

**“Diversity and Integration in Education,  
Skills and Business; the Canadian Experience  
and Challenges for Europe”**

An Address

By

**The Honourable Donald H. Oliver, Q.C.**  
Senator, Senate of Canada

October 2006

## ***Introduction***

Good afternoon. Thank you for inviting me to join you today. It is an honour and a privilege to be here. And I am delighted to share my views on diversity and the urgent need to build more inclusive societies and organizations.

The biggest crisis facing the business community in the developed world is lack of skilled workers and artisans to man our factories in our industrial complexes. It's a global labour crunch. We have to look to immigrants to help us create and build our wealth and enhance shareholder value, but the majority have their head in the sand.

To illustrate my central thesis, let me begin with a fable – the Greek myth about Narcissus as told by Ovid in his book, *Metamorphoses*. One day, fatigued with hunting, heated and thirsty, Narcissus stooped down to drink from a cool pool of water. When he saw his own image in the water, he fell in love with himself. And he continued to gaze with admiration at his bright blue eyes, his golden curls and his ivory skin, flushed with the glow of health and vigour.

Soon, he could not tear himself away. Soon, he lost all thought of food or rest. And with time, and by degrees, he lost his color, his vitality, and his beauty. Eventually, he wasted away and died. Thus, for the Greeks, Narcissus represented vanity, callousness and insensitivity.

I believe this same brand of vain, callous and insensitive self-love afflicts many white leaders in western society today. Pre-occupied with their own inwardly-focused concept of superiority, they remain woefully oblivious to our changing world.

They never dreamed, as children born in the fertile days of the baby-boom, that the West would one day face a global talent crunch and come to depend almost exclusively on immigration for economic growth. And if they don't shake themselves free of their complacency, their organizations and the economies in which they are based, will waste away and eventually die. Seventy percent of immigrants coming to Canada are coloured. In Canada, we call them visible minorities.

Immigration now accounts for two-thirds of the population growth in the 30 member countries of the OECD, where low birth rates and an aging workforce have accelerated the need for new, young workers. And the vast majority of these new workers will be people of colour, with different cultural perspectives, different religions and different ideas about work and life in general. This is one contemporary dilemma.

This growing diversity is resplendent in opportunity. It offers an unprecedented richness of ideas and solutions. It provides a wellspring of innovative potential. And it promises to generate new wealth and

prosperity. When people from a variety of backgrounds, cultures and ethnicities bring their different talents, skills and experiences together, the results are often astoundingly positive.

Yet in the midst of the greatest coming together of different races in the history of humankind, intolerance persists. Discrimination continues. Racism remains. Aga Khan: “People mix and mingle, side by side, to an extent unimaginable...the world is becoming more diverse and pluralistic in fact but it is not keeping pace in spirit.”

This afternoon, I would first like to summarize important immigration and demographic trends and present their implications for the West. Second, I’ll explore how this mixing and mingling of different races is affecting western nations. Third, I will explain Canada’s historical context and the major policy and legislative innovations we have pioneered to promote diversity. And fourth, I will present the business case for diversity.

My message is that all Western countries must pull themselves away from their own traditional reflections and take a good, hard and honest look at what’s happening around them. The world is changing fast. It is being reshaped from a patchwork quilt with big isolated blocks of colour into an intricate mosaic tile, where smaller bits of colours blend together throughout to amazing effect.

To prosper now, and in the future, nations must capture the beauty and the promise of this new diversity. They must smooth the way for people of colour toward acceptance and integration in their societies. They must learn to recognize the talents and skills of visible minorities when they join their organizations. And they must acknowledge that systemic racism remains a major obstacle in the path toward continued prosperity.

### ***1. Global Talent Crunch***

Let's look first at the global talent crunch and examine what it means to our countries. According to research I pioneered at the Conference Board of Canada, most western nations, including Canada, will not be able to sustain, yet alone grow their workforces, without taking decisive action now to build more racially inclusive societies. We must find a way to accept the business case for diversity so visible minorities will be accepted in the Canadian society.

Essentially, we've been hit what I call the inverted age pyramid. This pyramid is top heavy with baby boomers and aging seniors and bottom light with young people. This is due to a fertility rate well below the level needed to maintain our current population. In 1980, the median age of Canadians was 29 years. In 2000, it was 37. And by 2050, it will approach 43. In less than a decade (by 2015), seniors will outnumber

children in Canada. By 2025, more than 20 per cent of Canadians will be over age 65.<sup>1</sup>

As a result, according to a recent report released by the Royal Bank of Canada<sup>2</sup>, immigration will account for all of the net increase in Canada's labour force by the end of this decade. By the latter part of the next decade, the size of Canada's labour force will stop growing even with current levels of immigration. Even under a low estimate, Canada will need to attract an additional 2.75 million workers in the next 20 years, over and above our government's long-term population projections.

