

# Chinese Immigrants in Canada: Their Changing Composition and Economic Performance<sup>1</sup>

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## ABSTRACT

Using landing records and tax data, this paper examines both the changing composition of the Chinese immigrants in Canada in the past two decades and their levels of economic performance. Our research found that, in addition to a shift in origin, economic immigrants have been on the rise and other classes of immigrants have declined. This has been accompanied by a significant increase in their educational qualifications and proficiency in a Canadian official language. Yet, despite their increased human capital, Chinese immigrants still experience very different economic outcomes in the Canadian labour market compared to members of the general population of Canada. For one thing, they have much lower employment and self-employment income than the general population. Moreover, these earning differentials hold true for all age groups, both genders, and Chinese immigrants from all origins. While their levels of economic performance increases with length of residency in Canada, this study suggests that it would take more than 20 years for Chinese immigrants to close the earning gaps with the general population. Evidence also suggests that Canadian-specific educational credentials are indeed worth more than those acquired in the immigrants' country of origin, and are much better remunerated by Canadian employers.

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## INTRODUCTION

Both the landing records and the 2001 census confirm that the Chinese have become the largest group of immigrants in Canada. Between 1980 and 2000, nearly 800,000 Chinese immigrants landed in Canada (Citizenship and Immigration Canada, 2001). They now account for 20 per cent of Canada's total immigration in-take.

A number of factors contributed to the accelerated emigration of Chinese from their countries of origin, particularly Hong Kong Special Administrative Region of China (hereinafter Hong Kong), mainland China, Taiwan Province of China (hereinafter Taiwan), and Viet Nam (Lo and Wang, 1997). Many Chinese immigrants are attracted to Canada by its potential economic opportunities, both for business and employment. Canada welcomes them mainly because of their potential to contribute to the country's economic growth. Despite their higher educational qualifications and proficiency in Canadian official languages, however, many new Chinese immigrants are disappointed, and even frustrated, because they have not been able to achieve satisfactory economic performance in the Canadian labour market (Tian, 2000; *World Journal*, 2003; Yu, 2002). The inability of immigrants to succeed also has caused concerns for the Canadian Government because it has serious implications for the goals of shared citizenship, social inclusion, and integration that Canada aims to achieve through its reformed immigration programme.

Having come from distinct places of origin that have varying political, social, and economic conditions, Chinese immigrants are, by no means, a uniform group, and significant internal differences are expected to exist among them. For example, although immigrants from mainland China, Hong Kong, and Taiwan are all Chinese in ethnicity, their political tendencies, social values, and economic behaviour are markedly different. These background variations have differentiated them into different segments within the political, cultural, and economic realms in Canada.

In Toronto, there are many Chinese associations: business, professional, and recreational. Those established or chartered before the 1990s were mostly organized around immigrants from Hong Kong. The Canadian Federation of Chinese Professionals, for example, consists of doctors, dentists, lawyers, engineers, accountants, and architects who were primarily from Hong Kong and were trained in Canada. More recently, in 1992, immigrants from Mainland China formed their own Chinese Professionals Association of Canada. This association is now composed of several thousand members, all immigrants with university degrees. Another origin-specific association is the North Chinese Community of

Canada, established in 2001 in Toronto, and consisting mainly of Mandarin-speaking Chinese. In 2003, a mainland Chinese immigrant entered the race to run for municipal election in Markham, a suburban city in the Toronto region. Among all other Chinese candidates, he was promoted as the first and only candidate from mainland China, implying that he would be better able to represent the voice of the mainland Chinese immigrants.<sup>2</sup>

In the commercial sector, the diversity of Toronto's Chinese immigrants is reflected spatially. Businesses in Toronto's central Chinatown are mostly owned and run by older immigrants from southern China (though this has been gradually changing); whereas business owners in Toronto's east Chinatown are predominantly Chinese from Viet Nam. Those owned by immigrants from Hong Kong are mostly located in newer suburban shopping centres. A shopping centre in Markham (named Metro Square) is occupied exclusively by Taiwanese immigrants, providing Taiwanese-style products and catering mainly to Mandarin-speaking Chinese.

The background differences of Canada's recent Chinese immigrants have also caused them to be subjected to different labour market conditions. In general, immigrants from Hong Kong have higher English-language proficiency than those from other origins, and their educational credentials and work experiences obtained in Hong Kong are more likely to have been recognized by Canadian employers; whereas those acquired in mainland China and Taiwan are much less likely to have been so recognized.

The above examples sufficiently demonstrate the existence of significant internal differences among Chinese immigrants in Canada. These can be appropriately referred to as Chinese subethnicities or subcultures. Yet, these differences have not been substantiated in the scholarly literature through any systematic analyses of relevant data. Many studies either lump all Chinese together or examine subgroups separately without cross comparisons, thus bypassing consideration of the importance of diversity among subgroups of Chinese immigrants. For example, when Chinese immigrants are compared with other ethnic groups for labour market performance, they are often conveniently combined as a uniform group (see Reitz, 1997; Swidinsky and Swidinsky, 2002).

The focus of this paper is twofold. First, we analysed the changing composition of the Chinese immigrants who were admitted to Canada in the last two decades to reveal their internal differences with regard to origin, immigration class, level of education, and official language proficiency. We then examined their economic performance in Canada. Through this study, we intended to answer such questions as: which group(s) of Chinese performs better in the Canadian labour

market? What does it take for the Chinese to be on par with the average Canadian? Ideally, comparison should also be made with other groups of immigrants, but data were unavailable for such comparisons.

## AN OVERVIEW OF THE PERTINENT LITERATURE

According to the wealth-maximization thesis (Borjas, 1988, 1993; Mueller, 1999), migrants move to countries where economic returns to their human capital are higher than in their home country (except refugees who move for political protection). When individuals migrate, most carry certain human capital, defined as educational attainment and work experience. These are usually obtained in their home countries, though some possess a combination of foreign and domestic credentials. It is commonly believed that the national origin of an individual's human capital is a critical determinant of its value (Friedberg, 2000).

Often, education and work experience acquired in less-developed countries are significantly less valued than human capital obtained in more-developed countries. In some instances, the former are not recognized at all. This is a grim reality faced by numerous immigrants in most receiving countries including Canada, the United States, and Australia. Due to such credential constraints, newcomers either experience a period of non-employment or choose to work at a job below their qualifications (Green, 1999). As a consequence, immigrants usually begin their working lives in the host economy with lower wages than native-born workers of similar education and age (Baker and Benjamin, 1994; Borjas, 1985; Chiswick, 1986). They are often concentrated in the so-called "tertiary" labour market, where their human capital is not rewarded (James et al., 2002). As length of residence increases, the earning differentials narrow. The rate at which immigrants catch up to the earning levels of the native born is referred to as the assimilation rate (Friedberg, 2000).

Many studies examining immigrants' economic performance in Canada have shown that the time it takes for immigrants to assimilate becomes increasingly long, and earning gaps between immigrants (especially the post-1980 arrivals) and native-born workers have widened (Reitz, 1997). According to Bloom et al. (1995), prior to 1965 complete assimilation within 15 years was the norm for immigrants of all origins; thereafter, it took longer, with complete assimilation appearing completely out of reach for post-1970 immigrants. Devoretz and Akbari estimated that new immigrants required ten to 15 years to adjust (Campbell, 1994; Preston et al., 2003). Recently, Statistics Canada (2003) admitted that recent immigrants earned substantially less than their Canadian-born counterparts, even after ten years in the country. Sadly, this finding held true both for immigrants with low levels of education and those with a university degree.

Several explanations have been suggested for these widening earning gaps. The first has to do with the sources of immigrants. An ongoing concern is that Canada, in the past 20 years, accepted many more immigrants from less-developed countries in Asia, Africa, Eastern Europe, and Latin America than from the tradition source countries of the United Kingdom, Western Europe, the United States, and Australia. According to some observers, Canadian immigration policy has been increasingly focused on the admission of family and refugee classes during this period (Devoretz, 1994; Bloom et al., 1995; Akbari, 1999). This view implies that these immigrants lack the education and skills necessary for adjusting to the Canadian job market; and that the overall quality of Canada's immigrant population has declined (Coulson and Devoretz, 1994). In a 2001 letter to the House of Commons Committee on Immigration, a retired Canadian ambassador (Martin Collacott) claimed that there had been a marked decline in the economic performance and an increase in the poverty levels of immigrants over the past two decades (Francis, 2001). In response to societal concerns, the Canadian Government has recently performed an extensive overhaul of its immigration policies, including two revisions to its Points System in 2002 and 2003.

