

Snapshot: Driving innovation and entrepreneurship through immigration

What is the challenge?

Century Initiative's 2021 **National Scorecard on Canada's Growth and Prosperity** [🔗](#) found that Canada continues to have difficulty making progress on key innovation and entrepreneurship related metrics such as private sector investments in R&D and scaling small and medium sized firms. Canada has a strong entrepreneurship ecosystem, but its promise is not being matched by enough productivity-enhancing adoption of technology or sufficient investment in capital, skills, or R&D. While many pathways to improving innovation and entrepreneurship performance in Canada have been examined over the years, the role that immigrants play has not received sufficient attention.

Why is this important?

Immigration contributes positively to entrepreneurship and innovation through new companies that immigrants may found, products they may develop, and new ways of doing business they may introduce. New Century Initiative research demonstrates that one-third of Canadian private tech companies best positioned to grow into world-class firms were founded or co-founded by immigrants, outpacing immigrants' share of Canada's population (22%). As a less populated country, bringing in new talent through immigration can play a critical role in moving the needle on Canada's innovation and entrepreneurship performance. The benefits could multiply if challenges and barriers are addressed.

Which issues must be addressed?



Keep Canada Attractive: While Canada has a solid global reputation, its ranking has fallen in recent years. Canada cannot afford complacency. Key immigration source countries for Canada are looking to attract back talent. For example, efforts have been made in both India and China to incentivize high-skilled emigrants to return, with China having greater levels of success in doing so.



Refine Selection Programs: There have been some notable steps to enable selection of high-skilled immigrants in recent years, including through the Global Talent Stream program, but mixed results in prioritizing entrepreneurial immigrants.



Improve Pathways to Settlement and Support: Immigrants can face challenges in starting and scaling businesses, including lack of access to capital, barriers in obtaining loans, and difficulty navigating government rules and programs.

The way forward

We must strengthen our innovation and entrepreneurship performance and we need leadership across multiple sectors to do so including from governments, post-secondary institutions, and the private sector. An important way to do this is by focusing on immigrant innovators and entrepreneurs, and all aspects of their journeys—from attraction and selection to settlement, support and retention. This can be done by:

- | Enhancing processes to target and select immigrant innovators and entrepreneurs;
- | Improving supports for immigrant entrepreneurs to start and scale businesses; and
- | Strengthening the environment and underlying conditions to attract top talent from abroad and help retain innovative and entrepreneurial Canadians.

Getting this right will help unlock the innovation and entrepreneurship potential required for Canada to secure its long-term economic and social prosperity.

Read the **full report** [🔗](#) for more detailed insights and recommendations.

