

The Challenge

The Toronto region is the top destination for Canada's immigrants – almost half of the population is foreign born. Though immigrants are crucial contributors to our economic prosperity and growth and bring unique international skills and experience, their full economic potential is not always realized, creating a large gap between the labour outcomes of immigrants and Canadian-born people. Many players are actively working to address economic topics related to immigration in the region, but they would all benefit from a common vision and coordinated strategy. There are also more opportunities to foster immigrant entrepreneurship, leverage immigrant networks and enhance diversity as a key component of our region's brand.

Current Situation

Our diverse population is both a unique strength for the Toronto region and a critical component of our economic success. As the region's workforce ages, we will continue to rely on immigration as a key source of talent to maintain our workforce and ensure economic growth. While we are the number one destination for immigrants settling in Canada,¹ the Toronto region has seen a 17% (17,000 people) decrease in the number of immigrants it receives over the last decade due to increased attractiveness of other

Canadian regions. We surpass most city regions in integrating these large numbers of newcomers, but there remain significant opportunities to help immigrants realize their full potential as a key competitive advantage for the region.

Immigrants consistently face both higher unemployment and a greater incidence of underemployment than people Canadian-born. Immigrants with a university degree have twice the unemployment rate and earn 40% less than Canadian-born people with a university degree² (see Figure 1). The situation is worsening – more recent cohorts of immigrants are falling further behind (see Figure 2).

Figure 1

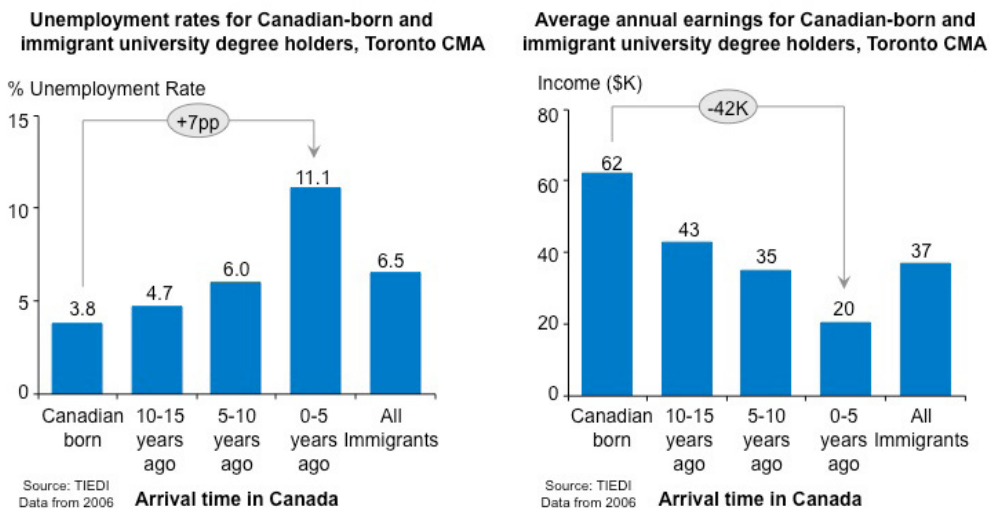
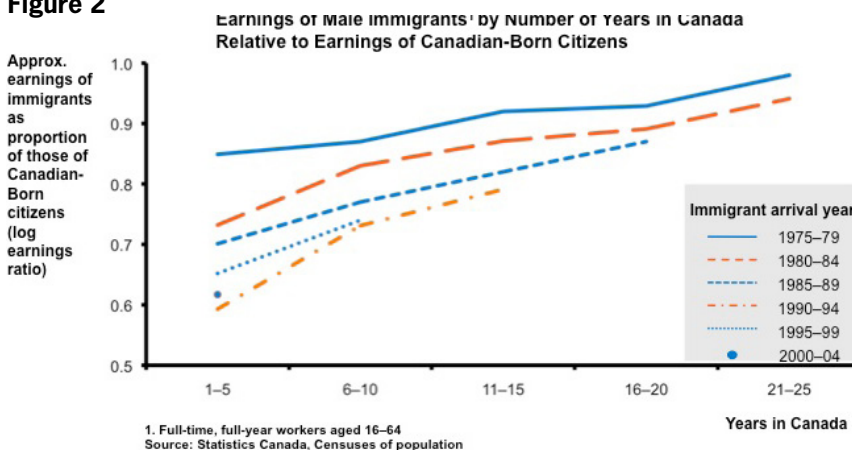


Figure 2



Many immigrants turn to entrepreneurship or self-employment and on average are obtaining higher incomes (relative to their Canadian-born equivalents) than immigrants in paid employment.³ Immigrant entrepreneurs in other nations, including the United States, have had a significant economic impact, particularly in the growing high-tech sectors. Forty percent of U.S. publicly traded venture-backed companies operating in high-technology manufacturing today were started by immigrants.⁴ In the Toronto region, there is a significant opportunity to increase support for immigrant entrepreneurs and those who turn to self-employment.

