

اينستيتوت فجاجين اسيان



INSTITUTE OF  
ASIAN STUDIES

# Beyond Skilled Immigration: The Making of New Immigrant Enterprises in Canada

Md Mizanur Rahman

Universiti Brunei Darussalam

Working Paper No.37

Institute of Asian Studies, Universiti Brunei Darussalam

Gadong 2017

## **Editorial Board, Working Paper Series**

Professor Lian Kwen Fee, Institute of Asian Studies, Universiti Brunei Darussalam.

Dr. Koh Sin Yee, Institute of Asian Studies, Universiti Brunei Darussalam.

### **Author(s)**

Md Mizanur Rahman is Associate Professor of Sociology at the Institute of Asian Studies, Universiti Brunei Darussalam, Brunei Darussalam. His areas of expertise include migration and development, diaspora engagement, migrant businesses, labor migration, migration policy and migrant remittances. He has conducted extensive fieldwork for his migration related research projects in a number of countries such as Singapore, Malaysia, Japan, South Korea, Bangladesh, Hong Kong SAR, Qatar, the UAE, India, Indonesia, Germany, Italy, the UK, Canada, and the USA. He is an Editorial Review Board member of *Migration Letters*, *Migration and Development*, *Remittance Review*, *South Asian Journal of Global Business Research* and *International Journal of South Asian Studies*. His recent co-edited books include *Diaspora Engagement and Development in South Asia* (with Tan Tai Yong, 2013), *Migrant Remittances in South Asia* (with Tan Tai Yong and AKM Ahsan Ullah, 2014), *International Migration and Development in South Asia* (with Tan Tai Yong, 2015), and *International Migration in Southeast Asia* (with Lian Kwen Fee and Yabit bin Alas, 2016). His research articles have appeared in leading migration and population journals such as *International Migration*, *Journal of International Migration and Integration*, *Population, Space and Place*, *Journal of Ethnic and Migration Studies*, *Asian and Pacific Migration Journal*, *Asia Europe Journal*, *Canadian Journal of Development Studies*, and *Asian Population Studies*. Four of his journal articles were ranked among the top ten cited and/or downloaded articles in prestigious journals. He is a member of Migration Research Leaders Syndicate for the 2018 Global Compact on Safe, Orderly and Regular Migration, led by the IOM – the UN Migration Agency - based in Geneva

Contact: [mizanur.rahman@ubd.edu.bn](mailto:mizanur.rahman@ubd.edu.bn)

The Views expressed in this paper are those of the author(s) and do not necessarily reflect those of the Institute of Asian Studies or the Universiti Brunei Darussalam.

© Copyright is held by the author(s) of each working paper; no part of this publication may be republished, reprinted or reproduced in any form without permission of the paper's author(s).

# *Beyond Skilled Immigration: The Making of New Immigrant Enterprises in Canada*

---

*Md Mizanur Rahman*

## **Abstract:**

Canada's skilled worker program is designed to attract those educated and experienced individuals from around the world who are eligible to integrate into Canada's labour market upon arrival. However, many skilled and other non-business-class immigrants do not find suitable jobs upon arrival in Canada. Some of them choose to open their own businesses and eventually become entrepreneurs. Drawing on the experiences of Bangladeshi immigrants, this paper examines how immigrants reposition themselves from the rank of non-business-class immigrants to that of entrepreneurs in the settlement process. The paper reports that migrant entrepreneurship is embedded within the dynamics of immigration trajectory and the broader context of the receiving society. Even though they are driven towards the lower end of the economy, innovations have expanded the breadth and depth of their businesses and made their businesses different and rewarding.

**Keywords:** *Skilled immigration, immigrant enterprises, ethnic entrepreneurship, immigrant entrepreneurship, Canada, migration*

## List of IAS Working Papers

1. King, Victor T., Culture and Identity: Some Borneo Comparisons. Working Paper No. 1 Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2012.
2. Evers, Hans-Dieter and Solvay Gerke, Local Knowledge and the Digital Divide: Focus on Southeast Asia. Working Paper No. 2. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2012.
3. King, Victor T., Borneo and Beyond: Reflections on Borneo Studies, Anthropology and the Social Sciences. Working Paper No. 3. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2013.
4. King, Victor T., UNESCO in Southeast Asia: World Heritage Sites in Comparative Perspective. Working Paper No. 4. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2013.
5. Purwaningrum, Farah, Knowledge Transfer Within an Industrial Cluster in the Jakarta Metropolitan Area. Working Paper No. 5. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2013.
6. Evers, Hans-Dieter, Ndah, Anthony Banyouko & Yahya, Liyana, Epistemic Landscape Atlas of Brunei Darussalam. Working Paper No. 6. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2013.
7. Carnegie, Paul J., Is the Indonesian Transition a Model for the Arab Spring? Working Paper No. 7. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2013.
8. Lian, Kwen Fee, Citizenship Regimes and the Politics of Difference in Southeast Asia. Working Paper No. 8. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2013.
9. Purwaningrum, Farah, Ariff Lim, Syamimi, Evers, Hans-Dieter & Ndah, Anthony Banyouko, The Governance of Knowledge: Perspectives from Brunei Darussalam and Malaysia. Working Paper No. 9. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2014.
10. Facal, Gabriel, Hyper-centralization of Political Power and Fragmentation of Local Authority Networks in Banten (Indonesia). Working Paper No.10. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2014.
11. Hussainmiya, B.A. and Mail, Asbol Haji, “No Federation Please-We Are Bruneians”: Scuttling the Northern Borneo Closer Association Proposals. Working Paper No.11. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2014.
12. Abdul Hakim, Mufidah. Pengangun as Ritual Specialist in Brunei Darussalam. Working Paper No.12. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2014.
13. Bensaoud, Mariam. Between R2P and the ASEAN Way:The case of Myanmar’s Cylcone Nargis. Working Paper No.13. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2015.
14. Abdul Razak, Nurul Umillah Binti, Anuar, Adira Rehafizzan Binti, Pg. Mohd Sahar, Dk. Siti Nurul Islam Binti & Matsuni, Nur Hidayah Binti. Domestic Maids in Brunei: A Case Study. Working Paper No.14. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2015.
15. Ibrahim, Zawawi. From Island to Nation-state Formations and Developmentalism: Penan Story-telling as Narratives of ‘territorialising space’ and Reclaiming Stewardship. Working Paper No.15. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2015.

16. Bui, Cuong The. Social Stratification in the Southeast Region of Viet Nam. Working Paper No. 16 Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2015.
17. Sagoo, Kiran. Reconsidering Ethnicity: Classification and Boundary Formation. Working Paper No. 17. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2015.
18. Ibrahim, Zawawi. Disciplining Rock Music and Identity Contestations: Hybridization, Islam and New Musical Genres in Contemporary Malaysian Popular Music. Working Paper No.18. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2015.
19. Shui, Kong Ho. Digital Memoir of the South China Sea. Working Paper No. 19. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2015.
20. Ullah, AKM Ahsan; Yusof, Yusnani Mohamed; D’Aria, Maria. How safe is Safe? ‘Safe migration’ in Southeast Asia. Working Paper No. 20. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2016.
21. Oishi, Mikio. Co-existing Differences: Towards an East Asian Way Of Incompatibility Mangement. Working Paper No. 21. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2016.
22. Carnegie, Paul J. Of Social Imaginary and Violence: Responding to Islamist Militancy in Indonesia. Working Paper No. 22. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2016.
23. Rosidi, Imron. Being Active Consumers: Indonesian Muslim Youth Engaging With Korean Television Dramas. Working Paper No. 23. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2016.
24. King, Victor T. Convergence and Divergence: Issues of State and Region in Tourism Development in Malaysian Borneo, Brunei Darussalam and Indonesian Kalimantan. Working Paper No. 24. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2016.
25. Dhont, Frank, Marles, Jane E. & Jukim, Maslin. Memories of World War II: Oral History of Brunei Darussalam (Dec. 1941-June 1942). Working Paper No. 25. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2016.
26. Chu, Ta-Wei. Contestation between Riparian People and States: The Sesan River Hydropower Projects, Cambodia. Working Paper No. 26. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2016.
27. Nugroho, S. Post-Authoritarian Discourses of “Indonesia” in Television Commercials. Working Paper No. 27. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2016.
28. Hamdi, Muhammad Faiz Zul, Abdullah, Norhidayah, and Narudin, Hazimatula Diyana. Space, Place, and Identity: How Migration have Transformed Kampong Ayer. Working Paper No. 28. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.
29. Chin, Wei Lee. Tourism, Communities, and Quality of Life Indicators in Bali. Working Paper No. 29. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.
30. Jetin, Bruno. “One Belt-One Road Initiative” and ASEAN Connectivity: Synergy Issues and Potentialities. Working Paper No. 30. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.
31. Maier, Hendrik M.J. Silent the Sea, Writing the Shores – Traveling over the South China Sea. Working Paper No. 31. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.

