

This research paper was presented at the ICSB World Conference 2000, held in Brisbane (Australia), June 7-10, 2000.

**Ethnic Entrepreneurship in Canada:  
Comparison of the Chinese  
Communities in Three Canadian  
Cities: Montreal, Toronto and  
Vancouver.<sup>1</sup>**

by  
G.A. Brenner, T. V. Menzies,  
C. Ramangalahy, R.H. Amit, L.J. Filion

Working paper n° 2000-08  
June 2000

ISSN : 0840-853X

---

<sup>1</sup> This research is made possible because of Research Grant of the SSHRCC (Social Sciences and Humanities Research Council of Canada).

## **Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver**

### **ABSTRACT**

This paper reports on an empirical study of 150 entrepreneurs and 150 non-entrepreneurs from the Chinese communities in Montreal, Toronto and Vancouver. Information on demographics, education, family background, networks, reasons for emigrating and entrepreneurial and societal perceptions about Canada are presented for all 300 respondents. Information regarding opportunity identification, start-up behaviours and current business characteristics are presented for the entrepreneurs. The results show few differences between male and female respondents. However, more women inherited their businesses. Entrepreneur respondents and their businesses differed significantly by city according to length of time in Canada, reasons for emigrating, length of work experience, success of previous family business, reasons for trips home, method of opportunity identification, reasons for owning a business, difficulty in obtaining financing, sources of current financing, and number and type of employees. This study is part of a larger research stream investigating the business characteristics and networks of eight ethnic groups in Canada.

# **Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver**

## **Introduction**

Faced with the prospect of an aging population, many political and social players regard immigration as a possible way of maintaining growth in some developed countries. In Canada, the debate on this subject has focused on the effectiveness and impact of immigration with the arrival of various ethnic groups. Very little research has been done so far on the characteristics and contributions of immigrants and ethnic groups to entrepreneurship, and the role of their communities in this process. Certain studies, however, have shown that venture creation rates are high in some ethnic groups, a phenomenon that used to be explained, at least in part, by cultural differences. In Canada, apart from some research carried out by governments to evaluate the success of immigrant programs, there have been very few studies of ethnic entrepreneurs.

This research is part of a pan-Canadian effort to understand venture creation in Canada's ethnic communities, and the role played by the host society. One of the goals is to identify avenues for reflection that might help improve government policies to support entrepreneurship within the ethnic communities. This paper examines the social and demographic features of the communities, the reasons why the immigrants came to Canada, the reasons for and methods of venture creation, venture financing, the problems encountered, family involvement in the enterprise, the characteristics of the enterprises created, contact networks and the perceptions of Canada maintained by entrepreneurs and non-entrepreneurs of Chinese origin living in the metropolitan areas of Montreal, Toronto and Vancouver.

# Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver

---

## I) The Literature

### 1. Theories Explaining Venture Creation by Members of Ethnic Communities

Only a handful of authors have studied the venture creation process in ethnic communities. Toulouse and Brenner [1] [2] note that some ethnic groups seem to have a higher propensity for venture creation than others. The resources available in the ethnic group appear to be one of the factors governing the success of entrepreneurs who tend to create new ventures in certain specific sectors. The authors identify five major factors, namely the intra-ethnic network, the family, the industrial sector in which ethnic community members work, the venture creation process, and the value of the economic activity generated. They link the entrepreneur's motivations with the action of creating an enterprise. The desire to integrate the host society is initially satisfied by occupying an enclave or niche without disturbing the host society. In contrast, the model produced by Waldinger, Aldrich and Ward [3] suggests that the ethnic strategy is derived from interaction between existing opportunity structures and the features of the ethnic group. Waldinger, Aldrich et al. note that ethnic entrepreneurs adapt the available resources and carve out a niche for themselves within ethnic and non-ethnic markets abandoned or not served by the host society.

### 2. Explanatory Variables for Ethnic Venture Creation

A number of factors have been proposed to explain the entrepreneurial behaviour that occurs when an ethnic group and its immigrants arrive in a new society. These factors can be classified under two headings, namely the host country's institutional and social structure, and the strategic actions of the entrepreneur. In the following sections, we will look at the components of each category in more detail.

#### i. The host country's institutional and social structures

- **The entrepreneur:** A number of authors [4] [3] have shown that certain immigrants and ethnic community members are more likely to work for themselves than is the case for members of the host population.

- **The opportunity structure:** Drucker [5] defined the opportunity structure as comprising seven sources of innovation, divided into two groups. The first of these groups is located within the industry, for example the "chance" success or unexpected failure of a product or service, while the second is concerned with the changes taking place outside the enterprise or industry, such as demography for example.

- **The features of the host society:** For an immigrant, every country has a separate opportunity structure. Often, the group members were originally attracted to the host country by its legal, economic and social features.

- **Markets:** The first market with which an ethnic entrepreneur comes into contact is that of his or her own community. "Ghettoization" produces microsocieties that constitute the primary but not the only source of opportunities for ethnic entrepreneurs. Some ethnic entrepreneurs, as they become aware of the limited potential for expansion in their own markets, then elect to extend their activities using the skills and experience they have acquired [6] [3]. This leads to the emergence of "middleman minorities" [4].

- **The features of the ethnic group:** Despite some universal features inherent in the personalities of most entrepreneurs, the cultural aspect cannot be ignored. Whether as a reaction to discrimination [3], or as a kind of cultural reflex [6], the mobilization and support of the ethnic network can be a considerable advantage for entrepreneurs [7]. Cultural features also have an impact on the venture creation process [8].

