

MARTIN
Prosperity*Institute*

Ontario's South Asian Transnationals: Unlocking the Potential of an Untapped Resource

Working Paper Series:
Ontario in the Creative Age

Prepared by:

Azmi Haq

February 2009

REF. 2009-WPONT-005



Ontario's South Asian Transnationals: Unlocking the Potential of an Untapped Resource

By
Azmi Haq
Contact: azmihaq@gmail.com

February 2009

Acknowledgements

I would first like to acknowledge Kevin Stolarick for his academic mentorship. I also wish to thank David Smith for his patience, ongoing support and availability. Lastly, I would like to especially acknowledge and thank my Senior Researcher, James Gen Meers, for all the hard work and long days that he put into the editing and research that helped to make this study possible.

Introduction

Every day the equivalent of an entire 10-storey residential tower or approximately 344 new immigrants arrive in Ontario.¹ In 2006, Ontario absorbed 125,914 or 50.04% of all new immigrants that arrived in Canada.² Ontario is also home to Canada's largest contingent of visible minorities, making up 54.2% or 2,745,200 of the nation's total population.³ Few regions have absorbed as many from as diverse lands in as short a time as Ontario, making it one of the most diverse regions in the world.

A report by Statistics Canada (2008)⁴ shows that immigrants from China and the Indian Sub-continent (South Asia) account for 49.9% or 1.37 million of Ontario's total visible minority population. Over the last decade, South Asians surpassed the Chinese as the fastest growing and largest visible minority group in Ontario. South Asians represent one-quarter of all visible minorities in Canada. By 2006, South Asians accounted for 28.9% or 794,200 of all visible minorities in Ontario. A majority of South Asians resides in the Toronto Census Metropolitan Area where they make up 13.5% of the population or one out of every seven residents.

The economic progress of Ontario's South Asians, or more broadly new immigrants, does not paint a rosy picture.⁵ Today, more than ever before, Ontario has more South Asians with recognized qualifications living in the GTA's economically struggling neighborhoods. For the same jobs, they are paid less than their Canadian-born counterparts and this wage gap has grown over recent decades.⁶

The trend of immigrant influx to Ontario is unlikely to change radically anytime soon⁷. It is therefore critical to gain a better understanding of this growing issue of economic disparity. A neglect of this issue may impede Ontario's prosperity agenda with a danger of leading to socio-cultural and economic discontent.

This paper forms a part of a larger initiative at the Martin Prosperity Institute. The scope here is limited to probing an important overarching 'prosperity' question:

1 Citizenship and Immigration. (2006) *Facts and Figures: Immigration Overview Permanent and Temporary Residents*. Catalogue no. Ci1-8/2006E. pp. 37-47.

2 Ibid.

3 Statistics Canada (2008a) *Canada's Ethnocultural Mosaic, 2006 Census*. Catalogue no. 97-562-X.

4 All statistics in this paragraph are cited from the Statistics Canada (2008a) *Canada's Ethnocultural Mosaic, 2006 Census*. Catalogue no. 97-562-X.

5 Various studies have documented the deterioration of earnings, employment rates, and increasing levels of poverty of new immigrants, including South Asians. See Agrawal and Lovell (2008), Institute for Competitiveness and Prosperity (2007), Hou and Schellenberg (2007), Picot (2004), Heisz and McLeod (2004), Statistics Canada (2008b).

6 According to Statistics Canada (2008b), since the 1980s new immigrants have faced a widening wage gap as compared with their Canadian-born counterparts. Also refer to Exhibit 1.

7 According to Citizenship and Immigration (2007), Canada's annual immigration influx rate is approximately 250,000 per year. In a recent report, the Conference Board of Canada has estimated that Canada's immigration rate will continue to rise and peak by 2025 at approximately 360,000 per year to respond to increasing needs (Kitagawa, Krywulak and Watt 2008).

What can be done to maximize the potential of Ontario's South Asian Transnationals?

As a precursor study, it is hoped that this paper shall encourage broader discourse on the subject leading to more comprehensive studies that are essential in order to better understand Ontario's 'prosperity' puzzle within its complex lexicon of diversity.

The changing face of Ontario

Canada's adoption of the 'points system'⁸ in the late 1960s and "multiculturalism"⁹ in the early 1980s opened doors for hundreds of thousands of visible minorities. This was also the first time that people in such large numbers from the non Judeo-Christian world arrived in Ontario.

Earlier waves of immigrants of the 1940s to 1970s came largely from European source countries. These immigrants had much in common with their Canadian counterparts (for example, physical appearance, socio-religious values, history). These initial waves tapered off in the late 1960s and 1970s coinciding with Western Europe's economic recovery.

By the 1980s the story changed. During this period visible minority new immigrant groups surpassed European new immigrants for the first time. By 2006, visible minorities accounted for 75% of all new immigrant arrivals to Canada.¹⁰ A large number of new immigrants now come from Asia, specifically China, India, Pakistan, Sri Lanka and the Philippines. This is Canada's (and Ontario's) new kind of immigrant wave and is likely to continue for the foreseeable future given the high number of impoverished populations in source countries and a corresponding dearth in Canada's labour market¹¹, mainly attributed to a low birth rate¹² and an aging population¹³.

A growing disconnect

The economic journey of Ontario's visible minority immigrants seems to be following a somewhat different curve than that of earlier European immigrants that arrived in the latter part of the twentieth-century.

8 The points system was a major shift in Canadian immigration policy that eliminated selection biases that tended to favour immigrants from ethnically "white" source countries, to a race-neutral system that selects immigrants on the basis of points criteria, including educational qualifications, occupational skills, experience and language ability.

9 According to Kymlicka (1998), 'multiculturalism' was introduced by the Government of Canada as a measure to "promote and encourage immigrants to visibly and proudly express and maintain their ethnic identity, and which accepts an obligation on the part of public institutions (like the police, schools, media, museums, etc.) to accommodate these ethnic identities."

10 Statistics Canada (2008a) Canada's Ethnocultural Mosaic, 2006 Census. Catalogue no. 97-562-X.

11 See Alboim and McIsaac (2007), Kitagawa, Krywulak and Watt (2008), and Citizenship (2007).

12 In 2006, Canada's birth rate was 1.59. Statistics Canada (2008c).

13 According to Guillemette and Robson (2006), Canadians 65 or older will account for approximately 46% of the total population by 2050.

Typically, the traditional immigrant journey in urban Canada followed a path of settlement in ghettos where the journey of struggle began. This was followed by economic prosperity and de-ghettoization (and in some instances the re-emergence of prosperous ethno-cultural 'villages' such as Woodbridge). In most cases, by the second generation many of these immigrant groups achieved a level playing field, becoming partners in socio-political discourse and stakeholders in the prosperity agenda.

However, this does not seem to be the trend for South Asian immigrants. Their economic journey plotted over three decades tells a different story:

- In 2001, twice as many Indian immigrant families lived below Statistic Canada's Low Income Cut-off (LICO)¹⁴ poverty line than the Canadian-born average.¹⁵
- On a pro-rated basis, Indian immigrants¹⁶ (the largest South Asian group) account for a significantly higher proportion of unemployed adults compared with the Canadian-born average.¹⁷
- High-income earners make up 2.7% of the Indian-born population in Canada, far below the Canadian-born average of 6%.¹⁸
- The wage gap between new immigrants, including South Asians, and Canadian-born counterparts has been widening in each decade.¹⁹

The data emerging from Toronto appears to be even more discouraging.

- A large number of South Asians reside in Toronto's 'economic valleys' where their numbers have continued to grow (refer to Exhibit 5). For the purpose of this paper, 'economic valley' shall refer to those areas located in Toronto's designated 'Priority Areas' (refer to Low (2008) and Exhibit 3) and/or low income areas termed as 'City Three' in Hulchanski's 'The Three Cities within Toronto' (2007).
- Based on 2006 census data, the City of Toronto has identified 13 'Priority Areas' of the most vulnerable populations (refer to Exhibit 3). These areas are characterized by large 'at-risk' populations that have high concentrations of visible minorities and new immigrants coinciding with high rates of unemployment, low incomes, and residents with post-secondary education obtained outside Canada.²⁰
- According to Low (2008), South Asians account for the highest overall proportion of any visible minority group residing in Toronto's 'Priority Areas'.