A large portion of the Toronto region's immigrants come from rapidly developing emerging markets. As more of the world's economic growth shifts to those markets, immigrants will increasingly be an important asset that differentiates our region from global competitors. Newcomers enrich our region's human capital with their international experience, diverse language skills, access to international networks and understanding of foreign markets.

Many players (governments, non-profits, employers, etc.) across the Toronto region are making progress towards improving the integration of newcomers. A common vision and coordinated strategy for immigration in the region would benefit all of those players.

Promising New Developments

Note: The list below is not comprehensive and represents only a small sample of recent promising developments both in the Toronto region and beyond. The list is meant only to be illustrative of the many promising efforts.

Citizenship and Immigration Canada and the Ontario Ministry of Citizenship and Immigration created the **Contribution Accountability Framework (CAF)** to measure the results of settlement services it funds in order to identify areas for program improvements. They also created **Local Immigration Partnerships (LIPs)** to coordinate and enhance the current service delivery network through strategic partnerships with service providers and organizations.

The **Canada-Ontario Immigration Agreement (COIA)** enhances collaboration between Canada and Ontario on immigration matters while recognizing the importance of involving community stakeholders, including service providers and municipalities. Opportunity exists in the next round of COIA negotiations to give the Toronto region, with its unique challenges and expertise, a greater voice in shaping policy.

Manitoba tailored its **Provincial Nominee Program** through consultations with employers and existing immigrant communities to attract immigrants to meet local labour needs. Nominees enter the labour force rapidly and experience low levels of unemployment in subsequent years.

The **Canadian Immigration Integration Project** prepares immigrants before arrival with a comprehensive set of online services including language training, job readiness, cultural competency, employer connections and industry specific mentoring.

'**My Record**' by Ontario Community Colleges consolidates an immigrant's individual records and employment history, evaluates academic credentials and generates official reports.

The **Toronto Regional Immigration Council (TRIEC)** brings together all stakeholders – employers, regulatory bodies, educators, labour, community groups, government and immigrants – to develop collaborative, local, practical solutions.

DiversityWorks (Hamilton) initiated a business mentoring program for local business leaders to share their experience, knowledge, and networks with immigrant entrepreneurs.

The Toronto Board of Trade hosts networking events that bring together diverse business communities to expand cross-cultural business ties.

Mingo Migrant Enterprises (Vienna, Austria) provides immigrant entrepreneurs with advice on the business environment and government regulations, while supporting access to government services and regional financial institutions.

Chief Barriers to Progress

While much progress has been made to fully realize the positive impact of immigrants on our economy, there is further room for improvement. Newcomers still face many economic and social challenges. Some of the challenges include:

- No program in the Toronto region is specifically targeted to address the unique challenges faced by **immigrant entrepreneurs or self employed immigrants**.
- No focused effort exists to understand, promote and leverage the value of **immigrant assets** (e.g. international networks and experience).
- **English communication skills** for the workplace must be better suited to meet employer needs. Research shows that English proficiency levels for 60% of newcomers are below the desired level for success in our knowledge-based economy.⁵

- **There is not enough of a global mindset** in Canadian business leadership, especially among small- and medium-sized enterprises (SMEs), to hire immigrants.
- Newcomers have **weaker local networks** than Canadian-born people, and different networking strategies that may not be appropriate to the Canadian context.
- Difficulty in getting **recognition for foreign credentials and experience** remains a challenge for many.
- Information and services to aid the hiring of immigrants are found from myriad organizations and are **difficult for both employers and immigrants to navigate**.

Opportunities for Action

The immigrant journey through the region's economy can be conceptualized as a four stage framework (see Figure 3). This framework, based on initial consultations and interviews, provides a preliminary mapping of the needs of immigrants, employers, and society in general.

Opportunities to address these needs are mapped out in Figure 4. Four areas with greatest potential for additional efforts have been identified through our interviews and consultations and are highlighted below.

