The internationalization or transnationalization of ethnic entrepreneurship: The situation in Canada

S. Paré, T.V. Menzies, G.A. Brenner et L.J. Filion

Working Paper # 2004-05
September 2004
ISSN : 0840-853X
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ABSTRACT:

The internationalization of businesses in the context of the emerging global economy is attracting an increasing amount of attention in publications, especially those dealing with international entrepreneurship. How does this affect ethnic entrepreneurship? What can we learn from first, second and third-generation immigrants? Would it be more accurate to speak of the transnationalization rather than the internationalization of ethnic business activities? What are the specific features of this internationalization/transnationalization, from one generation to the next? Using information on entrepreneurs from five ethnic groups – Chinese, Italian, Indian/Sikh, Vietnamese and Jewish – in samples drawn from the three largest Canadian cities, Montréal, Toronto and Vancouver, the data on the specific theme of internationalization/transnationalization are presented and analyzed. The business relations of the entrepreneurs with their country of origin are examined specifically to verify the intensity of business activity development both in the country of origin and with people from their own ethnic group. The five ethnic groups were selected because of their significant representation in Canadian immigration. The variables that received the most scrutiny were ethnicity, gender and location, and their effects on the internationalization/transnationalization of the businesses concerned.
The internationalization or transnationalization of ethnic entrepreneurship: The situation in Canada

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INTRODUCTION

This paper explores the theme of internationalization/transnationalization as it applies to ethnic businesses in Canada. Ethnic entrepreneurship is a subject that is attracting increasing attention inside and outside Canada. As globalization takes effect, national economies are being transformed and transnational exchanges now constitute an important part of entrepreneurial activities on the world stage.

In recent decades, Canadian immigration policy has favoured the admission of entrepreneurs from a wide range of countries, on the assumption that their economic integration and contribution to the host society were, in theory, more likely. Since roughly 85% of small businesses are engaged in international economic activities of one

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1 This research was made possible by a grant from the SSHRC (Social Sciences and Humanities Research Council of Canada). Thanks to James A. Brander of the University of British Columbia, who manages the financial aspects of the project.

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form or another (Julien and Marchesnay, 1996; Julien, 1997), it is worth asking whether this holds true for ethnic entrepreneurs, most of whom own small or medium-sized businesses. Do they contribute in the same way to the economy? Is it possible to measure this contribution? Do the transnational links of ethnic entrepreneurs contribute to the internationalization of trade?

Our goal is to look at the transnationality of five ethnic groups and their transnational activities, one of the potential elements contributing to the process of internationalization. Our main hypothesis is that immigrant entrepreneurs contribute to the internationalization of the economy through their transnational links; further, that they may contribute in different manners depending on their ethnic origin, their gender or urban location. Our research process is based on that of our previous work (Brenner, Menzies et al., 2002; Ramangalahy, Filion et al., 2002; Filion, Menzies et al, 2003; Filion, Brenner et al., 2003; Filion, Paré et al, 2003, Paré, Brenner et al., 2004) carried out by the ERA (Entrepreneurship Research Alliance) research team on ethnic entrepreneurship.

The objective of this paper is to compare the various dimensions of the entrepreneurs’ economic relationships with compatriots, non-compatriots and their country of origin, using the variables of membership in an ethnic community, gender, and location in a major Canadian host city. We will examine their contacts with their country of origin, the frequency of those contacts, and the type and extent of international-transnational relationships. We will explore the role played by transnational relationships in internationalization together with such differences between the ethnic groups as may exist. We will begin by presenting the theoretical framework for the research, the methodology used in the investigation, and an analysis of the resulting data. We will conclude by discussing our findings and conclusions.

THEORETICAL FRAMEWORK

We examine the question of the internationalization of ethnic businesses from the viewpoint of the links maintained by entrepreneurs with their compatriots and their country of origin, which was often the focus of their economic dealings outside the host country. Transnational exchanges were a key issue in the entrepreneurial reality of the various groups studied. To better understand what lies behind the notion of transnationality, we surveyed the literature that deals with the subject.

