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WAGE OPPORTUNITIES FOR VISIBLE MINORITIES IN CANADA

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Derek Hum[1], Department of Economics University of Manitoba

Wayne Simpson[2], Department of Economics University of Manitoba

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1 Winnipeg, Manitoba R3T 2M5, dhum@cc.umanitoba.ca

2 Winnipeg, Manitoba R3T 2M5, simpson@cc.umanitoba.ca

EXECUTIVE SUMMARY

The wage opportunities afforded different racial groups vary considerably. We present a new analysis of wage differentials for different visible minority groups in Canada which also accounts for immigration background, using the first wave of the Survey of Labour and Income Dynamics.

With the exception of Black men, we find no statistically significant wage disadvantage for visible minorities who are native born. It is primarily among immigrants that wage differentials for visible minority membership exist. Our results suggest that policies to achieve a colour-blind Canadian labour market may have to focus more on immigrant assistance and less on traditional employment equity legislation.

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1. INTRODUCTION

Canada sees itself as a multicultural and multiracial society. Furthermore, Statistics Canada projects that the visible minority population will grow more rapidly than the total population from now to 2016 (Kalbach et.al, 1993:24 ff.). One issue in a society with peoples of different colour is that economic opportunities afforded different racial groups can differ considerably. For example, the median family income of Blacks and Hispanics in the United States is only two-thirds that of whites (Leviatan et al, 1981: 238, 246), while Japanese and Chinese Americans have median incomes 32% and 12%, respectively, above the national average (Sowell 1982: 46; see also Carlson and Schwartz, 1988).

What accounts for such observed differences among racial groups? How much of the difference can be attributed to discrimination *per se* and how much to productivity-related factors? In the case of Hispanics or Asians, for example, language might be a possible drawback, but U.S. Blacks speak English and their earnings are still substantially lower than the earnings of whites. Hence, factors beyond language are obviously at work.[1]

Another potentially important factor is birthplace. There is now considerable evidence that recent immigrants face economic disadvantage in the U.S. and that this disadvantage declines as immigrants are assimilated (Borjas, 1994). Are the circumstances of Canadian immigrants similar? If so, it is important from a policy standpoint to account for immigration status in the assessment of economic opportunities for visible minorities because immigrants to

[1] The issue of language and earnings is a perennial one in Canadian policy debates but is not our main concern in this paper. We do, however, allow for linguistic differences in our analysis of earnings differences. For recent assessments of earnings differentials by linguistic groups in Quebec, see Bloom and Grenier (1992) and Shapiro and Stelcner (1997).

Canada are now increasingly visible minority members. Kalbach et al (1993:8) report that between 1986 and 1991 two out of every three immigrants to Canada belonged to a visible minority.

The kind of information reported by media and advocacy groups concerning earnings of visible minorities is typically very aggregated and can be misleading for policy purposes. For example, data from the Survey of Labour and Income Dynamics (SLID) master file[2] indicate that visible minorities in Canada have annual earnings of $23,133 and an hourly wage rate of $12.75 compared to earnings of $26,328 and a wage rate of $14.99 for whites. That is, visible minorities as a group suffer a 15% wage disadvantage and a 13% earnings disadvantage. Thus, the implication might be that "colour" *per se* is a discriminating factor in Canadian labour markets.

But closer inspection of the data reveals much variation among visible minority groups in annual earnings, hours worked, the proportion of females or immigrants in each group, etc.[3] Accordingly, wage rates are probably a better measure of labour market opportunity for paid workers than annual earnings (Christofides and Swidinsky 1994:35). Additionally, if immigration status is a proxy for a number of labour market disadvantaging factors, then these factors, colour and gender aside, may contribute to observed wage differentials. In short, one should not rush to generalize about the opportunities for visible minorities in the Canadian labour market without distinguishing among the various visible

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2 The data are described in detail in a later section.

3 Our groupings also mask considerable variation. For example, Japanese have annual earnings in excess of $48000, well above the comparable figure for whites, although the small sample size makes comparisons unreliable. The small sample sizes for Koreans, Japanese, Southeast Asians, Filipinos and Oceanic members led us to group them together as non-Chinese orientals.

minority groups, nor should one leave unexamined the influences of gender, education, work experience, and immigration status. Deeper probing is required.

Our paper presents a new analysis of the wage differentials among different visible minorities in Canada using the first wave master file of the Survey of Labour and Income Dynamics. The richness of this data provides an opportunity to estimate the relative magnitudes of these differentials. As well, we explore the role of immigration as a source of labour market disadvantage among visible minorities in Canada. Our results have implications for employment equity and immigration policy, which we discuss briefly in our conclusion.

2. PREVIOUS RESEARCH IN CANADA

Past studies of visible minorities in Canada often begin by acknowledging that visible minorities (along with women, persons with disabilities and aboriginal peoples) constitute a disadvantaged category with respect to labour markets. Christofides and Swidinsky (1994) employ the 1989 Labour Market Activity Survey (LMAS) to investigate the wage implications of visible minority status and gender status.[4] They find that minority women are especially disadvantaged, but that "the labour market disadvantage of visible minority males is comparable to those of white females" (p.46). They employ a dichotomous variable derived from a self perception question to capture visible minority membership and acknowledge that "their data do not allow [them] to conduct an analysis of individual minority groups" (p.46). Consequently, it is not possible to determine whether some visible minority members earn more than their white counterparts, while other visible

[4] Other studies include Baker and Benjamin (1997), who use 1991 Census data to examine ethnicity, foreign birth and earnings, and Nakamura and Nakamura (1992), who use 1981 Census data to examine wage rates of immigrant and native men. Both studies are limited to males.

minority groups earn less. Yet employment equity policy is premised solely on visible minority status. Furthermore, it is of policy interest to know whether, and what proportion of, any earnings differential is due to productivity-related factors (such as education, for instance), and what proportion may be ascribed to discrimination based upon colour. It is also of interest to ask whether labour market opportunities differ for immigrants and if so, in what way? Christophides and Swidinsky (1994:39) conclude that immigrants are "generally not disadvantaged in the Canadian labour market".

This finding appears at odds with recent research on immigrants and the Canadian labour market by Bloom, Grenier and Gunderson (1995). These authors employ pooled Census data from 1971, 1981 and 1986 to examine earnings of immigrants. They use a model developed by Chiswick (1978) and Borjas (1985) to study the earnings of U.S. immigrants. This model, which we shall also use as a basis for our study, explains the logarithm of earnings as a function of standard human capital determinants of earnings, such as education and potential experience (age less years of education), labour market measures (such as the number of weeks worked and the number of hours worked per week), and immigration variables. The immigration variables include a dummy variable distinguishing those born outside Canada to measure "the entry effect," and the number of years since migration to Canada to measure "the assimilation effect."[5] Bloom et al find a negative entry effect (earnings are less for immigrants upon entry into Canada) and a positive assimilation effect (earnings of immigrants tend to grow faster than average). In the pooled data, their estimates imply that it takes about 25 years for

[5] The entry effect is the difference in log wages between immigrants and those native born when years since migration is zero. The assimilation effect is the annual rate of decline in this difference after entry. Bloom et al also use a series of dummy variables to estimate cohort effects for immigrants. In our study, which is confined to a single cross section, we only use years since migration since it is perfectly collinear with cohort effects at any given point in time.

the earnings of immigrants to catch up with those of the native born (the assimilation effect).