1. Building a common vision and coordinated strategy for the region⁶

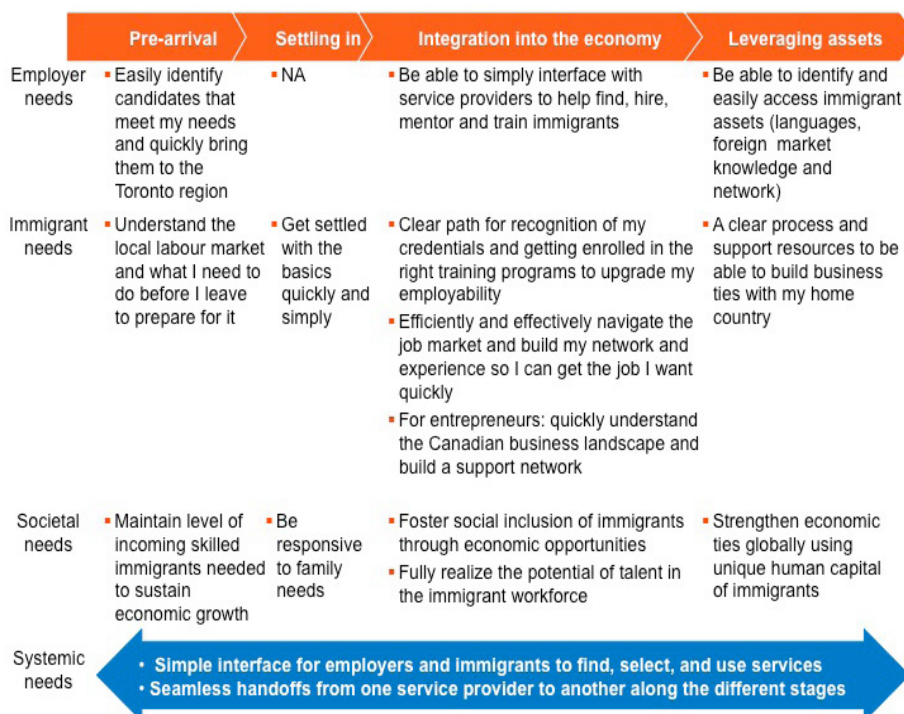
There is the potential to greatly improve immigrants' experiences as they integrate into the Toronto region. An opportunity exists to bring together and strengthen those existing efforts by creating a **common vision and coordinated strategy for the region** that takes a holistic view of the different experiences over the course of immigrant arrival and integration. A regional vision and strategy would include two key elements:

- **Common set of goals and priorities:** Understand and articulate, for the Toronto region, the needs of employers, immigrants and other stakeholders in relation to immigration policy and programs.
- **Regional scorecard on the immigration system to identify opportunity areas and monitor progress:** Based on the common set of goals and priorities, establish a recurring scorecard to define success, monitor progress and identify areas of opportunity.

A regional vision and strategy would help to:

- **Define the opportunities the Toronto region should explore with respect to the Canada Ontario Immigration Agreement (COIA), including our regional position going into the upcoming COIA negotiations:**
 - What are the region's needs and priorities?
 - What are the outcomes we would like to see?
 - What is the role of different stakeholders in achieving the objectives of the new agreement?
 - What is the particular role of local government in this context?

Figure 3



- **Develop a more granular understanding of skill needs in the region and use to:**
 - proactively seek talent:
 - categorize skills in the application queue;
 - leverage the Provincial Nominee Program;
 - proactively market the Toronto region to talent centres through economic development agencies, consulates, and immigrant networks (similar to efforts in cities such as Singapore and Montreal); and
 - expand English training programs tailored for the workplace (building on existing pilot programs).
- **Harmonize and simplify the interfaces between regional service providers and clients (immigrants and employers):**
 - collaborate on strategies to market services to clients;
 - increase ease of navigation for information and services; and
 - coordinate handoffs along the immigrant journey to ensure clients move through the service provider system seamlessly.

The proposed framework outlined in Figure 3 could serve as a potential tool to help structure the region's vision and strategy.

2. Immigrant entrepreneurship/self-employment program⁷

Conduct a review of immigrant entrepreneurship and self-employment to better understand its characteristics, economic impact and unique challenges.

Pre-arrival:

- proactively screen for entrepreneurial interest/skills in the selection processes for economic class immigrants; and
- include entrepreneurship as a component of pre-arrival information.