The notion of transnationality

The work of Meintel (1993) sums up the notion of transnationality, which is defined as “maintaining a base in the country of origin”. Her analysis also includes the notions of transethnicity and panethnicity, both referring to a sense of belonging that is not connected to ethnic origin, but rather to the solidarity and associations that grow up between distinct, but in some ways similar, ethnic groups.
Portes and Zhou (1992) have also worked on the notion of transnationality using data on Dominicans in the city of New York, who set up ethnic businesses to serve their own group, while maintaining business links with their country of origin. Similarly, Sassen (1992) illustrates the importance of the “transnationalized economic space”, especially for immigrant entrepreneurs in the United States. It appears that this space must necessarily be taken into account when analyzing the internationalization of ethnic businesses.

**Transnationality and international entrepreneurship**

To what extent are the business relations maintained by ethnic entrepreneurs with their country of origin part of a broader system of international entrepreneurship? Several authors (Bell, Murray et al., 1991; Marcotte, 2004; Etemad, 2004) have looked at the internationalization of small and medium-sized businesses. How can these emerging questions be brought together (Allali, 2002)? Our research focus has led us to reflect on the transnationalization of ethnic businesses, as part of the overall internationalization process for ethnic businesses.

Marcotte (2004) sums up the paradigms underlying this emerging focus of research. He analyzes the literature on internationalization to identify the most current schools of thought, approaches and definitions. In his view, the debate remains open, but he suggests a definition of international entrepreneurship in two parts:

“… a process of change in the ability of individuals, groups or organizations to perceive opportunities at the international level and to learn how to assess those opportunities.”

and

“… an increase in innovative behaviour, for example the establishment of new products or services jointly with a partner in another country.”

These two parts define the conditions met by some ethnic entrepreneurs. Always on the lookout for opportunities in their host country, they apply their ability to use their social capital in the host country in terms of products, manpower and market in a differential way (Wong and Ng, 1998).

In this project, we have looked at the dynamics of the vision process by which opportunities are transformed into entrepreneurial projects, focusing on the privileged relationship between an ethnic entrepreneur and his or her compatriots and country of origin, in particular as means for using and increasing social capital (publication forthcoming). The notion of transnationality also forms part of our conceptual framework since, in addition to ethnic origin, ties to a given country create solidarity and associations between individuals.
METHODOLOGY

Groups and cities selected

Our research program on ethnic entrepreneurship focused on five communities, Chinese, Italian, Indian/Sikh, Jewish and Vietnamese, in three cities, Montréal, Toronto and Vancouver. These three cities benefit most from immigration and accordingly, have the largest immigrant populations of all origins in Canada (Menzies, Filion et al., 2003; Filion, Brenner et al., 2003). The five groups were selected because of their demographic importance in each city, which allows intercity and interethnic comparisons. The groups represent “traditional” immigration (Isajiw, 1999), as compared to the so-called “recent” immigration groups that have become established in Canada since 1991.

Sample and questionnaire

To identify individuals to take part in the study, we asked each respondent to provide possible names after their own interview. The sample is therefore of the “snowball” type. The advantage of this type of sample is that there is no need to set up a complex statistical universe from which a statistical sample can be drawn. This is a key advantage in an area in which no general database on Canadian entrepreneurs and Canadian ethnic entrepreneurs exists (except the BDIM database on immigrants, which has many problems including difficult access and the complexity of processing its longitudinal data). This sampling technique, however, creates a risk of bias caused by the selection of respondents from a restricted network. The interviewers had the responsibility of maintaining the chain of contacts needed to meet their quota of interviews.

The questionnaire included closed questions and some open questions, which were needed to study subjects such as the reasons for emigrating to Canada, business trajectory, problems encountered, perception of the host country, etc. The questions were grouped under three main headings: (1) the socio-demographic profile of the respondent and the general characteristics of their business; (2) entrepreneurial experience and the features of the business project; and, (3) networks. We conducted in-depth interviews lasting around two hours, in the language of the respondent. Since the interviewers were selected partly on the basis of their ability to speak the native language of the entrepreneurs concerned, the answers obtained may be considered very reliable and of high quality.

