and (3) women could more easily find employment based on Canadian labour needs which were particularly in the service and administrative sectors (Anderson, 1993; Barrett,1972; Labelle et al.,1983).

Less than 3 percent of all Caribbean immigrants to Canada over the select years were age 65 years or older (Anderson,1993). In the population at large Richmond (1987) and Richmond (1989) indicate that Caribbean immigrants are under-represented in the retirement category.

### 3.3.2. Educational Levels

Table 10, on educational level of Caribbean immigrants according to the 1981 census, shows that 52 percent of male immigrants and 45 percent of females had received some post-secondary education. These figures were higher than for all other immigrants combined and much higher than that for the Canadian-born population. Caribbean immigrants who entered Canada in the earlier 1960-1969 period of immigration were more educated than those who arrived later. Among Caribbean males who arrived in the 1960-1969 period, one quarter had university training while only 14.4 percent of females, had such training. This reflects the impact which the 1967 "points system" had on the selection of independent immigrants (Henry,1987; Richmond,1989; Richmond and Mendoza,1990).

Later arrivals, however, were less well-educated than those who came during 1960-1969. In the 1970-1974 period, the percentage of West Indian men with university education fell to 13.6 percent and to 7.7 percent for women. During the 1975-1979 period, the percentage of university educated male Caribbean immigrants declined to 10.9 percent and for women to 6.2 percent. At the same time the number of Caribbean immigrants entering with primary education increased. The decline in education levels reflects two changes in Immigration Policy and The Amnesties to which permitted visitors to apply for landed immigrant status in the late 1960s and early 1970s. Except

for 1975, the tendency was that Caribbean immigrants who qualified under “family reunion” provisions, as nominated immigrants, temporary workers and political refugees, came to Canada without the higher level of qualifications required of unsponsored independents (Anderson,1993; Richmond,1989; Richmond and Mendoza,1990).

**Table 10: Distribution by Level of Education and Sex of Persons Aged 15 and over for the Canadian-born Population, and for the Caribbean Immigrant<sup>1</sup> and the Total Immigrant Populations by Period of Immigration, 1981**

Period of immigration	Immigrant Group	Level of Education						
		Number	All Levels	Primary	Secondary	Post-Secondary		
						Non University <sup>2</sup>	University	
							Percent	
<b>Males</b>	<b>Total<sup>3</sup></b>							
	<b>Caribbean</b>	83,375	100.0	9.0	39.1	34.5	17.2	
	All immigrants	1,757,970	100.0	24.2	31.0	25.2	19.7	
	1960-1969	Caribbean	21,895	100.0	5.3	31.3	38.9	24.5
		All immigrants	426,495	100.0	18.6	32.9	27.0	21.5
	1970-1974	Caribbean	30,755	100.0	8.4	40.2	37.8	13.6
		All immigrants	242,430	100.0	14.5	31.9	26.7	26.9
	1975-1979	Caribbean	21,335	100.0	11.2	46.2	31.7	10.9
		All immigrants	189,380	100.0	13.3	33.2	27.3	26.3
		<b>Canadian-born</b>	7,393,625	100.0	20.0	44.4	21.1	14.5
<b>Females</b>	<b>Total<sup>3</sup></b>							
	<b>Caribbean</b>	102,040	100.0	13.0	41.9	35.6	9.5	
	All immigrants	1,811,165	100.0	29.2	36.5	21.4	12.9	
	1960-1969	Caribbean	26,975	100.0	7.4	37.7	40.4	14.4
		All immigrants	432,615	100.0	25.1	37.0	23.5	14.4
	1970-1974	Caribbean	37,545	100.0	11.8	42.9	37.6	7.7
		All immigrants	248,560	100.0	20.9	35.6	24.7	18.7
	1975-1979	Caribbean	26,220	100.0	17.6	44.9	31.3	6.2
		All immigrants	210,265	100.0	20.7	36.6	23.5	19.2
		<b>Canadian-born</b>	7,646,525	100.0	18.6	47.5	22.8	11.0

Source: Richmond, 1989:21.

<sup>1</sup> Includes persons born in Guyana.

<sup>2</sup> Includes persons with college diplomas, trade certificates, etc.

<sup>3</sup> Includes also immigrants who arrived before 1960 and during 1980-81.

### 3.3.3. Occupational Levels

In view of the higher levels of education among Caribbean immigrants who arrived in the 1960-1969 period, Caribbean men were well represented in professional and technical as well as managerial and clerical occupations when compared to all other immigrants and to the Canadian-born population.

**Table 11: Occupational Distribution of the Caribbean\* and Total Foreign-born Population, by Period of Immigration, and of the Canadian-born Population, 1981**

Occupation	Canadian -born	1960-69		1970-74		1975-79	
		Carib.	Total Immig.	Carib.	Total Immig.	Carib.	Total Immig.
<b>Male</b>							
Managerial	10.7	10.0	10.4	5.8	9.4	5.1	8.6
Professional	11.5	21.2	17.1	11.4	17.3	8.0	16.1
Clerical	7.4	10.6	5.8	12.2	7.1	13.2	7.0
Sales	9.0	6.7	7.2	5.8	6.6	5.5	6.3
Service	9.6	7.9	11.5	10.0	12.0	16.4	15.4
Processing <sup>1</sup>	18.3	27.5	23.6	36.2	26.7	36.3	28.7
Construction	10.9	6.0	12.9	5.0	9.5	3.9	7.4
Transport	6.8	3.7	3.4	5.2	3.5	3.3	2.6
All Other	15.9	6.3	8.0	8.2	8.0	8.5	8.0
Number ('000)	6,155.2	20.4	391.3	27.5	221.1	17.6	165.2
All occupations	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Female</b>							
Managerial	5.1	4.0	5.1	2.6	4.4	1.7	3.5
Professional	19.7	32.4	18.8	18.2	17.6	13.3	15.9
Clerical	36.8	35.5	29.6	35.1	29.6	33.1	28.7
Sales	9.9	4.7	8.5	3.8	6.7	4.4	6.4
Service	16.6	12.3	17.7	15.2	18.1	21.1	20.8
Processing <sup>1</sup>	6.1	7.7	14.8	18.3	17.4	20.0	18.1
Construction	0.4	0.2	0.3	0.2	0.3	0.2	0.3
Transport	0.7	0.1	0.3	0.2	0.3	-	0.2
All Other	4.9	3.1	5.0	6.4	5.5	6.3	6.1
Number ('000)	4,511.3	22.7	300.7	30.6	178.1	18.1	137.8
All occupations	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Richmond, 1988:379.

Notes: \*Caribbean-born includes Guyana.

Table refers to population aged 15 and over who worked in 1980.

<sup>1</sup>Processing also includes machinery and fabricating.

Similarly, Caribbean women were also disproportionately represented in professional, clerical and service occupations (Ramcharan,1976; Richmond,1988; Richmond,1989; Richmond,1990). According to Richmond (1988), these Caribbean immigrants had achieved a level of occupational status more or less proportionate with their education and training.

Later cohorts of Caribbean immigrants were more likely to be found in processing and manufacturing occupations when compared to all other immigrants and to the Canadian-born population. Caribbean men were found to a lesser degree in service occupations whereas the women were more inclined towards this area. The economic restructuring of the Canadian economy up to 1981, led to greater demand for unskilled labour in manufacturing industries where many Caribbean immigrants were able to find employment. However, this was not shared by the service sector where Caribbean women could more likely secure employment (Anderson and Grant,1987; Richmond,1988; Richmond,1990).

#### 3.3.4. Labour Force Characteristics

Table 12A deals with characteristics of the labour force participation under categories of workers by sex and period of immigration. Caribbean immigrants show the highest percentage employed as wage earners for all periods of immigration, compared to all immigrants and to the Canadian-born. Even more striking Caribbean immigrants were less than half as likely to be self-employed and even less likely to be employers compared to either total immigrants and or the Canadian-born population for all periods of immigration. These findings indicate that very few Caribbean immigrants came to Canada with previous entrepreneurial experience, and confirm that they are much less



likely than other immigrants or Canadians to enter the labour force as employers or self-employed persons (Anderson,1993; Richmond,1989).

**Table 12A: Percent Distribution in Three Class-of-Worker<sup>1</sup> Categories for the Canadian-born Population, and for the Caribbean Immigrant<sup>2</sup> and Total Immigrant Populations by Period of Immigration, 1981**

Period of Immigration	Characteristics								
	Class-of-Worker <sup>3</sup>								
			Wage earner and unpaid family worker		Employer		Self-Employed		
	Males	Females	Males	Females	Males	Females	Males	Females	
Number		Percentage							
Canadian-born Population	6,155,200	4,511,300	91.4	97.1	2.8	0.8	5.7	2.1	
1960-1969									
Caribbean Immigrants	20,400	22,700	95.7	98.5	1.9	0.4	2.3	1.1	
Total Immigrants	391,300	300,700	92.2	96.3	3.5	1.2	4.2	2.4	
1970-1974									
Caribbean Immigrants	27,500	30,600	97.2	99.0	0.9	0.4	2.0	0.7	
Total Immigrants	221,100	178,100	93.5	96.8	2.9	1.2	3.6	2.0	
1975-1979									
Caribbean Immigrants	17,600	18,100	97.8	98.8	0.9	0.2	1.4	0.9	
Total Immigrants	165,200	137,800	94.8	97.3	2.0	0.8	3.3	1.9	

From: Richmond, 1989:27.

<sup>1</sup> Includes all persons aged 15 and over who worked in 1980.

<sup>2</sup> Includes persons born in Guyana.

<sup>3</sup> Persons who worked in 1980.

**Table 12B: Caribbean Immigrants to Canada (1981-1995) by Immigration Category and Gender**

Year	Grand Total		Total		Family		Refugees		Designated		Assisted Relative		Independent <sup>1</sup>	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F
1981	3,847	4,786	2,232	2,760	12	6	2	3	223	267	1,378	1,750	986	1,266
1982	3,970	4,704	2,768	3,211	40	20	13	5	163	202	350	684	317	1,057
1983	3,156	4,060	2,715	3,315	40	10	11	4	40	47	149	870	766	2,037
1984	2,322	3,308	2,089	2,345	43	27	11	3	30	63	317	1,057	2,225	1,440
1985	2,557	3,575	2,152	2,434	43	32	-	-	45	52	766	2,037	1,245	1,372
1986	3,613	5,261	2,733	3,071	25	23	2	-	87	130	1,039	1,440	1,039	1,372
1987	4,952	6,275	3,470	3,740	15	17	-	1	222	292	1,245	2,225	1,039	1,440
1988	4,365	5,074	3,042	3,305	13	12	-	-	271	317	1,039	1,440	1,039	1,372
1989	5,251	5,658	3,742	3,848	37	23	-	-	367	415	1,039	1,372	1,039	1,372
1990	5,483	6,206	4,622	5,041	20	12	10	15	294	291	537	847	509	1,076
1991	5,972	6,950	4,953	5,305	71	55	65	61	374	453	509	1,076	509	1,076
1992	6,782	8,170	5,175	5,741	152	108	103	124	602	693	750	1,504	750	1,504
1993	7,545	9,018	5,687	6,359	216	173	55	96	686	751	901	1,639	901	1,639
1994	4,619	5,361	3,614	4,018	171	142	4	8	485	518	345	675	345	675
1995	4,685	5,371	3,557	3,904	229	178	2	2	420	406	477	881	477	881

Source: Citizenship and Immigration. (1981-1995) Immigration Statistics. Canada.

Notes: The reason these numbers are not the same as in Table 7 is because immigrants from Guyana are not included. M=males; F=females. Independent includes: Self-employed, Entrepreneurs, Retired, Live-in Caregivers (after 1992) and Other Immigrants (after 1993).

### 3.3.5. Summary

The largest group of Caribbean immigrants to Canada between 1967-1987 are women in the under 19 and 20-64 age range. The greater proportion of women entering alone fall under the latter group. These women came to Canada as female domestic workers, nurses and teachers during Canada's expansionary period and were easily absorbed in the service and administrative sectors. The educational level of Caribbean immigrants was high, particularly among those who came during the 1960s. However, among the later arrivals there were fewer university graduates, and a greater proportion with only primary education (Anderson,1993; Labelle et al.,1983; Richmond,1989).

Earlier cohorts, on average appeared to have achieved an occupational level that was proportionate with their qualifications. These immigrants were concentrated in managerial, professional and technical occupations as well as in the clerical and service sectors. Those immigrants who arrived after the 1970s were engaged mainly in processing and manufacturing as well as in service occupations, and they were less successful than were earlier immigrants in terms of occupational status achieved. Predominantly, Caribbean immigrants are in the salary and wage earner class with negligible numbers in the employer and self-employed categories (Anderson,1993; Richmond,1988; Richmond,1989). It is to investigate the reasons why so few English Caribbean immigrants started their own businesses, that this thesis was conducted and it is to an analysis of this survey data that we now turn.

## CHAPTER 4

### SURVEY METHODOLOGY

#### INTRODUCTION

The purpose of this thesis is to examine why English Caribbean immigrants to Montreal have a much lower tendency than other ethnic minority groups across Canada to start their own businesses. Both the IAT and the IEET focus on entrepreneurs. The IAT, explores the reasons pushing immigrants towards business creation. The IEET focuses on class and ethnic resources as well as on opportunities within the structure of the host society, which encourage and facilitate immigrants to undertake businesses. Neither theory looks directly at how the absence of such resources or circumstances discourage immigrants from establishing their own businesses or why the factors which normally encourage entrepreneurs might not do so among English Caribbean immigrants. This thesis looks at both English Caribbean immigrants who do start their own business and those who are not in business. It compares their characteristics, their experiences and their motivation with respect to self-employment.

To do this, I surveyed two groups of English Caribbean immigrants: English Caribbean immigrant entrepreneurs and non-entrepreneurs. First, the nature of English Caribbean businesses is investigated. Then in light of IAT, I explore the reasons why English Caribbean immigrant entrepreneurs went into business on their own. With respect to the IEET, I examine three things: (1) do English Caribbean immigrant entrepreneurs possess or have access to the necessary class resources, such as financial capital, education, business experience and occupational skills to start their own businesses; (2) do ethnic resources, especially ethnic networks, help entrepreneurs by

providing them with information and assistance, capital and workers to help them in starting their businesses; and (3) how do structural factors like markets, location and institutional policies influence English Caribbean immigrants wishing to establish businesses? Specifically, based on the literature, I expect to find that English Caribbean immigrant entrepreneurs: (1) use a mix of class and ethnic resources to establish their businesses; and (2) are aware of government programs at the provincial and federal levels to help entrepreneurs start businesses. In addition, based on the importance in the 13 studies but not alluded to in the theoretical literature, I examine the extent to which motivational factors play a role in the establishment of English Caribbean business operations. Last, I compare the specific experiences of English Caribbean immigrant entrepreneurs with those of entrepreneurs from other immigrant groups in Canada. From these analyses, I show how the experience of a group of English Caribbean immigrant entrepreneurs in Montreal in part validates and in part contradicts both the IAT and the IEET. Second, the reasons according to immigrants themselves that prevent English Caribbean immigrants from starting their own businesses in Montreal are explored.

The remainder of this chapter describes two questionnaire surveys: one of English Caribbean immigrant entrepreneurs and the other of English Caribbean immigrants who are not in business, copies of which are included as Appendix B and C. The first group serves as the experimental group and the second as the control group.

#### **4.1. Developing a Survey Strategy**

The objective of the questionnaire survey of English Caribbean immigrant entrepreneurs is to discover the reasons why they went into business ventures, the types of business operations which they create and the assistance they received from their immigrant

communities in establishing or operating a business in Montreal. The objective of the questionnaire survey of English Caribbean immigrants who are not entrepreneurs is to look at the reasons why they do not start their own business and through that to understand why English Caribbean immigrants have a low tendency to become entrepreneurs.

