

Leveraging Canada's Immigrant Heritage for Strategic Global Engagement



By

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Abstract

Canada's rich immigrant heritage has played a pivotal role in shaping its economy, cultural landscape, and international standing. With a highly diverse population and a history of immigration-driven development, Canada possesses a unique opportunity to leverage its immigrant communities for strategic global engagement. Immigrants contribute significantly to key sectors such as technology, trade, and innovation, forging strong transnational connections that enhance Canada's global competitiveness.

This whitepaper examines how Canada can transform its immigrant heritage into a strategic asset by formalizing diaspora engagement, fostering trade and investment, advancing cultural diplomacy, and promoting innovation and talent mobility. It highlights the role of immigrant-led businesses in driving exports, attracting foreign investment, and expanding Canada's presence in international markets.

To maintain its competitive edge in an increasingly interconnected world, Canada must implement targeted policy interventions. This paper outlines key recommendations, including strengthening integration programs, supporting immigrant entrepreneurship, enhancing multicultural branding, and removing systemic barriers such as credential recognition and economic accessibility.

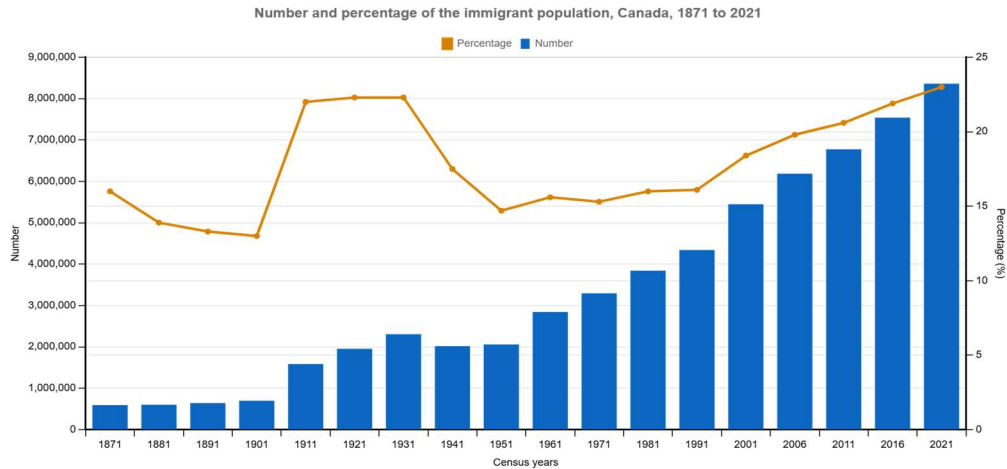
By addressing these challenges and capitalizing on the strengths of its diverse communities, Canada can unlock new economic and diplomatic opportunities. Immigrants are not only contributors to Canada's past and present but also central to its future as a leader in global engagement and innovation.

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Introduction

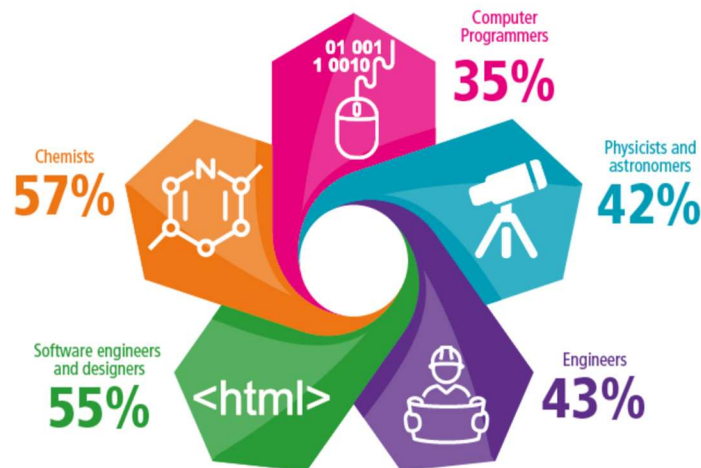
Canada is one of the most culturally diverse countries in the world. Immigrant individuals represent [23% of Canada's population](#), a projection forecast indicates their numbers will [increase up to 24.5 – 30% by 2036](#). Immigrants serve as the fundamental foundation that constructed Canada into the nation it is today. Immigrant communities have played a pivotal role by transforming Canada's national economics and cultural traditions and enhancing its global diplomatic capabilities.



