The Ethnic Penalty: Immigration, Education and the Labour Market

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The Ethnic Penalty
Immigration, Education and the Labour Market

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Preface

Admittedly, there were initial reservations about writing this book. Conceptually it is always a difficult proposition to assert that one ethnic group may face greater challenges for socio-economic success than another ethnic group. Moreover, the challenges faced by an ethnic group are generally represented in aggregate terms, which may suggest that not all members of the ethnic group will experience the group’s realities. There will inevitably be individual outliers used by commentators (and members of an ethnic group itself) to illustrate that the potential for ethnic group success is there; it is a matter of generational patience. As such, discussions of potential ethnic penalties are moot and possibly sensationalized. The ethos of the book attempts to dispel this myth by presenting an honest and at times uncomfortable dialogue with respect to ethnic minorities’ immigration, education and labour market realities, with reference to the latest available census statistics and fieldwork.

From another standpoint, my personal reservations stem from the fact I had just completed a large comparative study looking at ethnic minority development in urban China and Canada, and in the midst of commencing a new study looking at ethnic minorities’ experiences in the large corporation in the United States. There was a deep concern that the framework for both studies will overlap, and to an extent become repetitive. However, by focusing solely on the Toronto experience and moving away from a micro-level study on an organizational type, this fear was calmed. In addition, being a Trinidadian-Canadian, spending my early years of life in Toronto and returning to the city from 2008 to 2010 to join the University of Toronto, I had a mix of insider and outsider perspectives which served as a wonderful catalyst to explore the immigration, education and the labour market experiences of ethnic minorities.

This book was not possible without the support of my Cambridge and Toronto academic network, and particularly the guidance of David Lehmann and Jennifer Hsu. I am also deeply indebted to my University of Toronto students, notably in the ‘Sociology of Work and Occupations’, ‘Immigration and Employment’, ‘Sociology of Organizations and Industrial Relations’ and ‘Individual and Group Behaviour in Organizations’ courses, for allowing me to have a glimpse of their everyday and for constantly challenging my theoretical and on-the-ground assumptions. I sincerely hope this book can serve future students and practitioners to understand the operations and causes of the ethnic penalty.

Reza Hasmath
January 2011
Chapter 1
Introduction

I was born in Italy and I have a certain experience. This experience is not something you can just park at the door, you cannot erase your DNA, you cannot do it genetically and you cannot do it culturally.

These are the words of 75-year old Marie who came to Toronto in the early 1950s, alongside approximately 460,000 Italians who immigrated to the city during this period (Tomasi 1977). Ultimately, her family’s main motive for moving to Toronto was for a better life than in her hometown in war-ravaged, southern Italy. With little formal education and economic capital upon arrival to Toronto, Marie recalls the difficulties her family faced upon arrival:

We were quite poor in those days. My English was poor and so were my family’s English [skills] … my husband relied on finding work as a labourer with the railway company. It was a struggle, but now I look at my children and my grandchildren’s [socio-economic] success, and I know that our struggles were worth it. With hard work, comes success.

The view that diligent effort equates to a higher standard of living is similarly echoed by Michael, an Afro-Jamaican who arrived to Toronto in the late 1970s. Michael and his wife, Leanne, came to the city with a similar intent as Marie’s family, to forge a better life for themselves and their future family. Educated with a Bachelor of Engineering obtained from Jamaica, Michael searched for opportunities in his field for two years after arrival in the city. He was unsuccessful in this endeavour, with potential employers often being more fascinated by his English, laden with a heavy Jamaican accent, rather than his human capital and work-related skills for the position.

Initially, it was a tough few years. While we did not starve, we were borderline there. My wife and I decided that in order to survive in this country we would have to take the risk of opening a small restaurant. My wife was a good cook and I had some business sense. After securing financing from extended family members and friends, we opened a Caribbean restaurant to serve the growing Jamaican and Trinidadian population in the neighbourhood. Today, with hard work and sacrifice we have one of most successful restaurants in the community.

Reflecting upon his initial struggles, both Michael and Leanne now in their late 50s, look at their son Paul for inspiration and reaffirmation of their decision to migrate
to Toronto. A recent university graduate in commerce, Paul, 22, is currently looking for work in his industry. Michael proudly articulates that his son will have an easier time to find a job than he did in Canada.

He does not have a Jamaican accent like me. He speaks like a Canadian and he has a Canadian degree from a well-respected university. He does not have to work in the community [ethnic economy] … he can work anywhere in Canada or even the world .. and he will be employable.

The job search strategy of Paul reflects these sentiments:

… It is an option to use my parents’ contacts in the community to get a job. I would rather not. If I was to be truly honest with you, I would say working there [ethnic economy] is like a step backwards. My parents have sacrificed a lot and so they expect a lot out of me. They don’t want me to be working where they are [as small business owners in the ethnic economy].

Nevertheless, the ethnic economy still remains one of the most effective places to canvass for jobs for recent immigrants. Pablo, 32, who migrated from Ecuador a year ago, remembers his experience when he first came to Toronto:

I came to Toronto because my brother was here … I looked for jobs everywhere .. in the local [ethnic] newspaper and asking my brother’s friends. I graduated with a business degree in Ecuador, but I had no Canadian experience. I found a job at my brother’s workplace in a South American restaurant. I have been there ever since, but I am hopeful that in the next year I can move to another job to use my degree.

The stories of Marie, Michael, Leanne, Paul and Pablo reflect the two modern waves of immigration (and their offspring’s experience) to Toronto; a city where the majority of the 4.6 million population is a direct result of post-World War Two immigration from Europe, the Caribbean, Latin America and Asia. Commonplace among each immigrant wave are aspirations centered around the notion that upward economic mobility is available if the individual is willing to undertake hard work and strive for further education;¹ culminating with occupational outcomes reflecting this effort.

The city of Toronto, for its own part, has attempted to accommodate the various waves of immigrants and their cultures, through a variety of policies and initiatives,

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¹ One can potentially argue that this rationality/ethic of hard work, and the accompanying expectation of high returns to education in the labour market, is a heightened characteristic of modern capitalism. As Weber (1904) argues, the spirit of capitalism is greatly interlinked with an individual’s duty to increase their wealth and economic prosperity. Further education combined with hard work is thus seen as a means to achieve this end.
which are supported and reinforced by federal and provincial efforts. Some examples of these include Toronto’s Social Development (City of Toronto 2001a) and Economic Development Strategy (City of Toronto 2000); financial support for annual festivals and cultural events such as Caribana; and, through its international and inter-provincial marketing efforts to promote the city’s ethnic diversity to lure tourists and potential migrants (see Reiss 2011). Toronto’s conduct in managing ethnic differences is seen as so successful it is often cited as exemplary and a model for other urban centers (UNDP 2004).

While acclaims to this effect are warranted to a great extent, this book will suggest that there is a growing imbalance in the city when analyzing educational attainments and their subsequent occupational outcomes across immigrant groups, and particularly once a visible ethnic minority variable is introduced. Visible ethnic minorities groups are defined as persons who are identified as being non-Caucasian or non-white (Statistics Canada 2006b). As discussed in the next chapter, due to changes in Canada’s immigration system in the mid-1960s, visible ethnic minorities immigrated to Toronto to the extent that they represent nearly 40 percent of the city’s present population. When statistically examining visible ethnic minorities’ educational attainments in Toronto they outperform or are on a par with the non-visible cohort. However, when analyzing the visible ethnic minority demographics of those working in high status and high wage positions such as professional and managerial occupations (see Appendix 2 for list of occupational categories), the non-visible cohort are most prevalent. What accounts for this discrepancy? How far does visible ethnic minority status affect one’s occupational opportunities? Is this a generational issue, with the next generation of visible ethnic minorities having returns to education akin to the non-visible cohort? And what steps, if any, can we take to improve this reality?

2 Under Employment Equity legislation, a person is defined as an ethnic minority if s/he is neither Aboriginal nor European Caucasian. In the public use file of the Census, the visible ethnic minority variable is imputed to be a combination of ethnic origin, place of birth and mother tongues. And in most academic studies, the visible ethnic minority variable is flagged for persons who are entirely non-European in ancestral origin.

3 A professional is an elite class of occupations that have been accorded such status due to the fact the relevant occupational tasks demand a high proficiency or skill. (For more information, see Leicht and Fennell 1997.)
Objectives

Drawing upon statistical data, interviews\(^4\) and ethnography\(^5\) in late 2006 and 2007, and follow up work in 2009 and early 2010, the aim of this book is to investigate the relationship between the educational and occupational levels of visible ethnic minority members. Both indicators have been chosen as they serve as excellent markers for assessing future economic success and integration. Empirically, one of the most compelling universal expectations is future occupational achievements and financial success based on higher educational attainments. This has been reinforced by studies that show the economic value of an education, that is, the added value a high school diploma or university degree has on an individual’s working life earnings and occupational prospects (see OECD 2004; Day and Newburger 2002). One may argue this is the result of meritocratic selection procedures, whereby an individual’s achievements in education is the main criteria for occupational advancement (see Heath et al. 1992; Young 1958). This of course assumes that occupational outcomes are based solely on merit, which is often defined by educational attainment.\(^6\)

Moreover, studies have also suggested the higher the education and socio-economic status, the greater propensity for the individual to socially integrate within the community (see Muiznieks 1999; Bagley 1984; Otto 1976; Sewell et al. 1969).

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4 Interviews were preferred over survey methods for logistical and methodological reasons. The interview method provided a wider opportunity to probe relevant actors in a more open-ended, complex and in-depth manner than would be afforded through the use of a survey (see Mikkelsen 2005; Symon and Cassell 1998). Given the tendencies of participants to bottle-up or provide partial or “official” responses in light of the potential sensitivity of the research, interviews were the most effective method to elicit personal perspectives, motives and suggestions – which are best explained through descriptive language; to build rapport with the participant; and, to observe the feelings of the participant during conversation, i.e. facial expressions, hesitation, tone of voice (see Spradley 1979). Furthermore, from a logistical standpoint, the response rates for interviews are generally higher than a survey, adding to the appeal of using an interview method. Interviews also provided the best way to gain an understanding of the underlying reasons and motivations for ethnic minorities’ attitudes, preferences and behaviours throughout the educational and occupational processes.

5 Local and expert interviews were reinforced by participant observations in sites that allowed the author to gain a further insight into the educational and occupational experiences of ethnic minority members. This technique was adopted since it allowed the author to gain an insider perspective of the local processes, relationships, patterns and immediate contexts where ethnic minorities’ daily realities unfold. In other words, participant observation was ideal for this research since it situated the perspective of the data findings attained from less contextualized methods, such as semi-structured interviews (see Robson 2002).

6 Young’s classic book *The Rise of Meritocracy* (1958) demonstrates how class of origin, and not always educational attainment, affects an individual’s chances of gaining access to high wage and high status, managerial and professional occupations in a capitalist society. How far this extends to ethnicity in the context of Toronto will be explored throughout this book.
Measuring one’s education attainment to occupational outcomes thus serves as a natural pairing to understand ethnic group socio-economic achievements.

There has also been relatively little scholarship explicitly examining the notion of an ethnic penalty, defined as the disadvantages ethnic minorities experience in the labour market compared to non-ethnic minority groups of the same human capital. Heath and Ridge (1983) look at this idea by making comparisons between two groups, “whites” and “blacks” in the United Kingdom. From their work, segmented differentials between “whites” and “blacks” suggest that this is a useful indicator to discern economic discrimination. Yet differentials within these racial groupings also suggest that it is only a rough indicator and ought to be refined and expanded if feasible, to differentiate between distinctive ethnic minority groups, for instance Hungarian-Canadian, Kenyan-Canadian, etc.

In the Canadian context, drawing from nationwide statistical data, Kunz et al. (2001) conclude that although visible ethnic minorities are the most educated groups, the benefit of higher education is often offset by their ethnicity. Her team statistically observes that even among those with a post-secondary education, visible ethnic minorities nationally have higher unemployment rates than those who are not members of a visible ethnic minority group. Moreover, visible ethnic minority university graduates are less likely to hold managerial or professional jobs. For visible ethnic minority immigrants they face the double jeopardy of being both ‘ethnic’ and ‘foreign’. While Kunz et al.’s study distinguishes between Canadian and foreign-born, similar to Heath and Ridge (1983) they do not examine specific ethnic groups. This task is adopted by Galabuzi (2001) who statistically observes that in spite of comparable average educational attainments, ethnic minority groups’ labour market experiences nationally are plagued by barriers to access, limited mobility in employment, and discrimination in the workplace. While both studies statistically illustrate an ethnic penalty at the national level, they do not provide very specific, sociological or otherwise, explanatory reasons for this phenomenon rooted in detailed interviews and ethnography. In fact, this is a common trait in studies examining potential ethnic penalties. Several statistical and econometric approaches involving various data sets and time series have been used over the years to evaluate whether visible ethnic minorities are at a disadvantage in the labour market compared to the non-visible cohort (see Pendakur and Pendakur 2004; Stelcner and Kyriazis 1995). Seldom is a disciplinary dimension rooted in fieldwork tracing first-hand educational (delineated by primary, secondary and tertiary levels) and occupational (from the job search, hiring and promotion process) experiences

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7 The term ‘race’ has a questionable descriptive and analytical value. While the term appears in the literature and discourse on ethnicity, there are two principal reasons why it may be inexact to speak about ‘races’. First, there has always been interbreeding between human populations that it would be meaningless to talk of fixed boundaries between ‘races’. Second, as Cavalli-Sforza et al. (1994) argue, the distribution of hereditary physical traits does not follow clear delineations.
added to the conversation. Moreover, given the focus of the majority of studies is at the national level, it is a valuable project to observe whether these results differ when analyzing the phenomenon at the micro-level, notably in an urban, multicultural agglomeration such as Toronto.

This book will thus examine the relationship between educational attainments and occupational outcomes between different ethnic minority groupings in Toronto utilizing quantitative and qualitative analyses (see Appendix 1 for methodological considerations). The quantitative part of the book examines ethnic minority groups’ educational attainments at primary, secondary and tertiary school levels; and how this relates to occupational attainment and income. The empirical analysis underpinning this research is based on 59 interviews and subsequent follow-up interviews (up to two years later from the initial interview) with local ethnic minorities inquiring about their educational and occupational experiences. The interviews examine topics such as perceived barriers to educational attainment; ethnic-stereotyping in the workplace; affirmative action; job-search, hiring and workplace promotion experiences; and more broadly, inter- and intra-ethnic group interactions. Local interviews are supplemented by long-term observations and consultations with government institutions, local academics, corporations, businesses and ethnic minority stakeholders such as ethnic associations and NGOs. The overall objective of the qualitative analysis is to explain the statistical findings examining educational attainments and its relationship with occupational outcomes for ethnic minority groups.

Outline

Having contextualized the parameters, the book will proceed in five segments. In the first segment the historical experiences of the two modern immigration waves to Toronto will be examined. The changing idea of ethnicity, from ‘ethnic’ to ‘visible ethnic minority’, and the interactions and representations of ethnic groups will be discussed through the lens of the two immigration waves. Moreover, the development of the various ethnic enclaves and economies in Toronto will be explored.

The second segment will examine the educational process for visible ethnic minorities and the various programs designed to assist in improving their educational attainment. Drawing upon interview findings and statistics, this segment will analyze and discuss visible ethnic minorities’ experiences in the primary, secondary and tertiary school levels. A conversation on the notion of education as human capital investment, and the operations of inter-generational education transfer are also presented.

The third segment will look at the occupational experiences of visible ethnic minorities. It will present the major policies set up to support ethnic equity in the labour market. Furthermore, it will highlight and discuss the narrative derived from interviews on the job search, hiring process, and workplace advancement both from
the perspective of the employee and employer. Statistical outcomes for visible ethnic minorities in the occupational market is thereafter presented and analyzed.

In the fourth segment, we will see that a systematic understanding of social processes, such as the interactions of ethnic minority groups, may explain potential advantages and disadvantages they may face in the labour market. Here, the idea of discrimination, an individual’s social network, a firm’s working culture, and a community’s social trust are introduced as potential factors to explain the ethnic penalty.

Finally in the last segment, the prospects for the next generation of ethnic minorities will be discussed. As a preview, it will be argued that the labour market success of the next generation is predicated on ethnic minority group’s current level of integration. As such, the present education and labour market experiences of ethnic minorities will strongly influence future generations’ potential for economic success. As a corollary, this segment will discuss steps for improving the integration, education delivery, and labour market outcomes of visible ethnic minorities; with a strong emphasis on examining the utility of potential macro-policy interventions.

In short, the book aims to present a systematic examination of visible ethnic minorities’ experiences from schooling to the job search, to the hiring and promotion process. The interviews with individuals and employers, rich ethnography, and statistics are used in such a manner that the reader can vividly comprehend ethnic minorities’ life course experiences from education to the labour market; and equally important, understand the operations and causes of potential ethnic penalties. Furthermore, it is envisioned that notwithstanding the book does concentrate on the Toronto case in-depth, the experiences explored and lessons learned throughout the book will have cross-jurisdictional application to other multi-ethnic communities.

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8 The experiences of the P.R. China, Taiwan, Australia and the United States are briefly presented in Appendix 3 to illustrate the commonalities and variations of potential ethnic penalties in other multi-ethnic jurisdictions.
Chapter 2
Immigration

Immigration is a modern phenomenon that has become a salient issue given greater integrated global economies. This is demonstrated by the fact immigration has significantly increased globally since World War Two as people move around in search of occupational opportunities, better wages and a higher standard of living. There are approximately 190 million immigrants in the world today – with undocumented immigrants this number may be higher (see United Nations 2009). Europe has the largest number of immigrants, with approximately 64.1 million, followed by Asia with approximately 53.3 million and then North American with approximately 44.5 million. Put another way, “developed” nations such as Canada receive the bulk of immigration with nearly 110 million immigrants.

Suffice to say, there are few, if any nation-states where there are no population groups with an ethnic identity distinct from that of the country’s titular nation. What is disputed, however, is who counts as a member of an ethnic minority, where such ethnic minorities live, and how many members they have. In a classic post-World War Two immigrant reception society such as Canada, “ethnics” initially evolved into a polite term referring to first-wave immigrants, from 1945 to the late 1960s – most prominently the Italians, Portuguese, Greeks – who were often considered “different” on cultural grounds relative to the Charter groups (non-British and non-French). By the second-wave of immigration from the late 1960s to late 1990s, marked by changes in immigration policies that removed overt favour for family sponsorship and subsequent patterns of chain migration of Western European backgrounds, the “visible ethnic minority” variable was introduced. Here, visible ethnic minorities were individuals who based on their physical appearances alone can be identified as not belonging to one of the Charter groups. Today, nearly 40 percent of Toronto’s population – a mix of Asian, Latin American and Caribbean ancestries – are considered visible ethnic minorities. This group has colloquially taken on the mantle of “ethnics”.

Yet as the first section of this chapter demonstrates, the term “ethnic minority” carries an intense complexity that is coiled in the distinction of the majority/minority group dichotomy. As Goldman (2000) articulates, both ethnic majority and minority members are dependent on the context in which observations are made. Thus, what exactly constitutes an ethnic minority member? Is it presumptuous to believe it is

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1 The term derived from the Greek *ethnos*, which originally meant pagan, and was used in this sense in the English world from the mid-fourteenth century until the mid-nineteenth century, when it gradually began to refer to “racial” characteristics (see Eriksen 2002).
a group of people who are numerically inferior to another in a given local context? Does it have undertones of political, economic and social group inequalities? Is it a group of people who are visibly different from other members of the community?

The ethnic minority debate notwithstanding, the chapter further suggests that the common motivation to migrate for the two waves of immigration to Toronto was the search for employment, better wages and a higher standard of living. Seemingly a complex calculus of push and pull factors for each wave may partially explain the differential experiences for the two cohorts in terms of the development and behavioural patterns of their ethnic enclaves and economies, and their on-the-ground inter- and intra-group interactions.

The Ethnic Minority Variable

In the most simplistic form, ethnic groups can be viewed in two lights, which are not necessarily mutually exclusive. The first, as a primordial occurrence that is unchanging and universal, meaning certain ethnic traits can be ascribed at birth, for example one’s skin pigmentation. The second understanding sees ethnic groups as socially constructed, forged on the basis of a particular history. In other words, ethnic identity is achieved after birth, for instance, ethnic groups may be identified by the language spoken (Fishman 1980); by ancestry – either by place of birth or the ancestors of the individual who form the group (Schmerhorn 1970); by religious affiliation (Goldman 2000); and more broadly, by cultural artefacts, i.e. foods, traditions. The majority of ethnic group identities are not based on ascribed traits, but rather on shared values, beliefs and concerns that are open to acquisition by social conditions. As a consequence, the characteristics that define ethnic groups may vary by context. For example, a Chinese person may be considered an ethnic minority in the Canada, yet in the context of the P.R. China, a Chinese person can constitute one or more of the 56 official groups in the East Asian nation.

Although innumerable theories of ethnicity have been developed, each serving different analytical purposes, including primordialist theory (see Geertz 1973; Shils 1957); modernization theory (see Hettne 1996); neo-Marxist or a class approach

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2 A classic theory of immigration contrasts between push factors and pull factors. Push factors are conditions that drive an individual to leave their “home nation”. Some examples of this include scarcity of land or few labour opportunities in their “home nation”. Pull factors are conditions that motivate immigration to a “host nation”. For example, better labour opportunities, political freedom or better educational opportunities in the “host nation”. One main critique of the push/pull factor theory is that it does not fully explain the stability of patterns of migration. That is, once a migration pattern has been established between the “host” and “home” nations it remains so for a relatively long period. Based on the experiences of the first wave of immigration to Toronto one can retort that a relatively strong pull factor, family/friend social networks (creating a chain migration effect), can explain the phenomena.
to ethnicity – including class segmentation (see Reich et al. 1973); split-labour market (see Bonacich 1972); internal colonialism (see Gonzalez-Casanova 1965); and, world systems theory (see Wallerstein 1979), they all purport ethnicity to be a potent force under certain conditions. Moreover, all theories ultimately point to different mechanisms and accuse different social actors of using ethnic division to their advantage. In essence, they generally emphasize that ethnicity is a constructed social and/or political relation rather than an immutable force. At a more rudimentary level, all of the approaches nevertheless agree that ethnicity has something to do with the classification of people and group relationships. They emphasize the sharing of social ties by reference to common origins and a historical past (whether real or perceived); shared cultural heritage; and/or language. But then there is the power factor, and this is where it gets muddy. In many respects, ethnicity is seen as one of several outcomes of group interactions in which there is differential power between dominant and minority groups (see Young 1990; Benedict 1962). From this perspective, ethnicity is an aspect of stratification, as well as a criterion of group delineations.

In short, ethnicity can refer to aspects of a relationship between groups which consider themselves, and are regarded by others, as being culturally distinctive. Although the modern discourse on ethnicity often concerns itself with “minority issues”, dominant groups are no less ethnic than minorities in principle. Moreover, in many Western immigrant societies such as Canada, the modern discourse on ethnicity has contributed to a new form of ethnic self-awareness, notably about “home nation” origins and traditions. This has led to the continuation of ethnic networks which provide a space for local ethnic communities and economies to prosper as seen in later sections of this chapter. Major cosmopolitan cities have neighbourhoods dominated by people with the same origin as themselves and continue to regard themselves, for example, as “Chinese” or “Nigerian” in addition to being Canadian – two generations or more after their ancestors left their “home nation”. In fact, this may be the result of ethnic organization and identity reacting to the process of modernization itself. As Friedman (1990: 311) puts it, “ethnic fragmentation and modernist homogenization are not two arguments, two opposing views of what is happening in the world today, but two constitutive trends of global reality”. This begs

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3 The dominant group does not necessarily mean a majority, but rather a group that holds the majority of power, privileges and high social status. A minority group here refers to a disadvantaged and subordinate group, regardless of size, whose members are subject to differential treatment due to the group’s lack of power and perceived social status (see Schaefer 2003; Vincent 1974).

4 It is often the case in contemporary literature that ethnicity refers to a particular set of named groupings singled out by the researcher as ethnic units. Ethnic membership in these groupings is then shown to have an effect or correlation with one or more dependent variable(s). In this respect, ethnicity is used as a “significant structural phenomenon” (Cohen 1978: 385).
the question whether ethnicity is primarily a modern phenomenon of stratification between dominant and minority groups?

In Schermerhorn’s (1970) work on ethnic stratification he describes a paradigm that uses size and access to power to determine whether ethnic groups are dominant or subordinate. According to this characterization, if an ethnic group has both power and size, it is the dominant majority. If it has power, but not size, they are the dominant elite. If it has size, but does not have power, it is classified as mass subjects. And finally, if the group has neither size nor power, it is classified as a minority group. It is important to note each of the four types of stratified groups can be multi-ethnic or homogeneous. As such, any of the group types could comprise of several ethnic groups or just one. Through situations of social change and increased mobility they may start to crosscut one another so that members of all ethnic groups are found in all strata. In this vein, ethnicity can be a useful concept to analyze contact and mutual accommodation between groups, as well as, the strategic positions of group power within the structure of modern society. Schermerhorn’s model opens the door to discuss the acquisition of power, power relations, and the management of resources among, and between dominant and minority groups.5

The consequence of studying ethnic groups within Schermerhorn’s terms, outlining dominant and minority groups, is that it automatically associates different rewards and privileges to different ethnic groups, thus institutionalizing ethnic inequality as a feature of modern society. Over time, the stratification of ethnic groups can potentially be solidified into a permanent class system whereby inequalities are not only reinforced by the institutions and social structures, but by ethnic minority groups themselves who have been socialized to be complicit with the status quo. This becomes evident in the attitudes of many ethnic minorities interviewed in the following chapters in respect to their educational and occupational possibilities. Suffice to say; although ethnicity is only one factor which stratification can be attributed to, it is a major consideration for theorists to ponder.