32. Hoon, Chang-Yau. *Between Hybridity and Identity: Chineseness as a Cultural Resource in Indonesia*. Working Paper No. 32. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.
33. Forbes, Vivian Louis. *Re-framing the South China Sea: Geographical Reality and Historical Fact and Fiction*. Working Paper No. 33. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.
34. Oishi, Mikio. *Absorbing External Shocks: ASEAN's Approach to Regional Stability*. Working Paper No. 34. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.
35. King, Victor T. *Emerging Tourisms and Tourism Studies in Southeast Asia*. Working Paper No. 35. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.
36. Hassan, Noor Hasharina. *Housing Matters: The Value of Home Ownership in Brunei Darussalam*. Working Paper No. 36. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.
37. Rahman, Md Mizanur. *Beyond Skilled Immigration: The Making of New Immigrant Enterprises in Canada*. Working Paper No. 37. Gadong: Institute of Asian Studies, Universiti Brunei Darussalam 2017.

# *Beyond Skilled Immigration: The Making of New Immigrant Enterprises in Canada*

---

*Md Mizanur Rahman<sup>1</sup>*

## **INTRODUCTION**

Canada's history as a nation-state is associated with immigrant settlement. Indeed, both the history and the economic development of Canada have been closely intertwined with immigration. In the 1990s Canada invited an average of c. 250,000 immigrants per year, rising to between 250,000 and 300,000 in the two decades since then (IRCC, 2016). Canada embraces all cultures and religions as part of its multiculturalism policy, and the country is also ranked among the world's top countries in terms of its integration of immigrants (OECD/European Union, 2015).<sup>2</sup> On the OECD Better Life Index, Canada performs very well relative to most other OECD countries on many measures of well-being. Among the OECD countries, Canada ranks above average in housing, subjective well-being, personal security, health status, income and wealth, social connections, environmental quality, jobs and earnings, education and skills, work-life balance, and civic engagement (OECD, 2014).<sup>3</sup> These are some of the pull factors that explain why Canada attracts thousands of new immigrants every year.

In the 1950s and 1960s, Canada attracted immigrants primarily from Western European nations. However, changes in Canada's federal immigration policies in the 1960s resulted in the

---

<sup>1</sup> This research was funded by the Humanities and Social Sciences Fund, National University of Singapore. I would like to thank Md Nour Hossain for his assistance in data collection in Canada. A special 'thanks' goes to Prof AKM Ahsan Ullah for overall support in the research process in Canada.

<sup>2</sup> The OECD report on Indicators of Immigrant Integration presents and discusses the integration outcomes of immigrants and their children through 27 indicators organized around five areas: employment, education and skills, social inclusion, civic engagement and social cohesion. For details, see <http://www.oecd.org/migration/indicators-of-immigrant-integration-2015-settling-in-9789264234024-en.htm>

<sup>3</sup> The OECD Better Life Index compares well-being across countries, based on 11 topics the OECD has identified as essential in the areas of material living conditions and quality of life. For details, see: <http://www.oecdbetterlifeindex.org/countries/canada/>, retrieved on 25 June 2017.

internationalization of immigration, with the major source countries shifting from Europe to Asia, Latin America, the Caribbean and Africa (for details, see Teixeira et al. 2007). As a result, in the subsequent decades we observe an increasing number of immigrants coming from the global South. Broadly, Canada pursues a transparent immigration policy that can be divided into three basic administrative classes: economic, family, and humanitarian (for details, see Vineberg, 2011; Hawkins, 1972; Whitaker, 1991; Dirks, 1995). The largest number of immigrants enter the country under the economic class, which can broadly be subdivided into two categories: the skilled worker category and the business category. The largest category is the skilled worker program, designed to attract highly educated individuals from around the world. Equipped with higher educational credentials and professional experience, skilled immigrants immigrate to Canada to join the labour market and settle in the country permanently. In the business category, a few sub-categories have been created in an effort to attract immigrants with capital and entrepreneurial experience (Harrison, 1996).

It is imperative to make a distinction between the skilled worker and business classes. The business class is designed to attract individuals who have genuine business experience, an entrepreneurial spirit and start-up capital. This category is designed to facilitate the entry into Canada of small-scale entrepreneurs from around the world, and they are expected to establish a business immediately and become self-employed in Canada. In brief, they are expected to take care of their own needs in the labour market. On the other hand, skilled workers are invited on the basis of their demographic characteristics and human capital. A points-based admission criterion is applied to ensure that skilled workers are qualified to adapt to the Canadian labour market upon arrival.

After arriving in Canada, skilled immigrants seek stable, well-paying jobs in their respective fields, and thus secure a sustained source of income in their new country. However, some of these skilled immigrants also choose to open and run their own businesses, and transform themselves into immigrant entrepreneurs in the process of settlement. Mainstream immigrant entrepreneurship research in Canada tends to focus on those immigrant communities that have a long history of immigration, such as the Chinese and Jews (Li 1993, 1998; Li et al., 2016; Hiebert, 1993; Wong, 2002). In recent decades, we also notice a surge of research on business class immigrants (Heibert, 2002; Ley, 2006, 2003; Wong and Ng, 1998). Thus, mainstream research

tends to overlook the development of immigrant entrepreneurship among other relatively recent immigrant groups, who have availed themselves of non-business immigration categories – such as the skilled worker, family sponsorship or refugee programs – to immigrate to Canada, but have started businesses in order to earn a living.

Bangladeshi immigrant entrepreneurship is a case in point. Bangladeshis are observed running a variety of businesses across Canada. Interestingly, they have mostly immigrated to Canada through skilled immigration category. The aim of this paper is to explore the making of Bangladeshi immigrant businesses in Canada. Bangladeshi immigrants open up micro-enterprises to serve the co-national, South Asian and mainstream market. Notwithstanding their marginal character, Bangladeshi enterprises are often flourishing, due to the resourcefulness of the individuals involved and their willingness to innovate. I argue that the transition of migrants from skilled workers to migrant entrepreneurs is a complex process that needs to be understood in the light of the characteristics of individual immigrants, the opportunity structure that Canada offers to new immigrants, and the innovative strategies that immigrants adopt in their businesses.

The paper addresses the following questions: Who are these immigrant entrepreneurs? Why do some non-business-category immigrants seek to pursue micro-enterprises? How do they arrange start-up capital for their businesses? What types of businesses do they run? Where and how do they employ innovations in their businesses? This paper addresses those Bangladeshis who emigrated to Canada under immigration categories such as skilled worker, family sponsorship and refugee class (i.e. not the business class), and have pursued micro-enterprises in the settlement process.

This study focuses on Bangladeshi entrepreneurs in Ontario province, Canada. I define ‘migrant entrepreneurs’ operationally, as owners or operators of micro-enterprises who run or operate businesses with a share in both investment and profit. By micro-enterprises, I mean those enterprises that are run by owners alone or with the assistance of a few employees. The paper is based on qualitative interviews with 35 migrant entrepreneurs in Ontario. These 35 respondents were purposively selected for interviews with a semi-structured questionnaire. The questionnaire was designed to elicit information on socio-demographic characteristics, nature of businesses, mobilization of resources, business environment, the challenges of opening businesses, and finally the strategies employed to overcome barriers. The questionnaire survey was conducted between

June 2014 and April 2015. Interviews were carried out at their sites of business or residence through face-to-face encounters. The questionnaire survey was supplemented by participant observation and informal discussions, as well as a few small focus-group discussions with immigrants and immigrants-turned-entrepreneurs.

The next section addresses migrant entrepreneurship from a theoretical perspective. I highlight the significance of opportunity structure, cultural conditions, and innovative practices in the development of migrant businesses. After the theoretical discussion I provide an overview of immigration policy in Canada. I then turn to examining the individual characteristics and opportunity structure in Canada, which enables the emergence of Bangladeshi businesses, followed by an explanation of the various innovative strategies that respondents employed to make their enterprises successful. The paper concludes with a discussion of the significance of the findings.

### **Theoretical Orientations**

Extensive research has been conducted on immigrant entrepreneurship in North America and Europe (for a review, see Portes 1995; Thornton 1999; Kloosterman et al. 1999; Zhou, 2004). In the course of the academic research, important concepts have been developed to reflect on immigrant / ethnic entrepreneurship research in the West – for instance, ‘class and ethnic resources’ (Light, 1984), ‘middlemen minority’ (Bonacich, 1973), ‘ethnic economy’ (Light, 1972, 1994; Bonacich and Modell, 1980; Light and Gold, 2000), ‘enclave economy’ (Portes and Bach, 1985; Wilson and Portes, 1980), ‘social embeddedness’ (Granovetter, 1985), ‘bounded solidarity’ and ‘enforceable trust’ (Portes and Zhou, 1992) and ‘mixed embeddedness’ (Kloosterman et al., 1999). These concepts not only reveal the richness and breadth of immigrant entrepreneurship research, but also suggest the complexity and diversity of explanations underlying immigrant entrepreneurship today.

