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Why do Immigrant Workers in Australia Perform Better than in Canada? Is it the Immigrants or their Labour Markets?

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Why Do Immigrant Workers in Australia Perform Better Than in Canada? Is It the Immigrants or Their Labour Markets?[*]

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Abstract

Research comparing the labour market performance of recent cohorts of immigrants to Australia and Canada points to superior employment and earnings outcomes in Australia. Examining Australian and Canadian Census data between 1986 and 2006, we find that this performance advantage is not driven by differences in broader structural and macroeconomic labour market conditions affecting all new labour market entrants. Rather, the results from comparing immigrants from a common source country – either the UK, India, or China – suggest that the advantage, particularly in earnings, primarily reflects a difference in the source country distribution of Australian immigrants. Moreover, the recent tightening of Australian selection policy, most notably its use of mandatory pre-migration English-language testing, appears to be having an effect primarily by further shifting the source country distribution of immigrants away from non-English-speaking source countries, rather than in identifying higher-quality migrants within source countries.

Keywords: Immigrant workers; labour market integration; immigrant selection policy.
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Executive Summary

Recent research comparing the labour market performance of recent cohorts of immigrants to Australia and Canada points to superior employment and earnings outcomes in Australia, which has been attributed to its tighter immigration selection policy, such as its use of mandatory pre-migration English-language testing (Hawthorne 2008). This evidence, which has received considerable attention in the Canadian media, appears to have been influential in the Canadian federal government's decision to introduce similar mandatory language testing in its skilled worker immigration program, as well as recent indications that it will force provinces to introduce language testing in their immigrant nominee programs.

The recent evidence, however, overlooks the fact that the superior performance of Australian immigrant workers is not a new phenomenon. Australia's immigrants workers were performing better than Canada's even in the 1980s when there was relatively little to distinguish their selection policies. Moreover, in the period from the early 1990s to the recent international financial crisis of 2008, Australia experience unparalleled economic growth, not only in comparison to Canada, but internationally. In focusing exclusively on immigrants, as the most recent evidence does, one can never be sure sure whether the exceptional performance of Australia's immigrant workers reflects their tightened selection policy or broader labour market conditions common to all new labour market entrants, whether foreign-born or not. It may be that what makes Australian immigrants so successful has little to do with them and much to do with the labour markets they work in.

In this article, we exploit Australian and Canadian Census data spanning the period 1986 to 2006 to determine whether the exceptional performance of Australia's immigrant workers primarily reflects their labour markets or their immigrants. To do this we begin by comparing changes over time in the employment and earnings performance of new native-born labour markets entrants in Australia and Canada, and then use these patterns to benchmark the relative performance of immigrants entering the Australian or Canadian labour market over the same period of time. Having netted out these broader labour market conditions, we then restrict attention to immigrants arriving from a common source country – either the U.K., India or China. We choose these countries for two reasons. First, in both Australia and Canada, they account for relatively large proportions of recent immigrants. Second, they lie neatly on a continuum of increasing expected challenges related to host-country language skills.

Our results suggest that while part of the superior performance of Australian immigrants reflects a long-term deterioration in broader Canadian labour market conditions, which appears to have had a particularly adverse impact on less educated Canadian workers, the differences observed among the most recent arrival cohorts, most notably those with a university degree, appear to be, by and large, independent of changes in these macroeconomic conditions. However, when we restrict attention to immigrants from a common origin country, we find little remaining evidence of an Australian performance advantage, particularly in terms of labour market earnings. For example, comparing

recent immigrant men from India arriving between the ages of 20 and 24 to native-born new entrants, employment rates are slightly higher for the immigrants in both countries and entry earnings are, if anything, at a greater disadvantage in Australia. In fact, in neither the Chinese nor the Indian estimates for Australia do we find any indication of the earnings improvements across recent cohorts that are evident in the aggregate Australian results.

Overall these results suggest to us that Australian immigration policy, whether in selecting or settling immigrants, may indeed be producing better average labour market outcomes for new arrivals. Nonetheless, whatever these policies are, two things appear to be true. First, they are affecting the relative performance of Australian immigrants across education groups, suggesting that something more than the assessment of economic-class immigrants is at play. In our view, to understand these differences further, one needs to begin to look more directly at the choices migrants themselves make in choosing where to settle. Second, to the extent that the differences reflect selection policy, these policies appear to be working primarily by influencing the source country distribution of new arrival cohorts, rather than by successfully identifying higher-quality applicants within source countries.