To develop a survey strategy that would adequately respond to the needs of both these goals was not straight forward. The questionnaire of immigrant entrepreneurs came primarily out of the Canadian studies of other immigrant entrepreneur groups reviewed in Chapter two. Several questions from this questionnaire were incorporated into the questionnaire of non-entrepreneurs in order to bring out comparisons between the two groups. In this way, the non-entrepreneur group could serve as the control group. The personal information section was put at the end of both questionnaires, because the literature says that respondents do not like to deal with those questions at the beginning.

The final draft of both questionnaire surveys was administered to five English Caribbean immigrant entrepreneurs and five non-entrepreneurs as a pilot study. The final questionnaire surveys were administered by hand so as to make contact with enough respondents, and to ensure the highest possible response rate.

#### **4.2. The Questionnaire Surveys**

The questionnaire (Appendix B) on English Caribbean immigrant entrepreneurs contained 43 questions divided into sections on: Initial Information, Financing and Assistance, Labour Force, Markets and Location, and Personal Information. The questionnaire (Appendix C) on English Caribbean immigrants contained 35 questions divided into three sections: Initial Information, Employment Experiences and Personal

Information.<sup>1</sup> In both questionnaires, a few of the questions were open-ended allowing respondents to speak freely about their perceptions and experiences. Respondents were encouraged to bring out circumstances which they considered important in undertaking businesses or in preventing them from going into businesses on their own and to make frank comments on all aspects of the questions.

A total of 60 questionnaires were filled out by adult English Caribbean immigrants equally divided between the two groups: 30 English Caribbean immigrant entrepreneurs and 30 English Caribbean immigrants who were not in business. Of the 30 English Caribbean immigrant non-entrepreneurs who were willing to participate in the survey, 19 were employed and 11 were unemployed.

The 30 English Caribbean immigrant entrepreneurs were selected to ensure a good cross-section of industrial sectors. Entrepreneurs were identified using: (1) the Montreal Directory of Black Business Persons and Professionals 1995-1996; (2) Community Contact Newspaper, Montreal, September 1996 issue and (3) my own network.<sup>2</sup> I eliminated entrepreneurs not born in the English Caribbean and those not operating businesses. Not all Black businesses are listed in the directory. Some businesses advertise regularly while others do not, so I resorted to my own network to make other contacts. Four ways were employed to select the 30 non-entrepreneurs. Apart from my own network and a snow-

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<sup>1</sup> Each potential respondent was given a copy of the questionnaire, and a covering letter explaining the purpose and asked to set a date for an interview if they were willing to answer the questionnaire.

<sup>2</sup> Four of the documented studies also used business directories. Of these, one study employed the snow-balling method and another the interviewer's own network.

balling method, I took the opportunity to ask English Caribbean non-entrepreneurs who happened to be at the annual Jamaica Day celebration to participate in the survey. Finally, I also used employees and clients of some of the businesses and community associations I visited. I used connections with the Caribbean community to enhance the response rate of entrepreneurs and non-entrepreneurs. All 60 questionnaires were completed by the respondents with me in attendance. Fieldwork for the surveys started in June 1997 and ended in September 1997.

The method of recruitment of 30 English-speaking West Indian immigrant entrepreneurs resulted in more male than female respondents and a preponderance of entrepreneurs between the ages of 45-54 years and people from Jamaica. Except for place of origin, this bias represents the truly selective nature of this group. With respect to place of origin, according to Anderson (1993) among Caribbean inflows into Canada, Jamaicans represented by far the largest group of islanders at 35.7 percent during the 1967-89 period. In the sample on English Caribbean immigrant entrepreneurs, Jamaicans represented 57 percent and among the non-entrepreneurs their representation was 40 percent. The over-representation of Jamaicans in the sample could have resulted from the method of selection, but I have no reason to believe that the method created any bias. Seventeen English Caribbean businesses are located in the more established West Indian neighbourhoods of Côte-des-Neiges, Notre-Dame-de-Grace and LaSalle. The remaining 13 businesses were situated in areas on and off the island of Montreal. I have no reason to believe that the way the sample was selected created any geographic bias. The snow-balling method used to reach four unemployed respondents would have had minimal effect in terms of bias to the



sample or on their ability to confer on answers as all interviews were conducted individually and independently with me directly.

## **CHAPTER 5**

### **ANALYSIS OF QUESTIONNAIRE OF ENGLISH CARIBBEAN IMMIGRANT ENTREPRENEURS AND NON-ENTREPRENEURS**

#### **INTRODUCTION**

The chapter begins by examining the characteristics of the 30 English Caribbean immigrant entrepreneurs compared with those of the 30 English Caribbean immigrant non-entrepreneurs, and compares each of the two groups against all English Caribbean immigrants to Canada. Based on these comparisons the sample of English Caribbean immigrants seems to be a representative sample of English Caribbean immigrants in Quebec who arrived over the years 1950-1990, while the subset of entrepreneurs is significantly different in certain respects from non-entrepreneurs. The remainder of the chapter investigates those reasons, according to the English Caribbean immigrant non-entrepreneurs, which prevented them from starting their own businesses in Montreal. Chapter six examines in more detail the result of the survey of 30 English Caribbean immigrant entrepreneurs.

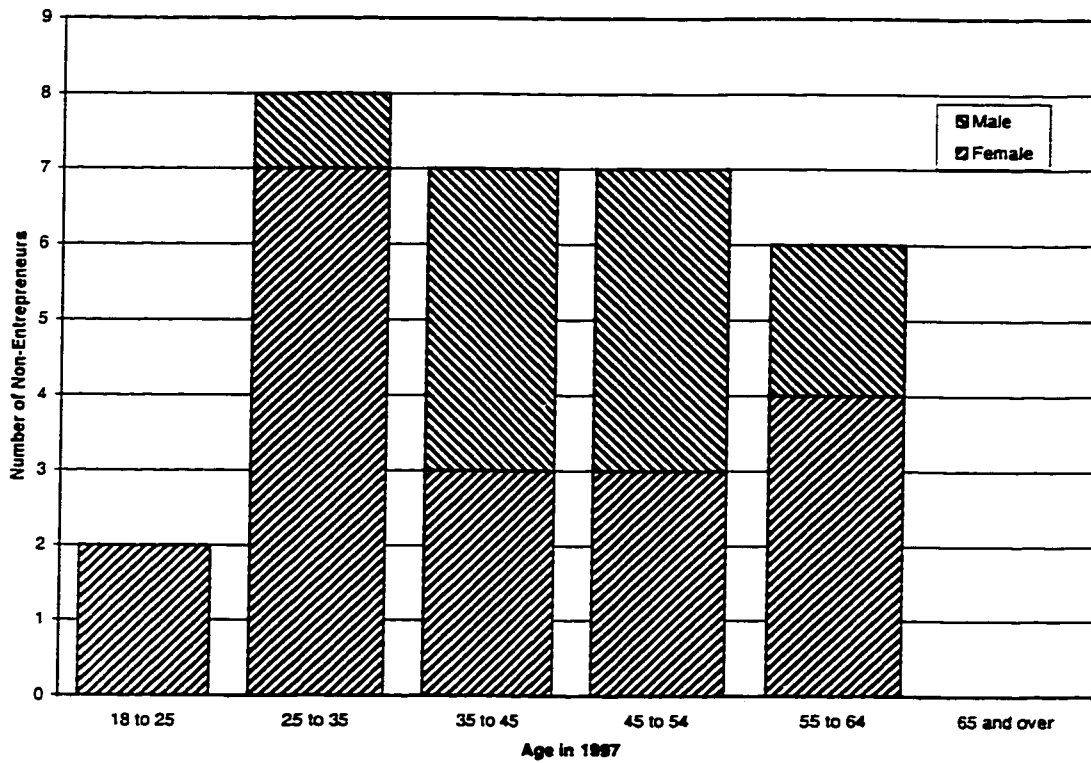
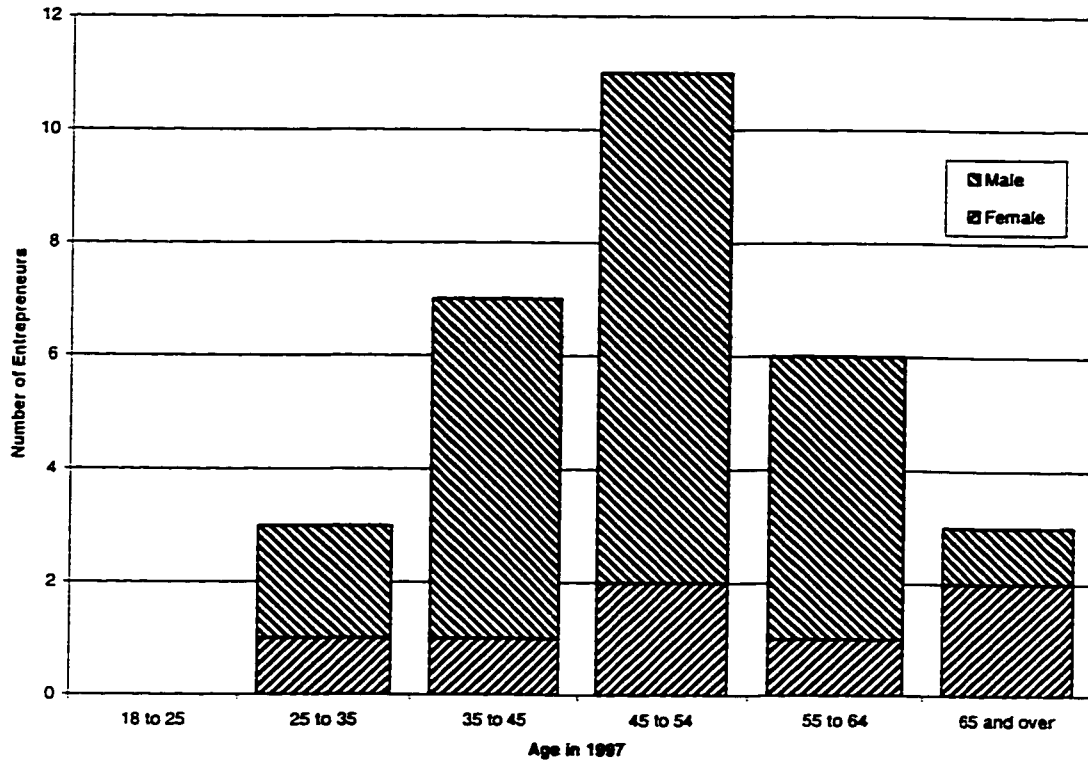
#### **5.1. General Attributes of English Caribbean Immigrant Entrepreneurs and Non-Entrepreneurs**

This section analyses the data on gender, age, country of birth, education level, period of immigration and immigration categories of the two sample populations compared with all English Caribbean immigrants. Based on the literature, it is expected that while all groups will be similar in terms of gender, age, country of birth, period of immigration and immigration categories, English Caribbean immigrant entrepreneurs will show higher levels of education than English Caribbean immigrant non-entrepreneurs.

Figure 1 shows the age and gender distribution of the English Caribbean immigrant entrepreneurs and non-entrepreneurs in my survey. Among the 30 entrepreneurs, over three-quarters were male, and most (80 percent) were between the age of 35 and 64, with the largest group being between 45 and 54 years of age. Among the group of English Caribbean non-entrepreneurs in my survey, 63 percent were female and they were relatively evenly distributed across all groups, except the youngest (18-25 years) where they were significantly under-represented.

While the sex ratio of the non-entrepreneur group is similar to that of all English Caribbean immigrants to Canada where females outnumber males, among English Caribbean entrepreneurs males greatly outnumbered females, and the largest group are somewhat older in the 45 to 54 age range.

**Figure 1: Age and Gender Distribution of 30 English Caribbean Immigrant Entrepreneurs and 30 Non-Entrepreneurs in the Montreal Survey**



According to Table 13, more than half (57 percent) of English Caribbean immigrant entrepreneurs are from Jamaica and the rest came from a variety of countries. Trinidad and Tobago as well as Barbados were the only two territories accounting for ten percent or more of English Caribbean entrepreneurs. Among English Caribbean non-entrepreneurs, the top two remain the same with 40 percent coming from Jamaica followed by 20 percent from Trinidad and Tobago. The main differences were that St. Vincent and the Grenadines was the third largest source of all immigrants (17 percent) from the non-entrepreneur group, while Dominica was the source of 7 percent of entrepreneurs but none of the non-entrepreneurs. In all three groups, Jamaica represented by far the major source country followed by Trinidad and Tobago, and Barbados with the rest of the English Caribbean much less represented.

**Table 13: Country of Birth of English Caribbean Immigrant Entrepreneurs and Non-Entrepreneurs in the Montreal Survey**

Country	Entrepreneurs	Percent	Non-Entrepreneurs	Percent
Jamaica	17	57	12	40
Trinidad and Tobago	5	17	6	20
Barbados	3	10	3	10
St. Vincent and the Grenadines	1	3	5	17
Dominica	2	7	0	0
Grenada	1	3	2	7
Guyana	1	3	1	3
Anguilla	0	0	1	3
TOTAL	30	100	30	100

Source: Questionnaires.

Educational levels of English Caribbean immigrants depicted in Table 14 shows that a high proportion of both groups had completed some form of post-secondary education: 67 percent of English Caribbean immigrant entrepreneurs and 40 percent of English Caribbean immigrant non-entrepreneurs.

**Table 14: Level of Education of English Caribbean Immigrant Entrepreneurs and Non-Entrepreneurs in the Montreal Survey**

Category of Immigrant	No.	Primary	Secondary	Non-University	University
Entrepreneurs	30	4	6	10	10
Non-Entrepreneurs	30	7	11	8	4
TOTAL	60	11	17	18	14

Source: Questionnaires.

While Richmond's (1989) research on Caribbean immigration to Canada did not include immigrants who arrived between 1950-1959, the similarity between the non-entrepreneur group in this study and all Caribbean immigrants is striking. In this study, 40 percent of non-entrepreneurs had some post-secondary education while Richmond (1989) found 48.5 percent of all post-1950s English Caribbean immigrants achieved similar levels. Considering that roughly two-thirds (67 percent) of English Caribbean immigrant entrepreneurs have completed post-secondary education overall entrepreneurs are much more likely to have a higher education than non-entrepreneurs.

When we take gender into account, 74 percent of male entrepreneurs in the sample have post-secondary education compared to only 43 percent of female entrepreneurs. The level of education among English Caribbean immigrant males is generally higher than among females, and this may account for their greater propensity to become entrepreneurs. On the other hand, it would seem that the types of businesses started by English Caribbean

women are also less likely to require higher education. They tend to work in retail, food and personal services, often working out of the home.

Table 15 shows immigration categories of the Montreal sample by periods of immigration. Most English Caribbean immigrants entered Canada in the Family Class and Selected Worker categories typical of all Caribbean immigrants. Entrepreneurs in this sample were slightly more likely to come as Selected Workers and less likely to come as Family Class immigrants than non-entrepreneurs. The remaining 11 percent of entrepreneurs entered as Students or on Special Permits, while the remaining 16 percent of non-entrepreneurs came as Domestics (8 percent), refugees (4 percent) or students (4 percent).

The data collected from the survey are consistent with trends found in the literature on English Caribbean immigrants. During the 1970s, the number of West Indian migrants entering Canada was augmented by two factors: the increased use of the Nominated Relative category by independent immigrants to sponsor their close relatives to Canada; and the Amnesty Program of 1973 permitting large numbers of visitors who over-stayed on their visits to Canada, to seek landed immigrant status. It is likely that the majority of English Caribbean immigrant entrepreneurs and non-entrepreneurs classified as selected workers, originally entered as visitors. The percentage who entered Canada as independent immigrants declined during the 1970-1990 period, compared to the 1950-1969 period, and this may in turn account for the lower percentage of entrepreneurs who received post-secondary education.