In general, the theoretical developments can be grouped into three broad categories. The first category is often described as the cultural approach, focusing on groups’ cultural properties and ethnic resources. This includes demographic features (e.g. mean age, sex ratio, and number) and socio-cultural resources such as socially oriented action patterns, embeddedness transactions, social networks and social capital (for details, see Bonacich and Modell, 1980; Light and

Rosenstein, 1995). Several theses have been advanced to account for immigrant entrepreneurship at the individual level, such as the transplanted cultural thesis (Light, 1972; Goldberg, 1985), sojourner thesis (Siu, 1952), and the ‘class and ethnic resources’ approach (Light, 1984). These studies provide valuable insights into the group dynamics of the development of immigrant entrepreneurship.

The second theoretical perspective emphasizes the contextual or external forces of society, and the constraints and opportunities in the development of ethnic entrepreneurship (for details, see Light and Rosenstein, 1995; Bonacich and Modell, 1980; Li, 1993; Light, 1972; Portes and Bach 1985). The demand side explanation mainly focuses on the opportunity structure or market conditions of the host country, seen as responsible for the emergence of ethnic/immigrant entrepreneurship. The demand side perspective advances the study of entrepreneurship by asking what entrepreneurs actually do – the decisions they make within social settings that are changing over time. At the structural level we find the blocked mobility thesis, which posits that discrimination and racial barriers in a host society produce unfavourable labour market conditions for ethnic minorities (Bonacich and Modell, 1980; Li, 1976). The common argument is that ethnic minorities seek economic refuge in ethnic businesses in order to avoid competition and hostility from the dominant group (Li, 1988; Barrettt, et al. 1996). Blocked mobility still continues to serve as a powerful explanatory variable for the development of immigrant entrepreneurship.

A third approach, often dubbed the ‘interactive model’, is an attempt to integrate culture with structure, ethnic resources with opportunity structure, supply with demand (Waldinger 1989; Waldinger et al., 1990). The integrative approach takes account of sociocultural features as well as the economic and institutional environment in which these entrepreneurs operate. In order to explain the sources of ethnic entrepreneurial success, three distinctive explanations are given. First, this approach emphasizes the characteristics that immigrants bring with them and which predispose them to do well in business. Second, it emphasizes the importance of opportunity structures as a condition of business success. Third and finally, it points to the interaction between the predisposing characteristics and the opportunities that immigrants encounter (Waldinger, 1989; Waldinger et al., 1990). The three key components of the interactive model offer a broader analytical framework for research on immigrant entrepreneurship and they are widely used in

immigrant entrepreneurship research today. This paper also draws heavily on theoretical insights from the interactive model.

A relevant but often neglected question in the study of immigrant businesses is how migrant businesses become thriving enterprises. Broadly speaking, what transforms ‘migrant business’ into ‘migrant entrepreneurship’ is the deployment of innovation in businesses. Innovation makes businesses different and rewarding. Although the management literature on entrepreneurship focuses on innovation (Caves and Porter, 1977; Porter, 1998), ethnic business studies tend to overlook the importance of this factor (Aldrich and Waldinger, 1990: 112). Engelen suggests that this is probably due to the marginality of most ethnic and migrant businesses (Engelen, 2001: 211). To Schumpeter, entrepreneurship consists of recombining one’s available resources in new ways (Schumpeter, 1934:74). For Schumpeter, innovation is the *raison d’être* of the entrepreneur (Swedberg, 2009). It is fundamental to entrepreneurship that an entrepreneur always has to make a profit: according to Swedberg, innovation without profit is unviable (Swedberg, 2009:196). Schumpeter identifies five types of innovation: ‘a new good’, ‘a new method of production’, ‘a new market’, ‘a new source of supply of raw material’ and ‘a new organization of an industry’ (Schumpeter, 1934: 66). Even today, we find that entrepreneurs employ one or more of these five types of innovation in their enterprise, irrespective of the scale of their operations.

Bangladeshi micro-enterprises in Canada are characterized by low entry barriers. Ewald Engelen argues that low entry barriers are usually synonymous with high levels of competition because the market is easily accessible and the number of buyers and sellers are usually large (Engelen, 2001:217). We notice that migrant entrepreneurs employ different innovative strategies to access wider clienteles and penetrate new and rewarding markets. Drawing on the work of Porter (1998) and Schumpeter (1934), Ewald Engelen suggests that there are various areas where innovation may take place in immigrant businesses, such as product, process, marketing, sales, distribution, integration and co-operation (Engelen, 2001:213-215). However, these are contingent on a number of factors, including the nature of the businesses, types of markets, ethnic origin of clienteles, and the locations of businesses. For instance, Bangladeshi migrant entrepreneurs introduced innovation principally in products, sale and distribution in their businesses in Japan, South Korea and Malaysia (Rahman and Lian, 2011; Lian and Rahman, 2014; Muniandy, 2015).

Thus, building on the existing theoretical developments, this paper explains the making of Bangladeshi entrepreneurship by highlighting group characteristics, opportunity structure and innovation.

### **The Canadian Immigration Framework**

It is widely argued that Canada's immigration policy until the 1960s was explicitly racist and exclusionary (for details, see Vineberg, 2011; Hiebert, 2002; Hawkins, 1972; Kelley and Treblicock, 1998; Whitaker, 1991; Dirks, 1995). Three groups, namely British subjects, Northern Europeans and selected Central and Southern Europeans were given priority for admission to Canada, and people from the rest of the world could only immigrate to Canada in special circumstances. R. Vineberg argues that the first step in breaking down those barriers actually began with Prime Minister William Lyon Mackenzie King's 1947 statement on immigration policy (for details, see Vineberg, 2011). It is widely accepted that Mackenzie King's statement shaped the 1966 White Paper on Immigration Policy, which led to the 1967 immigration regulations and to the substantial change in immigration legislation in the 1976 Immigration Act (Vineberg, 2011:215).

Canada's immigration policy can be broadly categorized into three programs: economic, family and humanitarian. Firstly, the economic class is based on a points system, and individuals with suitable human capital and adequate financial capital are eligible to apply for immigration under this rubric. As we saw above, the economic class can be further divided into the skilled worker class and the business class, where the former is designed to attract skilled immigrants from around the world, and the latter to attract the self-employed, entrepreneurs and investors. Secondly, the family sponsorship class is designed for Canadian citizens and permanent residents to invite their close relatives to Canada for permanent settlement. This relationship is largely confined to spouse, partner, dependent, parents, grandparents, adopted children and other relatives within defined age ranges. Thirdly, the refugee program reflects purely humanitarian concerns, with those in need of asylum being allowed entry into Canada in limited numbers. The Canadian refugee system has two main parts: the refugee and humanitarian resettlement program, for people outside Canada who need protection, and the In-Canada asylum program for people making refugee protection claims from within Canada. My respondents came to Canada under the skilled

worker and dependents of skilled workers program, family sponsorship, and the In-Canada asylum program. Thus, they all are part of the non-business category.

Because Bangladesh became an independent country in 1971, there is hardly any reliable data on early Bangladeshi immigrants, especially those immigrants who came before 1947 during the British Raj, or before 1971 during the Pakistani period.<sup>4</sup> Although many Bangladeshis came to Canada in the 1970s and 1980s, mass Bangladeshi immigration to Canada actually started in the early 1990s (Halder, 2012). Some available statistics suggest that between 1991 and 2016, around 63,500 Bangladeshis landed in Canada as permanent residents.<sup>5</sup> Thus, in the last 25 years, on average nearly 2,500 Bangladeshis have come to live in Canada annually. Based on various The Canadian Magazine of Immigration publications, Bangladesh has consistently been one of the top 25 source countries for permanent residents in Canada.<sup>6</sup>

However, many Bangladeshis who came to study or visit Canada and later secured permanent residence status through family sponsorship, economic class and refugee claims (In-Canada category) are not included in the above statistics. Second-generation Bangladeshis comprise another contributing group for the growth of the Bangladeshi-Canadian population, which is not included in the above statistics. Most Bangladeshis tend to concentrate in Ontario province. As per the CMI report in 2016, three quarters of Bangladeshi immigrants chose to live in Ontario between 2001 and 2011.<sup>7</sup> According to some Bangladeshi ethnic newspapers in Toronto (*Bengali Times*, *Weekly Bangla Kagoj*, and *Weekly Ajkal*),<sup>8</sup> and some of my respondents, Bangladeshi immigrants number over 70,000 in Ontario province. The presence of such a sizeable

---

<sup>4</sup> Halder argues that Bangladeshi immigrants first came to Canada in the early 1950s and 1960s. However, before 1947, Bangladeshi Bengalis used to migrate transnationally with an Indian passport, and commonly claimed their ethnic and cultural identities as Bengalis from East Bengal. After the partition of India in 1947 and before the Independence of Bangladesh in 1971, Bangladeshi Bengali (part of East Pakistan) used a Pakistani national identity. Consequently, before 1971 it is difficult to find any statistical data on Bengalis from Bangladesh migrating to Canada because they carried different national identities (for details, see Halder, 2012: 97-105).