Another consequence of studying ethnic minority groups in this fashion, is that there is still a risk of “tribalizing people instead of listening to them … [and] studying communities of the researcher’s own making” (Baumann 1996: 8). Coiled in the heart of this concern is the modern obsession of defining the boundaries of which “people” are members of a particular ethnic group or culture. In practice, there appear to be two fundamental forms of identification. The first is fixed ethnic identification. This form of identification essentially narrows the ability of the individual to define themselves outside the boundaries of accepted ethnic group

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5 It should also be noted that majority/minorities may be defined on the basis of a variety of factors such as ethnic characteristics (e.g. ethnic minority group), demographic characteristics (e.g. elderly), socio-economic status (e.g. working poor) and relationship to the political structures to name a few (see Goldman 2000). Although the discussion in this book will focus primarily on ethnic characteristics, invariably it will also include elements of the other factors mentioned above.
categories. For example, the state may provide a list of “official” ethnic groups based on pre-defined categories of understanding. In this situation, each individual will be born into a particular ethnic category and is seen as a member of that ethnic group for life. The second form is self-identification. This is perhaps the most accepted normative form of identifying membership into an ethnic group as it provides the freedom of the individual to define him/herself. Given our nominal repertoire of identities, individuals in this form of identification are able to choose their ethnic group category(-ies) that defines them.

The concept of ethnic groups in Canada reflects the idea of ethnicity as a constructed relation. Ethnic groups in Canada are presently categorized on the basis of how an individual defines their own ancestry, in other words, utilizing the self-identification method. In the national census for example, the relevant question about ethnicity asks: “What ethnic or cultural group do your ancestors belong?” The preamble to the question reinforces this idea:

While most people in Canada view themselves as Canadians, information on their ancestral origins has been collected … to capture the changing composition of Canada’s diverse population. Therefore, this question refers to the origins of the person’s ancestors (Statistics Canada 2005a).

In the relevant census question response area, no pre-selected responses are supplied, simply four blank boxes for the respondent to complete. Multiple responses are thus encouraged by the four boxes provided on the census form, and explicitly so, by the accompanying instruction to “specify as many groups as applicable”. The census data on ethnicity is thereafter processed into answers that are classified into categories that correspond to a nation (e.g. Portuguese), sub-national areas (e.g. Scottish) and religious-oriented groups (e.g. Sikh). Residual categories, such as “Other Southeast Asian”, are created to sort responses that are not common. In sum, the group(s) that the respondent selected may not necessarily reflect the respondent themselves, as they may identify themselves differently than their ancestors. This is not a moot point. In effect, the respondents is making assumptions about whether to emphasize nationality over tribal grouping – will the Kenyan assume that the question is about their nation of origin or should they write their identification as a member of a tribal grouping of the nation? In a similar vein, census respondents may have to decide whether to emphasize religion over nationality or give both answers (e.g. Sikhs from Punjab or Jews from Eastern Europe).

There is a deep history why Canada provides the space for self-identification of ethnicity, which is an important facet in understanding the background operations

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6 No one is completely free to self-define his/her ethnic membership. Constraints may be imposed by numerous circumstances, family and genetic markers to name a few. The point nevertheless remains that within reason, self-identification of ethnicity provides a relative freedom to choose one’s ethnic membership both in a legal sense and in daily life.
of the current multicultural environment in Toronto. Most Canadians have been touched by the experiences of migration stretching back as far as the first permanent settlement in New France (modern day Quebec) in the early 1600s. Whether they were Chinese assisting in the construction of the railroad in the 1880s (see Li 1988); Italians or Portuguese filling manual labour positions after World War Two (see Delvoie 2000); or the new, relatively skilled, non-European entrants, ethnic groups who migrated to Canada have played a significant role in the development of the nation.

In particular, commentators have suggested the evolution of the nation’s near-obsession with ethnic identification can be traced to its history of managing two dominant groups, the Anglo- and Franco-phone communities (see Hoerder 2003; Perin 1999). Despite France ceding its territory in Canada to the British, affirmed with the Treaty of Paris in the eighteenth century, the descendants of French immigrants were able to maintain a distinct identity. Fueled in part by a desire to reduce rebellion and uprisings by the sizeable French population, the new British rulers allowed much of the religious, political and social culture of the French habitants to remain intact. Moreover, Perin (1999) suggests that since the French population were geographically concentrated, culturally homogeneous, and maintained distinct education, language and legal institutions, a multicultural compact between the British and French were relatively successful.

Granted, by no means was this multicultural compact without conflict and controversy. Many non-British immigrants who arrived to Canada were regarded by the French as evidence of the English-Canada’s desire to reduce them to numerical minorities. At the same time, the non-British cohort was viewed with suspicion by English-Canadians who were determined to construct a nation in their own image and likeness: white, Protestant and northern European. Immigrants who came to Canada after Confederation in 1867, who did not possess these attributes, were allowed to enter mainly due to the nation’s labour shortage. For instance, according to Li (1988) half of the 15,000 Chinese who immigrated to Canada from 1881 to 1884 were directly employed (and cheaply so) by the Canadian Pacific Railway to expand Canada’s rail network. By 1903, 73 percent of Chinese people living in Canada were labourers. Due in part to an increasing Chinese population their legal rights were quickly reduced, evident by numerous provincial legislations disqualifying their right to the franchise. In 1923, the federal government’s Chinese Immigration Act specifically excluded entry to Canada by persons of Chinese origin.

In modern day Canada, in order to reduce potential conflicts between the dominant majority British and French descendants, and to provide a space for the growing ethnic minority population to celebrate and encourage their diversity, a formal policy of multiculturalism has emerged with the establishment of the multiculturalism documents – the 1971 policy announcement; the 1982 Charter of Rights and Freedoms (constitutionally protected) and the 1988 Multiculturalism Act. An insight to the intentions of the multiculturalism documents is offered by Canadian Heritage (2006):
Multiculturalism ensures that all citizens can take pride in their ancestry and have a sense of belonging. Acceptance gives … a feeling of security and self-confidence, making them more open to, and accepting of, diverse cultures … [it] encourages ethnic harmony and cross-cultural understanding, and discourages ghettoization, hatred, discrimination and violence.

The documents provide an important statement of intent for managing ethnic differences by encouraging a peaceful environment for ethnic group interactions (see Bibby 1990). That is, through policy, ethnic minority groups are encouraged to have the necessary space to undertake an active and diverse role in the social, cultural, economic and political affairs of the community, unconfined by prejudice or exclusion. Whether Canada’s multiculturalism policy effectively accomplishes this goal is another concern.

There are many advantages to the Canadian style of self-identification of ethnicity. Most importantly it encourages migrants, especially non-European ones, to receive a strong message that they are welcome to the nation and particularly to a cosmopolitan destination such as Toronto. Then to promote multiculturalist tenets of pride in one’s ancestry, which is becoming a stronger part of the prevailing Canadian ideology, self-identification based on people’s ancestries is promoted. In the process however, there is a risk of confusing ancestry with ethnicity, so that everyone’s “true” ethnic identity is presumed to be rooted as a fixed concrete entity. This point should be tempered by the fact that membership in an ethnic group is not necessarily permanent. Individuals do have the option to change their answers to the question about ancestry from one Census to the next. Moreover, this is likely to be more common for persons with multiple ancestries. But the most important changes will occur when children move from their parental home, given the Census form is most likely completed by a parent. Also, with increasing intermarriage, young people are more likely to have parents from different ethnic groups and thus, maybe more inclined to simplify their answer on the question about ancestry by dropping one or more of their ancestral origins.7

Suffice to say, both Canada and Toronto are eager to promote an image of a nation and city in which ethnic differences are valued and appreciated, reinforced by its famed policies of multiculturalism. Clearly, there is a strong ethnic minority development project which suggests that the intention to promote multiculturalism and self-identification of ethnicity may not be entirely altruistic. This becomes more evident in the following sections when examining the modern history of ethnic minority settlement in Toronto.

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7 According to Halli and Vedanand (2007), relative to other cohorts, immigrant children in Canada have a greater tendency to report that they belong to one or more ethnic groups.
The Ethnic Penalty

The Two Waves of Immigration

Suffice to say, Toronto’s ethnic diversity is relatively new. The majority of residents prior to World War Two were British and French descendants who permanently settled in the city in the late eighteenth century. In the first major wave of immigration from 1946 to the late 1960s, due to a system that encouraged family sponsorship chain migration of Western European group were common, with the Italians, Portuguese and Greeks the largest cohorts. Typically, the majority of immigrants who arrived during this period had close knit family and friend connections. In addition, many came with little formal education and economic capital upon arrival to the city as suggested by Marie’s comments at the beginning of this book. For example, Tomasi (1977: 505) indicates 40 percent of the Italian cohort who came after World War Two had a fifth grade education. At the time, there were few public programs in place to assist immigrants to integrate to Toronto. This resulted in many first-wave immigrants relying on close connections to assist in the integration process, which in turn, had the unintended consequence of reducing the incentive to learn English since the main mode of communicating in their social environment was their respective native language.

Due to the relatively low levels of education and for many the inability to speak English fluently, many first-wave immigrants, mostly men, filled positions as manual labourers, craftsmen, mechanics and miners. Commentators have suggested the manual labour skills that these groups possessed are one of the predominant reasons why the Canadian government and the city of Toronto welcomed them (see Delovis 2000). The end of World War Two brought an enthusiastic interest in revitalizing, modernizing and building Toronto through the construction of roads, railways and infrastructure. Taking advantage of push factors such as depressed economies and high unemployment rates in Western Europe – coupled with pull factors such as the value of wages in Toronto surpassed the values of wages in the relevant “home nation” – Canada encouraged immigration from this region, with many Western European governments especially the Italian and Greek governments, assisting in actively promoting temporary and permanent emigration to Canada since it provided relief to their ravaged domestic economies.

8 The first permanent European presence in Toronto was the French who established a trading fort in 1750; however, Fort Rouille was abandoned nine years later. From 1787 onwards, a large influx of British Loyalists fleeing the American Revolution settled in the city (which at the time was known as York). The next significant wave of settlement came during the Great Irish Famine in the mid-1800s, where Catholic Irish immigration numbers were to such an extent, they became the largest single ethnic group in the city (see Benn 2006).

9 Although Italians have been immigrating to Toronto since 1880, the first major wave of Italian population movement was post-World War Two.
## Table 2.1 Ethnic Composition of Total Population, 1971–2001

<table>
<thead>
<tr>
<th></th>
<th>1971</th>
<th>%</th>
<th>1981</th>
<th>%</th>
<th>1991</th>
<th>%</th>
<th>2001</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>European</strong></td>
<td>2,475,220</td>
<td>95.9%</td>
<td>2,586,860</td>
<td>87.5%</td>
<td>2,838,665</td>
<td>73.7%</td>
<td>2,792,740</td>
<td>60.2%</td>
</tr>
<tr>
<td><strong>Non-European</strong></td>
<td>104,830</td>
<td>4.1%</td>
<td>371,255</td>
<td>12.6%</td>
<td>1,012,030</td>
<td>26.3%</td>
<td>1,845,875</td>
<td>39.8%</td>
</tr>
<tr>
<td>East Asian</td>
<td>61,785</td>
<td>2.4%</td>
<td>165,685</td>
<td>5.6%</td>
<td>384,585</td>
<td>10.0%</td>
<td>667,520</td>
<td>14.4%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>15,325</td>
<td>0.6%</td>
<td>54,960</td>
<td>1.9%</td>
<td>77,930</td>
<td>2.0%</td>
<td>278,285</td>
<td>6.0%</td>
</tr>
<tr>
<td>African</td>
<td>12,135</td>
<td>0.5%</td>
<td>26,635</td>
<td>0.9%</td>
<td>166,850</td>
<td>4.3%</td>
<td>117,845</td>
<td>2.5%</td>
</tr>
<tr>
<td>Aboriginal</td>
<td>6,715</td>
<td>0.3%</td>
<td>17,320</td>
<td>0.6%</td>
<td>38,280</td>
<td>1.0%</td>
<td>45,730</td>
<td>1.0%</td>
</tr>
<tr>
<td>South Asian</td>
<td>5,650</td>
<td>0.2%</td>
<td>71,490</td>
<td>2.4%</td>
<td>212,420</td>
<td>5.5%</td>
<td>484,480</td>
<td>10.4%</td>
</tr>
<tr>
<td>Middle Eastern and West Asian</td>
<td>2,455</td>
<td>0.1%</td>
<td>16,375</td>
<td>0.6%</td>
<td>70,225</td>
<td>1.8%</td>
<td>147,770</td>
<td>3.2%</td>
</tr>
<tr>
<td>South and Central American</td>
<td>765</td>
<td>0.0(3)</td>
<td>18,790</td>
<td>0.6%</td>
<td>61,740</td>
<td>1.6%</td>
<td>104,245</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Total Population</strong></td>
<td>2,580,050</td>
<td>100.0%</td>
<td>2,958,115</td>
<td>100.0%</td>
<td>3,850,695</td>
<td>100.0%</td>
<td>4,638,615</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada (2005b).*
In 1966, a new immigration policy based on a points system involving qualifying characteristics including age and occupational qualifications, replaced the older system which stressed sponsorship. This sparked the second major wave of immigration to Toronto from the late 1960s to late 1990s. Not coincidentally, only a year prior to changes in the immigration policy the Canadian government commissioned the Preliminary Report of the Royal Commission on Bilingualism and Biculturalism, which is commonly referred to as the first use of multiculturalism as a social policy for managing ethnic differences. The change in immigration policy and the onset of a formalized multiculturalism policy signaled Canada’s willingness to accept further immigrants from non-European ethnic backgrounds. The ripple effect was immediate in the visible ethnic minority demographics of Toronto as Table 2.1 attests. In a matter of thirty years non-European immigration from the Caribbean and Latin America (especially from the late 1960s to 1980s), and South and East Asia (mainly in the 1990s) multiplied by almost tenfold, comprising 1,845,875 residents or 39.8 percent of Toronto’s 2001 total population.

With an increase in the visible ethnic diversity of Toronto’s population, policy responses became necessary to meet the demands and concerns of the changing population which can be traced in three distinct phases. With the advent of the 1971 policy on multiculturalism, the first phase stressed cultural reinforcement in public activities. Facing pressures to assimilate, many ethnic groups sought public support during this phase to maintain their traditions and heritage. For example, ethnic minority groups were supported by the government to bring their “cultures” into public activities in events such as Black History week10 (see Canadian Heritage 2006) or Caribana, a festival dedicated to capturing the “spirit” of the Caribbean peoples living in Toronto.

By the late 1970s, the increasing number of ethnic groups living in close proximity to each other fostered policy responses to strengthen inter-group relations in the city. In the background there was a growing concern that discriminatory attitudes based on negative feelings by the dominant population towards ethnic minority groups were restricting inclusion and integration. There was “a feeling that the dominant group … was trying to exclude others, maintain control, or limit ethnic group participation” (McLeod and Kyrugly-Smolska 1997: 2). Community institutions from media to business were not recognizing the full participation of all. As a consequence, Toronto’s public institutions were encouraged to setup and participate in diversity training programs that sensitized individuals to ethnic differences. The end goal of these programs was to “open-up” public institutions to greater ethnocultural diversity in both the content and delivery of its service.

Finally, in the third phase from the late 1980s to mid-1990s, anti-discrimination policies were strongly emphasized. This phase is marked by public policies in Toronto that sought to combat racism, which was also particularly featured in other

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10 From 1976 onwards, this was changed to Black History month which occurs annually in February.
larger Canadian urban centres such as Vancouver or Montreal. The central issue during this phase was that racism based upon physical characteristics had not been sufficiently addressed in the policies promoting and advocating multiculturalism. Anti-Black and anti-Asian prejudices in the workforce and in everyday life, though sometimes subtle, were present and became a public issue. As a consequence, media campaigns, increased ethno-cultural activities in schools, and diversity training in the workforce were anti-discrimination initiatives created and actively supported by both the province of Ontario and city of Toronto.

The non-European, visible ethnic minority groups that dominated second-wave immigration to Toronto largely differed from the first wave, since they were more formally educated and experienced in skilled occupations. This was the result of a more stringent process in accepting immigrants based on a points system which rewarded skills and education, to the extent that 80 percent of newcomers to Toronto are secondary school graduates and 40 percent have completed tertiary level education (City of Toronto 2001b). However, upon arrival many found they were not readily employable in the profession of their home nation. Professional degrees such as medicine and engineering were not recognized by professional associations in the province of Ontario. Hence, as will be seen in the following chapters, Toronto is home to some of the most highly educated, low-wage employees in the world. This is prevalent notwithstanding the fact that in the last decade and a half, the process of skill-biased technical change in Toronto’s labour market has meant a growing demand for highly educated workers at the expense of displacing poorly qualified workers. As such, there is often a strong undertone among first-generation, second-wave, non-European group members that they feel “cheated” upon settlement in Toronto. Like the first-wave, many felt they were brought here to undertake jobs that Torontonians no longer wanted.

This observation should be tempered by the fact that there is a trend towards increasing qualification levels in all occupational categories, even in low status, low paying positions. As the educational attainment of Toronto’s population rises, well-educated labour irrespective of ethnic minority status are forced into low status, low skill and low paying positions. In addition, solace can be found by the observable trend that children of immigrants with higher education are more likely to succeed in the education and occupational market than previous generations (see Perlmann and Waldinger 1997). Furthermore as discussed in the next chapter, the socioeconomic performance of today’s workers depends not only on parental skills, but also on the average skills of the ethnic group in the parents’ generation (or ethnic capital). In short, the evidence potentially suggests that residential segregation and the external effect of ethnicity are linked, partly because ethnic capital summarizes the socio-economic background of the neighbourhood where the offspring were raised. Understanding residential patterns, ethnic enclaves and ethnic economies are thus important since ethnicity has an external effect, notably when children are frequently exposed to persons who share the same ethnic background.
From another standpoint, Toronto’s ethno-cultural groups represent a significant national asset. For example, the Portuguese group is part of this complex and rich cultural mosaic, and their impact is visible in the physical landscape of Toronto’s “Little Portugal”. Here the Portuguese language, culture and businesses have transformed the geography of the city. However, is the continued existence of numerous (and growing) ethnic enclaves and economies an asset to the city?

The Ethnic Enclave and Economy

The settlement patterns of ethnic minorities can often be a reliable indicator of measuring a group’s integration into the wider society. The assumption is that a group isolated in a particular area may not be participating in the labour market to the fullest extent. Moreover, ethnic group members living in close proximity to each other may significantly reduce their potential to interact with other ethnic groups. Settlement and location patterns of ethnic minorities may therefore serve as an indicator for the potential economic, social and political integration of ethnic minorities.

It is thus not surprising that research on ethnic minorities has highlighted the socio-economic and residential functions of ethnic enclaves. Historically, ethnic enclaves have served as an initial destination for immigrant groups, providing ethnocultural support, a strong ethnically-based social network, and for many a viable source of employment. Not only are ethnic enclaves institutionally complete ethnic communities, but they often develop strong economic activities which serve their ethnic community. For example, Zhou (1992: 96-97) indicates that “no longer does [New York’s] Chinatown serve as a home for immigrant Chinese … it has become a consolidated community based on an increasingly strong ethnic economy”. In other words, the ethnic economy has evolved into a space in which ethnically based networks can finance and supply the information and labour requirements of ethnic entrepreneurship.

While the ethnic economy provides an impetus for ethnic entrepreneurship, these businesses are not necessarily spatially bounded to one location; and may serve the general market of a city. It is therefore important to distinguish between the ethnic economy and the ethnic enclave economy. An ethnic economy refers to the operations of any ethnic group within a city, whereas an ethnic enclave economy has a dimension of locational clustering of businesses. The distinction has led to an ethnic enclave economy hypothesis which argues the ethnic enclave economy represents a strong place of opportunity to search for jobs, and ultimately enables recent migrants to achieve wages\textsuperscript{11} or a return on human capital comparable to those in the primary labour market (see Wilson and Portes 1980).

\textsuperscript{11} The hypothesis essentially argues that the ethnic enclave economy tends to “reproduce the crucial features of the centre economy” (see Wilson and Martin 1982: 138).
While the importance of the ethnic economy and ethnic enclave economy in maintaining and strengthening ethnic enclaves can be understood on the basis of an economic argument, social explanations for the existence of ethnic enclaves are also prevalent. According to the classic school of thought, social relations are correlated with spatial relations, and likewise, social distance is correlated with physical distance (see Park 1952). Thus, the wider the social distance the greater the propensity for higher levels of ethnic residential segregation. Some may interpret this to mean residential patterns of ethnic groups are a function of the social distances between them and also, their socio-economic statuses (see Balakrishnan 2003). Since ethnic groups may have migrated at different points in time, which is indeed the case in Toronto, their linguistic, educational and occupational skills may vary widely in aggregate terms. The lack of economic and social capital may result in certain ethnic minority groups living in predominant, distinct enclaves of a city. However, as ethnic minority groups establish themselves in the labour market, with increased financial resources they may attempt to convert their occupational mobility into residential movement away from the ethnic enclave. One can potentially argue this process effectively encourages a desegregation of ethnic residential patterns and opens the way for increased contact with the ethnic majority (see Alba and Nee 1997).

Although there is merit to this perspective, it does not fully account for situations where there still remains a segregation of ethnic groups in spite of socio-economic advancement such as the Jewish enclave in Toronto. The ethnic-identity hypothesis may provide an explanation for such cases. It postulates members of an ethnic group choose to live in close proximity so social interaction can be maximized, and group norms and values maintained. This differs from theories of social distance since it stresses greater emphasis on the self-identity of members of a particular ethnic group. Put succinctly, greater intensity of ethnic identification may lead to higher odds for residential segregation. This level of ethnic identification is a function of not only historical and political realities, but also of the “strength of commonly held beliefs and values, kinship networks, and feelings of solidarity” (Balakrishnan 2003: 65).

This may imply that split labour market theory does not necessarily apply to ethnic enclave economies. That is, in the secondary labour market, wages and job satisfaction are generally low; however, this is not the case for workers in the ethnic enclave were the converse is observed. It must be noted that critics have argued recasting the ethnic enclave economy hypothesis as exclusively about workers’ wages has distorted its insights. For example, Light et al (1994) argue that since a substantial proportion of those employed in the ethnic economy are self-employed individuals, the hypothesis may be irrelevant.

12 Social distance can be measured by variables such as “the [general population’s] acceptance of a particular ethnic group as colleagues, neighbours, close friends or spouses” (Balakrishnan 2003: 65).

13 Rumbaut (1994) suggests ethnic minority members who perceive being discriminated against are more likely to identify with their own ethnic group, and thus have a greater propensity to live within a residentially segregated enclave.
Historically, the first-wave of immigration altered Toronto’s social and economic space significantly. The city rapidly became a mosaic of ethnic neighbourhoods – a city of “homelands” as depicted by the various neighbourhoods displayed in Image 2.1. Following the pattern observed by English geographer Ernest Ravenstein’s in his “Laws of Migration”, most immigrants settled in the inner city where they built distinctive enclaves with their own ethnic economies; in which they attempted to reproduce many of the features and traditions left behind in their countries of origin.14 A wonderful example typifying the experiences of the large ethnic groups migrating in the first wave involved the Italian community who concentrated in the St. Clair and Dufferin area, near a small, pre-World War Two Italian ethnic enclave in the Davenport and Dufferin area. Both areas, which now form Corso Italia, were very close to the junction of the Northern Railway and the Ontario and Quebec district line of the Canadian Pacific Railway, where many Italian labourers worked (see Zucchi 1988; Harney 1979). Upon arrival, Italians began to create their own enterprises to service the growing Italian community in the area according to cultural practices, such as pasta factories, bakeries, meat markets, and grocery stores. As their small enterprises grew, their status and income varied greatly within the enclave. Similar to larger ethnic economies that prospered during the first wave of immigration, such as Greek Town or Little Portugal, small Italian businesses and large enterprises within Corso Italia mainly employed members of their extended family, as well as employees from the same ethnic background. This is a very important note that will be revisited in later chapters. In contrast, many second-wave immigrants, from the Caribbean, Latin America, South Asia and Africa, have largely bypassed the traditional immigrant reception areas in Toronto in favor of immediate settlement in the city’s “older” suburbs (e.g., Etobicoke, North York and York). As a result, their residential geographies are more diffuse and complex than the settlement patterns of European immigrant groups who arrived in Toronto before the 1960s. For second wave ethnic minority groups there were no pre-existing enclaves to assist their integration in Toronto. Thus, the residential segregation of this cohort is generally the result of the structure of the housing market, job opportunities and individual location preferences.15

14 One of the major tenets of Ravenstein’s “Laws” was the notion that long-distance migrants will settle in centers of commerce and industry (see Ravenstein 1885, 1889).
15 It should be noted that the legacy of racial discrimination observed in United States was not a major factor for residential segregation in Toronto (see Qadeer and Kumar 2003).
When examining the residential concentration of ethnic groups using Statistics Canada 2001 census tracts, which are based on an area with a population of 4,000, contemporary ethnic enclaves can be identified when a particular ethnic group has a primary concentration of more than 50 percent of the area, and a secondary concentration, if it is the single largest ethnic group. The results show that there is a low concentration of British and French descendants suggesting their strong residential integration throughout the city. Map 2.1 illustrates the Portuguese community is concentrated in the western part of the center of the city, with 50 percent living in 9.6 percent of the census tracts. Among European groups, Italians are also one of the most concentrated. Half of the Italians in Toronto live in 13.4 percent of the census tracts. Italians have sizeable enclaves where nearly 63,000 have a primary concentration in 14 census tracts and 80,000 live in areas in which they have a secondary concentration. The most residentially concentrated ethnic group is the Jewish community, where 50 percent of the Jewish population live in 3.7 percent of the census tracts, and 90 percent of this ethnic group live in 26.2 percent of the census tracts. The primary concentration of the Jewish population is along Bathurst Avenue, bordering Steeles Avenue to the north and as far south as St. Clair Avenue West.