The inverted pyramid is affecting other developed countries too. Fertility rates across Europe, for example, are so low that demographers predict that the number of Europeans will drop dramatically over the next five decades, even with immigration. Specifically, Italy's population is expected to fall from more than 57 million in 2000 to about 45 million by 2050. Spain's will drop by 3 million over the same period. And Germany's will drop by 22 million to around 60 million, with almost half of its population over the age of 65 within just 25 years.

---

<sup>1</sup> *Making a Visible Difference: The Contribution of Visible Minorities to Canadian Economic Growth*, The Conference Board of Canada, 2004

<sup>2</sup> *The Diversity Advantage: A Case for Canada's 21<sup>st</sup> Century Economy*, RBC Economics, October 2005

Overall, under current United Nation population projections (which are based on low or zero net migration flows), the population of the European Union is expected to fall by 12 per cent within 50 years.

As the population plummets in most western countries, however, worldwide migration is expected to grow. The number of international migrants increased from 75 million to 120 million between 1965 and 1990. And by 2000, 168 million people were living outside their country of birth, an increase in the proportion of migrants to 2.8 per cent.<sup>3</sup>

This trend will continue unabated. Experts predict that the world's population will grow by a further 2 billion over the next 25 years. About 98 per cent of these people will be born in developing countries.

Already, however, the racial landscape of most western countries has been transformed. For instance, according to the latest figures from the OECD, 9.1 per cent of the people living in Austria are foreign or foreign born. That percentage is 8.7 in Belgium, 8.9 in Germany, 6.3 in France and an astounding 35.6 per cent in Luxembourg and 19 per cent in Switzerland.<sup>4</sup>

---

<sup>3</sup> *Trends in total migrant stock by sex*, Population Division of the United Nations Secretariat, Revision 4, 1998.

<sup>4</sup> *OECD Economic Outlook*, December 2000

In Denmark, immigrants account for 8.4 per cent of the population<sup>5</sup>. And in Norway, 6.6 per cent of the population is immigrant, with half of these immigrants originating from Africa, Asia and Latin America.<sup>6</sup>

The population shifts have been notably dramatic in Canada. More immigrants arrived in Canada during the 1990s than in any other decade over the past 100 years. Statistics drawn from our 2001 census reveal the percentage of Canadians born in another country reached 18.4 per cent, the highest since 1931.

Today, Canada is the most ethnically diverse country in the world. Other countries, such as Australia, Luxembourg, and Switzerland, have more foreign born citizens. But those countries do not have foreign populations that are as diversified as Canada's.

That's because prior to the 1970s, most of Canada's immigrants came from Europe, Great Britain and the United States. But, after the 1960s, that all changed with more and more immigrants coming from Asian countries.

Today, immigrants to Canada generally come from countries such as China, India, Korea, Pakistan, the Philippines and Taiwan. And most

---

<sup>5</sup> *Factsheet Denmark*, Ministry of Foreign Affairs of Denmark

<sup>6</sup> "A matter of decency? The Progress Party in Norwegian immigration politics", by Hagelund Anniken, *Journal of Ethnic and Migration Studies*, January 2003

– 73 per cent in 2003 – are visible minorities. As a result, according to Statistics Canada’s most recent census data, Canada’s visible minority population has more than tripled to nearly four million or 13 per cent of the population in 2002, up from 1.1 million or just 5 per cent in 1981.

And while most immigrants ushered into Canada before the Second World War headed to rural areas, many to farm undeveloped land, the vast majority in the past decade have settled in three urban areas: Toronto, Vancouver and Montreal. Toronto alone attracted almost 49 per cent of all immigrants to Canada in 2002. It now boasts one of the highest ratios of foreign-born residents, 44 per cent, of any city in the world. That represents an increase of almost 300 per cent in just two decades. And by 2017, Statistics Canada projects that both Toronto and Vancouver will become “majority minority” cities.

In Canada, we do not use the words “ethnic” and “Black”, but instead, we use the term “Visible Minority”. Under the Employment Equity Act (1195, c. 44), a visible minority is defined as “persons, other than Aboriginal person, who are non-white and non-Caucasian and are either native-born Canadian or immigrants.