1 Introduction

According to 2006 Census data, roughly one-in-five residents of Australia and Canada were born abroad (22% and 20%, respectively). These proportions increase to two-in-five when the children of immigrants are also counted (44% in Australia and 39% in Canada). Among OECD countries with populations exceeding 8 million, Australia and Canada stand alone as nations of immigrants. In the U.S. – the country to which John F. Kennedy's famous 1958 pamphlet "A Nation of Immigrants" was referring – first-generation immigrants account for a relatively modest 13% of the population, which rises to only 22% when the second-generation are included. Moreover, on a per-capita basis, Australia and Canada continue to be the two largest immigrant-receiving countries in the world, admitting the equivalent of roughly 0.8% of their populations every year.[1]

The way in which these new permanent residents are selected further distinguishes Australian and Canadian immigration. By the mid-1970s both countries had replaced their practices of selecting immigrants primarily on the basis of their country of origin with "points systems" identifying skilled workers on the basis of an explicit set of criteria. This change in approach subsequently produced dramatic shifts in the source countries of its immigrants, in particular away from the UK and Europe, towards Asia and, to a lesser extent, Africa. A recent report by Statistics Canada forecasted that by 2017 a majority of Toronto's population (Canada's largest) will belong to a racial minority group. Melbourne – Australia's fastest growing city and soon to be its largest – has similarly become over the past three decades one of the world's most multicultural cities.

Yet despite their shared cultural heritage, legal systems, and recent experiences with nation building, research examining data up to the early 1990s reveals a striking contrast in the labour market performance of their immigrants. In Canada, there now exists a large literature documenting a substantial deterioration in the earnings of more recent immigrant entry cohorts, which appears related, at least in timing, to the shift from European to Asian migration (Baker and Benjamin 1994; Bloom, Grenier and Gunderson 1995; Aydemir and Skuterud 2005). Comparable research using Australian data has, in contrast, found relatively modest evidence of labour market disparities among immigrant workers and certainly no evidence of deteriorating performance across cohorts (Chiswick and Miller 1985; McDonald and Worswick 1999). Using 1981 and 1991 Census data from Canada and Australia (as well as the U.S.), Antecol, Kuhn and Trejo (2006) directly compare estimates of standard earnings assimilation models (Chiswick 1978; Borjas 1985) across countries paying close attention to whether the differences primarily reflect relative wage

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[1]The highest stock of foreign born workers per-capita among all OECD countries in 2006 was Luxembourg (35%). Switzerland had a comparable rate (20%) to that of Australia and Canada. The next highest rates were 14% in Austria and Ireland. For annual data on stocks and inflows of new permanent residents, see the annual OECD reports *International Migration Outlook*.

("price") or employment ("quantity") rates of immigrants. Their results point to much smaller wage disparities among recent Australian immigrants (less than one-quarter the magnitude of the Canadian gaps for the most recent arrival cohort in their data), but slightly inferior employment outcomes. They attribute these differences to the relatively regulated Australian labour market, and in particular, to its centralized award system for setting wage rates across the country and its generous unemployment insurance benefits.[2]

However, since the mid-1990s Australia has experienced significant labour market deregulation, most notably a dismantling of its awards system (see Campbell 1999 for a description). If the contrast in immigrant labour market performance between these countries truly reflects relatively inflexible Australian labour markets, the labour market experiences of Australian and Canadian immigrants should have converged in recent years. However, in the late 1990s Australia also made significant revisions to its immigration policy, including the introduction of mandatory pre-migration English language testing; pre-migration screening of applicants in regulated occupations by relevant licensing bodies; and limitations on the accessibility of unemployment benefits to recent arrivals. Comparing the performance of two cohorts of Australian immigrants observed before and after the tightening of its immigration policy, Cobb-Clark (2003) identifies substantial improvements six months after arrival in labour force participation rates, which she attributes in large part to the new selection policy. Using the same longitudinal immigrant database for Australia, as well as a comparable database tracking the performance of a sample of immigrants who arrived in Canada between 2000 and 2001, Hawthorne (2008) finds Australian immigrants not only secured employment more quickly, but also obtained better-quality jobs more closely matching their educational qualifications. This evidence, which has received considerable attention in the Canadian media, has put tremendous pressure on the Canadian government to follow Australia's lead in tightening its selection criteria.[3]

For countries considering following the 2008 U.K. decision to introduce a points system for selecting skilled migrants, the Australia-Canada comparison provides an ideal "laboratory" to inform policymakers on what works best. The extant evidence, however, leaves a number of critical questions unanswered. In particular, the most recent evidence overlooks the fact that the superior performance of Australian immigrant workers is not a new phenomenon. Australia's immigrants were performing better than Canada's even in the 1980s when there was relatively little to distinguish their selection criteria. Moreover, in the period from the early 1990s to the recent international

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[2]Miller and Neo (2003) similarly point to the role of labour market institutions in their comparison of Australian and U.S. immigrant earnings.