Visible ethnic minorities form one of the most residentially concentrated groups. For example, 50 percent of Chinese live in 10.1 percent of the census tracts. Put another way, around 65,000 Chinese have a primary concentration in 21 census tracts, and approximately 142,000 live in areas where they have a secondary concentration. Chinese restaurants, stores, malls and community centers are ethnic characteristics imprinted along these census tracts. Interestingly, the two historical Chinatowns,
on Spadina and Dundas West (West Chinatown – see Figure 2.2), and Broadview and Gerrard (East Chinatown) no longer have a primary concentration of a Chinese population, but instead, are slowly serving as the residential destination for a heterogeneous mix of ethnic groups – albeit the majority of this new cohort are East and South-East Asian ethnic groups. Among South Asians, half live in 13.4 percent of the census tracts with concentrations in Scarborough, and Toronto’s surrounding area, notably Rexdale, Malton and Brampton. For the African population, 50 percent live in 15.7 percent of the census tracts, and among the Caribbean population, half live in 16.9 percent of the census tracts.

Map 2.1 Distribution of Concentrated Ethnic Populations in Greater Toronto Area, 2001
In general, Toronto’s ethnic enclaves are usually small – although the Italian and Chinese ones are exceptions – and occupy multiple census clusters. Furthermore, they are often organized on the basis of national origins. Ethnic enclaves usually house specialized ethnic institutions, such as religious buildings, ethnic oriented community services and commercial enterprises. In particular, multicultural policies in Canada have supported the development of ethnic based institutions under the premise of preserving ethno-cultural heritage. It should also be pointed out that despite the primary concentration of selected ethnic groups this does not necessarily mean that these groups live in isolation from other ethnic groups. Quite the contrary, other ethnic groups do live within or nearby enclaves that predominantly comprise of one particular ethnic group.

The order of concentration of the major ethnic groups has remained very stable when compared to studies in earlier periods in Toronto (see Balakrishnan 2003). When examining the census tracts from 1991 to 2001, British, French and Western European groups are the least concentrated and visible ethnic minority groups the most concentrated. This can led one to ponder whether these differences are due to social class, social distance or cultural cohesion? Given that these variables are often inter-related (see Borjas 1995; Massey and Denton 1988; Park 1952), it is difficult to separate their effects. Nevertheless, certain observations can be attributed to these variables. According to one model, lower income ethnic groups have a higher propensity for residential segregation (see Borjas 1998). In the Toronto case, this observation holds true in most instances. For example, European groups have a higher socio-economic standing as seen in the tables of the next two chapters.
and tend to be the least concentrated, while visible ethnic minority groups seem to have lower socio-economic positioning and a higher residential concentration. According to the United Way of Greater Toronto and the Canadian Council on Social Development (2004) and Galabuzi (2001), Toronto’s high-poverty neighbourhoods (double the national average) are disproportionately inhabited by visible ethnic minority members.

The observations in Toronto raise a plethora of additional questions: Is high residential concentration a primary characteristic of poorer areas in Toronto? Or does a high concentration of an ethnic group lead to neighbourhood poverty? To forge a generalization on these queries may be problematic and controversial.\textsuperscript{16} Residential concentration may be a reflection of occupational concentration. As discussed previously, the first-wave Italians were concentrated in certain occupations (and specific locations) due to limited skills and language facility. Their census tract concentration levels, especially in the city centre, may be a legacy of this pattern. From another standpoint, while it is true many visible ethnic minorities are residentially concentrated in poorer areas of the city, the census tract concentrations of other visible ethnic minorities, for instance select Chinese communities, suggests that their residential concentrations do not fit lower socio-economic parameters. Moreover, the residential segregation of visible ethnic minority groups may decrease with future generations. The underlying premise being, those who are born and socialized in Toronto will most likely have more extensive social networks outside their ethnic community and therefore greater chances for social mobility outside their ethnic enclave. Of course, the strong bond between generations involving expectations and obligations varies between ethnic minority groups and individuals, which make generalizations difficult, if not impossible.

The close proximity of members of the same ethnic minority group in Toronto suggests there is a greater propensity to forge personal relations and interact in the everyday with one’s own ethnic minority group. Whether or not this occurs in a meaningful manner will be the subject of the next section.

\section*{Inter- and Intra-Group Interactions}

One of the advantages of Canadian multiculturalism policy is that it strives to define and celebrate Canadian identity by promoting the nation’s ethnic diversity. With nearly 40 percent of Toronto’s population comprising of visible ethnic minorities, Torontonians do not necessarily need policies to point out the obvious demographic ethnic diversity. However, in the name of promoting intra- and inter-

\textsuperscript{16} For instance, several studies in the United States have controversially indicated a correlation between an increase of African-American group residential concentrations, and a decrease in the overall socio-economic status of the area (see Massey and Denton 1989; McKinney and Schnare 1986).
ethnic interactions and enhancing the image of a multicultural Toronto, the city has supported numerous ethno-cultural festivals such as International Festival Caravan showcasing dance, music and cuisine of over thirty ethnic groups living in the city; the Chinese International Dragon Boat Race; the Festival of Southeast Asia; Muslim Fest; Mabuhay Philippines Summer Festival; Taiwanfest; Taste of Little Italy; and its Greek version, Taste of the Danforth.

One of the most famous ethnic-oriented festivals in the city is Caribana. Since 1967, Caribana has been held in late July and early August showcasing Caribbean culture and traditions. Festival events include “De Caribana Lime”, a full day of Caribbean food and performances in song, dance, drama and storytelling; and, a music series featuring calypso and reggae performers. The festival culminates in a 3.6 kilometer (2.2 miles) Carnival-style, street parade along Lakeshore Boulevard, featuring colourfully dressed dancers, steel band, calypso music and floats (see Figure 2.3). With over 1.2 million Torontonians and visitors, spanning different ethnic

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17 Although Caribana often presents the Caribbean culture as unified entity, there are numerous cultural differences between the various islands of the Caribbean, owing to differing histories and colonial experiences. In fact, Caribana itself was originally introduced by a Trinidadian who modeled the festival based on the annual Trinidadian Carnival. The legacy of this can be seen in the mostly Trinidadian influences of the events throughout the festival, including steel pan and soca/calypso performances.
backgrounds participating in the festival each year, the celebration of Caribbean culture is not only popular, but profitable, bringing in over $300 million to the local economy (see CTV News 2007).

From its inception, reviews of Caribana have been mixed. Back in 1971, the Toronto Star newspaper marveled at the island tropical atmosphere brought right home to the city:

Calypso music drifted over the cool, green water and a warm breeze carried the sound of steel band and singing off into the summer night. A floating party in the Caribbean? Would you believe Toronto Harbour? (quoted in Reiss 2011).

Although Torontonians have indulged in the “foreign” exoticism of a non-threatening version of Caribbean culture over the past 40 years, many local Caribbean have often wondered whether Caribana derails the progressive strides made by members of the Caribbean community in Toronto (see Gallaugher 1995; Jackson 1992). For example, in the major Toronto-based Caribbean newspapers, Contrast and Share, articles and editorials often worry Caribana portray peoples of the Caribbean as mainly “happy go lucky” and “fun loving”, rather than present their economic and social achievements.

It is apparent that many festivals such as Caribana satisfy Canadian multiculturalism’s goal of celebrating cultural diversity; and it is evident that Toronto has been very supportive in promoting these initiatives. The problematic aspect of this “celebration of cultural diversity” is that in most instances, it fails to include an acknowledgement and recognition of socio-economic group inequities. In other words, ethno-cultural festivals in Toronto often revolve around promoting music, dance and food, suggesting ethnic minorities are still being held in check by the earlier, less threatening, cultural reinforcement stage of multiculturalism discussed earlier. The Canadian Race Relations Foundation in Toronto offers a different viewpoint. In conversation they articulate,

multiculturalism is a good way to introduce people to different cultures. However, the multicultural documents give immigrants a false positive of the reality of what the country is about. That is, an image of ethnic group togetherness. The truth is most people do not know much about ethnic minorities and their livelihoods.

The Canadian Race Relations Foundation hopes that ethno-cultural festivals encourage individuals and ethnic groups to learn about each other. Of course, such festivals often represent an important “narrative touchstone” in the way many individuals define themselves (see Bramadat 2004). Whether a member of a particular ethnic group entirely embraces or rejects the often picturesque and celebratory portrayal of their ethnic community during these festivals, it is not the only venue for ethnic groups to learn about, and interact with, each other.
Strong ethnic networks of contacts and kinship are important influences on ethnic group representation and interactions. For example, among first wave immigrants, due to an immigration policy that favoured family sponsorship, members of ethnic groups who migrated during this period are still characterized by a high degree of group cohesiveness, culture identification, language retention and residential segregation. Using the Italian experience as an example, intimate and relatively constant inter-ethnic group interactions are less prevalent among the first generation than their offspring (see Cameron and Lalonde 1994). That is, the second generation who have been socialized in Toronto their entire lives are more open to the possibility of inter-ethnic group interactions than the previous generation. However, accompanying the experiences of the second generation is a decline in ethnic identification. This can lead to the conclusion, for example, that second generation Italians have taken on their ethnic identity by association. Given the strong decline in the cohort’s command of Italian, they make connections of being Italian-Canadian by the consumption of Italian food or driving Italian cars. They are, in effect, subscribing to being an ethnic Italian in ways very much different from their parent’s generation.

While the decline in ethnic identification is not necessarily a major issue with the relatively recent second wave of immigrants yet, one of the central issues affecting group interactions among this cohort is discrimination (whether real or perceived). According to Statistics Canada’s 2002 Ethnic Diversity Survey, 37 percent of visible minorities in Toronto sampled reported being discriminated or treated unfairly (defined by the respondent) by others due to their ethnicity, culture, skin colour, language, accent or religion in the last five years. Disaggregated by ethno-cultural groupings, the number rises as high as 52 percent of Blacks (predominantly from the Caribbean and Africa) and ranges between 33 to 35 percent among Asians, Chinese and South Asians.

In response, communities such as the Caribbean group have developed adaptive responses which have further moulded the mandate of distinctive ethnic-based institutions. The Caribbean communities have worked with existing Island associations (e.g. Jamaican-Canadian Association, the Trinidad and Tobago Association, Grenada Association) and developed relationships with organizations such as the Black Business and Professional Association, and Black Chamber of Commerce, to provide business advice, personal and family counselling, and legal counsel to serve its members. Initiatives such as Black Pages, which contains a directory of Caribbean and African businesses (see Figure 4.1), have been created to combat the potential threat of discrimination and economic disadvantages to the Caribbean population.

**Conclusion**

This chapter has illustrated how ethnicity can be a malleable concept, even susceptible to an observer’s tendency to tribalize. The history of dealing with
two dominant groups, as well as recent waves of migration from non-traditional, European ancestries, has vastly influenced the adoption of ethnic self-identification in Canada. Moreover, the evidence presented in this chapter suggests that ethnic enclaves continue to serve as a potential source of social networks and livelihoods for members of ethnic minorities.

From another viewpoint, the institutionalization of ethnic relations may be a double-edged sword. On the one hand, celebratory festivals and events showcasing ethnic traditions and culture serve as a mechanism to promote ethnic minority groups to the mainstream. Yet, harsh criticism can be levied when a packaged and commodified version involving song, dance and foods is presented of a particular ethnic minority group. The central concern is that the socio-economic struggles of many ethnic minority groups are being masked when a celebratory version of their culture and traditions is presented. Suffice to say, the well-being of ethnic minorities remains a contested issue which becomes more evident when examining the educational and occupational outcomes of ethnic minorities.
Chapter 3
Education

Formal education is often seen as a channel through which social and economic equity for the general population can be relatively achieved and further, provide a path for future economic and social security. This is demonstrated when examining schools in Toronto which have adopted strong efforts to improve educational opportunities for ethnic minorities by instituting preferential treatment and equal opportunity programs – often working in combination with higher-level government agencies. In order to analyze these initiatives, this chapter will examine the educational process and its subsequent outcomes for ethnic minorities. First, the idea of education as human capital investment will be explored, espousing the reasons why education is an important tool for ethnic minority integration in the short and long term, and the theories of schooling that aid in the interpretation of this discourse. Attention will then turn to examining the educational process in primary and secondary schools, and thereafter university, discussing ethnic minorities’ experiences and the various programs adopted to improve their educational opportunities. The chapter will conclude by presenting the educational outcomes for ethnic minorities in Toronto, including an analysis and discussion of these findings.

Human Capital and Inter-Generational Transfer

The level of Canadian investment in formal education is enormous. Public expenditures on elementary, secondary and tertiary schooling totaled approximately CA $83 billion\(^1\) or 6.1 percent of 2005 GDP (Statistics Canada 2006a).\(^2\) Coiled in the heart of this financial commitment, among other things, is an appreciation that education fosters an individual’s potential to integrate within the community at large, as well as providing a strong potential for greater inter-generational integration. In particular, theories of schooling suggest that the communities in which ethnic minority children grow up, impact the quality and quantity of their human capital investments and inter-generational transfers in education. This may suggest varying outcomes for ethnic minority children living in different communities.

Although several theories have been developed to discuss the role education plays in the human capital investment process they are not always mutually

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1  CA $1 = US $1.
2  This does not factor the estimated dollar value of time parents spend nurturing and teaching their children.
exclusive. In general, a combination of variables such as an individual’s ability, parental investment, the community’s background and school quality are utilized to understand human capital investment and inter-generational transfer of education.\textsuperscript{3} This is largely acknowledged by the Child Quality-Quantity Model. At crux, the model suggests that after controlling for financial resources and genetic endowments, substantial inequalities in earnings throughout one’s lifespan may be a result of differences in parental investment and family environment. In fact, the size of the family is a good proxy for the time investment a parent potentially has for a child (see Chiswick 1988; Becker and Lewis 1973). The idea here is that parental investment can increase the child’s productivity in schooling, akin to how teacher investment and quality increases academic test scores.

One can expand upon the Child Quality-Quantity Model by analyzing the extent to which ethnic skill differentials are transmitted across generations. Findings suggest that not only are the skills of the next generation dependent on the quality and quantity of parental inputs, but also on the “average quality of the ethnic environment in which parents make their investments or ‘ethnic capital’” (Borjas 1992: 124). In brief, ethnicity can act as an additional causal factor in the human capital accumulation process. If the external effect of ethnicity is particularly strong, this may imply that the average skills of the next generation may correlate strongly with the average skills of the current ethnic group generation, and may even persist for several generations thereafter.\textsuperscript{4}

While the differences in the level of ‘ethnic capital’ may reduce economic mobility among ethnic groups, another theory put forward to explain ethnic group differences in schooling is that ethnic groups with higher levels of education may have a “taste” for schooling. Quoting Chiswick (1988: 577):

\begin{quote}
It is often said that the high level of schooling for some ethnic groups arises from a greater preference … or from a higher value placed on future consumption compared with current consumption. By implication, the ethnic groups with lower levels of schooling do not have such preferences for schooling or do not place as high a current value on future outcomes.
\end{quote}

\textsuperscript{3} For example, a model of optimal schooling was developed by Becker (1967, referenced in 1993), further retested by Behrman and Taubman (1985), and interpreted in ethnic group terms by Chiswick (1988). At the most basic level, each version of this utility-maximizing model suggest the individual has a demand or marginal benefit that reflects the marginal efficiency of educational attainment and a supply or marginal cost that reflects a discount rate (Sweetman and Dicks 1999: 671).

\textsuperscript{4} Borjas (1995) finds that ethnicity still has an external effect, even among persons who grow up in the same neighbourhood and more notably, when children are exposed frequently to persons who share the same ethnic background.
Underlying this thinking is a possibility that there are “ethnic group characteristics” that allow one group to acquire more units of human capital per dollar of investment. For instance, an ethnic group may learn more in school due to supplemental training received by the parental investment or the ethnic community. Moreover, if an ethnic population feels insecure in its present location – either for historical reasons or otherwise – it may prefer to have investments in assets that can be easily moved. In essence, given that human capital is more portable and transferable than other forms of capital, an ethnic group who are fearful of uprooting may attach a “larger implicit risk premium on non-human capital” (Chiswick 1983: 334). What this implies is that certain ethnic groups may implicitly prefer higher human capital investments (i.e. higher level of schooling) and less preference for investments that are less portable and transferable. Yet, when examining the feasibility of the “taste” for schooling hypothesis across major ethnic groups, ethnic group variations in rates of return tend to arise from differences in the ability to convert the schooling process into earnings (see Chiswick 1988). Interestingly, these differences may occur due to the level of parental investments as previously discussed. It appears that the members of “more successful” ethnic groups had parents with higher levels of schooling and had a relatively small family size, equating to less competition for parental time.

Suffice to say, the inter-generational transmission of human capital plays a prominent role in predicting future educational attainment. Perhaps even to the extent, when Borjas (1995) looks at the inter-generational transmission of human capital and earnings among ethnic groups in the United States in the twentieth century, he estimates approximately four generations or roughly 100 years are required for an ethnic group’s economic convergence to the dominant population. While Borjas’ study analyzes the 1910, 1940 and 1980 Censuses and General Social Surveys, Sweetman and Dicks (1999) analysis of relatively recent Census data in Canada observed very slow inter-generational convergence in ethnic groups’ level of formal education and returns to education consistent with Borjas’ time scale. This suggests that there is only long-run convergence in ethnic group differences in educational outcomes. Moreover, there may be a substantial gap between equality of opportunity and equality of outcomes as measured by rate of returns to education benchmarks (see the last section of Chapter 4 for examples of benchmarks).

Overall, these ideas are enormously helpful in illustrating the role of ethnic affiliation in the inter-generational transmission of both educational quality and quantity. As will be seen, public education programs in Toronto are mindful that ethnic minority communities need to be taken into account in the design of equity or equal opportunity policies in primary, secondary and tertiary schooling.

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5 While the portability of human capital is an important variable to examine, it should be pointed out that the national origin of an individual’s human capital is a crucial determinant of its value. As Friedberg (1996) observes, education acquired abroad may be valued less than education obtained domestically.
Primary and Secondary Schooling

Primary and secondary school education in Toronto is directed by a higher government body at the provincial level. Since Canada’s Constitution of 1867, education has been established as the domain of the provinces and not the federal government. The Ontario Ministry of Education and Training is thus charged to set the curriculum for Toronto’s school boards. In Ontario, all permanent residents between the ages of 6 and 16 must attend school. School boards are required to offer a minimum of 194 school days for elementary (grades 1-6), middle (grades 7-8) and high school (grades 9-12) (Ontario Ministry of Education and Training 2007). At the discretion of the school board, this is often divided into three terms for elementary and middle schools, and two terms for high school, based on a five day week.

Unlike other international jurisdictions, there are no examinations for students to enter public high schools. Typically after elementary school, students progress to the nearest middle school and thereafter the high school in their geographical district. The high school program however is based on a credit system, requiring 30 credits (one credit reflects a minimum of 110 hours of course work or its equivalent) to obtain a secondary school diploma. 18 of the 30 credits are compulsory, covering subjects such as English (4 credits), French (1 credit), Mathematics (3 credits), Science (2 credits), Canadian History (1 credit), Canadian Geography (1 credit), Arts (1 credit), Health and Physical Education (1 credit), Civics (0.5 credit) and Career Studies (0.5 credit). The remaining 12 credits are optional and the student selects from the range of courses offered by their high school. In addition, students must complete 40 hours of community service and must pass the Ontario Secondary School Literacy Test taken in Grade 10.

The setup for Toronto’s primary and secondary schools reflects the history of Toronto pre-World War Two. Many of the early promoters of public education in Toronto were closely associated with Christian churches and advocated a public education system grounded in Christian values – evident in the city’s four major publicly-funded school boards. The largest, the Toronto District School Board was created in 1998 following the merger of former municipalities’ school boards. With a student population of 181,000 in 451 primary schools and 89,000 in 104 secondary schools, it is also Canada’s largest school board, with an annual budget of CA $2.3 billion (Toronto District School Board 2007). The ethnic diversity of the Toronto District School Board mirrors the city’s demographics. Almost half of Toronto District School Board students speak English as their second language, with more than 80 languages represented as the first language. More than 80,000 (30 percent) combined primary and secondary students were born outside of Canada, representing...
over 175 nations; and more than 27,000 (10 percent) have been in Canada for less than three years. Toronto’s historically rooted Francophone and Catholic communities are also represented in the city’s other school boards. The Conseil Scolaire de District du Centre-Sud-Ouest has set up 26 elementary schools and 9 secondary schools in the city’s boundaries to serve the minority Francophone community (see Conseil Scolaire de District du Centre-Sud-Ouest 2007), as well as the Conseil Scolaire de District Catholique Centre-Sud with 6 elementary schools and 1 secondary school in Toronto, serving the Catholic Francophone community (see Conseil Scolaire de District Catholique Centre-Sud 2007). The Catholic community is also represented in the Toronto Catholic District School Board, formerly the Metropolitan Separate School Board, with over 87,000 students in 201 elementary and secondary schools (Toronto Catholic District School Board 2006). In the last 60 years, Toronto Catholic District School Board schools have been dominated by Italian and Portuguese student demographics, although this has slowly changed as a result of the later part of second-wave immigration, where Catholic-dominated, Latin American, Eastern European and Asian (especially Korean and Filipino) ethnicities are prevalent. Francophone and Catholic schools teach the provincial curriculum, supplemented by a bilingual education for the former and Catholic teachings and efforts to promote a Christian community in the latter (see Figure 3.1).
The challenges of teaching such an ethnically diverse community of students in the city’s school boards are tremendous. It is still in recent memory, up to the early 1990s, that schools in Toronto were treated as homogeneous by the provincial curriculum. Schools were intended to cultivate in students a “sense of citizenship, loyalty, respect for property, deference to authority” (James 2004: 43). The underlying thinking being schools would teach “Canadian values” which are deeply rooted in Catholic-based, Anglophone and Francophone traditions. The accompanying expectation was that all incoming migrants would assimilate “Canadian values” via the school system. However, with an increasingly visible multi-ethnic makeup of Toronto’s schools, many ethnic minority parents and community groups began to vocalize their concerns and demand action to change the curriculum content to be more inclusive and relevant to the changing student demographics. Furthermore, they strongly suggested recruiting teachers who reflect the student population, and are sensitive to the needs of ethnic minorities. To this day, many parents are still concerned that their children may be alienated at their schools due in part to educators’ lack of awareness of, and insensitivity to, their educational needs and interests. As one parent with her child in a Toronto District School Board high school in York puts it,

I came to Canada in the 1960s. My child has spent his entire schooling life in Toronto. Yet it seems that all he learns is the history of English and French Canada. It is like our [immigrant] experiences or our [home] countries did not exist and have a valuable contribution to Canada and Toronto.

Another parent, of Columbian origin, adds:

In my daughter’s school, they learn French and English. It is required for her to take these classes. I just don’t understand why she is required to learn French. I mean, I understand there is a history behind it, but our history is equally important. Instead of learning French, I will like her to learn Spanish. Her school has a sizeable Hispanic population, doesn’t this make sense? She will be able to relate to this and [it will improve her] motivation.

The “Antiracism and Ethnocultural Equity in School Boards” (AEESB) guidelines, established in 1993 and accompanied curriculum materials developed by the Ontario Ministry of Education and Training, sought to assist school boards to implement principles to promote ethno-cultural equity. As the then provincial government stated, “the intent of ethno-cultural equity education is to ensure that all students achieve their potential … as well as confidence in their cultural and racial identities” (Ontario Ministry of Education and Training 1993), and as James (2004: 44) comments, to equip all students with the knowledge, skills and attitudes needed to live and work effectively in an increasingly diverse world. In practice, the AEESB guidelines have ushered “ethnic celebrations” in schools by increasing
awareness of ethnic foods, music, dance, costumes (in many ways akin to the nature of celebrations of ethnic festivals noted in the previous chapter), rather than structural changes in the curriculum. For instance, in the schools observed in York, East York and Toronto, Black History month has effectively become a period where teachers talk about various ethnic cultures, but at a superficial level nearing “cultural fluff”. This is not surprising to Ratna and Tarrow (1993) who studied teaching methods in a multicultural environment. In general, they found subject content and technical aspects of classroom management were the focus for teachers, and ethnic differences among students were not considered as important. While examining schools in Toronto, studies have observed that although teachers are generally aware of the ethnic diversity in their classrooms and aim to meet the individual needs of students, their attentiveness to the ethnic differences brought to the classroom by their students varies substantially, especially across subject areas (see Blades et al. 2000). For example, teachers in the social sciences and humanities suggested that their subject area allowed them to relate to issues of ethnicity using the curriculum. Many of the topics (mostly abstract) in the curriculum relate to ideas relating to culture and globalization. This is in contrast to teachers in mathematics and sciences who, in general, falsely assume ethnic neutrality in their subjects; or the classics of literature are universal. While most teachers recognize ethnic differences only very few understand the implications of these differences for student learning and most teachers’ awareness of ethnic differences appear to be at a superficial level, with little consideration for the role of such differences in understanding and interpreting the curriculum.

Although Toronto has been influenced by an influx of migrants and their ethnic contributions, the primary and secondary school curriculum continues to present a Catholic-based, Anglo- and Franco-centric set of topics, which in spite of many parents’ and community groups’ protestation, do not overtly invite or include the perspectives of other ethnic group understandings. In response, the principal of an East York secondary school puts it succinctly this way:

In the 110 hours per full credit a student is required to take, we are inundated with a list of content that must be covered, mandated by the Ministry [of Education]. The flexibility instructors have to provide additional teachings, to present a different ethnic groups’ viewpoint or contribution in a subject area, just does not exist in the current setup. As a result, the school tries to use the students as a resource … this gives them the flexibility to talk about their backgrounds to their fellow students … given the situation, this is the best we can do at this point.

In many respects, primary and secondary school educators in Toronto are focused on delivering the provincial curriculum, often without questioning the sources or consequences implicit in this type of delivery. Educators see their jobs as “defined by the transmission of prescribed knowledge to students” and their subsequent task is to evaluate the students’ abilities to reiterate information (McMahon 2003: 266).
Knowledge is not, however, only an object to be transmitted from the teacher who has knowledge to a student who does not. Teaching involves creating the possibilities for the production of knowledge. Educators, as the interpreters of the curriculum, are crucial to the implementation of critical and multi-ethnic perspectives that move away from typical museum-like approaches, whereby multi-ethnic education is delivered in a superficial way.