**Table 15: Immigration Categories of English Caribbean Immigrant Entrepreneurs and Non-Entrepreneurs in the Montreal Survey**

Period of Immigration	No. Humanitarian	Refugee	Family Class	Assisted Relative	Selected Worker	Student Visa	Foreign Domestic	Special Permit
Entrepreneurs	30	-	12	1	12	2	2	1
1950-59	5	-	-	1	1	1	2	-
1960-69	7	-	3	-	4	-	-	-
1970-79	13	-	5	-	6	1	-	1
1980-89	5	-	4	-	1	-	-	-
Non-Entrepreneurs	30	1	16	1	9	1	2	0
1950-59	1	-	-	1	-	-	-	-
1960-69	4	-	2	-	2	-	-	-
1970-79	16	-	10	-	5	1	-	-
1980-89	7	-	4	-	1	-	2	-
1990	2	1	-	-	1	-	-	-

Source: Questionnaires



### 5.1.1. Conclusion

Jamaica followed by Trinidad and Tobago is the largest source of English Caribbean immigrants in both categories in this sample. Typically entrepreneurs are male, over the age of 45, and have post-secondary education, suggesting that it takes both experience and time to build-up the necessary resources to start one's own business. Non-entrepreneurs, on the other hand, are women of all ages, and somewhat less well educated.

Almost equal numbers of entrepreneurs entered as family class and independent immigrants. The latter group includes both assisted relative and selected worker categories. Fifty percent of entrepreneurs who entered as visitors are classified under the Selected Worker category. As a result, entrepreneurs who came in as visitors and family class migrants did not undergo the strict qualifications required of independent immigrants, who were selected on the basis of education and professional orientation. The majority of non-entrepreneurs entered as family class immigrants. In terms of level of education, 67 percent of the entrepreneurs have post-secondary education, and male entrepreneurs were found to be more educated than female entrepreneurs. Among the non-entrepreneurs, only 40 percent obtained educational levels similar to those of the entrepreneurs.

Accordingly, English Caribbean entrepreneurs tend to be older, with higher levels of education as well as skills than non-entrepreneurs or the Caribbean community at large, and as a result are more able to take advantage of entrepreneurial opportunities. From years of employment, the entrepreneurs would have acquired experience and in turn, they would be more likely to have accumulated resources which are necessary in business formation.

## **5.2. Reasons Preventing English Caribbean Immigrants from Starting their Own Businesses**

This section explores those reasons, according to the immigrants themselves, which discouraged English Caribbean immigrants from commencing their own businesses in Montreal. IAT looks only at the reasons pushing immigrants into businesses and not those preventing them from undertaking self-employment. This study shows that a number of factors which have traditionally pushed immigrants into self-employment have not had that effect among English Caribbean immigrants.

The responses of English Caribbean immigrants to the following three questions will be examined with the view to identifying the main reasons hindering them from pursuing businesses on their own: (1) If you were to lose your job would you start a business? (2) Have you ever tried to create a business in Montreal? (3) When you lost your job did you consider starting your own business?

The total number of responses to these three questions is 55 and the combination of all responses from the questions are indicated under three areas: (1) skills and resource constraints; (2) issues relating to the local Quebec scene; and (3) external constraints. For each question, the number of respondents will be shown. Thereafter numbers normally refer to the numbers of responses. Since some of the respondents gave multiple answers, which are given equal weight and classified under different areas, the number of responses is always greater than the numbers surveyed. In each case a typical response is provided in the immigrants' own words.

The first question, "if you were to lose your employment would you start a business", was put to all 19 employed English Caribbean immigrants. Of these, six

responded that they would start a business and 13 that they would not. Of the 13 that would not, five responses indicated that lack of financing would prevent them from starting a business. "I do not have the money for that." Three responses mentioned lack of business experience as a reason. "Not right away because I feel that I still have a lot to learn." Four responses indicated a lack of motivation. "I would stay at home and do some sewing and take my pension early." One pointed to level of education as a reason. "I have no idea of what kind of business I would start." Another pointed out that, "the market is too competitive." Two indicated lack of knowledge of French as a response. "I am not bilingual." Another referred to the economic situation in Quebec saying that, "... at the moment the economic situation in Montreal is not encouraging." The last response pointed to the political situation. "Too much politics with language ..."

The second question, "have you ever tried to create a business in Montreal", was again put to all 19 employed English Caribbean immigrants. Five responded that they had started a business at some point whereas 14 had not. Of the 14 who had not, five responses indicated lack of financing as a reason. "If I do not have the money, I cannot go into business. You go to the bank and cannot get the money." Another five responses mentioned lack of business experience as preventing them from trying to undertake business ventures. "I am not experienced enough to start a business on my own." Six responses indicated a lack of motivation as a reason. "I do not have the knack for business and I would not like to start one." One pointed to education as a reason. "Probably because of the lack of human resources." Another considered going into business as too risky, "it is not safe." One indicated that market competition and government regulations were barriers to opening a business. "I am not keen on starting a business because of the many problems,

and it is very hard to succeed.” This individual explained that he knew someone who had a very hard time trying to get a government licence to operate a home day-care centre. Five responses pointed to lack of knowledge of French. “Because of the language barrier, I do not speak French.” One response referred to the economic and political situation in Quebec. “Bilingualism, French signs, the language police, it is not easy for English-speaking persons or blacks, because the French people do not want us here. The economy is not good and there is high unemployment.”

The third question, “when you lost your job did you consider starting your own business”, was asked of ten unemployed immigrants who were previously employed. Four of the ten indicated that they considered starting their own business (although none did) while six did not. Of the six, one response indicated lack of financing as a reason. “I did not have the money.” Four responses pointed to motivational reasons. “I did not want to start a business, as I had no intention.” One response referred to education as a reason. “I had other things to consider such as finishing my high school.” Another response indicated lack of knowledge of French. “I do not speak French.”

#### 5.2.1. Conclusion

Some of the reasons which English Caribbean immigrants gave for not going into businesses on their own would apply to English Caribbean immigrants regardless of where they live in Canada, while others are more specific to Quebec. Overall, one-quarter of all responses indicate low motivation towards entrepreneurial ventures and a further 2 percent considered operating a business as too risky. Skills and resource constraints were also major factors preventing English Caribbean immigrants from starting their own businesses.

Among the skills and resource related reasons given that would apply anywhere in Canada,

20 percent of responses stated lack of financing, 15 percent cited lack of business experience, and 5 percent indicated educational reasons. Issues relating to the local Quebec scene were identified by 27 percent of responses as the prime factor hindering these immigrants from undertaking businesses. The major problem was lack of knowledge of French and this was identified as a constraint by 15 percent of responses. In addition, 7 percent indicated that the economic condition was their main reason for not starting businesses, while 5 percent pointed to Quebec's political situation. External constraints were considered relatively unimportant based on the low level of responses. Market competitiveness was indicated by 4 percent of responses, while 2 percent cited problems with government regulations.

It is important to highlight the impact which the French language in Quebec usually, in combination with other factors, has in impeding English Caribbean immigrants from undertaking business enterprise: 15 percent of all responses allude to lack of knowledge of French either on its own or in combination with other factors.<sup>1</sup>

For the majority of English Caribbean immigrants who did not start their own businesses, the major deterrents were lack of motivation towards business creation and inadequate personal finances, practical experience in business and knowledge of French. In Montreal, these four are considered essential for business success. The fact that many English Caribbean persons lack one or more of these attributes impacts negatively on their entrepreneurial aspirations. Surprisingly, considering that many English Caribbean

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<sup>1</sup> Lack of knowledge of French as the sole problem was indicated by two or 25 percent of responses. The following three combinations were each mentioned by one or 12.5 percent of responses: lack of knowledge of French and business experience, lack of knowledge of French and motivation as well as lack of knowledge of French, the economic and the political situation. Three responses equivalent to 37.5 percent indicated lack of knowledge of French, business experience and finance.

immigrants are concentrated in a small number of personal service self-employment occupations, few identified market limitations as the reason preventing them from starting a business. What is clear is that many of these English Caribbean immigrants are not motivated towards starting businesses. This supports Richmond's (1989) view that English Caribbean immigrants attribute low value to entrepreneurship ventures and suggests that motivation should form a much more integral component of theories of ethnic entrepreneurship.

The questions posed to English Caribbean immigrant non-entrepreneurs were open-ended and did not involve ranking of answers. It is then difficult to weight the relative importance of low motivation versus skills and resource constraints in dissuading them from going into businesses.

## **CHAPTER 6**

### **EXPERIENCES OF ENGLISH CARIBBEAN IMMIGRANT ENTREPRENEURS IN CANADA**

#### **INTRODUCTION**

This chapter examines the results of the survey of 30 English Caribbean immigrant entrepreneurs in Montreal. The analysis is divided into three parts. The first part explores the nature of English Caribbean business operations and the factors which tend to influence immigrants in undertaking particular types of businesses. The second part investigates how the theory explains why English Caribbean immigrant entrepreneurs started their own businesses in Montreal.<sup>1</sup> The IAT focuses on those elements which hinder immigrants, especially minority ethnic groups, from becoming fully integrated into the host society and often precipitate or 'push' them into self-employment. The IEET examines those factors which tend to assist or 'pull' immigrants towards starting their own businesses. This section also examines the role which motivational factors that are not considered by either body of theory play in the establishment of English Caribbean businesses. The third part of the analysis compares the experiences of English Caribbean immigrant entrepreneurs with those of entrepreneurs from other immigrant groups in Canada.

#### **6.1. English Caribbean Businesses**

The 30 businesses making up the sample are distributed across eight industrial sectors. By far the highest concentration of businesses (18) are in the community, business and personal services sector. The most common types of businesses are beauty salons, car

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<sup>1</sup> The methodology applicable to both these sections was explained in Sections 2.1. and 2.2. of the literature review.

mechanics, travel agencies and restaurants. Eight business operations are in trade, two in food processing, and one in each of manufacturing, construction, insurance, real estate development, import and export services. The firms which are involved in food processing and import/export services are also involved in trade. The majority of English Caribbean immigrant entrepreneurs tend to choose businesses which require low levels of capital investment, and these types of businesses also tend to rely on the English Caribbean community as a direct market. Entrepreneurs in import/export businesses, are able to capitalise on business connections in both their country of origin and the host society. Similarly, insurance sales business operations can draw on the ethnic clientèle both to make sales and to network to build future market potential. Businesses in other industrial sectors where English Caribbean entrepreneurs are also engaged, but to a lesser degree, require higher levels of capital investment such as manufacturing, food processing, construction and real estate development.

Of 30 English Caribbean businesses, 29 were started by the immigrant entrepreneurs themselves and one entrepreneur bought a business as a going concern. All 30 businesses were either registered or incorporated. The oldest business was established in 1961; four were established more than 20 years ago; nine are ten to 20 years old; six are five to ten years old and 11 have been in operation for less than five years.

English Caribbean businesses tend to be small (see Table 16). Twenty-seven percent of businesses have no employees, 56 percent have fewer than five employees and only 17 percent have more than six employees.



**Table 16: Size of English Caribbean Businesses in the Sample**

<b>Number of Employees</b>	<b>Number of Businesses</b>	<b>Percent</b>
No employees	8	27
Less than five employees	17	56
Six to ten employees	2	7
Eleven or more employees	3	10
<b>TOTAL</b>	<b>30</b>	<b>100</b>

Source: Questionnaire Survey of 30 English Caribbean immigrant entrepreneurs.

## **6.2. The Experiences of English Caribbean Immigrant Entrepreneurs**

This section examines the reasons English Caribbean immigrants went into business and the factors which encourage them to commence a business enterprise according to the questionnaire and in light of the available theory.

### **6.2.1. Immigrant Adaptation Theory**

This section focuses on those structural disadvantages within the labour market which have impeded the mobility channels of English Caribbean immigrant entrepreneurs from becoming integrated within the labour market and 'pushed' them to start their own business.

The study of 30 English Caribbean immigrant entrepreneurs in Montreal, showed that a little over half (16 of 30) experienced difficulties in their previous employment which were instrumental in their decision to start their own businesses.<sup>2</sup> Seven entrepreneurs indicated that blocked opportunities for advancement were reasons for going into businesses

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<sup>2</sup> Most respondents gave multiple answers and so the number of responses are more than the number of respondents.

on their own. English Caribbean entrepreneurs tend to have high levels of education,<sup>3</sup> and would therefore tend to seek high status jobs. Many, however found such opportunities were blocked to them. Three other entrepreneurs indicated over-qualification in their previous work as a reason for going into business: qualifications were not recognized, or they were over-qualified for the job or there was a lack of suitable openings. Four others identified low wages in previous job(s). Eight of the 16 entrepreneurs specified reasons other than those listed in the questionnaire. Five of the eight entrepreneurs (63 percent) indicated that they encountered discrimination in their previous employment. Among the three remaining entrepreneurs, one mentioned the recession of the 1980s, another expressed the fear of being laid off a second time, and the third pointed to the problem of not being a member of a teacher's union.

#### 6.2.2. Immigrant and Ethnic Entrepreneurship Theory

Factors which tend to facilitate immigrants to start their own businesses are the focus of this section. Specifically, based on the IEET, I expect to find that English Caribbean immigrant entrepreneurs: (1) use a mix of class and ethnic resources to establish their businesses and (2) make use of provincial and federal government programs designed to help entrepreneurs start businesses. In addition, I examine the extent to which motivational factors, an essential ingredient of entrepreneurship in general, play a role in the establishment of English Caribbean businesses.

Class resources were especially important in helping English Caribbean

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<sup>3</sup> See Section 5.1.

entrepreneurs to start their own businesses. Almost all (29 out of 30) entrepreneurs used their own personal savings to start-up their own businesses and entrepreneurs were well educated with 67 percent holding college certificates and university degrees. Earlier businesses, and to a greater extent previous occupations, provided experience and training which was useful in current businesses. Only four (13 percent) of the entrepreneurs previously owned a business before immigrating to Canada. Of the 30 entrepreneurs in Canada, one continued to operate a family business and another had previously owned a business in Canada. Sixteen (53 percent) of the entrepreneurs brought into their ventures previous occupational related experience, but 26 or 87 percent of entrepreneurs indicated that their previous work experience in Canada helped them in some way with their present business.

Support provided by the Caribbean community also played an important part in business creation for these immigrant entrepreneurs. Fifteen of the entrepreneurs sought advice before undertaking businesses. Six entrepreneurs gave more than one response accounting for 23 responses in total. From the responses, 30 percent of entrepreneurs sought guidance from family members, 30 percent from friends, 26 percent from members of the English Caribbean community and 13 percent from other persons. The professional help most often sought by these entrepreneurs within the community was from business persons, financial planners, accountants, lawyers and teachers. Further, 15 entrepreneurs considered the help they received from members of the English Caribbean community useful in undertaking their businesses, while another 15 entrepreneurs did not. Assistance given included payment and customer service advice, networking assistance, encouragement, general advice as well as support and patronage.

Eleven of the entrepreneurs went into partnership with family members, friends, members of the English Caribbean community and other persons in order to establish their businesses. Three of the 11 entrepreneurs gave more than one answer accounting for 14 responses in total. Of the 14 responses, 43 percent of partners provided expertise in operations, 29 percent contributed towards financing, 14 percent management know-how and another 14 percent business formation. Of the 30 entrepreneurs, 18 indicated that they obtained capital from sources other than their personal savings. Only four of the 18 entrepreneurs received additional financing from members of their community. One borrowed from friends, one from partners and two from family members. Most of the entrepreneurs did not rely on their community for labour to meet their requirements. Of the 22 entrepreneurs who employed workers, five indicated that family members were hired.<sup>4</sup> Ambiguity seen in the responses of the entrepreneurs, resulted from lack of clarity in the questionnaire that employees can be both a member of their family and a member of the English Caribbean community. The total number of employees hired is 158, of which only 3.2 percent are family members, 38.6 percent are members of the English Caribbean community and 58.2 percent are neither family members nor members of the English Caribbean community. One English Caribbean immigrant entrepreneur who employed other persons indicated that this was done to attract non Caribbean clientèle who he believed are “put off” when confronted solely by ethnic employees.

Structural factors, particularly markets, location and institutional policies, were also important factors enabling English Caribbean immigrant entrepreneurs to start their own businesses. Of the 30 English Caribbean immigrant entrepreneurs, nine catered to

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<sup>4</sup> Most of the respondents gave multiple answers to the question relating to work force and so the number of responses are more than the number of respondents.

more than one market accounting for 40 responses in total. Of the 40 responses, 42.5 percent claimed they served the English Caribbean market particularly in areas of community, business and personal services, trade, construction, real estate and import services, while 32.5 percent served the wider Montreal market. Relatively few businesses served the wider Quebec and Canadian markets each accounting for 7.5 percent of responses, or the Overseas market at 10 percent.