ANALYSIS OF THE DATA AND RESULTS

The data from the survey demonstrate the nature of some of the links maintained by the entrepreneurs with their “compatriots”, in other words people of the same ethnic origin from the same country.4 They also reveal some differences concerning non-compatriots and economic links to the country of origin. These aspects will be explored in the next section.
Links with the country of origin

First, we looked at the extent of the business links with the country of origin, and the reasons given for maintaining those links. The data show, for example, that trips to the country of origin for business purposes were reported mainly by Chinese entrepreneurs (Table 1). Of the 31.1% of respondents who stated that they had travelled to their country of origin, on a business trip or on a combined business/family trip, the Chinese entrepreneurs scored higher with 47.0% than the Jewish (34.8%), Indian/Sikh (25.3%), Vietnamese (25.0%) and Italian (20.7%) entrepreneurs (the differences are significant, since $\chi^2 = 24.805^{***}$). In terms of trip frequency (data not shown), the Chinese entrepreneurs also had the highest score. Over the last five years, they travelled more than the entrepreneurs in the other groups for business reasons, making from between four to ten trips, and sometimes even more. In our cross-tabulations, the only variable that had any influence was ethnic origin, since gender and location in a given Canadian city produced no statistically significant effects.

Table 1:

<table>
<thead>
<tr>
<th>Variable analyzed</th>
<th>Total sample</th>
<th>Ethnic origin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>% Chinese</td>
</tr>
<tr>
<td>Trips to country of origin, for business or business/family, reasons</td>
<td>146</td>
<td>31.1</td>
</tr>
</tbody>
</table>

*: p ≤ 0.05 **: p ≤ 0.01 ***: p ≤ 0.001


It appears clear that the transnational links of the Chinese entrepreneurs have been confirmed (Wong and Ng, 1998; Froschauer, 2001). The data show the importance of transnationalism for Chinese entrepreneurs, as Wong and Ng (1998) demonstrated in their work on the ethnic economy in Vancouver. This does not exclude, however, other types of contact apart from direct human contact with the country of origin. E-commerce (Etemad, 2003) has started to play such a prominent role that it is useful to take it into account which was not the case in this research project which started in 1998 when E-commerce was almost non-existing.

Involvement with compatriots and non-compatriots

To understand how transnational relations are established by the various groups studied, we have to explore the ways in which entrepreneurs are involved with their compatriots, and with non-compatriots at the national level, since they all play a role in the network established between the host country and the country of origin. The nature and extent of start-up assistance must also be examined, to gauge the quality of the transnational relationship – whether actual or potential.
Table 2:
Involvement with compatriots to facilitate local contacts by ethnic origin

<table>
<thead>
<tr>
<th>Variable analyzed</th>
<th>Total sample</th>
<th>Ethnic origin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Chinese %</td>
</tr>
<tr>
<td>Involvement with</td>
<td></td>
<td></td>
</tr>
<tr>
<td>compatriots to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>facilitate local</td>
<td></td>
<td></td>
</tr>
<tr>
<td>contacts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Start-up/installation assistance</td>
<td>51</td>
<td>7.1</td>
</tr>
<tr>
<td>-Exchange of</td>
<td>61</td>
<td>8.5</td>
</tr>
<tr>
<td>information/advice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Development of</td>
<td>37</td>
<td>5.2</td>
</tr>
<tr>
<td>contacts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Import/Export</td>
<td>26</td>
<td>3.6</td>
</tr>
<tr>
<td>-Other</td>
<td>23</td>
<td>3.2</td>
</tr>
</tbody>
</table>

*: p≤0.05  **: p≤0.01  ***: p≤0.001

An examination of the data presented in Table 2 shows a low level of involvement by entrepreneurs with their compatriots in facilitating local contacts. Ethnic involvement, as used here, means the ability to use class resources (Juteau and Paré, 1996; Juteau and Paré, 1997; Paré, 2003; Paré, 2004) and to make use of contacts, in other words to take advantage of social capital (Woolcock, 1998; Adler and Kwon, 2000). The data show once again the importance of ethnic origin as a variable, since the Italian (7.4%), Jewish (6.0%) and Indian/Sikh (5.9%) entrepreneurs scored highest in terms of the development of contacts with compatriots ($\chi^2 = 16.859**$), whereas Vietnamese entrepreneurs scored higher in connection with import-export (9.0%) than all other groups ($\chi^2 = 20.551***$).

However, it is important to note that because of the small sample size involved, the results cannot be generalized. In short, a significant difference was found for only two types of involvement, showing which entrepreneurs took a more dynamic approach with their compatriots to develop contacts and/or for import-export purposes. However, we should probably conclude that other factors are generally more important in the development of the internationalization process.