[Image source](#)

Canadian development has significantly depended on immigration throughout its historical evolution. The nation has advanced because immigrants built its systems and developed innovative industries such as healthcare and technology. [35% of employees within Canada's technology sector and 43% of engineers](#) represent immigrants in the workforce. Their significance becomes evident through their substantial influence on the development of vital industries.

Percentage of immigrants in STEM occupations



[Image source](#)

Immigrants comprise a valuable national resource for Canada that extends beyond national pride across global domains. Immigrant communities leverage their numerous language capabilities and worldwide networks to establish powerful international alliances and reach international customer bases.

This whitepaper explores ways Canada can maximize its immigrant heritage to improve global relations.

Background and Rationale

Canada's immigrant communities play a fundamental role in maintaining the country's economic prosperity, cultural vitality, and international engagement. These communities contribute to economic growth, foster global trade networks, and strengthen Canada's diplomatic relationships both domestically and abroad. By leveraging their diverse backgrounds, knowledge systems, and global connections, immigrant communities enhance Canada's capacity to engage strategically on the international stage.

- **Historical Overview**

Long before the establishment of Canada as a colonial state, the land was home to diverse Indigenous Nations who had stewarded these territories for millennia. Their governance structures, trade systems, and cultural traditions formed the foundation of life across the region. However, the arrival of European settlers in the 16th and 17th centuries marked the beginning of a colonial era that significantly altered the demographic and cultural landscape of these lands.

The formal process of immigration to Canada began as a result of European colonial expansion. Early waves of settlers from France and Britain sought to establish permanent settlements, often through land displacement and treaties with Indigenous Peoples—some of which were honoured, while others led to systemic inequities that persist today. As Canada evolved into a nation-state, successive waves of immigrants from Europe contributed to the country's agricultural, industrial, and economic development.

Over time, Canada expanded its immigration policies, welcoming people from diverse regions, including Asia, Africa, the Caribbean, the Middle East, and Latin America. These successive waves of migration reshaped Canadian society, contributing to its multicultural identity while also reinforcing the complexities of colonial legacies. Today, Canada acknowledges both its Indigenous roots and the contributions of immigrant communities in shaping the nation's evolving identity.

- **Economic Contributions of Immigrants**

Immigrants form the cornerstone for both job establishment and entrepreneurial activities. Statistics Canada reports that immigrants constitute [32% of Canadian](#)

[business owners](#) who maintain paid staff. Businesses established by immigrants maintain crucial operations in multiple key sectors consisting of construction, healthcare, retail trade and professional services.

Self-employed [Canadian immigrants number more than 800,000](#) with at least a quarter of them running businesses that pay employees. These statistics show Canada's immigrants act as driving forces of entrepreneurship and economic development across the country.

- **Trade and Export Potential**

Canada's trade networks experience exceptional expansion opportunities through immigrant-owned businesses. Research findings demonstrate immigrant business owners [participate in export activities at a rate 1.6 times higher](#) than Canadian-born business proprietors.

Exponential evidence shows that a one percent rise in Canada's immigrant population creates [a 0.11% boost in exporting activities within Canada](#). These businesses create tremendous value through their ability to connect Canada with international markets for trade growth.

- **Government Initiatives**

International engagement has become more valuable to Canada because its government recognizes the significant role that immigrants play in the country. The [Indo-Pacific Strategy](#) mobilizes Canada's substantial connections between residents from the Indo-Pacific region which involve one in five Canadians.

Through the [Indo-Pacific Engagement Initiative \(IPEI\)](#) the government targets enhanced international engagement through network building while fostering culture sharing and commercial partnership development. Through these initiatives, immigrant communities have proven their ability to connect Canada to worldwide markets.

Strategic Pillars For Global Engagement Through Immigration

Canada needs a precise and central strategy to achieve maximum usage of its valuable immigrant history. Canada can improve its worldwide connections through deliberate attention to trade growth combined with cultural diplomacy initiatives and innovation-driven development.

“[ITIF mentions that Canada’s crisis cannot](#) be adequately understood or addressed by looking only at broad macro factors such as tax rates, infrastructure, and education. Policymakers must develop economic strategies focusing on firm, sector, and technology levels.”