#### ii. The immigrant's strategic actions

Immigrants have two options, namely paid employment and independent entrepreneurship [4].

- **Paid employment:** This is an important way of acquiring seed capital and the skills needed to create a new venture, becoming familiar with business rules and gradually constituting a network inside and outside the community [9] [10]. In addition, newly-arrived immigrants provide a flow of cheap labour that is used extensively by existing ethnic enterprises, the main source of employment [3].

- **Entrepreneurship:** Most research has shown that ethnic venture creation is centred on the family and intra-ethnic network [2] [10]. Ethnic entrepreneurs make little use of official networks (business associations in the host society) or government support services [6] [10]. Some immigrants have sufficient capital and entrepreneurial potential before they arrive in the host society, while others obtain funding from within their communities, through community institutions, contacts or family members [3] [2] [10].

## II) Research Methodology

### 1. The Questionnaire

The methodology tested by Brenner and Toulouse [2] and by Brenner, C elas and Toulouse [11] was adapted and improved to produce the survey questionnaire.

# **Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver**

---

Two questionnaires were developed, one for entrepreneurs and one for non-entrepreneurs. The questionnaire for entrepreneurs was divided into two sections. The first was designed to identify the respondents' social and demographic profile. It contained questions relating to the reasons for immigration, the level of education, the language used, the features of the enterprise, the family's origins and local involvement with the business community. The second part was concerned with the entrepreneurial experience and contained questions relating to how the enterprise was acquired, how the business opportunity was identified, the problems encountered, the location of the enterprise, the reasons for going into business, initial and current financing methods, work experience, the use of partners, the size of the enterprise, sales and supply practices, membership of associations, contact networks and perceptions of Canada. The non-entrepreneurs' questionnaire was concerned mainly with the social, demographic and work profile.

## **2. The Data Collection Method**

To maximize response reliability, the questionnaire was administered by research assistants who were Chinese and who spoke Chinese fluently. This approach has the advantage of eliminating the language barrier, promoting a climate of trust and making it easier to identify new respondents. The survey was carried out during the summer and fall of 1999.

## **3. Data Processing**

Initially, we used descriptive statistics to identify the features of respondents, their activities and their entrepreneurial experience. The goal of the analysis was to form a general idea of the respondents' features in the various areas covered in the questionnaire. We then used  $\chi^2$  tests and variance analysis (ANOVA) to compare the features and behaviours of respondents by gender and by city. The  $\chi^2$  test is appropriate for comparing the frequency of dichotomic variables (many of the questions were of this type), while the ANOVA test is appropriate for continuous or metric variables.

For most of the open questions, we grouped the answers according to themes, first because many of the answers identified during codification could easily be grouped together under the same factor heading, and second because this approach made the results easier to read.

## **4. Survey Sample**

In the initial research plan, we targeted a total sample of 100 respondents per ethnic community per city (Montreal, Toronto, Vancouver). Each group of 100 included 50 entrepreneurs and 50 non-entrepreneurs. Table 1 shows the distribution of Chinese community respondents in the three cities, by status and by gender. The sample was not random. Given the nature of the questionnaire and the fact that some potential respondents were mistrustful of this type of survey and worried about how the results were to be used, many people simply refused to take part. To build the databank, we used the networks of the people who were willing to take part (by asking them to recommend other potential respondents), as well as the networks of the research assistants themselves. If a bias exists, it is difficult to establish its direction.

# Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver

**Table 1. Structure of Survey Sample by City**

	Cities			Total
	Montreal	Toronto	Vancouver	
Entrepreneurs	50	52	49	151
Men	39	29 <sub>a</sub>	33 <sub>a</sub>	103 <sub>a</sub>
Women	11	22	15	48
Non-entrepreneurs	48 <sub>b</sub>	50	51	150
Men	33	31	24 <sub>a</sub>	90
Women	15 <sub>a</sub>	19	26	60
Total	98	102	100	300

a : Disparity due to failure to answer

b : Exclusion of questionnaire due to the high number of missing answers.

### III) The Results

#### 1. Social and Demographic Characteristics of Respondents

In all, 81.3 % of respondents were immigrants from China (46%) and Hong Kong (35.3%). The remaining 53 respondents were from Vietnam (28), Canada (4), the Philippines (2), Taiwan (11), East Africa (3), Thailand (1), Jamaica (1) and Cambodia (1) (two did not answer) (these latter countries were grouped together to form a single category). The number of respondents born in Canada was very small, and hence the sample was composed mainly of immigrants. There was no difference between the origins of entrepreneurial and non-entrepreneurial respondents. On the other hand, there were far more immigrants from Hong Kong in the Vancouver sample, and significantly more immigrants from different origins in the Montreal sample (see Table 2).

Slightly less than two-thirds (63%) of respondents were men. There was no significant difference in the gender distribution of entrepreneurial and non-entrepreneurial respondents. However, there were significantly more male respondents in the Montreal sample than was the case in the other two cities, and significantly more female respondents in the Toronto and Vancouver samples. This may be due to the convenience sample.

