

research snapshot

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An Immigrant's Country of Origin Has a Small Effect on What He or She Earns in Canada

What is this research about?

Over the past few years, many researchers have tried to explain why recent immigrants to Canada tend to earn lower wages than native-born Canadians. Some blame this wage gap on a lack of education. Since the 1960s, the number of non-white, non-European immigrants to Canada has dramatically increased. Because many of these immigrants come from less developed economies, they sometimes lack the skills that are needed to succeed in the Canadian labour market. Others, though, point out that discrimination and social capital – factors that are often beyond an immigrant's control – have an impact on how much he or she will earn. Immigrants looking for work, after all, often suffer from discrimination. They also lack social capital, which can provide access to the kinds of networks that connect people to jobs. Faced with these difficulties, newcomers tend to lean on one another for support. By doing so, they strengthen their attachment to their own ethnic group – but they also continue to marginalize themselves from 'mainstream' Canadian society.

More recently, researchers have started to look at an immigrant's country of origin as a factor that needs to be considered. They argue that the country from which an immigrant originates – the 'source' country – can impact what he or she earns in the 'host' country. More specifically, the cultural and economic conditions of a source country – its language, economy, educational system, and inequalities – can leave an imprint on immigrants. And this imprint

What you need to know:

The cultural and economic conditions of the country from which an immigrant originates have a small impact on what he or she earns in Canada. Canada remains a good destination for immigrants.

can follow them to their new country. But until now there has been little research on the role that source countries play in an immigrant's economic success.

What did the researchers do?

Researchers at York University, the University of Western Ontario, and the University of Guelph set out to examine the impact that an immigrant's country of origin has on his or her earnings in Canada. They studied the 2002 Ethnic Diversity Survey (EDS), which contains information about various ethnic groups, including:

- countries of origin
- socio-demographic characteristics
- labour market outcomes

The researchers focused on only those immigrants who arrived in Canada between 1991 and 2001. They also limited their study to immigrants with full-time, year-round jobs. 1,301 immigrants were included in the study.

What did the researchers find?

The researchers found that an immigrant's country of origin has a small impact on what he or she earns in Canada. Other factors, like education and language use, continue to have an impact, as well. Immigrants who are citizens and eligible to vote do better in the job market than those who cannot vote. Encouragingly, the findings suggest that discrimination may not be having much of an impact on the economic success of an immigrant in Canada. With its long history of immigration, its large and diverse populations, and its generous rights and social safety nets, Canada seems to be a 'warm' and receptive destination country for newcomers. More specifically, Canada seems to offset whatever negative effects an immigrant's source country may have on his or her earning potential.

How can you use this research?

More research on the ways in which an immigrant's origins can impact his or her earnings is urgently needed. This will help to better inform the development of programs and policies. It will also provide insight into how immigrants can more smoothly integrate into the Canadian economy.

About the Researchers

Dr. Paul Anisef is Professor Emeritus in the Department of Sociology, York University.

anisef@yorku.ca

Kelli Phythian is a Ph.D. Candidate at the University of Western Ontario and a researcher with the York Region District School Board.

Dr. David Walters is Associate Professor in the Department of Sociology and Anthropology, College of Social and Applied Human Sciences.

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kmbunit@yorku.ca

www.researchimpact.ca