How does this compare to the links established with non-compatriots, in other words individuals who wish to do business with countries with a strong potential for internationalization? Do entrepreneurs tend to develop business links with individuals outside their ethnic group? What type of contacts is established? To answer these questions, we examined the advice given to non-compatriots on the basis of three variables: ethnicity, location and gender.
The first piece of advice given (by members of the group) to non-compatriots wishing to establish international links was to get to know the country targeted for economic exchange purposes, using an in-depth study of local business practices (15.5%). They were also encouraged to conduct research, and gather information (15.2%). Other advice given included understanding and respecting the local culture (14.6%), and developing personal contacts and exercising patience and caution (developing personal qualities) (12.1%) (Table 3). Overall, roughly one-third of the entrepreneurs in the sample dealt with the international dimension by suggesting better preparation in the distinctive practices of the target country, and the need for better understanding of local customs. At the opposite end of the spectrum, we also noted recommendations to avoid doing
business with the target country because of a lack of business opportunities or the large number of difficulties encountered (14.6%). Basically, there appeared to be two approaches: advice on how to develop business links or, on the contrary, a reticence to encourage trade links among non-compatriots.

The development of social capital through greater familiarity with local values and practices seems to be a point of convergence for most entrepreneurs. However, there are still significant differences between the groups. Italian (30.0%) and Jewish (19.3%) entrepreneurs were the most likely to recommend gathering information before doing business with their country of origin ($\chi^2 = 29.885^{***}$), while Vietnamese (23.0%) and Indian/Sikh (21.1%) entrepreneurs warned non-compatriot entrepreneurs about the difficulties they would encounter ($\chi^2 = 21.896^{***}$) in their country of origin.
Table 4:
Advice given to non-compatriots wishing to do business in country of origin by geographical areas

<table>
<thead>
<tr>
<th>Variable analyzed</th>
<th>Total sample</th>
<th>Comparison by city</th>
<th>( \chi^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency %</td>
<td>Montréal %</td>
<td>Toronto %</td>
</tr>
<tr>
<td>Advice given to non-compatriots wishing to do business in country of origin:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Understand and respect the culture</td>
<td>75 14.6</td>
<td>30 16.3</td>
<td>23 11.2</td>
</tr>
<tr>
<td>- Get to know the country and local business practices</td>
<td>80 15.5</td>
<td>27 14.7</td>
<td>33 16.0</td>
</tr>
<tr>
<td>- Develop personal contacts</td>
<td>69 13.4</td>
<td>26 14.1</td>
<td>24 11.7</td>
</tr>
<tr>
<td>- Few opportunities/Many difficulties/Do not do business</td>
<td>75 14.6</td>
<td>21 11.4</td>
<td>45 21.7</td>
</tr>
<tr>
<td>- Contact professionals</td>
<td>13 2.5</td>
<td>6 3.3</td>
<td>2 1.0</td>
</tr>
<tr>
<td>- Rely on personal qualities: patience, caution, etc.</td>
<td>62 12.1</td>
<td>24 13.0</td>
<td>29 14.1</td>
</tr>
<tr>
<td>- Conduct research/seek information/advice</td>
<td>78 15.2</td>
<td>34 18.5</td>
<td>20 9.7</td>
</tr>
<tr>
<td>- Many opportunities in various sectors/Go for it</td>
<td>37 7.2</td>
<td>12 6.5</td>
<td>15 7.3</td>
</tr>
<tr>
<td>- Other</td>
<td>25 4.9</td>
<td>4 2.2</td>
<td>15 7.3</td>
</tr>
</tbody>
</table>

*: \( p \leq 0.05 \)  **: \( p \leq 0.01 \)  ***: \( p \leq 0.001 \)


Most of the warnings were issued by individuals interviewed in Toronto, with significant differences recorded with the other cities (Montréal, 11.4%, and Toronto, 21.7% compared to Vancouver, 7.3% : \( \chi^2 = 15.539*** \)). What would make entrepreneurs in Toronto more reticent to do overseas business than those in Montreal or Vancouver? Is the length of stay of immigrant Indian/Sikh or Vietnamese entrepreneurs part of the explanation? It is known, for example, that over 40% of the Indian/Sikh entrepreneurs in the sample emigrated to Toronto because of the difficult economic situation in their country of origin. Several recently-arrived Vietnamese entrepreneurs also suffered from difficult economic conditions before coming to Canada. The data give us no more
information on these factors, but non-directed interviews may eventually provide a clearer picture.