[3]For an example of this discourse see Margaret Wente, "Australia has a jump on us; Immigration reforms introduced in 1999, such as testing for language proficiency, paid off right away," *Globe and Mail*, May 17, 2008, p.A21.

financial crisis of 2008, Australia experienced unparalleled economic growth, not only in comparison to Canada, but internationally. In focusing exclusively on immigrants, as the most recent research does, one can never be sure whether the exceptional recent performance of Australia's immigrant workers reflects their tightened selection policy or broader labour market conditions common to all new labour market entrants, whether foreign-born or not. As the earlier literature suggests, it may be that what makes Australian immigrants so successful has little to do with them and much to do with the labour markets they work in.

In this article, we update the evidence comparing the relative labour market performance of Australian and Canadian immigrants by examining quinquennial Census data between 1986 and 2006. We then explore whether the differences observed primarily reflect differences in labour markets or heterogeneity in immigrants. To do this, we begin by estimating separate cohort and period effects for native-born workers within each country, thereby bench-marking recent immigrants to the employment and earnings performance of native-born workers entering the Australian or Canadian labour market at the same time. Having netted out these broader labour market conditions, we then exploit information on the region or country of birth of immigrants and compare the relative employment and earnings performance of recent immigrants arriving from a common source region or country.

Comparing immigrants to similarly aged and educated native-born workers within Australia or Canada, our results indicate that the performance advantage of Australian immigrants has, if anything, widened over time, so that by the mid-2000s, employment and earnings rate gaps in the five years following migration were, across all education groups, at least twice as large for Canadian immigrants. While we find some evidence that the large employment rate gaps of Canadian immigrants may be driven by broader labour market conditions facing all new labour market entrants, these conditions appear not to account for the earnings differences. Most notably, comparing the earnings of university-educated immigrants to similarly educated native-born men entering the labour market at the same time, we continue to identify a strong and persistent deterioration among Canadian immigrants and concomitant improvement in the performance of Australian immigrants. If, however, we restrict attention to immigrants from a particular source country – either the UK, India, or China – much of these earnings differences disappear. For example, comparing recent immigrant men from India arriving between the ages of 20 and 24 to native-born new entrants, employment rates are slightly higher for the immigrants in both countries and entry earnings are, if anything, at a greater disadvantage in Australia. In fact, in neither the Chinese nor Indian estimates for Australia do we find any indication of the earnings improvements across recent cohorts that are evident in the aggregate Australian results. These findings suggest to us that the superior labour

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market performance of recent immigrants to Australia, particularly among those with a university degree, is driven largely by differences in the source country distribution of Australian immigration, which appear to have been further differentiated since the late 1990s by the heightened emphasis of Australian selection policy on English-language ability.

The remainder of the article is organized as follows. In the following section we describe the compare administrative data on inflows of new permanent residents between countries and then describe the Census data that are employed in our main analysis. Section 3 then explains the empirical specifications that we estimate and Section 4 presents the results. In Section 5, we summarize our main findings.

2 Data

2.1 Immigrant inflows

Before examining the labour market performance of Australian and Canadian immigrant men, it is worthwhile providing some context by considering how immigration flows have evolved over time in the two countries. Using administrative data from both Australia and Canada, Figure 1 presents information on the annual inflows of permanent settler arrivals.[4] The Canadian plot reveals a considerable expansion of settler flows beginning in the mid-1980s up to the early 1990s. A similar expansion is evident in Australian data, but the gains are much more modest. Subsequently, flows drop off in both countries, but beginning in the mid-1990s to late-1990s have steadily increased bringing annual arrivals to roughly 240,000 in Canada and 140,000 in Australia. The similar movements of the plots suggests, at least informally, that immigrant inflows to Australia and Canada are responding to similar demand conditions and/or similar global immigrant supply conditions.