14 LICO is a statistical measure of income thresholds that require a larger than average share of income to be devoted to the necessities of food, shelter and clothing. Statistics Canada (2006).

15 Agrawal, Sandeep, and Alexander Lovell. (2008) "Indian Immigrants in Canada: Profile of High Income Earners." Ryerson University.

16 At present, there have yet to be any major studies profiling other South Asian groups in Ontario that provide similar data, however, their economic story is unlikely to be much different than that of Indo-Ontarians.

17 Agrawal, Sandeep, and Alexander Lovell. (2008) "Indian Immigrants in Canada: Profile of High Income Earners." Ryerson University.

18 Ibid.

19 Various studies have alluded to a widening wage gap between new immigrants and Canadian-born workers, including Corak (2008), Hou and Schellenberg (2007), Frenette and Morissette (2003), and Statistics Canada (2008b). Also refer to Exhibit 1.

20 Low, Harvey. (2008) *Background: 2006 Census Update on Social Risk Factors in the City's 13 Priority Areas*. Social Policy Analysis and Research City of Toronto, pp. 1-6.

- In 2006, of all recent immigrants, South Asians had the highest overall inflow rate into the 'Priority Areas' (refer to Exhibit 5).

South Asians in Ontario have attained a critical mass that going forward cannot be ignored. The above information reveals trends that are neither encouraging for Ontario's polity nor for its economy. It would be helpful to identify factors that are leading to the economic successes of a few while a vast number of others are left behind in protracted cycles of struggle.

A series of interviews with Ontario's successful South Asians conducted for the purpose of this paper offer some helpful suggestions. The interviews were driven by a core question:

"What factors have attributed to their success in Ontario?"

Methodology

The data for this study was collected using primary sources and secondary literature, as well as in-depth interviews with South Asians in Ontario who have attained success in their respective professions. For the purpose of this paper the benchmark of 'success' is defined as any individual earning an income of \$80,000 or more on an annual basis.

Primary and secondary sources provided useful information on survey trends and census statistics on demographic, ethnic, educational and economic indicators of Ontario's new immigrants, visible minorities and the general population.

In-depth interviews were chosen to explore factors that have led to the integration and economic success of first and second generation South Asian immigrants in Ontario. A sample group of 24 interviewees were selected to participate from across Ontario's spectrum of South Asian sub-ethnic groups (refer to Exhibit 4 – Table of Interviewees).

Point of First Contact: The Need For Candid Discourse

Successful South Asian interviewees arrived in Ontario better informed about:

- *labour market conditions and challenges therein*
- *the makeup of the socio-cultural paradigm and how it was markedly different than that of their home countries*

Immigration is often a life-altering decision requiring emotional sacrifices. For many, the journey is a point-of-no-return as they leave a familiar life behind to start a new one. Many immigrants arrive in Ontario not fully aware of the reality that awaits them.

“A lot of them [South Asian immigrants] come under the pretense of misinformation or an illusion that they will immediately get jobs based on the criterion upon which they were selected. This simply does not happen.” – Fauzia Viqar

For many of Ontario's new immigrants, the inability of securing employment in jobs corresponding to their qualifications can come as a huge shock. This is not all. A large number of the newly arrived are from the non Judeo-Christian world, and as such they must quickly grapple with new socio-cultural realities (discussed later in the paper) that can often be a difficult transformation. These twin shocks can be somewhat mitigated by initiating a more proactive discourse with potential immigrants prior to their arrival in Ontario.

“We need to manage expectations. The element of sacrifice is not properly relayed to potential immigrants. A more honest discourse between our immigration offices and people at the applicant stage is desperately needed. This should not happen after they have invested hundreds of hours and dollars in the process.” –Ali Khan

Greater access to internet technology in major source countries has opened up new opportunities for a more effective and accessible means of disseminating information to potential immigrants.

“Ontario needs new immigrants, that's a given. But does it need the very best and the most qualified? Lets relay the truth and be stringent about who gets through the screening process.” - Vijay Kanwar

“There is a bit of the land of milk and honey perspective as people come here. I don't think a balanced view is given to immigrants. We know the message and we now have an effective medium to deliver it. The internet can enable a more open interaction between applicants and Canadian officials.” – Sunil Selby

The Nightmare of Re-training, Re-accreditation and Absorption in Ontario's Economy

Successful South Asian interviewees had one or more of the following working for them:

- *They arrived in Ontario better informed about re-training and re-accreditation requirements and were absorbed in the process early on in their journey*
- *They arrived in Ontario 'job ready' (did not require re-training or re-accreditation)*
- *They were educated in Ontario and therefore did not have to go through the re-training and re-accreditation nightmare*

As the nation's top importer of new immigrants, the stakes are high for Ontario. In order to best serve its interests, the province needs a more proactive and representative voice in the immigration process.

Driven by economic needs, as is the case with Canada, many other jurisdictions also import their citizenry as a matter of public policy. Competition to attract and retain the best shall become fiercer with the growing awareness and evidence of the crucial role played by the 'creative class' in providing economic leadership to a region.²¹ 'Commoditization of Creativity' shall have far-reaching consequences on our future. As talent, ideas and wealth flow more freely in a flatter world, it seems logical to gain a better understanding of the underlying factors that attract the very best to a region.

If Ontario aspires to attract and retain the very best in their class, it must clearly define the following issues:

- Who do we want?
- How will we attract them?
- How will we retain them?

"Ontario has a choice. Does it want to scrape the bottom of the barrel or skim the crème de la crème? We need an aggressive 'attract-absorb-retain' policy in place. We may be in for a surprise when we look at the data from India's top schools. Most of the graduates don't pick Ontario as their first choice. There's some food for thought there for our policy makers." – Maneesh Mehta

There may be some benefit in conducting more comprehensive studies to ascertain the factors that lead South Asian graduates from top-tier institutions in their selection of immigration destinations. This is especially relevant in an increasingly competitive environment with other OECD economies and oil-rich Gulf states vying to absorb the best talent for their respective economies.

A number of provincial and federal initiatives have recently been put in place to address the growing needs of new immigrants in Ontario. These programs are

²¹ Florida, Richard. (2002) *The Rise of the Creative Class and How It's Transforming Work Leisure and Everyday Life*. New York: Basic Books. Florida, Richard. (2005) *Cities and the Creative Class*. New York: Routledge.

collectively funded with spending budgets that run into hundreds of millions of dollars. However, the data available on the economic state of Ontario's South Asian immigrants belies their effectiveness thus far.

In November 2005, Canada and the province of Ontario signed a collaborative Canada-Ontario Immigration Agreement outlining how the federal and provincial levels of government would work together in the following areas:

- Settlement and Language Training Services
- Partnership with Municipalities
- Provincial Nominee Program
- Temporary Foreign Workers Agreement
- Ontario Immigration Web Portal

Under the agreement, the federal government has allocated \$920-million in funding over five years to help newcomers successfully integrate into Ontario's communities and workforce.

"The Canada-Ontario Immigration Agreement has completed three of its five year mandate. It'll be helpful to see what benchmarks were set to measure its success and the progress thereon." – Mahreen Haq

As part of the Canada-Ontario Immigration Agreement, in 2007 the federal government launched a foreign credential referral office (FCRO) with a mandate to invest \$13-million over two years to assist internationally-trained immigrants have their credentials assessed and recognized more quickly.

It is of interest to note that, thus far, the Office of the Auditor General of Canada has not yet audited the \$920 million expenditure of the Canada-Ontario Immigration Agreement to ascertain whether any benchmarks of success were ever set in place and the extent to which the objectives of this program have been achieved.²²

In 2007, Ontario also introduced its bold new plan, 'Breaking Down Barriers'²³, placing emphasis on improving the economic integration of new immigrants with a focus on three large initiatives that include:

- Funding (\$146-million annually) newcomer services and additional funding for community agencies providing settlement services for new immigrants.
- Passage of the 'Fair Access to Regulated Professions Act' legislation (2006) requiring Ontario's thirty-four regulated professions ensure that their licensing process are more open, fair, and clear, and that regulating bodies are assessing applicants more quickly.
- Established a one-stop access and resource centre: Global Experience Ontario, with a mandate to provide information to internationally trained individuals who intend on applying to a regulatory body or obtain licenses to work in their profession.

²² Personal communication with the Office of the Auditor General of Canada (November 2008).