Proximity to ethnic concentrations was of primary importance to some of the entrepreneurs who catered to the English Caribbean market. Of all 30 English Caribbean entrepreneurs, 57 percent or (17) are situated in the districts of Côte-des-Neiges, Notre-Dame-de-Grace and LaSalle, but only nine of the 17 indicated that they located in these neighbourhoods because of the greater than average density of English Caribbean persons living in these areas. The other 43 percent of entrepreneurs are established in the Central district, Rosemont, Sud-Ouest, Verdun, Ville St. Pierre, Lachine, Dorval, Dollard-des-Ormeaux, Notre-Dame-de-L'île Perrot and Laval-des-Rapides. Of total businesses, 23 percent operate from the home.

Ethnic groups concentrate geographically in order to preserve their traditional customs, cultures, languages and benefit from solidarity within their community. Further, the groups have the advantage of being in proximity to ethnic stores providing products and services (Weinfeld, 1980). An atlas of the residential location of major ethnic groups based on the 1991 Statistics Canada Census data identified nine districts in Montreal in which blacks were concentrated - that is districts with more than twice the number of persons born in the Caribbean and Bermuda than the city average (McGill University Geography Department, 1995). Of these, four districts (Saint Michel, Montreal North, Bout de-L'île and

Villeray) are comprised primarily of French speaking Haitians. Pierrefonds and Roxboro have an index of concentration just above two but no businesses in the survey were located in these areas. By far the highest concentrations of English Caribbean immigrants are found in Côte-des-Neiges, Notre-Dame-de-Grace and LaSalle.<sup>5</sup>

Of the 30 entrepreneurs, 12 received credit from financial institutions and one obtained a line of credit from a supplier. Financing was also available to entrepreneurs through government assistance programs for small business. Under such programs, one entrepreneur received a Federal Business Development Bank Loan and another entrepreneur obtained guidance information from the Federal Business Development Bank Program for business start-ups.

Nineteen of the 30 English Caribbean immigrant entrepreneurs said they were aware of provincial and federal government programs to help entrepreneurs in the start-up of their businesses. However, only two or 10.5 percent of English Caribbean immigrant entrepreneurs used government assistance programs. The small number of entrepreneurs who used the programs, could suggest either that English Caribbean immigrant entrepreneurs are unable to access these programs or that they have sufficient personal funds and do not need external financing (97 percent financed themselves from personal savings). It could also be that they are able to obtain credit from banks or can

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<sup>5</sup> The index of concentration for each census tract was derived as follows: a) calculate the average percentage of the population of the Census Metropolitan Area (CMA) of Montreal who were born in the Caribbean and Bermuda ( $53,925/3,091,110$ ) or 1.74 percent. b) calculate the percentage of the population of each census tract who were born in the Caribbean and Bermuda (the actual value) and divide it by the average percentage for the CMA of Montreal (the expected value). When the value is above 1.00 the census tract has more than the average concentration. When it is less than 1.00 Caribbeans are under-represented.

choose to go into certain types of businesses requiring low start-up capital (retail/service sectors). The questionnaire did not elicit the reasons here.

Neither the IAT nor IEET discussed the role of motivation. However, motivation is an important aspect of entrepreneurship and so English Caribbean immigrant entrepreneurs were asked: "What motivated you to go into business on your own?" The answer to this question is examined with a view to identifying what motivational factors have been important in the decision to start their own business.<sup>6</sup> Sixteen of the 30 entrepreneurs mentioned that the desire to create their own employment motivated them to go into business on their own. Fourteen entrepreneurs wanted to be their own boss and another 14 wanted to be independent. Five of the entrepreneurs craved to exploit a business idea, six aspired toward achieving financial success and nine indicated the desire to succeed. Eleven entrepreneurs specified reasons other than those listed in the questionnaire. Four of the 11 saw a demand for the type of service which they wanted to create. Two entrepreneurs each saw the need to provide employment for other persons, and the desire to do what they knew could be accomplished. One entrepreneur was spurred towards business out of necessity and another because of the promise of future returns on investment.

### 6.2.3. Conclusion

This survey of the English Caribbean immigrant entrepreneurs confirms that negative factors such as poor pay, lack of advancement and discrimination, which impede the mobility avenues of English Caribbean immigrants from fully integrating into the

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<sup>6</sup> Most of the respondents gave multiple answers and so the number of responses are more than the number of respondents.

general labour market, can propel them towards starting their own businesses. The results also confirm that positive attributes of class and ethnic resources also facilitate immigrant entrepreneurs in the start-up and operation of their businesses. Structural opportunities such as the existence of a large ethnic market, the advantages provided through metropolitan areas for networking, and institutional policies within the host society also facilitate English Caribbean immigrants to start their own businesses. But motivation is also an important element encouraging English Caribbean (and presumably all) entrepreneurs towards establishing their own businesses.

English Caribbean immigrant entrepreneurs, like other entrepreneurs followed two routes in venturing into entrepreneurship. The first route 'pushes' them into self-employment as a result of structural disadvantages, namely, limitations on their opportunities to advance in former salaried employment. Such disadvantages have impelled these immigrants to seek out small business opportunities in order to achieve upward socio-economic mobility. The other route 'pulls' immigrants attracted by the desire for self-advancement, the opportunities to draw on personal resources as well as those of partners, to obtain credit from financial institutions for business start-up and necessary skills brought in by partners. It is impossible to say which were the stronger of the two or whether one was necessary, while the other was sufficient.

Contrary to theory, in carrying out the day-to-day operations of their business the majority of English Caribbean immigrant entrepreneurs did not employ other English Caribbean persons. In this study, three entrepreneurs found that English Caribbean workers are not as committed as employees from other groups. In addition, one entrepreneur mainly used non-ethnic labour because the entrepreneur perceived that non-West Indian customers



will not patronize his business if customers are served primarily by English Caribbeans. On the other hand, the ethnic market was the main source for English Caribbean entrepreneurs, perhaps because the inability of entrepreneurs to communicate in French made the larger Montreal and Quebec markets less accessible to them.

The overwhelming use of class resources by these entrepreneurs and their low dependence upon ethnic resources for the establishment of their businesses, reflects an individualist rather than an ethnically dependent approach to entrepreneurship among English Caribbean immigrants. Several factors appear to account for this pattern. According to Ramcharan (1974), the West Indian population in Canada is heterogeneous, with strong racial, cultural and socio-economic differences. Moreover, there has been a long tradition of inter-island rivalry. A significant example of insularity and inability to unite was seen in the collapse of the West Indian Federation in 1961. It is widely agreed that the English Caribbean community is highly segmented and lacks cohesiveness, and it would seem from this study that this seriously undermines its capacity to serve as an effective resource for potential entrepreneurs. It is also possible that the community lacks these resources and this issue is examined in Chapter 7.

Motivation is a complex issue. It involves attitudes and values unrelated to businesses, but also includes forces which attract or push immigrants into starting their own businesses. The questionnaire on English Caribbean immigrant entrepreneurs was not designed to evaluate motivation, as only one question was asked and it had a specific set of possible answers.

### **6.3. A Comparison of the Experiences of English Caribbean Immigrant Entrepreneurs to that of Other Immigrant Entrepreneurs in Canada**

This section compares and contrasts the experiences and types of businesses of English Caribbean immigrant entrepreneurs in this survey with those of other immigrant entrepreneurs in Canada, within the context of IAT and IEET. The methodology used in the studies of other immigrant entrepreneurs in Canada was not standardised. It is not possible, therefore, to make strict quantitative analysis. It is nevertheless possible to make qualitative comparisons.

#### **6.3.1. Immigrant Adaptation Theory**

The experiences of English Caribbean immigrant entrepreneurs, in terms of structural barriers which prevented them from integrating into the labour market, are both similar to and different from the experiences of other immigrant groups in Canada.

It is most similar to that described by Marger (1989), who found that blocked opportunities for advancement experienced in their former employment was the major reason for East Indian immigrant entrepreneurs starting their own businesses.<sup>7</sup> It was also like that of the group of immigrant entrepreneurs of mixed ethnic origins, studied by Helly and Ledoyen in 1994, who found that their qualifications were not recognized in their previous jobs.<sup>8</sup> Unlike a group of Haitian entrepreneurs studied by Brenner et al., (1992a)

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<sup>7</sup> Seventeen out of 38 East Indian immigrant entrepreneurs went into business because of the perceptions which they had of limitations of advancement in their former employment.

<sup>8</sup> Thirty-seven percent of the 203 immigrant entrepreneurs of mixed ethnic origins had to take on jobs at lower levels than their previous occupation would have warranted. This was because of the entrepreneurs' lack of knowledge of host languages, lack of equivalence in certification and professional experience.

and Black entrepreneurs studied by Rhyne (1992), only a small number of English Caribbean entrepreneurs pointed to low wages experienced in their previous employment as a reason pushing them into business of their own.<sup>9</sup> Most different was the fact that none of the other studies of immigrant entrepreneurs in Canada, gave any indication that discrimination was experienced by the entrepreneurs in their previous employment.

### 6.3.2. Immigrant and Ethnic Entrepreneurship Theory

Almost all (97 percent) English Caribbean immigrant entrepreneurs used their own capital to start their own businesses. In this respect they were similar to other immigrant entrepreneurs studied in Canada in that all except one group provided upwards of 70 percent of the capital needed to start their own businesses (see Table 17). The sole exception was the group of Chinese immigrant entrepreneurs in Toronto who contributed just 40 percent of their own capital needs for business start-up.

Two-thirds of English Caribbean immigrant entrepreneurs obtained post-secondary education. According to Table 18, English Caribbeans were like most other immigrant entrepreneurs, where the majority of entrepreneurs obtained higher education. Only studies involving Haitians, East Indians and Italian entrepreneurs had less than half the entrepreneurs obtained post-secondary education.

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<sup>9</sup> Forty-four of the 53 Haitian immigrant entrepreneurs experienced low wages in marginal industries and a high percentage of black entrepreneurs also experienced poor pay in their former employment.

**Table 17: Percentage of Immigrant Entrepreneurs Using Capital by Ethnic Group**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Percentage Using Own Capital
Bahormoz	1993	Arabs	Montreal	20	100
Brenner and Toulouse	1990	Chinese	Montreal	35	100
Dana	1993	Indians	Montreal	6	100
Vallée and Toulouse	1993	Polish	Montreal	50	100
Ray et al.	1996	Chinese	Calgary	14	100
Loo	1990	Far East Chinese	Canada	11	100
This survey	1997	English Caribbeans	Montreal	30	97
Brenner et al.	1992a	Haitians	Montreal	53	85
Marger	1989	East Indians	Toronto	38	84
Rhyne	1982	Non-Visible and Visible Minorities	Toronto	61	77
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203	73
Chan and Cheung	1985	Chinese	Toronto	187	40

Source: Compiled by the author from data in the studies and from the author's survey of English Caribbean immigrant entrepreneurs.

Note: For Italian immigrant entrepreneurs the information which was made available could not be quantified.

**Table 18: Percentage of English Caribbean Immigrant Entrepreneurs with Post-Secondary Education Compared to Studies of Other Ethnic Groups in Canada**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Percentage with Post-Secondary Education
Dana	1993	Indians	Montreal	6	100
Chan and Cheung	1985	Chinese	Toronto	187	86
Brenner and Toulouse	1990	Chinese	Montreal	35	76
Bahormoz	1993	Arabs	Montreal	20	75
Vallée and Toulouse	1993	Polish	Montreal	50	75
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203	75
This survey	1997	English Caribbeans	Montreal	30	67
Marger	1989	East Indians	Toronto	38	45
Brenner et al.	1992a	Haitians	Montreal	53	26
Dana	1993	Italians	Montreal	5	20

Source: Compiled by the author from data in the studies and from the author's survey on English Caribbean immigrant entrepreneurs.

Note: For group of non-visible and visible minority immigrant entrepreneurs the information was not quantifiable.

Several studies provided evidence that entrepreneurs had gained experience from being prior business owners. In four cases more than half the entrepreneurs had such experience. English Caribbean immigrant entrepreneurs were substantially behind with

only 17 percent having previously owned their own businesses. Only among entrepreneurs of mixed ethnic origins was prior business ownership as uncommon (see Table 19).

Entrepreneurs can also gain business experience through employment in a business. Seven percent of English Caribbean immigrant entrepreneurs indicated that they acquired business experience in Canada. This is most like Haitian immigrant entrepreneurs where 11 percent obtained previous business experience before coming to Canada. On the other hand, 80 percent of Italian immigrant entrepreneurs indicated that they also gained business experience in Canada.

**Table 19: Percentage of Immigrant Entrepreneurs who were Former Business Owners by Ethnic Group in Canada**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Percentage who were Former Business Owners
Ray et al.	1988	Chinese	Calgary	14	100
Loo	1990	Far East Chinese	Canada	11	100
Brenner and Toulouse	1990	Chinese	Montreal	35	63
Marger	1989	East Indians	Toronto	38	55
Rhyné	1982	Non-Visible and Visible Minorities	Toronto	61	29.5
This survey	1997	English Caribbeans	Montreal	30	17
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203	11.3

Source: Compiled by the author from data in the studies and from the author's survey of English Caribbean immigrant entrepreneurs.

Notes: The studies on Chinese in Calgary and Far East Chinese business immigrants in Canada indicated that these entrepreneurs had business experience but no mention as to whether they were former business owners. A requirement of the Business Immigrant Program is that entrepreneurs must have previously owned a business in their country of origin.

Table 20 shows that half (53 percent) of English Caribbean immigrant entrepreneurs have skills acquired from previous occupations which are relevant to their

business ventures. This is substantially less than in the two groups where data was collected on this factor.

**Table 20: Percentage of Immigrant Entrepreneurs with Relevant Occupational Skills by Ethnic Group**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Percent with Occupational Skills
Bahormoz	1993	Arabs	Montreal	20	100
Vallée and Toulouse	1993	Polish	Montreal	50	88
This survey	1997	English Caribbeans	Montreal	30	53

Source: Compiled by the author from data in the studies and from the author's survey on English Caribbean immigrant entrepreneurs.

Note: The information provided on East Indians and Macedonian immigrant entrepreneurs was not quantifiable.

English Caribbean immigrant entrepreneurs relied on professionals rather than on government agencies for information and assistance before starting a business. In this respect, English Caribbean immigrant entrepreneurs were like other immigrant entrepreneur groups.

With respect to ethnic resources, Table 21 shows that just under one-third of English Caribbean immigrant entrepreneurs relied on their ethnic networks for capital. They were not like the majority of other immigrant entrepreneur groups, who relied more on their respective networks for capital than on personal savings or credit from financial institutions. Only Haitian immigrant entrepreneurs were well below English Caribbean immigrant entrepreneurs in their dependence on ethnic networks for capital.

**Table 21: Percentage of Immigrant Entrepreneurs Using Ethnic Networks for Capital by Ethnic Group**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Percentage Using Ethnic Networks for Capital
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203	68
Chan and Cheung	1985	Chinese	Toronto	187	47
Brenner and Toulouse	1990	Chinese	Montreal	35	45
Marger	1989	East Indians	Toronto	38	45
Rhyné	1982	Non-Visible and Visible Minorities	Toronto	61	32
This survey	1997	English Caribbeans	Montreal	30	29
Brenner et al.	1992a	Haitians	Montreal	53	11

Source: Compiled by author from data in the studies and from the author's survey of English Caribbean immigrant entrepreneurs.

Note: The use of the word 'some' in the studies of Italian immigrant entrepreneurs in Montreal and 'most' in the case of Macedonian immigrant entrepreneurs in Toronto indicates that these groups used family and ethnic networks to obtain capital; however, the study was not clear as to the respective numbers of entrepreneurs using this resource.

According to Table 22, English Caribbean immigrant entrepreneurs relied less on their ethnic resources to meet labour requirements than on other workers which is similar to the majority of other immigrant entrepreneur groups.