The other explanation frequently offered has centred upon the inability of immigrants to have their credentials recognized and transferred to the Canadian labour market. Although recent immigrants have more education than their predecessors, they still face tough obstacles to the translation of their foreign-acquired human capital into earnings in Canada. As one noted immigration scholar observed: "They have been selected for their skills, but Canadian employers don't know how to use these skills. Canadian employers have had difficulties evaluating foreign educational credentials" (Reitz, 1997: 14). What Canadian employers are looking for is country-specific skills and work experience obtained in Canada. As a result, many highly educated immigrants fail repeatedly in their job search efforts because they do not have Canadian experience. While acknowledging that differences in human capital between immigrants and native-born workers do exist, Li (2000a) also argued that human capital and its holders are often differentially evaluated based on their phenotypic characteristics (such as identifiable linguistic characteristics and racial features). In other words, economic discrimination may play a role in the Canadian labour market (Pendakur and Pendakur, 1998; Baker and Benjamin, 1997).

Alternatively, some researchers (for example, Ruddick, 2003) have suggested that it may be the lack of language and communication skills that prevent immigrants from fully utilizing their credentials, especially in adapting to the new, knowledge-based economy. This conclusion is supported by the findings from the 2001 Canadian census which showed that knowledge of an official language is associated with much higher earnings for recent immigrants (Statistics Canada,

2003). To overcome the barriers to credential recognition, many new immigrants have to delay their participation in the Canadian labour market. Often, they are forced to spend extended periods of time taking credit or non-credit courses in universities and colleges in order to obtain Canadian-specific education and certification, including language upgrading. As Friedberg (2000: 247) concluded, there is a compound benefit to immigrants from receiving further training following immigration, as “destination-country human capital enables immigrants to translate the skills they accumulated in their countries of origin into terms required in the host labour market”.

The third explanation for the income gaps has been associated with recent changes in both the Canadian economy and the characteristics of the native-born population. For one thing, evidence suggests that the economic recession of the early 1990s and the severe downturn of the information technology (IT) industry in the past several years hit immigrants particularly hard (Statistics Canada, 2003). At the same time, more native-born Canadians have obtained a university education with country-specific human capital (Akbari, 1999), which has made an already tight labour market even more competitive.

Finally, some researchers have argued that, due to geographical variations in economic structure and level of development, local labour market conditions can be quite different. As a result, labour market segmentation has varied considerably among Canadian cities for immigrants and native-born workers. The extent of such variations was revealed in a study of local geographies of labour market segmentation by Hiebert (1999) for Toronto, Vancouver, and Montreal.

The foregoing literature review has provided a framework for our Chinese case study. For example, in our examination of the internal differences among Chinese immigrants of different origins, we focused on the variations in their human capital as reflected by immigration class, educational attainment, and their proficiency in Canada’s official languages. In addition, our analysis of their economic performance has been conducted in close association with both their human capital and their length of residency in Canada. Where data permitted, we also compared their economic performance in Canada’s three largest Census Metropolitan Areas (CMA); namely, Toronto, Vancouver, and Montreal.

## DATA SOURCES

Our research goals were achieved through analysis of two administrative datasets in the IMDB (Immigration Database): LIDS (landed immigrant data system) and tax data. The LIDS files consist of the landing records for all the immigrants

who came to Canada between 1980 and 2000. This data system includes all the information that is part of an individual's landing paper, such as country of last permanent residence (CLPR), year of landing, immigration class, educational attainment at time of landing, Canadian official language ability, and intended destination in Canada.

Using the LIDS files, four variables have some potential to be used to identify Chinese immigrants: country of birth (COB), citizenship, CLPR, and mother tongue, but none of them is perfect. We elected to use mother tongue as the defining factor because we believed it was more inclusive than the other three variables, as it captured Chinese immigrants from outside of mainland China, Hong Kong, and Taiwan. In this study, an immigrant was defined as Chinese if any of the following dialects was reported as his/her mother tongue: Cantonese, Mandarin, Chinese, Shanghai, Hakka, and Other Chinese Dialects. Using these criteria, a total of 797,635 Chinese immigrants were identified as having arrived in Canada between 1980 and 2000.<sup>3</sup>

The tax data were originally collected by the federal government from the immigrants' annual tax returns. For the purpose of this study, a special tabulation for the Chinese immigrants was requested and received from Statistics Canada. This tabulation was for the 1999 tax year – the most current at the time of the study. In total, 343,890 Chinese immigrants, who came to Canada between 1980 and 1999 and were 15 years old or older in 1999, were captured in these files.<sup>4</sup> This accounted for 53 per cent of all the Chinese immigrants who came to Canada in the study period and were 15 years of age or older in 1999. Of the 343,890 tax filers, 185,525 reported employment income, 31,620 reported self-employment income, and 174,495 reported investment income.<sup>5</sup> With the tax data, we were able to examine the economic performance of the Chinese immigrants using the various types of income as indicators.

This study differs from census-based studies in an important way. Income derived from tax returns should be more accurate than that contained in the census, because the former is reported on T-4, T-4a, and T-5 forms issued by employers and financial institutions, whereas the latter is both self-reported and reported in a range. Because employment and self-employment are not defined as mutually exclusive activities, some tax filers have reported more than one type of income. Because the tax data were provided in aggregate form only (for reasons of confidentiality), and with no information about standard deviations, statistical tests cannot be performed when income is compared among sub-groups of Chinese immigrants. It should also be pointed out that data from personal income tax returns are not a good source of information for studying the economic performance of investors and entrepreneurs. Because investment

is usually long-term in nature, it may take many years to generate significant returns. Besides, corporate income, usually the largest part of investment return, is separated from personal income, thus not captured in the database used for this study.

## CHANGES IN COMPOSITION

### **By origin and intended destination**

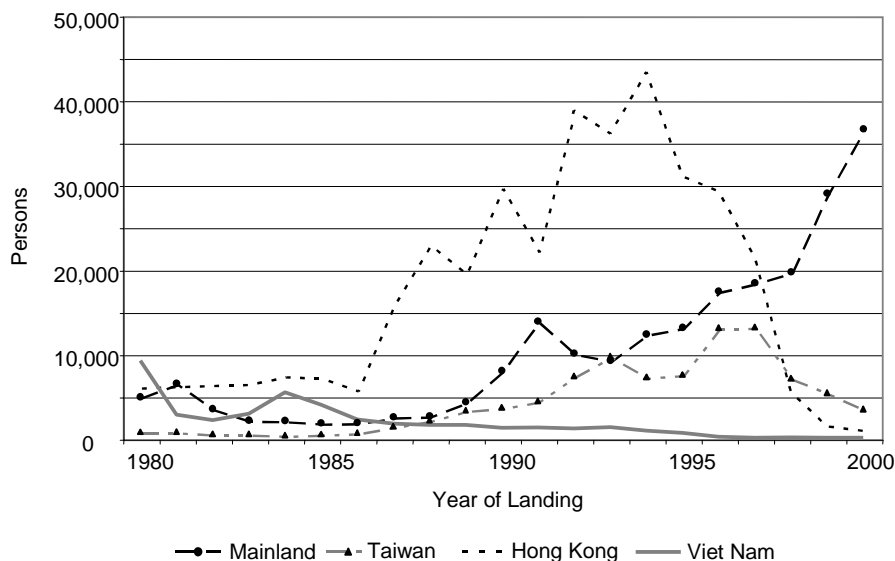
Of the nearly 800,000 Chinese immigrants admitted to Canada between 1980 and 2000, an overwhelming majority (90%) came from four origins: Hong Kong (45.6%), mainland China (27.7%), Taiwan (11.8%), and Viet Nam (5.2%). The remaining 10 per cent were from the rest of the world. For this reason, our analysis is focused on the Chinese immigrants from the four major origins.

Before 1997, Chinese immigrants from Hong Kong outnumbered those from all other origins. The peak occurred in 1994, with 43,300 arrivals (Figure 1). The number of immigrants from mainland China has been on the rise since the late 1980s. In the early 1990s, the first sharp increase occurred, a consequence of the 1989 student movement in China. The second significant increase began in 1995, when Canada opened its doors to independent immigrants from mainland China (Wallis, 1998). Between 1997 and 2000, the number of mainland Chinese immigrants nearly doubled: from 18,400 per year to 36,600, making mainland China the largest single source of Chinese immigrants to Canada. In the meantime, the number of Hong Kong immigrants dwindled to less than a thousand. Between 1985 and 1997, immigrants from Taiwan were also on the rise: from less than a thousand to more than 13,000. After 1997, however, their number declined considerably as well. Most Chinese immigrants from Viet Nam came to Canada in the early to mid-1980s, but their numbers diminished gradually after the mid-1990s.

Chinese immigrants to Canada highly favour large urban centres for settlement, with 95 per cent choosing one of 14 large CMAs as their intended destination (Table 1). This is 9 per cent higher than the rate by which members of the general immigrant population chose the same 14 CMAs (86%). In particular, 40 per cent of the Chinese immigrants chose Toronto, and 31 per cent chose Vancouver as their intended destinations. Other favoured CMAs were Montreal (8%), Calgary (4.4%), Edmonton (4%), and Ottawa (2.3%). Only a small proportion of the Chinese immigrants chose CMAs located in Atlantic Canada and the Prairie provinces of Saskatchewan and Manitoba.