Overall, within ten years, the Conference Board of Canada predicts that the number of visible minorities in Canada will jump to 6.6 million or roughly 20 per cent of Canada’s population. It further predicts that

visible minorities will account for more than 10 per cent of Canada's total gains in GDP growth by that time.<sup>7</sup>

But, by simply eliminating age, gender and cultural barriers, the Royal Bank study estimates that Canada could add 1.6 million Canadians to its workforce and increase personal incomes by \$174 billion.<sup>8</sup> Clearly, Canada's long-term economic prosperity rests on the successful integration of persons from visible minority groups. I believe that this fact could be extrapolated to most other western nations.

## ***2. Impact of Immigration***

Let's turn now to how different countries are adapting to this growing influx of foreign workers. One of the most apparent signs of growing immigrant unrest occurred last April and May in the United States. Millions of people protested in cities across the country in response to proposed legislation, which would raise penalties for illegal immigrants and classify illegal immigrants, and anyone who helped them enter or remain in the U.S., as felons. Most protestors also called for a new path to legalization and fewer immigration services delays.

---

<sup>7</sup> *Making a Visible Difference: The Contribution of Visible Minorities to Canadian Economic Growth*, The Conference Board of Canada, 2004

<sup>8</sup> *The Diversity Advantage: A Case for Canada's 21<sup>st</sup> Century Economy*, RBC Economics, October 2005

However, as the Economist observed recently:

“America is not the only country wrestling with immigration. As the Senate was passing its version of an immigration bill, Spain was calling for the European Union to help it stem a flood of migrants from West Africa to the Canary Islands. The EU sent patrol boats and aircraft to the seas which thousands have crossed (and where hundreds have died) in the hope of getting into Europe. Britain and France are reforming their immigration laws. Britain and Italy are fretting over the deportation of immigrant criminals. Six countries favour European “integration contracts” – tests of would-be citizens’ knowledge of their host countries as a pre-condition for getting passports.

“But if both sides of the pond are experiencing similar upheavals, there is a big difference between their debates.”<sup>9</sup> As Kathleen Newland of the Migration Policy Institute in Washington, D.C. explains, this big difference:

“... springs from the fact that America protects its welfare system from immigration but leaves its labour markets open, while the EU protects its labour markets and leaves its welfare system open... The result is that in America political debate centers on illegal immigration, and there is no sense that legal immigrants impose burdens on others. In Europe, things are different. There, even legal immigrants are often seen as sponging on others through welfare receipts; and the fact that some

---

<sup>9</sup> “Charlemagne Talking of immigrants: America’s debate on immigration may be painful, but Europe’s is dysfunctional,” *The Economist*, June 3-9, 2006.

have taken jobs which would not otherwise be done so cheaply is forgotten... Instead, all migrants are caught in a web of suspicion.”<sup>10</sup>

As a result, racial tensions in Europe appear to be surfacing. Consider the violent riots which erupted in France last year. During those three weeks, “some 10,000 vehicles were burned, 255 schools, 233 public buildings and 51 post offices were attacked, 140 public transport vehicles were stoned, and 4,770 people were arrested, according to figures obtained by *Le Monde*.”<sup>11</sup> State-of-emergency measures quelled the clashes between police and disenfranchised youth. But while this smoke has cleared, the more difficult task of healing profound social wounds remains.

Other countries may shake their heads. They may believe such events could never occur within their borders. But, that is dangerously naive. In Canada, we do not have “banlieus”. New Canadians come to our country from every continent. They often live in neighbourhoods with Canadians who have lived in Canada for generations. But as an editorial in Canada’s national newspaper, the *Globe and Mail*, cautioned:

“... no one (in Canada) should feel complacent. Warning signs abound. Today’s immigrants, more often visible minorities, face tough economic challenges. Some feel excluded from Canadian society. Recent immigrants ... are disproportionately represented among

---

<sup>10</sup> Ibid.

<sup>11</sup> “France and Immigration – After the Riots”, *The Economist*, December 17, 2005.

the ranks of the poor. The income gap between neighbourhoods is also widening.”<sup>12</sup>

There is plenty of evidence, both anecdotal and research-based, about racial discrimination in Canada. Recently, a black woman won her case before Quebec’s Police Ethics Committee. In 2003, she had been travelling in Quebec City with her two teenage sons, when the police stopped her van, checked her papers and wrote out a ticket. The committee said the officers “were motivated by race”. It ruled that she was the victim of racial profiling.<sup>13</sup>

A study of police Special Investigations Unit cases in Ontario from 2000 to 2006 “found that black people are 5.4 times more likely to be involved in a police use-of-force incident than whites, and aboriginals are 6.2 times more likely.”<sup>14</sup> This study was conducted by the University of Toronto on behalf of the African Canadian Legal Clinic.