**Table 22: Dependence on Ethnic and Non-Ethnic Labour, in this Survey of English Caribbean Immigrants Compared with Other Canadian Studies**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Ethnic Labour	Non-Ethnic Labour
Vaill�c and Toulouse	1993	Polish	Montreal	50	Totally Dependent	
Herman	1979	Macedonians	Toronto	n.d.	Totally Dependent	
Rhync	1982	Non-Visible and Visible Minorities	Toronto	61	More Dependent	n.d.
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203	More Dependent	Less Dependent
Chan and Cheung	1985	Chinese	Toronto	187	More Dependent	Less Dependent
Marger	1989	East Indians	Toronto	38	More Dependent	n.d.
This survey	1997	English Caribbean	Montreal	30	Less Dependent	More Dependent
Brenner and Toulouse	1990	Chinese	Montreal	35	Less Dependent	n.d.
Dana	1993	Italians	Montreal	5	Less Dependent	n.d.
Dana	1993	Indians	Montreal	6	Less Dependent	n.d.
Brenner et al.	1992a	Haitians	Montreal	53	Less Dependent	n.d.

Source: Compiled by the author from data in the studies and from the author's survey of English Caribbean immigrant entrepreneurs.

Note: The use of percentages, numbers and words are translated into 'less dependent' for 50 percent and below, 'more dependent' for above 50 percent and 'totally dependent' for 100 percent.  
n.d. = no data



In terms of market dependence, Table 23 shows that English Caribbean immigrant entrepreneurs relied more on their ethnic clientèle, yet while most (57%) located their businesses in neighbourhoods with the highest concentrations of English Caribbean immigrants, only a minority claimed they did so because of those concentrations. The majority of other immigrant entrepreneur groups showed equal dependence on both ethnic and non-ethnic markets and were more likely to locate in immigrant concentrations. Why English Caribbean immigrant entrepreneurs do not claim to locate in English Caribbean areas despite their dependence on this market begs some explanation. In Montreal, there are no commercial neighbourhoods of English Caribbean businesses such as one finds for most ethnic groups such as Chinese commercial concentrations located in Chinatown. Further, the residential concentration of English Caribbean immigrants in Côte-des-Neiges, Notre-Dame-de-Grace and LaSalle is at a much lower degree than the concentration of these immigrants in areas of the United States and Britain.

**Table 23: Dependence on Ethnic and Non-Ethnic Markets and Locations, in this Survey of English Caribbean Immigrants Compared with Other Canadian Studies**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Ethnic Market	Non-Ethnic Market	Ethnic Location	Non-Ethnic Location
Dana	1993	Indians	Montreal	6	Equally	Dependent	n.d.	n.d.
Dana	1993	Italians	Montreal	5	Equally	Dependent	n.d.	n.d.
Marger	1989	East Indians	Toronto	38	Equally	Dependent	More Dependent	Less Dependent
Rhyné	1982	Non-Visible and Visible Minorities	Toronto	61	Equally	Dependent	"some"	"some"
Brenner and Toulouse	1990	Chinese	Montreal	35	Equally	Dependent	n.d.	n.d.
Vallée and Toulouse	1993	Polish	Montreal	50		Totally Dependent	n.d.	n.d.
Herman	1979	Macedonians	Toronto	n.d.		Totally Dependent	n.d.	Totally Dependent
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203	Less Dependent	More Dependent	n.d.	n.d.
This survey	1997	English Caribbeans	Montreal	30	More Dependent	Less Dependent	Less Dependent	More Dependent
Brenner et al.	1992a	Haitians	Montreal	53	More Dependent	Less Dependent	n.d.	n.d.
Chan and Cheung	1985	Chinese	Toronto	187	More Dependent	Less Dependent	More Dependent	Less Dependent

Source: Compiled by the author from data in the studies and from the author's survey of English Caribbean immigrant entrepreneurs.

Notes:

The use of the words 'some' and 'others' in the study on Arabs immigrant entrepreneurs in Montreal indicate that this group catered to both their ethnic market and the general population.

The use of percentages, numbers and words are translated into 'less dependent' for 50 percent and below, 'more dependent' for above 50 percent, 'equally dependent' for those immigrant groups which served both their ethnic as well as the wider Canadian market and 'totally dependent' for 100 percent.

n.d.= no data.

According to Table 24, less than half (43 percent) of English Caribbean immigrant entrepreneurs obtained credit from financial institutions. This pattern was similar to the majority of other immigrant entrepreneur groups where the level of credit obtained was under 50 percent.

**Table 24: Percentage of English Caribbean Immigrant Entrepreneurs Using Credit Facilities by Ethnic Group**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Percentage Using Credit Facilities
Brenner et al.	1992a	Haitians	Montreal	53	66
Chan and Cheung	1985	Chinese	Toronto	187	60
This survey	1997	English Caribbeans	Montreal	30	43
Rhyné	1982	Non-Visible and Visible Minorities	Toronto	61	38
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203	25
Brenner and Toulouse	1990	Chinese	Montreal	35	17
Marger	1989	East Indians	Toronto	38	13

Source: Compiled by the author from data in the studies and from the author's survey of English Caribbean immigrant entrepreneurs.

As shown in Table 25, the majority of English Caribbean immigrant entrepreneurs like other immigrant entrepreneur groups are engaged primarily in community, business and personal services.

**Table 25: Grouping by Industrial Sectors of Immigrant Entrepreneurs**

Author	Year	Ethnic Group	Location	No. of Entrepreneurs	Trade	Community, Business and Personal Services	Manufacturing	Other Sectors
Chan and Cheung	1985	Chinese	Toronto	187	63	124	-	-
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203	87	91	7	18
Vallée and Toulouse	1993	Polish	Montreal	50	13	32	5	-
Brenner et al.	1992a	Haitians	Montreal	53	19	29	-	5
Rhyné	1982	Non-Visible and Visible Minorities	Toronto	61	26	27	8	-
This survey	1997	English Caribbeans	Montreal	30	4	18	1	7
Brenner and Toulouse	1990	Chinese	Montreal	35	20	9	6	-
Marger	1989	East Indians	Toronto	38	24	8	-	6
Dana	1993	Indians	Montreal	6	-	5	1	-
Dana	1993	Italians	Montreal	5	1	2	2	-

Source: Compiled by the author from data in the respective studies and from the author's survey of English Caribbean immigrant entrepreneurs.

Note: Four English Caribbean enterprises grouped under Other Sectors are also involved in Trade.

Motivation was a very important factor contributing to entrepreneurship among most immigrant entrepreneur groups. The desire to be independent and to be their own boss was the most common motivation expressed by Chinese in Montreal, Far East Chinese in Canada, Haitians, non-visible and visible minorities as well as Polish, Italian and Indian immigrants entrepreneurs. These were the same elements pushing English Caribbean immigrant entrepreneurs towards undertaking their own businesses. However, singular to the English Caribbean immigrant entrepreneurs was the desire to create their own employment.

### 6.3.3. Conclusion

Like other immigrant entrepreneur groups, the majority of English Caribbean immigrant entrepreneurs faced obstacles in their previous employment and this pushed them into independent enterprise. Further, English Caribbean immigrant entrepreneurs employed a mix of class and ethnic resources in the start-up and operation of their businesses, however they depended more on class resources, than ethnic resources reflecting an individualist approach to entrepreneurship. On the other hand, other immigrant entrepreneur groups relied more or less equally on their class and ethnic resources bringing out both individualist and ethnically dependent styles of entrepreneurship.

Similarities as well as differences exist between English Caribbean immigrant entrepreneurs and other immigrant entrepreneur groups in their reliance on class and ethnic resources as well as on opportunities in the host society. Ninety-seven percent of English Caribbean immigrant entrepreneurs, like the majority of other immigrant entrepreneur groups relied on their personal savings to undertake businesses. In addition to their personal savings, close to 50 percent of English Caribbean immigrant entrepreneurs used credit facilities to finance their businesses and one-third also used their ethnic networks to obtain funds. On the other hand, the majority of the immigrant entrepreneur groups relied more on personal savings and on ethnic networks to obtain money for business start-up and operation than on credit facilities.

The low level of prior business experience among English Caribbean immigrant entrepreneurs distinguishes them from the majority of other immigrant entrepreneur groups who often have high levels of such experience directly related to their entrepreneurial undertakings. Likewise few English Caribbean immigrant entrepreneurs acquired

occupational skills relevant to their business endeavours compared to some immigrant entrepreneur groups where most entrepreneurs demonstrated such skills. There were similarities between English Caribbean immigrant entrepreneurs and other immigrant entrepreneur groups in that all relied more on professionals than government agencies for information and assistance before starting a business.

English Caribbean immigrant entrepreneurs brought in partners to fill gaps in different areas of business operations, which was not so common among other immigrant entrepreneur groups who used partners solely to bring in additional capital.

Few English Caribbean immigrant entrepreneurs employed their ethnic networks to fill labour needs. This stands out in contrast to the majority of other immigrant entrepreneur groups who relied more heavily on their families and community resources for labour requirements than on other workers and so benefitted from the lower cost in their business operations. English Caribbean immigrant entrepreneurs did, however depend on their ethnic market and were less likely to locate in their ethnic concentrations even though they did not claim to do so to be close to that market. This was different from the other immigrant entrepreneur groups who tended to depend to a greater extent than English Caribbean immigrant entrepreneurs on non-ethnic markets but were more likely to locate in immigrant concentrations.

Common to English Caribbean immigrant entrepreneurs and to the majority of other immigrant entrepreneur groups is that they concentrated in community, business and personal services which require low levels of capitalization. These two groups of entrepreneurs were also motivated towards starting businesses.

## CHAPTER 7

### ENTREPRENEURIAL SERVICES OFFERED WITHIN THE ENGLISH-SPEAKING BLACK COMMUNITY IN MONTREAL

#### INTRODUCTION

The types of entrepreneurial services which are required to assist English Caribbean immigrants start a business are: consultation and advisory services, practical technical and mentoring experiences, marketing, accounting, administrative and management skills particularly in areas of costing and cash flow. Given the weakness of ethnic support networks within the English Caribbean community, identified in the last chapter<sup>1</sup> this chapter examines those institutional entrepreneurial services being offered by English-speaking black community organizations to assist persons in the English Caribbean community to start businesses.

A proposal from the Faculty of Commerce and Administration, Concordia University (1994) to establish a Minority Institute of Entrepreneurship identified a need for educational institutions of higher learning to assist disadvantaged communities by providing skills training and mentoring experiences in all areas of business operations to those members who want to go into businesses. They argue that in this way such persons would become more productive members of society and through their cumulative effort the community would be able to upgrade its socio-economic standing. It was for this reason that the Minority Institute of Entrepreneurship at Concordia University was set-up to cater to black entrepreneurs. It was blacks who were identified as having the greatest need among

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<sup>1</sup> See Section 6.2.3.

visible minorities for managerial skills training and is seen as a vital link in the entrepreneurial aspirations of the black community. The results of this survey of English Caribbean immigrant entrepreneurs would corroborate that, compared to other groups, English Caribbean immigrant entrepreneurs had the least prior business experience or related employment skills (Dyer and Ross,1997).<sup>2</sup>

The questionnaire used in this thesis for English Caribbean immigrants not in business<sup>3</sup> identified that many were not aware of government programs to help entrepreneurs commence businesses but did not ask the reasons. In talking with members of the black community, four reasons emerged which are put forward here and will be discussed in this chapter. (1) Many English Caribbean immigrants do not approach their community organizations in search of assistance on how to start a business. (2) Many English Caribbean immigrants do not know where to get help within the community on how

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<sup>2</sup> Interviews were conducted with:

- (1) Madame Valine Dalton, Information Manager, Mathieu Da Costa Business Development Corporation.
- (2) Mrs. Sylvia Piggott, President, The Montreal Association of Black Business Persons and Professionals.
- (3) Ms. Leisa Smith, Administrative Assistant, The Montreal Association of Black Business Persons and Professionals.
- (4) Madame Michéle Gleamaud, Agente Initiative Locale, Community Development Economic Corporation.
- (5) Mrs. Abebech Assefa, Director, The Black Community Resource Centre.
- (6) Ms. Darlene Duré, Program Worker, The Black Community Resource Centre.
- (7) Mr. James Gang, Account Manager, Place Ville Marie Branch, Business Development Bank of Canada.
- (8) Mr. Patrick Gérard, The Black Coalition of Québec.
- (9) Dr. Bakr Ibrahim, Associate Dean, Administrative Affairs and Human Resources, as well as Director of the Centre of Small Business and Entrepreneurial Studies, Concordia University.

<sup>3</sup> See Appendix C.



to start businesses. (3) Government programs do not finance the types of businesses that English Caribbean immigrants are more interested in operating. (4) There is a lack of promotion on the part of provincial and federal governments of programs to help entrepreneurs start businesses within the community.<sup>4</sup>

Two approaches were taken to identify what sources of information were available: (a) personal contact with each organization and (b) reference to available documentation. I approached the Minority Institute of Entrepreneurship at Concordia University, black English-speaking organizations and a number of government and non-government agencies and referred to the following documents: (1) The Black Resource Centre. Black Community Resource Guide: A Listing of Services Available to Montreal's English-Speaking Black Population. April, 1998; (2) Linda Dyer and Christopher Ross. African-Canadian Entrepreneurs in Montreal: The Genesis of a Research Proposal and Some Preliminary Results. Proceedings of the 1997 International Conference, Monterey, California, June 25-27,1997.

The first Black Community Resource Guide was recently published by the Black Community Resource Centre. It is compiled from black English-speaking organizations who request to be included in the listing. It is therefore not complete. Noticeably, the Black Community Resource Centre was not included in its own guide, as information on their programs and services was not ready at the time of printing. Finding out information on black English-speaking organizations was not an easy process,

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<sup>4</sup> This chapter includes institutional entrepreneurial services offered within the English-speaking black community, the Minority Institute of Entrepreneurship at Concordia University and those government and non-government organizations which network with the organizations mentioned in the chapter. The chapter does not embody government and non-government organizations where no networking facilities exists with black English-speaking organizations.

because there is no single guide which provides a listing of all these organizations. It took me 36 phone calls, 28 trips based on referrals and suggestions from a large network of community service providers to find what is available.

I found out about the Minority Institute of Entrepreneurship through the Concordia Thursday Report of November 6, 1997, advertising a presentation to be given by Christopher Ross and Linda Dyer on “Exploring Entrepreneurship in the Black Community”. Based on this, I wrote to Professor Ross requesting literature on the subject which he could make available to me as I was unable to attend the presentation in person. He sent me a copy of the published paper entitled “African-Canadian Entrepreneurs in Montreal: The Genesis of a Research Proposal and Some Preliminary Results”. The paper provided information on the reasoning behind the establishment of the Minority Institute of Entrepreneurship as well as its stated objectives at that time. With regard to the present objectives of the Institute Dr. Christopher Ross referred me to Dr. Bakr Ibrahim.

It is clear from the above that an entrepreneur or potential entrepreneur setting out to obtain similar information would find it extremely difficult and very time consuming. There is no straight route, and it would be difficult for an entrepreneur who did not know key contact persons.

### **7.1. Services Offered Within the English-Speaking Black Community**

Recognizing the need to stimulate entrepreneurship in the black community and create employment opportunities, the Quebec and Federal governments came together to create and jointly fund the Mathieu Da Costa Business Development Corporation in 1993. The Corporation operates a capital risk fund which affords members of the black community the opportunity to access financial initiatives for expansion of businesses. This

is in keeping with the Corporation's goal to provide finance for on-going as well as new businesses through direct applications or referrals made by the Montreal Association of Black Business Persons and Professionals and The Black Community Resource Centre (Dyer and Ross, 1997).

The Montreal Association of Black Business Persons and Professionals (MABBP) was established in 1981 to cater directly to the black community. The goals of this organization are: to improve the economic welfare of black Montrealers by promoting and encouraging the pursuit of business, trade and commerce, to emphasize excellence in the profession of choice; to foster development of black youth; and to ensure black representation in government economic ventures.