FIGURE 1  
CHINESE IMMIGRANTS TO CANADA, 1980-2000



Variations did exist among the subgroups of Chinese immigrants. While more immigrants from mainland China (41%) and Hong Kong (45%) chose Toronto over the other CMAs, the majority of those from Taiwan (60%) opted for Vancouver. More Chinese from Viet Nam (28%) chose Toronto over other CMAs, but there were similar numbers choosing Vancouver, Calgary and Edmonton.

### By immigration class

By immigration class,<sup>6</sup> 54 per cent of the Chinese came as economic immigrants,<sup>7</sup> who are considered to be most able to participate in economic production and to contribute to the Canadian economy (Table 2); 42 per cent were accepted for family reunification; only 5 per cent were admitted on humanitarian grounds. The considerable increase in economic immigrants among the Chinese should also be noted. In the 1980s, only 43 per cent were economic immigrants; in the 1990s, this category increased to 58 per cent (very close to the new government quota of 60%). Conversely, family immigrants declined from 47 per cent in the 1980s to 40 per cent in the 1990s (about 10% higher than the new government quota). Humanitarian immigrants also decreased, from 11 per cent to about 2 per cent (compared with the 10% government quota), a trend many might find surprising due to a series of high-profile news reports about illegal Chinese immigrants in Canada in the late 1990s (Langan, 1997; Brook, 1999a, 1999b; Girard, 1999a, 1999b; Thompson, 1999).

TABLE 1  
CHINESE IMMIGRANTS IN CANADA BY ORIGIN AND INTENDED DESTINATION, 1980-2000

Intended destination (CMA)	Origin								Total Chinese*	
	Mainland China		Hong Kong		Taiwan		Viet Nam		No.	%
	No.	%	No.	%	No.	%	No.	%		
Toronto	89,653	41.3	162,361	45.1	19,932	21.4	11,195	28.4	311,929	39.7
Vancouver	55,003	25.3	106,624	29.6	56,039	60.2	3,640	9.2	242,089	30.8
Montreal	15,806	7.3	27,378	7.6	9,181	9.9	2,731	6.9	62,300	7.9
Calgary	8,344	3.8	16,656	4.6	2,387	2.6	3,770	9.6	34,744	4.4
Edmonton	6,929	3.2	14,599	4.1	975	1.0	3,483	8.8	31,556	4.0
Ottawa	9,184	4.2	4,844	1.3	544	0.6	1,368	3.5	18,064	2.3
Winnipeg	3,658	1.7	4,696	1.3	373	0.4	2,147	5.5	12,065	1.5
Hamilton	2,710	1.2	2,374	0.7	412	0.4	1,121	2.8	7,224	0.9
Victoria	2,343	1.1	1,589	0.4	302	0.3	317	0.8	4,964	0.6
Regina	1,043	0.5	2,167	0.6	336	0.4	519	1.3	4,334	0.6
Saskatoon	1,783	0.8	1,269	0.4	166	0.2	653	1.7	4,102	0.5
London	1,669	0.8	1,412	0.4	158	0.2	627	1.6	4,205	0.5
Halifax	1,485	0.7	1,632	0.5	307	0.3	219	0.6	3,927	0.5
Quebec City	871	0.4	201	0.1	122	0.1	222	0.6	1,671	0.2
Subtotal	20,0481	92.4	347,802	96.5	91,234	98.0	32,012	81.3	743,174	94.5
Canada	21,7030	100.0	360,277	100.0	93,077	100.0	39,358	100.0	7,86,257	100.0

Note: \*Includes those Chinese immigrants from all other regions of the world.

Source: Citizenship and Immigration Canada, 2001.

TABLE 2  
CHINESE IMMIGRANTS IN CANADA BY IMMIGRATION CLASS AND ORIGIN, 1980-2000

Immigration class	Mainland China		Hong Kong		Taiwan		Viet Nam		Total Chinese		Total immigrants	
	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*
<b>Economic**</b>	<b>10,6400</b>	<b>48.2</b>	<b>206,870</b>	<b>56.9</b>	<b>75,653</b>	<b>80.1</b>	<b>110</b>	<b>0.3</b>	<b>430,592</b>	<b>54.0</b>		<b>37.9</b>
1980s	2,252	6.9	65,523	62.8	8,008	77.8	73	0.2	91,671	42.7		
1990s	104,148	55.4	141,347	54.5	67,645	82.0	37	0.5	338,921	58.1		
Skilled workers and professionals	97,005	44.0	83,847	23.0	25,064	26.7	72	0.2	231,049	29.0		27.2
Self-employed	1,063	0.5	7,517	2.1	3,952	4.2	3	<0.1	14,611	1.8		1.7
Entrepreneur and investor	7,765	3.5	89,594	24.6	41,938	44.7	2	<0.1	152,124	19.1		6.8
<b>Family</b>	<b>103,050</b>	<b>46.7</b>	<b>156,671</b>	<b>43.1</b>	<b>18,099</b>	<b>19.3</b>	<b>22,786</b>	<b>55.3</b>	<b>330,763</b>	<b>41.5</b>		<b>46.2</b>
1980s	30,256	92.6	38,576	37.0	3,293	29.1	16,431	48.6	100,124	46.6		
1990s	72,794	38.7	118,095	45.5	14,806	18.0	6,355	86.3	230,639	39.6		
Family member	78,101	35.4	99,275	27.3	8,765	9.3	14,450	35.1	220,900	27.7		36.2
Assisted relatives	24,949	11.3	57,396	15.8	9,334	10.0	8,336	20.2	109,863	13.8		10.0

TABLE 2 (continued)

Immigration class	Mainland China		Hong Kong		Taiwan		Viet Nam		Total Chinese		Total immigrants	
	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*
<b>Humanitarian</b>	<b>11,195</b>	<b>5.1</b>	<b>334</b>	<b>0.1</b>	<b>23</b>	<b>&lt;0.1</b>	<b>18,279</b>	<b>44.4</b>	<b>36,298</b>	<b>4.6</b>		<b>16.0</b>
1980s	158	0.5	258	0.2	14	0.1	17,311	51.2	22,995	10.7		
1990s	11,037	5.9	76	<0.1	9	<0.1	968	13.2	13,303	2.3		
Refugee and DROC****	9,978	4.5	54	<0.1	12	<0.1	280	0.7	10,681	1.3		8.7
Designated class****	1,217	0.6	280	0.1	11	<0.1	17,999	43.7	25,617	3.2		7.3

Notes: \*The percentage sum for the items in bold print equals 100, as do the sums for the 1980s and 1990s; \*\*Economic immigrants include Retirees (32,446) and Live-in Caregivers (362), which are not listed separately in this table; \*\*\*DROC (Deferred Removal Order Class) refers to immigrants who at one time were ordered to leave Canada but subsequently had their deportation order cancelled. They are similar to refugees; \*\*\*\*Designated class consists of immigrants admitted under special government programmes, usually in response to political upheavals in the home countries.

Source: Citizenship and Immigration Canada, 2001.

Compared with the general immigrant population, the Chinese immigrants had a much higher proportion of economic immigrants (54% vs. 38%). The proportion of entrepreneur class and investor immigrants among the Chinese also was high: 19 per cent, as opposed to 7 per cent for the general immigrant population. On the other hand, the Chinese had a significantly lower proportion of humanitarian immigrants than was found among the general immigrant population during this period (5% vs. 16%).

Variations by origin were also noteworthy. Immigrants from Taiwan had the highest proportion of economic immigrants: 80 per cent of the total. Most economic immigrants from Taiwan were entrepreneurs and investors, accounting for 45 per cent of the total Taiwanese immigrants. The remaining economic immigrants were skilled workers or professionals (27%). Family members and assisted relatives accounted for merely 19 per cent of Taiwanese migrants. Only 23 Taiwanese (or less than 0.1%) came to Canada as humanitarian immigrants over the 21 years in question.

Immigrants from Hong Kong also had a higher-than-average proportion of economic immigrants (57% compared with 54% for all Chinese immigrants). Of the economic immigrants, there were slightly more entrepreneurs and investors (25%) than skilled workers and professionals (23%). The remaining immigrants from Hong Kong were almost all family members and assisted relatives (43%). The number of humanitarian immigrants from Hong Kong was also small: 334 individuals in total (or 0.1%).

While immigrants from mainland China had a lower-than-average proportion of economic immigrants (48% vs. 54%), their proportion increased dramatically, from 7 per cent in the 1980s to 55 per cent a decade later, a 48 per cent difference. In sharp contrast to their counterparts from Taiwan and Hong Kong, the economic immigrants from the mainland were mostly skilled workers or professionals, who accounted for 44 per cent of the total immigrants; only a small fraction (less than 4%) were entrepreneurs and investors. There were about equal numbers of family-reunification immigrants and economic immigrants, but the proportion decreased by more than half, from 93 per cent in the 1980s to 39 per cent in the 1990s. Five per cent of the mainland Chinese were admitted as humanitarian immigrants, with most of these admitted in the 1990s.