On this point, the Canadian Association of Teachers has attempted to provide guidelines for teachers to foster a multi-ethnic classroom environment. They advocate a “total school approach”, whereby each teacher ought to (1) assess the different views students hold about each other beyond the rhetoric of “we are all the same”; (2) establish the source of the views they hold; (3) reassess their teaching in the process; and, (4) examine the societal and communal sources of those views (see Canadian Association of Teachers 2006). The Canadian Association of Teachers suggest that one way of helping students from various ethnic minority backgrounds is to acknowledge that they are learning the subjects from a particular cultural viewpoint, with an implicit set of values and beliefs. Given the slow pace of curriculum changes, this is perhaps the best strategy to be employed in the short term.

Although the education system struggles to keep pace with addressing the specific needs of ethnic minorities, there is something quite interesting and unusual in the primary and secondary schools observed. Instead of social groupings based on common ethnicity (especially among the visible ethnic minority population) which may be commonplace in large multi-ethnic communities in the United States, such as those found in New York (see Waters 1994), San Diego and Miami (see Portes and Zhou 1993), in Toronto most groupings among secondary students observed are based on aspects other than ethnicity. For instance, while observing schools in York, East York and Toronto, irrespective of ethnicity, Goths group with other Goths; athletes with other athletes; etc. This holds promise that although formal education has not kept fully abreast with fostering greater intra-ethnic group accommodation, this is being met through a culturalization of shared interests beyond ethnic boundaries without formal policy interference. This is not to say that ethnic boundaries are not in the background as the conversation with two Afro-Caribbean final year high school students in York attest:

Q: Has your ethnicity played a factor in the delivery of your education?

A (Student #1): This is definitely an ethnic school, so the answer is yes. When you look at “white schools” they have better access to programs like advance placement, better access to computer networks and so on.

Q: What do you mean “white schools”?

7 In many respects, the interviewee’s intentionality when referring to “ethnic school” seems to be synonymous with “under-privileged school”.

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Table 3.1 Highest Educational Attainment by Ethnic Population, Ages 18-24, 2001

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>In School Full Time (%)</th>
<th>Not High School Graduate (%)</th>
<th>High School Graduate (%)</th>
<th>University Graduate (%)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Total</td>
<td>50.3</td>
<td>13.3</td>
<td>31.9</td>
<td>4.5</td>
<td>228,980</td>
</tr>
<tr>
<td>Non-European Total</td>
<td>59.8</td>
<td>11.1</td>
<td>24.4</td>
<td>4.8</td>
<td>88,395</td>
</tr>
<tr>
<td>Odds Ratio*</td>
<td>1.41</td>
<td>0.70</td>
<td>0.59</td>
<td>1.14</td>
<td></td>
</tr>
<tr>
<td>Middle Eastern &amp; West Asian</td>
<td>59.3</td>
<td>10.1</td>
<td>25.9</td>
<td>4.7</td>
<td>16,470</td>
</tr>
<tr>
<td>South Asian</td>
<td>59.3</td>
<td>11.8</td>
<td>23.0</td>
<td>5.9</td>
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</tr>
<tr>
<td>East Asian</td>
<td>67.5</td>
<td>8.0</td>
<td>18.5</td>
<td>6.0</td>
<td>68,870</td>
</tr>
<tr>
<td>African</td>
<td>54.8</td>
<td>13.8</td>
<td>28.7</td>
<td>2.7</td>
<td>12,595</td>
</tr>
<tr>
<td>Caribbean</td>
<td>50.2</td>
<td>14.5</td>
<td>33.2</td>
<td>2.1</td>
<td>30,130</td>
</tr>
<tr>
<td>South &amp; Central American</td>
<td>46.8</td>
<td>15.6</td>
<td>35.8</td>
<td>1.8</td>
<td>11,730</td>
</tr>
</tbody>
</table>

Notes:* The odds ratios here compare the odds of educational attainment \([p(\text{attainment})] / (1 - p(\text{attainment}))\) for non-Europeans (numerator) and Europeans (denominator) in Toronto. An odds ratio value of 1 thus indicates group equity; an odds ratio value that is > 1 indicates the educational attainment segment is more likely to occur among non-Europeans; conversely, an odds ratio value that is < 1 indicates the educational attainment segment is less likely to occur among non-Europeans.

Source: Author’s Calculations based on Statistics Canada (2005a) and Institute for Social Research (2006).

A (Student #2): Basically go to the suburbs and you’ll see what I mean.

A (Student #1): Forget the suburbs, go to Forest Hill [a Toronto District School Board high school in a prominent European dominated, East York neighbourhood]. Look at the programs they have there. Compare their extra-curricular activities to our school and you’ll see the difference right away. Their graduates think of going to [the University of] Toronto or Queen’s. Our graduates are just happy that they graduate.

A (Student #2): Ethnicity plays a role. It certainly does. My parents did not go to university.

I am the first person in my entire family to finish high school.
A (Student #1): Well you’re not there yet (laughing).

A (Student #2): I think ethnicity plays a role in education. You see it everywhere.

While statistics – such as those displayed in Table 3.1 – may reinforce the final comment made by student #2 to a certain extent, with the odds ratio of non-Europeans to Europeans ages 18 to 24 graduating high school at 0.59, the general narrative that emerges from observations in elementary and secondary schools, aside from curriculum problems, is a growing frustration by many members of visible ethnic minority groups with the process of education, primarily at the secondary school level.

Tertiary Schooling

Toronto’s three major universities (all publicly funded) – University of Toronto, York University, and Ryerson University – work diligently to ensure the incoming classes reflect the ethnic diversity of the city’s secondary schools. For example, the “Policies and Principles for Admission” at the University of Toronto encourage both undergraduate and graduate admission committees to recruit visible minority group members. Quoting the University of Toronto’s Office of Vice President and Provost (2003), “there is a responsibility to accept applications by factoring disadvantages due to adverse personal or socio-economic circumstances … or barriers faced by ethnic minorities”. Operationally, none of the three universities have a centralized approach in promoting ethnic minority inclusion, equity and diversity. Instead, they rely on a series of activities administered by various bodies throughout the university structure, with the support of Equity Officers (their formal title).

Among such activities are various “access admissions” policies, at the faculty and departmental level, which can range from a minimal quota-system such as the one employed at the Faculty of Medicine or Law at the University of Toronto, to a vaguely worded policy of “special considerations” for ethnic minority applicants who self-identify adopted by the Faculty of Pharmacy at the University of Toronto or the Faculty of Education at York University. In general, most faculties and departments have an admissions policy that aims to recruit and admit ethnic minorities with “good academic potential who have been confronted, or are from groups which have confronted identifiable social, educational and/or economic barriers to education” (Office of Vice President and Provost 2003). The list of acceptable barriers is grounded in theories of schooling which suggest one can be held back due to one’s personal background (e.g. proficiency in English, language spoken at home); family environment (e.g. family size); education opportunities (e.g. access to educational resources); and economic situation (e.g. required by economic circumstances to work to support yourself or family).
There are likewise numerous scholarships and bursaries available for ethnic minorities throughout the city’s major universities. Moreover, programs draw upon early intervention especially starting at the high school level; again, paying tribute to theories of schooling which suggest that the early stages of one’s education are the most crucial in determining subsequent higher educational attainment. For instance, at the University of Toronto three scholarship programs, the Beland Honderich Award, Big Brothers of Toronto Scholarship, and Big Sisters of Toronto Scholarship, aim to identify early grade, secondary school students with high academic potential, but who suffer social and economic hardship.\(^8\) The University seeks to identify high risk students early, who might not reach university due to a lack of support in the family environment. Equally important, mentoring and tutoring is provided throughout a student’s high school years, ensuring a support network is present during these crucial years. In addition, two programs provide access to ethnic minority students who may not readily meet the formal qualifications to enter university. A bridging program has been designed at the University of Toronto to provide academic credit and support for students who have not been enrolled in post-secondary school education and have had some time out of school. If a student achieves a minimum grade of 73 percent they are admitted to the Faculty of Arts and Sciences as a full time student (see Office of Vice President and Provost 2003).\(^9\) This is approximately 10 percent less than the usual cut-off average for being accepted into a Faculty of Arts and Sciences undergraduate program at the university. There is also a Transitional Year Programme, whereby students receive an intensive eight month, full-time course leading to admittance in a Faculty of Arts and Sciences program. In addition to formal courses, the curriculum includes tutoring and counseling ensuring that a mentorship network is also present. Typically, many Transitional Year Programme students are ethnic minorities who have left high school in Grade 10 or 11. Each prospective application is considered individually, but generally they have to convince the admissions committee they dropped out of high school for non-academic reasons. The program admits approximately 60-70 students each year, and admits between 60 to 80 percent of participants to a Faculty of Arts and Sciences program (University of Toronto 2007b). Furthermore, an outreach program “Steps to University” provides a similar level of mentoring and support to increase access to post-secondary school education for students who have been marginalized as a result of their ethnic background and economic situation. The primary goal of the “Steps to University” program is to motivate students to consider tertiary education as an option by making the university education familiar and less threatening (University of Toronto 2007a).

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\(^8\) All three programs provide financial and mentoring support for students from high school throughout university (see Office of Vice President and Provost 2003).

\(^9\) A part-time student may be admitted to the Faculty of Arts and Sciences with a minimum grade of 63 percent.
In addition to improving access to a tertiary education for ethnic minorities, there has also been ample evidence to suggest a shift in providing a greater diversity of course choices offered by university faculties and departments. For example, the University of Toronto’s Faculty of Arts and Sciences has introduced courses ranging from “Democracy and History in Korea” to “Sub-Sahara African Cinema” (see University of Toronto 2002). In York’s Department of Geography, there are courses that look at the “Geographies of the Ethnic Economy”. The growing number of ethnic-oriented courses reflects the increasing importance of ethnic minority groups and their ‘home’ and ‘host’ nation experiences. It is a step that begins to satisfy the voices echoed in the elementary and secondary school section who call upon more diversity in the curriculum – which is easier to achieve at the university level given their level of funding and available academic expertise to maintain these courses.

While the Council of Ontario Universities’ Common University Data do not require universities to collect enrolment information on the basis of ethnicity, indirect indicators may suggest all three universities’ have been relatively successful in recruiting and providing a support system for visible ethnic minorities. At Ryerson, with almost half of its 16,675 full-time and 7,272 part-time students population residing in Toronto prior to enrolment, the student body amply reflects the city’s ethnic diversity, with the university independently reporting over 99 different ethnic and national student backgrounds (Council of Ontario Universities 2007). Moreover, there are more than 25 ethnic and cultural associations at Ryerson, “celebrating the various ethnicities, traditions, religions and customs found” throughout the university environment (Ryerson 2007). At York, the diverse group of 25,934 full-time and 4,855 part-time students are similarly supported by various student ethnic and cultural associations among the 240 plus student plus clubs, including student ethnic association such as Anatolian Turkish Association, Ahmadiyya Muslim Association, Association of Chinese Students, Chinese Catholic Community and Middle Eastern Christian Society to name a few (York University 2007). Similar ethnic and cultural associations are likewise setup at the University of Toronto, the largest of the three universities, with a full-time student population of 63,742 and part-time students numbering 8,356 (Council of Ontario Universities 2007). Likewise, in professional and graduate schools who report ethnic group statistics, there is steady levelling in the ethnic minority demographics. For example, at both York University and the University of Toronto’s Faculty of Law, over 30 per cent of

10 The skeptic may argue that professional and graduate schools that report ethnic minority statistics do so since they demonstrate favourable outcomes. While this is certainly a possibility, it will be an interesting exercise to detail ethnic minority group enrolment preference by faculty and department – a possibility if public data by this dimension was released by faculty and departments in all three universities in the city. Similar to a gender enrollment bias in disciplines, one may suspect that ethnic minority groups may be over- and under-represented in certain disciplines, which may suggest a rethink in university diversity policy initiatives.
the student body is now composed of visible ethnic minority students. Perhaps the most convincing case suggesting relative success is seen in Table 3.1. Among the 18-24 age group, members of non-European ethnic groups have a higher aggregate total among university graduates than European groups, a 1.14 odds ratio. Yet, when this age group is disaggregated further, we see an uneven proportional distribution among ethnic groups, with a drastic decline of university graduates in percentage terms among Caribbean, African, and South and Central Americans, some of the most visible ethnic minority groups, suggesting room for improvements.

While access and support networks for many ethnic minority groups exists in all three universities, in contrast with secondary schools observed in Toronto, many visible ethnic minority students interact principally within their own ethnic group circle in the university environment. As a case in point, when interviewing students at the University of Toronto’s Chinese Student Association, most confessed their immediate social network comprised mainly of those of Chinese descent. A fourth year Chinese-Canadian student argues,

... I feel more at ease when I am with my Chinese [-Canadian] friends. There are common challenges that we face. Common things we can relate to, about our parents, about our heritage and traditions. It is just easier for me to have friends who are mostly Chinese-Canadians. I don’t have to explain things to them, they just know because they understand. This does not mean that I don’t talk to those from other ethnic groups, it is just that the majority of my friends are CBCs [Chinese born Canadians].

Very little inter-ethnic group interactions were also observed among the University of Toronto’s Black Students’ Association, although the trend was slightly disrupted as the association did actively promote African, African-Canadian and Caribbean students interactions. In the words of James, a member of the Association:

I don’t have any close white [European] friends. I just don’t think they understand what I face and what my family has faced living in Toronto … my parents came here in the 1970s, we have faced a lot. I am the first in my family to almost finish university … I just don’t think most white friends that I meet can understand where I’m coming from, you know what I mean? I find having friends from the Caribbean, with a similar background as me, they are reliable and I trust them more.

It should be noted that members of ethnic-based student associations may have a greater affinity and attachment to their ethnic group, and may be more inclined to interact with other members of their own ethnic group. However, other interviews and observations throughout the three universities and beyond produced a similar picture. As a case in point, another insight into the process of picking and maintaining social groupings can be seen with a Korean-Canadian university student interviewed:
Q: What are your reasons for having mostly Korean friends?

A: My family’s friends are all Korean. I go to a Korean church every week. I suppose this is the reason, it is just easier to have Korean friends who can relate to me.

Q: Can other potential friends from other ethnic groups also relate to you?

A: I’m sure they can relate to me to a certain level, but not as well as my Korean friends. The older you get, the more you understand this.

Q: Do you speak to your Korean friends in Korean?

A: No, no. My Korean is horrible, so are theirs, we were all born in Canada … I see where you are going with this … just growing up in a Korean family means certain things are understood by other Koreans who grew up in a similar family. It just makes life easier to have friends who are Korean. Fewer misunderstandings.

Unlike secondary schools observed in Toronto, there appears to be less incentive and a further inconvenience for visible ethnic minority groups to interact with other groups. In the secondary schools observed in Toronto, the relatively small size of classes meant that students are more inclined to interact with those from other ethnic groups, simply on the basis of available potential social interactions. At the university level this is not necessarily the case. Students are afforded greater opportunities to pick and choose their social groupings, notwithstanding social groupings made in a pre-university environment. This is especially pronounced when observing the seating patterns of students in the lecture theatres at the University of Toronto and York University. It was not uncommon for students to group together on the basis of visible ethnicity or ethno-linguistic similarities, e.g. Mandarin-speaking students in one part of the lecture hall or Afro-Caribbeans grouped together in another part of the lecture hall.

This should not be an affront to the sensibilities of those observing the behaviour of Toronto’s ethnic communities. Paraphrasing Bissoondath (2002), a Trinidadian born Canadian, ethnic minorities are confined to “ethnic and geographic ghettos” within Canada’s urban environment. Although Toronto has a fairly diverse ethnic minority population in absolute terms, as described to a large extent in the previous chapter, the city can best be described as local distinct communities living in separate quarters within Toronto’s boundaries. It should not be surprising, in many ways as a microcosm of the urban environment that Toronto’s universities appear to have
followed this trend to a great extent. While there is much effort to promote diversity on university campuses, the segregation of this diversity is often seen, although it is by no means absolute. What this also implies is that in spite of the support network for ethnic groups at Toronto’s universities, ethnic minority groups often lack in-depth knowledge of each other. This raises possibilities of dormant social trust issues which become observable in the next chapter on employment experiences and its implications discussed in greater depth in the penultimate chapter.

Educational Attainments

The educational attainments of ethnic minorities reflect strong efforts to improve the education standards of their minority populations. For instance, Table 3.2 illustrates a very revealing insight into the success of Toronto’s educational outputs. A first glance of the table suggests that visible ethnic minorities have achieved relative parity with or even exceeded the level of educational attainments with the dominant European groups. In fact, visible ethnic minorities are more likely to be university graduates (at the undergraduate level) than the European groups, with an odds ratio of 1.21. Moreover, at the graduate school level, there is relative parity between European groups and visible ethnic minorities. When the statistics are disaggregated between the age categories of 25-34 and 35-54, the younger population is more educated than the older population. In fact, young persons in every ethnic minority group category have a university graduate rate that is higher than the older age group; an 8.2 percent overall difference between the 25-34 and 35-54 age groups. This trend reflects the growing importance of education in the competitive, Toronto labour market; and in the long term it may indicate an educational expansion that will potentially reduce the share of poorly educated individuals at a faster rate than the decline of jobs with low educational requirements.  

While the overall statistics indicate the relative success of initiatives to improve access to visible ethnic minorities at the university level, what is disconcerting is the level of ethnic minorities having “some university” education with an odds ratio of 3.39. This may suggest there is a disproportionate number of visible ethnic minorities who start, but fail to complete their university education, a trend occurring in spite of the support network for ethnic groups at Toronto’s universities.  

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11 The underlying idea here is that the less educated labour force will be more reliant on the general demand for labour than those who are highly educated. As such, when the general demand for positions in the labour market declines it may be difficult for individuals with low education to find employment since higher educated individuals will increase the competition for low status and low paying positions. Ultimately, the less educated will be crowded out of the labour market, and those who are relatively higher educated will have greater odds of being underemployed in low status and low paying positions. In the next chapter, the question of whether this situation is transitory to a better occupational status or whether it is entrapment as a long-term reality will be considered for the ethnic minority cohorts.
Table 3.2 Educational Attainment and Odds Ratio* by Ethnic Population, Ages 25-54, 2001

<table>
<thead>
<tr>
<th>Ethnic Population</th>
<th>Did Not Finish High School (%)</th>
<th>High School (%)</th>
<th>Trade (%)</th>
<th>College (Technical Institute) (%)</th>
<th>Some University (%)</th>
<th>University (Undergraduate) (%)</th>
<th>Graduate School (%)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Total</td>
<td>20.7</td>
<td>22.4</td>
<td>8.8</td>
<td>19.8</td>
<td>2.4</td>
<td>19.2</td>
<td>6.8</td>
<td>1,324,490</td>
</tr>
<tr>
<td>Non-European Total</td>
<td>23.2</td>
<td>21.0</td>
<td>7.5</td>
<td>15.9</td>
<td>4.4</td>
<td>21.2</td>
<td>6.8</td>
<td>858,295</td>
</tr>
<tr>
<td>Odds Ratio*</td>
<td>1.26</td>
<td>0.88</td>
<td>0.72</td>
<td>0.65</td>
<td>3.39</td>
<td>1.21</td>
<td>0.99</td>
<td></td>
</tr>
<tr>
<td>Non-European (&gt; 20%)†</td>
<td>24.6</td>
<td>21.1</td>
<td>7.6</td>
<td>16.0</td>
<td>4.2</td>
<td>20.1</td>
<td>6.4</td>
<td>692,950</td>
</tr>
<tr>
<td>Non-European (&gt; 40%)†</td>
<td>15.1</td>
<td>20.4</td>
<td>9.5</td>
<td>23.0</td>
<td>4.1</td>
<td>22.6</td>
<td>5.3</td>
<td>65,820</td>
</tr>
<tr>
<td>Middle Eastern &amp; West Asian</td>
<td>21.3</td>
<td>20.3</td>
<td>6.0</td>
<td>12.1</td>
<td>5.4</td>
<td>26.3</td>
<td>8.7</td>
<td>70,160</td>
</tr>
<tr>
<td>South Asian</td>
<td>25.6</td>
<td>21.6</td>
<td>6.9</td>
<td>12.0</td>
<td>3.2</td>
<td>21.4</td>
<td>9.2</td>
<td>227,145</td>
</tr>
<tr>
<td>East Asian</td>
<td>22.6</td>
<td>18.4</td>
<td>5.1</td>
<td>14.1</td>
<td>5.5</td>
<td>26.8</td>
<td>7.3</td>
<td>334,705</td>
</tr>
<tr>
<td>African</td>
<td>23.5</td>
<td>26.0</td>
<td>11.1</td>
<td>19.6</td>
<td>3.8</td>
<td>11.8</td>
<td>4.3</td>
<td>49,250</td>
</tr>
<tr>
<td>Caribbean</td>
<td>21.0</td>
<td>23.6</td>
<td>13.3</td>
<td>27.1</td>
<td>2.8</td>
<td>10.2</td>
<td>2.0</td>
<td>126,035</td>
</tr>
<tr>
<td>South &amp; Central American</td>
<td>24.8</td>
<td>25.5</td>
<td>9.5</td>
<td>19.5</td>
<td>4.7</td>
<td>12.1</td>
<td>3.8</td>
<td>51,000</td>
</tr>
</tbody>
</table>

Notes* The odds ratios here compare the odds of educational attainment \([p(\text{attainment}) / (1 - p(\text{attainment}))]\) for non-Europeans (numerator) and Europeans (denominator) in Toronto. An odds ratio value of 1 thus indicates group equity; an odds ratio value that is > 1 indicates the educational attainment segment is more likely to occur among non-Europeans; conversely, an odds ratio value that is < 1 indicates the educational attainment segment is less likely to occur among non-Europeans.

† Represents non-European ethnic minority groups that have a demographic of 20 percent and 40 percent Canadian born respectively.

Source: Author’s Calculations based on Statistics Canada (2005a) and Institute for Social Research (2006).
of what appears to be strong support network for ethnic minorities at the university level. Furthermore, before praising Toronto’s high level of support for ethnic minorities throughout the public education system, the extent to which this relative success is attributed to Canada’s immigration policies – which are based on labour skills and age – has to be taken into account. Herein lies the utility of disaggregating educational attainment statistics based on ethnic minority groups that have a 20 and 40 percent population that is Canadian born, roughly serving as a proxy for capturing the realities of the one and a half, and second generation ethnic minorities. It is fascinating to observe that ethnic minorities who are predominantly 20 and 40 percent Canadian born have achieved rapid educational attainment convergence with the dominant, European groups, namely in their rate of returns at the secondary school and tertiary levels.\textsuperscript{12}

The growth of non-European migrants to Canada since the late 1960s has challenged the traditional dichotomy that once explained patterns of immigrants’ behaviour and their offspring’s educational attainments. The rate of inter-generational convergence in terms of education outcomes among ethnic minority groups is rapidly increasing, at a rate much quicker than observed by Borjas’ classic study in the United States and the Sweetman and Dicks’ (1999) Canadian analysis.\textsuperscript{13} Perhaps the second wave of migrants who reside in Toronto, who came to the city voluntarily, and often under a selection system that favours high educational attainment, is finding that their offspring are benefiting from the quality and quantity of their parental inputs.

\textbf{Conclusion}

In an immigrant-receptive city such as Toronto, visible ethnic minorities have achieved convergence in educational attainments with the dominant groups. These outcomes may suggest a greater propensity for visible ethnic minorities to fully integrate within the community. However, the narrative derived from interviews suggests an uneasiness to boldly claim this is the most convincing conclusion at this juncture. Although the city is a multicultural mosaic numerically, high levels

\textsuperscript{12} This may not necessarily be the case for the Canadian-born segment of the Caribbean population who have an aggregate total of 10.2 percent who have attained a university (undergraduate) qualification. This phenomenon is also observed with the second generation Caribbean ethnic groups in other jurisdictions (see Richmond and Mendoza 1990).

\textsuperscript{13} It should be noted that Sweetman and Dicks’ (1999) study examined a limited scope of groups, predominantly European groups (British, French, Dutch, German, Greek, Hungarian, Italian, Jewish, Polish, Ukrainian) and a select handful of non-European groups (Aboriginal, Black/Caribbean, Chinese, and “Other East and South East Asians”) in reaching its conclusions at a national level. This is potentially one of the main reasons for the discrepancy in the findings between their study and this book.
of social interaction between various ethnic groups can be limited. While there are tremendous efforts to promote diversity on university campuses and in the city at large, it is often commonplace to witness a segregation of this diversity. In other words, many ethnic groups often go about their everyday lives without observing first-hand the realities of other ethnic groups. Nevertheless, one of the most universal expectations is future occupational achievements based on high educational attainments. In the next chapter we will explore whether or not this expectation holds true for the visible ethnic minority cohort.
In the previous chapter, it was observed that visible ethnic minority groups have achieved educational attainments on a par or higher than the dominant groups. To ensure that ethnic minority groups are not denied access to employment, formal employment equity policies and mechanisms have been established and practiced in Toronto. However, in spite of these tools, the narrative that emerges from interviews and statistics are not encouraging. This chapter will examine the occupational experiences of ethnic minorities, and their subsequent statistical outcomes in detail. The first section will discuss the major policies that have been setup to improve ethnic minority equity in the labour market. This will be followed by consecutive sections that will elaborate on the narratives derived from interviews on ethnic minorities’ experiences in the job search, hiring process and workplace advancement. The chapter will conclude by presenting the statistical labour market outcomes for ethnic minorities.