<sup>5</sup> Compiled from different sources: Statistics Canada: <http://www.statcan.gc.ca/tables-tableaux/sum-som/101/cst01/demo24a-eng.htm> The Canadian Magazine of Immigration: <http://canadaimmigrants.com/bangladesh-immigrants-canada/>

<sup>6</sup> Data published on 23 April 2017 and retrieved from the Canadian Magazine of Immigration (CMI) on the 23 June 2017, <http://canadaimmigrants.com/canada-immigrants-by-source-country-2016/>

<sup>7</sup> Retrieved from the Canadian Magazine of Immigration (CMI) on 23 June 2017, <http://canadaimmigrants.com/bangladesh-immigrants-canada/>

<sup>8</sup> These three popular Toronto-based Bangladeshi newspapers have their own websites: the *Bengali Times*: <http://www.thebengalitimes.com>, *The Bangla Kagoj*: <http://www.banglakagoj.com>, and *The Weekly Ajkal*: <http://www.ajkalnewyork.com/newsite/>

ethnic population is sufficient to create a sustained demand for ethnic goods and services and to attract co-ethnic entrepreneurs to meet the demand, creating opportunities for immigrant entrepreneurship among community members.

### **Some Predisposing Factors**

At the individual level, research has broadly addressed two questions: Why do immigrants emerge as entrepreneurs? How do they mobilize resources on foreign land? Waldinger and his colleagues deal with these two questions by addressing predisposing factors and resource mobilization for business (Waldinger et al. 1990). As regards my own interviewees, Table 1 presents the individual immigrants' trajectory to becoming an entrepreneur by selected attributes such as age, education, year of immigration, immigration status on arrival, year of starting the current business, sources of start-up capital including approximate contributions of different sources, and finally origins of clientele. Some other relevant information that I could not present in table due to space constraints is discussed in the text, for instance, gender, marital status, family size, prior business experience, years taken to start the current business, number of employees, and previous occupations. I hope that such an individualized presentation of entrepreneurs' trajectories will be effective in revealing how individual immigrants turn into entrepreneurs in the settlement process.

Among my 35 respondents, all were males except for two – one in her 20s and the other in her 30s – who immigrated to Canada as dependents, both in 2010 (Case nos. 29 and 34). Most respondents were aged over 40; 17 were in their 40s and 13 in their 50s. Most respondents had bachelor or master's degrees; 6 only had matriculation and intermediate degrees (pre-university degree), however, these six respondents had come to Canada under family sponsorship or the In-Canada refugee program. With regard to immigration category, 24 respondents had immigrated to Canada under the skilled worker class and the remaining 11 via other channels such as family sponsorship and refugee claims. All respondents were married and living with their families in Canada. The average family size of respondents was 4.48.

Because of their prior experience, immigrants with some sort of business exposure are supposed to have strong motivation to join in business ventures, compared to those who sought higher education and never engaged in business. Among the surveyed respondents, only 10 out of 35 respondents had some sort of business experience prior to immigration to Canada. The types of

business engaged in before immigration were different from the business they are currently engaged in Canada. The remaining 25 respondents opened up business enterprises without prior business experience or a family business background. All respondents had come in under a non-business category like the skilled worker, family sponsorship or refugee classes, meaning that their overt motivation for immigration was not linked to their potential for business engagement.

The period of time they took to engage in their current businesses also suggests that they were not motivated to migrate for business. For instance, estimating the time from the year of migration to the year of starting the present business, we find that after arrival in Canada immigrants took on average of 6.85 years to start the current business. Only seven respondents started their businesses between one and two years of immigration to Canada.

A related question that arises here is what kind of economic activities respondents pursued in the period between arrival and the current business venture. With regard to types of occupation they pursued in-between, 25 respondents engaged in non-professional work and 10 secured some sort of professional job. Non-professional jobs are considered to be jobs that require hardly any higher educational qualifications. All 10 respondents discontinued their professional jobs after becoming involved in business, except for one who continued his professional job after engaging in an ethnic newspaper business. In the early years of immigration, just before starting the current business, respondents often pursued more than one occupation: nine respondents worked in only one occupation while 21 respondents worked in two or more occupations. Only one respondent did not seek a job but opened his business immediately after migrating to Canada (Case no. 22). Working in others' small businesses was often a strategy to understand the market and gain business experience. In some cases, respondents who initially worked in the restaurant, IT, grocery, income tax, or used car businesses, later started similar businesses of their own.

For human-capital-rich immigrants, choosing an occupation in Canada is not always a matter of choosing between a stable, status-consistent job, or a micro-enterprise. In reality, it may be the other way around, that is, choosing between either a volatile and status-inconsistent job, or a micro-enterprise. After immigrating to Canada, many of these migrants realized they had slim chances for a professional career: however, they saw a potentially bright future for their children. They thus often confronted a dilemma in the settlement process: their children would have

improved life-chances but their own professional careers would suffer a setback, challenging their perceived chances for a ‘better life’ in Canada.

The motivation for immigration is fundamentally shaped by the hope of a ‘better life’, both for themselves and their children. When they noticed that the very composition of that ‘better life’ was in jeopardy due to the lack of status-consistent well-paying jobs, many respondents took up alternative sources of income, namely starting their own business. To be clear, a ‘status-consistent’ job would be the type of job that an immigrant pursued at home, with relevant educational qualifications, and indeed which made them eligible to immigrate to Canada as a skilled worker. When asked why they did not take up professional jobs that were consistent with their human capital, a common response was, “there is no job”. Yet they did not come to such a conclusion immediately after arriving in Canada; they first looked for jobs, making numerous applications over a considerable period, and at a certain stage became simply frustrated and ceased searching. One respondent who was employed by CIBC bank stated, “my salary was low, so I chose to change profession and joined in business” (Case no 27).

Most of my respondents neither desired nor perceived such labour market conditions before emigrating to Canada. At the structural level, then, we find that the blocked mobility thesis does seem convincingly to explain why immigrants tend to seek refuge in ethnic business (Bonacich and Modell, 1980; Li, 1976; Borjas, 1994). However, in the course of my fieldwork, I also found some other trends which seem to influence immigrants’ occupational choices and their entry into migrant business. I noticed that most immigrants were not satisfied with the jobs that they found in Canada; this is because such jobs were not often consistent with their prior jobs and the privileges they enjoyed in Bangladesh.

Work has cultural significance for Bangladeshis. Some types of work bring prestige to individuals and their families, while others bring disgrace if performed by individuals of higher human capital. Bangladeshis commonly divide work into *bhalo kaz* (good work) and *mandha kaz* (dirty work) (Rahman, 2017:75-76). By *bhalo kaz*, Bangladeshis generally mean those types of work that are compatible with one’s social position and individuals’ human capital (status-consistent work). In contrast, *mandha kaz* means those types of work that are beneath one’s social position and human capital (status-inconsistent work). Therefore, doing *mandha kaz* by an immigrant with high human capital is not something that she or he is expected to sustain for long.

## **Resource Mobilization**

Mobilizing the capital to start a business is unarguably one of the biggest challenges in the process of business creation, especially for new immigrants. Table 1 presents the different sources of start-up capital, the percentages given in the table being mostly approximate or indicative. It is found that immigrants used a number of sources to arrange the financial capital for business, such as personal savings, bank loans, and reliance on relatives and friends. Moreover, migrants use multiple sources: that is, they arrange the start-up capital from two or more of the above-mentioned sources. However, one of the predominant sources of start-up capital is the migrants' own savings. Savings are not only widely used as a source for business financing, but also a major contributing factor. Out of 35 respondents, 18 respondents gathered 100 per cent of their start-up capital for business from their own savings. In 6 cases, personal savings contributed from 50 to 80 per cent of start-up capital. Ten respondents relied heavily on bank loans, while a very few arranged start-up capital from their friends and relatives.

It is thus obvious that personal savings and bank loans were crucial for the start-up capital, while friends and family sources played a minimal role. The literature on ethnic or immigrant entrepreneurship often claim that immigrants draw heavily on their family and ethnic resources to mobilize initial start-up capital (Walton-Roberts and Heibert, 1997; Teixeira, 1998): thus, my finding seems to contradict the mainstream literature. There may be two key causes for the extensive use of personal savings: the nature of migration and the newness of immigration to Canada.