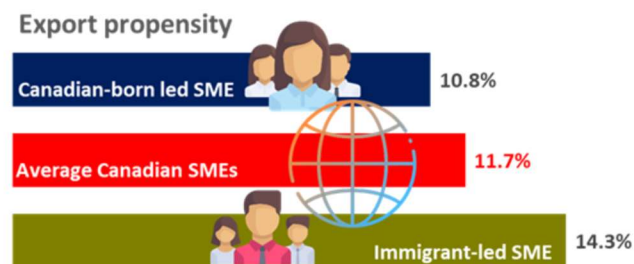
1. Formalizing Diaspora Engagement

Immigrant communities are an untapped resource for strengthening Canada's international ties. Establishing a national policy to integrate diaspora groups into Canada's global strategies can ensure their involvement in diplomacy and trade. For example, countries like Ireland have formalized [diaspora networks](#), enabling them to attract [over \\$10 billion in investment annually](#) from Irish expatriates. A similar approach could allow Canada to unlock similar opportunities with its global diaspora.

2. Enhancing Trade and Investment

Immigrants run businesses that provide both original market views and contact to international markets. Research indicates immigrant business owners demonstrate increased export performance compared to non-immigrant owners because their companies can access markets connected to their cultural and linguistic backgrounds. [Immigrant-led SMEs](#) had an export intensity of 5.8%, while Canadian-born SMEs had an intensity of 3.7%.

Figure 2 : Export propensity-Immigrant-led SMEs, Canadian-born led SMEs, and all SMEs in Canada



[Image source](#)

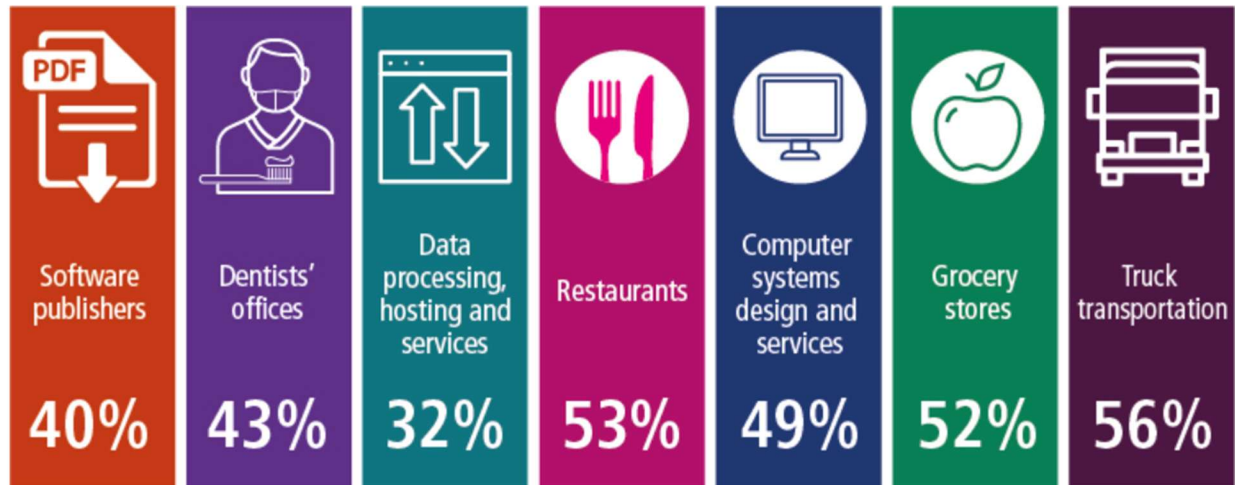
Departments should support targeted programs which help Canadian businesses to explore new avenues of export. To boost international trade, immigrant business owners would benefit from export grants combined with training programs that match their specific needs.

3. Cultural Diplomacy and Exchange

Canada's multiculturalism is a powerful tool for fostering goodwill globally. Cultural exchanges, educational partnerships, and tourism promotion can help strengthen diplomatic relationships. A study by [UNESCO](#) highlights that countries engaging in cultural diplomacy experience improved trade relations and greater international cooperation. Leveraging festivals, partnerships, and immigrant-led cultural organizations can impact Canada's diplomacy.

4. Innovation and Talent Mobility

Immigrant groups frequently lead innovation. For instance, Over [250,000 immigrants have paid employees out of the 800,000](#) immigrants who work for themselves. Throughout the nation, over 46,000 immigrants hold senior management positions. Canada can adopt this knowledge to propel progress in these vital fields by promoting talent exchanges and partnership initiatives.



[Image source](#)

Canada can establish itself as a worldwide innovation powerhouse by promoting cross-border innovation partnerships. This is especially beneficial in fields like biotech and artificial intelligence.

5. Policy Collaboration and Capacity Building

Canada can work with countries where its immigrants have roots to develop shared policies in education, governance, and healthcare. Countries like the Philippines have benefited from collaboration with their diaspora to improve domestic health programs. Similarly, Canada can play a role in helping other nations build capacity while fostering goodwill and stronger ties.