Affirmative Action and Employment Equity

Affirmative action and employment equity have become salient themes to promote greater access for ethnic minorities in the labour market. It is apparent that various levels of government in Canada have expended much energy to develop coherent approaches to promote these concepts. For instance, the main federal policy tool, the Employment Equity Act which took effect in 1986, seeks to “achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability” and to “correct the conditions of disadvantage in employment experienced by women, aboriginal persons and visible minorities”. The tenets of the Act apply to the public service and to all federally regulated entities that employ more than 100 persons. The Act has also inspired similar policies at the provincial and municipal levels. In Ontario, human rights legislation guarantees freedom from discrimination on the basis of one’s minority status. At the municipal level, the City of Toronto (2001a) recognizes in its employment strategy that the citizens of Toronto are best served by a public service which reflects the diversity of the community it serves. In theory, employment equity programs in Toronto’s public sector thus act as a mechanism for removing systemic barriers. This differs from affirmative action programs that may establish a quota or precise percentage requirement to recruit certain designated ethnic groups in the community.
While other jurisdictions may have aspirations to curb ethnic discrimination in the labour market, major differences are often observed in the accessibility of the complaints procedure and monitoring mechanisms. For residents of Toronto, the Ontario Human Rights Commission is designated to assess complaints of discrimination in the labour market, including pre-employment (e.g. job advertisements, interviews) and post-employment (e.g. wrongful dismissal) discrimination. Since 1961, the Ontario Human Rights Commission has been relatively successful in investigating and mediating cases brought to its attention. In fact, the Canadian Race Relations Foundation (2001) analysis of human rights cases in Toronto involving employment-related complaints on the grounds of ethnicity, found there was an increase in the number of cases from 1980 to 1998. The Foundation suggests that this may be due to greater incidences or an increase in the willingness of victims to file a complaint. It may also be the result of greater awareness of one’s legal options. In almost half of the cases analyzed, the Ontario Human Rights Commission ruled in favour of the complainants, with monetary compensation increasing in frequency and magnitude. Unjust dismissal, refusal to hire, and harassment were the most prevalent complaints.\(^1\) While the enforcement and monitoring mechanisms in Toronto appears to be strong, whether this translates into ethnic minority success in the job search, hiring or promotion process is another question.

### The Job Search

The job search is the act of looking for employment, whereby the majority of individuals engaged in the job search belong to one of three categories: (1) recent graduates; (2) unemployed and looking for work and (3) have a current position but looking to move.\(^2\) In general, it is quite difficult to differentiate the basic strategies when it comes to searching for employment among ethnic minorities and non-ethnic minorities in these three categories. Commonplace strategies irrespective of ethnic minority status is the use of open market job search methods such as direct application (e.g. cold calling or emailing companies that one desires to work for and inquire whether there are any job vacancies), media tools (e.g. newspapers advertisements, online job search engines) or formal employment services (e.g. employment centres or agencies).

One of the most effective methods is to utilize one’s social networks to gain information about a particular job opening and/or to be introduced to a potential employer. As Huffman and Torres (2002) argue, networks of personal contacts

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1 The majority of the complainants were male and from white-collar jobs, suggesting that there are gender and occupational categories that are under-represented in reporting potential employment related complaints.

2 It should be noted that the immediate goal of the job search is usually to obtain a job interview with an employer – which may lead to getting hired.
mediate employment opportunities which flow through word-of-mouth. This thesis is confirmed by social network theory which suggests that job seekers are greatly assisted by their personal social networks, who act as a good resource for obtaining information about potential jobs. In this vein, scholars have debated the role of strong (e.g. close friends; family) and weak (acquaintances) ties in assisting an individual in the job search process. For instance, some have argued that when job information is scarce, strong ties are instrumental in obtaining job information (see Lin 2001; Campbell et al. 1986). This is especially true for recent migrants who have not set up a wider social network. In contrast, others have argued weak ties are more effective than strong ties in connecting people, since they widen the social circle which is crucial in providing new information about potential jobs (see Granovetter 1973; 1983). Weak ties are generally quite effective in obtaining high wage and high status jobs such as those in the professional or managerial occupational categories. Perhaps part of this reasoning revolves around the idea that individuals with more weak ties have greater opportunities for mobility. In sum, one’s social network or “network capital” plays a crucial role in linking potential job seekers to opportunities, perhaps even more than the use of open market job search methods. The prevalence of social contacts and labour market connections thus strongly determine and influence the economic success of the individual. It is at this more subtle level that many members of ethnic minority groups, who may not have the benefit of a wide social network, can be distinguished from the non-ethnic minority cohort in the job search process.

As discussed in earlier chapters, due to increased stringent regulations for accepting new migrants to Canada, the new ethnic minority migrant in Toronto

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3 Interpersonal ties are defined as information-carrying connections between individuals. In general, interpersonal ties come in three varieties: strong, weak or absent. It is argued, weak social ties are responsible for the majority of the embeddedness and structure of social networks. Moreover, more novel information flows to individuals through weak ties rather than strong ties. Since our close friends tend to move in the same circles, the information they receive generally overlaps. Acquaintances, by contrast, know people that we do not and thus receive more novel information.

4 In general, there is no significant relationship between tie strength and wages after controlling for worker characteristics (see Bridges and Villemez 1986). As a consequence this can be used as argument against the strength-of-weak-ties hypothesis. It may suggest that the strong-weak dimension of ties is not the only, or most important, attribute of personal relationships in the labour market. However, further reflection may suggest that this conclusion may be premature. While empirical analyses of the strength-of-weak-ties hypothesis focus on the type of tie used for job information, the “networks as resources” argument point out that the network structure is the crucial independent variable (see Montgomery 1992).

5 According to Coser’s (1975) theory of autonomy, a high number of weak ties provide a seedbed for individual autonomy. Seemingly, individuals with a high number of weak ties tend to confirm the expectations of others in various places and times, which make it possible to preserve an inner core. Individuals with strong ties tend to share norms to the extent that little effort is needed to gauge the intentions of others.
generally has high human capital, is educated and skilled, and in theory, more readily able to contribute to the labour market immediately than previous immigrant generations.\textsuperscript{6} Ethnic minorities interviewed in York, East York and Toronto, notably those who settled in an ethnic neighbourhhood, often search for employment within their particular ethnic enclave economy. Like Pablo, introduced in the beginning of the book, many recent minorities find that the ethnic enclave economy is one of the most effective places to canvass for jobs. The ethnic enclave economy represents a strong place of opportunity to search for jobs, and ultimately enables recent migrant minorities to achieve wages or return to human capital comparable to those in the primary labour market. While Pablo’s case clearly demonstrates an under-utilization of his human capital in terms of formal education, the underlying assumption is that the ethnic enclave economy mobilizes ethnic solidarity to the extent that it creates a viable environment for the job search for recent immigrant workers. Moreover, due to Pablo’s lack of information in the job search, strong ties (in this case his brother) played a significant role in the job search process.

Granted, not all ethnic minorities interviewed initially sought to rely on their ethnic enclave economy for the job search. Ha, a Vietnamese who came to Toronto five years ago describes his job search experience in this way:

I did not want to work in the Vietnamese community when I came here. People in the community look at you as “fresh off the boat”, even though I was an engineer back home … I came to Toronto for a better life for my family. I asked as many people as I knew about jobs that I can work in. I applied everywhere. An old classmate helped me find a job working in a small shop. I work long hours without complaining, because I know if I don’t work hard they can find someone else.

Ha ultimately expresses the wish that his children do not work in the ethnic enclave economy which he perceives with some disdain. This was a common sentiment among those working in the ethnic enclave economy. Most seem to prefer to work in the primary labour market, since it is perceived as being more reliable and offer a greater chance of utilizing their human capital.

Whether this is truly the case is another matter.

The advantages afforded by working in an ethnic enclave economy largely depend on the resources that an ethnic group can mobilize through their co-ethnic networks. Co-ethnic communities’ resources differ if they are composed of primarily working class or professionals. Co-ethnic communities that are mainly working class can prove to have a limiting effect on recent migrants who rely on co-ethnic networks in the job search, since regardless of the new migrant’s human capital, they

\textsuperscript{6} Although Canada’s current immigration policy encourages migrants who have high education and skills, whether actors in the labour force formally (e.g. professional associations, unions) or informally recognize these attributes akin to domestic labour is a different matter (see Galabuzi 2001).
will be funnelled into lower-wage occupations as a function of the co-ethnic support (see Waldinger 1994). On the flip side, ethnic communities that have a significant professional base will provide a greater opportunity for recent migrants with high human capital to rely on co-ethnic networks to convert it into a suitable occupation (see Portes and Rumbaut 2001). Suffice to say, in an ethnically segmented labour market new immigrants relying on co-ethnic networks may yield differing degrees of access to information and an overall job search experience depending on the makeup and standing of a particular ethnic group.

The ethnic enclave economy is not the only employment source for recent ethnic minority immigrants. For instance, one of the most extreme examples encountered during interviews was the case of Khaled, a Syrian who migrated to Toronto five years ago and now lives in East York. Upon arrival to Toronto, Khaled assumed that his high education, a double Masters in Finance and Engineering, would enable him to secure a relatively good job. His initial job search strategy was mainly using open market methods, especially direct applications to engineering and finance oriented firms. After being turned down without interview in his initial set of applications, which he estimates around fifteen, he decided to apply to non-professional jobs mainly in the service sector. He distributed his CV for three months to any job openings that he found advertised in newspapers and in employment centers – but was equally disappointed to find no suitors in his search for a job. In particular, he was told at potential job positions that he was too qualified and in short, casted doubts about his intentions to remain at the position long-term. For Khaled, the employment centre contained jobs that were not desirable and contained jobs below average wages, but nevertheless he applied to them without much success. After nearly eight months of searching for a job, Khaled decided that self-employment and small business entrepreneurship may be his best option. Khaled’s case is by no means unique. Nee et al. (1994: 858) studying the Los Angeles context, observe that many recent migrants who are unable to obtain a steady position in the labour market often turn to small business entrepreneurship as a means to secure a high income and middle class status. In essence, this “blocked mobility thesis” (also known as the “disadvantage theory”) posits when ethnic minorities advancement in the primary labour market is curbed it often channels minorities into entrepreneurship as their primary avenue for economic prosperity.

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7 Unfortunately reliable statistics disaggregating the success and failure rates of ethnic minority owned small and medium enterprises versus non-ethnic minority owned small and medium enterprises were unable to be accessed in Toronto.

8 A number of competing explanations (structural vs. cultural factors) have been brought forward to explain differences in business success among ethnic minority groups. In addition to the “blocked mobility thesis” which stresses structural forces, the “cultural thesis” suggests that ethnic minority groups enter into business because of particular characteristics that promote their success in this sector. Waldinger et al. (1990) addresses the deficiencies in both the “blocked mobility” and “cultural” theories by combining them into a unified model:
When the job search process fails to match high human capital of new ethnic minority migrants with suitable jobs positions such as Khaled, it sets an important precedent for future generations. That is, first generation ethnic minority immigrants set the cue for future ethnic minority generations (see Portes and Rumbaut 2001; Portes 1998). The attitudes towards the job search and an overall economic marginalization of the first generation may disadvantage the performance of the second and subsequent generations. However, when examining the job search patterns of recent ethnic minority university graduates, and their subsequent occupational outcomes statistically in the last section of this chapter, such observations are met with mixed reviews. It does appear that ethnic minority university graduates have adopted a similar disdain to the ethnic enclave economy as their parents’ generation, to the point that the vast majority interviewed searched for jobs exclusively in the open market, away from ethnic oriented firms.

Among recent ethnic minority university graduates interviewed at York University, the University of Toronto and Ryerson University, it was noted that they mainly relied on direct application methods and the use of university career services. Unlike employment centres, the university career services are held in higher regard and believed to be more effective in connecting graduates with potential high wage positions. Moreover, many ethnic minority graduates also reported using both intra-ethnic and inter-ethnic contacts, both strong and weak ties, for potential job information. This is surprising given that intra-ethnic strong and weak ties’ contacts often lead to jobs in the ethnic enclave economy.

What this may paradoxically suggest is that although ethnic minority graduates may share a stronger disdain for the ethnic enclave economy, they are still open to widening their job search parameters in the hopes of not closing the opportunity for a potentially stable employment position. Furthermore, the use of inter-ethnic strong and weak ties’ contacts suggests that unlike recent ethnic minority migrants, the benefit of being socialized in Toronto for one’s schooling may mean a wider inter-ethnic social network to rely upon. Interestingly, the inter-ethnic social network seems not to be cast too widely among interviewees. For example, one typical respondent was a Cambodian interviewee who was a recent University of Toronto graduate. He asserted that while “I don’t rely too much on [my] parents’ contacts in the job search, [our] Asian [mainly Chinese and Korean] friends have been quite helpful in providing information on available jobs”. Paul, the Jamaican-Canadian introduced earlier, also relies on inter-ethnic friends, mainly from the Caribbean, Latin American and Africa to assist him in finding information on potential jobs as well. In addition, he has used the Black Business Directory depicted in Figure 4.1, the “Interactive Model of Ethnic Business Development”. The authors conclude that no single characteristic determines differing levels of entrepreneurship. Rather, there exists a complex interaction between the two dimensions – opportunity structures (including market conditions and access to ownership) and group characteristics (predisposing factors and resource mobilization that immigrants bring to their businesses).
Figure 4.1 Black Business Directory, Toronto
a directory of Caribbean and African businesses operating in the city, as a tool to increase the scope of his job search. The overall point being, it appears while the newest generation of ethnic minority graduates are relying on inter-ethnic social networks to assist in the job search process, the networks do not extend very far from their own ethnic group.9

The narrative from interviews with recent ethnic minority university graduates also suggest that they refuse to “settle” for what is perceived as a low status and low paying jobs. For example, Kenny, a Chinese-Canadian interviewed on Bloor and Spadina, adamantly states:

After four years of university I will not look for jobs in the same place as my parents did … how much progress would that be? My parents sacrificed a lot to come here, I am not going to let them down by taking a job that does not suit the years of sacrifice that they made.

Many young ethnic minority graduates queried for this book were less prepared than recent ethnic minority immigrants or their parents’ generation to be placed in positions that they perceive devalue their human capital. Essentially, young ethnic minority job seekers are actively setting a minimum reservation wage, whereby they accept the first offer exceeding this wage, and rejecting offers below the reservation wage and continuing the job search. Following the stepping-stone hypothesis this may not be prudent strategy at face value. While an inadequate wage and status in the early career phase can potentially play a significant role in the odds of moving to a higher status and higher paying position in the long-term,10 the stepping-stone hypothesis predicts that relatively higher educated employees in the early career phase will be temporarily placed in positions for which they appear to be overqualified; but this experience will provide them with valuable skills to be utilized in obtaining higher status and higher paying positions in the future. As such, working in an underemployed position might be a rational choice for both employees and employers in interim.

One of the alarming realities stemming from young ethnic minority graduates preference for “refusing to settle” in positions that devalue their human capital, are fears of a second generation decline. Using the United States example, theorists have speculated children of ethnic immigrants could face an economic decline relative to their parents, since children may refuse to accept the low paying jobs that their parents accepted (see Gans 1992). This in turn, may mean the straight

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9 Halli and Vedanand (2007) report that nearly 39 percent of immigrant children in Canada have a social network forged through ethnic or religious organizations’ membership.

10 The entrapment hypothesis stresses that a ‘bad entry’ by those with high education – for instance in unskilled routine positions – into the labour market has negative consequences for future upward mobility. Future potential employers may see their initial labour market entry destination as a signal denoting an applicant’s poor skills, abilities and qualifications.
The Labour Market

line assimilation model, which assumes that each successive generation of an ethnic group will become more similar to the dominant group (see Waters 1994), is not as pronounced as expected. However, this is not necessarily the observable case at this juncture for Toronto, especially when factoring the aggregate salaries in Table 4.1 for non-European groups that have a greater than 40 percent Canadian born population. Although there still exist a significant income gap between European and non-European ethnic groups within the greater than 40 percent Canadian born demographic, to the tune of approximately CA $10,000, the gap appears to be decreasing relative to non-European groups within the greater than 20 percent Canadian born cohort, who have a gap of approximately CA $16,000.

The Hiring Process

While the job search process in Toronto is complicated by one’s position, i.e. whether one is an ethnic minority migrant or recent graduate, the perspective of the employer provides an important glimpse into the process. In general, employers take four basic steps in the hiring process. First, the creation of the job description initiates the process. Essentially the employer must engage in a procedure of defining the relevant duties and obligations for a particular position. Moreover, in this course of action the employer should understand the current labour market, particularly in terms of the relevant costs associated with hiring a new employee, e.g. market wages and benefits, payroll taxes. The next step is the advertising stage. The employer will advertise the position using one or a combination of open market strategies (e.g. advertising in media outlets, the company’s website) and/or to utilize targeted word-of-mouth (in a sense utilizing social networks to market the availability of a position). The third step is the interview stage, whereby a narrow field of potential candidates is brought into direct contact with the employer to assess their viability for the position, as well as to market the company to the potential employee. Finally, the last step is to check a prospective employee’s references and qualifications listed on their resume. Here, the employer may come into contact with a prospective employee’s current or previous employment social network.

While Toronto does have an abundance of ethnic-based small and medium enterprises, this does not necessarily translate to a better overall situation in terms of the hiring practices for ethnic minorities. In particular, it appears that small and medium enterprises within the ethnic enclave economy generally hire and promote within their own ethnic groups. In the majority of ethnic minority owned small and medium enterprises observed in York, East York and Toronto, a defining characteristic is their size, generally small in scale, and often family-owned and operated. As a case in point, the majority of the Portuguese-owned small and medium enterprises are small with respect to the number of people that they employ. They vary from “one-person” operations and “family-oriented” (ranging from 2 to 5 employees) to “medium-sized” firms (ranging from 6 to 15 employees). It was not uncommon to
observe extended family members and friends as employees.\textsuperscript{11} This is also a pattern seen in other studies conducted in North America that show family and co-ethnic labour play a very important role in the operation of ethnic-owned businesses (see Logan et al. 2002; Werbner 2001; Light et al. 1994; Nee et al. 1994). And, in the instances that they do hire outside their own ethnic group, it is usually persons not far away from their ethnic group, i.e. Trinidadians hiring Jamaicans; Argentineans hiring Chileans.

One of the major reasons this situation persists is due to the medium for advertising ethnic minority small and medium enterprises’ openings. Such enterprises tend to utilize ethnic sources of information, viz. ethnic-based telephone directories or media to advertise their position. Another prevailing practice is to rely on informal channels for recruitment, particularly ethnic networks of contacts – kin and friendship – to facilitate the recruitment of employees. The owner of a Trinidadian small and medium enterprise in York justified her recruitment of non-family employees by word-of-mouth this way:\textsuperscript{12}

\begin{quote}
This is a small business … the budget for advertising in the newspapers or online does not exist … I look for someone who I can rely on … I hired someone who is Jamaican, who was recommended by a friend … I know this is the right decision since that person will be able to understand our customers [since the clientele are mostly of Caribbean origin]
\end{quote}

The above statement illustrates that the use of an ethnic network of contacts was instrumental in the hiring process; with the impact on relying on these informal channels leading to the hiring of employees from the same region. In general, few ethnic entrepreneurs examined for this study ventured outside their own ethnic community when it came to hiring new employees.

Equally intriguing was the owner’s reasoning that her mostly Caribbean clientele will be best served by hiring a person of Caribbean heritage. For the owner, it was a major advantage to have employees from a similar ethnic background who have common culturally-based, insider knowledge of her potential clients’ needs and preferences in terms of services and products.\textsuperscript{13}

\begin{enumerate}
\item[11] In fact, Portuguese small and medium enterprise owners’ articulated a very positive opinion with respect to the importance of having family members and Portuguese friends as employees.
\item[12] The word-of-mouth strategy yields a more targeted job search in spite of the fact it reinforces the importance of one’s social network, and runs the added risk of reproducing applicants similar to those already employed (see Green et al. 1999; Osberg 1993).
\item[13] For some Portuguese entrepreneurs, there is a growing pessimism concerning the future of their business which depends heavily on a Portuguese clientele for their market. Among the reasons offered to explain this pessimism were: (1) the steady decrease of the Portuguese immigration to Canada from the second wave of immigration onwards; (2) the increasing integration of the first generation Portuguese into the mainstream; (3) second
Ironically, this was the rationale used by Khaled, introduced earlier, to explain his small business hiring practices. Following up on Khaled’s case six months and again a year from initial contact, he now seeks a competitive advantage in his small business by employing low wage labour from recent migrants from the Syrian community, reinforcing the own-ethnic hiring cycle. For Khaled a common language, which serves both his clientele and his comfort level in terms of social relatedness, were his main reasons for hiring within his own ethnic community. Li, a second-generation Chinese owner of an information technology small and medium enterprise in Toronto’s business core, summarizes it best:

The major advantage of having employees of the same ethnic background is that they understand and can relate to the cultural values that are implicitly expressed throughout work. There is greater trust.

Examining the hiring practices of enterprises outside the ethnic enclave economy yielded conflicting results. For the last thirty years, TT Company, a think-tank with sixty employees with approximately one-fifth of the company being visible ethnic minorities, has been a leader in providing alternative public policy publications. In early 2007, it sought to recruit a health policy analyst by placing a job posting on the company’s website, as well as a reliance on word-of-mouth advertising by its employees and supporters to attract suitable candidates. In the event that a reasonable pool of candidates could not be found, the contingency plan was to have a second round of advertising (with a greater budget), whereby strategic job advertisements in newspapers will be placed in Toronto and Canada. After the first call, thirty-four applications were received, and interviews with seven applicants were scheduled. Since it is a common practice in Toronto to remove personal attributes such as gender and ethnic minority background on one’s CV, candidates invited for interview selection are generally assumed to be chosen by meritocratic selection calculus of work experience, education and training background. Moreover, specialized employers who are looking to fill education intensive positions tend to typically interview more applicants and invest search efforts in filling the vacancy (see Mencken and Winfield 1998).

Of the seven invited to interview, two appeared to be visible ethnic minorities who became aware of the job opening via the company’s website (as mentioned in their cover letters). Of the five candidates of European background, three learned about the job opening from word-of-mouth advertising. According to the program director, all seven candidates were outstanding in terms of qualifications and
generation and beyond Portuguese tend to rely less on Portuguese products and services; and, (4) the increasing competitiveness of the Portuguese ethnic economy as a partial consequence of the first three explanations.

14 Although as certain interviewees pointed out, a person’s name may be a marker to distinguish ethnic minority status.
work experiences, thus, the interviews were paramount to assess the potential fit the candidates have for TT Company’s working environment. In the end, a second generation, visible ethnic minority was hired for the position. The program director’s rationale:

All candidates in the interview round were qualified on paper … After conducting interviews, I was torn between two candidates … my instincts told me to go for [person X] since he seems more aligned to the political and economic ethos of our research program … his ethnic background had no bearing on my decision.

While person X’s ethnic background appeared to have no weight in the hiring calculus, the program director’s perception of person X’s “political and economic ethos” eventually became a significant factor. What this suggests is that in various contexts the extent to which an individual “fits into” the working environment is a major factor in the hiring calculus, which may be a difficult proposition to accept if we are bound to a hiring calculus based solely on a meritocratic stance of education and work experiences alone. This maxim becomes even more pronounced when observing the promotion process.

The Promotion Process

The primary motivation for examining the promotion process is the strong relationship that this topic bears to the study of occupational achievement. As Spilerman and Lunde (1991: 691) argue, “promotion is a principal means of growth in occupational status; as a consequence, investigations into the determinants of promotion have contributed to our comprehension of the dynamics of status attainment over the life course”. Promotion ultimately refers to a change of rank within an organization. As one is promoted up the organizational ladder, this may be accompanied by potential changes to status, power and wage. Thus, understanding how and if one’s ethnic background plays a role in occupational achievement, via the promotion process, is a salient issue.

There is vast literature that examines the role of education on the likelihood of promotion. It is often assumed that a single summary measure, years of schooling, can capture the full effects of education on the hiring process. However, it may be prudent to disaggregate education by a ‘quality’ measure to delineate general and firm specific training; and also to note that labour force experience – whereby one gains the requisite general and firm specific skills set – can be substituted for schooling. In Spilerman and Lunde’s (1991) study, they find that the rate of promotion is maximum when the fit between education and job requirements is best, and lower when educational attainment is insufficient for effective task performance. What this may suggest is that education does play an initial role in the hiring process in so far that it signals to employers the potential skill set of an employee. The
skill set required for effective task performance and productivity of an employee is confirmed throughout the passage of time in employment – and if to a high degree of performance and satisfaction to the employer, reinforced by the act of promotion. Yet, there is a tendency to assume that the skill set required for high task performance lies solely within a Weberian type of rationality, whereby one can be selected and trained for specific tasks, and subsequently rewarded with promotion on the basis of merit rather than favouritism. Considerations of whether or not an individual may “fit into” the sub-group of their working environment is absent in this equation. The reality is that most companies observed for this study do take into consideration whether or not an individual “fits into” the immediate working group. This is particularly pronounced when observing I Company’s promotion process.

I Company, a relatively small sized insurance company with 83 employees and approximately one-seventh of the employees being visible ethnic minorities, were seeking to promote from within its ranks a senior management position. As the Vice President in charge recalls, five candidates were handpicked, four of European descent and one visible ethnic minority. From the demographics of the five candidates one may be inclined to believe that the ethnic minority candidate was there to fill an employment equity consideration quota. But this, insisted the Vice President in charge, was not the case:

My main consideration after promise and ability judged by [the candidate’s] past performance was to ensure that the person who we promoted will be respected by those who will report to him or her, and likewise, respected by upper management. Ethnicity is the last thing we think about.

While the ethnic minority candidate in I Company was unsuccessful in attaining a promotion, there were considerations of whether the individual promoted can socially relate to the realities of both upper management and those whom the individual is expected to direct. In short, it appears part of thinking behind the promotion of the “right” person for the senior managerial position was the degree of trust that can be afforded to that individual in order to be effective and engage in the decision making process of the company. This reality should not necessarily be an affront to our expectations. The movement from a Taylorist style of scientific management to

15 There is evidence to suggest that some firms continue to reward credentials as a matter of policy over an individual’s working career (see Spierman and Lunde 1991).

16 Taylor’s (1911) scientific management consisted of four principles: (1) The development of a science for each element of an individual’s work to replace the old rule-of-thumb methods; (2) the scientific selection, training and development of workers; (3) the development of a spirit of cooperation between workers and management to ensure that work would be conducted utilizing the scientific procedures; and, (4) the division of work between workers and the management in almost equal shares, whereby each group is responsible for work that best fits their former condition.
one that incorporates the human relations school of management\(^{17}\) in the modern day organization, ultimately means that managing social relationships – which require a perception of trust between various actors of an organization – have become important in the name of increasing overall productivity.