Firstly, this is a permanent form of migration, in which individuals and their immediate family members leave the origin country in order to definitively settle elsewhere. Before departing the origin country, emigrants tend to settle their financial relations with their siblings and others, including shares of the family property. This usually leads to the disposing of fixed assets for cash. Potential emigrants also tend to convert all liquid assets into cash so that they can easily carry them when they finally depart. Emigrants who for any reason cannot liquidate assets at the time of departure, make return journeys and slowly but steadily transfer their capital to Canada. This leads to an accumulation of personal savings in Canada, which some immigrants use for start-up capital.

Secondly, Bangladeshi immigration to Canada is a recent phenomenon, and only a few thousand immigrants emigrate to Canada annually, often under the economic category, which is also known as the ‘independent category’ as an individual’s demographics and possession of human and financial capital are primarily assessed for admission. This affects family and kinship-based immigration. Moreover, Bangladeshis come from different parts of the country, reflecting geographical diversity and reducing kinship-based social bonds among the immigrants. As a result, family and regional factors for enhanced cooperation are not prevalent among new immigrants, forcing immigrant entrepreneurs to rely on other sources for start-up capital.

In addition to personal savings, several immigrants used bank loans to arrange the start-up capital. There is no legal barrier for legal immigrants to apply for bank loans in Canada. However, the bank appraises individual credit-worthiness, and Bangladeshi immigrants are well aware of the importance of maintaining a good credit record, resulting in such immigrant entrepreneurs having easy access to bank loans. Thus, personal savings and bank credit contribute much to their start-up capital.

### **Nature of Bangladeshi Businesses**

The opportunity structure for the development of migrant businesses primarily comprises market conditions and access to ownership (for details, see Waldinger et al., 1990). Market conditions may favour products and services oriented toward co-nationals, and situating businesses where a wider, non-national market might be served. Opportunity structures also include the routes through which immigrants obtain access to ownership. However, access to ownership in Canada is relatively favourable for immigrants with proper status. Respondents frequently reported that they did not face any legal barriers to opening and running their businesses. Therefore, I turn now to discuss the market conditions for immigrant businesses.

For an immigrant business to arise, there must be some demand for the goods and services it is able to offer. The development of different types of Bangladeshi businesses suggests that there is a demand for micro-enterprises. Some businesses that are run and owned by Bangladeshis are dollar shops, pizza shops, groceries, restaurants, food catering, women’s apparel, income tax filing businesses, car finance brokers, electronic shops, real estate brokers, used cars, travel agencies, ethnic newspapers, ethnic bookshops, vegetable and fish shops, printing and design shops, mobile

phone and accessory shops, and readymade garment shops. However, this is not an exhaustive list. Bangladeshis are involved in many other types of businesses, which this study could not cover.

We find diversity not only in migrant businesses but also in their clienteles. Based on the predominance of clienteles, two broad types of businesses can be distinguished: businesses that develop primarily to cater to the needs of compatriots and businesses that primarily serve the broader regional immigrants and mainstream market. Among the businesses that primarily serve Bangladeshis, are grocery stores, restaurants, ethnic newspapers and bookstores, women's apparels, and used car and real-estate brokers. Grocery stores usually sell products of Bangladesh and South Asian origin, especially India and Pakistan, comprising various culinary items, food items, vegetables and fish and many other products that are unique to Bangladeshis. Another immigrant business that mainly targets Bangladeshis is restaurants. These restaurants do not serve pork; as a result, such halal restaurants have an appeal to Muslim clienteles in general. There is a demand for ethnic news, and a few enterprising immigrants publish ethnic newspapers. In addition to ethnic newspapers, there is a demand for Bengali books and other cultural products such as music, artefacts, paintings and so on. To serve such demand, one respondent has opened a book store that sells not only books but other such cultural products as well (Case no. 25).

Bangladeshi women wear some traditional dresses that are not found in mainstream markets, generating a lasting demand for ethnic women's dresses. A female respondent and a male respondent have come up with a home-based women's apparel business to serve the demand (Case nos. 34 and 11). Given the sustained inflows of immigrants to Canada, there is a huge demand for houses and cars among immigrants. Identifying the demand for real-estate and car businesses, a few immigrants have started real-estate and used-car businesses. Again, both businesses require substantial financial capital to get going. To help secure loans and provide other financial consultancy services, a few respondents have also opened businesses that provide financial advice and facilitate loans. Although this is a permanent form of immigration, immigrants today do not completely cut off relations with their home countries. They travel back and forth at regular intervals, creating a demand for ethnic travel services. In my sample, three respondents were running travel agencies to meet the demand of the Bangladeshi community (Case nos. 21, 22 and 23).

In the case of the non-national market, Bangladeshi entrepreneurs target those businesses that have relatively low entry costs, such as accounting, consultancy, tax and financial services, electronic products shops, dollar shops (cheap products), printing, graphic and designing shops, and mobile phones and accessories. Firms that provide accounting, consultancy, tax and financial services are in high demand among immigrants because they have hardly any prior individual experience about such activities, especially tax filing. Many new immigrants from developing countries encounter difficulty in filling the tax report. Two respondents opened such firms to facilitate tax filing and provide other financial consultancy advice. (Case nos. 15, 16 and 17). Two other respondents with experience in IT opened shop to sell electronic gadgets (Case nos. 12 and 18). They offer a wide range of electronic products for the mainstream market, for instance notebooks, desktops, tablets, computer accessories, software, and repair services with online facilities.

A dollar shop is an example of businesses that offer common products at a cheap price primarily to customers of a certain income level (Case nos. 1 and 27). Similarly, in response to a locally specific demand, one respondent has started a photocopying and printing shop in order to provide cheap services in a convenient location (Case no. 32). Unlike the dollar shop and copying services, mobile phones and services have no particular clientele, generating a huge demand for such business across the classes. One of my respondents identified the market conditions and started a mobile phone shop for various brands of mobile phones, their accessories and repairing services, locking and unlocking, and phone SIMs and calling cards (Case no. 33). Thus, Bangladeshi immigrants are engaged in various types of micro-businesses, and market conditions afford them the opportunities to open and run such enterprises. However, since they are engaged in low-entry markets, they face stiff competition, driving them to innovate.

### **Innovation in Immigrants' Micro-Enterprises**

Immigrant micro-enterprises usually confront cut-throat competition because of the very nature of such businesses, being characterized by minimal entrance rules, low capital requirements, and with a focus on the retail market. Confronted with such business challenges, Bangladeshi entrepreneurs employ innovations in their businesses in order to make their businesses different and rewarding. Considering the nature of immigrant businesses in Canada, this paper highlights innovations in products, sales and distribution. Product innovations are found in several areas: creating new

products, offering alternative products, introducing ‘old’ products at ‘new’ locations, and ensuring authenticity in products. Ethnic grocery shops are not only a mainstay for immigrant businesses but also a key market place for product innovations. Grocery store owners sell a variety of products, such as bakery items, snacks, rice, culinary goods, confectionary, drinks, frozen fish items and meat products. These products are supplied to grocery stores by Bangladeshi, Indian and Pakistani wholesalers, leading to diversity in products at the stores. Bangladeshi community members can choose from a wide range of similar products of South Asian origin, to which they had no access when they were in Bangladesh. Similarly, this is also true for Indian and Pakistani immigrants. In a broader sense, a grocery shop becomes an undivided marketplace for South Asians.

Fish occupies an important place in Bangladeshi food, with some species of fish being particularly popular. Although there are varieties of fish in the fish markets of Canada, Bangladeshis like to buy certain Bangladeshi types. Recognizing the demand for Bangladeshi fish, some Bangladeshi wholesalers import varieties from Bangladesh and supply them to ethnic grocery stores, including my respondents. Whenever these grocers receive a supply of Bangladeshi fish, they inform the Bangladeshi community members by SMS and thus reach wider clientele.

Bangladeshi businessmen add innovation to their ethnic restaurants in two ways: varieties of dishes and authenticity of dishes. Restaurants offer various South Asian dishes prepared by South Asian cooks. Competition with other ethnic restaurants is overcome by hiring experienced South Asian cooks and offering various main Bangladeshi, Indian and Pakistani dishes. The variety of dishes prepared by authentic South Asian cooks widen the customer base beyond Bangladesh, such as to nationals of India and Pakistan. Furthermore, respondents name the restaurants after Indian landmarks in such a way that it sounds more like an Indian restaurant than a Bangladeshi one, this being a deliberate strategy to reach a wider market beyond South Asian customers, such as Canadians of European descent. For instance, names of my respondents’ restaurants are ‘Gate of India’ (Case no. 4) and ‘Indian Garden Restaurant’ (Case no. 5).