By focusing on these pillars, Canada can create a structured and meaningful approach to integrating its immigrant communities into its global engagement efforts.

Key Sectors for Leveraging Immigrant Heritage

Canada's immigrant heritage creates opportunities across several key sectors. From trade to technology, these sectors benefit from immigrant communities' skills, networks, and cultural insights.

Trade and Commerce

Immigrant communities connect Canada to global markets through their established cultural and business affiliations. The [1.7 million Indian-origin Canadian citizens](#) support trade expansion between Canada and India while trade volumes continue to increase smoothly.

The connection between Canada and India through diaspora relations became increasingly visible, with their [trade volume reaching \\$13.7 billion](#). Business operations managed by immigrants serve as key export generators that facilitate Canadian businesses to penetrate worldwide markets.

Similarly, Indigenous entrepreneurship is rising, contributing to Canada's economy. [Indigenous-owned businesses generate over \\$30 billion annually](#), with many focusing on sustainable practices, tourism, and exports. By supporting both immigrant and Indigenous business networks, Canada can create a more inclusive and dynamic trade environment.

Education and Research

Canada's education sector attracts international students, many of whom contribute to research and innovation. More than [1,040,985 international students studying in Canada](#) generate around CDN\$37.3 billion for the economy. Immigrant researchers play an essential part in maintaining Canada's competitive edge worldwide. [Canadian university artificial intelligence research groups](#) attain innovation breakthroughs mainly through immigrant researchers, who make up 50% of their total composition.

Summary table III: Comparison of total annual spending by international students with Canada's service and merchandise exports

	Value (\$billions)	International Student Spending as % of Exports
Total spending by international students	\$37.3	-
Canada's exports in services	\$173.0	22.2%
Canada's exports in merchandise	\$779.1	4.8%

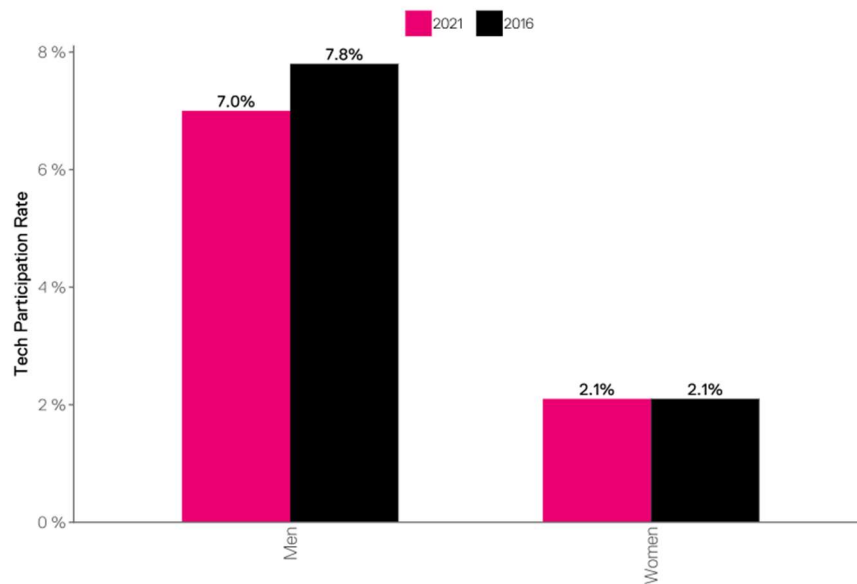
[Image source](#)

Research and academic circles currently demonstrate increasing acknowledgment of native knowledge systems. As a growing trend, universities together with research institutions, integrate Indigenous viewpoints especially in educational and research areas that involve environmental science, healthcare and governance systems. The formation of academic partnerships between Indigenous people and immigrants will help Canada maintain its status as an international leader in knowledge sharing that incorporates diversity.

Technology and Innovation

The technology sector of Canada depends highly on immigrant talent. Based on information provided by the Brookfield Institute, immigrants represent [40% of Canada's tech sector](#) workforce. The urban technology ecosystems in Toronto and Vancouver prosper because of their diverse workforce components. Immigrant-founded startup businesses, including [Shopify](#), demonstrate how different backgrounds accelerate industrial development through their global triumphs.

Figure 1
Tech Participation Rate by Gender



[Image source](#)

Indigenous-led tech initiatives are also expanding, bringing unique perspectives to innovation. Programs that support Indigenous and immigrant entrepreneurs in technology can drive even greater advancements and create more inclusive economic opportunities.

