

Immigrant Entrepreneurs on The Gentle Island

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Prologue

How well does “The Gentle Island” or “The Green Province” work for PEI? That there is more than just one clear, official statement of what the Island purports to be already muddies the waters. And for a province that has just unveiled a Cdn\$200 million ‘prosperity strategy’ that rests on four ‘innovative sectors’ – biosciences, information technology, aerospace and energy (Government of PEI, 2008) - the notion of ‘the gentle island’ does not fit so comfortably. PEI wants to be ‘up and running’, and not just a laid back location of calm, indolence and a *dolce far niente*: good for attracting frazzled tourists wishing to unwind on the beach, but little else.

To come to grips with the ‘economic versus ecologic’ development choices for Prince Edward Island, this article refers to data collated from a project profiling immigrant entrepreneurs (PIE) on PEI. The project set out to examine this cross-section of the business community more closely, with a view to determine more clearly whether and how the two “eco principles” (*after* Dahl, 1996) can coexist and co-benefit from an island-wide positioning exercise. The ‘PIE Project’ is supported by the Population Secretariat of the PEI Provincial Government in order to develop a collation of stories from the Island’s current stock of immigrant entrepreneurs – with their own opinions about what made them come, stay, and open their business on PEI. At least sixty (60) different immigrant entrepreneurs have been identified and interviewed in this recently completed research (Baldacchino & Fall, 2008)². These businesspersons can be categorized by number and economic sector, and they fall neatly within four ‘activity clusters’ as identified in [Figure 1](#).

Figure 1 here

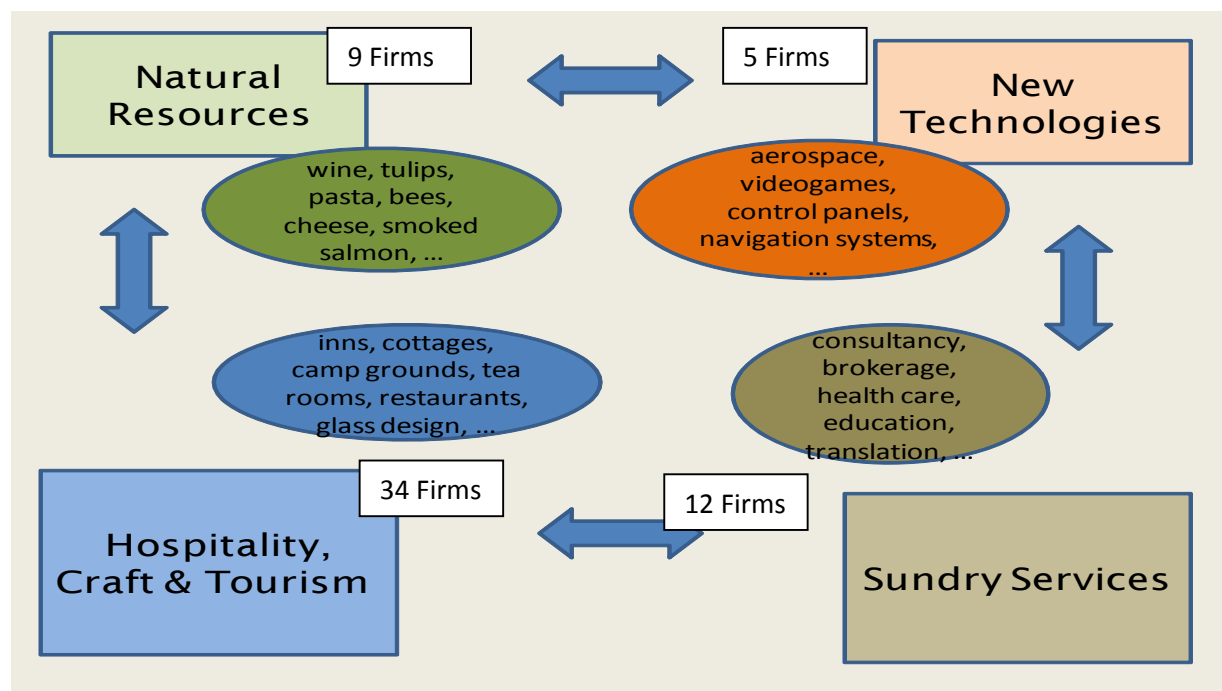
Amongst these groupings, those in the largest sub-category [34 firms] have invested in accommodation related services - from quaint bed & breakfasts to full-scale inns and hotels – plus the (related) catering trade: themed and ethnic restaurants, representing the culinary traditions of at least eight different countries. There is then a motley range of providers of craft products or professional, consulting and brokerage services – from architectural design to carpentry, from translation services to health care, from private tuition to glass ceramics [12