However, there is a danger that this observation may evolve into perpetuating an “old boys” network, both at the managerial level and potentially at lower levels. In fact, this is the very charge observers such as the Canadian Race Relations Foundation (2001) and Kunz et al. (2001) make in respect to the public sector. The Canadian Race Relations Foundation (2001) suggests it is not uncommon in the public sector to observe parent-child progression that reflects a European bias in the promotion process. This is further evident at the managerial level where there is an “old boys” network which informs the promotion process (Kunz 2001). Visible ethnic minorities in the public sector represent 6 percent of the workforce, but at the management level the representation is reduced by half (Canadian Federal Public Service Task Force 2000). Ethnic minorities interviewed, especially in their 30s and 40s, remarked when they look at their place of employment, public or private, the higher the corporate ladder, the less ethnic minority representation there is and the less they believe there is a chance of getting ahead. In many regards, the occupational outcomes observed for ethnic minorities in the next section reinforce their perception. This attitude and observed reality may add an additional element of difficulty for ethnic minorities to break into higher-managerial levels.

One potential cause of the glass ceiling\(^{18}\) for ethnic minorities may be the presence of bias in the performance evaluation process. Some of the bias may occur when the performance level of ethnic minorities are evaluated more negatively than their performance warrants. Supervisors in the companies queried for this study had a greater tendency to attribute high task performance of non-minorities to ability and talent, and were more likely to attribute high task performance of minorities to ease of task or extraordinary effort\(^{19}\). In particular, the latter, extraordinary effort was a repeated mantra. Ethnic minorities who were in the upper echelons of management

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\(^{17}\) From the Hawthorne studies we can discern the following: (1) work is a group activity; (2) the social world is primarily patterned by work activity; (3) the need for recognition, security and a sense of belonging is more important in determining workers’ morale and productivity than the physical conditions under which he works; (4) a complaint is not necessarily an objective recital of facts; it is commonly a symptom manifesting disturbance of an individual’s status position; (5) the worker is a person whose attitudes and effectiveness are conditioned by social demands from both inside and outside the work plant; (6) informal groups within the work plant exercise strong social controls over the work habits and attitudes of the individual worker; and, (7) group collaboration does not occur by accident; it must be planned and developed (see Sonnefeld 1985).

\(^{18}\) See Karambayya (1997) for an ethno-gender perspective on this topic.

\(^{19}\) Two dimensions are often used to characterize these causal attributions: locus of control and stability. An attribution’s locus of control distinguishes between causes that are internal (ability or effort) and external (task difficulty or luck) to the person. An attribution’s
were generally, for a lack of a better term, “superstars” in their companies. They were respected by their colleagues for their relentless hard work. As Herman, a second-generation Korean senior executive for one of the largest global telecommunication companies recalls:

The immediate supervisor of my group, one of the Vice Presidents of the company, often commented in informal gatherings how hard working I was … he often said that we should hire more Koreans and Asians in general, since they are hard-working … while I bite my tongue and smile upon hearing these comments, I sometimes wonder, does he not realize that although he may believe this is a compliment, it can degrade my contributions to the company. I got to this position by not only working hard, but also by my ability and talent. I have a MBA from a top ten school, and I am one of the youngest executives in the company’s history. Hard work alone didn’t get me here, my performance did.

What is worrisome regarding such characterizations is that the attributions perceived by a supervisor to explain performance has a strong potential to influence their opinions regarding the prospects of an ethnic minority worker’s likelihood for future advancement. Ability and talent can be perceived as attributes that are stable and most likely to continue in the future, hence a greater propensity to encourage promotion; whereas effort is considered a temporary determinant of task performance and as such, creates a cloud of doubt for the supervisor with respect to potential future high productivity.

Sociological and psychological factors can also contribute to potentially curb the chances of promotion for ethnic minority members. As Igbaria and Baroudi (1995) suggest, supervisors who belong to the same group as their subordinates (in-group) may feel psychologically closer to them and are more likely to attribute their success to ability and skills. Ethnic minorities are typically considered to be part of the out-group, and this may potentially explain why supervisors are less likely to attribute their success to ability. From another standpoint, since the majority of top managers and executives are non-ethnic minorities as Table 4.1 suggests, ethnic minorities who populated this occupational bracket have a propensity to be perceived as “tokens”. As a consequence, ethnic minority managers and executives may feel isolated and have a greater difficulty in earning the trust of their non-ethnic minority peers, have less access to supportive relationships in the working environment, and have a greater propensity to be excluded from informal social networks.

stability distinguishes relatively enduring (ability or task difficulty) and relatively temporary (effort or luck) causes of behaviour (see Weiner 1985, 1992).
Occupational Outcomes

The labour market is a central determinant in assessing ethnic group economic performance. In the results that follow, key patterns in labour market statistics are utilized to examine occupational outcomes for ethnic minorities in comparison to the non-ethnic minority cohort in Toronto. In particular, two factors will be considered: (1) the income and ethnic participation by occupational sector; and, (2) labour market participation and unemployment.

Income and ethnic participation by occupational sectors have historically been reliable measures for discerning an ethnic penalty in the labour market. The existence of observable ethnic concentration in certain occupational sectors may suggest differential access to the labour market. Thus, Table 4.1 examines occupational sectoral distribution by minority (non-European) and non-minority (European) groups to ascertain whether there are patterns of ethnic concentration. What is observed are significant concentrations of ethnic minorities in several occupational sectors, most of them falling into low-income sectors. That is, in spite of modelled employment equity policies and monitoring efforts in Toronto, an analysis of the data suggests a segregation effect in the labour market. Table 4.1 illustrates the higher the managerial ladder, the less ethnic minority representation. Among mid-level managers ethnic minorities have an odds ratio of 0.48, their chances decrease further when examining high level managers, with an odds ratio of 0.15. Essentially in all occupational categories which required skilled labour, ethnic minorities fared worse than European groups.20 Furthermore, an analysis of the data also reveals a worrying income disparity of approximately CA $16,000 between European and non-European group earners. This suggests a significant income inequality in Toronto’s labour market. In sum, visible ethnic minorities continue to be over-represented in low wage occupations, and under-represented in managerial positions.

Another reliable indicator of an ethnic penalty in the labour market is differential rates in labour market participation and unemployment. When an individual reaches working age, defined as aged 18 and over in Canada, they do not necessarily enter the labour market. According to the International Labour Organization (2004: 26), an individual who is actively looking for work is considered to be participating in the labour market, and thus, is counted either as employed or unemployed. Within the employed cohort, an individual can be employed full-time, part-time, under-employed or over-employed. Therefore, belonging to the employed population may not provide a full glimpse into the quality of the job. Individuals are counted as unemployed if they are without a job and looking for work.

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20 In this context, professional jobs are worthy of examination for two related reasons: (1) they are generally the aspirations of university-educated individuals, particularly under the age of 35; and, (2) they represent a labour market segment that is generally seen as prestigious and desirable by large segments of Canadian society (see Goyer and Frank 2007).
### Table 4.1 Occupation and Mean Salary per Annum by Ethnic Population, Ages 18-64, 2001

<table>
<thead>
<tr>
<th>Ethnic Population</th>
<th>High Level Manager %</th>
<th>Mid-Level Manager %</th>
<th>Professional %</th>
<th>Skilled Non-Manual %</th>
<th>Skilled Manual %</th>
<th>Less Skilled Non-Manual %</th>
<th>Less Skilled Manual %</th>
<th>Mean Salary (CA$)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>European Total</strong></td>
<td>2.3</td>
<td>12.7</td>
<td>20.2</td>
<td>19.5</td>
<td>8.1</td>
<td>26.8</td>
<td>10.4</td>
<td>54,131</td>
<td>1,602,504</td>
</tr>
<tr>
<td><strong>Non-European Total</strong></td>
<td>0.9</td>
<td>8.8</td>
<td>17.2</td>
<td>16.6</td>
<td>6.3</td>
<td>32.3</td>
<td>18.0</td>
<td>38,356</td>
<td>949,579</td>
</tr>
<tr>
<td>Odds Ratio*</td>
<td>0.15</td>
<td>0.48</td>
<td>0.73</td>
<td>0.72</td>
<td>0.60</td>
<td>1.45</td>
<td>2.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-European (&gt; 20%)⁺</td>
<td>0.8</td>
<td>8.0</td>
<td>16.9</td>
<td>16.4</td>
<td>6.5</td>
<td>32.1</td>
<td>19.4</td>
<td>37,785</td>
<td>767,326</td>
</tr>
<tr>
<td>Non-European (&gt; 40%)⁺</td>
<td>1.5</td>
<td>9.9</td>
<td>19.4</td>
<td>19.4</td>
<td>5.3</td>
<td>35.1</td>
<td>9.4</td>
<td>44,701</td>
<td>83,550</td>
</tr>
<tr>
<td>Middle Eastern &amp; West Asian</td>
<td>1.6</td>
<td>13.2</td>
<td>19.8</td>
<td>16.4</td>
<td>6.9</td>
<td>29.9</td>
<td>12.2</td>
<td>42,675</td>
<td>72,670</td>
</tr>
<tr>
<td>South Asian</td>
<td>1.0</td>
<td>8.4</td>
<td>15.7</td>
<td>14.7</td>
<td>6.2</td>
<td>30.7</td>
<td>23.2</td>
<td>37,825</td>
<td>249,055</td>
</tr>
<tr>
<td>East Asian</td>
<td>0.9</td>
<td>9.8</td>
<td>20.7</td>
<td>17.7</td>
<td>4.9</td>
<td>30.2</td>
<td>15.9</td>
<td>39,413</td>
<td>361,080</td>
</tr>
<tr>
<td>African</td>
<td>0.6</td>
<td>6.5</td>
<td>14.0</td>
<td>15.5</td>
<td>6.2</td>
<td>37.4</td>
<td>19.8</td>
<td>35,761</td>
<td>52,145</td>
</tr>
<tr>
<td>Caribbean</td>
<td>0.5</td>
<td>6.6</td>
<td>13.8</td>
<td>17.4</td>
<td>7.7</td>
<td>37.7</td>
<td>16.2</td>
<td>36,880</td>
<td>156,640</td>
</tr>
<tr>
<td>South &amp; Central American</td>
<td>0.5</td>
<td>6.9</td>
<td>11.6</td>
<td>16.2</td>
<td>10.0</td>
<td>36.2</td>
<td>18.6</td>
<td>34,970</td>
<td>57,989</td>
</tr>
</tbody>
</table>

*Note: Occupational Categories set by Statistics Canada (see Appendix 2 for further details).

1 CA$ = 1 US$.

* The odds ratios compare the odds of working in an occupational sector [p(outcome) / (1 - p(outcome))] for non-Europeans (numerator) and Europeans (denominator) in Toronto. An odds ratio value of 1 thus indicates group equity; an odds ratio value that is > 1 indicates that non-Europeans are more likely to work in that particular occupational sector; conversely, an odds ratio value that is < 1 indicates the non-Europeans are less likely to work in the respected occupational sector.

⁺ Represents non-European ethnic minority groups that have a demographic of 20 percent and 40 percent Canadian born respectively.

*Source: Author’s Calculations based on Statistics Canada (2005a) and Institute for Social Research (2006).*
Table 4.2 Labour Force Participation and Unemployment by Ethnic Population, 2001

<table>
<thead>
<tr>
<th></th>
<th>Labour Force Participation</th>
<th>Full-Time Student</th>
<th>Not in the Labour Force</th>
<th>Unemployed</th>
<th>Part-Time Workers</th>
<th>Self-Employed</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>European Total</strong></td>
<td>83.0</td>
<td>2.3</td>
<td>14.7</td>
<td>4.4</td>
<td>16.5</td>
<td>12.1</td>
<td>1,834,044</td>
</tr>
<tr>
<td><strong>Non-European Total</strong></td>
<td>76.5</td>
<td>6.1</td>
<td>17.4</td>
<td>8.1</td>
<td>17.2</td>
<td>9.2</td>
<td>1,171,265</td>
</tr>
<tr>
<td>Odds Ratio*</td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-European (&gt; 20%)</td>
<td>76.9</td>
<td>5.8</td>
<td>21.3</td>
<td>10.0</td>
<td>20.4</td>
<td>10.4</td>
<td>940,602</td>
</tr>
<tr>
<td>Non-European (&gt; 40%)</td>
<td>82.3</td>
<td>5.4</td>
<td>12.4</td>
<td>6.6</td>
<td>19.6</td>
<td>8.1</td>
<td>95,887</td>
</tr>
<tr>
<td>Middle Eastern &amp; West Asian</td>
<td>71.9</td>
<td>7.1</td>
<td>21.1</td>
<td>9.9</td>
<td>21.0</td>
<td>15.4</td>
<td>95,565</td>
</tr>
<tr>
<td>South Asian</td>
<td>76.0</td>
<td>5.3</td>
<td>18.7</td>
<td>8.9</td>
<td>16.3</td>
<td>8.2</td>
<td>309,865</td>
</tr>
<tr>
<td>East Asian</td>
<td>74.4</td>
<td>7.3</td>
<td>18.3</td>
<td>7.3</td>
<td>16.6</td>
<td>10.4</td>
<td>451,555</td>
</tr>
<tr>
<td>African</td>
<td>76.1</td>
<td>8.2</td>
<td>15.7</td>
<td>11.5</td>
<td>19.9</td>
<td>7.3</td>
<td>66,500</td>
</tr>
<tr>
<td>Caribbean</td>
<td>83.8</td>
<td>4.2</td>
<td>12.0</td>
<td>7.2</td>
<td>16.6</td>
<td>5.4</td>
<td>178,780</td>
</tr>
<tr>
<td>South &amp; Central American</td>
<td>80.2</td>
<td>4.3</td>
<td>15.6</td>
<td>7.4</td>
<td>18.4</td>
<td>8.3</td>
<td>69,000</td>
</tr>
</tbody>
</table>

*Note: * and + See Table 4.1 Notes.

*Source: Author’s Calculations based on Statistics Canada (2005a) and Institute for Social Research (2006).*
Table 4.2 indicates that there is an employment gap between Europeans and non-European cohorts, perhaps indicating unequal access to job opportunities. Of particular note are the differences in the labour force participation rate between Europeans (83.0 percent) and non-Europeans (76.5 percent). This may suggest a high number of younger ethnic minorities may choose to continue their education in the hope of increased economic returns due to a higher human capital. Another co-explanatory factor is some ethnic minorities are becoming discouraged, withdrawing from the labour force entirely, due to a potential ethnic penalty in the labour market. Judging from the evidence presented throughout this chapter when examining the job search, hiring and promotion process of ethnic minorities, this is not a co-explanatory factor that can be easily dismissed.

The unemployment rate of European groups (4.4 percent) suggests a distinctive advantage over non-European groups (8.1 percent) or an odds ratio of 3.50. Although the gap between the total unemployment for ethnic minorities and non-ethnic minority groups may not appear to be as dramatic, when disaggregated into smaller ethnic categories, there is a distinct advantage for European ethnic groups versus African ethnic groups (11.5 percent), Middle Eastern and West Asian (9.9 percent), and South Asian (8.9 percent) ethnic groups. Interestingly, these three non-European groups generally have the highest number of full-time students among the active labour force.

Although there appears to be an ethnic penalty for most groups in Toronto, it should not necessarily be assumed that these are automatically interpreted as estimates of overt bias in the labour market. The differences observed may simultaneously over-estimate and under-estimate the impact of labour market bias. The Tables may over-estimate this bias given that it does not include all variables that could account for differences in occupational outcomes. For instance, variables such as university major, quality of education, foreign qualifications, occupational experiences and individual motivation were not included in the calculus due to a lack of reliable data or tools of measurement (see Day and Newburger 2002). As such, the individual tables should be considered in tandem with the narratives derived from interviews and observation presented throughout the chapters to discern a clearer reality.

Conclusion

In spite of promoting formal employment equity policies, a labour market penalty appears to have impeded the occupational success during the job search, hiring and promotion process for ethnic minorities as an aggregate total. Moreover, ethnic minorities have a lower income, higher unemployment and a general failure to convert their high educational attainments into comparable occupational outcomes, thus suggesting an urgent need to revisit a concern that is fading among mainstream observers. In this context, there is a temptation to suggest ethnic minorities are suffering overt discrimination in the labour market. However, as the next chapter
demonstrates, claims of overt discrimination in the labour market are premature in explaining the ethnic penalty.
Although there is a discord in the ability of ethnic minorities to convert their educational attainment into occupational outcomes relative to the dominant, European groups, the underlying causes for this apparent penalty are not entirely straight-forward. This chapter will explore whether explanatory factors such as discrimination, an individual’s social network, a firm’s working culture, and a community’s social trust are major contributing reasons.

Discrimination

While the theory of employment discrimination model has achieved prominence in economic literature, other theorists have strongly criticized such explanations by introducing sociological elements in analyzing discrimination in the labour market (see Arrow 1972a, 1998). They point out that the neoclassical economic model’s view that the market is one of impersonal exchange is flawed. When it comes to the employment of labour it involves direct personal relations between the employee and employer, as well as among employees, which has the potential for adding a discriminatory element. In this regard, to amply examine discrimination in the labour market there must first be recognition that within the book’s scope, discrimination can manifest itself through statistical and exclusionary dimensions.

The theory of statistical discrimination is an information based theory which assumes employers have imperfect information. In practice, statistical discrimination may occur when an employer fails to fully assess the relevant occupational abilities of a member of an ethnic group and makes generalized assumptions about the value of their human capital (see Teelucksingh and Galabuzi 2005; Galabuzi 2001). This can be operationalized in multiple and overlapping forms, with one example being the employer, consciously or not, perceiving ethnic minority status as a proxy for lower quality of human capital. Often this arises when the experiences of an employer have found that particular members of an ethnic group may have either higher or lower productivity than other workers with a similar qualification. Ethnicity is therefore transformed into a proxy signaling potential future productivity by members of the same ethnic group, with hiring patterns adjusted accordingly by the employer.1

1 One can postulate that the frequency of this practice may increase during periods of surplus labour, where the employer has the luxury of selecting from a wider pool of candidates.
Another avenue for statistical discrimination arises when an employer undervalues an ethnic minority’s formal qualifications attained in a foreign context. While human capital theories have been instrumental in forging Canada’s immigration system favouring migrants with high educational attainment, who as the underlying theory goes, are more equipped to contribute to Canada’s economy, foreign degrees earned outside of North America, Western Europe and select Commonwealth countries (e.g. Australia), are often valued less highly than a domestic education (see Friedberg 1996). Galabuzi (2001: 7) uses a stronger tone: “while European immigrants’ qualifications routinely go unchallenged, racialized Canadians often lose opportunities because of the perceived [lower] value of their qualifications”.

The favouring of domestic qualifications over foreign ones may be attributable to an employer’s lack of information to fully evaluate foreign qualifications and hence, a preference for domestic qualifications with a relatively known relation to skill and productivity. This may partially explain the inability of Khaled from the previous chapter, holding a double Masters in Finance and Engineering attained abroad, to secure a job in his chosen industry.

For some commentators, the key point when it comes to statistical discrimination is that it is the outcome in the labour market that establishes the standard (see Teelucksingh and Galabuzi 2005). This is a departure from economic literature that suggests discrimination is a residual effect of the exchange of labour and wages which is subjected to competitive market forces. Thus, a major indicator pointing to statistical discrimination is income differences between workers of the dominant group and an ethnic minority group, when controlling for participation by occupational sector (see Pendakur and Pendakur 1998; Cain 1986). As discussed further in the previous chapter, Tables 4.1 and 4.2 do suggest statistical discrimination is prevalent among the ethnic minority populations.

Proving exclusionary discrimination is a more difficult proposition than statistical discrimination given its predominantly anecdotal nature. Exclusionary discrimination occurs when a member of an ethnic minority group is impeded at a potential or current position due not to their capacity, but “an external barrier that artificially inhibits [their] growth” (Abella 1984). For example, throughout interviews many visible ethnic minority respondents articulated a frustration during the hiring process about queries regarding their ‘home nation’, although they were native Torontonians. It appears that employers often raise these questions as though it is part of the assessment calculus to determine their value and worth regarding their suitability for the particular job or promotion. While in conversation with the Canadian Race Relations Foundation, the Director recalled the case of a Canadian born, second generation, Moroccan-Algerian man who applied for an engineering job:

He had an ethnic sounding name and was duly turned down … he reapplied with a more Anglo name, and to his surprise he was given an interview. When he turned up to the interview, the interviewer saw he was of ethnic [minority] descent, and was told the position had been taken.
While his human capital in terms of education did not appear to be the subject of any potential discriminatory behaviour, his personal traits and background became the subject of concern by a prospective employer. In this respect, the behaviour of the prospective employer has a strong potential for impeding his chances of being hired on the basis of solely his capacity and enters the realm of a case of exclusionary discrimination. While this may be an acute case of exclusionary discrimination, proving widespread exclusionary discrimination often requires sifting through more ambiguous and inconclusive circumstantial evidence. Thus measuring the prevalence of exclusionary discrimination for ethnic minorities is a difficult proposition.

Although educated ethnic minorities should on paper have better prospects finding a high wage and high status placement, the interview narratives suggest otherwise. This may be the result of employers potentially believing there are fundamental differences between ethnic minorities and themselves – from language/dialect spoken to cultural rituals. While many of the ethnic minorities interviewed grew up in Toronto, can speak English fluently, and are assimilated into the city’s culture, visible ethnic minorities who seek high wage and high status placements perceive that their ethnicity could possibly be a disadvantage in obtaining a job placement or advancement in the workplace. That is, they believe that they may never escape the perception of being viewed as “foreign” (consciously or otherwise) by prospective employers. This was especially noted among those who were more visibly ethnic in terms of their physical attributes such as facial features or skin pigmentation, or linguistic attributes such as one’s accent.

To test the hypothesis that visible physical appearance can play a major role in increasing labour market penalties for ethnic minorities, Table 5.1 looks at educational and occupational outcomes by non-European ethnic minority groups’ visibility index in Toronto. Members of an ethnic minority group who self-identified as visible minorities were categorized into a scale reaching as high as 95-100 percent to as low as 75 percent and below. For instance, since 99 percent of Bangladeshi’s reported they were visible ethnic minorities, they will thus be classified within the 95-100 percent cohort. Conversely, since 94.7 percent of Grenadians reported being a visible minority, they will subsequently be placed in the 90-94 percent cohort. In effect, the index gauges ethnic minorities’ self-perception of their visibility in terms of physical appearance.

What is observed is that the most visible ethnic minority cohort (95 percent +) have a higher odds of being more educated than Europeans and other ethnic minority groups, both in undergraduate (odds ratio: 1.56) and graduate (odds ratio: 1.42) education. This group is also more likely to be unemployed than Europeans and other non-European ethnic minorities. However, they share a similar sized ethnic penalty to other non-European ethnic minorities when it comes to their demographics in managerial and professional positions, as well as salary. This suggests that discrimination on the basis of physical appearance is not sufficiently widespread to explain the ethnic penalty in Toronto. This is not to deny the existence of discrimination on the basis of physical appearance, but rather to suggest that...
Table 5.1 Educational and Occupational Outcomes for Ethnic Minority Groups by Visibility Index, 2001

<table>
<thead>
<tr>
<th>Visibility Index</th>
<th>University (Undergraduate) (%)</th>
<th>Graduate School (%)</th>
<th>Labour Force Participation (%)</th>
<th>Unemployed (%)</th>
<th>High Level Manager (%)</th>
<th>Mid-Level Manager (%)</th>
<th>Professional (%)</th>
<th>Mean Salary (CAS)</th>
<th>N+</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Total</td>
<td>19.2 (1.21)</td>
<td>6.8 (0.99)</td>
<td>83.0 (0.85)</td>
<td>4.4</td>
<td>2.3</td>
<td>12.7</td>
<td>20.2</td>
<td>54,131</td>
<td>2,792,740</td>
</tr>
<tr>
<td>Non-European Total</td>
<td>21.2 (1.21)</td>
<td>6.8 (0.99)</td>
<td>76.5 (0.85)</td>
<td>8.1</td>
<td>0.9</td>
<td>8.8</td>
<td>17.2</td>
<td>38,356</td>
<td>1,799,370</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Visibility Index</th>
<th>University (Undergraduate) (%)</th>
<th>Graduate School (%)</th>
<th>Labour Force Participation (%)</th>
<th>Unemployed (%)</th>
<th>High Level Manager (%)</th>
<th>Mid-Level Manager (%)</th>
<th>Professional (%)</th>
<th>Mean Salary (CAS)</th>
<th>N+</th>
</tr>
</thead>
<tbody>
<tr>
<td>95-100 Percent</td>
<td>24.0 (1.56)</td>
<td>8.1 (0.99)</td>
<td>74.6 (0.81)</td>
<td>8.5</td>
<td>0.9</td>
<td>9.0</td>
<td>18.4</td>
<td>38,067</td>
<td>1,097,870</td>
</tr>
<tr>
<td>90-94 Percent</td>
<td>11.0 (0.33)</td>
<td>2.5 (0.14)</td>
<td>80.8 (0.95)</td>
<td>8.3</td>
<td>0.6</td>
<td>6.4</td>
<td>13.7</td>
<td>36,661</td>
<td>265,905</td>
</tr>
<tr>
<td>85-89 Percent</td>
<td>17.7 (0.85)</td>
<td>5.5 (0.65)</td>
<td>77.1 (0.86)</td>
<td>9.1</td>
<td>0.9</td>
<td>9.5</td>
<td>14.6</td>
<td>35,889</td>
<td>99,880</td>
</tr>
<tr>
<td>80-84 Percent</td>
<td>12.1 (0.40)</td>
<td>4.0 (0.35)</td>
<td>78.1 (0.89)</td>
<td>7.3</td>
<td>0.5</td>
<td>6.7</td>
<td>11.1</td>
<td>33,114</td>
<td>36,060</td>
</tr>
<tr>
<td>75-79 Percent</td>
<td>22.9 (1.42)</td>
<td>6.0 (0.78)</td>
<td>75.7 (0.83)</td>
<td>8.3</td>
<td>1.2</td>
<td>10.6</td>
<td>18.1</td>
<td>40,929</td>
<td>62,740</td>
</tr>
<tr>
<td>75 Percent + Below</td>
<td>20.8 (1.17)</td>
<td>5.9 (0.75)</td>
<td>81.0 (0.95)</td>
<td>7.1</td>
<td>1.3</td>
<td>10.2</td>
<td>18.2</td>
<td>42,832</td>
<td>236,915</td>
</tr>
</tbody>
</table>

Notes: * Odds ratios in parentheses. The odds ratios here compare the odds of educational and occupational outcomes [p(outcomes) / (1 - p(outcomes))] for the particular non-European ethnic minority cohort (numerator) and Europeans (denominator) in Toronto. An odds ratio value of 1 thus indicates group equity; an odds ratio value that is > 1 indicates the outcome is more likely to occur among the particular non-European ethnic minority cohort; conversely, an odds ratio value that is < 1 indicates the outcome is less likely to occur among the particular non-European ethnic minority cohort. + Size corresponds to visibility index results.