The Chinese immigrants from Viet Nam were a very different cohort. Only 0.3 per cent were economic immigrants. The rest were either family immigrants (55%) or humanitarian immigrants (44%). As the political situation in Viet Nam stabilized and the last refugee camps in the South-East Asian countries were closed in the 1990s, humanitarian immigrants from Viet Nam decreased significantly from 51 per cent to 13 per cent in the 1990s, but the proportion of

family immigrants increased, a consequence of the inflow of humanitarian immigrants in the 1980s.

The composition of Chinese immigrants by immigration class also varied among Canadian cities, especially between Toronto and Vancouver. More entrepreneurs and investors chose Vancouver over Toronto as their intended destination, with 42 per cent choosing the former and only 24 per cent choosing the latter. Conversely, more skilled workers and professionals chose Toronto (45%) over Vancouver (29%).

### **By educational qualifications and official language proficiency**

Like many other immigrants to Canada, Chinese immigrants, especially those arriving in the 1990s, were well educated. Altogether, 19 per cent had some form of post-secondary education at the time of immigration, such as a formal trade certificate, a college certificate or diploma, or some non-degree university education (Table 3). Another 13 per cent already possessed a bachelor's degree; and 4 per cent had a master's degree. While only 1 per cent had a doctoral degree, this translated into 7,600 PhDs, a significant "brain gain" for Canada. It should be pointed out that, of the 88,000 Chinese immigrants who came to Canada with no formal education, 63 per cent were actually pre-schoolers (0-6 years old), and another 11 per cent were 7 to 14 years old. Both of these age groups would acquire formal education and achieve full English/French proficiency through compulsory schooling in Canada.

Table 3 also shows that the Chinese immigrants who arrived in the 1990s possessed much higher educational qualifications than those who came in the previous decade. For instance, those with a bachelor's degree increased from 8 per cent in the 1980s to 15 per cent; whereas those with a master's degree increased from less than 2 per cent to more than 5 per cent. At the same time, those with secondary education or less decreased from 56 per cent to 50 per cent.

Relatively speaking, immigrants from mainland China exhibited higher educational qualifications than those from other origins, primarily because of the enhanced qualifications brought to Canada by the 1990s arrivals. As Table 3 shows, 21 per cent of the mainland Chinese immigrants had a bachelor's degree at the time of immigration, compared with 16 per cent from Taiwan, 9 per cent from Hong Kong, and less than 1 per cent from Viet Nam. Furthermore, 9 per cent of the mainland immigrants had a master's degree, as opposed to 2 per cent of Hong Kong immigrants and 5 per cent of immigrants from Taiwan. The percentage of mainland Chinese immigrants with a PhD degree also was higher: 10 times higher than for those from Hong Kong and 2.5 times higher than those from Taiwan. The Chinese from Viet Nam brought the least human capital as measured by their educational qualifications.

TABLE 3  
CHINESE IMMIGRANTS IN CANADA BY EDUCATION QUALIFICATION AND ORIGIN, 1980-2000

Education qualification	Mainland China		Hong Kong		Taiwan		Viet Nam		Total Chinese		Total immigrants	
	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*
<b>No education</b>	<b>26,119</b>	<b>11.8</b>	<b>35,276</b>	<b>9.7</b>	<b>9,256</b>	<b>9.9</b>	<b>6,541</b>	<b>15.9</b>	<b>88,032</b>	<b>11.0</b>		<b>11.9</b>
1980s	5,027	15.4	12,257	11.7	1,100	9.7	5,722	16.9	29,244	13.6		
1990s	21,092	11.2	23,019	8.9	8,156	9.9	819	11.1	58,788	10.1		
<b>Secondary or less</b>	<b>87,094</b>	<b>39.5</b>	<b>208,229</b>	<b>57.2</b>	<b>45,089</b>	<b>48.1</b>	<b>33,358</b>	<b>81.1</b>	<b>413,139</b>	<b>51.8</b>		<b>51.9</b>
1980s	20,199	61.9	50,210	48.1	5,611	49.6	26,952	79.8	120,901	56.3		
1990s	66,895	35.6	158,019	60.9	39,478	47.9	6,406	87.0	292,238	50.1		
<b>Trade certificate/ diploma/some university</b>	<b>36,505</b>	<b>16.5</b>	<b>79,913</b>	<b>21.7</b>	<b>19,199</b>	<b>20.5</b>	<b>1,162</b>	<b>2.9</b>	<b>148,099</b>	<b>18.6</b>		<b>18.8</b>
1980s	5,779	17.7	28,704	27.4	2,812	24.8	1,039	3.1	43,617	20.4		
1990s	30,726	16.4	50,209	19.4	16,387	20	123	1.7	104,482	17.9		
<b>Bachelor</b>	<b>46,334</b>	<b>21.0</b>	<b>34,146</b>	<b>9.3</b>	<b>14,855</b>	<b>15.8</b>	<b>76</b>	<b>0.2</b>	<b>106,275</b>	<b>13.3</b>		<b>13.3</b>
1980s	1,157	3.5	10,781	10.3	1,425	12.6	65	0.2	17,015	8.0		
1990s	45,177	24.0	23,365	9.0	13,430	16.3	11	0.1	89,260	15.3		
<b>Master</b>	<b>19,713</b>	<b>8.9</b>	<b>6,646</b>	<b>1.8</b>	<b>4,646</b>	<b>5.0</b>	<b>10</b>	<b>0</b>	<b>34,363</b>	<b>4.3</b>		<b>3.2</b>
1980s	295	0.9	2,160	2.1	281	2.5	9	0	3,255	1.5		
1990s	19,418	10.3	4,486	1.7	4,365	5.3	1	0	31,108	5.3		
<b>Doctorate</b>	<b>4,844</b>	<b>2.2</b>	<b>639</b>	<b>0.2</b>	<b>727</b>	<b>0.8</b>	<b>4</b>	<b>0</b>	<b>7,599</b>	<b>1.0</b>		<b>0.9</b>
1980s	185	0.6	226	0.2	83	0.7	4	0	631	0.3		
1990s	4,659	2.5	413	0.2	644	0.8	0	0	6,968	1.2		

Note: \*\*The percentage sum for the items in bold print equals 100, as do the sums for the 1980s and 1990s.

Source: Citizenship and Immigration Canada, 2001.

Overall, Chinese immigrants had similar educational qualifications to those possessed by the general immigrant population (see the last two columns in Table 3); however, their Canadian official language proficiency was lower than average. More than half (58%) of the Chinese immigrants did not possess the required Canadian language skills at the time of immigration (Table 4). This was 14 per cent lower than for members of the general immigrant population. The proportion of Chinese who spoke French was also lower: less than 1 per cent, compared with 8 per cent among the general immigrant population. On the positive side, the proportion of Chinese possessing the required Canadian language skills has been increasing. In the 1980s, only 36 per cent could speak either English or French or both; in the 1990s, this increased to 45 per cent.

Not surprisingly, immigrants from Hong Kong had the highest English proficiency, with 49 per cent being able to speak English at the time of their arrival. The proportion of mainland Chinese immigrants with the required English proficiency was much lower (35%), but it increased significantly in the 1990s, from only 9 per cent in the 1980s to 39 per cent in the 1990s. The proportion of Taiwanese immigrants with English proficiency was similar to that for those from mainland China: 36 per cent vs. 35 per cent. Those from Viet Nam exhibited the lowest official language proficiency, with 95 per cent not meeting the language requirement at the time of landing. There was only a small improvement on this variable among the Vietnamese immigrants from the 1980s to the 1990s.

### **By gender and age**

Of the 797,653 Chinese immigrants who came to Canada between 1980 and 2000, 52 per cent were females and 48 per cent were males. Similar gender differences existed for all age groups except the 0 to 14 cohort, where females were 49 per cent and males 51 per cent. In general, the Chinese immigrants were relatively young, with three-quarters between 15 and 64 years of age. The dependency ratio among Chinese immigrants was 32, which was much lower than the average of 46 for the general population of Canada during this period. More specifically, 46 per cent of all Chinese immigrants were in their prime years (25-44) when they came to Canada (with more 1990s arrivals in this cohort than the 1980s arrivals: 49% vs. 37%). Thus, Chinese immigrants represented a large pool of able workers ready to participate in the Canadian economy for at least 20 years. The proportion of mainland immigrants in this prime age group was much higher than the average for all Chinese immigrants, by a margin of 10 per cent.