Cultural Diplomacy

Through its multicultural makeup, Canada builds global soft power relations. Canadian festivals like the Edmonton Folk Festival, Calgary Stampede and Toronto's Caribana Festival and Montréal's International Jazz Festival showcase diversity while drawing millions of tourists worldwide. The combination of these events contributes to tourism growth and ethnical multicultural ties, strengthening Canada's standing as a global leader.



[Image source](#)

Several Indigenous cultural celebration events including the Manito Ahbee Festival alongside Indigenous Fashion Arts Festival, are globally recognized. When Canada celebrates its diversity the nation must guarantee equal honor for indigenous cultures together with immigrant heritage respect. Canada strengthens its identity as a diverse and culturally diverse nation through its balanced approach.

Policy Recommendations

Government entities, together with business organizations and communities, must implement specific policies that support Canada's immigrant heritage potential. The recommendations will lead to better immigration integration while maximizing their ability to engage globally.

➤ **Improve Integration Programs**

Some highly skilled immigrants encounter challenges when they attempt to join the workforce because foreign professional certifications often fail to earn official approval. A

2024 study found that more than [25% of foreign-degree-holding immigrants](#) in Canada hold positions requiring only a high school degree or less. By simplifying credential assessment procedures alongside language training programs, Canadian immigrants can obtain jobs at their appropriate skill levels thus enhancing national productivity.

➤ **Promote Multicultural Branding**

Canada stands as a strong global brand because it embraces all cultures within its borders. The government needs to enhance the country's multicultural portrayal through international marketing activities. Through Destination Canada programs the country's various communities become marketing tools to attract business travelers and investors as well as international students and tourists.

➤ **Build Stronger Diaspora Partnerships**

Canada's immigrant populations consistently stay closely connected with their homelands. Business and diplomatic ties between nations are fundamentally strengthened by these important connections. Through the [Canada-India Business Council's](#) efforts, the two nations have enhanced their trade relationship. Canada's global outreach potential develops stronger through strengthened cooperation with diaspora organizations.

➤ **Support Immigrant Entrepreneurs**

The Canadian economy remains dependent on immigrant business ownership for its functioning. A study by the Business Development Bank of Canada found immigrant ownership reaches [33% of all small and medium businesses](#) across the nation. Immigrant entrepreneurs benefit from financial support coupled with mentorship alongside direct access to international business markets to advance their business growth and employment creation potential.

➤ **Incentivize Global Expansion**

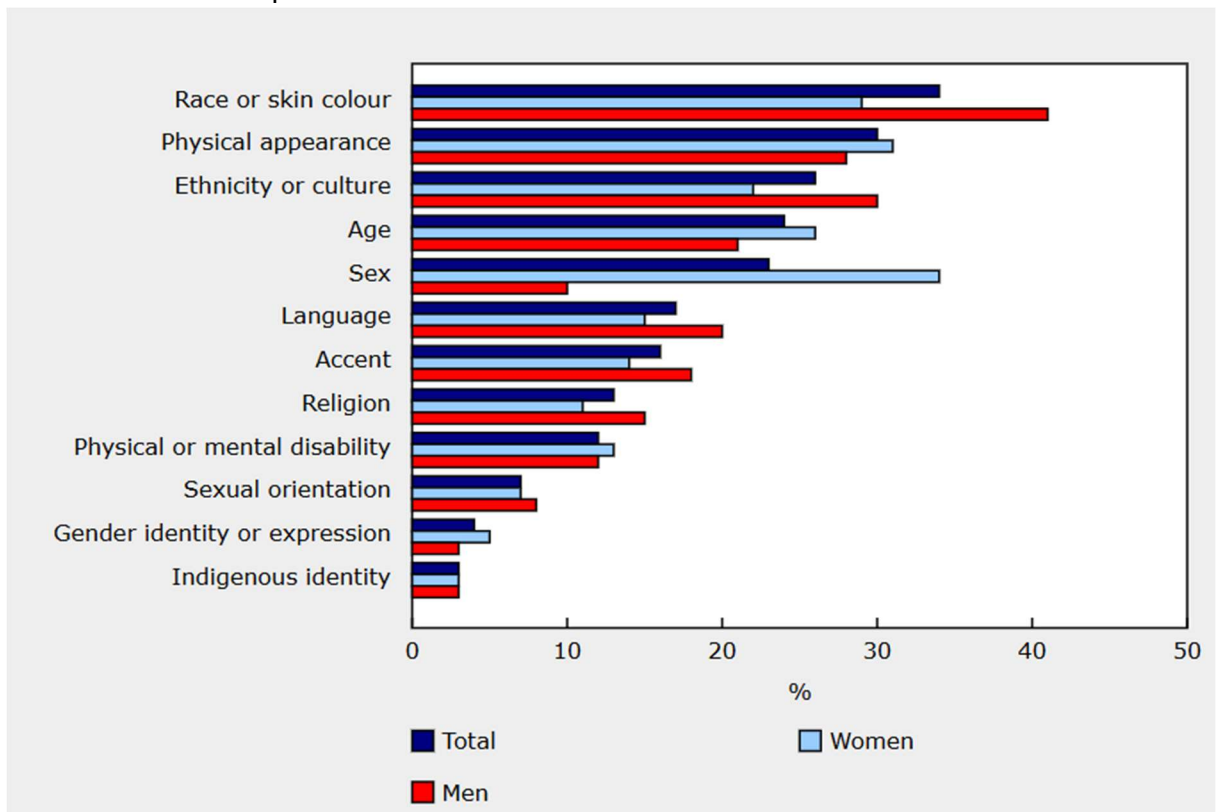
The government can encourage Canadian businesses to use immigrant networks for international expansion. Incentives such as tax credits or grants for companies that export goods or services to markets connected to immigrant communities can drive trade and strengthen global ties.