DeSilva (1996) uses Census data to examine the earnings of immigrants, many of whom are visible minorities, and concludes that differential returns to earnings for visible minority immigrants can be explained by differences in the quality of seemingly-identical educational qualifications. This conclusion is based upon the fact that virtually no earnings differential (and hence discrimination) was found between Canadian-born visible minorities and Canadian-born non-visible minorities. Again DeSilva makes no distinction among different visible minority groups.

A more recent paper by DeSilva (1997) examines a sample of male immigrants who landed during the period 1981-1984, aged 25-64, not self-employed, drawn from a newly developed longitudinal Immigration Database (IMDB). Here, DeSilva's focus is on different immigrant classes (Refugee, Independent, Assisted relative, etc.). Because the IMDB data set does not contain a native-born sample, DeSilva employs the Independent immigrant class as the reference and finds that some groups experience faster earnings growth than the independent group as their length of time in the country increases. The group experiencing the most disadvantage are those designated Convention refugees, mainly from Third World Countries, and very likely visible minority members.

Finally, Beach and Worswick (1993) employ data from the Job Mobility Survey for females aged 25-64 to determine if there exists a "double-negative" effect; that is, whether immigrant women suffer an earnings disadvantage in addition to any disadvantage due to gender. They find no "across the board" double-negative effect, but report a double-negative effect that is "quite marked

for highly educated immigrant women" (p.35). Consequently, the gender dimension of employment opportunities in Canada cannot be ignored.

Elsewhere, Boyd (1992), using 1986 Census data, underlines the importance of knowing a host country language, and reports that immigrant women in Canada with low language fluency also have low earnings. Further complicating matters for Canadian studies is the fact that English and French are both host country languages, each with its own region of dominance (see Bloom and Grenier, 1992). Consequently, visible minority immigrants with low fluency in a regional dominant language may face diminished opportunities.

Our research tries to resolve some of the ambiguities concerning visible minority status by different colour groups, taking into account immigration-related characteristics of labour market participants, gender, human capital, and language fluency, among other factors. We attempt this by exploring the Master file of the Survey of Labour and Income Dynamics (SLID). The Master file enables us to combine individual information on specific visible minority group membership and year of immigration with detailed labour market activity data. Much of this information is suppressed or truncated by requirements for confidentiality on the SLID public file.

3. THE SLID SAMPLE

Our analysis is based on the first wave of a new microdata source, the 1993 Survey of Labour and Income Dynamics (SLID), which succeeds the Labour Market Activity Survey (LMAS) used by Christofides and Swidinsky (1994). Like the LMAS, SLID contains detailed information on labour market activity throughout the reference year and, as a panel-design survey, will follow individual

respondents from year to year in subsequent waves. In addition, SLID has improved retrospective information on such important factors as work experience, schooling, and immigration background.

One drawback is that certain important information is not available on the public tape to ensure confidentiality. In particular, the public tape does not provide a breakdown of visible minorities by ethnic group, which is the focus of this paper, and it suppresses or aggregates important information on immigration background. For these reasons, this paper employs the 1993 SLID master file to expand the scope of the analysis of visible minority earnings.

The master file sample, excluding students,[6] consists of 11,428 men and 12,156 women. Of these, 6,241 men and 5,505 women reported earnings in 1993. Table 1 reports the means for the variables used in our analysis. We report only weighted results in this paper, since they are more representative of the Canadian population as a whole.[7]

6 Students are traditionally excluded from earnings studies, presumably because their primary activity is education rather than work.

7 The unweighted results are available from the authors upon request.

Table 1. Sample Means for the Working Population in SLID

Variable	Male Sample	Female Sample
Composite Hourly Wage	$17.35	$13.69
Log Composite Wage	2.76	2.50
Visible Minorities?	6.56%	7.09%
Black?	0.92%	1.22%
Indo-Pakistani?	1.58%	1.29%
Chinese?	1.45%	1.59%
Non-Chinese Orientals?	1.46%	2.11%
Arab?	0.67%	0.39%
Latin American?	0.47%	0.50%
Immigrant?	14.95%	16.21%
Years since migration*	3.29	3.41
Years of schooling	12.93	13.07
Educated primarily outside Canada?	10.98%	11.99%
High school graduate (no university degree)?	58.81%	66.11%
University degree or certificate?	17.18%	16.07%
Years of Canadian work experience	17.72	15.79
Years of non-Canadian work experience*	0.56	0.40
Hours paid per week	40.01	31.94
Weeks worked per year	48.30	48.03
English mother tongue and dominant language (ex Quebec)?	56.44%	58.07%
French mother tongue and dominant language (in Quebec)?	23.65%	22.25%
Reside in: Atlantic prov?	8.93%	8.22%
Québec?	27.59%	26.01%
Prairies?	17.76%	17.99%
British Columbia?	12.24%	13.04%
Cities over 500,000?	40.81%	41.39%

Variable	Male Sample	Female Sample
Rural areas?	23.10%	21.26%
Aboriginal?	2.06%	2.29%
Married (or common law)?	73.31%	73.73%
Self-employed?	4.27%	3.72%
Professional or high level management?	11.92%	12.05%
Semi-professional, technical, or middle management?	7.76%	12.51%
Supervisor or foreman/woman?	15.44%	10.83%
Skilled worker or farmer?	22.15%	17.58%
Semi-skilled worker?	20.84%	26.97%
Sample size (weighted)	4,581,514	3,946,746
Sample size (unweighted)	6,241	5,505

Note: Sample excludes students who worked in 1993. Sample weighted by cross-sectional weight.

* Value is zero for non-immigrants.

The results in Table 1 provide an estimate that about 7% of Canadian men and women employed in 1993 associated themselves with a visible minority group. We have aggregated the very detailed classification of ethnic origin in the SLID into 6 groups, each representing from 5% to 30% of the visible minority population: Blacks, Indo-Pakistanis, Chinese, Non-Chinese Orientals, Arabs, and Latin American.[8]

8 Although further disaggregation of these categories might have been informative, the sample sizes would have been extremely small.

While immigrants constitute a majority of each visible minority group, many immigrants do not belong to a visible minority group, since fully 15% of men and 16% of women are immigrants. The SLID master file also records the year of migration, which allows us to determine the length of time an immigrant has been in Canada. Years in Canada since migration, which represent the period of assimilation into the Canadian culture and economy for immigrants, may be an important element explaining earnings differences among visible minority groups with quite distinct immigration patterns.

Human capital, particularly education and work experience, is another economic factor in the explanation of earnings differences, but it may be important to distinguish its source. In particular, workers whose human capital was acquired outside Canada may receive less credit for it in the Canadian labour market, as de Silva (1996) suggests for immigrant men. SLID provides information on years of schooling completed and significant education levels attained (high school diploma or university degree) and also identifies those workers--about 11% of men and 12% of women--who received their elementary and secondary education primarily outside Canada. In addition, SLID contains the duration of work experience commencing with the respondent's first full-time job which, when combined with the year of migration, permits us to divide total work experience into Canadian work experience since migration and non-Canadian work experience, if any, prior to migration. We can therefore assess the contribution of human capital acquired in Canada and outside Canada separately.