TABLE 4  
CHINESE IMMIGRANTS IN CANADA BY CANADIAN LANGUAGES PROFICIENCY AND ORIGIN, 1980-2000

Canadian language	Mainland China		Hong Kong		Taiwan		Viet Nam		Total Chinese		Total immigrants	
	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*
<b>English</b>	<b>76,278</b>	<b>34.6</b>	<b>177,416</b>	<b>48.8</b>	<b>33,396</b>	<b>35.6</b>	<b>1,901</b>	<b>4.6</b>	<b>332,204</b>	<b>41.6</b>		<b>47.9</b>
1980s	2,947	9.0	50,641	48.5	3,603	31.8	1,315	3.9	75,445	35.1		
1990s	73,331	39.0	126,775	48.9	29,793	36.1	586	8.0	256,759	44.1		
<b>French</b>	<b>638</b>	<b>0.3</b>	<b>258</b>	<b>0.1</b>	<b>70</b>	<b>0.1</b>	<b>224</b>	<b>0.5</b>	<b>2,339</b>	<b>0.3</b>		<b>4.4</b>
1980s	28	0.1	136	0.1	18	0.2	205	0.6	1,043	0.5		
1990s	610	0.3	122	<0.1	52	0.1	19	0.3	1,296	0.2		
<b>Bilingual</b>	<b>1,112</b>	<b>0.5</b>	<b>926</b>	<b>0.3</b>	<b>183</b>	<b>0.2</b>	<b>130</b>	<b>0.3</b>	<b>3,750</b>	<b>0.5</b>		<b>3.7</b>
1980s	74	0.2	338	0.3	46	0.4	111	0.3	1,248	0.6		
1990s	1,038	0.6	588	0.2	137	0.2	19	0.3	25.2	0.4		
<b>Neither</b>	<b>14,2613</b>	<b>64.6</b>	<b>185,266</b>	<b>50.9</b>	<b>60,124</b>	<b>64.1</b>	<b>38,915</b>	<b>94.5</b>	<b>459,327</b>	<b>57.6</b>		<b>43.9</b>
1980s	29,613	90.7	53,233	51.0	7,646	67.6	32,179	95.2	137,021	63.8		
1990s	11,3000	60.1	132,033	50.9	52,478	63.6	6,736	91.5	322,306	55.3		

Note: \*The percentage sum for the items in bold print equals 100, as do the sums for the 1980s and 1990s.

Source: Citizenship and Immigration Canada, 2001.

## ECONOMIC PERFORMANCE

With reference to the changing composition of the Chinese immigrants, as established above, we next proceeded to examine their economic performance in Canada. Economic performance of Chinese immigrants was examined by comparing four types of income: total income, employment income, self-employment income, and investment income. In 1999, the 343,890 tax filers captured in the special tabulation produced for this study reported total income of \$5.15 billion, of which 80 per cent was employment income, 4.6 per cent was self-employment income, and 13.9 per cent was investment income.

In this analysis, we first compared the Chinese immigrants with the general population of Canada; we then examined subgroup variations. Unfortunately, comparisons with the general immigrant population cannot be made due to a lack of suitable data. It should be pointed out that total income is always lower than employment income because the former is calculated from a much larger group of Chinese immigrants, including non-salaried as well as salaried workers.

### **Chinese immigrants vs. the general population of Canada**

Compared with the general population of Canada, Chinese immigrants admitted between 1980 and 2000 had much lower incomes. In 1999, their average total income was slightly under \$15,000, which represented only half of that for the general population (Table 5). Their employment income and self-employment income were \$22,156 and \$7,502 respectively, both of which were also lower than those for the general population, though with smaller margins: the former is 30 per cent less and the latter 16 per cent less. Only their investment income was higher: 63 per cent more than that registered for the general population. Nevertheless, average investment income was only \$4,000, making it, by far, the smallest source of income among the categories under consideration.

The above disparities held true for all age groups across all types of earnings, with the exception of self-employment income for youths aged 15 to 19 years and for the seniors aged 65 and older. It is not clear why Chinese youths have (15%) higher self-employment income than their counterparts in the general population. For the Chinese seniors, their higher self-employment income may mean that they still needed to work for a living due to insufficient savings and pensions. This was indicated by their extremely low total income, which was only \$4,321, or just 17 per cent of that for all seniors in the general population.

TABLE 5  
AVERAGE INCOME OF CHINESE IMMIGRANTS AND AS PERCENTAGE  
OF INCOME OF THE CANADIAN GENERAL POPULATION,\* 1999 (\$)

	Total income		Employment income		Self-employment income		Investment income	
	Chinese	%	Chinese	%	Chinese	%	Chinese	%
All ages and both sexes	14,974	49	22,156	70	7,502	84	4,088	163
By age groups								
15-19	2,964	42	4,019	77	4,626	115	2,161	278
20-24	7,417	52	10,532	84	4,194	87	2,419	419
25-44	18,765	57	24,438	83	7,836	78	2,817	288
45-64	15,804	41	22,782	66	7,390	57	5,218	223
65+	4,321	17	9,904	57	5,871	139	6,899	159
By sex								
Male	17,922	47	25,518	77	8,267	78	4,269	178
Female	12,046	52	18,334	87	6,406	98	3,920	153

Note: \*Data for the general population of Canada are also for 1999 tax year, and were derived from Canada Customs and Revenue Agency (2001).

Source: Statistics Canada 2002; Canada Customs and Revenue Agency, 2001.

The income disparities experienced by Chinese immigrants in comparison with the general Canadian population also held true for both genders, but the gaps were consistently greater for Chinese male immigrants than for Chinese female immigrants. For example, male Chinese immigrants made 53 per cent less in total income than did the male population of Canada, 23 per cent less in employment income, and 22 per cent less in self-employment income. Female Chinese immigrants made 48 per cent less in total income, 13 per cent less in employment income, and only 2 per cent less in self-employment income, than did the female population of Canada. Since Chinese males make more than Chinese females in all types of income, especially employment income, one explanation is that more highly paid jobs (e.g. senior managers) are held by native-born men than by native-born women.

### By immigration class

The economic performance of the Chinese immigrants by immigration class is shown in Table 6. It should be pointed out that in LIDS, each class of immigrants includes not only the principal applicant but also their spouses and dependent

children who were admitted at the same time but were not assessed by the Points System. To examine more accurately the economic performance of the Chinese immigrants by immigration class, we focused on the principal applicants only.

TABLE 6  
AVERAGE INCOME OF CHINESE IMMIGRANTS  
BY IMMIGRATION CLASS, 1999 (\$)

Immigration class	Total income	Employment income	Self-employment income	Investment income
Economic	20,453	28,897	7,768	4,991
Skilled workers/ professionals	24,939	31,678	8,056	2,699
Self-employed	13,107	19,009	8,136	5,482
Entrepreneur/ investors	13,005	18,017	7,100	7,395
Family	13,825	21,821	7,757	3,570
Family members	12,008	20,587	7,934	3,633
Assisted relatives	18,531	24,091	7,411	3,437
Humanitarian	17,743	23,262	6,452	1,667
Refugee/DROC*	12,275	14,914	6,084	1,464
Designated class**	20,891	28,100	6,838	1,778

Note: \*DROC (Deferred Removal Order Class) refers to immigrants who at one time were ordered to leave Canada but subsequently had their deportation order cancelled. They are similar to refugees; \*\*Designated class consists of immigrants admitted under special government programmes, usually in response to political upheavals in the home countries.

Source: Statistics Canada, 2002.

Of the three broad categories of Chinese immigrants, the economic immigrants, indeed, earned more than either family immigrants or humanitarian immigrants. For total income, it was, respectively \$20,453, \$13,825, and \$17,743; for employment income, it was \$28,897, \$21,821, and \$23,262. Economic immigrants also had the highest investment income – \$4,991 compared with \$3,570 for family immigrants and only \$1,667 for humanitarian immigrants. Differences in self-employment income among the three categories of immigrants, however, were very small.

A closer look reveals that the high earnings for the economic immigrants were due solely to the high income of the skilled workers and professionals among this group, whose immigration applications were assessed on the sole basis of their human capital. In fact, this was the only class of immigrants who had achieved the same level of employment income by 1999 as the general population of Canada (\$31,678 vs. \$31,712). The self-employed immigrants and the entrepreneurs and investors were not expected to have the same levels of employment income. Although self-employed immigrants did have the highest self-employment income (\$8,136), and the entrepreneur/investor immigrants had the highest investment income (\$7,395), neither type of income alone would be sufficient for one person to live above the poverty line in Canada.<sup>8</sup> Such incomes, therefore, must be supplemented either by other sources (such as employment income) or by savings in order to reach the poverty line.

In the category of family immigrants, assisted relatives performed much better than immediate family members, as they displayed much higher total and employment incomes: 54 per cent and 17 per cent higher respectively. These differences can be explained by the fact that the immediate family members were not assessed for their human capital at all at the time of admission, while the assisted relatives were partially assessed but receiving bonus points for having relatives in Canada. (For this reason, some researchers classify assisted relatives as economic immigrants.)