These are not isolated events or studies. According to Statistics Canada’s most recent Ethnic Diversity Survey, one in five members of the Canadian visible minority community reported experiencing discrimination or unfair treatment in the last five years. This figure is four times greater than that for non-visible minorities.

---

<sup>12</sup> “How immigrants fit in”, *The Globe and Mail*, November 14, 2005

<sup>13</sup> “Police stopped Quebecker for being black, ruling says”, *The Globe and Mail*, February 9, 2006

<sup>14</sup> “Racism charge ends inquiry”, *The Globe and Mail*, August 25, 2006

Discrimination also extends to the work market. In an interesting experiment, Rajiv Prasad invented an alter ego named Roger Pritchard:

“It was the mid-1990s and despite having a university degree and work experience in the high-tech sector, Mr. Prasad was having trouble finding a job in a slumping Ottawa economy... Curious about whether his Indian name was hindering his employment prospects, Mr. Prasad responded to five job postings with two versions of his resume. The only difference between them was the name on the top.”<sup>15</sup>

The result: Mr. Prasad’s white alias, Roger Pritchard, received a response from three of the five companies. He didn’t receive even one response by using his real name.

What’s more, once a visible minority does get a job in Canada, they often get paid significantly less than other Canadians. Visible minorities earned 11 per cent less than the Canadian average in 1991. This gap grew to 14.5 per cent in 2000. It’s no wonder, as a 2006 Statistics Canada study shows, that one in six young, highly educated male immigrants leaves Canada within a year due to the job market.

Naturally, there appears to be a swelling sense of disenfranchisement among Canada’s immigrant population. A recent study, undertaken on behalf of the Community Foundations Canada and the Law Commission of Canada, shows that:

---

<sup>15</sup> “Didn’t get the job? Could it be your name?”, *The Globe and Mail*, August 2, 2006

“Canada is undermining the integration of immigrants and contributing to their social isolation... The latest waves of newcomers are better educated than their predecessors, but they have a more difficult time obtaining employment, reuniting with their families, and getting language training, proper housing and even health services... Some of the more than three dozen immigrants interviewed said they are worse off than they were in their homelands.”<sup>16</sup>

Particularly troubling, the study also reports that there is “a lack of civic engagement among second-generation immigrants... The children of immigrants who have grown up here may have a more jaded outlook. Many have experienced discrimination in school or just feel disengaged.”<sup>17</sup> This is one of the fastest growing segments of the visible minority population in Canada. Canada’s success or failure in fully integrating young immigrants into our society today will be a harbinger of the Canada of tomorrow.

Canada’s Prime Minister Stephen Harper said during a speech to the United National Urban Forum in Vancouver this past June that: “Canada’s diversity, properly nurtured, is our greatest strength.”

I know this is true for all nations. But, to create truly inclusive societies, we must first ensure that visible minorities have the same chance for gainful employment and career growth enjoyed by other citizens. Second, we must recognize that systemic racism continues to

---

<sup>16</sup> “Canada unwelcoming to immigrants, study finds”, *The Globe and Mail*, July 17, 2006

<sup>17</sup> Ibid

impede the progress of visible minorities in the workplace and in society. Wishing racism weren't true won't make it go away. We must confront this problem. We must find solutions.

### **3. Canada's Achievements**

I would like to turn now to the legislative innovations that Canada adopted early on to strengthen our diversity and confront racism. There are two important reasons why Canada is a front-runner in this regard.

The first reason is economic. With its 32 million citizens, Canada remains under-populated. Yet, the world's most powerful economy is just next door. To effectively trade and conduct business with the United States, Canada needs a workforce capable of meeting U.S. demand. Therefore, Canada's under-population makes immigration and openness to diversity an economic necessity. That is at the root of the business case for diversity.

The second reason is political. Canada was created by two great founding nations, the British and the French. This accommodation of two cultures, two languages and two religions raised the possibility of accommodating additional cultures, languages and religions.

In other words, multiculturalism was born through biculturalism. Canada's constitution and its major institutions had to accommodate

both French and English peoples. And although biculturalism did not necessarily promote diversity, it predisposed Canadians to be more accepting of other cultures.

### ***A. Multiculturalism policy***

Multiculturalism became an official policy in Canada in the 1970s. Its objectives were to assist cultural groups to retain and develop their identity and to help them to fully participate in Canadian society. In the interest of national unity, multiculturalism also sought to promote the exchange of ideas and experiences among cultural groups.

Despite its admirable intent, however, official multiculturalism was strongly criticized by both ethnic and mainstream politicians and intellectuals. It was considered divisive because it emphasized what was different, not the values that were specifically Canadian. Many Canadians also objected to funding ethnic languages and cultures at a time when national cultural institutions were starved for government funding.