The respondents had been living in Canada for an average of slightly over 13 years. The comparisons showed that entrepreneurs in all cities and Montreal respondents in general (entrepreneurs and non entrepreneurs combined) had been in Canada for significantly longer than all non-entrepreneurs and respondents from Toronto and Vancouver. The average age of respondents was 40. The comparisons also showed that the entrepreneurs were significantly older than the non-entrepreneurs. The data on level of education showed that the respondents were, on average, educated beyond high school level, although the Vancouver respondents were significantly better educated than those from Montreal and Toronto. With regard to work experience, the immigrants had an average of 14 years of experience, 7.6 years before coming to Canada and 6.5 years since arriving in Canada. The entrepreneurs had significantly more work experience in Canada, as did Montreal respondents in general. The Vancouver respondents, on the other hand, had significantly more work experience prior to their arrival in Canada (Table 2). The  $\chi^2$  test was significant.

Only an average of three percent of the respondents' families owned (or had previously owned) businesses. In fact, only 83 of the 300 respondents (27.6%) said they had business owners in the family. There were significantly more business owners in the families of entrepreneurs than in those of non-entrepreneurs, and no difference in this respect was observed between the three cities. A detailed analysis of the situation of these family businesses shows, overall, that 52% had been successful and 31% had achieved breakeven (Table 2). A higher percentage of Montreal family businesses had been successful or achieved breakeven, compared with the other two cities. The respondents said they generally travelled to their countries of origin for family reasons (53% of cases). The entrepreneurs also travelled much more frequently than non-entrepreneurs for business and family reasons. The Toronto respondents travelled more for other reasons than respondents from the other two cities.

#### 2. Reasons for Emigrating to Canada

The codification process allowed us to identify 13 reasons for emigrating to Canada. Following our initial analysis, we grouped these reasons together in order to obtain a smaller number of variables, making the results

## **Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver**

---

easier to read. We identified five types of reasons, described respectively as entrepreneurial, family, political, economic and other (see Table 3).

The data showed that the main type of reason for coming to Canada (cited by 29% of respondents) was economic in nature. This heading covers factors such as living conditions (23.2%), employment prospects (6.0%) and economic stability (0.3%). Entrepreneurial reasons were less common (cited by 7.3% of respondents). This means that the vast majority of the entrepreneurs who took part in the survey did not plan to launch a business when they emigrated. The “entrepreneurial” category includes factors such as the search for opportunities (5.6%), the intention to invest (1.3%) and the intention to launch a business (0.3%). The three most common reasons given, if we do not group by categories, were family unity (24.9%), economic conditions (23.2%) and fleeing communism (17.4%). The three least common reasons were venture creation (0.3%), economic stability in Canada (0.3%) and multiculturalism (0.3%).

The detailed and summary comparisons showed no significant difference between entrepreneurs and non-entrepreneurs as far as their reasons for coming to Canada are concerned. However, there were some significant differences (six in all) between the cities. For example, the Toronto respondents gave significantly more entrepreneurial (search for opportunities) and economic (employment prospects) reasons for coming to Canada than those from Montreal and Vancouver. Significantly more Montreal respondents said they had come for political reasons (as refugees) and other reasons (military service). Lastly, significantly more Vancouver respondents mentioned climate as a reason for choosing Canada. These differences may reflect certain differences in the origins of the immigrants in the three cities. For example, more of the Vancouver immigrants were from Hong Kong.

In short, differences were observed between cities, but not between entrepreneurs and non-entrepreneurs. Given that the sample contained 151 entrepreneurs and only 17 respondents said they had emigrated for entrepreneurial reasons, we can assert that the general context in which many of the immigrants have evolved is favourable to the development of entrepreneurial behaviours.

### **3. Methods of Identifying the Business Idea and the Business Opportunity**

The initial coding of answers to an open question about how the entrepreneurs identified their business opportunities revealed 13 separate factors. Again, we grouped these factors together in order to make the results easier to read and improve the quality of our analysis. This produced five main categories, namely skills, chance, life path, network of contacts and intention (see Table 4).

Overall, the data showed that the entrepreneurs relied mainly on their own skills to discover business opportunities. The skills category, mentioned by 58% of entrepreneurs, included the following specific factors, in decreasing order of importance: analysis of the sector (31%), life experience<sup>2</sup> (18%), knowledge of the field (15%) and informal surveys of the market (7%). Conversely, the least frequently mentioned category was intention (10%), including planning (7%) and risk-taking (3%)<sup>3</sup>. An analysis of the factors without grouping showed that the three opportunity identification methods mentioned most frequently were analysis of the sector (31%), chance (23%) and experience (18%), while those mentioned least frequently were instinct (0.6%), magazines (0.6%) and prior difficulties (2%).

The comparison tests revealed no differences between men and women in the opportunity identification process. However, significant differences were observed between the cities. For example, the Vancouver entrepreneurs mentioned life path factors more frequently, while the Toronto entrepreneurs mentioned factors related to their networks of contacts. The Montreal group did not exhibit any specific features in this respect. This may indicate different organizational and operational methods in the three cities.

---

<sup>2</sup> By this we mean the problems they have met in the past

<sup>3</sup> Some entrepreneurs answered both questions, and the total is therefore not an arithmetic mean.

# Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver

---

## 4. Reasons for Acquiring Enterprises, and Acquisition/Financing Methods Used

In this section, we examine three groups of variables concerning the entrepreneurs' reasons for owning a business and the methods they used to acquire and finance it (see Table 5). Respondents were asked to rate the factors on a scale of 1 to 5

The data showed that family tradition (a mean of 2.7) was the most important reason for owning a business, for men as well as women. This result is somewhat odd, in light of our previous finding that only 27.6% of respondents' families owned businesses. Perhaps this question was interpreted as starting a family tradition of entrepreneurship, rather than following a family tradition. Perhaps their grandparents and great grandparents owned and operated businesses.