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² Most of the material in this article, including the quotations by the immigrant entrepreneurs, are to be credited to Baldacchino and Fall (2008). Photographs are by Alanna Jankov (Image Factory).

firms]. Next come the farmers, vintners, flower growers, cheese makers, salmon and eel smokers who have developed premier food and beverage items – sourced mainly with local raw material - for the discerning client [9 firms]. Finally, the latest generation of new business ventures is driven by young, well educated, and more technologically savvy entrepreneurs. Their interests are in computer gaming, automation, aerospace and navigation instruments [5 firms].

Figure 1: Schematic Location of Immigrant Businesses in the Prince Edward Island Economy (2008) No. of Firms =60.



The businesses set up and run by immigrant entrepreneurs on PEI provide an interesting commentary on the nature of the Island economy as a whole. These immigrant businesspersons partake in an enduring love affair with the land and its resources: mainly by branching out into wholesome, gourmet foods and wines. There is investment in the tourism sector, and the vibrant hospitality and craft sectors that latch onto this, providing premier accommodation and dining experiences, as well as novelty local souvenirs. Then, there is also a significant critical mass of innovative investment based on new information, communication, entertainment and energy related technologies. All complemented with a sprinkling of other small scale,

professional and service activities which have developed by identifying expertise gaps in the local market.

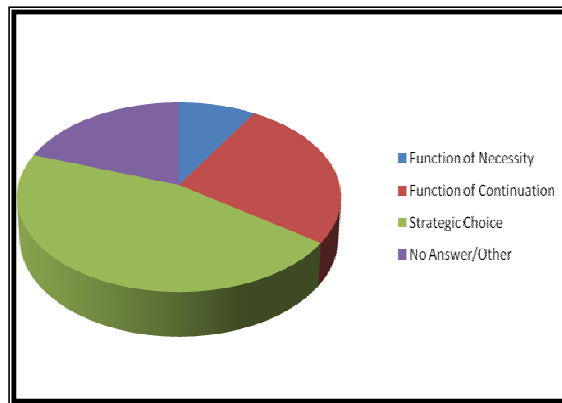
These niches are not mutually exclusive: those running cafés source local foods; those producing fine foods target tourists as customers. However, there do appear to be less upstream or downstream linkages between the modern, knowledge driven sector and all the others. Does this observation contour our understanding of PEI in the 21st Century as both an ‘intelligent’ island, and a ‘gentle’ one?

Three Routes to Immigrant Entrepreneurship

Why do immigrants become entrepreneurs? Out of the 60 profiled immigrant entrepreneurs currently active on PEI, 48 have suggested at least three answers to this burning question. First, self-employment may be a necessary route, often a default option after failing to secure suitable waged employment. Second, it may simply be a carryover of entrepreneurship already practised in the country of origin. Third, it may be a course of action following a conscious and well-thought out decision, in which case location is as (if not more) important than the actual product or service being offered. (See Figure 2).

*Routes to Immigrant
to PEI (2008)*

Entrepreneurship



	No.	%
Function of Necessity	4	8.33
Function of Continuation	12	25
Strategic Choice	21	43.75
No Answer/Other	9	18.75
<i>Total</i>	<i>48</i>	<i>100</i>

Entrepreneurship as Function of Continuation

An important remark to make with respect to entrepreneurs - and *immigrant* entrepreneurs in particular - is that they do not necessarily become entrepreneurs as a conscious and deliberate choice. Of course, various entrepreneurs already had a flourishing business prior to their migration. In such cases, they simply recreated the material conditions to resume their production or service delivery on PEI:

The *Romany Rest* is a small 4-star, country farmhouse operating as an ensuite B & B, complete with outdoor swimming pool, since October 2006. ... Before coming to PEI, owners **Sandra and Fred Alich Storr** lived in a “tiny Welsh village in the mountains”, raising sheep and operating a small shop and café that promoted local produce; some of which they grew themselves.