Official multiculturalism slowly became a “no win” dossier. Its promotion alienated mainstream opinion. Its rejection risked alienating other cultural communities and their leaders. Successive governments subsequently reduced multicultural program funding and concentrated on merging these activities with those of citizenship, Canadian identity

and race relations. In short, the official policy of multiculturalism, focused on groups, has not been very successful at promoting equality and integration.

### ***B. Protection of Human Rights and Employment Equity***

Canada has been much more successful when it has taken the path of protecting individual and employment rights. Most of these policies are designed along guidelines contained in three important statutes: the *Canadian Charter of Rights and Freedoms*, the *Canadian Human Rights Act* and the *Employment Equity Act*.

The *Charter of Rights and Freedoms*, enacted in 1982 as part of Canada's new Constitution Act, provides the basic principle from which everything else follows. It stipulates that:

“Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.”

The *Canadian Human Rights Act* of 1985 goes further. It prohibits discriminatory practices against a person, based on race, ethnicity, religion or sex. These include refusing or limiting employment opportunities as well as harassing people on the basis of discrimination.

The main purpose of both these statutes is to protect individuals against discrimination.

The third major statute, the *Employment Equity Act* of 1995, has a different purpose. It is designed to promote diversity and to eliminate systemic discrimination in the workplace. It also serves to correct the under-representation of four major target groups: women, members of visible minorities, Aboriginal persons, and people with disabilities.

I believe this Act remains Canada's most important advancement so far in building a diverse and inclusive society. Let's face it. Employment is the key. More and more, in our societies obsessed with economic performance, an individual's contribution to society is measured by work.

The ability to earn a good living, to support your family and to advance in your career is central to anyone's sense of self-worth and dignity. Money may be a poor indicator of success, but it is the only universal one we have.

It is vital that visible minorities be given the same opportunities as others to contribute to society through their work. If no one knows what they can do, no employer will want to take the risk. If you don't force employers to hire visible minorities, they will simply not do it. This is

why affirmative action plans are a necessary condition to full integration. The Canadian *Employment Equity Act* is critical because it promotes affirmative action plans.

The Act applies to most employers in the private and public sectors. It requires employers to prepare an “employment equity plan” outlining their representation targets, hiring plans, accommodation policies, and so on. Employees who believe they have been discriminated against can file a complaint with the Canadian Human Rights Commission, which is an independent administrative tribunal.

This Commission also monitors the equity performance of the country’s largest employers, including Canada’s federal public service. This performance is measured by comparing the workforce availability of persons from the four target groups to the actual representation of persons from these groups within a given organization.

Women, aboriginal peoples and the disabled – the first three target groups – have made significant and enduring employment gains in all Canadian labour markets, especially in the public sector. But, the progress in advancing the interests of visible minorities in the federal public service has not been as impressive.

In the spring of 2000, the Government of Canada introduced the Embracing Change Action Plan. The plan specified “one in five” targets for the hiring, promotion and career development of visible minorities. Yet today, according to the most recent report to Parliament on Employment Equity (2004-2005):

- “Members of visible minorities now make up 8.1 per cent of the public service workforce ... still well below their workforce availability of 10.4 per cent.
- “Of all new hires, 9.5 per cent were members of visible minorities, down slightly from a year ago, and not quite half way to the 1-in-5 goal under the Embracing Change Plan.”
- “Promotions for visible minorities within or to the Executive category increased to 7.1 per cent from 6 per cent a year ago.
- Nevertheless, “Just over 5 per cent of all executives in the public service of Canada are members of visible minority groups.”<sup>18</sup>

We must do better. A truly representative public service is of paramount importance. It is an undeniable symbol of any country’s commitment to diversity. When a country’s government is diverse, when it has people of different cultures working side-by-side –

---

<sup>18</sup> Employment Equity in the Federal Public Service 2004-05, Annual Report to Parliament

especially at the senior management level – it sends a powerful message to the world.

Over the past three years, I have stepped up my efforts to advance diversity within Canada’s federal public service. I have hounded senior government executives. I have been very vocal in Parliament, demanding more effective employment equity strategies. And my voice has been heard.

The Public Service of Canada, led by the Public Service Human Resources Management Agency of Canada, is intensifying efforts to meet its one-in-five benchmarks for visible minorities. It is further integrating employment equity measures into management accountability frameworks as well as human resources and business plans. It is also ensuring that employment equity is an integral part of its human resources modernization initiative.