The analysis of acquisition methods showed that, in the vast majority of cases, the enterprises had been created from scratch (70.2%), and only rarely were they inherited from other family members. There was no difference between the three cities in terms of acquisition methods. However, significantly more women than men had inherited their businesses. This result is interesting and warrants further research into gender specific family business acquisition practices in different ethnic communities.

Almost half the entrepreneurs (49.6%) said they had found it difficult to obtain the funding required to create or purchase their enterprises. The average seed investment was \$115,000, most of which (84%) was provided by the entrepreneurs themselves. There were no inter-city difference as regards the amount of seed investment, but more women than men made initial investments in their enterprises (90.1% compared with 80.8%). The same was also true of the Vancouver entrepreneurs compared with those in the other cities.

Personal savings were the main source of financing for the entrepreneurs (accounting for 69.5% of the initial investment). Family and friends were also very important in this respect, providing an average of 16.8% of the initial investment. Little use was made of classical funding sources. Banks, for example, obtained a rating of only 10.3%, and government sources of 0.6%. There was no difference either between the three cities or between women and men with regard to the sources used.

The data on financing methods at the time of the survey show that the banks were involved to a much greater extent, providing an average of 25.3% of funds. Even so, personal resources continued to be the main source of funds (57.9%). The comparisons show that the women entrepreneurs made considerably more use of the ethnic group than their male counterparts. The Toronto entrepreneurs also used much more commercial credit, while their Montreal and Vancouver counterparts tended to rely more on personal sources. Lastly, the Vancouver entrepreneurs made more use of other funding sources than their Montreal and Toronto counterparts. We can therefore assert that the classical funding institutions were not significantly involved in funding the start-up of the enterprises. Furthermore, only in Toronto have the institutions made any significant inroads into funding current operations in the Chinese community.

## 5. Characteristics of the Enterprises

We used eight groups of variables relating to activity sector, number of employees, turnover, purchases and exports in order to identify the general features of the respondents' enterprises (see Table 6).

The data on activity sector showed that most of the survey enterprises fell into four categories: services (29.1%), retail (29.8%), restaurants (22%) and wholesale (9.3%). The comparisons showed that significantly more men ran businesses in the textile and information technology sectors, and significantly more Montreal enterprises operated in the restaurant and manufacturing sectors.

The results concerning size showed that the sample firms used an average of 6.3 employees, 4.1 on a full-time basis and 2.2 on a part-time basis. The entrepreneurs made little use of family members, either full-time (mean of 0.5) or part-time (0.3). They did, however, make extensive use of the ethnic group, which provided 84% of the total workforce on average. Comparisons by gender revealed that enterprises run by men had significantly more employees and employed significantly more family members than those run by women. In addition, the Montreal enterprises had significantly more employees in general (6.2 full-time and 2.7 part-time), as well as more family

## **Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver**

---

employees (0.8 full-time and 0.2 part-time) and employees from the ethnic group (5.4 full-time and 2.2 part-time) than was the case in the other two cities (see Table 6).

The data on turnover showed that the vast majority of the enterprises (76%) had a turnover of \$500,000 or less. An average of 60.2% of turnover was generated within the ethnic group, and more than half of all purchases were made either within the local ethnic group (39.4%) or in the entrepreneur's country of origin (20.5%). Only a very small percentage of sales was exported (2.9%). More of the enterprises run by men had a turnover of between \$0.1 and \$0.5 million and between \$1 and \$2.5 million. Similarly, there were significantly more enterprises with a turnover of between \$1 and \$2.5 million in Toronto than in Vancouver and Montreal. Only one difference was observed in terms of sales to the ethnic group – the enterprises run by women sold more to the ethnic community than those run by men. This may be due to the fact that a greater percentage of enterprises run by women were in the service sector (37.5%) and in the retail sector (33.3%) (compared with 24% and 16% respectively for enterprises run by men). It may also be due to the fact that enterprises run by women were smaller than those run by men (4 employees versus 7.5 employees) and seemed to be confined more to the ethnic group.

### **Summary and Conclusion**

Analysis of the survey data revealed a number of interesting observations concerning the social and demographic profile of the Chinese immigrants, as well as their reasons for going into business, their methods of acquiring and financing their enterprises, and the features of those enterprises.

The results showed that a significant percentage of the respondents were from China and Hong Kong, and were male. The Vancouver immigrants had arrived more recently and tended to originate more from Hong Kong, while the Montreal immigrants had been in Canada for longer and came from various countries of the Chinese Diaspora. Overall, the entrepreneurs were older, were educated beyond high school level and had an average of 14 years of work experience at the time of the survey. The entrepreneurs had less work experience in Canada than the non-entrepreneurs. Only a small percentage of respondents came from entrepreneurial families, and the majority of those that did were entrepreneurs.

The economic factor was the most commonly cited reason for emigrating, and the intention to create a business the least cited. In this respect, significant differences were observed between the three cities. Of the 151 entrepreneurs questioned for the survey, only 17 said they came to Canada in order to start a business. We can therefore deduce that a range of factors must have influenced their decision to become entrepreneurs.