SLID provides a rich variety of other demographic and labour market activity information, from which we have extracted a number of variables which could account for differences in earnings. These include labour market activity in 1993 (hours worked per week and weeks worked), whether the respondent's

mother tongue is the dominant provincial language (following Nakamura and Nakamura (1992: 148), French in Quebec and English elsewhere), location (region of residence and size of community), aboriginal status, marital status, whether a respondent is self-employed, and his/her occupational status. Occupational status is a collapsed version of the Pineo-Porter-McRoberts socioeconom-ic classification.

With this information we are able to explore the effects of visible minority status on hourly earnings in considerable detail. Our measure of hourly earnings is the composite wage reported in SLID, based on all jobs held in 1993. Following previous research, we use multiple regression analysis to isolate the effects of visible minority status on wages from the other characteristics in Table 1. These other characteristics--reflecting differences in accumulated human capital, labour market activity, immigration, gender, language, location, marital status, and occupational status–-will also affect the wage rates workers receive. As we have already argued, simple comparisons of earnings will not account for differences in these characteristics across the Canadian population and will encourage misleading generalizations about the relationship between colour and wages. As in previous research, we also use the logarithm of the wage rate as the variable to be explained. Equations using the log wage provided a better fit to the data and facilitate interpretation of the regression coefficients in percentage terms.

4. WAGE DISADVANTAGES FOR VISIBLE MINORITIES

Our initial analysis examines the effect of visible minority status by incorporating into a standard (log) wage equation either a simple dummy variable to represent visible minority status or a series of dummy variables to represent the distinct visible minority groups. At this point we also explore the question of

sample selection bias arising from the exclusion of non-workers from our sample. In effect, the exclusion of non-workers implies that our results would have to be interpreted as wage differences among those now working rather than differences in the wages offered to different groups. Since our interest is in differences in the opportunities available to visible minorities *vis a vis* other Canadians, we should analyze wage offers rather than observed wages.

Fortunately, there is now a conventional econometric technique to correct for sample selection bias which effectively allows us to estimate the differences in wage offers available to different groups. The technique involves the estimation of a sample selection equation, which determines whether respondents are working in 1993 or not, using probit regression.[9] The estimates from the probit regression are then used to construct an inverse Mills ratio term which is included in the wage equation (Heckman, 1979). Since our results are weighted by the cross-sectional weights in SLID to provide estimates for the Canadian population, we do not correct for heteroskedasticity.[10]

Although other studies have found sample selection bias to be insignificant (e.g., Christofides and Swidinsky 1994:44), we find the inverse Mills ratio term to

[9] The participation equation includes age and family size variables in addition to other variables included in the wage equation. See the note to Table 2 for additional details. The probit results are available from the authors upon request.

[10] We could not provide weighted results and correct for heteroskedasticity using the master file. We have chosen to present the weighted results because they are more representative of the Canadian population and therefore more useful for policy interpretation. The unweighted results corrected for heteroskedasticity, which do not change the basic conclusions of the paper, are available from the authors upon request.

be significant for both men and women in our results, presented in Table 2. We therefore correct for sample selection bias in all subsequent results in this paper.[11]

Column 1 of Table 2 presents results for men with a simple dummy variable for visible minority status. The coefficient estimate on this variable implies that members of a visible minority are estimated to receive about 14% less than other Canadians after allowing for the effects of accumulated human capital, current labour market activity, immigration, language, location, aboriginal status, marital status, self-employment status, and occupational level. This estimate is significantly different from zero.[12] Column 2 provides corresponding estimates of the effect of visible minority membership on wages for members of particular visible minority groups: Blacks receive about 19% less than Canadians who are not a member of a visible minority, members of the Indo-Pakistani group receive about 13% less, Chinese receive about 12% less, and members of the non-Chinese Oriental group receive about 16% less. All these estimates are significant. The estimated wage effects for members of the Arab and Latin American groups are not significantly different from zero. Taken as a group, however, the effects of the visible minority groups are significantly different from zero.[13]

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11 Although the inverse Mills ratio term is significant, its exclusion does not change the critical results in Table 3 very much; that is, the size and significance of the coefficients on the visible minority dummy variables remain about the same. The results for Table 3 without the inverse Mills ratio term are available from the authors upon request.

12 We use the conventional 5% level of significance throughout the paper.

13 A conventional F-test for the statistical significance of a group of coefficients is used throughout the paper. Here, F=5.43 is significant at the 5% level.

Table 2. Wage Offer Equations by Visible Minority (VM) Status (Dependent variable is logarithm of wage rate; regression results corrected for sample selection bias; t-values in parentheses based on standard variance-covariance matrix)

	MEN		WOMEN	
Variable	**#1: VM dummy**	**#2: VM groups**	**#3: VM dummy**	**#4: VM groups**
Intercept	2.001 (41.1)	2.002 (40.8)	1.726 (33.3)	1.742 (33.4)
Visible Minority?	-0.137 (5.4)		-0.068 (2.6)	
Black?		-0.193 (3.8)		-0.022 (0.5)
Indo-Pakistani?		-0.127 (3.0)		-0.025 (0.5)
Chinese?		-0.123 (3.0)		-0.092 (2.1)
Non-Chinese Orientals?		-0.161 (3.6)		-0.137 (3.3)
Arab?		-0.105 (1.7)		0.058 (0.7)
Latin American?		-0.060 (0.9)		-0.090 (1.2)
Immigrant?	-0.068 (1.3)	-0.068 (1.2)	-0.203 (3.6)	-0.208 (3.7)
Years since migration	0.009 (2.5)	0.009 (2.3)	0.009 (2.4)	0.008 (2.2)
Yrs since mig squared	-.0002 (2.6)	-.0002 (2.6)	-.0001 (0.8)	-.00005 (0.6)
Years of schooling	0.012 (5.1)	0.012 (5.1)	0.027 (9.4)	0.026 (9.4)
Educ ex Canada?	0.018 (0.6)	0.018 (0.6)	0.021 (0.7)	0.029 (1.0)
High school?	0.057 (3.9)	0.057 (3.9)	0.031 (1.8)	0.032 (1.8)
University?	0.209 (8.3)	0.210 (8.3)	0.154 (5.6)	0.155 (5.6)
Yrs of Cdn exp	0.028 (16.5)	0.028 (16.4)	0.015 (8.3)	0.014 (8.0)
Yrs Cdn exp squared	-0.0004 (10.5)	-0.0004 (10.3)	-0.0002 (5.2)	-0.0002 (5.0)
Yrs non-Cdn exp	-0.003 (0.6)	-0.003 (0.5)	0.0007 (0.1)	0.003 (0.4)
Yrs non-Cdn exp sqd	0.0002 (0.9)	0.0002 (0.9)	-.0001 (0.2)	-.0002 (0.5)
Hours paid per week	-0.014 (3.7)	-0.014 (3.8)	-.0008 (0.3)	-.0008 (0.3)
Wks worked per year	0.002 (4.8)	0.002 (4.8)	0.005 (11.8)	0.005 (11.8)
English?	0.028 (1.8)	0.031 (1.9)	0.009 (0.6)	-.0003 (0.0)
French?	-0.018 (0.7)	-0.019 (0.7)	-0.008 (0.3)	-0.004 (0.1)