**Start-up and operating assistance**

Despite sometimes experiencing difficulties when leaving their country of origin, some individuals benefited more than others from assistance from their immediate circle when starting up their business (Juteau and Paré, 1997; Paré, 2001; Filion, Brenner et al., 2003).

**Table 5:**
Start-up assistance from immediate circle in Canada by ethnic origin

<table>
<thead>
<tr>
<th>Variable analyzed</th>
<th>Total sample</th>
<th>Chinese</th>
<th>Ethnic origin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
<td>Chinese</td>
</tr>
<tr>
<td>Start-up assistance from immediate circle in Canada:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Financial assistance</td>
<td>62</td>
<td>16.5</td>
<td>-</td>
</tr>
<tr>
<td>-Moral support/Advice</td>
<td>106</td>
<td>28.1</td>
<td>-</td>
</tr>
<tr>
<td>-Customer referrals</td>
<td>60</td>
<td>15.9</td>
<td>-</td>
</tr>
<tr>
<td>-Personal contacts</td>
<td>26</td>
<td>6.9</td>
<td>-</td>
</tr>
<tr>
<td>-Advertising</td>
<td>36</td>
<td>9.5</td>
<td>-</td>
</tr>
<tr>
<td>-General assistance</td>
<td>62</td>
<td>16.5</td>
<td>-</td>
</tr>
<tr>
<td>-Other</td>
<td>25</td>
<td>6.6</td>
<td>-</td>
</tr>
</tbody>
</table>

*: p ≤ 0.05  **: p ≤ 0.01  ***: p ≤ 0.001

Source: ERA Survey, 2001. Taken from question 34.

In general, moral support and advice from their immediate circle (28.1%) was the first type of assistance, followed by financial assistance (16.5%) and the referral of customers (13.9%). The advice included advertising (9.5%) and developing personal contacts (6.9%). After cross-matching for ethnic origin, significant differences were found. More Jewish (36.2%) and Vietnamese (39.0%) entrepreneurs received moral support and advice from their immediate circle, whereas Italian entrepreneurs received customer referrals (32.0%) and Indian/Sikh entrepreneurs decided to advertise (18.3%). All these steps occurred at the business start-up phase. What about later? What can be observed in terms of day-to-day business operation?

Table 6 shows that “customer referral” plays the most important role (33.6%). The assistance provided by the immediate circle has changed, since all the types of assistance
score differently from the results for the start-up phase. For example, financial assistance ranks far lower.

Table 6:
Operating assistance from immediate circle in Canada by ethnic origin

<table>
<thead>
<tr>
<th>Variable analyzed</th>
<th>Total sample</th>
<th>Ethnic origin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Chinese</td>
</tr>
<tr>
<td>Operating assistance from immediate circle in Canada:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Financial assistance</td>
<td>22</td>
<td>6.8</td>
</tr>
<tr>
<td>-Moral support/Advice</td>
<td>53</td>
<td>16.4</td>
</tr>
<tr>
<td>-Customer referrals</td>
<td>109</td>
<td>33.6</td>
</tr>
<tr>
<td>-Personal contacts</td>
<td>22</td>
<td>6.8</td>
</tr>
<tr>
<td>-Advertising</td>
<td>55</td>
<td>17.0</td>
</tr>
<tr>
<td>-General assistance</td>
<td>49</td>
<td>15.1</td>
</tr>
<tr>
<td>-Other</td>
<td>14</td>
<td>4.3</td>
</tr>
</tbody>
</table>

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


In other words, assistance from the immediate circle is crucial for both business start-up and day-to-day operations, but differences can be observed between the ethnic groups. For example, Jewish (23.9%) and Vietnamese (24.4%) entrepreneurs placed more priority on moral support, whereas Italian and Indian/Sikh entrepreneurs (34.0%) were more likely to receive customer referrals (53.3%).

Once again, ethnic origin seems to be the key factor in the differences observed, since the other variables seem to have no impact. Does this mean that some ethnic groups are better suited to internationalization-transnationalization than others?