The data on opportunity identification highlighted the importance of the entrepreneurs' skills, and the minor role played by the intention to go into business. Sector analysis, chance, experience and knowledge of the field were the factors that most often led the entrepreneurs to find their business ideas. Vancouver respondents said they were influenced more by factors related to their life path, and Toronto respondents by their networks. However, the Montreal entrepreneurs attached more importance to the idea of creating their own jobs and making money.

The vast majority of the entrepreneurs created their businesses and found it difficult to obtain funding. The amount of the seed investment and the amount of the initial investment by the entrepreneurs themselves was fairly high. Respondents said, they did not make much use of bank or government funding at start-up, and in this respect there was no difference between men and women or between the cities.

The respondents' businesses were basically in the service, retail, wholesale and restaurant sectors. They were, generally speaking, small in size with few employees. A large percentage of the workforce was drawn from the entrepreneur's ethnic group. Montreal enterprises and those run by men had significantly more employees. Many of the enterprises had a turnover of \$500,000 or less. The ethnic group was both the main market and the main source of supply, and the enterprises exported very little.

From a theoretical point of view, the results concerning the entrepreneurs' entrepreneurial roots, the importance of knowledge of the field when identifying opportunities and the preponderance of personal and family funding sources tend to confirm the findings of previous studies. As far as government policies are concerned, we can say that very few of the Chinese entrepreneurs questioned for the survey had access to bank or government

## **Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver**

---

funding at start-up, which suggests that these institutions should make their services more accessible to the ethnic communities.

This paper presents preliminary and partial findings from a survey on Chinese entrepreneurs in three major Canadian cities. Additional papers will be presented on this topic. They will analyze and discuss the remaining data from the survey. However, the preliminary comparisons presented here about Chinese entrepreneurs in the cities of Montreal, Toronto and Vancouver have implications for further research. Inter-city differences in the reasons for creating businesses and the differential use of networks point to the impact of differences in the demographic and sociological constructs of the Chinese communities in each of the three cities, as well as in government policies to support new venture creations. Further analysis and presentations of the data will try to ascertain the role of additional factors on business creation in the three Chinese communities concerned.

## Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver

Table 2<sup>2</sup>: Comparison of Respondents' Social and Demographic Features (n=300)

Variables Analyzed	Total Sample		Comparison by Status of Respondent			Comparison by Survey Region			
	Average Frequency <sub>a</sub>	Percentage Std. Dev. <sub>b</sub>	Entrepreneur	Non-entrepreneur	$\chi^2$ F anova (c)	Montreal	Toronto	Vancouver	$\chi^2$ F anova (c)
Birth Location									
China	138	46.0	71	67	0.1	46	49	43	0.7
Hong Kong	106	35.3	47	59	2.5	17	38	51	23.9****
Other countries	53	17.7	32	21	2.5	33	14	6	28.5****
Sex									
Male	189	63.0	101	88	0.1	72	60	57	6.1**
Female	108	36.0	48	60	2.2	26	41	41	6.1**
Length of time in Canada (years)	13.2 <sub>a</sub>	8.9 <sub>b</sub>	15.0	11.4	12.4**** <sub>c</sub>	16.4	14.3	9.2	18.8**** <sub>c</sub>
Age (years)	40.0 <sub>a</sub>	10.1 <sub>b</sub>	44.1	37.7	31.1**** <sub>c</sub>	41.5	41.8	39.4	1.6 <sub>c</sub>
Level of education (1)									
Target	0.7 <sub>a</sub>	1.5 <sub>b</sub>	0.6	0.8	0.4 <sub>c</sub>	0.7	0.9	0.5	1.9 <sub>c</sub>
Achieved	2.4 <sub>a</sub>	0.6 <sub>b</sub>	2.3	2.4	1.1 <sub>c</sub>	2.3	2.4	2.5	2.8*
Length of work experience (years)									
In Canada	6.5 <sub>a</sub>	7.7 <sub>b</sub>	4.8	8.2	14.3**** <sub>c</sub>	8.2	7.1	4.3	6.9**** <sub>c</sub>
Before emigrating	7.6 <sub>a</sub>	9.3 <sub>b</sub>	8.0	7.3	0.4	5.2	8.4	9.2	5.2**** <sub>c</sub>
Number of family members owning a business	0.3 <sub>a</sub>	0.5 <sub>b</sub>	0.4	0.2	8.9c*** <sub>c</sub>	0.4	0.3	0.2	0.2
Situation of family business									
Success	43	52 <sub>d</sub>	30	13	0.0	17	13	13	5.7**
Breakeven achieved	26	31 <sub>d</sub>	14	12	3.8**	17	6	3	5.7**
Failure	14	17 <sub>d</sub>	11	3	0.7	4	6	4	1.9
Frequency of trips to country of origin in last 5 years	3.2 <sub>a</sub>	3.3 <sub>b</sub>	3,8	2,5	10.1**** <sub>c</sub>	3.1	3.4	2.9	2.9
Reasons for trips to country of origin									
Business	23	7.6	19	4	10.8****	7	10	6	1.3
Family	158	52.6	56	102	31.6****	49	50	59	2.6
Business and family	54	18.0	43	11	24.0****	19	14	21	1.7
Other reasons	32	10.6	14	18	0.5	13	15	4	7.4**

1 : Measured on a scale from 1= Elementary level to 5= University post-graduate level

<sub>d</sub> : Calculated based on the number of respondents who said a member of their family owned a business, i.e. 83.

