

**PRAIRIE CENTRE OF EXCELLENCE FOR RESEARCH  
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**Research projects in the  
Economic Domain**

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This is a report on the Economic Domain team project and two individual projects funding by PCERII. These projects examine the economic integration of immigrants in stages of settlement and study factors which enhance or impede the labour market outcome or economic performance of immigrants at different stages. Findings from these projects show that there are substantial merits in considering integration as involving different stages beyond the initial stage of settlement, and that a single model universally applied to all immigrant groups to predict the outcome of economic performance is misleading at best. Taken together, these projects help to clarify the conceptual understanding of economic integration by producing arguments and findings to show how different types of policy should be framed to address different kinds of obstacles and experiences in the process of integration.

Team Project: Key Findings and Policy Implication

The team project of the Economic Domain entitled “Short-term, Medium-term, and Long-term Economic Performance of Immigrants” has now been completed, and researchers either have published, or in the process of doing so, based on their research findings. In this project, immigrants’ economic performance is conceptualized in four stages: settlement period up to 3 years after landing; medium term from 3 to 10 years; long term extending beyond 10 years; and 2<sup>nd</sup> generation. The research question is: What are the factors and barriers that affect the short-term, medium-term and long-term performance of immigrants?

Derek Hum and Wayne Simpson used the second wave of SLID (Survey of Labour Income and Dynamics) to study the economic performance of 2<sup>nd</sup> generation immigrants as compared to other groups. Their results suggest that the legacy of immigration is concentrated in the greater educational attainment of the second generation. Men and women of the second generation attend school about one year longer than other Canadians, other factors considered, which raises their wages and earnings permanently between 4 and 7 per cent. Men and women with only one immigrant parent do better than other Canadians but not as well as those with two immigrant parents. Ethnic effects are significant in explaining schooling, but do not affect the estimated advantage of the second generation.

Richard Wanner used a data file created by merging public-use microdata files from Censuses of Canada between 1971 and 1996. He studied the experience of

successive immigrant cohorts as they aged to determine the extent to which the effects of birthplace on occupational status and earnings change over their careers. In both cases, and for both men and women, he found a considerable advantage associated with being educated in Canada compared to being educated abroad. For those visible minority immigrants just beginning their careers in Canada, he could find no evidence that more recent cohorts have lower attainments than earlier cohorts, though this was true for some European groups. In the analysis of aging cohorts he found evidence of a tendency for immigrant earnings to converge with those of the Canadian born and for that tendency to be stronger in more recent cohorts. The sole exception to this generalization is Blacks from Africa and the Caribbean. The gap between their earnings and those of the Canadian born shows little sign of diminishing over the career, and in fact the gap has increased from cohort to cohort.

Shiva Halli compared the educational and economic attainment of the second generation and immigrant children with that of their native peers. His analysis reveals that children of immigrant parents are not performing as well as most theories of linear assimilation suggest. However, there is a considerable diversity in outcome depending upon whether one or both parents are foreign-born. Specifically, there is a marked similarity between the outcomes of native-born children and those second generation children with only one immigrant parent. As well, there are striking similarities between immigrant children and those of the second generation with two foreign-born parents. The results also indicate that immigrant children of developed and developing countries have distinctly different educational experiences, labour force characteristics, and earning levels: immigrant children from developing countries are much less likely to obtain a university degree; and a larger percentage of those from developing countries fall into the lower income categories. The study also found a significant proportion of the limited economic mobility experienced by the second generation and immigrant children can be explained by the limited mobility of their parents.

Lori Wilkinson used census data to study the employment income of immigrant women in Canada and the United States in different stages. The model predicting income works best for describing the long-term economic integration of immigrant women. Hours worked per week has the greatest influence on the employment income for all immigrant women, regardless of the stage of immigration, country of origin, or region of settlement. Education, while positively related to employment income for almost all immigrant women, is not a strong predictor. For immigrant women in the medium-term and long-term in Canada and the US, education remains the weakest predictor of income. Region of settlement is generally the second strongest predictor of income for immigrant women in both countries. In Canada, settlement in British Columbia, the Prairies, Alberta, and Quebec has a negative effect on income in the short- and long-term, but region of origin has no effect on the income of immigrant women in the medium-term. In the US, settlement in the East and West has positive influences on the income of women in the short- and long-term. Again, region of settlement appears to have no influence on income in the medium-term. Membership in a visible minority group has a positive influence on income for Canadian and American women in the medium- and long-term stages of integration, but no statistically significant impact in the short-term. Fertility and marital

status appear to affect immigrant women in the US and Canada differently. For American women, marriage has a strong negative impact on income in the short-term, while fertility is a major negative predictor in the medium-term. For immigrant women in Canada, the presence of children under age 6, has a negative impact on income only among those in the long-term.