Most important, Canada’s federal public service is taking decisive measures to build a more diverse senior management team. For example, the Public Service Commission recently established a pool of 41 pre-qualified visible minority executives. Now, hiring managers can select candidates from this pool and appoint them directly from the list.

In addition, the Privy Council Office, the most powerful department in Canada's federal government, launched "Career on the Move" earlier this year. This program sends employees to senior level positions within other departments or agencies for one or two years. More than 70 per cent of the first group of secondees are members of visible minority groups.

The Public Service Commission and the Privy Council Office are also collaborating on a new pilot project for mentoring middle managers who are visible minorities and Aboriginals.

Have Canada's efforts to foster diversity through legislation paid off? Interestingly, according to the wide-ranging Canadian Values Study, a joint project of the National Post, the Dominion Institute and Innovative Research, "multiculturalism has gone from a state policy to a bona fide, embraced Canadian value." In a nationwide survey conducted last fall, our country's ethnic diversity was cited more than any factor as the characteristic that makes Canada unique. In other words, diversity has come to define Canada for many Canadians.<sup>19</sup>

That's encouraging, but as I explained earlier, racism remains a problem. It's a problem that is not widely acknowledged. In some quarters, it is vehemently denied. But I know it's there. I have received

---

<sup>19</sup> *The Canadian Values Studies: A Joint Project of National Post, The Dominion Institute, Innovative Research Group, September 2005*

hundreds of letters and e-mails from visible minorities describing cases of blatant discrimination. I believe that racism remains the single, biggest obstacle in the road toward Canada's future prosperity.

Canada now welcomes more immigrants, per capita, than any other developed nation. Last year, for example, we took in 260,000 new arrivals. And Canada's government has no plans to stem that flow. Recently, the government cut the "Right of Permanent Residence Fee" in half. It amended the Citizenship Act to facilitate the granting of citizenship for children adopted overseas by Canadian parents. It provided more than \$300 million in additional settlement funding over two years. And it earmarked funding to address the assessment and recognition of foreign credentials, in consultation with provinces and territories.

Nevertheless, government can only do so much. Laws that protect individual and employment rights can only go so far. And employment equity practices and programs in the workplace are not enough. To effect enduring change, strong, committed leadership is essential. And the simple fact is that leadership is sorely lacking.

As I peruse the lists of corporate directors and members of the board at major corporations in Canada, I am hard pressed to find diversity. Despite the fact that Canada has one of the most diverse

workforces in the world, Canada's "captains of industry" are predominantly white, Anglo-Saxon males.

The situation is no better in Europe. The Aspen Institute Italia and the Economist Intelligence Unit recently studied the diversity of the executive teams at 450 organizations across Europe, mostly large private sector companies but a few public sector organizations in each country as well. The results, according to the Financial Times, were depressing. There are just two foreign leaders among the top 75 organizations in France, three in Scandinavia and four in Spain – all four heading Spanish subsidiaries of foreign-owned companies. Among all the 450 organizations, just one – Britain's Vodafone – is run by a member of an ethnic minority.<sup>20</sup>

#### ***4. Business Case for Diversity***

How discouraging – and how stupid! As the research I spearheaded at the Conference Board of Canada shows, there is a powerful business case for diversity. Allow me to explain it.

First, the Conference Board proved that diversity enhances the brainpower of any organization – and any country, for that matter. Simply put, diverse groups are more creative, more innovative and better at solving problems and developing solutions.

---

<sup>20</sup> "Corporate Europe Ignores Diversity at its Peril", *The Financial Times*, November 30, 2005

Doug Hall, an author and expert on brainstorming techniques, believes that the most powerful stimulus in supercharging the generation of ideas is “diversity”. As he says, “New ideas are created by reassembling two or more old ideas. The more ideas your cranium has to work with, the greater the number of possibilities... Really big ideas happen when you connect the dots between your industry and something outside the established way of doing things.”<sup>21</sup>

In other words, your organization cannot come up with truly innovative ideas if you only bring the same people with the same perspectives together, time and time again. The same goes for problem solving.