Similarly, there were significant differences between refugees and designated-class immigrants in terms of their economic performance. The latter group had much higher total and employment incomes than the former one experienced: 70 per cent and 88 per cent higher respectively. This indicates that they were two very different cohorts, even though both were admitted on humanitarian grounds and without reference to the customary Points System. Usually, immigrants admitted as refugees had no or a very short history of Canadian residency before their admission, while many designated-class immigrants had been in Canada for varying periods of time before they were granted landed immigrant status. The latter could not return to their place of origin due to the political upheavals in their home countries, such as the many mainland Chinese students who became landed immigrants after the 1989 Tiananmen Incident. Their Canadian educational credentials and work experiences might have contributed to their better economic performance. In fact, the designated class as a whole was a group of high performers, next only to skilled workers and professionals. On the other hand, genuine refugees had the lowest income levels from all sources.

### By educational qualifications and official language proficiency

Clearly, income, especially employment income, is positively correlated with the level of educational attainment at the time of landing (Table 7). On average, the immigrants with a doctoral degree had the highest incomes: \$34,656 for total income and \$42,140 for employment income. This was followed by those with master's and bachelor's degrees: \$26,322 and \$19,743 for total income; and \$34,141 and 27,621 for employment income. Those with secondary school education or less earned the least: \$11,717 for total income and \$17,936 for employment income. While this correlation was also true for self-employment income (with the exception of those with a master's degree), it did not apply to investment income. In fact, the immigrants with post-graduate degrees had the lowest investment incomes, suggesting that the most highly educated Chinese immigrants either did not invest as much as other immigrants did, or they did not have time to attend to the management of their investments. It is also possible that they, especially those from mainland China, did not come with many assets or as much wealth to invest, as did the business-class immigrants.

TABLE 7

AVERAGE INCOME OF CHINESE IMMIGRANTS BY EDUCATION QUALIFICATION AND CANADIAN LANGUAGES PROFICIENCY, 1999 (\$)

	Total income	Employment income	Self-employment income	Investment income
Education				
Secondary or less	11,717	17,936	6,664	3,952
Some post-secondary (with no degree)	16,936	24,129	7,519	4,534
Bachelor	19,743	27,621	9,040	4,170
Master's	26,322	34,141	8,047	3,090
Doctorate	34,656	42,140	9,430	3,018
Languages Ability				
English	19,879	27,136	8,175	4,186
French	18,463	24,125	9,119	2,864
English and French	25,894	31,816	13,178	2,982
Neither	10,901	17,097	6,363	4,014

Source: Statistics Canada, 2002.

The economic performance of the Chinese immigrants also positively corresponded with their Canadian language proficiency. Those who spoke both English and French had the highest incomes: \$25,894 for total income, \$31,816 for employment income, and \$13,178 for self-employment income. Those who spoke English only did better than those who spoke only French. The immigrants who spoke neither official language had the lowest incomes (except for investment income). Compared with those who spoke English, these non-English-speaking Chinese immigrants earned 45 per cent less in total income, and 37 per cent less in employment income.

**By length of residence, origin, and intended destination**

In general, the economic performance of the Chinese immigrants increased with their length of residence in Canada. As Figures 2 and 3 illustrate, earlier immigrants, indeed, displayed higher total and employment incomes than did the more recent immigrants. Undoubtedly, this was because salaries and wages are normally tied to work experience and seniority, which accumulate over time. This pattern was most obvious for the immigrants from Taiwan, and was much less pronounced for the mainland Chinese.

FIGURE 2  
COMPARISON OF TOTAL INCOME AMONG CHINESE IMMIGRANTS  
BY ORIGIN, 1999

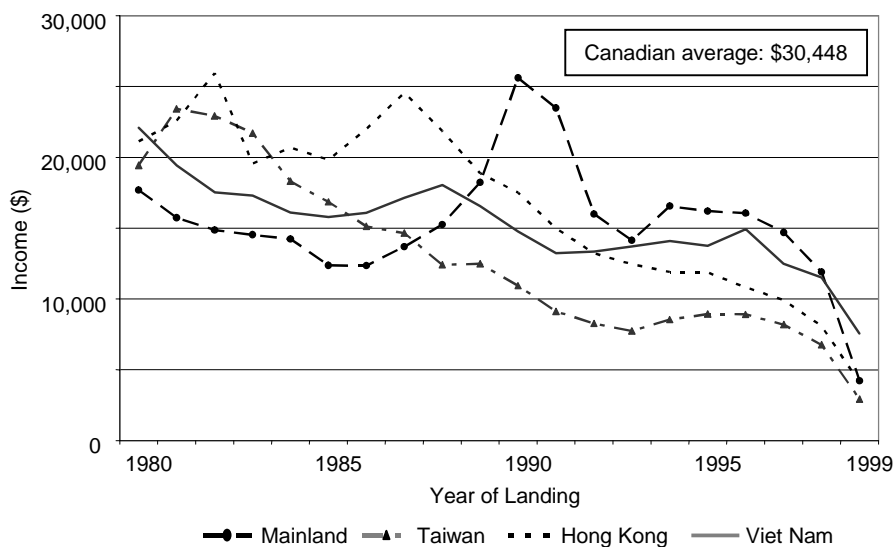
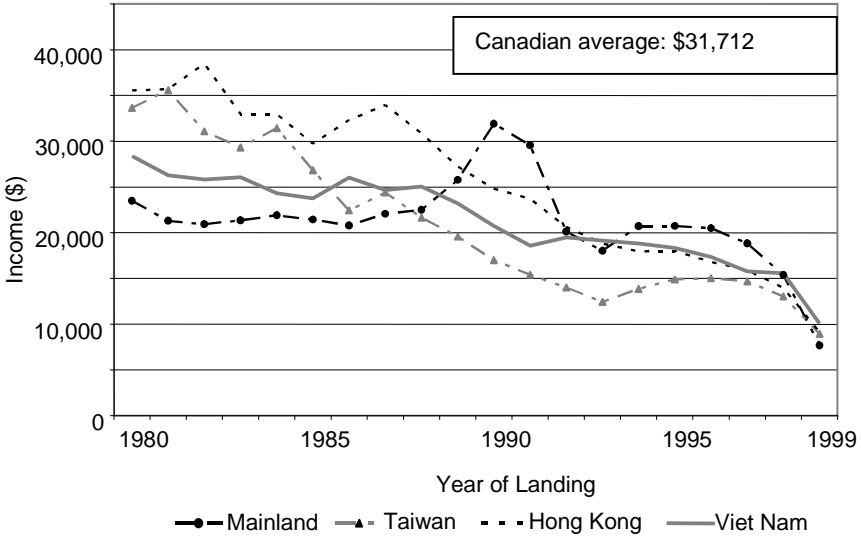


FIGURE 3

## COMPARISON OF EMPLOYMENT INCOME AMONG CHINESE IMMIGRANTS BY ORIGIN, 1999



Among the 1980s arrivals, immigrants from Hong Kong had the highest earnings in both total income and employment income. Immigrants from Taiwan who arrived in the first half of the 1980s also had higher incomes than those from Viet Nam and mainland China. Those from mainland China had the lowest earnings in both total and employment incomes. Surprisingly, their incomes were even lower than those experienced by the Chinese immigrants from Viet Nam, despite the fact that the latter group brought the least human capital to Canada (i.e. the least overall educational qualifications and Canadian language proficiency) and a very high proportion of them came as humanitarian immigrants.

The above patterns changed among the 1990s arrivals. The most significant difference was that the mainland Chinese began to outperform their counterparts from all other origins, which probably can be attributed to their higher educational qualifications. As is easily noticed in Figures 2 and 3, those who landed in 1990 and 1991 were outstanding performers. These individuals were mostly visa students who were enrolled in graduate programmes in Canadian universities and who were granted landed immigrant status after the Tiananmen Incident. In other words, these immigrants already had Canadian human capital at the time when they were granted landed immigrant status. The other major change during the 1990s was that the immigrants from Taiwan became the least



successful economic performers, as measured by both total income and employment income. This can be explained by the high proportion of entrepreneurs and investors among the Taiwanese immigrants, who, understandably, reported low total and employment incomes on their income tax returns (Table 6).

Earning differentials in self-employment income were barely discernible. Immigrants from both Viet Nam and mainland China, however, had much lower investment incomes than those from Hong Kong and Taiwan. For instance, investment income for Taiwan and Hong Kong immigrants was \$5,362 and \$5,244 respectively, while that for the mainland Chinese and the Chinese from Viet Nam was only \$1,995 and \$1,658. This may be due to the low proportions of entrepreneurs and investors among immigrants from mainland China and Viet Nam.