Integration into the economy:

- provide Canadian business expertise, mentorship, and networking opportunities to immigrant entrepreneurs⁷;
- provide easy access to existing services and support for entrepreneurs from governments, financial institutions and other organizations;
- provide services tailored for immigrants i.e. setting up business with their countries of origin; and
- use programs in other cities, such as DiversityWorks in Hamilton, S.U.C.C.E.S.S in Vancouver, and Mingo in Vienna as potential models.

3. Leverage immigrant assets: Promote transnational trade and investment and attract talent through immigrant networks⁸ (build on evolving networking efforts by the Ministry of Economic Development and Trade and the Toronto Board of Trade, among others)

- build a database of key overseas networks and contacts accessible through immigrants in Canada;
- support immigrant business associations and networks to strengthen their capacity to play an effective role in promoting trade and investment and to attract talent (e.g. foster best practice sharing); and
- further engage foreign students with a focus on attracting top talent, presenting them with economic opportunities and fostering future trans-national business ties.

4. Leverage immigrant assets: 'Global City' / 'Gateway to the World' as a key element of Toronto region brand⁹

- build brand messages to highlight the strengths immigrants and diversity bring to our region; and
- engage economic development agencies to ensure branding is consistent, which would be easier with greater regional economic cooperation.

Figure 4



Questions for Discussion

1. How do we begin developing a common vision and coordinated strategy for immigration in the region?
 - a. Who can lead the development and convene all key stakeholders in the region?
 - b. Is the proposed framework the right approach to structuring the strategy?
 - c. What further thinking needs to be developed? What's missing?
 2. How do we get traction on the other potential opportunities identified for action (Immigrant entrepreneurship program, promoting transnational trade/investment and attracting talent through immigrant networks, and 'Global City' /'Gateway to the World' as a key element of Toronto region brand)?
 - a. Which ones have enough momentum to start pushing forward?
 - b. Who should lead the next steps? Who needs to be involved?
 - c. What further thinking needs to be developed?
 3. Are there other solutions worth pursuing?
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- ¹ Citizenship and Immigration Canada. (September 2010). *Facts and Figures 2009 – Immigration Overview: Permanent and Temporary Residents*. Accessed January 2011 from: <http://www.cic.gc.ca/english/resources/statistics/facts2009/permanent/11.asp>.
- ² Preston, V., Damsbaek, N., Kelly, P., Lemoine, M., Lo, L., Shields, J. & Tufts, S. (2010) *What Are the Labour Market Outcomes for University-Educated Immigrants?* Toronto Immigrant Employment Data Initiative <http://www.yorku.ca/tiedi/doc/AnalyticalReport8.pdf>
- ³ Frenette, M. (2004). *Do the Falling Earnings of Immigrants Apply to Self-employed Immigrants?* Ottawa: Statistics Canada.
- ⁴ Anderson, S., & Platzer, M. (2010) *American Made: The Impact of Immigrant Entrepreneurs and Professionals on U.S. Competitiveness*. Arlington, Virginia: National Venture Capital Association.
- ⁵ Statistics Canada (2003). *International Adult Literacy Skill Survey*. Ottawa: Statistics Canada. Accessed January 2011 from: <<http://www.statcan.gc.ca/daily-quotidien/051109/dq051109a-eng.htm>>
- ⁶ Opportunities for action outlined under *Building a common vision and coordinated strategy for the region* will be discussed as part of the Summit plenary session "Our Greatest Strength, Our Biggest Challenge: Immigration, Economic Growth and Social Cohesion" on Thursday, 10 February 2011.
- ⁷ Opportunities for action outlined under *Immigrant entrepreneurship/self-employment program* will be discussed as part of the Summit breakout session "Making Immigration Policy, Economic Growth and Social Development Work for the Toronto Region" on Friday, 11 February 2011.
- ⁸ Opportunities for action outlined under *Leverage immigrant assets: Promote transnational trade and investment and attract talent through immigrant networks* will be discussed as part of the Summit breakout session "Making Immigration Policy, Economic Growth and Social Development Work for the Toronto Region" on Friday, 11 February 2011.
- ⁹ Opportunities for action outlined under *Leverage immigrant assets: 'Global City' / 'Gateway to the World' as a key element of Toronto region brand* will be discussed as part of the Summit breakout session "Making Immigration Policy, Economic Growth and Social Development Work for the Toronto Region" on Friday, 11 February 2011.

This paper was prepared by the Boston Consulting Group.