Figure 2 breaks down the these annual inflows of permanent settler arrivals by three immigration classes: family, economic and refugee class. In Australia, immigrants from New Zealand are treated as a distinct immigrant class, so that the shares in Figure 2 do not sum to one. The most salient feature of the figure is that both countries have, beginning in the the early 1990s, experienced a definite shift away from a family-reunification based migration program towards immigration based on skill and economically-independent migrants. Throughout the period 1989-2006, the share of migrants admitted under the skill class has been greater in Canada than in Australia, but since the early 1990s the gap has been narrowing. Moreover, the difference almost entirely reflects New Zealand immigrants, who in terms of labour market skills, are closest to the economic class

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[4]For Australia, these data are published by The Department of Immigration & Citizenship in *Immigration Update* for 1991-1993 and ABS Catalog 3412.0 *Migration Australia* for 1994-2006. For Canada these data are published by Citizenship & Immigration Canada and are publicly accessible from their website.

immigrants. Therefore, in terms of immigration class, there is little to distinguish Australian and Canadian immigration.

Lastly, in Figure 3 we plot the annual inflows of permanent settler arrivals by region of birth. Beginning in the late 1970s, both Australia and Canada experienced a shift away from immigrants from European countries towards immigrants from Asia, Africa, and the Middle East. In almost all years over the period 1986-2006, Canada received a larger share of settler arrivals from Asia, Africa, and the Middle East. Although the share of settler arrivals from the United Kingdom has generally been falling in both Australia and Canada, Australia has historically received a greater share of settler arrivals from the United Kingdom. For example, for the most recent cohorts, UK migrants account for roughly 5% of Canadian immigrants, but 20% of Australian. Given that these immigrants are likely to experience the fewest difficulties integrating into the host-country labour markets, this substantial difference in the source-country composition of immigrants between Australia and Canada likely accounts, in at least in part, for the relative success of the Australian immigrants.

2.2 Census data

Australia and Canada conduct quinquennial Censuses in common years. Our analysis of the labour market performance of Australian and Canadian immigrants exploits the individual-level Census data files from the two countries covering the period 1986-2006.[5] With some notable exceptions, the files provide broadly comparable cross-sectional data on specific demographic and labour force characteristics of individuals, as well as information on country of birth and year of arrival of the foreign-born population. These similarities enable a relatively straightforward comparison of immigrant labour market performance.

In order to facilitate comparison with earlier work, we restrict our sample as closely as possible to the existing literature. We begin by extracting the sample of males between the ages of 25 and 59, in order to minimize sample selection issues arising from differential latent labour force participation propensities. In addition, since we are primarily interested in the relative performance of immigrants within their first five years following migration, we limit the immigrant samples to individuals who migrated after 1980. Lastly, in order to avoid spurious correlations in our sample between age at migration and years since migration, arising as a consequence of our age restriction, we also exclude all immigrants whose current age and arrival cohort indicate a possibility that they

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[5]For Canada we use the public-use files which contain 2%, 3%, 2.8%, 2.7% and 2.7% random samples of the population in 1986, 1991, 1996, 2001 and 2006, respectively. For Australia, we access confidential data through the Australian Bureau of Statistics's remote access system. In the years 1986 through 2001, these provide random 1% samples of the Australian population. For 2006, a 5% sample is used.

entered their destination country (Australia or Canada) before the age of 20.[6]

Two differences in the Australian and Canadian Census data, relevant to our analysis, are worth noting. First, the Australian questionnaire asks foreign-born individuals the year in which they arrived in Australia, whereas the Canadian data identifies the year in which permanent residency was obtained. This distinction is further complicated by the absence of any information in the Australian data distinguishing temporary and permanent residents. In order to make the samples as comparable as possible, we therefore include temporary residents in the Canadian data. We have, however, re-estimated all of our tables excluding these observations, which does very little to change the estimates. Second, the Australian data only identifies usual total income, including government transfers and investment income. Again, in order to make the analysis comparable, we similarly focus on total income in the Canadian Census data, as opposed to labour market earnings. However, for both countries, we further restrict the sample of prime-aged working men to full-time workers, assuring that the average income differences we identify by and large reflect earnings differentials. In what follows, we therefore refer to our measure as earnings, rather than income.