\* :  $p \leq 0.10$       \*\* :  $p \leq 0.05$       \*\*\* :  $p \leq 0.01$       \*\*\*\* :  $p \leq 0.001$

<sup>2</sup> In this table, <sub>a</sub> after a number indicates that this number is an average frequency; <sub>b</sub> indicates that the number is a standard deviation; <sub>c</sub> indicates that the number is an F-anova test.

## Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver

Table 3: Reasons for Coming to Canada (n=300)

Reason for Emigrating	Total Sample		Comparison by Status of Respondent			Comparison by Survey Region			
	Frequency <sup>4</sup>	Percentage	Entrepreneur	Non entrep.	$\chi^2$	Montreal	Toronto	Vancouver	$\chi^2$
Entrepreneurial reasons	22	7.3	12	10	0.1	7	11	4	2,7
Search for opportunities	17	5.6	9	8	0.0	4	10	3	4,4*
Investment	4	1.3	2	2	0.0	3	-	1	3.2
Venture creation	1	0.3	1	0	0.9	-	1	0	1,8
Family reasons	73	24.9	35	38	0.3	22	30	21	1,4
Reuniting the family	73	24.9	35	38	0.3	22	30	21	1,4
Political reasons	69	24.6	33	36	0,0	31	16	22	6,9**
Refugee, fleeing communism	51	17.0	22	29	1,5	24	10	17	8,0**
Freedom, democracy	13	4.3	8	5	0,6	6	3	4	1,2
Stability, social peace	7	2.3	4	3	0,1	3	3	1	0,9
Economic reasons	87	29.0	46	41	0,3	29	31	27	0,3
Economic stability	1	0,3	1	-	0,9	-	1	-	1,8
Living conditions	70	23.2	32	32	0,5	22	22	26	0,7
Employment, work	18	6.0	8	10	0,3	8	9	1	5,8*
Other reasons	43	14.3	20	23	0,4	12	21	10	4,1
Military service	3	1.0	1	2	0,4	3	-	-	5,8*
Education	43	15.0	20	23	0,4	12	21	11	4,1
Multiculturalism	1	0,3	-	1	1,0	-	1	-	1,8
Climate	2	0,7	1	1	0,0	-	-	2	4,5*

\* :  $p \leq 0.10$     \*\* :  $p \leq 0.05$     \*\*\* :  $p \leq 0.01$     \*\*\*\* :  $p \leq 0.001$

<sup>4</sup> The numbers do not necessarily add up to the total, as one person may have given more than one reason.

## Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver

Table 4: Comparison of Methods of Identifying the Business Idea and Business Opportunity (n=151)

Variables Analyzed	Total Sample		Comparison by Sex of Respondent				Comparison by Survey Region			
	Frequency <sup>5</sup>	Percentage	Men	Women	$\chi^2$	Montreal	Toronto	Vancouver	$\chi^2$	
Skills	87	58	59	28	0.3	32	34	21	0.4	
Analysis, observation of sector	43	31	30	17	0.9	21	15	11	2.1	
Knowledge of field	23	15	17	6	0.3	9	9	5	0.2	
Experience	27	18	18	9	0.1	11	12	4	2.0	
Studies	10	7	6	4	0.5	1	5	4	3.3	
Chance	35	23	23	12	0.3	17	11	7		
Opportunity, chance	35	23	23	12	0.3	17	11	7	3.1	
Instinct	1	0.6	1	-	0.4	1	-	-	1.7	
Path through life	26	17	15	10	0.8	5	4	17	15.6****	
Constraints of life	23	15	13	9	0.9	5	2	16	17.7****	
Difficulties encountered	3	2	2	1	0.0	-	2	1	1.9	
Network of contacts	25	16	16	8	0.0	4	14	7	6.2**	
Magazines	1	0.6	-	1	2.3	-	1	-	1.6	
Contacts	18	12	12	5	0.0	1	11	6	8.9***	
Family	7	5	4	3	0.5	3	3	1	0.5	
Intention, initiative	16	10	10	6	0.4	3	6	7	3.9	
Risk-taking	5	3	3	2	0.2	-	2	3	4.4	
Planning, initiative	11	7	7	4	0.2	3	4	4	0.9	

<sup>5</sup> The numbers do not necessarily add up to the total, as one person may have given more than one reason.

## Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver

Table 5: Reasons for Acquiring a Business, and Acquisition/Funding Methods Used (n=151)<sup>1</sup>