²³ Global Experience Ontario. (2007) Breaking Down Barriers: Ontario's Comprehensive Plan for Newcomers. Ontario Immigration.

It would be of interest to review the progress made by the 'Breaking Down Barriers' initiative since its inception last year, as well as the overall impact of the Canada-Ontario Immigration Agreement. In particular, it may also be helpful to evaluate headway made by the regulatory bodies of Ontario's thirty-four regulated professions under the 'Fair Access to Regulated Professions Act'.

The non-governmental sector in Ontario is also playing an important role in the immigration process. The Toronto Region Immigrant Employment Council (TRIEC), YMCA and a number of other organizations²⁴ are at the vanguard in the Toronto region both in helping new immigrants get absorbed by the labour market, as well as promoting improvements to public immigration policy.

"The net effect of this effort (by TRIEC and others) is assistance to a few thousand out of a few hundred thousand. This is good but not nearly good enough given the scope of the need of qualified immigrants in Toronto." – Ali Khan

Although their overall impact has been small in scope²⁵, these organizations are effective and offer a huge potential. Over the years these organizations have attained valuable experience. Their 'successfully-tested models' may offer more benefit if deployed as enhanced operations. However, this is only possible if they receive more funding to increase their capacity and outreach.

The most frustrating issue for a newly arrived, well-qualified immigrant is about how they lack 'Canadian experience' and 'Canadian credentials'. The 'credential/experience' factor alienates new immigrants from the economic paradigm. Business Ontario's parochial 'hire Canadians you know' ethos is not in step with the changing face and dynamic of Ontario's emerging labour market of highly qualified new immigrants²⁶. The end result is the creation of 'glass door'²⁷ barriers at entry.

New immigrants also complain of too many bureaucratic 'hoops and hurdles' associated with the process. The administering regulatory and professional bodies are perceived as 'not-user-friendly' and 'slow-moving'. Even the successful South Asians found the process of economic absorption in Ontario 'painfully long and frustrating'. There seems a widespread impression among new immigrants that the inadequacies of Ontario's re-training and re-accreditation process are a major disincentive, specifically

24 Some of the leading organizations promoting programs and initiatives related to immigrant integration and settlement in the Toronto region include the Consortium of Agencies Serving Internationally-trained Persons (service delivery program), Career Bridge (professional internship program), the Mentorship Partnership (mentoring program), CAMP (professional networking), the Internationally Educated Professional Conference (professional networking), and hireimmigrants.ca (online tools and resources for employers seeking qualified new immigrants).

25 According to Wayland (207), TRIEC's Mentorship Partnership and Career Edge's Career Bridge programs have together served approximately 2,000 skilled immigrants within the Toronto region since 2004 and 1996, respectively.

26 In 2006, 66.3% of new immigrant workers arriving in Canada had a post-secondary qualification. The breakdown included 2.3% doctorates, 12.7% master's degrees, 51.3% bachelor's degrees, 31.5% non-university diplomas, and 12.3% with trades certificates. Citizenship (2006).

27 In their study, Pendakur and Woodcock (2008) provided data identifying the prevalence of a 'glass doors' phenomenon in Canada in which both new immigrants and visible minority workers' face poor access to employment in high-wage firms, whilst also contributing to the economy-wide 'sticky floor' and 'glass ceiling' effect.

for top-tier foreign professionals that come to Ontario only to be left waiting on the sidelines of the economy.

“A lot of them [new South Asian immigrants] complain of a snakes and ladders situation – in Delhi they were at a 98 and then they arrive here and go back to 2, and it's very hard for them to deal with that.” – Anju Virmani

This coupled with the fact that soon the rising economies of 'Chindia' shall be able to retain their best at higher competitive wages does not bode well for Ontario. The lure of Ontario as a destination for highly qualified immigrants is likely to wane in the coming years if the issues of re-training and re-accreditation are not effectively addressed.

A recent study by Aydemir and Robinson (2008) reveals that a high proportion of immigrant skilled workers are becoming increasingly '*internationally mobile*' and more likely to leave for better market options elsewhere if expectations are not met. The study documented that one-third of newly arrived immigrants leave Canada within a year, and among those in the skilled worker or business category, four in ten leave within the first ten years.²⁸

“The Canadian experience still continues to be a standard line – we do a lot of recruitment in my work so we hear it very often. Well what is it that you call Canadian experience? Many of these applicants work for global corporations. Kellogs Canada is the same as Kellogs India, so why are we discriminating against these experiences as something completely different?” Ruby Maini

The Conference Board of Canada has estimated that if all immigrants were employed to the level of their qualifications, \$3.42 to \$4.97 billion would be added to the economy each year - the largest proportion of that in the Greater Toronto Area.²⁹

“In order to capitalize on the advantages of immigration, we need to improve our ability to address the second stage needs of new immigrants. We need to speed up their entry into the labour market in jobs that are appropriate to the education and skills they bring. We need to become a 'centre of excellence' for integrating immigrants.”³⁰ - Toronto City Summit Alliance

There is a need to establish a clear policy of basic qualifications and experience level that Ontario seeks in its new citizens and then fast-track their re-training. In order for Ontario to claim the top slot as the 'centre of excellence' for integrating immigrants, its political and business establishment need to embrace a 'new policy mantra'. For this to succeed, the regulatory and professional associations need to be empowered accordingly and shall require the province to lead the way.

28 Aydemir, Abdurrahman, and Chris Robinson. (2008) *Global Labour markets, Return and Onward Migration*. Canadian Journal of Economics, 41(4).

29 The figure was cited in Alboim and McIsaac (2007) but was originally provided by Michael Bloom (personal communication 2001), and alluded to in Bloom and Grant (2001).

30 Toronto City Summit Alliance. (2003) *Enough Talk: An Action Plan for the Toronto Region*. Toronto City Summit Alliance, pp: 19-21.

“What is needed is an independent body ensuring accountability, enhanced efficiency, and compliance of a new mantra within the re-training bodies and trade/professional organizations. Establishing a virtual registry of new immigrants engaged in the re-training and re-accreditation process and tracking their progress may be good point to start.” – Hina Ansari

“There seems a disconnect between policy and on-the-ground reality. On one hand we have the points-system that requires higher education in order to qualify, and then on the other hand we have menial jobs on offer. This is a waste of precious human resource. If we need janitors and cabbies, we need to advertise accordingly. What’s the benefit in a medical doctor delivering pizza?”- Jiyotika Malhotra

The Socio-Cultural Disconnect

Successful South Asian interviewees expressed that:

- *They were well-adjusted and comfortable in mainstream Ontario culture*

South Asia is home to over 1.3 billion people or approximately 20% of the world’s population. The region comprises of seven nations of India, Pakistan, Sri Lanka, Bangladesh, Nepal, the Maldives and Bhutan, all members of the Commonwealth.

A majority of Ontario’s South Asians belong to about 12 sub-ethnic groups³¹ who arrived in Ontario at different times, often driven by unique circumstances. In addition to having distinctly different immigration histories, they also have varying settlement patterns, socio-cultural moorings and religious persuasions. This helps to explain why there are clusters of Muslims from Gujarat in Flemington Park, Bengalis from Bangladesh in Dorset Park/Kingston-Galloway, and Punjabis from Pakistan in Crescent Town (See also Exhibit 3). Contrary to common belief, these groups do not necessarily interact on a communal level any more than they would with non-South Asians.

“It’s a folly to lump South Asians together. They are very different people. Just because one is brown doesn’t mean one is similar. It’s like calling someone Chinese when they’re actually Japanese.” – Anjali Benawra

Most new immigrants choose to live in their communities on the basis that it is ‘culturally comfortable’. These are environments where they can speak the language, as well as have access to familiar grocery stores, places of worship and community support. The community also plays a particularly important role in helping newcomers secure initial employment.

“The [South Asian] newcomers often become entangled in a cycle of struggle where their qualifications are not recognized and their exposure to external networks and

31 The breakdown of sub-ethnic South Asian groups in Ontario includes Sikhs (Punjab, India), Pakistanis (Pakistan), Trinidadians (Trinidad), Ismailis (East Africa), Northern Indians (Uttar Pradesh, India), Fijians (Fiji), Gujaratis (Gujarat India, East Africa), Guyanese (Guyana), Southern Indians (Kerala and Madras, India), Sinhalese (Sri Lanka), Bengalis (Bengal, India), Bangladeshis (Bangladesh).

jobs is limited to that of other residents in their community.” – Sunil Selby

“It’s who you know and not what you know that gets one a job here. If the only network one can access is that of cab drivers then that’s the profession you tend to end up with.” – Anju Virmani

While culturally comfortable, these landing pads can also act as social barriers resulting in less interaction with mainstream Ontario and offer fewer opportunities to develop networks in the marketplace³².