	MEN		WOMEN	
Variable	**#1: VM dummy**	**#2: VM groups**	**#3: VM dummy**	**#4: VM groups**
Reside in: Atlantic?	-0.149 (8.0)	-0.150 (8.1)	-0.169 (8.4)	-0.170 (8.5)
Québec?	-0.023 (0.8)	-0.021 (0.7)	-0.083 (2.8)	-0.096 (3.2)
Prairies?	-0.086 (6.2)	-0.087 (6.2)	-0.132 (8.9)	-0.131 (8.8)
B.C.?	0.067 (4.3)	0.065 (4.1)	0.033 (2.0)	0.034 (2.1)
Cities > 500,000?	0.023 (2.1)	0.024 (2.1)	0.090 (7.4)	0.091 (7.5)
Rural areas?	-0.016 (1.2)	-0.015 (1.2)	-0.005 (0.4)	-0.004 (0.3)
Aboriginal?	-0.047 (1.4)	-0.046 (1.4)	-0.022 (0.6)	-0.024 (0.7)
Married?	0.153 (12.9)	0.152 (12.8)	0.011 (1.0)	0.011 (0.9)
Self-employed?	-0.105 (4.5)	-0.105 (4.5)	-0.126 (4.7)	-0.125 (4.7)
Professional?	0.308 (15.0)	0.306 (14.8)	0.285 (13.7)	0.285 (13.7)
Semi-professional?	0.244 (11.8)	0.244 (11.7)	0.285 (14.6)	0.283 (14.4)
Supervisor?	0.228 (14.0)	0.226 (13.9)	0.116 (5.9)	0.117 (6.0)
Skilled worker?	0.211 (14.6)	0.211 (14.6)	0.092 (5.4)	0.092 (5.3)
Semi-skilled worker?	0.045 (3.1)	0.045 (3.1)	-.154 (10.4)	-.155 (10.4)
Inverse Mills ratio	-0.117 (4.8)	-0.120 (4.8)	-0.070 (3.5)	-0.077 (3.8)
R^2	0.382	0.382	0.411	0.412
F	123.56	106.47	123.41	106.55
Sample size weighted (unweighted)	4,581,514 (6,241)	4,581,514 (6,241)	3,946,746 (5.505)	3,946,746 (5.505)

Notes: Lambda derived from a probit regression to explain participation (positive earnings) in 1993 with schooling, experience, experience squared, regional dummies, English and French mother tongue where dominant language, city size, visible minority status, aboriginal status, immigration status, years since migration, years since migration squared, age, age squared, family size, and marital status as explanatory variables. Regression is weighted and not corrected for heteroskedasticity. These probit results are available from the authors upon request. The unweighted regression results adjusted for sample selection bias and corrected for heteroskedasticity are also available upon request.

Columns 3 and 4 of Table 2 presents comparable results for women. The results in column 3 imply that members of a visible minority who are women receive about 7% less than other Canadians, an estimate which is also significantly different from zero. Column 4 provides estimates of significant wage disadvantages of about 9% for the Chinese and 14% for the non-Chinese Oriental group. The estimates for other groups are insignificant, but the visible minority groups are again collectively significant.[14]

Some other results in Table 2 merit discussion. Immigration status is a statistically significant factor in the explanation of wages for women. The immigration dummy variable is significant and implies a wage disadvantage upon entry to Canada of about 20%. Years since migration (but not its square) is significant and implies that the entry difference is eliminated within 25 years, consistent with Bloom et al's (1995) earlier results. The three immigration variables--the immigration dummy variable, years since migration, and years since migration squared--are also significant as a group.[15] For men, the immigration dummy variable is insignificant but years since migration and its square are significant. The variables are collectively insignificant at the 5% level, however.[16] Since a high proportion of visible minority members are immigrants, we will return to this relationship in the next section.

The human capital variables are generally significant with two notable exceptions which have quite different interpreta-tions. Education outside Canada is insignificant throughout Table 2. This implies that, for a given level of

[14] F=2.44

[15] F=6.22 for column 3 and F=6.15 for column 4.

[16] F=2.35 for column 1 and F=2.19 for column 2.

education--in terms of years of school, attainment of a high school degree or completion of a university degree--the source of elementary and secondary education is not a significant factor explaining earnings.[17] Non-Canadian work experience is also insignificant throughout Table 2, implying that only Canadian work experience explains differences in the wages offered. In other words, the results in Table 2 suggest that education matters regardless of its source, but that work experience matters only if it is obtained in the Canadian labour market. We return to this issue below.

5. A CLOSER LOOK AT WAGE DISADVANTAGES FOR VISIBLE MINORITIES

Many refinements of Table 2 are possible, but we focus on two. First, we estimate separate regressions for visible minorities and for other Canadians, as do Christofides and Swidinsky (1994). Since we have improved measures for many crucial variables, particularly those concerning human capital and immigration background, our results are not strictly comparable with earlier studies. Our results, however, allow us to see how different factors account for wage differences within the visible minority group and how this compares to those who are not members of a visible minority. Second, we estimate separate regressions for immigrants and for native born Canadians which allow for differences in visible minority membership. This allows us to clarify the effects of education and work experience outside Canada on the wages offered to immigrants. It also allows us to see how wage disadvantages associated with visible minority membership differ

[17] SLID does not indicate whether those with a university education received it outside Canada but, in any case, the implications would be ambiguous. Many Canadians choose universities abroad when they could study in Canada.

between immigrants and native born Canadians. In short, to what extent are wage disadvantages of visible minorities related to immigrant assimilation?

Table 3 presents separate wage regressions by visible minority status for men and women. Columns 1 and 2 both present the results for visible minority men, with column 2 including dummy variables to identify differences in wage disadvantages among visible minority groups. Column 3 provides the results for men who are not members of a visible minority.

Table 3. Wage Offer Equations for Men and Women by Visible Minority (VM) Status

	MEN			WOMEN		
Variable	**#1: VM**	**#2: VM groups**	**#3: non VM**	**#4: VM**	**#5: VM groups**	**#6: non VM**
Intercept	2.204 (6.6)	2.328 (6.4)	1.964 (39.5)	1.983 (6.7)	2.011 (6.5)	1.722 (32.3)
Black?		-0.162 (1.3)			-0.035 (0.3)	
Indo-Pakistani?		-0.043 (0.5)			0.032 (0.4)	
NonChinese Orientals?		-0.139 (1.5)			-0.028 (0.3)	
Arab?		0.025 (0.2)			0.321 (2.1)	
Latin American?		0.027 (0.2)			0.018 (0.1)	
Immigrant?	-0.351 (1.9)	-0.374 (1.9)	-0.087 (1.1)	-0.176 (1.0)	-0.264 (1.4)	-0.136 (1.8)
Yrs since migration	0.025 (1.8)	0.030 (2.0)	0.010 (2.0)	0.022 (1.8)	0.026 (2.1)	0.002 (0.4)
Yrs since mig sqd	-.0007 (2.0)	-0.0008 (2.3)	-.0002 (2.1)	-.0005 (1.7)	-0.0006 (1.8)	0.00005 (0.6)