Scott Page of the University of Michigan studies social and economic complexities, including the outcomes of diversity. His research shows when you bring diverse people together to work on a problem, they get past their own individual perspectives and gain more fulsome insights. The result is a better solution – a better solution than any single individual would devise and a better solution than a group of people from essentially the same backgrounds would come up with.<sup>22</sup>

Second, diverse and inclusive cultures – both at the organizational level and at the societal level – attract the best talent. Richard Florida, a

---

<sup>21</sup> “A Perfect Brainstorm”, *Business Week Online*, Summer 2006

<sup>22</sup> “The Logic of Diversity”, by Cosma Shalizi, *Sante Fe Institute Bulletin*, Volume 20, No 1, 2005

professor of public policy at George Mason University has written two very influential books [*The Rise of the Creative Class* (2002) and *The Flight of the Creative Class* (2005)] about what he calls the “creative class”. Based on U.S. labor and census statistics, Professor Florida “figures the members of this cadre, including entrepreneurs, musicians, scientists, designers, and engineers, made up 10 per cent of the workforce in 1900. Today they account for almost 30 per cent, produce nearly half the country's yearly wages and salaries, and are far more mobile than ever before.”<sup>23</sup>

Professor Florida’s research shows that these smart and creative wealth generators want to live and work in places that are technologically advanced. They also want the opportunity to learn from other skilled and educated people. But, above all, these creative people seek tolerance. A feeling of acceptance is important to them – very important. They look for organizations – and countries – that are diverse and inclusive.

Professor Florida believes that: “The U.S. should emulate Canada’s famous ‘mosaic’ model, which nourishes the creativity of individuals by offering social support to ethnically diverse communities.”<sup>24</sup> He also believes that countries are going to have stop

---

<sup>23</sup> “Richard Florida: Geography is Destiny”, *Business Week*, August 7, 2006

<sup>24</sup> Ibid

thinking of immigration as a gate-keeping function and start thinking about it as a talent attraction function, necessary for economic growth.

A third important reason for reaching out and making visible minorities feel welcome is the ability they provide to capture new markets – around the globe and at home. In Canada, and the same is true in Europe, most visible minorities are foreign born. As such, they provide compelling opportunities to access foreign markets through their knowledge of and connections to other countries. They also provide these same advantages in capturing burgeoning ethnic markets at home.

Consider the “entrepreneurial melting pot” that is emerging now in the United States. As you know, entrepreneurs are often described as one of the primary drivers of America’s economy. “They create some 75 per cent of all new jobs, represent 99.7 per cent of all employers and employ 50 per cent of the private workforce.”

A series of recent surveys, released by the U.S. Census Bureau, reveals that “between 1997 and 2002, the total number of U.S. businesses grew by 10 per cent. However, during the same time period, Asian owned firms increased by 24 per cent. Hispanic-owned businesses by 31 per cent, and African American-owned firms spiked 45 per cent.” Combined, these firms generated revenues of (USD) \$637 million in 2002 alone. And as Thomas Boston, a professor of economics at

Georgia Tech University and the owner of the economic consultancy Boston Research Group, says “many are beginning to move out of the traditional areas of retail and service and into such businesses as high-tech, finance, management consulting and construction.”<sup>25</sup>

Recognizing this great economic potential, Charles Sirois, a very successful Canadian entrepreneur in his own right, established Enablis. This non-profit, membership-based organization works in developing countries to support early-stage entrepreneurs, especially those who embrace technology. It provides mentoring, access to technological and operational resources, as well as improved access to capital. So far, Enablis has more than 150 members on board in South Africa. And this fast-growing network of entrepreneurs is actively building new companies, creating jobs and making real progress toward alleviating poverty.

The fourth important reason for fostering diversity is reputation. The value of a superior reputation may be difficult to quantify, but it is a precious asset nonetheless. For example, studies consistently show that an organization's commitment to social responsibility is an important consideration for consumers when they buy products or services. Consumers are even willing to spend more for a product or service from companies that they perceive as socially responsible.

---

<sup>25</sup> “The Entrepreneurial Melting Pot”, *Business Week*, June 6, 2006

The same is true for countries. Look at what happened in South Africa. Back in the 1970s, much of the world boycotted South African products, refused to visit the country, and declined their diplomatic exchanges. But apartheid continued.

Then in the 1980s, individual and organizational stockholders started asking their brokers and bankers if any of their money was invested in South Africa. If it was, they demanded that it be withdrawn. Soon, the trickle of divestment became a flood. And by 1991, shortly before Nelson Mandela's release from jail, there was \$625 billion in global investment pools not open to the South African regime. When asked whether the investment boycott had played a role in ending apartheid, Mandela replied: "Oh, there is no doubt."

Culturally and socially, diversity brings additional benefits to countries. Tyler Cowen, an Austrian economist at George Mason University, undertook the ambitious project to show how markets and trade enrich cultural expression. He gathered evidence from the Renaissance 400 years ago to modern-day rap music. It demonstrates that markets – and the prosperity and technology they generate – enable artists to appeal to smaller, specialized "customer niches".<sup>26</sup>

He also discovered that as artists obtain knowledge and materials from the rest of the world, they develop richer and more diverse art

---

<sup>26</sup> *Creative Destruction: How Globalization is Changing the World's Culture*, Princeton University Press, 2002

forms. What is more, he found that although trade may weaken geographically-based cultures, it still enriches and multiplies cultural expression within most societies.