Travel agencies that usually serve co-nationals compete with online ticket purchasing and other travel agencies from the region. Despite increasing online booking and ticket purchasing facilities, my respondents have survived and flourished because of their cultural and social embeddedness in the community (Case nos. 21-23). They provide culturally convenient services

to their customers. Another way that they attempt to buy loyalty from Bangladeshi community members is to actively sponsor various Bangladeshi cultural events in Toronto, and thus to remain visible to the community members. They also use ethnic newspapers to advertise special deals or promotional prices.

Bangladeshi ready-made garments are popular in the North American market. Well-known brands sell garments made in Bangladesh in the mainstream market. The type of traditional dresses that Bangladeshi women generally wear are not sold in the mainstream market, creating a demand for women's apparels among Bangladeshi women immigrants. Two of my respondents served that demand in the market: they bring readymade women dresses from Bangladesh and sell them to the women customers through personal contacts. Interestingly, a female immigrant entrepreneur is leading this business in Toronto (Case no. 34). Women's dresses are brought from Dhaka regularly keeping up with the changes in fashion in the capital city. Thus, respondents are selling the most recent fashion products in Canada.

Despite the rise of electronic news media, the importance of the newspaper has not waned. A few Bangladeshi entrepreneurs have started ethnic newspapers in Canada, targeting both Bengali and English readers. To reach wider clientele, they publish Bangladeshi community news in Canada and news from Bangladesh. In order to expand the market, they also report about what is going on in the Bangladeshi communities in the United States. Local advertisements are a key source of income for such newspapers. In addition to newspapers, one of my respondents runs a book store with a variety of cultural products from Bangladesh. The products that they sell include Bengali language and literature books, popular South Asian English-published books, maps, stationery, paintings, audio and video CDs and other cultural products.

Bangladeshi businessmen have also introduced some non-traditional businesses, such as income tax services, dollar shops and printing services. Tax filing is something new to Bangladeshis as well as other Asian immigrants. After completion of specialized courses on income tax filing, a few immigrants have started their own income tax firms to serve individuals as well as companies. Such firms have also widened the scope of services to increase their clientele such as through accounting, consultancy, and financial services. Demand for cheap and affordable products among certain classes is universal. Bangladeshi entrepreneurs have broken out from their traditional ethnic businesses to open shops that serve customers of the lower-middle

and lower classes, dollar shops being the key example. This also provides an example of how immigrants compete with the mainstream market through low-end products in the price market. Products that are available in such shops are cheaper than elsewhere.

One respondent has introduced printing, photocopying and graphic design services. It is important to note that the copy service is extremely popular among customers, especially students and small-business owners who cannot afford to buy a photocopying machine for their own use. It is also cheaper, and provides overnight services to students. For instance, if a student is required to photocopy notes for a course or module, they can leave the material in the shop and come to collect a copy the next day. The service is thus not only cheap but also convenient. Bangladeshi immigrants have opened phone shops, and they add innovation by combining various products and services associated with mobile phones. Similarly, we find enterprises focusing on electronic gadgets that combine the selling of laptops, desktops, and computer software with installation and repair services. By combining the selling of new products with repair services, they are able to cultivate long-term relationships with their customers.

Immigrant entrepreneurs add innovation in sales and distribution through spatial, temporal and modality strategies. Spatial strategies include attempts to relocate firms to access more rewarding markets (Engelen, 2001:215). For most respondents, the location of business is particularly important; they set up businesses in popular places or on popular streets. Since in Canada there is no Bengali enclave, Bangladeshi businesses are scattered across various locations. Because business competition is stiffer in Toronto, many immigrants have opened businesses in nearby cities in order to cut operational costs; they can be found in Mississauga, Brampton, Hamilton, Brantford, St. Catharines, London, Guelph and others. In addition to location of businesses, parking places for customers' cars is also an important criterion for business success. In fact, it is the parking place which is paramount in some businesses, such as restaurants, grocery stores, travel agencies, and book shops, since most customers drive; distance is therefore not a concern for many customers. It was found that one Bangladeshi restaurant could not survive because of lack of a parking place for customers. Home-based business has also changed the logic of spatial strategies in business. Some respondents are involved in home-based businesses such as women's dresses, catering services, real-estate brokerage, and loan brokerage.

Temporal strategies refer to modifying selling or production hours (Engelen, 2001:215). Temporal strategies for migrant entrepreneurs are tied to irregular work hours; they tend to keep the shop open as long as they can. Some businesses do not follow regular opening hours, such as pizza shops, women's attires, and real-estate. These businesses are open for longer hours depending on the demand and the season. Strategies that migrants employ to change the modality of sales and distribution are on-line shopping, take-away services, tele-sales and home deliveries. One convenient and widespread practice is to place orders for goods and services over the phone. Many immigrants do not get time to physically visit the shops to place an order. Thus they place orders over the phone, and goods are delivered to their homes at a convenient time, often without additional charges. Another service offered to Bangladeshi customers is 'buy now and pay later'. Thus, we see that Bangladeshi businessmen introduce innovations in their micro-enterprises in numerous ways as a strategy to make their businesses different and lucrative.

## **Conclusion**

This paper has examined the development of Bangladeshi immigrant businesses in Canada by shedding light on group characteristics, opportunity structure and innovations. Through tracing Bangladeshi entrepreneurs' trajectories from non-business immigrants to immigrant entrepreneurs, the paper has highlighted the dynamic nature of the immigrants' economic lives. The paper also discussed Canada's immigration policy, especially its three broad immigrant classes, the economic, family and humanitarian classes. While it is expected that skilled workers will join the labour market as professional workers and immigrants of the business category will run their own businesses, in reality many skilled workers or immigrants of the non-business category start micro-enterprises for a living.

To shed light on why some skilled immigrants seek to pursue business, this paper has highlighted the sacrifices of first-generation immigrants, the perception of a 'better life' in Canada and the cultural notion of work in Bangladeshi society. Despite substantial educational and work experience, respondents could not secure a professional job. Also, they gradually realize that their children might have a better future in Canada, but that their own professional future looked bleak. The reason for choosing business also had a cultural dimension. The cultural notion of work in Bangladeshi society is shaped by *vhalo kaz* (good work) and *mandha kaz* (dirty work), and an immigrant is not expected to carry out *mandha kaz* in wage employment for long. It was the hope

for a ‘better life’ that fundamentally shaped their motivation for immigration to Canada, and when they realized that a better life was difficult for an individual jostling for position in the occupational hierarchy of the evolving Bangladeshi community in Canada, they moved to self-employment. Becoming an entrepreneur here is thus the last resort, or more of a necessity. Unable to find professional, status-consistent jobs and so make progress in the Canadian labour market, they turn to immigrant business.

The biggest challenge to opening a business in a new country of settlement is to mobilize the requisite capital. Respondents navigated the capital constraint by pooling resources from multiple sources. This study has reported the predominance of personal savings and bank loans for start-up capital, and the minimal role of traditional sources such as family and friends. Permanent immigration involves moving one’s personal savings and family inheritance from the origin country to the new country of settlement, which has led to the accumulation of substantial personal savings in Canada. The newness of Bangladeshi immigration and the geographical diversity in emigration as well as settlement, might have prevented the development of family and kinship-based networks, reducing financial support among members. Formal bank loans have come to replace the role of family and kinship-based networks in resource mobilization.

Given the nature of micro-enterprises, which are generally synonymous with high levels of competition, Bangladeshi businessmen have to be innovative in order to out-compete co-nationals as well as non-compatriot entrepreneurs. Faced with such stiff competition, they have introduced innovations in products, sales and distribution. Through a whole range of product innovations—creating new products, offering alternative products, introducing old products at new locations and ensuring authenticity—entrepreneurs have widened the scope of their businesses and the clientele bases. They have been able to attract co-national and co-regional (South Asian) clienteles, as well as non-compatriot and mainstream customers. Innovations in sales and distribution have further expanded the breadth and depth of the businesses and made their businesses dissimilar and rewarding.

There is limited research on entrepreneurship among new immigrant groups in Canada. Research based on individual case studies as well as comparative research involving other new immigrant groups has the potential to identify the causes and patterns of evolution of immigrant entrepreneurship among new immigrant groups in Canada. While this study makes an attempt to

understand the complexity of immigrant entrepreneurship within a new immigrant group like Bangladeshis, much work is required to theoretically and empirically understand the development of entrepreneurship among such groups, who are officially invited only after careful scrutiny of their human capital.