These ‘culturally comfortable’ zones have produced alarmingly high ‘isolation indices’.³³ The ‘isolation index’ is an indicator index ranging from 0 to 100 that is interpreted as the probability that a member of one group will only interact with members of the same group. The isolation index was developed by Statistics Canada (2004) and utilizes longitudinal census tract data of small geographic areas of populations 4,000 to 5,000 in size to measure minority group interaction.³⁴ The isolation index for South Asians residing in Toronto has increased sharply in the last twenty years, rising from 6 in 1981 to 20 in 2001.³⁵

“It’s great to celebrate cultures under the banner of multiculturalism but we as a society shall need to be careful here. We are all part of one political economy and members of one social fabric. Canada’s prime economic engine [GTA] can’t afford to create silos of sub-cultures. This would be like repeating the mistakes we committed in the past when dealing with First Nations communities.” – Anju Virmani

Immigration for South Asians can also be an emotionally taxing experience. This often places many new immigrants in a vulnerable ‘fish out of water’ scenario - they are lost and often need help and effective guidance.

“Our biggest concern was money. We had education. What we didn’t have was a coach. There has to be a way that we can introduce this coaching at the root level.” - Myron Luis

This is an area where public policy can be made more effective. There is a need to deploy communication modules that better inform immigrant communities about available government services. There may also be benefit in expanding successful mentorship programs currently in place. TRIEC’s Partnership Mentorship program is a perfect case in point. It has a proven track record in connecting new immigrants with mentors to find jobs that befit their qualifications³⁶. In order to have a greater impact,

³² Various studies have documented the strong correlation of social networks and success in the labour market. See Granoveeter (1973), Granoveeter (1974), Granoveeter (1976), Lin, Ensel and Vaughan (1981).

³³ Hou, Feng, and Garnett Picot. (2004) *Visible Minority Neighbourhoods in Toronto, Montreal, and Vancouver*. Statistics Canada. Catalogue no. 11-008.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Wayland, Sarah. (2007) *The Learning Exchange Disseminating Good Ideas: Skilled Immigrants in the Labour Market*. Maytree Foundation, pp: 3-6.

the capacity of such initiatives shall have to be enhanced through more funding.

Greater awareness of services and employment opportunities are not the only challenges faced by Ontario's new arrivals. They are also confronted with the issues of massive cultural and political adjustment. This adaptation process can be extremely difficult in situations when 'cultural and religious' beliefs are in conflict with Canada's 'rights and freedoms'.

"Ontario is a developed democracy with a sophisticated concept of 'rights and freedoms'. This translates into a socio-political ethos that may require major changes in lifestyle for those not used to interpreting 'rights and freedoms' as defined in the Canadian Charter of Rights and Freedom." – Fauzia Viqar

The Charter is a non-negotiable document and sometimes requires new immigrants to make a compromise with their own belief systems. In addition, for many coming from non Judeo-Christian jurisdictions, Ontario's mainstream Anglo-Christian culture is not necessarily the 'preferred' way of life. These factors may trigger a sense of 'cultural self-preservation', possibly leading to cultural insulation. This can sometimes be further reinforced by community leaders (especially religious leaders) who often discourage social intermixing pushing new immigrants into 'ethno-cultural' silos that alienate them from the mainstream.

"The leaders of the South Asian and Chinese communities need to stop catering to emotional cultural insulation. They need to step up and start leading the emotional immigration. I think that is the gap otherwise this is a disservice to our children. A lot of immigrants raise their children in the re-creation of their homeland. Where does that lead eventually?" – Maneesh Metha

A classic example of 'cultural insulation' can be found in the disconnect between the mainly marginalized and predominantly Muslim population in Flemington Park and Leaside, its adjacent neighborhood of affluent and generally white residents. Although together they form part of Toronto's riding of Don Valley West, these two populations have no real interaction with one another.

"The residents of Flemington Park leave India in the morning and go to Canada for work and come home to India at night." – Hina Ansari

Although ethno-cultural underpinnings account for some of the factors creating the disconnect, the issue needs to be understood as a two-way street wherein cultural and political unevenness flowing through mainstream Ontario also plays negatively into the situation.

"Ontario is culturally and politically unequal above a certain level. Our mainstream cultural and political elite is not fully representative of the demographics they serve." – Ali Khan

In the GTA's 46 ridings, visible minorities account for more than 42.9% of its population, yet there is a disproportionately small number of visible minorities represented in Ottawa, Queens Park, and even fewer in Toronto City Hall.

“The signal one gets is that they are not part of the decision-making discourse. There is a need for Ontario’s political parties to do some soul searching. Ontario must move beyond token representation and bring the visible minorities into the real decision-making process.” – Jacqueline Taveres

“There is a lack of inclusiveness at the top of public, private, and non-profit organizations - especially in our largest organizations.” – The Conference Board of Canada³⁷

Ontario has a lot of distance to cover in the area of inclusiveness. A good measure to score Ontario’s socio-cultural and political representation of its visible minorities is the Proportionality Index which scales ‘true proportionality’ at 1.0³⁸. According to a report by Krywulak and Sisco (2008), visible minorities are disproportionately represented in public office, scoring 0.32 at the municipal level in Toronto, lower than Vancouver’s 0.37 and Montreal’s 0.39. Proportional representation at the federal level in the House of Commons is also quite low at 0.42. This trend of under-representation of visible minorities also holds true for public boards, agencies, and commissions. In 2003, visible minorities which accounted for 43% of Toronto’s total population made up only 22% of such appointees.³⁹

Such discrimination and disenfranchisement creates unequal social optics and feeds into the paradigm of socio-cultural isolation. It is therefore essential that South Asians and other visible minority groups be more fully integrated within Ontario’s political and social discourse with stronger representation at the highest level. Such initiatives would reduce the effect of marginalization, and also offset the influence of ethnic community leaders preaching ‘cultural insulation’.

Investing ‘culture dollars’ in Ontario’s ethno-cultural communities is one way of ‘breaking down barriers’ and promoting greater participation of visible minorities in the mainstream. Strategic deployment of culture funds can help to drive the creative economy and provide a platform to create more socio-cultural and political inclusiveness.

“Culture is a great platform from where a lot could be done. If used wisely, culture dollars can help break stereotypes and enhance a better understanding and help reduce the growing isolation.” – Paul de Silva

Ontario stands at the cusp of an important moment in its cultural history. It has now obtained a critical mass of human capital and expertise to transform itself as the next cultural Mecca of the world. With visionary policies in place, Ontario’s visible minorities can play a pivotal role and help unlock international markets and culture dollars by developing ‘cultural products’, such as film, music, literature and new media

³⁷ Krywulak, Tim, and Ashley Sisco. (2008) *The Value of Diverse Leadership*. The Conference Board of Canada.

³⁸ Ibid.

³⁹ Ibid.

that was never possible before.

'Ontario has enough going for it to become a net exporter of world class Indo-Chinese culture to both South Asia as well as China. Imagine what it could do for the local culture scene and in making its communities less insular.' – Paul de Silva.

Reducing 'cultural insulation' may also play an important role in reducing poverty. There was a general consensus among interviewees about the significance of the 'connection' between their own economic success and participation in mainstream socio-cultural and political discourse. Although there is insufficient data to fully support this correlation, extrapolation from interviews and other data (referenced in this paper) supports the fact that a large proportion of Ontario's South Asians that remain mired in protracted economic struggle also happen to be the residents of neighborhoods that are disengaged with Ontario's cultural and political dialogue.

"The challenge is to break the barriers that keep the city out of these neighborhoods. One way is to introduce massive infrastructure projects and modern transport hubs as drivers of economic uplift and avenues of urban integration." – Vijay Kanwar

It would be of interest to further examine the success stories emerging from the economic valleys and the factors that have led to such successes. However, it seems the ones left behind in these valleys far outnumber the ones who have propelled themselves out of the orbit of poverty. For policymakers, this should be an issue of serious concern.