	MEN			WOMEN		
Variable	**#1: VM**	**#2: VM groups**	**#3: non VM**	**#4: VM**	**#5: VM groups**	**#6: non VM**
Years of schooling	0.033 (2.2)	0.034 (2.2)	0.011 (4.8)	0.015 (0.9)	0.010 (0.6)	0.027 (9.6)
Educ ex Canada?	0.137 (1.3)	0.144 (1.4)	-0.08 (0.3)	-0.099 (1.1)	-0.083 (0.8)	0.030 (0.9)
High school?	0.015 (0.1)	0.028 (0.2)	0.055 (3.7)	-0.026 (0.2)	0.010 (0.1)	0.033 (1.9)
University	0.124 (0.7)	0.149 (0.9)	0.202 (7.9)	0.213 (1.4)	0.247 (1.6)	0.146 (5.2)
Yrs of Cdn exp	0.019 (1.4)	0.014 (1.0)	0.029 (16.6)	0.011 (0.9)	0.008 (0.6)	0.014 (8.1)
Yrs Cdn exp sqd	-0.0002 (0.6)	-0.00002 (0.1)	-0.0005 (10.7)	-0.00001 (0.0)	0.00003 (0.1)	-0.0002 (5.1)
Yrs non-Cdn exp	-0.012 (0.9)	-0.008 (0.6)	-0.002 (0.2)	-0.001 (0.1)	0.003 (0.2)	-0.0001 (0.0)
Yrs nonCdn exp sqd	0.0004 (0.7)	0.0003 (0.5)	0.0005 (1.2)	-.0003 (0.3)	-0.0005 (0.6)	0.00002 (0.0)
Hours paid per week	-0.033 (1.0)	-0.046 (1.4)	-0.013 (3.6)	0.005 (0.2)	0.015 (0.6)	-0.001 (0.4)
Wks worked per year	-0.002 (0.5)	-0.001 (0.3)	0.003 (5.6)	0.0007 (0.3)	0.002 (0.6)	0.005 (12.0)
English?	0.041 (0.6)	0.083 (0.9)	0.028 (1.7)	0.039 (0.5)	0.029 (0.3)	-.0008 (0.0)
French?	0.346 (1.0)	0.319 (0.9)	-0.039 (1.5)	-0.372 (2.1)	-0.448 (2.5)	-0.019 (0.6)
Reside in: Atlantic?	-0.295 (1.5)	-0.300 (1.4)	-0.140 (7.6)	0.138 (0.9)	0.061 (0.4)	-0.177 (8.8)
Québec?	-0.299 (2.0)	-0.282 (1.8)	0.007 (0.2)	-0.086 (0.8)	-0.208 (1.8)	-0.077 (2.3)
Prairies?	-0.204 (2.5)	-0.203 (2.4)	-0.073 (5.2)	-0.096 (1.2)	-0.104 (1.3)	-0.134 (8.8)
B.C.?	0.010 (0.1)	-0.014 (0.2)	0.075 (4.5)	0.022 (0.3)	-0.021 (0.2)	0.033 (1.9)

	MEN			WOMEN		
Variable	**#1: VM**	**#2: VM groups**	**#3: non VM**	**#4: VM**	**#5: VM groups**	**#6: non VM**
Cities > 500,000?	-0.028 (0.3)	-0.034 (0.4)	0.024 (2.1)	0.098 (1.4)	0.135 (1.9)	0.092 (7.4)
Rural areas?	0.067 (0.4)	0.032 (0.2)	-0.015 (1.2)	-0.002 (0.0)	0.049 (0.3)	-0.003 (0.2)
Aboriginal?	-0.412 (1.3)	-0.327 (1.0)	-0.041 (1.3)	0.112 (0.5)	0.144 (0.6)	-0.027 (0.8)
Married?	0.224 (3.0)	0.200 (2.5)	0.153 (12.8)	0.152 (2.4)	0.164 (2.6)	0.001 (0.1)
Self-employed?	0.344 (1.9)	0.335 (1.8)	-0.120 (5.1)	-0.308 (1.3)	-0.329 (1.4)	-0.124 (4.6)
Professional?	0.128 (1.0)	0.073 (0.6)	0.320 (15.3)	0.212 (1.6)	0.241 (1.8)	0.288 (13.6)
Semi-professional?	0.162 (1.2)	0.134 (1.0)	0.247 (11.8)	0.348 (3.3)	0.310 (2.9)	0.281 (14.0)
Supervisor?	0.152 (1.4)	0.088 (0.8)	0.231 (14.1)	0.142 (1.2)	0.103 (0.9)	0.116 (5.8)
Skilled worker?	0.149 (1.4)	0.128 (1.2)	0.216 (14.9)	0.165 (1.6)	0.139 (1.3)	0.088 (5.0)
Semi-skilled worker?	-0.139 (1.8)	-0.145 (1.8)	0.061 (4.2)	-.180 (2.4)	-0.178 (2.3)	-0.154 (10.0)
Inverse Millsratio	-0.193 (2.2)	-0.247 (2.5)	-0.098 (3.8)	-0.188 (2.1)	-0.237 (2.5)	-0.066 (3.2)
R^2	0.554	0.567	0.373	0.610	0.626	0.401
F	7.01	6.12	119.37	7.92	7.03	117.80
Sample size wtd (unwtd)	300,721 (200)	300,721 (200)	4,280,793 (6,041)	279,769 (183)	279,769 (183)	3,666,977 (5.322)

Notes: As for Table 2.

Although the equations for visible minority men have limited explanatory power because of the small sample size,[18] immigration status continues to be important. For example, for the results in column 2, the immigration variables--the immigrant dummy plus the years since migration and its square--are collectively significant. Although the immigrant dummy variable is marginally insignificant, its coefficient implies a very large wage disadvantage of about 37% for male immigrants entering Canada. Years since migration and its square are each significant and indicate that this entry effect would disappear within 16 years. The significance of the squared term, along with its negative coefficient, corresponds to the idea that the wage difference between an immigrant and a native born in each category converges over time but at a slower rate as assimilation of the immigrant proceeds.

These results contrast sharply with those in column 3 for Canadians who are not members of a visible minority. The immigration variables are collectively insignificant and the entry effect is both small and insignificant. In other words, while immigration background appears to explain differences in the wages of visible minorities, it appears to have little role in explaining the wage differences for those who are not members of a visible minority. This suggests to us that the **interaction** of immigration background and visible minority membership may require further exploration to account for the differences in wage offers that we observe.

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[18] The F-statistics for the equations in Table 3 for all visible minority groups (columns 1 and 2 for men) are statistically significant but much lower than the F-statistics for those who are not members of a visible minority (column 3) or the F-statistics in Table 2. Many of the t-values on individual coefficients in columns 1 and 2, which are significant in column 3 or in Table 2, are now insignificant. Separate regressions for each visible minority group would be even less informative because of the small number of observations and degrees of freedom for each group. These comments also apply for women.

The pattern for women is similar, but the results are not as strong. For column 5, the immigrant variables are collectively insignificant, although years since migration remains individually significant. The entry effect remains quite large (about 26%) but it is insignificant. The entry effect is much smaller in magnitude for women who are not members of a visible minority (about 13%) and it is insignificant, as are all the other immigration variables.

As in Table 2, education outside Canada remains insignificant. Thus, within the visible minority group alone, the source of education does not appear to matter. Non-Canadian experience remains insignificant as well for both visible minorities and other Canadians.

Our next refinement is to estimate separate regressions for immigrants and for native born Canadians which allow for differences in visible minority membership. These results, which are the most interesting in our view, are presented in Table 4. The first two columns present wage equations for foreign born men using a simple visible minority dummy variable and a series of dummy variables to capture the visible minority groups. Columns 3 and 4 repeat these results for Canadian born men. The results for women are in columns 5 to 8.