As part of its program, the MABBP developed a business referral network with the Mathieu Da Costa Business Development Corporation, the Business Development Bank of Canada and Dawson College for development training in areas of business. Support services are provided in the area of counselling if specially requested by a new entrepreneur. Such services are provided not only by members but persons known to the Association and who attend events.

The Black Community Resource Centre (BCRC) was established in 1996 as a second tier organization. Rather than dealing directly with the black community, the organization works in collaboration and partnership with English-speaking black community organizations as well as with public and community-wide agencies. The mission of the organization is through a multi-intervention (holistic) approach, to promote the psycho-social, health, education and economic needs of English-speaking blacks, up to

age 25 years, who reside in the Greater Montreal area. The organization does not turn away persons over 25 years of age.

In the area of employability, the aim of the BCRC is to develop the entrepreneurial skills of young blacks through a Youth Cooperative Program which started in the spring of 1998. This program is designed to familiarize high school students with the concept of entrepreneurship as an employment option. The program is directed at those schools where black enrolment is high. Following presentations by the BCRC at a number of schools in March, 20 Wagar High School students joined the program and started to attend weekly sessions which provided basic training on how to start a summer business. The program was developed in collaboration with the Community Development Economic Corporation (CDEC) Côte-des-Neiges/Notre-Dame-de-Grace, Carrefour Jeunesse Emploi (Côte-des-Neiges) and the Montreal Community Loan Association (BCRC,1998).

Although referral services for businesses are not part of the BCRC services, the organization will assist entrepreneurs with referrals whenever there is a particular request in this area. For example, where a new entrepreneur over the age of 25 years resides in an area which is served by a CDEC branch, the BCRC will refer the person to that branch based on direct and personal contact which the organization has established with someone employed in the Community Development Economic Corporation agency. However, if such an entrepreneur lives in an area which is not served by a CDEC branch, the individual would be referred to the Mathieu Da Costa Business Development Corporation and to the Business Development Bank of Canada.

The Mathieu Da Costa Business Development Corporation enters into contracts with private consultants, professionals and community organizations whenever there is a

request for carrying out specific assignments to do business plans, project analysis and to assess loan applications (Mathieu Da Costa Business Development Corporation,1993).

The Black Coalition of Quebec also provides services in the preparation of business plans but this is not its prime objective. This organization was formally registered in 1983, although it has been providing services in the community since 1972. The mandate of the organization is to promote and support human rights, to battle all forms of discrimination, and to develop policies and programs which promote integration and tolerance.

The impression gained from members of the black community is that many English Caribbean immigrants within the community profess to know how to start a business when in fact they do not know. As a result, these immigrants do not approach their respective community organizations in search of assistance on how to start a business. As the MABBP and the Black Coalition of Quebec advertise by word of mouth and the BCRC only deals with black English-speaking organizations, a number of English Caribbean immigrants do not know what organizations to consult in the community when contemplating business start-up. Further, no networking links have been developed between organizations offering referral services and provincial and federal government programs designed to assist entrepreneurs in business start-up.

The key organizations, the Mathieu Da Costa Business Development Corporation and (CDEC) do not finance the types of businesses most English Caribbean immigrants enter. Of the 30 businesses established by English Caribbean immigrants involved in the survey, 18 were in community, business and personal services and of the eight businesses whose operations include trade, four operated only in this area. Services and trade are two

areas which do not qualify for finance by the Mathieu Da Costa Business Development Corporation and the Community Development Economic Corporation (see Table 26). The Business Development Bank of Canada does finance businesses operating in services and trade based on certain requirements but applicants must provide business proposals which demonstrate strong business plans, commitment of a level of personal investment, evidence of entrepreneurial skills, management capabilities and the intention to create jobs in keeping with applicants' level of total investment. Overall, the business plans of English Caribbean immigrant entrepreneurs are not generally strong as required initial investment is inadequate, they are often lacking in prior business experience and management skills and possibilities for job creation are not high.

**Table 26: Loan Organizations Serving English-Speaking West Indians in the Black Community through Business Networks**

Name of Organization	Date Established	Sources of Funding	Types of Business do not Finance	Services Provided	Conditions of Loan	Advertising Media	Language Used in Information on Services
Mathieu Da Costa Business Development Corporation	1993	Provincial and Federal Governments	Retail, Services and Food Processing	Loans to new businesses less than three years old	Business plan, personal investment and creation of at least two jobs excluding that of the entrepreneur	None	Bilingual
Business Development Bank of Canada	1946	Bank autonomous since 1995	Finances all types except those endangering public health	Financial and management services to new and existing entrepreneurs	Business plan, personal investment and the creation of jobs	The Gazette and Le Journal des Affaires	Bilingual
Community Development Economic Corporation (CDN/NDG)	1993	Municipal, Provincial and Federal Governments	Retail and Services	Business loans and management consultation	Business plan, personal investment and the creation of a minimum of one to three jobs	The Monitor, The Suburban, Interligne NDG and Actualités CDN	Loan Programs (French only)

Source: Compiled by the author from interviews with loan organizations.

The deficiency in technical business training evidenced among black entrepreneurs is a direct result of their limited opportunities for advancement in the labour market and

thereby not being able to gain relevant experience in management or administration of a business. Moreover, no black community organizations provide adequate business training to entrepreneurs. This in turn has a negative effect on the ability of new and existing entrepreneurs to properly manage businesses. In responding to the need for managerial skills training within the community, the Quebec government in 1994 approved funding for the establishment of the Minority Institute of Entrepreneurship within the Faculty of Commerce and Administration at Concordia University. The existence of a number of black community leaders on the faculty contributed to making the process of establishing the Institute much easier, and it was hoped that such an initiative would serve to attract more black students. In the expectation that more black students would be trained in managerial skills, a resource base of trained managers would be in place to serve as role models and mentors for black entrepreneurs (Concordia University,1994).

The Institute provides workshops on entrepreneurship and small business management to assist visible minority entrepreneurs in the start-up and management of businesses. Participants also receive assistance in preparation of business plans and market surveys. Consulting and mentorship services are provided by Concordia University senior students in the Masters of Business Administration Program.

The stated criteria for selection is that new and existing entrepreneurs must have a high school certificate. However, entrepreneurs are accepted without having completed high school certification. New entrepreneurs, however, must demonstrate the intention to start businesses soon, by showing evidence that they have commenced their business plans, and made contact to borrow from financial institutions or access government programs. The

program, however, does not discourage those potential entrepreneurs without concrete plans, provided there is the desire to move along in this direction.


Participants are recruited by word of mouth. The Minority Institute of Entrepreneurship contacts various English-speaking black organizations, when they will be conducting a business training seminar. Black community organizations in turn refer persons from their membership list who they think may have an interest in attending the business training seminar.

## **7.2. The Effectiveness of Advertisements in Reaching Potential Entrepreneurs**

The survey of English Caribbean immigrant entrepreneurs and non-entrepreneurs showed that one of the ways in which English Caribbean entrepreneurs and would-be-entrepreneurs learn about business loan programs is through newspaper advertisements. Two advertisements, one for the Business Development Bank of Canada and one for the Community Development Economic Corporation are examined here in terms of their presentation and content to determine their effectiveness in reaching English Caribbean immigrants.



Figure 2: Examples of Advertisements of Services Directed at Entrepreneurs



**INTRODUCTIONS**  
10th presentation

**BUSINESS OPPORTUNITIES**

**Are you looking for an investor?**

The Business Development Bank of Canada (BDC) offers the opportunity to present (subject to approval), your business or project, to a group of private and corporate investors

**Where:** Holiday Inn, Montreal Midtown

**Date:** April 16th, 1998

Established or start-up business in the following sectors: Manufacturing - Distribution - Services

Submit your business plan for pre-screening before March 31st, 1998 to:

Marcel Perleux  
Business Development Bank of Canada  
Bureau de la BDC  
8 Place Ville-Marie  
Bureau 12826, Niveau Plaza  
Montreal, Qc, H3B 2G2

Registration fee (if accepted): \$480  
(lunch and light refreshments)

For more information call: (514) 496-7970

Source: The Gazette, February 20, 1998. Pg. B5



# MONEY MATTERS! \$



**THE NDG CAUCUS ON ECONOMIC DEVELOPMENT WILL HOST**

**WORKSHOPS ON FUNDING FOR COMMUNITY DEVELOPMENT AND ENTREPRENEURSHIP PROJECTS**

**THE WORKSHOPS WILL EXPLORE VARIOUS SOURCES OF FUNDING AVAILABLE TO COMMUNITY ORGANIZATIONS AND TO ENTREPRENEURS**

**\*\*WORKSHOPS WILL BE FACILITATED BY CDEC CON/NDG STAFF**

**SATURDAY, APRIL 25, 1998**  
**1 PM to 5 PM**

**WESLEY UNITED CHURCH**  
**5964 NOTRE-DAME-DE-GRACE (at Royal)**  
**TO REGISTER CALL 484-1471**



Source: The Suburban, April 22, 1998. Pg. A23

The first advertisement under the heading Business Opportunities was laid out quite well in the business section of The Gazette. However, the positioning of the advertisement next to quotations on world stock market tradings and exchange rates makes it unlikely that an English Caribbean entrepreneur would read it. Stock market quotations are directed primarily at persons involved in international business transactions or with considerable money to invest. In terms of the content of this advertisement, the presumption is that the entrepreneur must already be in business, have an understanding of the business world and would be able to make a personal investment. The \$450 fee would put off most small scale black Caribbean entrepreneurs and would-be entrepreneurs.

The second advertisement captioned “Money Matters” does not grab the attention of a small business person. It seems to cater to entrepreneurs who are engaged in community projects. Moreover, the use of the word “caucus”, which to most people refers to a select group within a political party, would not seem appropriate to small business entrepreneurs.

### **7.3. Conclusion**

There are no direct networking services existing within English-speaking black community organizations which provide entrepreneurs with specific information and advice in all areas of business activity. Further, there is no networking link between the English-speaking black community organizations and government agencies in terms of dispensing information on government programs to help entrepreneurs start businesses. These gaps indicate that the English-speaking Caribbean community has to depend on the help of outside agencies in the wider community to provide information on business start-up.

English Caribbean immigrants wanting to start businesses can obtain information and assistance from government offices through Info Entrepreneurs and Communication-Québec. Info Entrepreneurs is a business service center which provides free information on a wide range of government services, programs and regulations pertaining to businesses. Communication-Québec has available at all its offices a free booklet on “Starting a Business” which is prepared by the Ministry of Citizen Relations and Immigration.

The information obtained on entrepreneurial services offered within the English Caribbean community in Montreal supports the conclusion that the community does not have in place the necessary network of contacts which would give guidance to entrepreneurs on how to proceed in businesses.

## **CHAPTER 8**

### **CONCLUSIONS**

#### **INTRODUCTION**

This thesis has looked at why English Caribbean immigrants have a low tendency to start businesses. In 1986, Statistics Canada data on self-employment in Non-Agricultural Industries by Ethnic Origin show Black and Caribbean persons ranked lowest of all ethnic groups with only 3.4 percent of the labour force self-employed compared to persons of Jewish origin who ranked highest with 21.6 percent. The average for all Canadians was 7.7 percent (Li, 1994). Studies of immigrant entrepreneurship so far have focused on the experiences of those immigrants who do start their own businesses. This thesis, on the other hand looked at the experiences of both English Caribbean immigrant entrepreneurs and English Caribbean immigrant non-entrepreneurs in order to identify the reasons why English Caribbean immigrants have such a low tendency to start businesses.

#### **8.1. Profile of English Caribbean Immigrant Entrepreneurs and Non-Entrepreneurs**

English Caribbean immigrants (entrepreneurs and non-entrepreneurs) came mainly from Jamaica and to a lesser extent Trinidad and Tobago. Entrepreneurs are much more likely than non-entrepreneurs to be male, over the age of 45 years, and have high levels of education which equip them with the necessary skills and resources to undertake businesses. Coming to Canada mainly as Family Class migrants and visitors, these immigrants in general are not selected on the basis of education and occupational skills training, which are requirements for Independent migrants under the "points system" and tend therefore to lack such skills. This may in part explain why English Caribbean immigrants have a low predisposition to start independent businesses.

## **8.2. Factors behind English Caribbean Immigrants Low Participation in Small Business**

The survey of English Caribbean immigrant non-entrepreneurs identified that lack of motivation combined with reluctance to take risks were important reasons preventing these immigrants from entering self-employment. Skills and resource constraints were also important. The latter included inadequacy in financing, business experience, and formal education. In Quebec, lack of a working knowledge of French was seen as a particular barrier which, combined with the economic and political situation, emerged as major deterrents to these immigrants undertaking self-employment. Of least importance to these immigrants were the external constraints of market competition and government regulations. For the majority of English Caribbean immigrants, the combination of insufficient motivation towards business and inadequate financing, practical business experience and knowledge of French were the main obstacles to them starting businesses. Without access to these resources English Caribbean immigrants were unable to go into self-employment.

The extent to which lack of entrepreneurial motivation among English Caribbean immigrants stemmed from their skills and resource constraints and the weakness of their ethnic network rather than from cultural forces rooted in Caribbean society and history is beyond the scope of this thesis. We can say that inadequate financial resources was not helped by the fact that the West Indian community has not used informal credit, also referred to as “boxes”, “partner” and “susus” in Canada, as a means of mobilizing savings. This form of savings is widely used in the Caribbean among low income persons and also by West Indians in Britain and the United States to purchase consumer goods and to start businesses (Bonnett,1980). There is no documentation of its use in Canada, however, it is

popularly employed as a means to obtain finance for consumer needs and to pay off personal debts. The absence of a credit union in the community has also contributed to a scarcity of finance.

The community does not provide any facilities for business training, as a result English Caribbean immigrants could not obtain the knowledge which is necessary to operate a business. Exposure to business training would have allowed these immigrants to obtain knowledge of how to develop acceptable business proposals to financial institutions when seeking loans and other credit facilities. The tendency not to acquire French may be linked to the general perception among immigrants within the English Caribbean community that they are able to conduct daily activities without becoming functionally fluent in French. Weakness of ethnic networks can be linked to the heterogeneous and segmented nature of the West Indian community, which is not conducive to the establishment of effective support networks and was found by Marger (1989) to be true also for East Indian immigrants from Continental India.

### **8.3. Factors Pushing and Pulling English Caribbean Immigrant Entrepreneurs into Independent Business**

Those English Caribbean immigrants who started their own business were both 'pushed' and 'pulled' into such endeavours. The functional assimilation model of the IAT purports that barriers in previous salaried employment tend to 'push' immigrants into business creation. More than half of English Caribbean immigrant entrepreneurs were propelled into starting their own business because of low wages (relative to their skills) in their mainstream job. Others were pushed by institutional discrimination which served to obstruct their occupational advancements into better paying positions. None of the other

studies of immigrant entrepreneur groups in Canada gave any indication that institutional discrimination was experienced by the entrepreneurs in their previous employment.

Michalowski (1987) and Verma and Basavarjappa (1989) argue that with time the salary and wage differences between new immigrants coming from non-traditional source countries and the Canadian-born population should decline as immigrants are able to acquire education and skills training on a par with the host society. However, others argue that no matter how long immigrants have lived in Canada, many never achieve comparable levels of income because of institutional discrimination practised by the majority in the host society. The experiences of English Caribbean immigrant entrepreneurs tend to support the latter view.

At the same time, the experiences of English Caribbean immigrant entrepreneurs corroborate the enclave economy model. English Caribbean immigrant entrepreneurs who faced disadvantages in the labour market drew on their ethnic support networks as a means to advance into certain industry sectors in order to achieve social mobility as self-employed persons.

Li (1994) and Liu (1995) claim that the enclave economy model provides opportunities for immigrant entrepreneurs to employ their education and occupational skills training in order to achieve improved income levels. Within the enclave economy, immigrant entrepreneurs are normally engaged in low-barrier-to-entry industries. Entrepreneurs in these industries require limited capital, prior education and skills training. Due to barriers in the traditional labour force, these entrepreneurs operating in ethnic enclaves obtained higher income than if they were wage workers in the same industries. Those entrepreneurs who entered high-barrier-to-entry industries possessed

professional expertise and substantial capital and were thereby able to achieve upward social mobility through improved earnings and increased return to human capital.