"In any society there'll always be economic valleys. We need to lift the floor of these valleys. We need to implement measures that help the larger communities. Helping only a few will be an ill-conceived, band-aid approach." – Himanshu Sudan

'Raising the floor' in Ontario's economic valleys needs to be undertaken as a major policy issue within the overall poverty alleviation agenda. The GTA's valleys are primarily populated by new immigrants from visible minority groups. A possible approach to address this challenge is to view it as a tri-dimensional issue:

1. Assist those that have been caught up in the cycle of struggle over the past few decades.
2. Assist new immigrant arrivals in Ontario.
3. Assist second generation immigrants from visible minority groups hailing from economically-challenged neighborhoods.

Conclusion

The findings of this study paint a somewhat different portrait of the journey of South Asian immigrants, and new immigrants more broadly, as compared with earlier largely European immigrant waves.

At present, far too many Ontarians from visible minority groups find themselves mired in cycles of poverty that can either be avoided or reduced by deploying policies that effectively assist our newly arrived citizens and provide them with a level playing field. Unless this problem is understood through a prism of social fairness and economic logic, viable policies cannot be made.

Ontario's immigration policy needs to be revised in light of its human resource needs in a highly competitive international environment. In order to attract the best in their class, Ontario must be packaged and presented to the world as a jurisdiction where the transition to various professions has been streamlined.

Ontario's policymakers must also address the twin challenges of unlocking new economic possibilities for Ontario's (existing) struggling immigrants of visible minority groups, as well as shortening the life cycle of struggle for the new arrivals. These issues, while different in scope, relate to members of the same ethnic group at varying stages of their immigration life cycles in Ontario. Some policy solutions therefore, are likely to overlap. It may be beneficial to view these in tandem.

Although South Asians are the largest visible minority group in Ontario, their economic condition bears a stark resemblance to that of members from other visible minority groups. This is an important fact that highlights the potential benefit in applying a holistic policy rather than a tribal approach that caters to specific groups and needs (i.e. South Asian or Chinese-centric) in redressing the issue of Ontario's economic disparity.

Ontario's long-term economic progress, which in large part hinges on the prosperity of new immigrants, is likely to remain a pipe dream unless they are offered a seat on the table of socio-cultural and political discourse.

This paper has made some recommendations that appear in Appendix B.

Appendix A - Exhibits

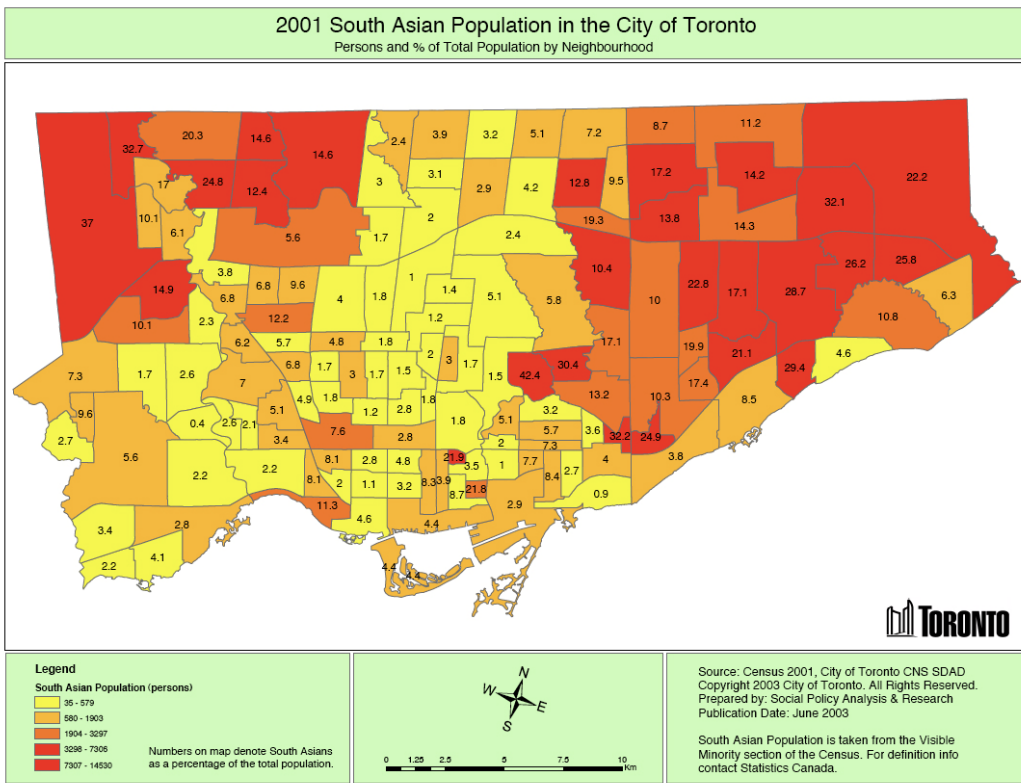
Exhibit 1 – Recent Immigrant and Canadian-born Income Earners⁴⁰

Recent Immigrant Earners	1980	2005
Males with university degree	\$48,541	\$30,332
Females with university degree	\$24,317	\$18,969
Males without university degree	\$36,467	\$24,470
Females without university degree	\$18,548	\$14,233

Canadian-born earners	1980	2005
Males with university degree	\$63,040	\$62,556
Females with university degree	\$41,241	\$44,545
Males without university degree	\$43,641	\$40,235
Females without university degree	\$21,463	\$25,590

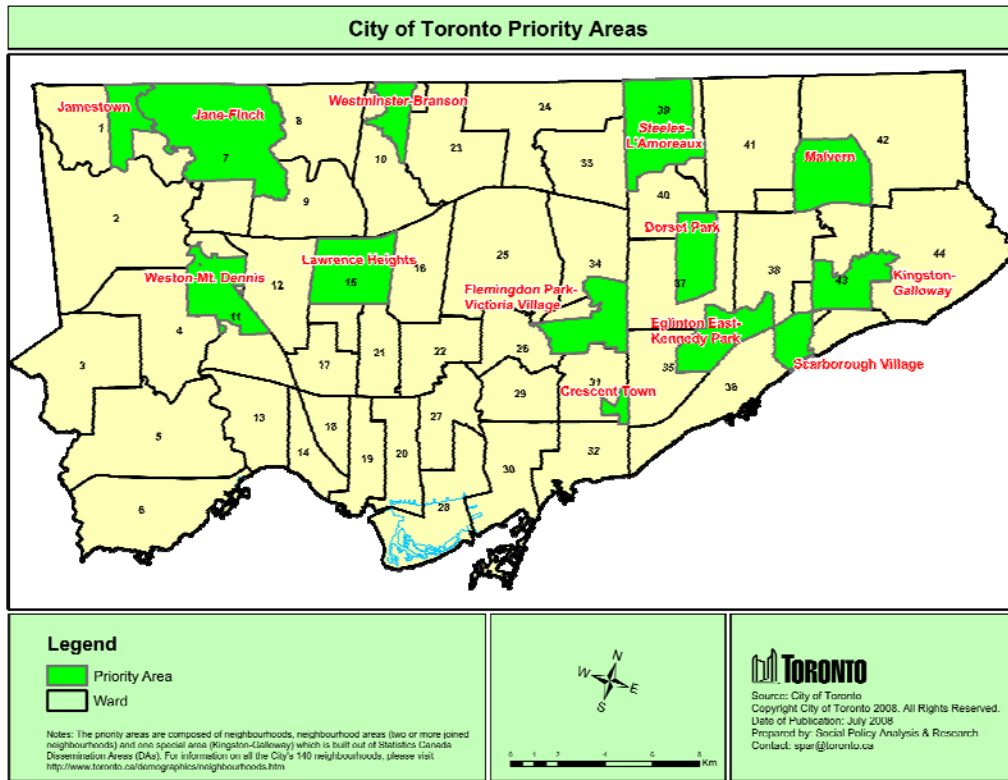
⁴⁰ Adapted from Statistics Canada (2008b) Earnings and Incomes of Canadians Over the Past Quarter Century, 2006 Census. Catalogue no. 97-563-X.