Table 1 provides some summary statistics for the resulting Census samples. Given our focus on the labour market performance of recent immigrants, in this table we restrict our attention to information for each arrival cohort in the first Census in which they are observed. A cursory glance at the table reveals broad similarities in the characteristics of immigrants to Australia and Canada, in particular in terms of their age and education. In addition, for the most part, the changes observed over time are consistent with the broad shift towards skilled immigrants evident in the administrative data from both countries. However, some notable differences between the countries exist.

First, the age distribution of the earliest Australian arrival cohort (1981-1985) appears very similar to Canada. In particular, in both countries more than half of immigrants are below the age of 30 at arrival (so below 35 when observed in the first Census following migration). However, over time Canadian immigration has clearly shifted towards older immigrants, most significantly towards those aged 35-39, in a way that is not evident in the Australian data. This relative aging of recent Canadian immigrants is entirely consistent with the shift towards skilled workers selected under the Canadian point system, which relative to the Australian system, has tended to reward general human capital more than occupation-specific skills. For example, the Canadian point system gives more points to older applicants and applicants with more work experience.

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[6]The information on country of birth is coded at a considerably lower level of detail in most of the Census years for residents of the Maritime provinces. For this reason, we also restrict the Canadian samples in all years to individuals living outside the Maritimes.

Second, both countries have experienced a strong shift towards more highly educated immigrants. In Australia, where the shift to skilled migration appears to have been more dramatic (see Figure 2), the percentage of new immigrants with a university degree increases more than three-fold over our sample period (from 15.7% to 49.7%). In comparison, over the same period, the same proportion in Canada doubles. Consequently, over time the educational levels of recent immigrants in the two countries have converged, so that for the most recent cohort (2001-2005) there is little to distinguish the educational levels of Australian and Canadian immigrants (54.1%, compared to 49.7%, with a university degree and 22.9%, compared to 27.0%, with a post-secondary certificate or diploma).

Third, shifts in the source country distribution of recent immigrants in our Census samples is broadly consistent with patterns evident in Figure 3. Most important, the Census data also show a persistent decline in Canadian, but not Australian, immigration from the U.K.. Consequently, only 3.3% of the most recent Canadian arrival cohort in our data are of U.K. origin, compared to 20.6% of the Australian cohort. Which source countries make up the Canadian difference? Part of the difference is more immigration from continental Europe, as well as Central, South America, and the Caribbean, although even here proportions have been declining over time. It also is not accounted for by the Middle East and Africa, which has seen increased immigration in both countries over the period. Much more important, is immigration from Asia which increased dramatically in Canada through the 1980s and early 1990s and has subsequently been maintained. In Australia, in comparison, gains in Asian migration during the 1980s and early 1990s have since almost completely disappeared.

When one considers that the U.K, North America and New Zealand account for nearly one-third of the most recent Australian immigration cohort, while nearly half of Canada's most recent cohort is from Asia, it is reasonable to expect that the average English (or French in the Canadian case) language skills of Australia's immigrants to be substantially greater. Given the evidence of the importance of language skills in the labour market performance of immigrants (e.g., Dustmann and Fabbri (2003); Bleakley and Chin (2008)), this difference could help account for the superior performance of Australian immigrant workers. Although the Census data provides no direct measures of language ability, in all the years we examine, the Census questionnaires from both countries query respondents about what language is most often spoken at home. In the final row of Table 1, we report the proportion of recent immigrants speaking a foreign home language. Consistent with the pattern in Asian immigration, in both countries this proportion increased through the 1980s and early 1990s, reaching 62.4% of all Australian immigrants and 70.9% of Canadian immigrants, but subsequently declined in both countries. For the most recent cohort, therefore, the proportion with

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a foreign home language is about 11 percentage points higher in Canada, which is almost identical to the gap that existed for the 1981-1985 cohort.

3   Empirical Methods

As noted above, a key finding of Antecol, Kuhn and Trejo (2006) is that the contrast in labour market performance of Australian and Canadian immigrants lies in the distinction between access to employment on the one hand, and wage rates conditional on accessing a job on the other. We therefore follow their approach of examining employment and weekly earnings outcomes separately throughout our analysis. We begin by estimating the standard pseudo-panel model of immigrant labour market assimilation found in the immigration literature. Specifically, we estimate the following linear regression model by pooling our data across the five census files 1986, 1991, 1996, 2001, 2006:

$$
y_{it} = \sum_{j=1}^{6} A_j \, \delta_j + \sum_{t=1}^{5} T_t \, \pi_t
$$

$$
+ \, m_{it} \cdot \left(\sum_{j=1}^{5} C_j \, \lambda_j^m + \sum_{j=1}^{6} A_j \, \delta_j^m + \sum_{j=1}^{3} \text{YSM}_j \, \gamma_j^m \right) + \mathbf{X}_{it} \, \beta + \epsilon_{it} \tag{1}
$$

where y_{it} is either a dummy variable indicating if individual i observed in Census year t is employed or the real log weekly earnings of the subsample who are employed.[7] Each A_j is a dummy variable indicating whether the individual falls into one of the five-year age categories indexed by j: 30-34, 35-39, 40-44, 45-49, 50-54, 55-59 (25-29 is the excluded category). Each T_t is a dummy variable indicating the Census year of observation. Each C_j is a dummy variable, defined only for the foreign born ($m_{it} = 1$), indicating the period of arrival in Australia or Canada: 1981-1985, 1986-1990, 1991-1995, 1996-200, 2001-2005. Similarly, YSM_j is a dummy variable, defined only for the foreign born, indicating years since migration in the ranges: 5-9 years, 10-14 years, and more than 14 years (0-4 is the excluded category). Lastly, the vector X_{it} is a set of geography controls indicating the region of residence for individual i in Census year t and ε_{it} is an iid random error. Separate period effects for immigrants are not identified due to the perfect linear dependence between entry cohort, years since migration and the current year. The identifying restriction imposed in specification (1) is that the period effects π_t are the same for immigrants and the native-born.

In order to investigate whether the performance advantage of Australian immigrants reflects favourable broader labour market conditions common to all new labour market entrants in Australia, we follow an approach introduced by Green and Worswick (2004) and allow for broader

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[7]Nominal earnings are adjusted using an annual provincial (Canada) or state (Australia) consumer price index.

entry cohort effects common to all new labour market entrants, whether foreign-born or not. This implies the following econometric model:

$$y_{it} = \sum_{j=1}^{5} C_j\,\lambda_j + \sum_{j=1}^{6} A_j\,\delta_j + u_{rt}\,\pi$$

$$+ m_{it} \cdot \left(\sum_{j=1}^{5} C_j\,\lambda_j^m + \sum_{j=1}^{6} A_j\,\delta_j^m + \sum_{j=1}^{3} \mathrm{YSM}_j\,\gamma_j^m + u_{rt}\,\pi^m \right) + \mathbf{X}_{it}\,\beta + \epsilon_{it} \qquad (2)$$

where C_j is one of 5 dummy variables indicating the year of labour market entry (before 1981 is the excluded category) and u_{rt} represents the de-trended unemployment rate in region r at time t. For immigrants, the year of labour market entry is their year of migration as before. The year of entry is, however, not directly observed for native-born workers. Instead, we assume they entered within the five-year period before they turned 25. Note that, controlling for native labour market entry cohort, the period effects, captured by the Census year dummies in specification (1), are not identified. Instead, we use de-trended state or provincial unemployment rates as a proxies for these period effects. Consequently, the model attributes any secular trends in employment or earnings to cohort, rather than period, effects. As it turns out, this distinction is particularly important in the Australian data.

In all cases we estimate specification (1) and (2) separately by three education groups – high school or less, some post-secondary (certificate or diploma), and university degree – which can be consistently identified across Census years for both countries.[8] However, when estimating the model separately by immigrant source country, the immigrant sample sizes within these education groups are insufficient to identify relative employment rates and earnings in any meaningful way, so we are forced to pool the groups. In this case, we add fixed effects for the education groups and their interaction with an immigrant dummy in X_{it}.

There is an additional feature of the Australian data that needs to be considered. The income data in the Census questionnaire are reported in intervals. The standard approach, in the existing literature, is to transform these intervals into a continuous variable using the category midpoints. This requires some decision regarding the unbounded top interval. In addition, in all years a small proportion of the Canadian income data is top-coded. To deal with both types of censoring, we estimate models (1) and (2) using a censored linear regression model, which we estimate by maximum likelihood. Specifically, for individual i in census year t we observe whether they have income in some interval (y^L and y^U), where the upper limit is infinity for the top category in the Australian data and the top-coded observations in the Canadian data. The contribution to the

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[8]In the Australian data it is not possible to identify high-school completion. The high-school or less group is therefore defined as the residual group once we identify individuals with any post-secondary credential.

likelihood of each individual is $\Pr[y^L \leq y_{it} \leq y^U]$. This amounts to essentially an ordered probit model with known cut-points.