Source: Author’s Calculations based on Statistics Canada (2005a) and Institute for Social Research (2006).
Table 5.2 Educational and Occupational Outcomes for Ethnic Minority Groups by Linguistic Index, 2001

<table>
<thead>
<tr>
<th>Linguistic Index</th>
<th>University (Undergraduate) (%)</th>
<th>Graduate School (%)</th>
<th>Labour Force Participation (%)</th>
<th>Unemployed (%)</th>
<th>High Level Manager (%)</th>
<th>Mid-Level Manager (%)</th>
<th>Professional (%)</th>
<th>Mean Salary (CAS)</th>
<th>N*</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Total</td>
<td>19.2</td>
<td>6.8</td>
<td>83.0</td>
<td>4.4</td>
<td>2.3</td>
<td>12.7</td>
<td>20.2</td>
<td>54,131</td>
<td>2,792,740</td>
</tr>
<tr>
<td>Non-European Total</td>
<td>21.2</td>
<td>(1.21)</td>
<td>6.8 (0.99)</td>
<td>83.0 (0.85)</td>
<td>4.4 (0.15)</td>
<td>2.3 (0.11)</td>
<td>12.7 (0.48)</td>
<td>20.2</td>
<td>54,131</td>
</tr>
<tr>
<td>80-100 Percent</td>
<td>11.4</td>
<td>2.3</td>
<td>83.3</td>
<td>7.3</td>
<td>0.6</td>
<td>7.0</td>
<td>14.2</td>
<td>37,508</td>
<td>344,845</td>
</tr>
<tr>
<td>60-79 Percent</td>
<td>30.0</td>
<td>6.9</td>
<td>83.1</td>
<td>6.2</td>
<td>1.7</td>
<td>11.1</td>
<td>21.3</td>
<td>47,729</td>
<td>51,515</td>
</tr>
<tr>
<td>40-59 Percent</td>
<td>22.1</td>
<td>9.3</td>
<td>78.2</td>
<td>8.3</td>
<td>1.1</td>
<td>8.7</td>
<td>16.8</td>
<td>39,982</td>
<td>351,990</td>
</tr>
<tr>
<td>20-39 Percent</td>
<td>21.3</td>
<td>3.7</td>
<td>77.9</td>
<td>7.8</td>
<td>0.5</td>
<td>6.7</td>
<td>13.5</td>
<td>34,487</td>
<td>322,205</td>
</tr>
<tr>
<td>0-19 Percent</td>
<td>24.2</td>
<td>8.7</td>
<td>71.8</td>
<td>9.1</td>
<td>1.0</td>
<td>10.6</td>
<td>20.4</td>
<td>39,053</td>
<td>728,815</td>
</tr>
</tbody>
</table>

Notes: * Odds ratios in parentheses. The odds ratios here compare the odds of educational and occupational outcomes \([p(outcomes) / (1 - p(outcomes))]\) for the particular non-European ethnic minority cohort (numerator) and Europeans (denominator) in Toronto. An odds ratio value of 1 thus indicates group equity; an odds ratio value that is > 1 indicates the outcome is more likely to occur among the particular non-European ethnic minority cohort; conversely, an odds ratio value that is < 1 indicates the outcome is less likely to occur among the particular non-European ethnic minority cohort. + Size corresponds to linguistic index results.

Source: Author’s Calculations based on Statistics Canada (2005a) and Institute for Social Research (2006).
Table 5.3 Educational and Occupational Outcomes for “At Risk” Ethnic Minority Groups, 2001

<table>
<thead>
<tr>
<th></th>
<th>University (Undergraduate) (%)</th>
<th>Graduate School (%)</th>
<th>Labour Force Participation (%)</th>
<th>Unemployed (%)</th>
<th>High Level Manager (%)</th>
<th>Mid-Level Manager (%)</th>
<th>Professional (%)</th>
<th>Mean Salary (CAS)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Total</td>
<td>19.2</td>
<td>6.8</td>
<td>83.0</td>
<td>4.4</td>
<td>2.3</td>
<td>12.7</td>
<td>20.2</td>
<td>54,131</td>
<td>2,792,740</td>
</tr>
<tr>
<td>“At Risk” Groups Total</td>
<td>25.0</td>
<td>9.2</td>
<td>71.3</td>
<td>8.9</td>
<td>1.0</td>
<td>10.6</td>
<td>21.7</td>
<td>39,460</td>
<td>574,185</td>
</tr>
<tr>
<td>Odds Ratio*</td>
<td>1.69</td>
<td>1.85</td>
<td>0.74</td>
<td>4.16</td>
<td>0.20</td>
<td>0.70</td>
<td>1.15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple South Asian</td>
<td>22.3</td>
<td>10.7</td>
<td>73.9</td>
<td>11.9</td>
<td>1.3</td>
<td>7.9</td>
<td>19.4</td>
<td>35,469</td>
<td>21,445</td>
</tr>
<tr>
<td>Tamil</td>
<td>8.6</td>
<td>2.2</td>
<td>68.6</td>
<td>12.2</td>
<td>0.2</td>
<td>5.3</td>
<td>10.9</td>
<td>28,208</td>
<td>23,575</td>
</tr>
<tr>
<td>Pakistani</td>
<td>29.1</td>
<td>14.8</td>
<td>66.1</td>
<td>14.8</td>
<td>0.7</td>
<td>8.9</td>
<td>16.5</td>
<td>36,265</td>
<td>33,055</td>
</tr>
<tr>
<td>Vietnamese</td>
<td>9.1</td>
<td>1.2</td>
<td>73.3</td>
<td>8.1</td>
<td>0.2</td>
<td>4.7</td>
<td>11.3</td>
<td>34,041</td>
<td>34,895</td>
</tr>
<tr>
<td>Korean</td>
<td>35.1</td>
<td>9.4</td>
<td>68.0</td>
<td>8.1</td>
<td>1.2</td>
<td>25.4</td>
<td>19.4</td>
<td>37,162</td>
<td>41,655</td>
</tr>
<tr>
<td>Chinese</td>
<td>26.4</td>
<td>9.6</td>
<td>71.8</td>
<td>8.2</td>
<td>1.1</td>
<td>10.3</td>
<td>24.4</td>
<td>41,656</td>
<td>391,405</td>
</tr>
<tr>
<td>Punjabi or Sikh</td>
<td>19.0</td>
<td>9.0</td>
<td>78.7</td>
<td>8.3</td>
<td>0.7</td>
<td>5.5</td>
<td>8.1</td>
<td>31,743</td>
<td>19,130</td>
</tr>
<tr>
<td>Bangladeshi</td>
<td>27.5</td>
<td>26.4</td>
<td>62.8</td>
<td>14.5</td>
<td>1.1</td>
<td>6.0</td>
<td>17.4</td>
<td>29,355</td>
<td>5,775</td>
</tr>
<tr>
<td>Taiwanese</td>
<td>26.0</td>
<td>13.1</td>
<td>53.2</td>
<td>13.4</td>
<td>5.8</td>
<td>15.4</td>
<td>28.6</td>
<td>33,658</td>
<td>3,250</td>
</tr>
</tbody>
</table>

*Note: * The odds ratios here compare the odds of educational and occupational outcomes \( \frac{p(\text{outcomes})}{(1 - p(\text{outcomes}))} \) for the particular non-European ethnic minority cohort (numerator) and Europeans (denominator) in Toronto. An odds ratio value of 1 thus indicates group equity; an odds ratio value that is > 1 indicates the outcome is more likely to occur among the particular non-European ethnic minority cohort; conversely, an odds ratio value that is < 1 indicates the outcome is less likely to occur among the particular non-European ethnic minority cohort.

Groups reporting 80 Percent and above the Visibility Index and 20 Percent and Below the Linguistic Index.

*Source:* Author’s Calculations based on Statistics Canada (2005a) and Institute for Social Research (2006)
The Penalty

one’s physical appearance alone is not a predominant factor explaining varying educational and occupational outcomes between ethnic minorities and the dominant group in Toronto.

While ethnic minorities as an aggregate may have higher human capital in terms of education, some may lack the distinguishable local linguistic markers. In particular, as Chiswick and Miller (2002) point out, in situations where communication skills are important a lack of fluency will effectively reduce one’s potential productivity in the workplace. This has the consequence of restricting many ethnic minorities to positions that may not fully benefit their formal education, or to work with co-ethnic minorities with whom they share a linguistic commonality. To test whether a linguistic handicap is a major factor explaining Toronto’s ethnic penalty, Table 5.2 looks at the educational and occupational outcomes by ethnic minority groups who reported English as their first language. Non-European ethnic minorities who identified English as a first language were scaled in 20 percent intervals. For example, since 99.7 percent of Trinidadians reported English as a first language they will be placed in the first quintuple (80-100 percent) of the linguistic index, with each ethnic minority group thereafter following this categorization pattern. While categorizing ethnic minority groups on this basis may not fully gauge their language proficiency it can provide a proxy for potential linguistic discrimination.2

Table 5.2 offers inconclusive evidence to suggest a linguistic handicap is a major contributing reason for Toronto’s ethnic penalty. The lowest quintuple (0-19 percent) seem to have one of the highest odds of educational attainment both at the undergraduate (odds ratio: 1.59) and graduate (odds ratio: 1.64) levels compared to European groups and other non-European ethnic minorities. Moreover, while the lowest quintuple also have the highest rate of unemployment (odds ratio: 0.75), their demographics in managerial and professional positions exceed all other ethnic minority groups; and in fact, they have achieved convergence with European groups in professional positions (odds ratio: 1.02). This situation may be the result of the lowest quintuple benefiting from the secondary labour market (see Portes and Rumbaut 2001; Waldinger 1994; Bonacich 1972), and reaffirms the experiences of minorities interviewed such as Pablo or Ha who have found work in the ethnic economy. In addition, it is important to note that over half of the lowest quintuple are those of Chinese descent, who as we have seen occupy a strong presence with their ethnic enclave and economy.

Thus far it appears that examining discrimination on the basis of physical appearance or a linguistic dimension separately has yielded inconclusive evidence to suggest that they play a major role in explaining the ethnic penalty in Toronto. However, when examining “at risk” groups for discrimination, those who are 80 percent and above the visibility index in Table 5.1 and in the lowest quintuple on the linguistic index in Table 5.2, fascinating results are yielded. As Table 5.3

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2 For instance, although 8.2 percent of Bangladeshis report English as first language, this does not fully indicate a lack of proficiency in English.
The Ethnic Penalty

illustrates, “at risk” groups, who make up approximately 12 percent of Toronto’s population, have a higher educational attainment than European groups, but suffer an ethnic penalty in each labour force category except for their demographics in professional occupations. When removing the Chinese cohort out of the equation whose presence may skew the figures given their strong presence in the secondary labour market, the numbers are even more striking. “At risk” groups, now totaling a population of 182,780 (approximately 4 percent of total population) still have higher educational attainment than European groups – with undergraduate education attainment at 21.8 percent and graduate level attainment at 8.4 percent; however, they have only a 70.1 percent labour market participation rate and an alarming 10.5 percent unemployment rate. Only 0.8 percent and 11.2 percent are employed as high and mid-level managers, and 15.1 percent categorized as professionals. Their mean salary: CA $34,282, nearly CA $20,000 less than Europeans.

While “at risk” ethnic minority groups do suffer a larger ethnic penalty than other ethnic minorities in Toronto, this group seems to be made up of relatively recent arrivals to Toronto in the 1990s onwards. Following the “contact hypothesis” discussed in the final section of this chapter, one may expect that their offspring – the one and a half, and second generation – who have greater social contact with the dominant groups, may have labour market experiences that are more commensurate with the dominant groups. A less optimistic picture may be that their offspring, especially from dissimilar backgrounds from that of the dominant groups, will continue to experience an ethnic penalty. While statistical evidence offered in the earlier chapters indicate that this viewpoint has a stronger validity at this juncture rather than the former scenario, discrimination based on one’s physical appearance or a linguistic dimension appears not to be the primary reason explaining the ethnic penalty experienced by the current one and a half generation, and second generation and beyond. The reality is that in Toronto’s labour market there continues to be complex and hierarchical labour market that does not favour visible ethnic minorities, especially in high wage and high status occupations. Further explanatory factors other than exclusionary discrimination are necessary.

Social Network

Perhaps the ethnic penalty can be explained by the notion that high wage and high status employment is dominated by an older working generation. Thus, the younger highly-educated one and a half, and second generation ethnic minorities have yet to reap the benefits of high wage and high status employment. Given that almost 30 percent of mid-level managers are ethnic minorities in the city there may be optimism that in due course this should be reflected in high-level managerial positions. There is however, uncertainty whether this will bear fruit to a large extent given the operations of the network concept of labour allocation.
The network concept of labour allocation demonstrates how social segregation can create labour market segregation through network referrals (see Granovetter 1973, 1983). As demonstrated in the previous chapter, ethnic minorities’ personal contacts tend to come from a narrower range of occupations than non-ethnic minorities, reflecting the ethnic segregation of jobs. Since minorities and non-minorities hold different occupational titles, withstanding working in the same organization, they are often physically separated from each other, reducing the potential for social contact and the development of crucial social relationships and ties.

These operations that perpetuate ethnically-segregated networks are important given the high frequency with which social contacts are used to locate and influence job opportunities. For instance, there were ample examples throughout the previous chapters illustrating how one’s social network, whether strong or weak ties, played a major role in the job search and hiring process. For illustration, recollect the experiences of Paul, the Jamaican-Canadian searching for jobs by relying on inter-ethnic friends; or, Pablo or Ha who found their respective positions through their social network. The point remains in these scenarios discrimination no longer has any cost to the discriminator, but rather reaps social rewards. Since many high wage employers depend on referrals by their existing labour force, such as TT Company who targeted their positions by relying on word-of-mouth advertising by its employees; coupled, with the fact many unskilled or low wage vacancies usually attract greater mass-advertisement (indicative of the type of jobs available in employment centres), the job search strategy is simultaneously a choice of wage-offer distribution. Since job-seekers lack full knowledge of job vacancies and hence, rely on job information obtained through formal and informal avenues, one can conceptualize the job search as a sequence of wage offers drawn randomly from an offer distribution (see Arrow 1998; Montgomery 1992). Moreover, when ethnic minority members do not have vast pre-existing resources, especially in an ethnically segregated labour market, the odds of these members attaining a high wage and high status occupation depends on their access to a heterogeneous social network. In the instances where ethnic minority members have not been fully accepted into a social network, that is they possess low social network capital, the odds of a member of an ethnic minority group attaining a job that is high wage and in the professional or managerial class decreases. This sets the stage for a continued ethnic penalty, reinforcing a structured inequality among ethnic minority groups in comparison to the dominant groups.

While a social network perspective points to the ascribed characteristics of the job seeker, such as ethnicity, and the role that structural factors play in influencing the quality of job information found through one’s social network, a status construction perspective examines the effect of ascriptive characteristics by suggesting that individuals may take ethnicity into account when forming social contacts and passing along job information (see Huffman and Torres 2002; Ridgeway 1998). For example, the prevalence of beliefs and stereotypes, rooted from previous experiences of the employer, or embedded within the wider community’s perception of a group – for instance Caribbean being perceived as “happy go lucky” and “fun
loving” as depicted in Chapter 2 – may lead to the devaluation of an ethnic minority group member’s work related technical and social attributes; and the assumption that ethnic minorities are less competent in these aspects than non-ethnic minorities. This may partially explain the prevalence of performance evaluation bias noticed in the previous chapter, whereby supervisors had a tendency to attribute high task performance of non-minorities to ability and talent, and were more likely to attribute high task performance of minorities to ease of task or extraordinary effort. Since network resources differ by ethnicity, one may assume that ethnicity accurately reflects their ability and competence to perform certain work roles. And more crucially, these beliefs and stereotypes forged around ethnicity may disadvantage ethnic minorities with respect to their social contacts and access to job information.

Suffice to say, the role of social contacts as a source of job information can be paramount for labour market success. The quality of the job lead varies according to the ethnic background of the provider and the recipient of the job information; and the interaction between both. Moreover, there are both structural and cultural features in the workplace, along with ethnic minorities’ location in the opportunity structure of the organization, that affect the quality of the job information transmitted via social networks.

**Working Culture**

The working culture of an organization plays a major role in sustaining the ethnic penalty. Working culture includes patterns of informal social behaviour such as communication, decision making and interpersonal relationships, which is often dictated by the dominating group’s values, assumptions and norms (see Martin 1992). This may create a monoculture reflecting the standpoint of organizational members who are part of the dominating group. Given the predominance of informal contacts and referrals in hiring strategies this maintains homogeneity at the organizational level and as will be demonstrated, strengthens the power of dominant social groups to steer and shape the working culture. Empirically, this phenomenon was observed in enterprises and public institutions queried regardless of size or their placement in the primary labour market or ethnic economy. For instance at the small and medium enterprise level, Li, a Chinese owner of an information technology company in Toronto who previously expressed her wish to hire employees of the

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3 It is worthwhile to note recruitment agencies and headhunters are becoming more involved in the hiring process of managers and professionals in Toronto. Ployart et al. (2006) suggest that the most effective matches by agencies and headhunters are individuals who they are familiar with in terms of their educational background, experience and working culture fit. This practice may potentially increase homogeneity in an organization and its working culture – not to mention increasing the potential for an ethnic penalty.
same background in the last chapter, continues to articulate an overt desire to maintain a “Chinese oriented firm”:

The [working] culture here is a result of everyone knowing each other. Since most of the employees are Chinese, our expectations at work are mostly similar, creating less confusion and more focus on accomplishing our objectives.

Even in larger firms and public institutions in Toronto, evidence suggests that the working culture is partially shaped by a dimension rooted in the “potential friend” principle. In firms such as I Company, one of the main attributes for employees’ success is their social rapport with clients and co-workers. In conversation with the Vice President of I Company:

Q: What common attributes are found in your most productive and successful employees?

A: For starters we find the most successful employees are the ones who are able to get along with their co-workers and our clients. The people skills are the most important thing. Of course, ability and skills are important, but the ability to use those skills is reduced if a person cannot communicate and relate to others.

Q: Do you find these common attributes differ by role?

A: I have found when hiring someone if they cannot sustain a conversation with me for the short period we are speaking [i.e. during the interview], they may not be the most suitable [candidate] for our company. So in a word, yes, the people skills are important regardless of the role. This is not to say that these skills cannot be more valuable in certain specific roles. In our current search for a senior manager, the final process involves having lunch or dinner with the candidates. We want to assess their people skills. If they can connect with me, they can connect with our clients.

While one out of the five internal candidates for I Company’s senior manager position was an ethnic minority, the Vice President did suggest that based on appraisals and his personal observation, the ethnic minority candidate appeared to fit into the working culture of the company; was sociable and able to relate to others; and, possessed the required skills to be effective in the role. This is consistent with interview narratives, whereby many minorities who believed they were not alienated from a firm’s working culture perceived they had a wonderful opportunity to advance in their current company. Furthermore, the situation poses the question to what extent do individual’s traits and character count in their occupational success in the labour market? What is certain is that these intangible individual social qualities,
The Ethnic Penalty

which appear to be crucial for success in the labour market, are not adequately factored in theories of human capital with their emphasis on educational attainment.

While it has been suggested that the ability of an individual to “fit into” the working culture is a major factor in the success of an employee, especially in high wage and high status positions, the presence of the “potential friend” principle may create an invisible barrier or glass ceiling. It may prevent ethnic minority members who may not have the requisite personal characteristics to meet the “potential friend” standard to advance beyond lower- or mid-level management positions, and this may partially explain the 30 percent mid-level managers figure cited in this study. This can lead to suggestions that ethnic minority members may have lower access to opportunity and power within the organization (see Greenhaus et al. 1990) and in turn, lower ability to shape and influence the working culture. Moreover, this restricted access to power produces a cycle of disadvantage for minority members, which reinforces an institutional working culture that is set up and maintained by non-ethnic minority employees and rewards them principally. Supportive relationships with one’s supervisor also play an important role in encouraging ethnic minorities to perceive a sense of belonging with the working culture. Support can take the form of career guidance and providing assignments that promote the ethnic minority worker’s development.

Identifying differential treatment in a working culture is a contentious proposition since dominant and ethnic minority groups often perceive the same working environment differently (see Kossek and Zonia 1993). Both groups may live in different perceptual spheres within the organization and thus often have conflicting perceptions about the working environment and their ability to participate in the working culture. To serve as an illustration, issues of differential treatment in social behaviours in the workplace may differ among Caribbean or Korean ancestries etc, than the dominant groups. It may also differ by those who are first, one and a half or second generation and beyond. While more evidence is needed to assess these differences, acknowledging that the working culture of an organization can play a role in perpetuating the ethnic penalty is a crucial step. The next step is to assess steps to create a positive working culture that is inclusive of both ethnic minorities and dominant groups. Of course, those who do experience differential treatment in the working culture and who seek to bring about change must do so within a structure of inequality that may respond with denial and resistance. This has the possibility of further compounding the experience of an ethnic penalty.

While in theory, a working culture that practices the promotion of equal employment opportunities should produce minimal ethnic differences in occupational-related experiences and outcomes, in Toronto this appears to be a lofty goal in spite of public efforts discussed in the previous chapter. In fact, the governing of inter-personal relations is a difficult proposition for any policy to mediate. Policies that seek to increase equal employment opportunities often do not meet their targets since they fail to influence the informal routines and inter-personal interactions that forge complex relationships between individuals on the basis of social trust.
Social Trust

In recent scholarship, social trust has been intimately linked with concepts of social capital (see Putnam 2000, 2001) or a variable to consider in the nature of economic transactions (see Arrow 1972b: 357) and economic performance (see Woolcock 1998; Knack and Keefer 1997). For commentators on social capital in particular, social trust is an important measure explaining cognitive social capital, that is, the norms, values, beliefs and perceptions of support that can be translated into an exchange of resources – in the sense of being able to call upon one’s social network – or well-coordinated goal oriented behaviour (see Uphoff 2000). In economic literature, social trust has been used to ascertain why economic activities requiring agents to rely on future actions of others are most effective and accomplished at lower costs in higher social trust environments. Given its wide academic usage, in order to understand how social trust can partially explain the ethnic penalty first requires distinguishing its scope.

Social trust generally refers to trust among strangers, rather than family members, friends or acquaintances involved in multiple interactions. There is considerable research showing that one of the major challenges of an ethnically heterogeneous community is that it may potentially reduce social trust between dominant groups and ethnic minority groups. For instance, a neighbourhood with a high level of ethnic diversity requires a higher level of social trust to bridge between various groups than a neighbourhood with a low level of ethnic diversity (see Burt 2002). Thus, the amount of resources and investment required to bridge groups dissimilar from the “Other” can be tremendous, especially when the norms, values and beliefs of the “Other” are in conflict.

In these regards, the “contact hypothesis” and “constrict theory” are two possible outcomes in dealing with ethnic diversity (see Putnam 2007). Drawing upon tenets of inter-group contact theory in social psychology, the “contact hypothesis” asserts that increased diversity may equate to less inter-ethnic division between dominant and ethnic minority groups, since contact and familiarity between groups will help to overcome barriers of distrust. The “constrict theory” suggests the opposite: ethnic diversity may reduce trust since there are less dominant group members. As a result, there are less people with whom one can identify as models, resulting in fewer social connections and lower levels of trust. In other words, according to “constrict theory” ethnic diversity can be negatively correlated with social trust.

There is growing evidence backed by large-scale survey results supporting the “constrict theory” notably at the national level. To cite one example, in the World

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4 According to inter-group contact theory, the contact between various groups are optimal when five conditions are observed: (1) equal group status within the situation; (2) common goals; (3) inter-group cooperation; (4) support of authorities, law or custom; and, (5) the contact situation must provide participants the opportunity to become friends (see Pettigrew 1998; Allport 1954).
Values Survey (2006) respondents were queried about whether they trust people. In ethnically diverse Canada, 38.4 percent in 2001 stated that most people can be trusted. There was little variation on the basis of age in the nation, however figures did vary significantly by respondent’s education levels. Among those with primary and secondary school education, approximately 30 percent were trusting; for those who had tertiary level education this rose to 55 percent. This suggests that the ‘constrict theory’ may have conditional validity in Canada, and the level of social trust may be correlated with one’s education.

On a related note, when the World Values Survey queried individuals in Canada whether they would prefer not to have as neighbours people of different ethnicity (Question A125), 3.4 percent in Canada reported affirmatively. Disaggregated by age groups, the younger cohort (age 15-29) expressed less discomfort with the presence of a neighbour from a different ethnicity than older cohorts (aged 30-49, and 50+). While these results may conflict with the ‘constrict theory’, living beside a member of a different group is an entirely different proposition from effectively trusting them. While minorities in Toronto may live in close proximity of each other, albeit within the boundaries discussed earlier in the book, this does not necessarily increase the level of social trust between them.