Variables Analyzed	Total Sample		Comparison by Respondent Status			Comparison by Survey Region			
	Average <sub>a</sub> Frequency	Percentage <sub>b</sub> Std. Dev.	Men	Women	$\chi^2$ <sub>c</sub> F anova	Montreal	Toronto	Vancouver	$\chi^2$ <sub>c</sub> F anova
Reasons for owning a business									
Creating own job	1.9	1.4	2.0	2.0	0.0	2.3	2.1	1.6	3.6**
Making money	1.9	1.2	1.8	2.1	1.3	2.2	2.1	1.4	6.7***
Being own boss	2.0	1.3	2.0	2.1	0.4	2.0	2.1	1.9	0.2
Family tradition	2.7	1.9	2.7	2.9	0.6	2.6	2.9	2.6	0.4
Other reasons	1.6	2.2	1.5	2.0	1.4	1.2	1.7	2.1	2.1
Methods of acquiring the business									
Purchase	38 <sub>a</sub>	25.1 <sub>b</sub>	23	13	0.4 <sub>c</sub>	12	17	9	2.6 <sub>c</sub>
Creation	106 <sub>a</sub>	70.2 <sub>b</sub>	76	30	2.3 <sub>c</sub>	36	34	36	1.3 <sub>c</sub>
Inheritance	5 <sub>a</sub>	3.3 <sub>b</sub>	1	4	5.4*** <sub>c</sub>	1	1	3	1.8 <sub>c</sub>
Difficulty in obtaining funding	75 <sub>a</sub>	49.6 <sub>b</sub>	53	21	1.2 <sub>c</sub>	32	27	16	8.9** <sub>c</sub>
Initial investment (thousands)	114.7	286.7	129.4	85.1	0.7	132.4	133.0	60.9	0.8
Share of initial investment	83.8	28.3	80.8	90.1	2.9*	74.4	87.9	91.2	4.5**
Share of initial funding sources									
Personal savings	69.5	34.5	72.0	64.6	1.5	66.0	71.5	70.9	0.4
Bank loans	10.3	22.1	11.3	8.6	0.5	13.2	10.5	6.7	1.0
Loans from family and friends	16.8	26.9	14.4	22.1	2.5	1.5	17.7	19.5	0.6
Government loans	0.6	4.6	0.1	0.5	1.2	0.7	0.9	0.0	0.5
Other sources	1.9	11.9	1.8	2.1	0.0	2.6	0.0	3.3	1.0
Share of current funding sources									
Commercial credit	25.3	36.1	22.6	31.7	1.8	18.3	43.6	10.5	12.3****
Family loans	7.4	20.4	7.1	6.2	0.0	9.6	4.4	8.5	0.9
Loans from ethnic group	1.4	7.6	0.6	2.8	2.7*	0.0	2.1	2.4	1.4
Withdrawals from revenues	57.9	43.0	60.8	53.1	0.9	64.1	47.3	63.6	2.4*
Other sources	3.7	15.8	4.6	1.8	0.9	3.8	0.4	7.5	2.3*

\* :  $p \leq 0.10$       \*\* :  $p \leq 0.05$       \*\*\* :  $p \leq 0.01$       \*\*\*\* :  $p \leq 0.001$

<sup>1</sup> In this table, <sub>a</sub> after a number indicates that this number is an average frequency; <sub>b</sub> indicates that the number is a percentage; <sub>c</sub> indicates that the number is a  $\chi^2$  test.

## Ethnic Entrepreneurship in Canada: Comparison of the Chinese Communities in Three Canadian Cities: Montreal, Toronto and Vancouver

Table 6: Overall Features of Enterprises (n=151)<sup>1</sup>

Variables Analyzed	Total Sample		Comparison by Sex of Respondent			Comparison by Survey Region			
	Average <sup>a</sup> Frequency	Percentage <sup>b</sup> Std. Dev.	Men	Women	$\chi^2_c$ F anova	Montreal	Toronto	Vancouver	$\chi^2_c$ F anova
Activity sector:									
Service	44 <sup>a</sup>	29.1 <sup>b</sup>	24	18	2.9* <sub>c</sub>	9	18	17	4.2 <sub>c</sub>
Real estate	2 <sup>a</sup>	1.3 <sup>b</sup>	2	-	0.9 <sub>c</sub>	1	-	1	1.1 <sub>c</sub>
Financial services	2 <sup>a</sup>	1.3 <sup>b</sup>	1	1	0.3 <sub>c</sub>	-	-	2	4.2 <sub>c</sub>
Retail trade	45 <sup>a</sup>	29.8 <sup>b</sup>	29	16	0.3 <sub>c</sub>	13	20	12	2.7 <sub>c</sub>
Wholesale trade	14 <sup>a</sup>	9.3 <sup>b</sup>	10	4	0.1 <sub>c</sub>	2	7	5	2.7 <sub>c</sub>
Construction	2 <sup>a</sup>	1.3 <sup>b</sup>	1	1	0.3 <sub>c</sub>	-	-	2	4.2 <sub>c</sub>
Transportation	3 <sup>a</sup>	1.9 <sup>b</sup>	2	1	0.0 <sub>c</sub>	1	1	1	0.0 <sub>c</sub>
Restaurant	22 <sup>a</sup>	14.6 <sup>b</sup>	17	5	1.1 <sub>c</sub>	13	4	5	8.3** <sub>c</sub>
Manufacturing	5 <sup>a</sup>	3.3 <sup>b</sup>	5	-	2.5 <sub>c</sub>	4	-	1	5.6** <sub>c</sub>
Teaching	3 <sup>a</sup>	1.9 <sup>b</sup>	2	1	0.0 <sub>c</sub>	-	1	2	2.1 <sub>c</sub>
Information technology	6 <sup>a</sup>	3.9 <sup>b</sup>	6	-	3.0* <sub>c</sub>	4	1	1	3.3 <sub>c</sub>
Other	2 <sup>a</sup>	1.3 <sup>b</sup>	1	1	0.3 <sub>c</sub>	2	-	-	4.2 <sub>c</sub>
Total number of employees:									
Full-time	4.1	8.6	5.0	2.2	3.6*	6.2	4.2	1.8	3.1**
Part-time	2.2	4.2	2.5	1.8	0.9	2.7	2.3	1.7	0.7
Number of family members employed:									
Full-time	0.5	0.9	0.6	0.3	2.7*	0.8	0.2	0.4	7.8****
Part-time	0.3	0.7	0.3	0.4	1.3	0.2	0.2	0.5	3.5**
Number of ethnic group members employed:									
Full-time									
Part-time	3.5	7.9	4.3	1.9	2.7	5.4	3.4	1.7	2.6*
Amount of turnover:	1.8	3.9	2.9	1.4	0.8	2.2	1.7	1.4	0.6
0 to 100 000									
100 001 to 250 000	65 <sup>a</sup>	43.0 <sup>b</sup>	41	23	0.6 <sub>c</sub>	20	20	25	4.1 <sub>c</sub>
250 001 to 500 000	27 <sup>a</sup>	17.8 <sup>b</sup>	14	13	3.7* <sub>c</sub>	11	10	6	1.0 <sub>c</sub>
500 001 to 1 million	23 <sup>a</sup>	15.2 <sup>b</sup>	20	2	6.5**** <sub>c</sub>	10	5	8	2.1 <sub>c</sub>
1 to 2.5 million	8 <sup>a</sup>	5.3 <sup>b</sup>	5	3	0.1 <sub>c</sub>	3	4	1	1.4 <sub>c</sub>
2.51 to 10 million	11 <sup>a</sup>	7.3 <sup>b</sup>	10	1	3.0* <sub>c</sub>	3	7	1	4.7* <sub>c</sub>
More than 10 million	5 <sup>a</sup>	3.3 <sup>b</sup>	3	2	0.1 <sub>c</sub>	2	2	1	0.2 <sub>c</sub>
Percentage of sales to ethnic group	1 <sup>a</sup>	0.6 <sup>b</sup>	-	1	2.1 <sub>c</sub>	-	1	-	1.9 <sub>c</sub>
Percentage of purchases:	60.2	36.5	56.4	68.5	3.5*	58.4	54.4	68.4	1.9
From local ethnic group	39.4	41.7	38.4	41.1	0.1	42.5	35.3	40.6	0.4
From country of origin	20.5	33.7	18.2	18.2	1.9	22.0	20.9	18.4	0.1
Percentage of sales exported	2.9	14.2	2.1	2.1	0.9	3.0	1.4	4.4	0.5