Exhibit 2 – South Asians in Toronto (2001)⁴¹



41 Adapted from Statistics Canada Census 2001, City of Toronto CNS SDAD. Prepared by Social Policy Analysis & Research.

Exhibit 3 – Toronto Priority Areas (2006)⁴²



42 Adapted from City of Toronto CNS SDAD. Prepared by Social Policy Analysis & Research.

Exhibit 4 – Table of Interviewees

No.	Interviewee	Age Range	Generation	Ethno-Cultural (Sub-group)	Occupation
1	Mahreen Haq	40-50	1st generation	Pakistani – North Punjab	Entrepreneur / Web Design
2	Anju Virmani	50+	1st generation	Indian – Delhi	Chief Technology Officer
3	Maneesh Metha	50+	1st generation	Indian -	Consultant
4	Ali Khan	30-40	1st generation	Pakistani – Urdu Speaking	IT Consultant
5	Sunil Selby	40-50	1st generation	Indian - Maharashtra	Fund Manager
6	Myron Luis	30-40	1st generation	Indian – Goan	Business Owner / Consultant
7	Anjali Benawra	20-30	2nd generation	Indian –	Fund Manager
8	Hina Ansari	30-40	2nd generation	Indian - Muslim	Journalist / PR Consultant
9	Ruby Maini	40-50	1st generation	Indian – Punjabi	Principal / Human Resource Manager
10	Fauzia Khan	40-50	1st generation	Pakistani – Islamabad	Government Employee
11	Vijay Kanwar	50-60	1st generation	Indian – Sikh	Entrepreneur / Chief Financial Officer
12	Himanshu Sudan	40-50	1st generation	Indian - Haryana	Chartered Accountant
13	Jiyotika Malhotra	30-40	2nd generation	Indian -	Government Employee
14	Deepika Fernandes	20-30	1st generation	Indian - Christian	Culture / Manager
15	Mehrein Reza	40-50	1st generation	Pakistani – Punjabi	Government Employee
16	Kannan Arasaratnam	30-40	2nd generation	Sri Lankan - Tamil	Consultant
17	Mohammed Nakhoda	30-40	2nd generation	Indian - Gujarati/Bhora	Communication Spokesperson
18	Jackie Tavares	30-40	2nd generation	Indian – Goan	Senior Manager / Banking
19	Ivar D'Silva	30-40	2nd generation	Indian - Goan	Consultant
20	Paul De Silva	50+	1st generation	Indian - Kolkatta	Senior Film Producer
21	Dr. V.L. Lakshmanan	50+	1st generation	South Indian	Entrepreneur
22	Manoj Pundit	40-50	1st generation	South Indian	Lawyer
23	Vijay Sappani	40-50	1st generation	South Indian - Madras	Pharma Executive
24	Mohamed Dhanani	30-40	1st generation	Ismaili	Chair of the Board / LHIN

Exhibit 5 – Recent Immigrant Arrivals by Priority Area in 2006⁴³

Crescent Town

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	2,210	60.5%
Eastern Asia (China, Japan, etc.)	415	11.4%
Eastern Europe	395	10.8%
Southeast Asia (Philippines etc.)	145	4.0%
Other	485	13.3%
Total	3,650	100.0%

Dorset Park

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	1,555	42.5%
Eastern Asian (China, Japan etc.)	750	20.5%
Southeast Asia (Philippines etc.)	405	11.1%
Western Central Asia & the Middle East	365	10.0%
Other	585	16.0%
Total	3,660	100.0%

Eglinton East-Kennedy Park

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	1,835	40.1%
Southeast Asia (Philippines etc.)	1,125	24.6%
Eastern Asian (China, Japan etc.)	445	9.7%
Western Central Asia & the Middle East	265	5.8%
Other	910	19.9%
Total	4,580	100.0%

43 Adapted from Statistics Canada, Special Tabulations and 2006 Census. Calculated and prepared by City of Toronto, Social Development Finance & Administration Division, Social Policy Analysis & Research Section.

Flemingdon Park-Victoria Village

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	2,290	32.8%
Western Central Asia & Middle East	1,290	18.5%
Eastern Asia (China, Hong Kong etc.)	940	13.5%
Southeast Asia (Philippines)	670	9.6%
Eastern Europe	530	7.6%
Eastern Africa	305	4.4%
Other	960	13.7%
Total	6,985	100.0%

Jamestown

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	4,355	61.1%
Western Central Asia & the Middle East	890	12.5%
Western Africa	560	7.9%
South America	460	6.5%
Other	860	12.1%
Total	7,125	100.0%

Jane-Finch

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	3,840	38.8%
South America	1,620	16.4%
Western & Eastern Africa	1,090	11.0%
Western Central Asia & the Middle East	1,045	10.6%
Southeast Asia (ex. Philippines)	485	4.9%
Other	1,820	18.4%
Total	9,900	100.0%

Kingston-Galloway

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	865	39.4%
Southeast Asia (ex. Philippines)	320	14.6%
Western Central Asia & the Middle East	225	10.3%
Eastern Africa	180	8.2%
South America	100	4.6%
Other	505	23.0%
Total	2,195	100.0%

Lawrence Heights

Top Recent Immigrant Origins		
Origin	Number	%
Southeast Asia (ex. Philippines)	1,015	34.6%
Eastern Europe	510	17.4%
Western Central Asia & the Middle East	300	10.2%
South America	235	8.0%
Africa	225	7.7%
Other	645	22.0%
Total	2,930	100.0%

Malvern

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	3,060	61.4%
Southeast Asia (ex. Philippines)	495	9.9%
Caribbean & Bermuda	345	6.9%
South America	300	6.0%
Eastern Asia	275	5.5%
Other	510	10.2%
Total	4,985	100.0%

Scarborough Village

Top Recent Immigrant Origins		
Origin	Number	%
South Asia (India, Pakistan etc.)	1,315	57.4%
Western Central Asia & the Middle East	385	16.8%
Southeast Asia (Philippines etc.)	145	6.3%
Caribbean & Bermuda	145	6.3%
Other	300	13.1%
Total	2,290	100.0%

Steeles-L'Amoreaux

Top Recent Immigrant Origins		
Origin	Number	%
Eastern Asian (China, Hong Kong etc.)	7,975	65.4%
South Asia (India, Pakistan etc.)	1,585	14.5%
Western Central Asia & the Middle East	795	6.8%
Southeast Asia (Philippines etc.)	580	6.1%
Africa	340	3.0%
Other	400	4.1%
Total	11,675	100.0%

Weston-Mt. Denis

Top Recent Immigrant Origins		
Origin	Number	%
Caribbean & Bermuda	560	14.4%
South America	495	12.7%
Eastern Europe	455	11.7%
Western Central Asia & the Middle East	445	11.5%
Eastern Africa	385	9.9%
Western Africa	340	8.8%
Southern Europe	315	8.1%
Other	890	22.9%
Total	3,885	100.0%

Westminster-Branson

Top Recent Immigrant Origins		
Origin	Number	%
Eastern Europe	2,775	47.4%
Western Central Asia & the Middle East	1,335	22.8%
Southeast Asia (Philippines etc.)	560	9.6%
Eastern Asian (China, Hong Kong etc.)	440	7.5%
Other	740	12.6%
Total	5,850	100.0%

References

- Agrawal, Sandeep, and Alexander Lovell. (2008) "Indian Immigrants in Canada: Profile of High Income Earners." Ryerson University.
- Alboim, Naomi, and Elizabeth McIsaac. (2007) *Making the Connections: Ottawa's Role in Immigrant Employment*. Institute for Research on Public Policy, 13(3): 2-8.
- Aydemir, Abdurrahman, and Chris Robinson. (2008) *Global Labour markets, Return and Onward Migration*. Canadian Journal of Economics, 41(4).
- Bloom, Michael, and Michael Grant. (2001) *Brain Gain: The Economic Benefits of Recognizing Learning and Learning Credentials in Canada*. Ottawa: The Conference Board of Canada.
- Boyd, Monica. (Spring 2008) *Variations in Socioeconomic Outcomes of Second Generation Young Adults*. Canadian Diversity, pp. 20-24.
- Citizenship and Immigration. (2006) *Facts and Figures: Immigration Overview of Permanent and Temporary Residents*. Catalogue no. Ci1-8/2006E, pp. 37-47.
- Citizenship and Immigration. (2007) *Annual Report to Parliament on Immigration 2007*. Catalogue no. Ci1-2007.
- Corak, Miles. (2008) *Immigration in the Long Run: The Education and Earnings Mobility of Second-Generation Canadians*. Institute for Research on Public Policy, 14(13): 4-30.
- Global Experience Ontario. (2007) *Breaking Down Barriers: Ontario's Comprehensive Plan for Newcomers*. Ontario Immigration.
- Granovetter, Mark. (1973) *The Strength of Weak Ties*. American Journal of Sociology, 78(6): 1360- 1380.
- Frenette, Marc, and Rene Morissette. (2003) *Will They Ever Converge? Earnings of Immigrant and Canadian-born Workers Over the Last Two Decades*. Statistics Canada Analytical Studies Branch Research Paper Series No. 215.
- Guillemette, Yvan, and William Robson. (2006) *No Elixir of Youth: Immigration Cannot Keep Canada Young*. C.D. Howe Institute, 96: 1-8.
- Heisz, Andrew, and Logan McLeod. (2004) *Trends and Conditions in Census Metropolitan Areas – Low-income in census Metropolitan Areas*. Statistics Canada Catalogue no. 89-613, No. 001.
- Hou, Feng, and Grant Schellenberg. (2007) *The Economic Well-being of Recent Immigrants to Canada*. Statistics Canada, pp. 49-52.