Table 4. Wage Offer Equations for Men by Immigrant Status

	FOREIGN BORN MEN		CANADIAN BORN MEN	
Variable	**#1: VM dummy**	**#2: VM groups**	**#3: VM dummy**	**#4: VM groups**
Intercept	2.306 (15.0)	2.327 (14.9)	1.953 (36.7)	1.959 (36.8)
Visible Minority?	-0.154 (3.7)		-0.055 (1.3)	
Black?		-0.213 (2.6)		-0.241 (2.7)
Indo-Pakistani?		-0.147 (2.4)		0.040 (0.2)
Chinese?		-0.157 (2.2)		-0.037 (0.6)
Non-Chinese Orientals?		-0.232 (3.2)		0.047 (0.6)
Arab?		-0.101 (1.1)		0.140 (1.0)
Latin American?		-0.027 (0.3)		-0.308 (1.5)
Years since migration	0.005 (0.7)	0.005 (0.6)		
Yrs since mig squared	0.00001 (0.1)	0.00002 (0.2)		
Years of schooling	0.008 (1.2)	0.009 (1.3)	0.012 (4.8)	0.012 (4.7)
Educ ex Canada?	0.073 (1.4)	0.072 (1.3)	0.095 (1.2)	0.063 (0.8)
High school?	0.095 (1.7)	0.095 (1.7)	0.052 (3.4)	0.051 (3.3)
University?	0.348 (4.0)	0.351 (4.1)	0.178 (6.6)	0.178 (6.6)
Yrs of Cdn exp	0.035 (4.3)	0.034 (4.1)	0.028 (16.0)	0.028 (15.9)
Yrs Cdn exp squared	-0.0008 (4.5)	-0.0008 (4.3)	-0.0004 (10.0)	-0.0004 (9.9)

	FOREIGN BORN MEN		CANADIAN BORN MEN	
Variable	**#1: VM dummy**	**#2: VM groups**	**#3: VM dummy**	**#4: VM groups**
Yrs non-Cdn exp	0.004 (0.5)	0.004 (0.6)		
Yrs non-Cdn exp sqd	-0.00004 (0.1)	-0.00005 (0.1)		
Hours paid per week	-0.054 (3.1)	-0.060 (3.4)	-.009 (2.6)	-.009 (2.6)
Wks worked per year	-0.0002 (0.1)	0.00007 (0.0)	0.003 (5.6)	0.003 (5.6)
English?	0.038 (1.0)	0.045 (1.1)	-0.001 (0.1)	0.001 (0.1)
French?	0.080 (0.6)	0.078 (0.6)	0.003 (0.1)	0.003 (0.1)
Reside in: Atlantic?	-0.210 (1.9)	-0.211 (1.9)	-0.141 (7.6)	-0.143 (7.7)
Québec?	0.020 (0.3)	0.024 (0.4)	-0.068 (2.0)	-0.066 (2.0)
Prairies?	-0.156 (3.4)	-0.153 (3.3)	-0.076 (5.2)	-0.076 (5.2)
B.C.?	0.054 (1.3)	0.051 (1.1)	0.068 (3.9)	0.067 (3.9)
Cities > 500,000?	-0.028 (0.7)	-0.027 (0.7)	0.032 (2.7)	0.031 (2.6)
Rural areas?	0.002 (0.0)	-0.003 (0.0)	-0.017 (1.4)	-0.017 (1.4)
Aboriginal?	0.130 (0.7)	0.127 (0.6)	-0.058 (1.8)	-0.054 (1.7)
Married?	0.133 (3.1)	0.138 (3.1)	0.157 (12.8)	0.157 (12.8)
Self-employed?	0.090 (1.1)	0.091 (1.1)	-0.130 (5.4)	-0.129 (5.3)
Professional?	0.225 (3.3)	0.203 (2.94)	0.323 (14.9)	0.322 (14.8)
Semi-professional?	0.158 (2.3)	0.143 (2.1)	0.258 (11.8)	0.259 (11.9)

	FOREIGN BORN MEN		CANADIAN BORN MEN	
Variable	**#1: VM dummy**	**#2: VM groups**	**#3: VM dummy**	**#4: VM groups**
Supervisor?	0.218 (3.7)	0.198 (3.3)	0.232 (13.8)	0.231 (13.7)
Skilled worker?	0.096 (1.8)	0.087 (1.6)	0.225 (15.1)	0.225 (15.1)
Semi-skilled worker?	-0.078 (1.6)	-0.079 (1.6)	0.065 (4.3)	0.067 (4.5)
Inverse Mills ratio	-0.173 (3.1)	-0.186 (3.2)	-0.079 (2.8)	-0.084 (2.9)
R^2	0.506	0.510	0.369	0.370
F	17.44	15.05	127.31	107.17
Sample size weighted (unweighted)	685,120 (542)	685,120 (542)	3,896,394 (5.699)	3,896,394 (5.699)

Table 4 (continued). Wage Offer Equations for Women by Immigrant Status

	FOREIGN BORN WOMEN		CANADIAN BORN WOMEN	
Variable	**#5: VM dummy**	**#6: VM groups**	**#7: VM dummy**	**#8: VM groups**
Intercept	1.664 (10.7)	1.698 (10.9)	1.673 (29.3)	1.672 (29.2)
Visible Minority?	-0.061 (1.6)		-0.023 (0.4)	
Black?		-0.020 (0.3)		0.093 (0.8)
Indo-Pakistani?		-0.009 (0.1)		-0.075 (0.5)
Chinese?		-0.091 (1.5)		-0.031 (0.3)
Non-Chinese Orientals?		-0.127 (2.3)		-0.098 (0.8)
Arab?		0.086 (0.8)		-0.088 (0.4)

	FOREIGN BORN WOMEN		CANADIAN BORN WOMEN	
Variable	**#5: VM dummy**	**#6: VM groups**	**#7: VM dummy**	**#8: VM groups**
Latin American?		-0.142 (1.5)		-0.002 (0.0)
Years since migration	0.012 (2.2)	0.013 (2.4)		
Yrs since mig squared	-0.0001 (1.3)	-0.0001 (1.2)		
Years of schooling	0.033 (4.3)	0.031 (4.0)	0.025 (8.2)	0.025 (8.2)
Educ ex Canada?	0.030 (0.7)	0.047 (1.1)	0.104 (1.4)	0.104 (1.4)
High school?	0.007 (0.1)	0.027 (0.5)	0.041 (2.3)	0.041 (2.3)
University?	0.119 (1.4)	0.139 (1.6)	0.159 (5.4)	0.159 (5.4)
Yrs of Cdn exp	0.008 (1.2)	0.004 (0.6)	0.016 (8.7)	0.016 (8.7)
Yrs Cdn exp squared	-0.00005 (0.3)	0.00003 (0.2)	-0.0003 (5.6)	-0.0003 (5.6)
Yrs non-Cdn exp	-0.002 (0.3)	-0.00001 (0.0)		
Yrs non-Cdn exp sqd	0.0001 (0.2)	0.00002 (0.0)		
Hours paid per week	-0.022 (1.6)	-0.023 (1.6)	0.0006 (0.2)	0.0006 (0.2)
Wks worked per year	0.003 (1.6)	0.003 (1.7)	0.006 (12.0)	0.006 (12.0)
English?	-0.008 (0.2)	-0.033 (0.9)	0.034 (1.7)	0.034 (1.7)
French?	0.002 (0.0)	-0.009 (0.1)	-0.077 (2.3)	-0.076 (2.3)
Reside in: Atlantic?	0.092 (0.8)	0.065 (0.6)	-0.173 (8.5)	-0.172 (8.5)
Québec?	-0.197 (3.3)	-0.233 (3.7)	0.018 (0.5)	0.018 (0.5)