\* : p ≤ 0.10 \*\* : p ≤ 0.05      \*\*\* : p ≤ 0.01      \*\*\*\* : p ≤ 0.00

<sup>1</sup> In this table, <sup>a</sup> after a number indicates that this number is an average frequency; <sup>b</sup> indicates that the number is a percentage; <sup>c</sup> indicates that the number is a  $\chi^2$  test.

**BIBLIOGRAPHY**

- BERTOT, J. and JACOB, A., *Intervenir avec les immigrants et les réfugiés*, Montreal, Éditions du Méridien, 1991.
- [11] BRENNER, G., CÉLAS, G. and TOULOUSE, J. M., *New Immigrants and New Business: The Chinese and the Haitians in Montreal*, Maclean Hunter Chair of Entrepreneurship, Working Paper 92-03, March, 1992.
- [6] BRENNER, G., CÉLAS, G. and TOULOUSE, J.M. , *Haitian Entrepreneurs in Montreal New Lives, New Businesses*, Maclean Hunter Chair of Entrepreneurship, Working Paper 92-09, September, 1992.
- [9] BURGESS, S., *The Nova Scotian Ethnocultural Entrepreneurial Experience*, Halifax, Multicultural Association of Nova Scotia, 1986.
- [5] DRUCKER, P. *Les entrepreneurs*, Paris, L'Expansion/Hachette/J.-C. Lattès, 1985.
- [4] PORTES, A. and RUMBAUT, R., *Immigrant America: A Portrait*, Berkeley, University of California Press, 1990.
- [10] QUÉBEC, Communautés culturelles et Immigration Québec, *Profil des gens d'affaires néo-québécois en Outaouais*, Québec, Conseil régional de développement de l'Outaouais, April 30, 1993.
- ROBICHAUD, D., *L'entrepreneuriat immigrant: revue de la littérature*, Maclean Hunter Chair of Entrepreneurship, Working Paper 99-05, April 1999.
- [7] TENENBAUM, S., "Immigrants and capital: Jewish Loan Societies in the United States, 1880-1945", *American Jewish Historical Society Quarterly Publication*, Vol. LXXVI, n° 1 September 1986.
- [1] TOULOUSE, J.M. and BRENNER, G., *Les entrepreneurs immigrants : à la recherche d'un modèle théorique*, Maclean Hunter Chair of Entrepreneurship, Working Paper 88-05, May, 1988,
- [2] TOULOUSE, J.M. and BRENNER, G., *Immigrants as Entrepreneurs: Developing a Research Model*, Maclean Hunter Chair of Entrepreneurship, Working Paper 90-03, March 1990.
- TOULOUSE, J.M., *L'entrepreneurship au Québec*, Montreal, Les Éditions Fides, (1979)
- [3] WALDINGER, R., ALDRICH, H., WARD, R. et al., *Ethnic entrepreneurs: Immigrant Business in Industrial Societies*, Newbury Park, Sage Publications Inc., 1990.
- [8] WEBER, M., *L'éthique protestante et l'esprit du capitalisme*. 1904-05. Paris, Plon, 1964.