I also believe that diversity can enhance education at all levels. As I explained earlier, diversity fosters creativity. That is why many Canadian business schools have established diversity quotas in the selection of their students. Some also offer courses in diversity management.

Equally crucial, diversity fosters a vigorous sense of tolerance, especially among the children and teenagers. Many of the young people that I have met with and spoken to in Canada now interact with classmates from a wide variety of cultures and backgrounds. Indeed, many Canadian schools, especially in Toronto, Vancouver and Montreal, “have become the crucibles of a vast social experiment. By 2001, more than 25 per cent of Toronto and Vancouver’s school-age population were immigrants, more than 40 per cent were members of visible minorities, and about 20 per cent had a native language other than English and French.”<sup>27</sup>

There is no national diversity policy for the public school system in Canada, as education is a provincial and municipal responsibility. But, many Canadian school boards have adopted zero tolerance for

---

<sup>27</sup> “Operation Colour-Blind,” *The Globe and Mail*, June 10, 2006

racism policies with stiff penalties for racist behaviour. According to Sheila Ward, Chair of the Toronto District School Board, “It’s drummed into every child that respect for other human beings is absolutely expected and demanded, and we do not tolerate any bullying or any kind of behaviour that infringes on the respect for and the dignity of another human being.”<sup>28</sup>

What’s more, many schools have incorporated lessons of cultural tolerance into the curriculum. Pat Clark, who heads up the social justice program for the BC Teachers Federation, says: “What we try to teach is what kids have in common rather than the differences between them, but at the same time to respect those differences. It’s sort of a double barrel approach: to respect differences and to find similarities.”

And although there are still isolated incidents of racism, he says that the racism he witnessed earlier on in his career is nearly unheard of: “if kids were openly racist, I think I can safely say they would find themselves in an extremely small minority and probably shunned for having done that.”

The business case for diversity is clear. Diversity cultivates creativity and ignites innovation. It opens up new markets. It fosters good will and enhances reputation. It enriches culture and education. Above all, tolerant, diverse organizations and societies attract and keep

---

<sup>28</sup> Ibid

talented, highly skilled people. In the years to come, these organizations and societies will be the most prosperous.

As the late Peter Drucker, the father of modern management science, wrote “developing talent is business’s most important task – the sine qua non of competition in a knowledge economy... Increasingly, the success – indeed the survival – of every business will depend on the performance of its knowledge workforce.”

### ***Conclusion***

Allow me to sum up. A global talent crunch is already starting to affect most western nations. To stem its effects, some countries are offering incentives to families to produce more children. Some are offering additional benefits to women to encourage them to join or return to the workforce. Others are pushing back the retirement age of workers and adjusting pension plan rules to persuade people to work longer. And some are offering more and bigger incentives to entrepreneurs to help them start and grow new businesses.

These are all very well and good. However, they are not enough. Immigration is and will continue to be critical to the labour force growth and economic prosperity of most western nations. These immigrants will be people of colour. They will continue to reshape our countries.

There will be backlash. The road to racial integration has never been a smooth one.

So, from a public policy perspective, I believe the most important tools are laws that protect the rights of individuals and that promote employment equity. We have such laws in Canada. I believe they have helped to advance diversity, equality and integration and to prevent racism and discrimination. Things are not perfect, nor will they ever be. Nevertheless, Canada's achievements are laudable.

However, from a business and organizational perspective, the single, most important factor in advancing diversity is committed leadership. We have a lot of work to do on this front. Some of the leaders I meet seem to view diversity as a nice thing to do, not necessarily a smart thing to do. They say all the politically-correct words, but they haven't really done anything.

Other executives I have spoken with are in denial. I describe the considerable evidence pointing to systemic racism. The proof is incontrovertible. They tell me they understand where I'm coming from. But, in the same breath, they say most white people are not really racist anymore.

Let's face it. On the leadership front, most western nations – and their corporations and governments – have not done enough so far. Through no fault of their own, the number of visible minorities in leadership positions in business and in government remains scandalously low. White leaders must wake up and shake off their narcissistic sense of complacency. They must develop uncompromising plans for advancing visible minorities. They must move toward an aggressive “make-it-happen” strategy. They must be prepared to become champions for diversity. This level of personal commitment is absolutely critical.

And it won't become apparent to me – and to other people of colour – until the day I see more people like me working at the boardroom table, in the corner office and within the halls of government power.

Thank you.