As shown in Table 1, an important difference between Australian and Canadian immigration is the contrast in the composition of immigrant source countries. The results when we estimate equation (2) focusing on immigrants from a particular source country, suggest that the superior labour market performance of recent immigrants to Australia, particularly among those with a university degree, is related in an important way to this contrast. This suggests to us the following counterfactual question: holding all other (observable) differences constant, how would the average labour market performance of immigrants to Canada compare to those for Australian immigrants if the source country distribution of immigrants to Australia and Canada were similar? Unfortunately, the Australian and Canadian Census files we employ do not consistently define the same set of source countries. However, it is possible to consistently identify seven regions of birth – U.K., Europe, Middle East and Africa, Asia, North America, Other America, and Oceania. To the extent that these regions account for differences in the labour market performance of Australian and Canadian immigrants, we can then assign either Australia or Canada the counterpart's source region distribution to gauge the importance of immigrant origin in driving the Australian performance advantage. However, since almost certainly an important source of variation in immigrant performance exists within these regions, say for example between Western and Eastern European migrants, and the intra-regional sources of immigration have tended to shift towards those regions who are likely to have greater difficulties integrating into Australian and Canadian labour markets, this methodology will at most provide a lower bound estimate of the role of immigrant geographic origin.

More specifically, our counterfactual analysis begins by estimating specification (2) pooling education groups (the education variables, and their interaction with an immigrant dummy, are instead included as control variables). Defining G_k as the vector of dummies identifying the seven geographic source regions listed above, we can rewrite (2) as follows:

$$(y_{it} - \mathbf{Z}_{it}\phi) = m_{it} \cdot \sum_{j=1}^{5} \sum_{k=1}^{7} C_j \, G_k \, \lambda_{jk}^m + \varepsilon_{it} \tag{3}$$

where

$$\mathbf{Z}_{it}\phi = \sum_{j=1}^{5} C_j \, \lambda_j + \sum_{j=1}^{6} A_j \, \delta_j + u_{rt} \, \pi + m_{it} \cdot \left(\sum_{j=1}^{6} A_j \, \delta_j^m + \sum_{j=1}^{3} \mathrm{YSM}_j \, \gamma_j^m + u_{rt} \, \pi^m \right) + \mathbf{X}_{it} \, \beta + \epsilon_{it}$$

The econometric model (3) allows for a separate cohort effect for each of the five arrival categories and each of the seven regions of birth. In the presence of cohort specific differences in the region of

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birth distribution of immigrants over time, the estimated immigrant cohort effects $\hat{\lambda}_j^m$ in the model (2) represents the weighted mean immigrant cohort effects across regions of birth (conditional on $\mathbf{Z}_{it}$), which can are equivalent to $\hat{\lambda}_j^m = \sum_{k=1}^{7} s_{jk} \hat{\lambda}_{jk}^m$, where s_{jk} is the share of immigrants in cohort j from region k and $\hat{\lambda}_{jk}^m$ is one of the 35 region-specific immigrant cohort effects estimated using econometric model (3). The counter-factual immigrant cohort effects $\tilde{\lambda}_j^m$ can then be constructed as either:

$$\tilde{\lambda}_j^m = \sum_{k=1}^{7} s_{jk}^{CAN} \hat{\lambda}_{jk}^{AUS} \qquad \text{or} \qquad \tilde{\lambda}_j^m = \sum_{k=1}^{7} s_{jk}^{AUS} \hat{\lambda}_{jk}^{CAN}$$

where $\hat{\lambda}_{jk}^{AUS}$ or $\hat{\lambda}_{jk}^{CAN}$ are the cohort effects from estimating specification (3) using either the Australian or Canadian sample.[9]

4 Results

We begin by estimating the standard assimilation model, given by equation (1), including fixed year effects to account for overall national labour market conditions affecting all workers. Initially we make no attempt to control for heterogeneity in source country across immigrant cohorts. We do, however, estimate all the models separately at three levels of educational attainment: high school or less; some postsecondary; or university degree. The results are presented for employment and weekly earnings in Tables 2 and 3, respectively.