	FOREIGN BORN WOMEN		CANADIAN BORN WOMEN	
Variable	**#5: VM dummy**	**#6: VM groups**	**#7: VM dummy**	**#8: VM groups**
Prairies?	-0.127 (2.9)	-0.126 (2.8)	-0.127 (8.0)	-0.127 (8.0)
B.C.?	0.036 (0.9)	0.029 (0.7)	0.035 (1.9)	0.036 (2.0)
Cities > 500,000?	0.074 (2.0)	0.079 (2.1)	0.091 (7.0)	0.091 (7.0)
Rural areas?	-0.022 (0.3)	-0.014 (0.2)	-0.004 (0.3)	-0.004 (0.3)
Aboriginal?	-0.110 (0.6)	-0.135 (0.8)	-0.020 (0.6)	-0.021 (0.6)
Married?	0.034 (0.9)	0.035 (1.0)	0.006 (0.5)	0.005 (0.4)
Self-employed?	-0.032 (0.2)	-0.047 (0.4)	-0.134 (5.0)	-0.133 (4.9)
Professional?	0.219 (3.3)	0.220 (3.3)	0.302 (13.7)	0.301 (13.7)
Semi-professional?	0.364 (6.2)	0.349 (5.9)	0.275 (13.2)	0.275 (13.2)
Supervisor?	0.076 (1.3)	0.080 (1.3)	0.133 (6.4)	0.133 (6.4)
Skilled worker?	0.195 (3.6)	0.193 (3.5)	0.078 (4.3)	0.077 (4.2)
Semi-skilled worker?	-0.240 (5.4)	-0.243 (5.4)	-0.129 (8.1)	-0.130 (8.1)
Inverse Mills ratio	-0.047 (0.8)	-0.086 (1.5)	-0.067 (3.0)	-0.067 (3.0)
R^2	0.573	0.578	0.391	0.391
F	21.42	18.54	122.63	102.83
Sample size weighted (unweighted)	639,961 (510)	639,961 (510)	3,306,785 (4,995)	3,306,785 (4,995)

Notes: As for Table 2.

After accounting for other factors, including years since immigration and non-Canadian work experience for those born outside Canada, membership in a visible minority is significant only for immigrant men. The visible minority dummy variable is significant in column 1 and estimates about a 15% wage disadvantage for visible minority men who are foreign born relative to foreign born men who are not members of a visible minority. The set of dummy variables representing different visible minority groups is significant in column 2 as well.[19] The coefficient estimates in column 2 indicate that, among visible minority groups, there are significant wage disadvantages for Black men (about 21%), Indo-Pakistani men (about 15%), Chinese men (about 16%), and non-Chinese oriental men (about 23%) relative to foreign born men who are not members of a visible minority.

For Canadian born men, and all women, visible minority membership is generally insignificant. The visible minority dummy variables in columns 3, 5 and 7 of Table 4 are all insignificant and relatively small in magnitude compared to the results for foreign born men. The set of dummy variables for visible minority groups are collectively insignificant in columns 4, 6 and 8.[20] Among specific groups there are two notably significant results, however. Among Canadian born men, Blacks have a statistically significant wage disadvantage of about 24%, which is comparable with the results for foreign born Black men. And among foreign born women, non-Chinese orientals have a statistically significant wage disadvantage of about 13% relative to foreign born women who are not members of a visible minority.

19 F=2.98

20 F=1.89, 1.38, and 1.34, respectively.

Non-Canadian work experience continues to be insignificant for foreign born men and women. One interesting difference is that Canadian work experience is significant for foreign born men but not for foreign born women.[21]

One hypothesis is that, among those born outside Canada, an important factor will be an immigrant's native language, since language problems could create a substantial initial disadvantage in the Canadian labour market. Yet the results in Table 4 for language do not suggest that language *per se* is a significant factor. Foreign born men and women whose mother tongue is the dominant provincial language (French in Quebec and English elsewhere in Canada) do not have a significant advantage in terms of wages, other factors considered. Thus, the disadvantages faced by foreign-born visible minority men do not appear to be explained by language.

In Table 5 we provide one final set of results to test the relative importance of immigration status in explaining the wage disadvantages faced by visible minorities in Canada. Table 5 returns to our initial specification in Table 2, but we add interaction terms between visible minority status and immigration status. In columns 1 and 3, which use only the simple visible minority dummy variable, we add a single interaction term which indicates men and women who are both a visible minority member and foreign born. In columns 2 and 4, since a series of dummy variables represent different visible minority groups, we add a series of interaction terms which indicate men and women who are both members of a particular visible minority group and foreign born.

[21] The results for education are mixed and difficult to interpret. For example, high school and university degrees are not significant for foreign born women but years of schooling is significant, whereas a university degree is significant for foreign born men but years of schooling and a high school degree are insignificant. These education variables are all significant for Canadian born men and women. The results suggest that education matters, but in somewhat different ways for foreign born men and women.

Table 5. Wage Offer Equations for Men and Women Interacting Visible Minority (VM) and Immigration (IM) Status

	MEN		WOMEN	
Variable	**#1: VM dummy**	**#2: VM groups**	**#3: VM dummy**	**#4: VM groups**
Intercept	1.999 (41.1)	1.998 (40.7)	1.726 (33.3)	1.742 (33.3)
Visible Minority (VM)?	-0.048 (1.1)		-0.032 (0.5)	
Black?		-0.249 (2.7)		0.097 (0.8)
Indo-Pakistani?		-0.090 (0.4)		-0.074 (0.4)
Chinese?		-0.031 (0.4)		-0.057 (0.6)
Non-Chinese Orientals?		-0.044 (0.5)		-0.105 (0.8)
Arab?		-0.139 (1.0)		-0.097 (0.4)
Latin American?		-0.255 (1.2)		-0.021 (0.1)
Immigrant (IM)?	-0.022 (0.4)	0.0003 (0.0)	-0.194 (3.4)	-0.202 (3.3)
VM and IM?	-0.134 (2.56)		-0.046 (0.7)	
Black and IM?		0.055 (0.5)		-0.143 (1.1)
Indo-Pakistani and IM?		-0.256 (1.1)		0.049 (0.3)
Chinese and IM?		-0.163 (1.9)		-0.047 (0.4)
Non-Chinese Oriental and IM?		-0.302 (3.1)		-0.038 (0.3)
Arab and IM?		-0.327 (2.1)		0.168 (0.6)