In 2002, **Robert and Jane Manning** still owned and operated a hotel in England; but the constant demands of their work were much more than they desired. Once their three sons were old enough to choose their own futures, Robert and Jane settled on Prince Edward Island.

Entrepreneurship as Function of Necessity

For others, the status of entrepreneur may have been one that they were forced to adopt and maintain because of the loss a previous job or the inability to source suitable employment. Necessity, apart from “the need to achieve” (McClelland, 1987: 222), becomes the mother of invention: in such cases, even the nature of entrepreneurship may be instructive. In the case of PEI with its relatively inexpensive property (the cheapest in Canada per unit area³) and still rather underdeveloped ethnic food scene, one should not be surprised to find so many immigrant entrepreneurs engaged in either accommodation or catering activities; each of these sectors requires relatively lower amounts of start up capital and limited business expertise. Both of these sets of activities can easily engage and depend on domestic labour, thus cutting operating expenditures:

Martina ter Beek (a Dutch Immigrant to PEI) had a heritage of cheese-making through her grandparents. Gouda cheese production began in her kitchen with homemade, rather primitive tools constructed of whatever utensils were available. In time, she was able to import, through the generosity of her family in Holland, a mould to shape the cheese and a large bucket for processing. With some milk from her own cows, a few

³ The mean house price on PEI was Can\$134,295 in June 2007 according to the Canadian Real Estate Association: the lowest in Canada. (The highest mean was registered in British Columbia with \$446,893.) See Noorani & Noorani, 2008, Chapter 7.

homemade tools, and a lot of determination, in 1988, Martina began to make fine Gouda cheese.

In the year 2000, **Chien Ming** and **Kuo Yeh** (Taiwanese Immigrants) moved to PEI after 5 years in Ontario. They were out of work, and with just \$10,000 in the bank. “And so, we decided to open a shop; but, what kind of shop? Then I remembered that all my family members work in the tea house business, so I decide to open a tea house”... In 2003, the Yehs were encouraged to buy a larger store. Chien’s parents agreed to lend them \$75,000 and to migrate to PEI in order to help run the new operation, the *Formosa Tea House*, which was duly inaugurated in 2004.

Italo Marzari (an Italian immigrant) moved to Prince Edward Island to become an instructor at the respected culinary institute in Charlottetown. When a downturn in the economy occurred, Italo was faced with two options: move off the Island or create his own employment. The outcome of this decision is as authentic an Italian restaurant as you can get: he opened *Sirenella Ristorante* in 1992.

Entrepreneurship as Strategic Choice

Is the motivation for entrepreneurship amongst those individuals who have settled down on PEI and opened hi-tech and/or knowledge driven businesses any different from that of these two categories? The data suggests that those behind technology-driven firms certainly have a more strategic rationale for deciding to set up their business in a specific (in this case island) location. Theirs is a well-thought out combination of pull factors (which include fiscal incentives, strong work ethic, the availability and cost of a competitive, well educated and English speaking workforce, and ‘quality of life’ matters such as tempo, security and neighbourliness) and push factors (which include the stress of long commutes, crime, anonymity and other features of life in ‘the big city’):

Kevan Merson is a Scottish design engineer and entrepreneur from Aberdeen. He and his family vacationed on Prince Edward Island in 1998; an experience that led him back year after year. In time, a home on Panmure Island was constructed because “We fell in love with PEI,” explains Kevan. *MarineNav Ltd.* was established on Panmure Island in 2005 as an R&D company that manufactures and markets its own highly sophisticated on-board computer systems used for vessel management, monitoring, and navigation... According to Kevan, choosing to settle in a rather remote forested area on an island off the coast of Prince Edward Island was an inspired decision: “I purposely didn’t settle for a location in an industrial park. I wanted staff to work in a tranquil atmosphere and

be surrounded by nature.” Besides the pleasant climate and the suitable surrounding waters of Prince Edward Island, the reasonable cost and quality of local labour also attracted Kevan: “I have discovered that Islanders generally have a very strong work ethic and are loyal to their employers” (*also* Shepard, 2007).