Suppliers in the country of origin

After examining data on purchasing within the ethnic economy, within the host country or transnationally, we noted the degree of involvement (Granovetter, 2000) of some entrepreneurs in the ethnic economy (Portes, 1995). First, 25.2% of the entrepreneurs purchased products within their ethnic group in Canada and 12.7% in their country of origin. This means that almost 40% of purchases are made within the ethnic group, whether in Canada or in the country of origin and that transnational links are central in the economic relationship.
Table 7:
Percentage of purchases by entrepreneurs in country of origin or within ethnic group in Canada by ethnic origin

<table>
<thead>
<tr>
<th>Variable analyzed</th>
<th>Total sample</th>
<th>Ethnic origin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>σ</td>
</tr>
<tr>
<td>-Percentage of purchases within ethnic group in Canada:</td>
<td>25.2</td>
<td>34.2</td>
</tr>
<tr>
<td>-Percentage of purchases in country of origin:</td>
<td>12.7</td>
<td>27.6</td>
</tr>
</tbody>
</table>

*: p ≤ 0.05  **: p ≤ 0.01  ***: p ≤ 0.001

Source: ERA Survey, 2001. Taken from questions 69 and 70.

There are also major differences between the groups, since Chinese entrepreneurs (40.0%) are more likely to be involved in the ethnic economy (within their group in Canada) than the other groups, while Jewish and Vietnamese entrepreneurs are the least likely to be involved. The differences are significant ($\chi^2 = 13.697***$). Concerning purchases made in the country of origin, it is once again the Chinese entrepreneurs who have the strongest transnational links (20.9%), followed by Jewish entrepreneurs (14.8%), while Vietnamese entrepreneurs have a score five times lower (3.4%). This is not surprising, given that they also reported the fewest business links with their country of origin.

CONCLUSION AND DISCUSSION

What conclusions can be drawn about the internationalization-transnationalization of ethnic businesses? What role do entrepreneurs who have emigrated to Canada play in the emergence of business links with their country of origin? What role do they play in the gradual weaving of economic links between the country of origin and the host country?

To answer the questions raised, we examined the data gathered in the survey of Chinese, Italian, Indian/Sikh, Jewish and Vietnamese entrepreneurs in the cities of Montréal, Toronto and Vancouver. The groups represent different periods and generations of immigration appear to have distinct strategies concerning the links they maintain with their country of origin.

We found that economic relationships with compatriots, non-compatriots and the country of origin are mainly affected by the ethnic origin variable and that contacts with the country of origin, frequency of contact, and the types and extent of international-transnational relationships differed significantly between the groups surveyed. While
one-third of the entrepreneurs in the sample had travelled for business reasons (including combined business/family trips), the proportion rose to one-half for the Chinese entrepreneurs. The Jewish entrepreneurs scored next highest, with a little over one-third reporting business trips.

The process by which ethnic businesses become internationalized begins with transnational links (Sassen, 1992; Portes and Zhou, 1992; Meintel, 1993). It is structured by the relationships that are established with compatriots and non-compatriots, between the host country and the country of origin, whether these links are considered as weak or strong ties (Granovetter, 1973; 1995; 2000). The data, although difficult to generalize given the small size of our samples, show the importance of the ethnic origin variable in the relationships maintained by entrepreneurs with their country of origin. With compatriots, Italian, Jewish and Indian/Sikh entrepreneurs make most use of their social capital by attempting to develop more contacts whereas Vietnamese entrepreneurs create more import-export links. With non-compatriots, entrepreneurs in most of the groups suggest gathering information and getting to know the customs of the target country. However, entrepreneurs in the Vietnamese and Indian/Sikh groups take a different approach, recommending not doing business with their country of origin because of the large number of potential difficulties. Of course, from moral support to financial assistance to miscellaneous advice, we observed differences among the groups when comparing the start-up phase and day-to-day operations. The purchases made within the ethnic group and in the country of origin revealed the extent of intranational (25.2%) and transnational (12.7%) links, with a particularly high level of involvement in the ethnic economy among Chinese entrepreneurs (40.0% and 20.9%). The important role played by China in the global economy is evident, and this is reflected in the behaviour of ethnic entrepreneurs in the major Canadian cities.

The importance of transnational relationships in business internationalization is an interesting area for more in-depth study. We believe that a lot of work remains to be done concerning the emergence of this new research area in the internationalization of small businesses, as has also been suggested by Marcotte (2004), Etemad (2004) and Allali (2002) in their work on the internationalization of small and medium-sized businesses. From our point of view, this new research area would specifically address the internationalization-transnationalization problem as an important part of the global economy, which should in turn help formulate government immigration policies in the future.
REFERENCES


Notes

1 Meintel, 1993: 63.
4 In our research project, compatriots are defined by their ethnic group and country of origin.