	MEN		WOMEN	
Variable	**#1: VM dummy**	**#2: VM groups**	**#3: VM dummy**	**#4: VM groups**
Latin American and IM?		0.199 (0.9)		-0.075 (0.2)
Years since migration	0.007 (1.9)	0.006 (1.5)	0.008 (2.3)	0.008 (2.1)
Yrs since mig squared	-.0002 (2.4)	-.0002 (2.0)	-.00006 (0.8)	-.00005 (0.7)
Years of schooling	0.012 (5.1)	0.012 (5.1)	0.026 (9.4)	0.026 (9.3)
Educ ex Canada?	0.018 (0.6)	0.014 (0.5)	0.022 (0.7)	0.029 (1.0)
High school?	0.058 (3.9)	0.058 (3.9)	0.031 (1.8)	0.032 (1.8)
University?	0.208 (8.2)	0.208 (8.2)	0.155 (5.6)	0.154 (5.6)
Yrs of Cdn exp	0.028 (16.6)	0.028 (16.4)	0.015 (8.3)	0.014 (8.0)
Yrs Cdn exp squared	-0.0004 (10.6)	-0.0004 (10.4)	-0.0002 (5.2)	-0.0002 (4.9)
Yrs non-Cdn exp	-0.004 (0.8)	-0.004 (0.7)	0.0004 (0.0)	0.003 (0.4)
Yrs non-Cdn exp sqd	0.0003 (1.0)	0.0002 (1.0)	-.00009 (0.2)	-.0002 (0.5)
Hours paid per week	-0.014 (3.7)	-0.014 (3.8)	-.0008 (0.3)	-.0007 (0.2)
Wks worked per year	0.002 (4.8)	0.002 (4.9)	0.005 (11.8)	0.005 (11.8)
English?	0.026 (1.7)	0.028 (1.8)	0.010 (0.6)	0.0007 (0.0)
French?	-0.015 (0.6)	-0.017 (0.6)	-0.007 (0.3)	-0.002 (0.1)
Reside in: Atlantic?	-0.149 (8.0)	-0.149 (8.0)	-0.170 (8.4)	-0.170 (8.5)
Québec?	-0.025 (0.9)	-0.022 (0.8)	-0.083 (2.8)	-0.096 (3.2)

	MEN		WOMEN	
Variable	**#1: VM dummy**	**#2: VM groups**	**#3: VM dummy**	**#4: VM groups**
Prairies?	-0.085 (6.1)	-0.084 (6.0)	-0.132 (8.9)	-0.131 (8.9)
B.C.?	0.068 (4.3)	0.067 (4.2)	0.033 (2.0)	0.034 (2.0)
Cities > 500,000?	0.023 (2.0)	0.022 (1.9)	0.090 (7.4)	0.091 (7.5)
Rural areas?	-0.016 (1.3)	-0.016 (1.3)	-0.005 (0.4)	-0.004 (0.3)
Aboriginal?	-0.049 (1.5)	-0.045 (1.4)	-0.022 (0.6)	-0.024 (0.7)
Married?	0.153 (12.9)	0.154 (12.9)	0.011 (1.0)	0.011 (0.9)
Self-employed?	-0.105 (4.5)	-0.105 (4.5)	-0.126 (4.7)	-0.125 (4.7)
Professional?	0.305 (14.8)	0.302 (14.6)	0.285 (13.7)	0.285 (13.7)
Semi-professional?	0.243 (11.7)	0.242 (11.7)	0.286 (14.6)	0.283 (14.4)
Supervisor?	0.226 (13.9)	0.223 (13.6)	0.115 (5.9)	0.116 (5.9)
Skilled worker?	0.209 (14.5)	0.208 (14.4)	0.092 (5.4)	0.091 (5.3)
Semi-skilled worker?	0.043 (3.0)	0.045 (3.1)	-.154 (10.4)	-0.155 (10.4)
Inverse Mills ratio	-0.114 (4.7)	-0.116 (4.6)	-0.070 (3.5)	-0.077 (3.8)
R^2	0.382	0.384	0.412	0.413
F	120.01	91.87	119.56	91.31
Sample size weighted (unweighted)	4,581,514 (6,241)	4,581,514 (6,241)	3,946,746 (5,505)	3,946,746 (5,505)

Notes: As for Table 2.

The results reinforce our conclusion from Table 4 that the wage disadvantages faced by visible minorities in Canada are closely related to immigration background. For both men and women, visible minority status alone is insignificant in Table 5. The simple dummy variable is insignificant in column 1 for men and column 3 for women. The series of dummy variables for different visible minority groups in column 2 for men and column 4 for women are also insignificant as a group.[22]

The term interacting visible minority and immigration status is significant for men in column 1 and implies a wage disadvantage for men who are both foreign born and members of a visible minority of about 13%. The series of interaction terms for different visible minority groups in column 2 is also collectively significant,[23] although significant individual coefficients are obtained only for non-Chinese Orientals and Arabs. The immigration variables are insignificant for men, implying that only foreign born men who are members of a visible minority have a significant disadvantage in the Canadian labour market.

For women, these results are reversed. The term interacting visible minority and immigration status is insignificant, as is the series of terms in column 4. The immigration variable alone, however, is significant. This suggests to us that women who are foreign born face a disadvantage in the Canadian labour market whether they are members of a visible minority group or not.

22 F=1.73 and 0.34, respectively.

23 F=3.04

6. SUMMARY AND POLICY IMPLICATIONS

The question of racial discrimination towards visible minorities strikes at the heart of Canada's self image as a kinder and gentler society. At the same time, Canada's immigrants are increasingly from non-white countries of origin; hence Canada's self image as an immigration-tolerant society is also at stake.

Although the extent to which visible minorities are full participants in the Canadian economy is an important policy issue, our research reveals the danger of simply collating information on visible minority wage rates or earning levels, and then comparing them with those received by non-visible minority Canadians. This kind of exercise is misleading because it groups all visible minority individuals without distinguishing their colour, ethnic origin, education, work experience or degree of assimilation into the Canadian labour stream. A more accurate picture is provided by Tables 4 and 5, where it is clear that, with the exception of Black men, there is no significant wage gap between visible minority and non-visible minority group membership for native born workers. It is only among immigrants that the question of wage differentials for visible minorities arises, and consequently, the differential wage gap among members of different visible minority groups. Furthermore, we would note that there are differences between men and women. Among immigrants, we find a wage disadvantage for visible minority men relative to other men, but not for visible minority women relative to other women.

What implications do our findings have for public policy? Ours is but a first attempt to disentangle the determinants of wages for Canadians of colour. And ours is a purely economic, and not sociological nor anthropological, examination of visible minority group membership. But, at the very least, our findings should

sound a note of caution in treating visible minorities as a homogeneous group for public policy purposes, particularly employment equity strategies. With more and more of Canada's immigrants being members of a visible minority group, and our evidence that the issue of hue and colour is predominately bound up with immigrant status, it may now be time to rethink Canada's emphasis for achieving equal opportunity in the labour market. Our findings suggest that the steps towards a colour-blind Canadian labour market offering opportunities for all may have to focus more towards helping immigrants assimilate rather than the traditional prods embodying employment equity legislation.

On the other hand, given our finding of a significant wage differential between Blacks and other Canadians, it is time to investigate this phenomenon more carefully. The question of black-white economic differentials, so prevalently studied in the United States literature, would appear to be overdue for closer attention in Canada.

The most important item for further research, however, would appear to be the adaptation of visible minority immigrants, given the fact that two out of three immigrants to Canada are visible minority members. This promises to be a complex issue, and one that will require a conceptual framework much more broad than the predominately economic one presented here. For example, fluency in a dominant language has been recently suggested as a possible selection criterion for future immigrants; however, we find no significant role for language fluency *per se*, after taking into account other factors. This may seem counterintuitive, but it may be that fluency is measured imprecisely so that "adequate" fluency is insufficient for certain occupations, or that language fluency is but one aspect of the wider phenomenon of cultural adaptation. This seems plausible, given our finding that "native born" visible minorities (excepting Blacks) appear to suffer no

economic disadvantages. These ideas are admittedly speculative, and we must await more longitudinal data to try and disentangle the various effects. They remain important items for future research.

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