Using more limited data, we were able to compare the economic performance of Chinese immigrants in the three largest CMAs of Toronto, Vancouver, and Montreal. As Table 8 shows, the Chinese immigrants in Toronto had the highest total incomes, employment incomes, and self-employment incomes. This was true for Chinese immigrants from all four origins, suggesting that Toronto, indeed, has more economic opportunities than Vancouver and Montreal, and has a more rewarding labour market. This may be why 45 per cent of all Chinese immigrants who were skilled workers and professionals chose Toronto as their settlement destination. In Vancouver, where a high proportion (42%) of all entrepreneur/investor-class immigrants went, only investment income was the highest among the values for the three CMAs. Of Canada's three largest CMAs, Montreal seems to be the least rewarding place to make a living for the Chinese immigrants, of whom less than 1 per cent speak French (see Table 4). In Montreal, only the self-employment income reported by Chinese immigrants was higher than it was in Vancouver.

TABLE 8  
AVERAGE INCOME OF CHINESE IMMIGRANTS  
BY DESTINATION, 1999 (\$)

Destination	Total income	Employment income	Self-employment income	Investment income
Toronto	16,098	23,498	8,413	4,074
Vancouver	12,365	18,789	6,102	4,692
Montreal	10,872	16,766	7,008	2,665
Canada	14,974	22,150	7,502	4,088

Source: Statistics Canada, 2002.

## CONCLUDING DISCUSSION AND POLICY IMPLICATIONS

The 2001 census once again points to the importance of immigration for Canada. It has been projected that there could be a deficit of one million skilled workers in Canada in the next ten to 20 years, despite the current intake of more than 200,000 immigrants each year (Thompson, 2002; Trolley, 2003). Without question, Chinese immigrants make an important contribution to fulfilling Canada's immigration goals and needs.

In the past two decades, the number of Chinese immigrants to Canada increased significantly, and their composition changed considerably. Since 1997, Hong Kong has no longer been a main point of origin, and immigrants from both Taiwan and Viet Nam have declined. In the meantime, those from mainland China have been increasing steadily, making mainland China the largest single source of Chinese immigrants. In the near future, it is expected that most new Chinese immigrants to Canada will continue to come from mainland China.

In addition to the shift in origin, there have been other important changes in the composition of the immigrants to Canada. Economic immigrants have been on the rise; and the proportions of both family immigrants and humanitarian immigrants have declined. The rising number, as well as proportion, of economic immigrants has been accompanied by an increase in both educational qualifications and Canadian language proficiency. Recent Chinese immigrants also have been younger, with nearly half in the age group of 25 to 44, the most productive years in life. All these changes have meant that the recent Chinese immigrants have brought with them increased human capital, and Canada has been gaining higher-quality workers by admitting Chinese immigrants into this country.

Despite their increased human capital, Chinese immigrants still have experienced very different economic outcomes in the Canadian labour market compared with the general population of Canada. Their average incomes have been much lower than those of the general population, and these earning differentials exist for both genders and for all age groups. For many recent mainland Chinese immigrants who worked in the high-tech sector or held managerial positions in foreign-invested companies before immigration, economic returns to their human capital are even lower in Canada than in their home country. In a study of the Chinese enclave economy, Li and Li (1999) found that a Toronto-based Chinese newspaper devoted a substantial portion of its commercial advertisements to marketing of professional services and major items such as real estate and automobiles. From this finding, they inferred that the Chinese enclave consumer market in Toronto was relatively affluent. Yet, the present study has shown that the Chinese immigrants, who form the bulk of the Chinese enclave

consumer market, were not as affluent as the general population of Canada, at least not according to their incomes. In Toronto, the average total income of the Chinese immigrants in 1999 was \$16,000 (see Table 8), only three-quarters of that for the general population of Canada (see Table 5). There was, indeed, a class of rich investors and entrepreneurs with high consumption powers in Toronto among the region's Chinese immigrants, but their cash was brought to Canada, not earned here, and their powers of consumption may not be sustainable.

The traditional upward-mobility thesis generalizes that new immigrants usually experience a transitional period of low income. Over time, however, they catch up or even outperform native-born workers. If this thesis holds true, our findings suggest it would take more than 20 years for the Chinese immigrants to close the earning gap, because even those who have been in Canada for 20 years still have not closed the gap in total income with the general population of Canada (Figure 2). Apparently, the assimilation rate for the Chinese immigrants is much longer than what Devoretz and Akbari estimated (Campbell, 1994; Preston et al., 2003). In fact, it is not clear if complete assimilation will ever be achieved, a view held by Bloom et al. (1995). Only the immigrants from Hong Kong who came to Canada in the 1980s have higher employment income than those in the general population (Figure 3).

The human capital theory assumes that, in a fair and fully competitive market, individuals are rewarded on the basis of the societal value of their human capital (Becker, 1964; Iceland, 1999). Our research findings suggest that it would require the possession of a master's degree for a Chinese immigrant to outperform the average Canadian in employment income. This is unfortunate because it indicates that the educational credentials of many Chinese immigrants have not been recognized, or at least have been discounted; and, as pointed out by both Li (2000a) and Pendakur and Pendakur (1998), the Canadian labour market may not be fully competitive.

As shown in Figure 3, the mainland Chinese who landed in 1990 and 1991 (after the Tiananmen Incident) outperformed all their peers, but most immigrants in this cohort were visa students enrolled in graduate programmes in Canadian universities, and they possessed Canadian contents in their bundle of human capital. Even these immigrants, however, only have experienced employment incomes similar to those of the average Canadians. The picture is considerably bleaker for those who possess only foreign-earned credentials. This is clear evidence that country-specific education and skills obtained in Canada are worth more than those acquired in China, and are much better remunerated by Canadian employers. A survey of 102 mainland Chinese immigrants who landed in

the 1990s revealed that only 15 per cent held jobs that were in line with their Chinese education and work experience; a further 22 per cent had a job that was close to their foreign education and work experience; and 52 per cent were working at a job that did not match their education and experience at all (Tian, 2000). This suggests that new Chinese immigrants, indeed, have experienced great difficulties in accessing education-related professions and trades in Canada.

Many Chinese immigrants came to Canada as self-employed, small-business owners. Yet, the business environment does not seem to have rewarded these immigrants either, because self-employment often yields fairly low monetary returns, a finding that seems to hold true not only for the Chinese immigrants, but also for the general population of Canada (Table 5). Increased immigration of the Chinese to Canada greatly expanded the Chinese enclave consumer market, especially in the large urban centres such as Toronto and Vancouver. This ethnic market, however, has not created more financially rewarding opportunities for the many self-employed immigrants, whose businesses mainly depend on their fellow Chinese consumers. Ironically, those who came as self-employed immigrants made less from self-employment than from working for others, as is evidenced by their higher employment income (Table 6). This finding is consistent with Li's (2000b) study of the general immigrant population in Canada. Li concluded that the self-employed are not better rewarded in the labour market than salaried workers. Indeed, a survey of Chinese business owners in the Toronto CMA revealed the existence of a variety of barriers to immigrant business development (Wang and Lo, 2002).<sup>9</sup>

It should be reiterated that the data from personal income tax returns have never been a good source of information for studying the economic performance of investors and entrepreneurs. In the words of some observers, investors and business owners "do not have" personal income, because they are better able to shelter their income in the form of reinvestment. This may explain why the investor and entrepreneur classes of immigrants report low income, including investment income, on their tax returns. Another explanation is that some investors and entrepreneurs retain a significant portion of their capital and business in their home country. They may have moved their family members, especially school-aged children, to Canada while they themselves stayed behind, or flew back and forth as "astronauts", spending the bulk of their time attending to business in their home countries (Wen, 2003). Their earnings made outside Canada might not have been reported in their personal income tax returns in Canada. In 1996, when the Canadian Government proposed Bill C92 (which was passed in 1998), making the declaration of overseas properties and reporting of foreign income mandatory, many Chinese business immigrants, particularly

those in Vancouver, first strongly objected to the proposal, then collectively lobbied for changes (Wu, 1998).

The ability to use Canada's official languages, especially English, seems to be one of the most important determinants of the economic performance of Chinese immigrants in the Canadian labour market (Table 7). As revealed in Table 4, 58 per cent of the Chinese immigrants who came to Canada in the 1980s and 1990s came without Canadian official language abilities. Our findings suggest that, in addition to labour market discrimination, it may well be the lack of language and communication skills that prevent Chinese immigrants from utilizing their credentials and adapting themselves to the new, knowledge-based economy. An editorial column in a Toronto-based Chinese language newspaper described the new immigrants who lack English proficiency as "disabled persons" unable to fully participate in the Canadian labour market. The above suggestion is also based on the fact that until 2002 no standard test was applied to assess the communication skills of prospective immigrants. Instead, the assessment was conducted by an immigration officer during a face-to-face interview of the applicant simply by means of a conversation. This meant that a person who passed the conversation still might not have a good command of English or French, and that the "official language ability" variable in the LIDS may not be a reliable indicator of true communication skills. The present study should be supplemented by qualitative research, conducted by means of a survey and/or focus group discussion, to find out if, and to what extent, communication skills have been a factor that has prevented Chinese immigrants from using their foreign-earned credentials and work experiences to achieve success in the Canadian labour market.