“Having lived and worked in the United States for many years, where the culture is more litigious, I agreed with my wife that we should separate our personal assets from our business”, comments consultant **Allen Stoolmiller**. However, Allen – who owns and runs *Stoolmiller Consulting* - made a startling discovery: “I found myself working in an atmosphere that was so different”. ... Islanders “are far more oriented towards volunteerism”. In the small population of Prince Edward Island, “there is a much greater empathy for one’s fellow human beings. There’s a greater awareness of the importance of literally taking care of one another as a small community”. ... “Doing business with Islanders is very simple and straightforward. An awful lot is done with a hand shake and a word and a nod as opposed to written contracts.”

Roman Makarski (a Polish immigrant) first set up *BCD Automation* in Montreal as a designer and manufacturer of state-of-the-art custom control system panels. Despite the decline in his salary, and fewer qualified support staff, Roman’s reason for leaving Montreal and settling on PEI is clear: “My daughter decided to raise a child and she wanted a safe environment. She decided that PEI is the best place in the world to raise a kid, and to start a family”. ... Roman admits it took the better of two years to adapt to his new home, because he missed the big cities. However, he now concludes “I have a better life.” After returning recently to Montreal for a visit, Roman vividly remembers: “Within five minutes I had already had enough. So many people, such a hectic tempo, it was crazy! It was simply too much for me”. ... Roman’s contentment extends to his admiration for the personal touch afforded by the population size, particularly in the school system: “I’m so glad we moved here because of our grandchildren – they are the biggest beneficiaries. Elsewhere, you may be a number; while here, you are a person. This is the key difference I discovered.”

Naturopathic Medic **Marilyn Yap Yu** (a Filipino immigrant) and her husband **Raymundo** lived in Ontario; but Prince Edward Island became the province of their choice. Marilyn says: “Our main purpose was to raise our children in a smaller place.” She wanted her children to have “a different environment.” Her advice after raising six children here?: “Honestly, after 18 years, I find P.E.I. is the best place to raise children”. ... Marilyn appreciates the slow pace of Prince Edward Island, the scenery and the sense of security.

The transition from Boston, USA, to Launching, Prince Edward Island, was a welcome one for Danish Architect **Ole Hammarlund**, who likes the “small scale” of the island. ... The Danish village Ole lived in was a stark contrast to Boston where he “never really felt at home.” Ole adds, “It wasn’t that I disliked it. Boston is a beautiful city, but I never felt connected there quite the same way that I feel here.” Besides that, Ole admires the physical attributes of Prince Edward Island because they “happen to be very much like Denmark. It’s a very homey place for me.”

Sasha and Beti Andric (immigrants from former Yugoslavia) set up *GoldNET Smart Technologies* as a custom programming firm which also provides website development and webhosting services... Although they miss some of the pleasures of the city life in Zagreb, amongst one million Croatians, they also appreciate the quality of life their young son, Sebastian, now enjoys on the Island.

The strategic choice orientation is by far the most popular option of all amongst current immigrant entrepreneurs to PEI.

There has also been targeted complimentary investment by the PEI Government. In 2003, the province developed a facility in downtown Charlottetown specifically designed to house new technology businesses. This was followed by a generous tax incentive scheme, including a 52.5% tax credit on production labour and a specialty labour tax credit which provides a rebate on the provincial portion of income taxes for key personnel.

Discussion

The data suggests that there are a number of features about Prince Edward Island that are especially attractive to “urban refugees” (e.g. Forsythe, 1980). It confirms the results of an earlier study, based on the responses of 320 recent immigrants to the island province, that indicated PEI as having a set of “wonderful attributes”: “... affordable housing, stunning landscape, pulsating civil society, slower tempo, easier access to provincial infrastructure, safety, ideal place to ‘grow’ kids, (re)connect with family” (Baldacchino, 2006: 76). There might appear to be a self-evident contradiction between the island’s sedate tempo and provincial character on one hand, and the cosmopolitan dynamism expected by globally competitive firms on the other. There is however no such disconnect or clash in the minds of the professionally and technologically competent entrepreneurs who have deliberately and strategically set up

operations on PEI. Indeed, rather than a deterrent, www.flypei.calm seems to be a significant reason behind the decision to locate on, or relocate to, 'the Island'⁴.

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⁴ The www.flypei.calm theme was integrated across all marketing communications by the Charlottetown Airport Authority since 2006. See: <http://www.sharpgrp.com/portfolio2.html>.