#### **8.4. Comparison of English Caribbean Immigrant Entrepreneurs to Other Immigrant Entrepreneur Groups in Canada**

Most studies have suggested that ethnic networks based on strong ethnic and community ties are an integral part of the enclave economy. Ethnic networks in general facilitate entrepreneurs by providing essential information and assistance in areas covering business start-up and continuation including business training, capital, machinery and equipment, physical facilities, labour force requirements, raw material suppliers and access to markets.

Unlike a select few of other immigrant entrepreneur groups who entered Canada under the Business Immigrant Program, English Caribbean immigrant entrepreneurs did not - most entering primarily under the Family Class category. The business immigrant program attracts immigrants who previously owned a business and can bring financial capital to invest in a business in Canada that will create employment for Canadians. Immigrants who enter Canada under the Business Immigrant Program therefore are positively selected for their motivation and resources to start businesses. Since, English Caribbean immigrant entrepreneurs were not, it is perhaps not surprising that they tend to lack both motivation and class resources.

The pattern of entrepreneurship among English Caribbean immigrant entrepreneurs is indicative of an individualist rather than an ethnically dependent approach. Most immigrant entrepreneur groups displayed in about equal proportions individualist and collectivist styles of entrepreneurship. Among personal resources,



English Caribbean immigrant entrepreneurs benefitted to a great extent from having access to their own savings and credit facilities. The majority of other immigrant entrepreneur groups also relied on their personal savings but depended more on their ethnic network and less on credit facilities. Few English Caribbean immigrant entrepreneurs had prior business experience while over half of them possessed occupational skills related to their field of business. Most of the immigrant entrepreneur groups had previous business experience and appropriate occupational skills. These skills were most often acquired by working in a business owned by a member of their ethnic group. English Caribbean immigrant entrepreneurs like other immigrant entrepreneur groups tended to rely on professionals as opposed to government agencies for advice before engaging in business.

English Caribbean immigrant entrepreneurs did, however, depend on their ethnic networks to provide partners to bring in additional capital, to obtain management skills and technical expertise. A majority of the other immigrant entrepreneur groups also depended on their ethnic networks for financing. In terms of labour requirements, English Caribbean immigrant entrepreneurs likewise drew on their ethnic networks, although to a lesser extent than the majority of other immigrant entrepreneur groups. Three English Caribbean immigrant entrepreneurs are of the view that West Indian workers are not as loyal as other workers.

On the other hand, English Caribbean immigrant entrepreneurs relied heavily on their ethnic market, but did not overwhelmingly locate in their ethnic concentrations. The majority of other immigrant entrepreneur groups catered both to their ethnic market and the wider population and tended to locate in immigrant concentrations. English

Caribbean immigrant entrepreneurs depended on the West Indian market because many believed that non-blacks may not patronize black businesses and their lack of French prevented them from penetrating the wider Montreal and Quebec markets. English Caribbean immigrant entrepreneurs, like the majority of other immigrant entrepreneurs, concentrate in the community, business and personal services sector and were motivated towards going into businesses.

Ethnic networks within the English Caribbean community are weak. Yet, they have contributed to the supply of labour through employment of ethnic workers. In particular situations, the contribution of capital, management know-how and expertise came through partnership formations. These networks have not furnished English Caribbean immigrant entrepreneurs with information and assistance in areas of business training and mentoring, machinery and production processes, raw material suppliers and in accessing non-ethnic markets. Ethnic networks within the enclave economy normally function to provide a range of services to entrepreneurs on the procedure for setting up their own businesses, however, this is not the case among the West Indian community. Among the majority of immigrant entrepreneur groups their ethnic networks have made important contributions to their businesses by providing resources from which they have been able to draw.

The weakness of ethnic support networks within the West Indian community may be one of the reasons for the low tendency of English Caribbean immigrants to start business. Weak ethnic networks would likely have had a negative impact on the level of motivation of English Caribbean immigrants which points to another deterrent to them going into self-employment. Many English Caribbean immigrants may not have

envisaged self-employment as a means to earn a living.

### **8.5. Institutional Entrepreneurial Services Provided by the English-Speaking Black Community**

The West Indian community is heterogeneous and fragmented along racial, cultural and socio-economic lines. This has lessened the combined effect which ethnic networks could have in providing immigrant entrepreneurs within the community with essential resources from which to draw for business start-up.

Contrary to both the enclave economy model and the experiences of the majority of immigrant entrepreneur groups, ethnic networks within the English-speaking black community do not provide significant information and assistance to English Caribbean immigrant entrepreneurs. In this regard, interviews with persons representing institutions in the English-speaking black community which provide services to entrepreneurs showed that English Caribbean immigrant entrepreneurs need to go outside the English-speaking black community in order to get the necessary assistance which they require to start business endeavours.

### **8.6. Conclusion**

Labour market disadvantages were not responsible for the under-representation of West Indians in self-employment endeavours. English Caribbean immigrants have low rates of entrepreneurship because they are relatively poorly endowed with class and ethnic resources to meet the challenge of starting businesses as a means to improve their socio-economic standing in society.

Further, cultural historical factors rooted in the gender division of labour and reinforced by colonial structures may also contribute to a predisposition among English Caribbean immigrants to avoid entrepreneurship, making comparison with other immigrant groups in Canada problematic. According to Boserup (1970), the gender division of labour is an important factor in the production process. Regions where women dominate food production and trade of traditional rural markets, men usually shun those activities. Colonial administrators on the other hand, assign tenure rights and introduce modern methods of agriculture to men, thereby excluding women from the modern sector. Black men however avoided agricultural work and related trade which they considered a feminine occupation. It could be argued that women not benefitting from exposure to modern techniques of production and marketing of agricultural crops continued to use traditional methods of farming which they carried over into modern society. This is reinforced by Ryan (1994a) who claims that indigenous Caribbean blacks generally shied away from retailing and commerce as occupations considering them as “demeaning”(Ryan,455:1994a). Such actions were seen as entrepreneurial niches and subsequently taken up by Chinese and East Indians. Danns (1994) and Walker (1994) indicate that most English Caribbean immigrants felt the best way to improve their status would be through the civil service. The colonial education system in the Caribbean, being directed towards professions rather than technical and skills training, could not have prepared blacks to go into business self-employment. On the other hand, the majority of other immigrant entrepreneur groups came from regions where agricultural work is carried out mainly by men who dominated market trade. Men from such regions

with traditions in trading and commercial activities have a much stronger cultural tradition of self-employment and entrepreneurship (Boserup,1970; Stewart,1994).

The cultural value orientations of English Caribbean immigrants do not espouse entrepreneurship, which may also contribute strongly to the fact that these immigrants demonstrate a low tendency for business creation. Overall, English Caribbean immigrants are not motivated towards acquiring business skills and accumulating resources to assist them in undertaking small business. English Caribbean immigrants have also come to realize that their ethnic network within the English-speaking black community is not developed to actively support business development. In reality, these immigrants have no other recourse but to seek out such assistance elsewhere within the wider population.

The sample of English Caribbean immigrant entrepreneurs and non-entrepreneurs was not large and no attempt was made to rank the responses. For both these reasons it is not possible to assign statistical significance to the results or to be certain to what degree these results can be said to apply more widely than in Montreal.

### **8.7. Policy Implications**

English-speaking black community organizations in Quebec have not taken an active role in providing assistance and guidance to English Caribbean immigrant entrepreneurs in areas of business formation and development. Progress in these areas is without doubt a contributing factor to the relatively low socio-economic standing of English Caribbean blacks. Recommendations provided here are: (a) intended to revive interest in new capital formation facilities; (b) linked to strengthening skills training; (c) directed at broadening the range of services offered by English-speaking black

community organizations; (d) targeted at soliciting co-operation of business organizations within the wider community; (e) aimed at widening the area of marketing skills training offered by the Minority Institute of Entrepreneurship; and (f) pointed at extending educational services given by English-speaking black organizations.

*Creating financial infrastructural services*

1. Credible persons within the community need to promote the use of “boxes”, “partner” and “susus” as a means of mobilizing savings in Canada through informal credit associations which have been successful in the Caribbean in providing start-up capital for business formation.
2. Credible persons within the community need to come together for the purpose of establishing community credit union and to promote its use as a means of capital formation for business; and in this light to seek alliance with Quebec Caisse Populaire so as to benefit from knowledge and regulations pertaining to established financial institutions.

*Upgrading skills training*

3. Community organizations need to have input from provincial and federal government personnel in identifying areas of marketable skills and growth potential so as to motivate English Caribbean immigrants to enter into such occupational areas through independent business. This would also help organizations to identify companies in the wider community which are operating in these target markets. Such companies could provide English Caribbean immigrants with related work skills and mentoring/apprentice experiences.

### *Broadening of Services*

4. Persons acting as financial intermediaries are needed in the community to provide business owners with relevant financial advice on their business proposals and to accompany them at meetings with financial institutions when business proposals are being presented for financing. Business owners however must be informed that intermediaries provide no guarantees to entrepreneurs that their loan applications will be accepted.
5. Community organizations need to work to eliminate racial discrimination against black businesses in the marketplace.

### *Developing linkage with wider community*

6. Organizations in the wider community which offer courses in areas of small business development and management could be approached with the view of extending such services to target the needs of the English Caribbean black community.

### *Diversifying skills training*

7. Need for the Minority Institute of Entrepreneurship at Concordia University to redesign the marketing course offered to blacks putting emphasis on ways to penetrate non-ethnic markets. The content of the course should be widened to incorporate ways to help blacks improve marketing skills designed to make their products and services attractive and appealing to customers.

### *Extending services*

8. Community organizations need to stress to English Caribbean immigrants the importance of acquiring a knowledge of the French language so as to enable them to function effectively as entrepreneurs in Quebec society.

## 8.8. Further Research

This thesis examined why English Caribbean immigrants to Montreal have a lower tendency than other ethnic minority groups to earn a living through small business enterprises. The survey of English Caribbean immigrant non-entrepreneurs revealed that the primary factor preventing these immigrants from starting small businesses was their lack of motivation. Inadequate financial and educational resources as well as the weakness and segmented nature of the English Caribbean community were prime reasons for this level of motivation.

It is not clear why the ethnic network is so unsupportive of business creation or why resource scarcities on their own would so inhibit English Caribbean immigrants from going into self-employment. To understand this it might be necessary to search for structural and other constraints stemming from colonialism as well as cultural factors pre-dating colonialism. Unfair land practices and the abandonment of property in post-emancipation Caribbean society served to contribute towards the under-representation of blacks in entrepreneurial undertakings because it deprived them of the opportunity to benefit from loan financing. Some blacks who acquired small landholdings from white planters pledged their land as collateral in order to obtain agricultural goods and credit. However, when crops failed or prices fell during the depression, they lost their land due to unfair credit arrangements as a result of high interest rates. Other blacks held possessionary rather than legal ownership title to land they occupied and legal practitioners tricked blacks into parting with land. There was also a tendency on the part of blacks to either abandon or sell their land to other ethnic minority groups and to migrate towards



urban areas to improve their status through employment and education, but not through small business enterprise (Ryan, 1994a).

In addition, in the Caribbean a shopping law restricted the business activities among blacks. During the depression, many blacks lost their businesses because of a law enacted to force them to close earlier, due to unfair competition seen on the part of ethnic minority business persons. As a result, black businesses failed and were sold to minorities. For these reasons entrepreneurial opportunities were closed to blacks as ethnic minorities had already filled market niches. The situation served to retain blacks as a workforce, dependent on the state for employment (Ryan, 1994a).

Others have argued that blacks often lack self-esteem in their abilities to be entrepreneurs. Some attribute this to European masters during colonialism ridiculing their cultural practices and physical features, while others argue that the pre-slavery value systems of blacks did not include entrepreneurship; instead priority was put on leisure activities and communal sharing of family resources (Boxill, 1994; Christiansen et al., 1982; Ryan, 1994b). This notwithstanding, it is certainly possible to implement policies in Canada which would greatly enhance or strengthen self-advancement among English Caribbean immigrants in ways typical of other immigrant groups. Indeed, these cultural factors point to why it is necessary for government and non-government groups to intervene, in order to overcome some of the disadvantages that frustrate English Caribbean immigrants from starting their own businesses.

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## APPENDIX A

### Thirteen Studies of Immigrant Entrepreneur Groups in Canada

Author	Year	Ethnic Group	Location	No. of Entrepreneurs
Bahormoz	1993	Arabs	Montreal	20
Brenner and Toulouse	1990	Chinese	Montreal	35
Dana	1993	Indians	Montreal	6
Vallée and Toulouse	1993	Polish	Montreal	50
Ray et al.	1996	Chinese	Calgary	14
Loo	1990	Far East Chinese	Canada	11
Célas Brenner et al. Brenner et al.	1991 1992a 1992b	Haitians	Montreal	53
Marger	1989	East Indians	Toronto	38
Rhyne	1982	Non-Visible and Visible Minorities	Toronto	61
Helly and Ledoyen	1994	Entrepreneurs of Mixed Ethnic Origins	Montreal	203
Chan and Cheung	1985	Chinese	Toronto	187
Dana	1993	Italians	Montreal	5
Herman	1979	Macedonians	Toronto	n.d.

Note: n.d.= no data

## APPENDIX B

Department of Geography,  
Concordia University,  
1455 de Maisonneuve Blvd W.,  
Montreal, Quebec  
H3G 1M8  
phone (514) 848-2050  
fax (514) 848-2057

Dear Sir/Madam,

I am currently conducting a large survey of the experiences of English Caribbean immigrant entrepreneurs in Montreal, as part of my Master's Thesis in Public Policy and Public Administration (Geography Option) at Concordia University. In connection with this research, I am writing to ask you if you would be willing to be interviewed as part of this survey.

The specific purpose of this research is to discover the reasons why English Caribbean immigrant entrepreneurs went into business ventures, the types of businesses which they create and the assistance they received from their immigrant communities in the task of establishing and operating a business in Montreal. I know that this research will be of great benefit not only to Canada (there being great public interest in immigrant entrepreneurship) but also to immigrant entrepreneurs themselves, since it will provide an opportunity for them to show the achievements they have accomplished.

The interview, in which I am inviting you to participate, will take less than an hour and will involve seeking your responses to a series of questions on your experience as an immigrant entrepreneur. (A copy of the questionnaire that will be used is attached with this letter so that you may see exactly what will be asked during the interview.) Other than this interview, nothing else will be required from you.

I would like to stress that this research is being conducted according to the ethics standards of Concordia University. Accordingly, should you agree to be interviewed, all personal information that you give me will remain confidential and you have the right to withdraw from the survey at any time. (Should you have any complaints concerning any aspect of the research you may contact me, or Dr. Patricia Thornton, Chair Department of Geography, Concordia University via the university's address given above.) The information that I will subsequently prepare for my thesis based on this research will be written to ensure the anonymity of all persons that I have

interviewed and draft summaries of them will be made available to those who wish to receive copies.

Having read this letter, if you consent to participating in such an interview, I would be delighted if you would please let me know, on the response note enclosed, what day and time would be most convenient for us to meet. I will then contact you in order to make an appointment with you for the interview.

Yours sincerely,

Margaret-Ann Hall



**RESPONSE NOTE**

**Would you be willing to be interviewed?**

**Yes** \_\_\_\_\_

**No** \_\_\_\_\_

**What is the day and time most convenient to meet with you?**

**Day:** \_\_\_\_\_

**Time:** \_\_\_\_\_

**Please include the telephone number where you can be reached.**

**Telephone No.** \_\_\_\_\_

**ENGLISH CARIBBEAN IMMIGRANT ENTREPRENEURS IN MONTREAL**

**QUESTIONNAIRE**

**Part 1: Initial information**

1. What is the name of your business?

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2. What position do you hold in the business?