Granted, there are limitations in discerning levels of social trust when examining widespread surveys. One detail that is obscured is the extent to which different ethnic groups report varying levels of trust. A recent study has suggested that first generation ethnic minorities in Canada report considerably higher levels of social trust than second generation ethnic minorities (see Reitz and Banerjee 2007: 516). Moreover, individuals may report high levels of social trust in a generalized rather than particular sense (see Eisenberg 2004: 72). Other evidence put forward indicate that the larger the visible minority share – by numerical presence – the less trusting the dominant population is (see Soroka et al. 2003). At the heart of this observation is the idea that ethnic context affects considerations of social trust. In that case, the type of particularized trust observed in Toronto inhibits the ability of ethnic minorities to succeed in the labour market. This becomes evident in the job matching process and when examining income inequality between ethnic minorities and the dominant group.

Social trust applies to the job matching process since prospective employees and the employer must establish a minimal level of trust in each other’s accountability before they can mutually engage in a working relationship. One can hypothesize that the greater the social trust between prospective employee and employer, the greater the

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5 The exact wording of Question A165 was: “generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?” A common objection to this question is that it may obscure who the responders are thinking about when completing this particular section.

6 Buchan et al. (2002) suggests there is much to be understood about the influence of national, economic, religious and social factors on trusting behaviour between neighbours.
confidence that both parties will have a potentially successful working engagement. This implies a decline in the levels of social trust between ethnic minorities and the dominant group may be accompanied by a decline in the willingness of employers, who are risk sensitive to difference as demonstrated throughout this book, to hire ethnic minorities who may be perceived not to share common norms and values.7

This is especially important in cases where the prospective employees are found via open market searches such as direct application. During a “cold interview”, where the employer is meeting the interviewee as a virtual stranger without the benefit of a social network referral (to vouch in a sense), a prospective employer relies on perceptual information during the interview process, reinforced by the formal application information, to gauge the social trust levels. In fact, this idea is reinforced by pointing out an individual’s trustworthiness in the job interview can be assessed by their appearance, attitude or responses (see Frank 1987).

This situation becomes self-reinforcing given the presence of income inequalities between ethnic minorities and the dominant group. In other words, it is feasible to argue that one of the main reasons behind the decline of social trust between ethnic minorities and the dominant group is due to income disparities. Put succinctly, social trust involves an element of risk. Ethnic minorities, who have lower incomes, may inspire an elevated social distrust with the dominant group since they cannot afford to have a large “risk elasticity” – that is, they may not be positioned well to survive risks. When it comes to the job matching process this means that the potential employer may sense lower levels of social trust with an ethnic minority candidate; and thus, may be less inclined to hire that individual.

While more study is required to test these hypotheses in general, the strong likelihood that social trust, or more aptly its absence, plays a role in perpetuating the ethnic penalty should not be ignored. Moreover, whether Canadian multiculturalism policy can actually promote social trust more than other systems, and thus place Toronto in a better position than other jurisdictions to improve upon ethnic minorities’ labour market performance remains a question to be explored.

Conclusion

While intuitively overt discrimination insofar as one’s physical appearance or linguistic abilities are potential explanations behind the ethnic penalty, this chapter has demonstrated this may not always be the case for all ethnic minorities. In fact, it appears that this type of exclusionary discrimination is most likely experienced by those who are ethnic minority newcomers who are highly visible in terms of

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7 The risk sensitivity of individuals when it comes to ethnic differences can be illustrated in public goods experiments. For example, Glaeser et al. (2000) show subjects who were partnered with an individual of a different ethnicity were less cooperative than those who were partnered with someone of the same ethnicity.
appearance and have linguistic cues that denote “foreign-ness”. This however does not explain the reality of statistical discrimination for most visible ethnic minorities. For this larger group, access to opportunity in the labour market is not equally available due to a possible shortage of strong and weak ties in one’s social network; difficulties (perceived or real) operating in a firm’s working culture; or to low social trust between dominant and ethnic minority group members. These factors, although presented separately are themselves by no means unconnected. For instance, at the meta-level social trust can influence one’s social network or working culture by setting the tone for social relations between dominant and ethnic minority group members.

While the labour market is still distorted by statistical discrimination, subverting principles of merit hiring on the basis of one’s education, to correct it requires an understanding of its operations. This chapter has sought to provide some insight into explaining the ethnic penalty. Notwithstanding, given the subjectivity in explaining the discord between education and occupational experiences, efforts to address the ethnic penalty will inevitably be complicated by debates regarding its nature, cause and cure.
Chapter 6
Future Outlook

The two waves of immigration and their offspring have fostered a highly diverse and growing segment of Toronto’s total population. Although first wave immigrants came primarily from Western Europe, and second wave immigrants are comprised of a plethora of country of origins from the developed and developing world – and constitute in sum a large cohort of visible ethnic minorities – both waves of immigration have brought to Toronto a myriad of world views involving various ethno-cultural traits, orientations and modes of behaviour. Thus, some have further argued that understanding immigrant’s economic and social integration (and their offspring’s chances of socio-economic success) varies depending on their country of origin (see Halli and Vedanand 2007). In addition, immigrants from Western nations and those arriving from non-Western nations are different in terms of various attributes that affect socio-economic integration. For example as discussed in the previous chapter, cues denoting “foreign-ness” such as non-Western accent may potentially affect visible ethnic minorities socio-economic integration. When examining the socio-economic prospects of visible ethnic minorities’ who are second generation and beyond, this chapter will argue that the odds of the next generation’s success in the labour market largely depend on a group’s level of socio-economic integration with interactive variables such as the age of migration, and whether an individual has one or both parents born abroad playing a significant role. Moreover, the chapter will offer steps for increasing the integration of ethnic minorities via improving education and labour market outcomes.

Prospects for the Next Generation

It is an encouraging sign that the children of visible ethnic minorities have exceeded or have achieved the same educational attainment as non-ethnic minorities (see Table 3.2). However, when disaggregated further using intermediary categories of 1.25 generation (age 13 to 18 years at the point of migration), 1.5 generation (age 7 to 12 years at the point of migration) and 1.75 generation (0 to 6 years at the point of migration), the 1.75 generation have the highest educational attainment, followed by the 1.5 generation, and then the 1.25 generation (see Halli and Vedanand 2007). In other words, children who migrated between the ages of 0 to 6 have the highest odds of achieving tertiary level attainment than the older age groups. This situation can potentially be alarming given that there is a strong linkage between education and
socio-economic integration (see Muiznieks 1999; Bagley 1984; Otto 1976; Sewell et al. 1969).

Explanations behind the lower performance of the 1.25 generation versus the 1.5 and 1.75 generations are generally psychological in nature. One can theorize that the 13 to 18 years old group may have a more difficult time adapting and dealing with a range of issues from generational conflict to learning a new language and cultural environment. Melissa, 22, a Cambodian who migrated to Toronto at the age of 15 articulated her experience this way:

It was difficult to adapt to Toronto life. I was a teenager when I came here. My parents did not speak English very well, neither did I … I was enrolled in an ESL [English as a Second Language] program in high school … the first few years were difficult … not only did I have to speak a new language, but my classmates were quite different from me in the way they dressed, thought and the things that they did for fun. I often felt alone. My parents could not understand … I was living two worlds, a Cambodian one at home, and a Canadian one at school …

The story of Melissa is not usual for new ethnic minority arrivals, and more acutely the 1.25 generation who experience a torn identity. On the one hand, they are socialized into cultural norms and values of their ‘home’ nation in the family unit that forges a particular social identity and behaviour. On the other hand, when interacting in the public arena such as schools – and their accompanying new social groupings – they may develop another social identity and behaviour that corresponds to their ‘host nation’ cultural norms and values. When the ‘home’ and ‘host’ nation norms and values do not align the torn identity is realized, which can potentially form a barrier to integration and educational attainment. From another standpoint, the prevalence of a torn identity may suggest increased potential difficulties for the 1.25 generation in adapting to a firm’s working culture or to cultivate the requisite heterogeneous social network to obtain job information, which as discussed in-depth in the previous chapter, is crucial for labour market success.

Second generation ethnic minority children who have both parents that are foreign born are particularly susceptible to the torn identity as well. Halli and Vedanand (2007) indicate that 35 percent of this cohort in Canada report that their ethnic origin and traditions are very important to them, suggesting that the ‘home nation’ values and norms transmitted in the family unit continues to play a prevalent role. Among second generation ethnic minority children who have one parent who are foreign born and another parent who are Canadian this figure is reduced to 23 percent. In sum, this suggests that understanding the family structure of ethnic minority households – viz. distinguishing the second generation with one parent foreign born versus both parents foreign born – is an important aspect to understand the propensity for socio-economic integration both in the short and long term.

The role of the family structure of ethnic minority households is also crucial when examining intergenerational transmission of skills. Seemingly, the second
Future Outlook

A generation with two foreign born parents who are in the managerial and professional occupational categories have a distinctive advantage in obtaining high educational attainment than other all immigrant cohorts (see Halli and Vedanand 2007). This finding may imply that the success of the second generation depends on the opportunities available to their parents.

Although immigrant children’s parents may not necessarily achieve labour market outcomes reflecting their educational attainment, there is optimism that in the next generation or the generation afterwards, a gradual convergence in labour market experiences may occur between ethnic minorities and the dominant groups. This argument, however, is not helpful for the current generation who do not have the luxury of waiting. The fear is that many ethnic minorities may become disengaged, developing a gap between expectations developed through their educational attainment and what is realized in the primary labour market. A realistic reading of the evidence presented in this book suggests that intervention is needed at this juncture.

Steps for Improvement

Suffice to say, the emergence of ethnicity as a subject of social, political and economic importance has put issues of educational attainment and labour market outcomes at the forefront. While the education of ethnic minorities, in aggregate, has been relatively successful in Toronto, to the extent that their educational attainments are on par with or even exceed that of the dominant groups, from a social justice perspective the existence of ethnic penalties in the labour market can be an affront to the normative principles of equality of opportunity promoted in Toronto. In fact, one can argue that there is a moral obligation to seek equity in the labour market insofar that each segment of the labour market and the various occupational categories and levels, should amply represent the ethnic diversity of the community. While the validity of the social justice argument can be debated, we ought to frame the justification for improving ethnic minority representation in the labour market by also stressing the economic benefits.

The ethnic penalty represents an inefficient allocation of human capital imposing an added economic cost on all individuals regardless of their status as dominant or minority group members. Given the risk-averse nature of employers, employment equity often suffers. Employers in Toronto are more inclined to hire people similar to them – akin to a “potential friend” and who they perceive to share a high social trust with – notwithstanding it can potentially rob firms of their competitiveness, while the skills and training of those who are inefficiently allocated in the labour market are devalued. It appears improving ethnic minorities’ occupational realities is often seen as social welfare rather than an economic benefit. If the conversation is framed within the economic benefit argument, then both public and private enterprises are more inclined to listen. The message that has to be delivered is that ethnic minority
groups are important for the socio-economic health of a community. Steps for reducing the existence of ethnic penalties in the labour market should follow this mantra.

Government expenditures on education in Canada are large, to the tune of 6.1 percent of GDP nationally. Thus, governments at all levels have a significant stake ensuring ethnic minorities realize their potential in the labour market and to minimize the economic losses that come with the under-utilization of their human capital in the form of education. While Toronto has sought to instill federal employment equity legislation, which in theory should reduce the ethnic penalty, the success of these policies is in doubt. After two decades of implementing employment equity, ethnic minority inequities in the labour market in Toronto are still prevalent and perhaps even worse from a historical standpoint (see Pendakur 2005). The effectiveness of employment equity legislation is severely reduced since it is rarely implemented in a manner in which it was intended. Unfortunately, there is a lack of convincing evidence at this juncture to suggest that most employers fully comply with employment equity legislation, other than reporting basic workplace data (see Canadian Race Relations Foundation 2005; Bachmann 2003). For example, in a public service employee survey only 37 percent reported that they met legislated standards of employment equity; and an additional 5 percent reported exceeding these standards (Government of Canada 2004). Few employers actively maintained programs designed to remove barriers to workplace recruitment and advancement, and crucially, to change the traditional working culture that as discussed in the previous chapter, acts as an important determinant in perpetuating the ethnic penalty.

Perhaps the situation can be mitigated if Equity Officers are provided with improved incentives to be more aggressive in implementing and monitoring employment equity. If municipally-funded organizations and departments do not, in a reasonable time, take steps to attain employment equity parity (especially at the managerial level and in professional occupations where the penalty is the greatest), there has to be the threat of real repercussions from higher levels of government. For instance, potential repercussions in the public service can derive from negative evaluations by the Director General or the Auditor General’s Report. In short, more severe penalties should be imposed when employers fail to implement employment equity legislation requirements. Admittedly, in the private sector this is a more difficult proposition to execute as regulatory bodies can only extend so far. Yet, governments at all levels can provide tax incentives to promote employment equity in the private sector. This is feasible in principle and could work similar to existing tax incentives to “go green” (promoting environmental initiatives) currently in practice. Moreover, by targeting major corporations and big businesses to promote and practice employment equity, one will hope that the employment equity message will be delivered through their supply and partner chains.

Whether there is sufficient political capital or motivation necessary to enact these policies is another question. Non-action in these regards can be explained if governments embrace the idea that the market is the final arbiter of social justice, i.e.
the market can determine the fair distribution and compensation for labour. In line with this process, one potential fear if the government intervenes is that they may effectively distort market conditions. The formidable roles of strong and weak social networks or social trust in the job search, hiring and promotion process demonstrate the inadequacy of leaving labour market equity to market forces. As demonstrated in the previous chapters, there are significant market failures having little to do with statistical discrimination as traditionally understood, which play a powerful role in perpetuating the ethnic penalty. Conversely, educational and occupational experiences are influenced by social and psychological externalities, notably within the social contexts of opportunity within which ethnic minority groups are embedded. Thus, government’s legitimacy and motivation to enact policies to curb the ethnic penalty can stem from this realization.

Local ethnic community associations can also be a valuable resource in improving the situation for ethnic minorities in the labour market. In Toronto, ethnic associations act as a social forum or an information point to promote ethnic minority issues (e.g. Chinese or Korean Catholic Associations). Ethnic associations can play a role in providing support for ethnic minorities by acting as a networking mechanism to encourage greater access to high wage and high status positions in the labour market. Moreover, it appears at present that local associations often operate without awareness of each other, thus, increasing the likelihood that their members reproduce job allocations in the secondary (ethnic) labour market. With added support from the local government, various ethnic associations could be encouraged to meet with each other, as well as with relevant Chambers of Commerce and Boards of Trade. This in turn, can provide greater opportunities for ethnic minorities to achieve a greater social network to succeed in the primary labour market, as well as to hopefully improve social trust between various ethnic minority groups and the dominant majority.¹

Final Words

While it may be cliché to state that further study is necessary to increase our understanding of the operations of the ethnic penalty, especially in regards to explanatory factors such as exclusionary discrimination, social network and working culture and social trust, with increased data the reliability of observations and theories presented throughout this book will improve. In particular, it is prudent to enhance our comprehension of social trust and how it manifests and works at the local community level. To date, there appears to be a growing body of literature

¹ It is also theorized that the capacity to export goods and services outside of Toronto will potentially be expanded by tapping into the trans-local and trans-national ethnic networks that minorities often possess (see Niessen and Schibel 2007).
focused on discussing the utility of the concept philosophically, rather than practically refining testing procedures that accurately measure social trust.

In addition, increased scholarship explicitly examining the notion of an ethnic penalty, especially in non-traditionally viewed multicultural societies (e.g. Germany, Austria, France, Russia), may assist to dispel arguments that there are no systemic disadvantages for ethnic minorities in the labour market or it is a “New World” immigrant-receptive nations problem (note, in Appendix 3, other jurisdictions experiences in managing ethnic diversity is discussed). Complacency, vis-à-vis a lack of enquiry into ethnic minority realities can have dangerous consequences by justifying the status quo.

Toronto applauds itself as a true multicultural success story, whereby ethnic minority groups from all regions of the world are able to immigrate to the city and enjoy equity in mass diversity. In many respects this goal has been successfully achieved when examining the educational attainments among ethnic minorities. However, a key ingredient in achieving the multicultural society envisioned by the city is equity in the labour market. With a projected increase in the ethnic minority population in Toronto (Justus 2004) it is vital not only on the basis of social equity, but also in terms of economic imperatives to effectively capitalize on untapped human capital. It is in the city’s interest that they do no rest on past laurels, but to acknowledge that an ethnic penalty continues to exist; to further seek to understand the nature of its potential causes; and, to enact progressive steps to reduce its effects.
Appendix 1
Methodology

Statistical Observations

In Toronto, about three in ten respondents indicated they have more than one ethnic origin, making it difficult to divide respondents into distinct, non-overlapping groups. Among this group, nearly 17.2 percent of Torontonians responded with two ancestries in the Census, and 12.5 percent gave three or more responses (Institute for Social Research 2006). Thus, the problem is to reduce the thousands of unique combinations of ancestries to sensible groupings.

In 2006, the Institute for Social Research was granted access to Statistics Canada 2001 Census to refine education and employment indicators by ethnic groups in the Toronto Census area. The Institute’s analysis included ethnic groups with at least 2,500 members, which meant the Toronto data covered 113 ethnic groups, of which 78 are single nationalities (see Appendix 2 for list of ethnic group categories). In order to deal with multiple responses the Institute first eliminated redundant answers which unnecessarily multiplied sub-divisions within a single classification. For example, the combination of “Argentinean” and “Hispanic” or “Argentinean” and “Latin American” meant that the respondent were giving similar answers which were “too small to analyze separately” (Institute for Social Research 2006: 8). Thus, the Institute shrunk the dual response into a single response, in this case, as “Argentinean” only. In a similar vein, respondents who said their ancestry was “Canadian” and another ancestry were classified according to the non-Canadian ancestry.1 The responses of each Census respondent who gave more than one answer to the question about ancestry were aggregated into seven major categories, European, East Asian, Caribbean, African, South Asian, Middle Eastern and West Asian, and South and Central American. Many of the respondents could then be classified into a single major category. For example, a person giving responses for two or more South Asian nations were classified as “South Asian”. At this point, the only persons still unclassified are those with ancestries from two or more different major regions. Although this was a rare occurrence, a subjective decision was made by the Institute to include them with the group which was “more visible” of their combined ancestries.

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1 While the census takers who provided two responses rather than one may not perceive they are identical to census takers who provided only one response, the Census samples are too small to test this hypothesis with any precision or accuracy.
Only the Canadian Census provided sufficiently detailed data to describe ethnic groups in Toronto. Although two-thirds of Toronto’s population can be easily classified since they described themselves as having only one ethnic ancestry, the Institute for Social Research acknowledges that classifying those who describe themselves as having two or more ancestries ultimately involve a degree of subjectivity. Notwithstanding, the Institute’s refined Census data have allowed researchers to look at ethnic communities in Toronto with greater detail and reliability than ever before.

**Qualitative Work Site Selection**

In 1998, the Greater Toronto Area amalgamated six municipalities (see Map A1.1) – the “inner ring” municipalities of York (Wards 11-12, 17)\(^2\) and East York (Wards 21-22, 31); the “outer ring” municipalities of North York (Wards 7-10, 15-16, 23-26, 33-34), Scarborough (Wards 35-44) and Etobicoke (Wards 1-6, 13); and the “downtown” municipality of Toronto (Wards 14, 18-20, 27-30, 32). In spite of this, the former municipalities are still used as a reference points to distinguish neighbourhoods. Although ethnic minorities are scattered throughout the Greater Toronto Area, three former municipalities – the “inner ring” York and East York and the “downtown” municipality of Toronto – were chosen as the primary qualitative work sites due to their extensive history of diverse ethnic group populations and socio-economic diversity.

York is a very diverse area in Toronto with an ethnic composition of 57.1 percent European descendants (mostly Portuguese, Italian and British), 20.4 percent African descendants, 4.6 percent Asian (Indian and Sri Lankan), 3.7 percent Filipino, and 16.2 percent “Others” (mainly from various Latin American countries). According to the 2001 Statistics Canada community profile it has a population of 150,255, the second smallest among the former six municipalities. It also has a high school dropout rate of 19.1 percent, 6 percent higher than Toronto’s average; an unemployment rate of 7 percent, 1.1 percent higher than the city’s average; and, a median income of CA $20,981, nearly CA $4,000 lower than the average (Statistics Canada 2005b).

East York has also been a major place of residence for ethnic minority groups. With a population of 115,185 in 2001, 40 percent of this neighbourhood is comprised of ethnic groups such as Bengalis, Indians, Pakistanis, Filipinos and Sri Lankans. It also has a sizeable Greek population and a growing Chinese community. In contrast to York, East York has a high school dropout rate of 11.5 percent, nearly 8 percent lower than York; an unemployment rate similar to York at 7 percent; but a median income of CA $24,408, nearly CA $3,500 more than York (Statistics Canada 2005b).

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\(^2\) These should only be treated as rough indicators of the old municipalities.
Finally, Toronto is the historic core and most densely populated part of the city. In 2001, there was a population of 676,352, of whom 70 percent are of European origin, 10 percent Chinese, 5 percent African descendants, 5 percent South Asian and the remaining 10 percent are Filipino, Latin Americans, Southeast Asians and Korean. It has a high school dropout rate of 9 percent and an unemployment rate similar to York and East York at 6.5 percent. The median income of CA $26,323 reflects the former municipalities’ distinction of being in the downtown, central business district, and is almost CA $6,000 more than York’s median income. Of particular interest is that the former municipality still retains its historically strong ethnic enclaves and economies, including two Chinatowns, Greektown, Little Italy, Portugal Village and Little India amongst others.

Interviews

Fifty-nine interviews with ethnic minorities located in York, East York and Toronto were utilized for this book. A fascinating characteristic of Toronto is the tendency of many of its ethnic groups to form highly visible ethnic neighbourhoods and economies – this makes identifying local participants easier than other jurisdictions. Local participants were recruited from sites in the three former municipalities known to have a large number of ethnic minority groups, for example, “Jamaica Town” (although populated with a wider range of Caribbean descendants) in York; the Filipino enclave in East York; “Little India” and “Chinatown” in Toronto. It is often the case that although many “original” members of an ethnic neighbourhood no longer lived in the area, they often came back to visit relatives, shop in ethnic businesses and in general, take part in the “cultural life” of the neighbourhood.

A typical interview began by approaching a candidate and explaining the intentions and the nature of the research. The participant rate of refusal was estimated to be one out of ten – with a lack of time to participate the main reason for declining. Since the 1960s, Toronto’s visible ethnic minority populations have increased exponentially, so it was not unusual for a visible ethnic minority researcher to conduct interviews on ethnic experiences throughout the city’s ethnic enclaves.

A profile of the interviews conducted among ethnic minorities in Toronto can be seen in Table A1.1. As illustrated, a good gender, age and generational distribution among respondents were achieved. The educational attainments of those interviewed represented a slightly higher educated population than Toronto’s profile (see Tables 3.1 and 3.2 for comparison). While 25.4 percent of those interviewed were unemployed, it should be pointed out that this figure is not directly comparable to an official unemployment rate, since the profile’s unemployed percentage includes a sizeable 18-24 age group who are completing or just completed tertiary education. Thus, they would not be included in the official unemployment rate as they are not classified as “looking for work”.
Table A1.1 Ethnic Minority Interviews Profile

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Expert interviews were conducted to gain varying perspectives on local ethnic minority management. Federal, provincial and municipal government officials with an ethnic minority development mandate were interviewed; as well as, interviews in the city’s employment centers, ethnic community and business associations, academics and NGOs. In general, expert interviews were arranged by directly contacting the relevant official and a meeting, usually lasting an hour, was set up.

**Participant Observation**

Local and expert interview findings were supplemented by in-depth participant observations on ethnic minority interactions in the three former municipalities identified. Observations were conducted in elementary/secondary schools (e.g. Toronto Catholic District School Board and Islamic schools) with permission of the relevant authority, and universities such as York University, the University of Toronto and Ryerson University. The occupational experiences of ethnic minorities were observed in the small and medium enterprises of the city’s larger ethnic economies; corporations; government institutions; business and ethnic community associations; and, employment centres.
Appendix 2

Ethnic Group and Occupational Categories

**European Groups**

Albanian, American, Austrian, Bosnian, Bulgarian, Canadian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Jewish, Latvian, Lithuanian, Macedonian, Maltese, Polish, Portuguese, Romanian, Russian, Scottish, Serbian, Slovak, Slovenian, Spanish, Ukrainian, Welsh, Yugoslav, Other

**Non-European Groups (ethnic minorities)**

1. *Middle Eastern and West Asian*

Afghan, Armenian, Egyptian, Iranian, Iraqi, Lebanese, Palestinian, Turkish, Other

2. *South Asian*

Bangladeshi, Indian, Pakistani, Punjabi or Sikh, Sri Lankan, Tamil, Other

3. *East Asian*

Chinese, Filipino, Japanese, Korean, Taiwanese, Vietnamese, Other

4. *African*

Eritrean, Ethiopian, Ghanaian, Nigerian, Somali, Other

5. *Caribbean*

Barbadian, Grenadian, Guyanese, Jamaican, Trinidadian, Other

6. *South and Central American*

Brazilian, Chilean, Columbian, Ecuadorian, Mexican, Peruvian, Salvadoran, Other
There are approximately 500 detailed occupations recorded in the Census, which have been collapsed to seven categories by the Institute of Social Research:

1. **High Level Managers**
   
   Includes senior managers both in the private and public sector (inclusive of legislators).

2. **Mid-Level Managers**
   
   Includes individuals identified as managers and in specific areas such as purchasing, social services and engineers (as well as the public sector equivalent such as school principals and fire chiefs).

3. **Professionals**
   
   Includes engineers and scientists, physicians, pharmacists, nurses and other health professions (but not medical technicians), professors, school teachers and artists.

4. **Skilled Non-Manual**
   
   Includes technicians, supervisors of office work, and skilled clerical, sales and service workers.

5. **Skilled Manual**
   
   Includes skilled trades and supervisors of manual work.

6. **Less Skilled Non-Manual**
   
   Includes occupations in offices and trade with low formal qualifications.

7. **Less Skilled Manual**
   
   Includes jobs in construction, manufacturing and maintenance with low formal qualification.


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