## References

- Aldrich, Howard E. and Roger Waldinger  
1990 "Ethnicity and Entrepreneurship," *Annual Review of Sociology*, 16(1): 111-135
- Barrett, G. A., Jones, T.P and McEvoy, D.  
1996 'Ethnic Minority Business: Theoretical Discourses in Britain and North America', *Urban Studies*, 33(4-5): 783- 809
- Bonacich, E.  
1973 "A Theory of Middleman Minorities," *American Sociological Review*, 38(5)583-594
- Bonacich, Edna and John Modell  
1980 *The Economic Basis of Ethnic Solidarity*, Berkley and Los Angeles: University of California Press
- Borjas, G.  
1994 "The Economics of Immigration," *Journal of Economic Literature*, 32(4):1667-1717
- Caves, R.E. and Porter, M.E.  
1977 "From Entry Barriers to Mobility Barriers: Conjectural Decisions and Contrived Deterrence to New Competition," *Quarterly Journal of Economics*, 91(2): 241-261
- Dirks, G.  
1995 *Controversy and Complexity – Canadian Immigration Policy During the 1980s*. Montreal: McGill-Queens' University Press.
- Engelen, Ewald  
2001 "'Breaking In' and 'Breaking Out': A Weberian Approach to Entrepreneurial Opportunities," *Journal of Ethnic and Migration Studies*, 27(2): 203-223
- Goldberg, M.A.  
1985 *Chinese Connection*. Vancouver: University of British Columbia Press
- Granovetter, M.  
1985 "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology*, 91(3):481-510
- Halder, Rumel  
2012 *Immigration and Identity Negotiation within the Bangladeshi Immigrant Community in Toronto, Canada*, PhD Dissertation: Department of Anthropology, Manitoba: University of Manitoba
- Harrison, T.  
1996 "Class, Citizenship and Global Migration: The Case of the Canadian Business Immigration Program, 1978-1992," *Canadian Public Policy* 22(1):7-23

Hawkins, F.

1972 *Canada and Immigration - Public Policy and Public Concern*. Montreal: McGill-Queen's University Press.

Heibert, D

1993 "Jewish Immigrants and the Garment Industry of Toronto, 1901-1931: A Study of Ethnic and Class Relations," *Annals of the Association of American Geographers*, 83(2):243-271

2002 "The Spatial Limits of Entrepreneurship: Immigrant Entrepreneurs in Canada," *Tijdschrift voor economische en sociale geografie*, 93(2): 173-190

IRCC (Immigration, Refugees and Citizenship Canada)

2016 *Annual Report to Parliament on Immigration 2016*, Ottawa: Citizenship and Immigration Canada

Kelley, N. and Treblicock, M.

1998 *The Making of the Mosaic - A History of Canadian Immigration Policy*. Toronto: University of Toronto Press

Kloosterman, R., J. V. D. Leun and J. Rath

1999 "Mixed Embeddedness: (In)formal Economics Activities and Immigrant Businesses in the Netherlands," *International Journal of Urban and Regional Research*, 23 (2):252-266

Ley, D.

2006 "Explaining Variations in Business Performance among Immigrant Entrepreneurs in Canada," *Journal of Ethnic and Migration Studies*, 32(5): 743-764

2003 "The Canadian State and the Strange Story of the Business Immigration Program," *Annals of the Association of American Geographers*, 93(2)426-441

Li, E. X., P.S. Li, and L. Zong

2016 "Profile of Small Businesses among Chinese in Vancouver," *Canadian Ethnic Studies*, 48(2): 53-70

Li, P.S.

1976 "Ethnic Businesses among Chinese in the US," *Journal of Ethnic Studies*, 4(3): 35-41

1988 *The Chinese in Canada*, Toronto: Oxford University Press

1998 *The Chinese in Canada*, Second Edition. Toronto: Oxford University Press

1993 "Chinese Investment and Business in Canada: Ethnic Entrepreneurship Reconsidered," *Pacific Affairs*, 66(2):219-243

Light, I.

1972 *Ethnic Enterprise in America*, Berkeley and Los Angeles: University of California Press

1984 "Immigrant and Ethnic Enterprise in North America," *Ethnic and Racial Studies*, 7(1):31-45

1994 "Beyond the Ethnic Enclave Economy," *Social Problems*, 41 (1): 601-616

- Light, I. and Gold, S.  
2000 *Ethnic Economies*, New York: Academic Press
- Light, I. and C. Rosenstein  
1995 "Expanding the Interaction Theory of Entrepreneurship," in A. Portes (ed.), *The Economic Sociology of Immigration*, New York: Russell Sage Foundation
- Muniandy, Parthiban  
2015 "Informality and the Politics of Temporariness: Ethnic Migrant Economies in Little Bangladesh and Little Burma in Kuala Lumpur, Malaysia," *International Sociology*, 30(6):561-578
- OECD/European Union  
2015 *Indicators of Immigrant Integration 2015 Settling In*, Paris: OECD Publishing
- OECD  
2014 *How's Life? 2015: Measuring Well-being*, Paris: OECD Publishing
- Porter, M.E.  
1998 *On Competition*, Cambridge: Harvard Business Review Press
- Portes, A. (ed.)  
1995 *The Economic Sociology of Immigration: Essays on Networks, Ethnicity and Entrepreneurship*, New York: Russell Sage Foundation
- Portes, A. and Bach, R.  
1985 *Latin Journey: Cuban and Mexican immigrants in the United States*, Berkeley, CA: University of California Press
- Portes, A and Zhou, M.  
1992 "Gaining the Upper Hand: Economic Mobility among Immigrants and Domestic Minorities," *Ethnic and Racial Studies*, 15(4) 491-522
- Schumpeter, J.  
1934 *The Theory of Economic Development: An Inquiry in Profits, capital and credit, interest and business cycle*, Harvard University Press: Boston
- Siu, P. C. P.  
1952 "The Sojourner," *American Journal of Sociology*, 58(1): 34-44
- Swedberg, R.  
2009 "Rebuilding Schumpeter's Theory of Entrepreneurship," in Yuichi Shionoya and Tamotsu Nishizawa (eds.), *Marshall and Schumpeter on Evolution Economic Sociology of Capitalist Development*, Edward Elgar pub: Cheltenham and Northampton.

- Teixeira, C., L. Lo and M. Truelove  
 2007 "Immigrant Entrepreneurship, Institutional Discrimination, and Implications for Public Policy: A Case Study in Toronto," *Environment and Planning C: Government and Policy*, 25(2):176-193
- Teixeira, C.  
 1998 "Cultural Resources and Ethnic Entrepreneurship: A Case Study of the Portuguese Real Estate Industry in Toronto," *The Canadian Geographer*, 42 (3): 267-281
- Thornton, Patricia H.  
 1999 "The Sociology of Entrepreneurship," *Annual Review of Sociology*, 25:19-46
- Vineberg, R.  
 2011 "Continuity in Canadian Immigration Policy 1947 to Present: Taking a Fresh Look at Mackenzie King's 1947 Immigration Policy Statement," *Journal of International Migration and Integration*, 12(2) 199-216
- Waldinger Roger  
 1989 "Structural Opportunity or Ethnic Advantage? Immigrant Business Development in New York," *International Migration Review*, 23(1):48-72
- Waldinger, Roger, Howard Aldrich and Robin Ward  
 1990 "Opportunities, Group Characteristics and Strategies," in Roger Waldinger, Howard Aldrich and Robin Ward (eds.), *Ethnic Entrepreneurs: Immigrant Business in Industrial Societies*, Sage Publications: Newbury Park
- Walton-Roberts M, and D. Hiebert  
 1997 "Immigration, Entrepreneurship and the Family: Indo-Canadian Enterprises in the Construction Industry of Greater Vancouver," *Canadian Journal of Regional Science*, 20(1-2): 119-140
- Whitaker, R  
 1991 *Canadian Immigration Policy since Confederation*, Ottawa: Canadian Historical Association
- Wilson, K. and A. Portes  
 1980 "Immigrant Enclaves: An Analysis of the Labor Market Experience of Cubans in Miami," *American Journal of Sociology*, 86:295-319
- Wong, L. and Ng, M.  
 1998 "Chinese Immigrant Entrepreneurs in Vancouver: A Case Study of Ethnic Business Development," *Canadian Ethnic Studies*, 30(1):64-85

Wong, L.