Peter Li used data from IMDB and the Ethnic Diversity Survey to study the earnings of immigrants as an indication of economic integration. He found that using the earnings one year after arrival, recent cohorts of immigrants indeed earned less than previous cohorts as compared to the earnings of the native born. However, more recent cohorts of immigrants take less time to catch up with the earnings of the native-born than earlier cohorts. This pattern holds true for all immigrants admitted under different classes. He then explored how human capital and social capital affect the medium-term economic performance of immigrants. Preliminary data from the Ethnic Diversity Survey indicate that the foreign credentials and foreign work experience disadvantage immigrants, but social capital produces some positive effects on earnings, but its effect varies depending on the level of human capital, gender and racial origin.

The findings of the team project confirm that the economic performance of immigrants and the factors which determine such performance vary depending on the stage of integration in terms of short term, medium term and long term. The findings also indicate that different types of immigrants as defined by such factors as gender, country of origin, class of admission and age show substantial variations in their experiences in the labour market. The team project concludes that it is unwarranted to frame immigration policies based only on short-term performance of immigrants and on general models universally imposed on all categories of immigrants. Immigration and settlement policies need to consider integration as a process that goes through different stages, especially since different types of immigrants have different experiences in the process.

#### Individual Projects

There are several individual research projects that are in the process of being completed. Derek Hum's project "Economic Assimilation of Canadian Immigrants: Cross Sectional vs. Panel Data Estimates" studied the economic performance of the foreign born relative to the native born, using panel data sets of Canadian households. Abdolmohammad (Abdie) Kazemipur conducted a survey of immigrants in several prairie cities in his project "Socio-Economic Performance of Immigrants: The Social Capital Factor".

#### Publications Based on or Related to Research Projects

Hum, D. & W. Simpson. "Economic Integration of Immigrants to Canada: A Short Survey." (2004). *Canadian Journal of Urban Research* 13 (1): 46 - 61.

Hum, D. & W. Simpson. "Labour Market Training of New Canadians and Limitations to the Intersectionality Framework." (2003) *Canadian Ethnic Studies* 35 (3): 56-69.

Hum, D. & W. Simpson. "Job-Related Training Activity by Immigrants to Canada." (2003). *Canadian Public Policy/Analyse de Politiques* 29 (4): 1-22.

Hum, D. & W. Simpson. "Adult immigrants: How well are they trained?" (2003). *Education Quarterly Review* 9 (3): 17-22.

- Kazemipur, A. (2004). *An Economic Sociology of Immigrant Life in Canada*, New York: Nova Science Publishers, Inc.
- Li, Peter S. (2004). "Social capital and economic outcomes for immigrants and ethnic minorities." *Journal of International Migration and Integration* 5(2): 171-190.
- Li, Peter S. (2003) "Initial Earnings and Catch-Up Capacity of Immigrants", *Canadian Public Policy* 29(3): 319-336.
- Li, Peter S. (2003) "The Place of Immigrants: Politics of Difference in Territorial and Social Space." *Canadian Ethnic Studies* 35(2): 1-13.
- Li, Peter S. (2003). "Deconstructing Canada's discourse of immigrant integration." *Journal of International Migration and Integration* 4(3): 315-333.
- Wanner, Richard A. and Michelle Ambrose. "Trends in the Occupational and Earnings Attainments of Women Immigrants to Canada, 1971-1996." (2003) *Canadian Studies in Population* 30: 355-88.
- Wanner, Richard A. (2004). "Social Mobility in Canada: Concepts, Patterns, and Trends." Pp. 131-147 in J. Curtis, E. Grabb, and N. Guppy, *Social Inequality in Canada: Patterns, Problems, Policies* (Fourth Edition). Toronto: Pearson Prentice-Hall.
- Lewin-Epstein, Noah, Moshe Semyonov, Irena Kogan, and Richard A. Wanner. (2003). "Institutional Structure and Immigrant Integration: A Comparative Study of Immigrants' Labor Market Attainment in Canada and Israel." *International Migration Review* 37: 389-420.
- Wanner, Richard A. (2003). "Entry Class and the Earnings Attainment of Immigrants to Canada, 1980-1995." *Canadian Public Policy* 29:53-71.
- Wanner, Richard A. (Forthcoming). "Twentieth-Century Trends in Occupational Attainment in Canada." *Canadian Journal of Sociology*.
- Wanner, Richard A. (Forthcoming). "Trends in Canada's Occupational and Industry Structures." In Eric Fong and Barry Edmonston (eds). 2001 Census Volume (Title TBA).

#### Selected Conference Papers and Reports

- Halli, Shiva S. (2003). "The Educational and Labour Force Outcomes of Immigrant Children and Second Generation Immigrants in Canada." Presented at the 6<sup>th</sup> National Metropolis Conference, Edmonton, Canada, March.
- Halli, Shiva S. (2003). "The Problem of Second Generation Decline?: Perspectives on Integration in Canada." Presented at the 8<sup>th</sup> International Metropolis Conference, Vienna, Austria, September.
- Hum, D. and W. Simpson. "The Legacy of Immigration: The Labour Market Performance of the Second Generation ." PCERII Working Paper Series, 2004.
- Kazemipus, A. (2004). "Social Capital of Immigrants in Canada," PCERII Working Paper Series.
- Kazemipur, A. (2004). "Social Capital and Immigrant Life in Canada," Presented at the 7th National Metropolis Conference, Montreal, March 25-28.