Position: \_\_\_\_\_

3. Do you own more than one business?

Yes \_\_\_\_\_1( )                      No \_\_\_\_\_2( )

If yes, please use a separate questionnaire for each business

4. When did you buy/establish your business in Montreal?

---

5. What type of business did you establish in Montreal?

\_\_\_\_\_

6. What year did you arrive in Canada?

\_\_\_\_\_

7. What was your country of last permanent residence before coming to Canada?

\_\_\_\_\_

8. In what country were you born?

\_\_\_\_\_

9. When you came to Canada in which province did you first live?

\_\_\_\_\_

**Part 2: Before coming to Canada**

10. Before coming to Canada were you employed?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If no, please skip to Part 3 on page 3

Type of involvement:

Owner \_\_\_\_\_1( )

Manager \_\_\_\_\_3( )

Employer \_\_\_\_\_2( )

Employee \_\_\_\_\_4( )

Other, Please specify: \_\_\_\_\_5( )

11. What type of business/occupation were you employed in before coming to Canada?

\_\_\_\_\_

12. Was the business registered?

Yes \_\_\_\_\_1( )    No \_\_\_\_\_2( )    Do not know \_\_\_\_\_3( )

**Part 3: Previous work experience**

13. Before starting your present business did you hold a job in Canada?

Yes \_\_\_\_\_1( )                      No \_\_\_\_\_2( )

If yes, could you please tell me what types of jobs you held?

---

---

If no, please go to question 16

14. Did such work experience help you in anyway with your present business?

Yes \_\_\_\_\_1( )                      No \_\_\_\_\_2( )

If yes, how? \_\_\_\_\_  
\_\_\_\_\_

If no, why? \_\_\_\_\_  
\_\_\_\_\_

15. Did you experience difficulties in your previous employment which pushed you to start your own business?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If no, please go to question 17

If yes, which of the following:

Low level of employment income \_\_\_\_\_1( )

Low wages \_\_\_\_\_2( )

Blocked opportunities for advancement \_\_\_\_\_3( )

Qualifications not recognized \_\_\_\_\_4( )

Over qualified for the job \_\_\_\_\_5( )

Lack of suitable openings \_\_\_\_\_6( )

Other, Please specify \_\_\_\_\_  
\_\_\_\_\_7( )

Please go to question 17

16. If you did not have a job in Canada was it because of any of the following reasons?

Lack of knowledge of French \_\_\_\_\_1( )

Lack of equivalence in certification \_\_\_\_\_2( )

Lack of Canadian work experience \_\_\_\_\_3( )

Age \_\_\_\_\_4( )

Other, Please specify \_\_\_\_\_  
\_\_\_\_\_5( )

17. What motivated you to go into business on your own?

Create own employment \_\_\_\_\_1( )

Be your own boss \_\_\_\_\_2( )

Be independent \_\_\_\_\_3( )

Exploit a business idea \_\_\_\_\_4( )

Achieve financial success \_\_\_\_\_5( )

Desire to succeed \_\_\_\_\_6( )

Other, Please specify \_\_\_\_\_

\_\_\_\_\_7( )

**Part 4: Business establishment in Montreal**

18. As an English Caribbean immigrant, has it been difficult for you to start a business in Montreal?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, why? \_\_\_\_\_

\_\_\_\_\_

If no, why not? \_\_\_\_\_

\_\_\_\_\_

19. Was this the type of business that you had originally wanted to go into in Montreal?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If no, what was the reason?

---

---

20. Did you seek partners in establishing the business?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If no, please skip to Part 5 on page 6

21. In what area of the business did you need to find a partner?

---

22. From which group did you find business partners?

Family members \_\_\_\_\_1( )

Friends \_\_\_\_\_2( )

Members of the English Caribbean Community \_\_\_\_\_3( )

Other \_\_\_\_\_4( )

**Part 5: Financing and Assistance**

23. Did you use personal savings to start-up your business?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If no, please go to question 24

24. Please could you tell me if capital was obtained from other sources?

Yes \_\_\_\_\_1( )                      No \_\_\_\_\_2( )

If no, please go to question 25

If yes, type of funding obtained:

Please note, I am not asking the amount, only the type.

Loan from financial institution \_\_\_\_\_1( )

Government Loan \_\_\_\_\_2( )/Grant \_\_\_\_\_3( )

Loan from Ethnic Association \_\_\_\_\_4( )

Loan from partners \_\_\_\_\_5( )

Loan from friends \_\_\_\_\_6( )

Loan from family members \_\_\_\_\_7( )

Other, Please specify \_\_\_\_\_8( )

25. Are you aware of any government programs at the provincial and federal levels to help entrepreneurs in the start-up of their business ventures?

Yes \_\_\_\_\_1( )                      No \_\_\_\_\_2( )

If no, please go to question 27

26. Did you draw on any of these government programs?

Yes \_\_\_\_\_1( )                      No \_\_\_\_\_2( )

If yes, which of the programs did you use?

Program(s)used? \_\_\_\_\_

\_\_\_\_\_

If no, why not? \_\_\_\_\_

\_\_\_\_\_



27. Before undertaking your business did you seek advice?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If no, please go to question 29

28. From which group listed below did you seek advice?

Family members \_\_\_\_\_1( )

Friends \_\_\_\_\_2( )

Members of the English Caribbean community \_\_\_\_\_3( )

Others \_\_\_\_\_4( )

Please indicate which \_\_\_\_\_

29. Did you consider the help received from members of the English Caribbean community useful in your business undertaking?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, type of assistance received? \_\_\_\_\_

\_\_\_\_\_

If no, what was the reason? \_\_\_\_\_

\_\_\_\_\_

### **Part 6: Labour Force, Markets and Location**

30. Did you employ anyone other than yourself?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If no, please go to question 33

31. How many people are currently employed in the business that you established in Montreal?

Total number \_\_\_\_\_

32. Among your employees, how many are:

Members of your family \_\_\_\_\_1( )

Members of the English Caribbean community \_\_\_\_\_2( )

Others \_\_\_\_\_3( )

33. What market does your business serve?

English Caribbean market \_\_\_\_\_1( )

Wider Montreal market \_\_\_\_\_2( )

Wider Quebec market \_\_\_\_\_3( )

Wider Canadian market \_\_\_\_\_4( )

Overseas market \_\_\_\_\_5( )

34. What is the address of your business?

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---

35. What encouraged you to locate your business in this area of Montreal?

---

---

36. Do you consider the area of Montreal in which your business is located to be an

Ethnic area \_\_\_\_\_1( ) or a Non-ethnic area \_\_\_\_\_2( )

**Part 7: Personal information**

37. Your sex: Male \_\_\_\_\_ Female \_\_\_\_\_

38. Your age range: Below 25 years \_\_\_\_\_

25-34 years \_\_\_\_\_

35-44 years \_\_\_\_\_

45-54 years \_\_\_\_\_

55-64 years \_\_\_\_\_

65 and over \_\_\_\_\_

39. How many years of schooling did you complete?

\_\_\_\_\_

40. Please indicate the highest level of education that you completed from the following list.

Primary education completed \_\_\_\_\_1( )

Secondary education completed \_\_\_\_\_2( )

Technical/Trade school completed \_\_\_\_\_3( )

Training College/College studies completed \_\_\_\_\_4( )

Bachelor's degree completed \_\_\_\_\_5( )

Master's degree completed \_\_\_\_\_6( )

Doctorate degree completed \_\_\_\_\_7( )

41. What professional or skilled training do you have?

\_\_\_\_\_

42. Under which immigration category or class were you admitted into this country?

Family Class: \_\_\_\_\_1( )

Refugee: Humanitarian: \_\_\_\_\_2( )

Designated: \_\_\_\_\_3( )

Independent: Assisted Relative \_\_\_\_\_4( )

Business Immigrant \_\_\_\_\_5( )

Selected Worker \_\_\_\_\_6( )

Other: Foreign Domestic: \_\_\_\_\_7( )

Student Visa: \_\_\_\_\_8( )

43. Would you like to receive a draft summary of this survey?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please indicate your mailing address below

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**Final Remarks:**

This completes the set of questions that I needed to ask you. If you have any comments or thoughts on issues that I have not covered in this interview, I would be pleased to hear them --either now or at your convenience.

Thank you very much for your time and your co-operation.

## APPENDIX C

Department of Geography,  
Concordia University,  
1455 de Maisonneuve Blvd W.,  
Montreal, Quebec  
H3G 1M8

phone (514) 848-2050  
fax (514) 848-2057

Dear Sir/Madam,

I am currently conducting a large survey of the employment experiences of English Caribbean immigrants in Montreal, as part of my Master's Thesis in Public Policy and Public Administration (Geography Option) at Concordia University. In connection with this research, I am writing to ask if you would be willing to be interviewed as part of this survey.

The specific purpose of this research is to look at the reasons why English Caribbean immigrants have tended not to start their own businesses. I know that this research will be of great benefit not only to Canada (there being great public interest in immigrant economic activity) but also to immigrants themselves, since it will provide an opportunity for them to bring out the difficulties which they have encountered in trying to create businesses.

The interview, in which I am inviting you to participate, will take less than an hour and will involve seeking your responses to a series of questions on your experiences. (A copy of the questionnaire that will be used is attached with this letter so that you may see exactly what will be asked during the interview.) Other than this interview, nothing else will be required from you.

I would like to stress that this research is being conducted according to the ethics standards of Concordia University. Accordingly, should you agree to be interviewed, all personal information that you give me will remain confidential and you have the right to withdraw from the survey at any time. (Should you have any complaints concerning any aspect of the research you may contact me, or Dr. Patricia Thornton, Chair Department of Geography, Concordia University via the university's address given above.) The information that I will subsequently prepare for my thesis based on this research will be written to ensure the anonymity of all persons that I have interviewed and draft summaries of them will be made available to those interviewed who wish to receive

copies.

Having read this letter, if you consent to participating in such an interview, I would be delighted if you would please let me know, on the response note enclosed, what day and time would be most convenient for us to meet. I will then contact you in order to make an appointment with you for the interview.

Yours sincerely,

Margaret-Ann Hall

**RESPONSE NOTE**

**Would you be willing to be interviewed?**

**Yes** \_\_\_\_\_

**No** \_\_\_\_\_

**What is the day and time most convient to meet with you?**

**Day:** \_\_\_\_\_

**Time:** \_\_\_\_\_

**Please include the telephone number where you can be reached.**

**Telephone No.** \_\_\_\_\_



**ENGLISH CARIBBEAN IMMIGRANTS IN MONTREAL**

**QUESTIONNAIRE**

**Part 1: Initial information**

1. What year did you arrive in Canada?

---

2. What was your country of last permanent residence before coming to Canada?

---

3. In what country were you born?

---

4. When you came to Canada in which province did you first live?

---

**Part 2: Employment Experiences**

5. Before coming to Canada were you employed?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If no, please go to question 9

Type of involvement:

Owner \_\_\_\_\_1( )

Manager \_\_\_\_\_2( )

Employer \_\_\_\_\_3( )

Employee \_\_\_\_\_4( )

Other, Please specify: \_\_\_\_\_5( )

6. What type of business/occupation were you employed in before coming to Canada?

\_\_\_\_\_

7. Was the business registered?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

Do not know \_\_\_\_\_3( )

8. When you came to Canada why did you not start a business?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

9. Are you employed or unemployed?

Employed \_\_\_\_\_1( )

Unemployed \_\_\_\_\_2( )

If you are unemployed, please go to question 20

10. Do you work full-time or part-time?

Full-time \_\_\_\_\_1( )

Part-time \_\_\_\_\_2( )

11. How many years have you been working in Canada?

\_\_\_\_\_

12. What is your present job?

\_\_\_\_\_

13. Do you have previous business experience in Canada?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, type of experience \_\_\_\_\_

14. What other types of jobs have you held in Canada?

\_\_\_\_\_

\_\_\_\_\_

15. Do you have partnership contribution in a business in Montreal?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, what is the area of contribution \_\_\_\_\_

\_\_\_\_\_

16. Do you intend to remain in salary or wage employment?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, why? \_\_\_\_\_

\_\_\_\_\_

If no, why not? \_\_\_\_\_

\_\_\_\_\_

17. If you were to lose your employment would you start a business in Montreal?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, why? \_\_\_\_\_  
\_\_\_\_\_

If no, why not? \_\_\_\_\_  
\_\_\_\_\_

18. Can you imagine any other circumstance in which you might start a business on your own in Montreal?

\_\_\_\_\_  
\_\_\_\_\_

19. Have you ever tried to create a business in Montreal?

If yes, what happened? \_\_\_\_\_  
\_\_\_\_\_

If no, why not? \_\_\_\_\_  
\_\_\_\_\_

Please go to question 27

20. Have you ever been employed in Canada?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, what types of jobs have you held in Canada?

\_\_\_\_\_

\_\_\_\_\_

If no, please go to question 25

21. How long were you employed at your last job?

\_\_\_\_\_

22. Do you have previous business experience in Canada?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, type of experience \_\_\_\_\_

23. Did you experience difficulties in your previous job which resulted in your unemployment?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, which of the following:

Low level of employment income \_\_\_\_\_1( )

Low wages \_\_\_\_\_2( )

Blocked opportunities for advancement \_\_\_\_\_3( )

Qualifications not recognized \_\_\_\_\_4( )

Over qualified for the job \_\_\_\_\_5( )

Lack of suitable openings \_\_\_\_\_6( )

Other, Please specify : \_\_\_\_\_  
\_\_\_\_\_7( )

24. When you lost your job did you consider starting your own business?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, what happened? \_\_\_\_\_

\_\_\_\_\_

If no, why not? \_\_\_\_\_

\_\_\_\_\_

Please go to question 27

25. Are you unemployed because of any of the following reasons?

Lack of knowledge of French \_\_\_\_\_1( )

Lack of equivalence in certification \_\_\_\_\_2( )

Lack of Canadian work experience \_\_\_\_\_3( )

Age \_\_\_\_\_4( )

Other, Please specify \_\_\_\_\_

\_\_\_\_\_5( )

26. When you experienced difficulty finding employment did you consider starting a business?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, what happened? \_\_\_\_\_

\_\_\_\_\_

If no, why not? \_\_\_\_\_

\_\_\_\_\_

27. Are you aware of any government programs at the provincial and federal levels to help entrepreneurs in the start-up of their business ventures?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, why did you not draw on any of the programs?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

28. Do you think that being in Montreal has affected your decision to start a business?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, why? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

If no, why not? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Part 3: Personal information**

29. Your sex: Male \_\_\_\_\_ Female \_\_\_\_\_

30. Your age range: Below 25 years \_\_\_\_\_

25-34 years \_\_\_\_\_

35-44 years \_\_\_\_\_

45-54 years \_\_\_\_\_

55-64 years \_\_\_\_\_

65 and over \_\_\_\_\_

31. How many years of schooling did you complete?

\_\_\_\_\_

32. Please indicate the highest level of education that you completed from the following list.

Primary education completed \_\_\_\_\_1( )

Secondary education completed \_\_\_\_\_2( )

Technical/Trade school completed \_\_\_\_\_3( )

Training College/College studies completed \_\_\_\_\_4( )

Bachelor's degree completed \_\_\_\_\_5( )

Master's degree completed \_\_\_\_\_6( )

Doctorate degree completed \_\_\_\_\_7( )

33. What professional or skilled training do you have?

\_\_\_\_\_



34. Under which immigration category or class were you admitted into this country?

Family Class: \_\_\_\_\_1( )

Refugee: Humanitarian: \_\_\_\_\_2( )

Designated: \_\_\_\_\_3( )

Independent: Assisted Relative \_\_\_\_\_4( )

Business Immigrant \_\_\_\_\_5( )

Selected Worker \_\_\_\_\_6( )

Other: Foreign Domestic: \_\_\_\_\_7( )

Student Visa: \_\_\_\_\_8( )

35. Would you like to receive a draft summary of this survey?

Yes \_\_\_\_\_1( )

No \_\_\_\_\_2( )

If yes, please indicate your mailing address below

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**Final Remarks:**

This completes the set of questions that I needed to ask you. If you have any comments or thoughts on issues that I have not covered in this interview, I would be pleased to hear them - - either now or at your convenience.

Thank you very much for your time and your co-operation.