2002 "The Emergence of Small Transnational Enterprise in Vancouver: The Case of Chinese Entrepreneur Immigrants," *International journal of Urban and Regional Research*, 26(3): 508-530

Zhou, Min

2004 "Revisiting Ethnic Entrepreneurship: Convergences, Controversies and Conceptual Advancements," *International Migration Review*, 38(3): 1040-1074

**Table 1. The migrant entrepreneurs' trajectories: profiles of 35 selected Bangladeshis in Canada**

Case	Gender (A)	Age range (Years) (B)	Highest Educational qualifications (C)	Marital status (D)	Year of immigration to Canada (E)	Family size in Canada (F)	Prior Business experience in Bangladesh (Yes/No) (G)	Immigration status on arrival (H)	Year of starting the current business (I)	Years taken to start the present business (J)	Nature of current businesses (K)	Employees including owner (L)	Sources of Start-up capital including contributions in approximate percentages (M)	Origins of Clienteles (N)	Occupations pursued before present business (O)
Case no 1	Male	45 to 50	Bachelor	Married	1998	5	No	Skilled	2003	5	Dollar and bargain store	1	Savings (66%) and friends, relatives, bank loan (33%)	Anyone (mainstream business)	(i) Cheese-maker and (ii) sales person for power deal
Case no 2	Male	45-50	Masters	Married	2000	5	No	Skilled worker	2006	6	Pizza shop	4	Savings (10%) and Bank loan (90%)	Canadians of European origin	(i) Factory worker (ii) taxi driver
Case no 3	Male	30-35	Intermediate	Married	1997	8	No	Family sponsored	1999	2	Grocery	1	Savings, family (50) and bank loan (50%)	Bangladeshis	(i) Factory worker
Case no 4	Male	40 to 45	Masters	Married	1992	4	No	Skilled worker	1997	5	Restaurant (Gate of India)	4	Savings (50%), Bank (30%), Family 20%	Bangladeshis and Canadians of European origin)	(i) Worked at restaurant, (ii) Big-bee store (owner), (iii) Carry-in restaurant (owner)
Case no 5	Male	Above 50	Intermediate	Married	1981	5	No	Family sponsored	1998	17	Restaurant (Indian garden restaurant)	4	Savings (50%) Family (50%)	Bangladeshis and Canadians of European origin	(i) Worked at restaurant
Case no 6	Male	40 to 45	Intermediate	Married	2001	4	Yes (Tannery business)	Refugee claim	2011	10	Grocery store	2	Savings (30%), Bank (50%), wife (20%)	Bangladeshis	(i) Worked at Bakery store, (ii) grocery store
Case no 7	Male	45 to 50	Bachelor	Married	1997	4	No	Skilled migrant	2005	7	Pizza shop	4	Savings (15%), Bank (85%)	Canadian of European origin	(i) Sales parson, (ii) coffee shop,

Case no 8	Male	Above 50	Intermediate	Married	1988	4	No	Tourist visa to refugee status	1991	3	Restaurant	4	Savings (20%) and partnership with 4 friends (80%)	Bangladeshis	(i) Worked at grocery store, (ii) worked at restaurant without pay to gain experience
Case no 9	Male	Above 50	Bachelor (Chemist)	Married	2001	3	Yes (pharmacy)	Refugee (came from the USA)	2006	5	Catering	1	Savings (100%)	Bangladeshis	(i) worked at a restaurant, (ii) convenient store,
Case no 10	Male	45-50	Intermediate	Married	1988	5	Yes (wholesale of tea, rice, cold drinks)	Refugee claim	2008	20	Grocery	3	Savings (50%) Bank (50% line of credit)	Bangladeshis	(i) worked at a restaurant
Case no 11	Male	40-45	Masters	Married	2002	4	Yes (dyeing fabric)	Family sponsor	2012	10	Women's clothing (additional source of incomes)	1	Savings (100%)	Bangladeshis and other South Asians	(i) worked as a dye maker, (ii) graphic
Case no 12	Male	40-45	Bachelor	Married	1996	4	Yes (fertilizer, machinery)	Skilled worker	1997	1	IT shop	2	Savings (100%)	Anyone (Main stream business)	(i) job as a quality control, (ii) worked at a PC assembly
Case no 13	Male	Above 50	Matriculation	Married	1992	5	No	Family sponsor	2006	13	Bakery and restaurant	2	Savings (40%) and bank loan (60%)	Bangladeshis	(i) Worked at restaurant
Case no 14	Male	45-50	Masters	Married	1995	2	No	Skilled worker	1999	4	Grocery	1	Savings (30%) and bank loan (70%)	South Asians	(i) Salesman, (ii) tele-marketing
Case no 15	Male	45-50	Masters	Married	1995	4	Yes (father's clothing business)	Skilled worker	2003	7	Income tax filing	1	Savings (50%) and bank loan (50%)	South Asians	(i) Job at a Bank, (ii) work at restaurant
Case no 16	Male	45-50	Masters	Married	2007	4	No	Skilled worker	2012	5	Accounting, consulting, tax and financial services	1	Savings (100%)	South Asian (including a few Southeast Asians)	(i) Worked part time at different places including present business area
Case no 17	Male	Above 50	Masters (Chartered accountant)	Married	1999	4	No	Skilled worker from USA	2001	2	Personal tax, accounting, corporate tax	1	Savings (100%)	South Asian (including a few Southeast Asians)	(i) Job related to Income Tax

Case no 18	Male	40-45	Masters	Married	2010	4	No	Skilled worker	2012	2	IT shop	3	Savings (100%)	Anyone (mainstream business)	(i) Job related to IT
Case no 19	Male	40-45	Bachelor	Married	1993	4	No	Family sponsor	2001	8	Real estate	1	Savings (100%)	Bangladeshis and other South Asians	(i) worked at Grocery, (ii) Taxi driving
Case no 20	Male	25-30	Intermediate	Married	2006	4	No	Family sponsor	2012	6	Used car	2	Savings (100%)	Anyone (Mainstream business)	Missing data
Case no 21	Male	Above 50	Bachelor (Engineer)	Married	2000	7	No	Skilled worker	2012	11	Travel agency	1	Savings (100%)	Bangladeshis	(i) Engineering related job
Case no 22	Male	40-45	Masters	Married	2001	5	Yes Travel agency	Skilled worker	2001	Less than 1 year	Travel agency	3	Savings (100%)	Bangladeshis	Started present business immediately
Case no 23	Male	Above 50	Bachelor	Married	1997	5	Yes (in UAE)	Skilled worker	1998	1	Travel agency	2	Savings (100%)	Bangladeshis	Nothing stable (one year gap only)
Case no 24	Male	Above 50	Bachelor	Married	1983	4	No	Refugee claim	2000	17	Newspaper (owner)	4	Savings (100%)	Bangladeshis	(i) worked at a Sewing factory, (ii) restaurant, (iii) taxi driver
Case no 25	Male	Above 50	Masters	Married	2002	5	No	Skilled worker	2003	1	Cultural house (Audio, Video, Tele Talk, Book, Magazine)	2 (husband and wife)	Savings (100%)	Bangladeshis	Nothing stable (one year gap only)
Case no 26	Male	Above 50	Masters (Engineer)	Married	2001	6	No	Skilled worker	2009	8	Newspaper owner	1	Savings (100%)	Bangladeshis	(i) Engineering related job (ii) started newspaper as a part time business
Case no 27	Male	Above 50	Masters	Married	1995	5	No	Skilled worker	2003	7	Dollar Gate (cheap goods)	6	Savings (100%)	Anyone (Mainstream business)	(i) Worked at CIBC bank, (ii) Used car and later (iii) salesman in a store
Case no 28	Male	45-50	Masters (Pharmacist)	Married	2002	4	No	Skilled worker	2010	8	Grocery	3	Savings (100%)	Bangladeshis	(i) worked at a chemist and pharmacist in a store

Case no 29	Female	25-30	Masters (Civil Engineering)	Married	2010	4	No	Dependent	2013	3	Real-estate trade	1	Family (100%)	Bangladeshis	Study (education)
Case no 30	Male	40 to 45	Masters	Married	1996	4	No	Sponsor	2003	7	Bangladeshi fish (vegetables)	1	Savings of elder brother (50%) One partner (50%)	Bangladeshis	(i) a professional job and later (ii) worked at business
Case no 31	Male	Above 50	Masters (medical doctor)	Married	2003	5	No	Skilled worker	2014	11	Grocery	1	Savings (25%) , three partners (75%)	Bangladeshis and South Asians	(i) Research assistant and (ii) taxi driving
Case no 32	Male	45-50	Masters (MBA)	Married	1993	4	No	Refugee claim	2001	8	Printing, graphics and designs	5	Savings (40%) and Bank (60%)	Anyone (Mainstream business)	(i) Worked at restaurant and (ii) later owner of restaurant
Case no 33	Male	35 to 40	Bachelor	Married	2002	4	Yes (cosmetics importer)	Skilled worker	2011	9	Cell phone, unlocking, tablet, laptop repairs and accessories	2	Savings (33%) and Bank (66%)	Anyone (Mainstream business)	(i) Worked at restaurant, (ii) grocery and (iii) furniture store
Case no 34	Female	35 to 40	Bachelor	Married	2010	4	No	Dependent of skilled worker	2013	3	Women ready-made dresses brought from Bangladesh	1	Savings (100%)	Bangladeshis	(i) Worked at a car showroom, (ii) working at an outlet
Case no 35	Male	Above 50	Bachelor	Married	1989	5	Yes (Saudi Arabia grocery store)	Skilled worker	1996	7	Used car sale and services	2	Savings (20%) and Bank (80%)	Mainly new immigrants	(i) Worked at Restaurant, (ii) grocery business, (iii) taxi cab, (iv) sales person for used car