Challenges to Address

Immigration has certainly helped Canada, yet there are still issues that need attention. These challenges include:

- **Unemployment:** Workforce integration proves challenging for numerous immigrants coming into Canada. International qualifications [earned by 40% of migrants](#) do not always result in employment recognition throughout Canada, thus affecting professionals. Their qualification recognition issues prevent them from securing work that corresponds to their skill set so they end up holding jobs below their abilities.

- **Language Barrier:** Language differences act as major impediments to integration. Many immigrants learn English or French as their second language yet some immigrants find it hard to satisfy occupational language requirements. The delay in committing to full economic and social engagement becomes prolonged when individuals face challenges attaining adequate employment.
- **Expensive Housing:** Another challenge is housing affordability. Housing expenses in important cities such as Toronto and Vancouver have experienced dramatic increases. Settling in Canada becomes harder for immigrants, particularly newcomers because they cannot afford suitable housing to start.
- **Bias & Discrimination:** Discrimination and bias incidents continue to appear in Canadian society. [Statistics Canada mentions that 51% of raced individuals](#) aged 15 and older reported experiencing prejudice in 2021–2024, nearly twice as many as non-racialized individuals. The encounters resulting from discrimination create emotional barriers to belonging which stop immigrants from taking complete responsibility for their communities' development.



[Image source](#)

Addressing these challenges is essential. Through strong support mechanisms streamlined credential recognition systems and inclusive programming, Canada will ensure immigrants reach success while maintaining their contribution toward national achievements.

Unlocking Canada's Global Potential

Canada's immigrant heritage is a defining element of its national identity, shaping its economy, society, and global reputation. Immigrants do more than contribute to the labor market—they bring knowledge, skills, and international networks that strengthen Canada's position in an increasingly competitive and interconnected world. Their entrepreneurial drive fosters innovation, their cultural diversity enriches communities, and their global connections open doors for trade, investment, and diplomatic partnerships.

In a rapidly changing world, Canada must recognize and harness these strengths. As emerging economies rise and industries evolve, the country has an opportunity to position itself as a global leader by actively supporting immigrant-led initiatives, businesses, and professional networks. Immigrants act as natural bridges to international markets, helping Canadian businesses expand beyond domestic borders and ensuring the country remains a relevant player in global commerce.

Maximizing Canada's global potential requires more than acknowledging these contributions—it demands a deliberate and sustained effort to create policies and programs that integrate immigrants into all aspects of economic and social development. Addressing barriers such as foreign credential recognition, business funding access, and professional mobility will allow immigrants to contribute at their full potential. Encouraging collaboration between government, private industry, and diaspora communities will strengthen Canada's ability to navigate geopolitical shifts and capitalize on new global opportunities.

By embracing its immigrant heritage as a strategic asset, Canada can lead by example, demonstrating how diversity is not just a social ideal but a competitive advantage. A country that values inclusion, fosters innovation, and builds strong international ties will be better positioned for long-term prosperity. In doing so, Canada ensures that its diverse communities are not only part of its history but central to shaping its future.

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