Like many other studies, our research findings provide a troubling message about the experiences of Chinese immigrants in Canada, and have serious implications for the shared ideals of citizenship, social inclusion, and integration that Canada has aimed to achieve through its reformed immigration programme. The inability to succeed in economic participation makes immigrants feel disadvantaged and excluded, and may negatively affect their confidence about the merits of remaining in Canada to fulfil their immigration dream and commitment. An internet survey conducted in 2002 of recent Chinese immigrants by the Toronto-based North Chinese Community of Canada found only 20 per cent of the 1,345 participants indicated they would remain in Canada after obtaining Canadian citizenship (*World Journal*, 2003).

To make full use of the talents and skills that Chinese immigrants possess, Canadian governments, both federal and provincial, should consider providing more assistance, or, at the very least, improving delivery of settlement services

that are intended to help Chinese immigrants adapt to and prosper in Canada. As was acknowledged by the House of Commons Committee on Immigration (*Toronto Metro*, 2003), while the Canadian Government enthusiastically recruits highly educated and skilled immigrants, it lacks adequate settlement services programmes to help them adapt. In the past, the Ontario arm of Citizenship and Immigration Canada (CIC-Ontario Region Settlement Directorate) contracted its Immigrant Settlement and Adaptation Program (ISAP) out to many agencies to deliver services to Chinese newcomers, but the settlement workers in these agencies were mainly Cantonese speakers, and most of them were familiar only with the British and American lifestyles. This was largely because the former place of residence for most such settlement workers (i.e. Hong Kong) had British- or American-style civil services and bureaucracies, and a capitalist market economy (Citizenship and Immigration Canada, 2003).

In the summer of 2003, the CIC-Ontario Region Settlement Directorate issued a request for proposals from academic researchers to evaluate the existing service-delivery models as to their relevance to the Mandarin-speaking newcomers from mainland China, and to recommend policy adjustments and improvements. This initiative signified that the Canadian Government had begun to recognize the significant internal differences among the subgroups of Chinese immigrants with regard to their need for settlement services. Hopefully, such initiatives will lead to a real improvement in the delivery of settlement services for Chinese immigrants of different origins, which eventually will lead to increased levels of economic performance by Chinese immigrants. Such an outcome would benefit both the immigrants themselves and Canada.

## NOTES

1. This article first appeared as a working paper published by the Center of Excellence for Research on Immigration and Settlement-Toronto (Working Paper #30). The authors acknowledge the financial support of CERIS in the form of two research grants. The second author acknowledges the Social Science and Humanities Research Council of Canada (grant 410-2001-1093) for supporting the special data tabulation of this project. Both authors also thank Michael Doucet and the two anonymous reviewers for their helpful comments.
2. The Markham candidate in question was Thomas Qu, who captured 31 per cent of the vote and came second in the Ward 6 race.
3. The following dialects are listed in the decoding document for LIDS. The numbers of Chinese who speak each of the dialects are listed below: Cantonese: 488,296 (61.2%); Mandarin: 198,946 (24.9%); Chinese: 68,035 (8.5%); Hakka: 1,245

- (0.2%); Shanghai: 137 (<0.1%); other Chinese dialects: 40,994 (5.1%); total Chinese immigrants: 797,653 (100%).
4. The IMDB is created by a file linkage process, which matches individuals from the LIDS to individuals on the personal income tax forms. Because the unique SIN (social insurance number) does not exist at time of landing and, therefore, is not available in the LIDS files, the IMDB linkage process uses four personal attributes: last name, first name, date of birth, and gender. All four attributes must be successfully matched in both files for an individual record to be captured in the new database. "Fortunately, it has been observed that foreign-born tax filers have a strong tendency to use the name spelling recorded on their visas to fill out other official documents. It is because of this practice that the linkage and SIN assignment processes have been largely successful" (Badets and Langlois, 1999).
  5. Self-employment income corresponds to net income (i.e. gross income less any adjustment and expenses incurred but before personal income taxes are calculated) from the following sources: business income, professional income, commission income, farming income, and fishing income. Investment income is the total of bond and bank interest income from trusts and foreign income (Canada Customs and Revenue Agency, 2001).
  6. Immigrants to Canada are grouped into more than ten classes, but the various classes can be generalized into three broad categories: (1) economic immigrants, (2) immigrants accepted for family reunification, and (3) those admitted on humanitarian grounds. In the first category, skilled workers/professionals are admitted on the basis of skills, education, language ability, and occupational background. They must achieve the minimum score as required in the Canadian Immigration Points System. Other classes of economic immigrants are selected with different criteria. In most cases, they must bring with them sufficient capital to start a business in Canada, and either provide jobs for themselves or employ other Canadians. In the second category, family members include spouses, dependent children, parents, and grandparents of Canadian citizens or landed immigrants. All others are classified as assisted relatives. In the third category, deferred order removal class refers to immigrants who at one time were ordered to leave Canada but subsequently had their deportation order cancelled. They are similar to refugees. Designated class consists of immigrants admitted under special government programmes, usually in response to political upheavals in the home countries.
  7. This includes their spouses and dependents as well as the principal applicants.
  8. Statistics Canada calculates the poverty line for Canadian cities and rural areas using a formula that considers the cost items such as food, clothing and footwear, shelter, and transportation. Using a reference family of four (two adults and two children), the poverty line for 13 major cities ranges from \$22,441 in Montreal to \$27,791 in Vancouver (Mascoll, 2003). Assuming each family has two wage earners, each should make at least \$10,000 to \$14,000 annually in order to be above the poverty line.
  9. For a detailed analysis of the barriers faced by immigrant entrepreneurs in the Toronto area see Lo, et al. (2002).

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## IMMIGRÉS CHINOIS AU CANADA: ÉVOLUTION DE LEURS COMMUNAUTÉS ET DE LEUR RÉUSSITE ÉCONOMIQUE

En s'appuyant sur les relevés d'embarquement et les données des services fiscaux, les auteurs examinent à la fois l'évolution de la composition des communautés chinoises immigrées au Canada au cours des deux dernières décennies et le niveau de leur réussite économique. Ils constatent que, outre un glissement au niveau des régions d'origine, les immigrants économiques sont de plus en plus nombreux, tandis que d'autres catégories d'immigrés sont en recul. Cette évolution s'accompagne d'un relèvement significatif du niveau d'instruction et de la connaissance des langues officielles du Canada. Cependant, malgré l'accroissement de leur capital humain, les immigrants chinois connaissent toujours des fortunes très différentes sur le marché du travail canadien, si on les compare avec la population canadienne en général. D'une part, leurs revenus en qualité de salariés ou d'indépendants sont nettement inférieurs à ceux de la population générale. D'autre part, les écarts de revenus se vérifient pour toutes les tranches d'âge et pour les deux sexes, et la région d'origine ne change rien à la donne. Alors que le niveau de réussite économique s'améliore au fil des ans, cette étude montre qu'il faudrait plus de 20 ans aux immigrants chinois pour se hisser au niveau de revenu de la population générale. Elle démontre également que les diplômes acquis au Canada sont nettement plus valorisés que ceux acquis dans le pays d'origine des migrants et que leurs titulaires sont nettement mieux rémunérés par les employeurs canadiens.

## INMIGRANTES CHINOS EN EL CANADÁ: CAMBIOS EN SU COMPOSICIÓN Y RENDIMIENTO ECONÓMICO

Gracias a los registros de entrada en el país y de pago de impuestos a la renta, en este documento se examina la variación de las últimas dos décadas en la composición de los inmigrantes chinos en el Canadá y en su rendimiento económico. En este estudio se determina que, además de provenir ahora de distintos lugares de origen, los inmigrantes económicos no dejan de aumentar mientras que las demás categorías de inmigrantes disminuyen. Ello se acompaña de un considerable incremento en sus calificaciones educativas y del conocimiento de uno de los idiomas oficiales del Canadá. Sin embargo, a pesar del creciente capital humano, los inmigrantes chinos siguen experimentando, en general, resultados económicos sumamente diferentes en el mercado laboral canadiense en comparación al resto de la población del Canadá. Por una parte, tienen tasas de ingresos muy inferiores en empleo y autoempleo que el resto de la población. Por otra, la diferencia de ingresos es válida para todos los grupos de edad, para ambos géneros, y para los inmigrantes chinos de cualquier parte. Si bien el nivel de rendimiento económico aumenta con la duración de la residencia en el Canadá, este estudio apunta a que los inmigrantes chinos tardarían más de 20 años en colmar las brechas salariales con el resto de la población. También se demuestra que las credenciales educativas específicas canadienses valen mucho más que aquéllas adquiridas por los inmigrantes en su país de origen y, por ende, son mejor remuneradas por los empleadores canadienses.