- Hulchanski, David. (2007) *The Three Cities Within Toronto: Income Polarization Among Toronto's Neighbourhoods, 1970–2000*. University of Toronto, pp. 1-12.
- Florida, Richard. (2002) *The Rise of the Creative Class and How It's Transforming Work, Leisure and Everyday Life*. New York: Basic Books.
- Florida, Richard. (2005) *Cities and the Creative Class*. New York: Routledge.
- Institute for Competitiveness & Prosperity (2007) *Prosperity, inequality, and poverty*. Working Paper No. 10, pp. 1-47.
- Kitagawa, Kurtis, Tim Krywulak, and Douglas Watt. (2008) *Renewing Immigration: Towards a Convergence and Consolidation of Canada's Immigration Policies and Systems*. The Conference Board of Canada, pp. 1-25.
- Krywulak, Tim, and Ashley Sisco. (2008) *The Value of Diverse Leadership*. The Conference Board of Canada.
- Kymlicka, Will. (1998) *Finding Our Way: Rethinking Ethnocultural Relations in Canada*. Oxford: Oxford University Press.
- Low, Harvey. (2008) *Backgrounder: 2006 Census Update on Social Risk Factors in the City's 13 Priority Areas*. Social Policy Analysis and Research City of Toronto, pp. 1-6.
- Pendakur, Krishna, and Simon Woodcock. (2008) "Glass Ceilings or Glass Doors? Wage Disparity Within and Between Firms." Simon Fraser University.
- Picot, Garnett. (2004) *The Deteriorating Economic Welfare of Canadian Immigrants*. Canadian Journal of Urban Research, 13(1): 24-45.
- Statistics Canada:
- (2008a) *Canada's Ethnocultural Mosaic, 2006 Census*. Catalogue no. 97-562-X.
 - (2008b) *Earnings and Incomes of Canadians Over the Past Quarter Century, 2006 Census*. Catalogue no. 97-563-X.
 - (2008c) *Births and birth rate, by province and territory*. Table 051-0004. Catalogue no. 91-213-X.
 - (2006) *Income of Canadians*. Available online: <http://www.statcan.ca/Daily/English/060330/d060330a.htm>.
 - (2004) Hou, Feng, and Garnett Picot. *Visible Minority Neighbourhoods in Toronto, Montreal, and Vancouver*. Catalogue no. 11-008.
- Toronto City Summit Alliance. (2003) *Enough Talk: An Action Plan for the Toronto Region*. Toronto City Summit Alliance, pp: 19-21.
- Wayland, Sarah. (2007) *The Learning Exchange Disseminating Good Ideas: Skilled Immigrants in the Labour Market*. Maytree Foundation, pp: 3-6.

Appendix B – Policy Recommendations

Ontario's Internationally Mobile Citizens: Emerging Challenges in Retention of Human and Financial Capital

The growing economies of India, China and the oil-rich Middle East are a natural fit for many of Ontario's successful Transnationals⁴⁴. The lure of these cash-rich markets that are undergoing dynamic economic expansion is becoming increasingly more attractive for Transnational entrepreneurs.

“Ontario's big challenge is to see how its interests remain protected in the emerging scenario. Are we net exporters of technology or are we losing both money and creative capital with no real benefits to our own economy?” – Sunil Selby / Investment Banker

Armed with a huge Indo-Chinese population, Ontario is uniquely positioned to benefit from the emerging economic scenario in the East. As a prerequisite however, Ontario's policymakers need to understand the mindset of its *internationally mobile creative class* in order to take greater advantage of its full potential.

“We are not one of the top destinations for parking of international capital. It'll help Ontario's cause to address the fundamental questions of how we view international wealth and how welcoming we are in absorbing it. This also includes creative and human capital. Ontario needs to devise an effective park and play policy.” - Dr. V.I. Lakshmanan, CEO Process Research Ortech

On a global scale, South Asians generate and invest huge amounts of wealth. Dubai and London, and to a lesser degree Hong Kong and Singapore, are often destinations of choice when it comes to parking South Asian wealth.

Given that South Asians account for one out of every seven residents living in the Toronto Census Metropolitan Area (CMA), there is no reason why Toronto CMA cannot be another major destination of choice to invest South Asian capital. Thus far, however, this has not been the case.

“There are no real tangible incentives to park international funds in Toronto. In fact we have thirteen different bodies in our thirteen provinces and territories regulating trade. The United States only has one regulator, the Securities and Exchange Commission. Canada thus far seems quite out of the loop when it comes to attracting South Asian wealth. Let's not forget that in fifteen years we'll likely become a low-end G20 nation while India rises to become a G3 player.” – Manoj Pundit / Lawyer (mergers acquisitions – BLG)

⁴⁴ For the purposes of this paper “Transnational” shall refer to any individual Canadian citizen or permanent resident while also possessing citizenship in other countries and is *internationally mobile*.

The Memon Story – The Lure of India

This seems an opportune moment for the province to survey its successful Transnationals and see how they view their future prospects in Ontario. The story of the Memon brothers is an case in point.⁴⁵ Mohamedfaruk Memon, president of New Delta Transport, and his brother Aiyub have taken advantage of the loosening of India's economic restrictions with respect to Non-Resident Indians. The current boom of the Indian real-estate market which has grown at a rate of 30 per cent over the last two years, is becoming a very attractive and profitable opportunity for NRIs, many of whom reside in Ontario.

The Memon brothers now own a portfolio of luxury condos in India and have established a successful property company in India that will enable Aiyub to retire in five years.

"I've decided that when the Canadian [real estate] market picks up, I will bail out and bring the money here (Maharashtra) again." - Aiyub Memon

"We need to be careful about the flight of capital, both creative and financial. There'll always be movement in both categories but Ontario needs to ensure that it's a net gainer in both." - Sunil Selby, Investment Banker

Expanding markets with high returns almost always attract international capital. To offset such threats, evolved economies like Ontario need to be mindful of the global landscape and offer incentives especially geared towards offshore wealth in the form of investment in Ontario's businesses, stock market, infrastructure and real estate portfolios. Tax holidays and tax incentives are instruments that are deployed by international investment hubs to attract such investments, as is the case in Dubai.

"The UK has incentives that exempt foreign residents of the British Common Wealth from filing income tax up to a certain level of income deriving from investments in the UK." – Ali Khan, Management Consultant

The Kanwar Story – A Missed Opportunity for Ontario

"In order to grow our business we need to look East" – Vijay Kanwar, CEO of KMH Cardiology and Diagnostic Centres

Vijay Kanwar and his wife Neena are a *minted in Ontario* success story. In 2006, Vijay was a recipient of the Ernst & Young Entrepreneur of the Year 2006 Award for Health Sciences in Ontario. The Kanwars own and operate North America's largest nuclear medicine cardiology diagnostic network comprising of eight independent hospital facilities (IHF) situated in and around the GTA. To stay ahead of the curve and remain profitable in an environment where the system is not supportive of IHFs as healthcare

⁴⁵ Trichur, Rita. (2006) "Building ties with India." The Toronto Star.

delivery sites, Vijay's IHFs have relied heavily on technology to enhance efficiency. This has led to the development of a world-class hospital management system along with complex modules for electronic health record management (ERM), diagnostic imaging and a robust medical image repository.

"We are a very proud component within Ontario's healthcare system. The concepts and technology we use were conceived, developed, deployed and perfected in Ontario over ten years. We are now ready to share our success and experience within the larger segment in Ontario's healthcare universe but can't seem to find a receptive outlet." - Vijay Kanwar, CEO of KMH Cardiology and Diagnostic Centres

Technology is a front-end heavy expense. Thus, economies of scale matter when it comes to developing sophisticated technology. Ontario's Ministry of Health has an ambitious health management and technology agenda⁴⁶ where entrepreneurs like the Kanwars have much to offer.

Discovering that Ontario's environment was not too welcoming, they decided to look East and found a receptive taker for their expertise in Dubai. The Lotah Group was looking for a world-class hospital management system and visited Ontario for a demonstration at KMH. The rest is history. Vijay and Neena Kanwar are now in the process of formalizing their first major international deal to equip a \$140 million hospital with a *made-in-Ontario* high-tech hospital management system.

"Dubai is our first stop. The ultimate destination is India's rapidly growing middle class with their sophisticated healthcare needs. We are happy with our trajectory. But we feel Ontario is the most technology-ready environment where we make a perfect fit." - Vijay Kanwar, CEO of KMH Cardiology and Diagnostic Centres

The Need for a Paradigm Shift in Policy

In order to attract, absorb and retain *human and financial* capital, Ontario must consider a paradigm shift in its policy. In order to be effective, this shift must address fundamental questions such as:

- a) How can Ontario become the most accommodating destination for investors to park funds?
- b) How can Ontario become the best destination for investment in technology, innovation and the knowledge-based economy?
- c) How can Ontario become the best destination to live and raise a family, while also being one of the world's most vibrant cultural hot spots?

"An honest assessment will inform us that we may not be world-class yet but we have the ingredients that can make us a world-class magnet to attract human and financial capital" – Ali Khan, Management Consultant

⁴⁶ Ontario's Ministry of Health is working towards an agenda that will integrate "e-strategy" in the health management and processes in the province to enhance effectiveness and efficiency. The 'e-strategy' agenda involves collaboration with Infoway, a not-for-profit organization, in order to accelerate the use of electronic health records (EHRs) in Ontario's health system.

“We don't have a tradition to think 'global' when it comes to doing business. We don't really have too many made-in-Ontario role models as global players. RIM stands as one exception. The rule seems to be that we welcome global players to buy our businesses however we don't seem to be doing the reverse.” – Sunil Selby, Investment Banker

This may hold true thus far but the rise of Ontario's 'Chindians' may change the ball game. With a better knowledge of Indo-Chinese economies and a stronger appetite to succeed in source countries, Ontario's Transnationals may be well-positioned to provide the missing link that Ontario's businesses need to march into the roaring Eastern economies.

“We have one of the best healthcare systems in the world. There are enormous opportunities to open Ontario's healthcare system to the outside world, both in treatment of foreign patients and export of processes and systems. Knowledge is our strength. We just need to position Ontario as a world leader in the knowledge-based economy.” Vijay Kanwar, CEO of KMH Cardiology and Diagnostic Centres

“For equivalent healthcare we are about 35% cheaper than the US. Why are we not using this to our advantage? There are billions of healthcare dollars out there for the taking. The question is are we ready?” – Ali Khan, Management Consultant

“It all boils down to our mindset. How hungry are we for business? How ready are we for change? And can we actually change faster than our competitors? The bottom line is as a society we have to decide what change needs to happen, but more importantly what is the process and pace of change” – Paul De Silva, Senior Producer

In a world where commoditization of creativity is a fast emerging reality and progress is deeply rooted in the ability to respond to fast-changing global scenarios, Ontario's biggest challenge is to quickly come to grips with the reality and respond with strategic speed.

“In the end everything boils down to hunger. The will to succeed is intertwined with the capacity to embrace change.” – Paul De Silva, Senior Producer

Policy Recommendations

- Sell Ontario in a more aggressive, professional and targeted manner to the economies of Chindia where enormous wealth and demand is being generated in the following categories:
 - Investment in real estate
 - Infrastructure projects
 - Stock exchange
 - Business entrepreneurship
- Create attractive tax incentives for long-term investments of foreign capital in Ontario's economy.
- Develop incentives and ease travel restrictions for business entrepreneurs and investors visitors to Ontario.
- Launch a 'tech-proud' policy that ensures government Crown Corporations and Ministries are more sensitized and aggressive in recognizing and deploying *made-in-Ontario* technological advancements and processes that can enhance Ontario's economy.
- Recognize the assets in Ontario's health care system to expand business in Ontario's medical tourism, and promote Ontario's technological and process advancements in health delivery in foreign markets.
- Manage expectations of new immigrants with a more 'proactive' and 'candid' discourse with potential immigrants to better inform them of the socio-cultural and economic realities of life in Ontario before they embark on their journey of immigration. Internet technology can serve as an effective medium to disseminate information and interact with potential immigrants in source countries.
- Fix the province's inefficient system of re-training and re-accreditation and fast-track qualified new immigrants. This requires the province to lead the way based on a new policy mantra that ensures greater accountability and efficiency of professional and trade bodies. A virtual registry could also be useful to track progress and provide more transparency during the re-training or re-accreditation process of new immigrants.
- Review the objectives of government initiatives to the promote integration and settlement of new immigrants in Ontario. The injection of \$920-million of federal funding to support immigration initiatives in Ontario was an important first step. It is now up to the government of Ontario to map out well-defined policy objectives and ensure that allocated funds are used effectively to achieve these aims. Connect all programs to tangible benchmarks and subject those to periodic audits/reviews in a transparent environment.

- At the non-governmental level, leading organizations such as TRIEC have achieved successes, but they are micro-successes. The government should select the most effective 'models' and enhance their footprint many fold in order to reach out to larger numbers. These non-governmental agencies may be better equipped than the government in operationalizing policy objectives. However, the province should play a leading role in driving policy and regulating operational performance and accountability.
- Develop an aggressive 'attract-absorb-retain' policy that strives to attract the highest caliber of new immigrants and absorbs them quickly thereafter.
- Deploy communication modules to better inform immigrant communities about available government services.
- Enhance political participation of visible minorities at the leadership level and promote greater integration at the highest level of decision-making in Ontario.
- Create a 'break the ghettos' policy by introducing major infrastructure projects and modern transport hubs to stimulate the economy and build avenues of urban integration.
- Use culture as a driver of the economy but also as a platform to reduce isolation of visible minority groups from the mainstream.
- Fast-track absorption of members of visible minority groups onto boards, agencies and commissions to bring the proportionality index to 1.0 in the domains of socio-cultural, economic and political domains.

Research Recommendations

- A more quantitative and longitudinal study is needed to probe factors contributing to the success of South Asians in Ontario, both residing within and outside of Ontario's economic valleys.
- Additional research is also required to better understand the factors that influence the decisions of graduates from top-tier South Asian institutions in their selection of immigration destinations.

Author Bio

Azmi Haq has published a number of articles on domestic politics in the Pakistani press, has created shows for Pakistan Television Corporation, Showcase, and the CBC.

Haq served as an (additional) federal secretary in the office of former Prime Minister Benazir Bhutto in Islamabad (1994–1996). Haq worked in the office of the Honourable George Smitherman, Ontario's Deputy Premier and Minister of Health and Long-term Care, as an Executive Director of Strategic Communications & Outreach from 2006 to 2008.

Working Paper Series

This working paper is part of the *Ontario in the Creative Age* series, a project we are conducting for the Ontario Government. The project was first announced in the 2008 Ontario Budget Speech, and its purpose is to understand the changing composition of Ontario's economy and workforce, examine historical changes and projected future trends affecting Ontario, and provide recommendations to the Province for ensuring that Ontario's economy and people remain globally competitive and prosperous.

The purpose of the working papers in this series is to engage selected issues related to our report: *Ontario in the Creative Age*. The series will involve a number of releases over the course of the coming months. Each paper has been reviewed for content and edited for clarity by Martin Prosperity Institute staff and affiliates. As working papers, they have not undergone rigorous academic peer review.

Disclaimer

The views represented in this paper are those of the author and may not necessarily reflect the views of the Martin Prosperity Institute, its affiliates or its funding partners.

Any omissions or errors remain the sole responsibility of the author. Any comments or questions regarding the content of this report may be directed to the author.