In contrast to Antecol, Kuhn and Trejo (2006), our results do not suggest larger employment rate gaps for Australian than Canadian immigrants arriving in the early 1980s (this appears even more the case for migrants arriving at an age older than the reference group of 25-29). In fact, for all immigrants arriving in Australia and Canada before the mid-1990s, the gaps are, with only one exception, in excess of 10 percentage points, and are consistently higher than 15 percentage points for university-educated immigrants. However, consistent with the more recent evidence emphasizing Australian selection and changes to unemployment eligibility rules for new migrants, our estimates point to dramatic improvements in the relative employment of the most recent Australian arrival cohorts. Among the least educated, for example, the immigrant employment rate gap of recent immigrants drops from 15.3% in 1996, to 5.6% in 2001, to only 3.0% in 2006. Interestingly, however, the employment rates of Canadian immigrants also appear to have progressively improved over this period of time, although in all cases the estimated gains are much more modest.

Consistent with the early literature, our results do point to much larger earnings disparities

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[9]Since elements of the region of birth vector G_k are mutually exclusive, and therefore independent, the calculation of standard errors of the counter-factual predictions $\tilde{\lambda}_j^m$ are simply given by: $\text{se}(\tilde{\lambda}_j^m) = \sqrt{\sum_{k=1}^{7} s_{jk}^{CAN} \text{Var}(\hat{\lambda}_{jk}^{AUS})}$ or $\text{se}(\tilde{\lambda}_j^m) = \sqrt{\sum_{k=1}^{7} s_{jk}^{AUS} \text{Var}(\hat{\lambda}_{jk}^{CAN})}$.

for Canadian immigrants in the early 1980s. These differences become even larger if one considers immigrants arriving at older ages, as the Canadian estimates suggest much higher costs for arriving at older ages, when perhaps learning new languages is more difficult. These costs appear particularly acute among university-educated Canadian immigrants. What has happened over the following two decades? With the exception of the least educated group, the relative entry earnings of Canadian immigrants have deteriorated dramatically, while in Australia they have remained relatively stable. This difference is particularly stark among the most educated. For example, the most recent arrival cohort (2001-2005) of university-educated immigrants in Canada on average earned 45.2 log points less than similarly aged and educated Canadian-born workers, while in Australia the equivalent gap was a modest 16.7 log points. In comparison, the earnings gaps for this group were virtually identical two decades earlier (roughly 20 log points for both Australian and Canadian immigrants arriving in the period 1986-1990). The evidence is, therefore, not consistent with the view that the historically superior earnings performance of Australian immigrants was due to their relatively regulated labour markets, since deregulation has clearly not led to earnings outcomes in Australia that look more like those in Canada. The important question is whether the continued superior performance of Australia's immigrants primarily reflects selection policy or broader labour market conditions affecting all new labour markets in the two countries.

Before trying to identify these broader labour market conditions, it is worth considering whether the larger earnings gaps at entry for Canadian immigrants tend to close with years since migration. Looking only at the returns to "years in destination country," it appears that there is greater subsequent assimilation in Canada. However, these effects only tell us about the relative earnings of two similarly aged immigrants with varying years since migration. In comparing immigrant earnings relative to a similarly aged and educated native-born, one also needs to take into account the immigrant-specific age profile, which is strongly decreasing across education groups in the Canadian data.[10] Among the university educated, any gains in the years in destination country return are more than offset by these age effects. This implies essentially no assimilation in earnings relative to natives, in either Australia or Canada.

In Table 4, we present the results from adding native-born cohort effects and an unemployment rate. The main finding is that the tremendous gains in the relative employment rates of recent Australian, and to a lesser extent Canadian, immigrants identified in Table 2 appear by and large not to be driven by changing labour market conditions affecting all new labour market entrants. The Canadian estimates for the university educated point to some deterioration across native-born entry cohorts, but the changes are modest. What appears to be more important are the effects

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[10]This point appears to have been missed in the Antecol, Kuhn, and Trejo (2006) analysis, as they do not report or discuss their estimated immigrant-specific age effects.

of the unemployment rate, which suggest that the employment rates of Canadian immigrants are substantially more sensitive to the business cycle (at least relative to the native-born within each country).[11] This implies that recent immigrants to Canada are at a disadvantage, relative to their Australian counterparts, not only because they have faced higher unemployment, but also because they are relatively more sensitive to the labour market slackness. When this difference is taken into account the employment rate gaps for the earliest cohorts are substantially larger in Australia, but then continue to show dramatic gains, so that for the most recent immigrant cohorts the gaps across all the education groups appear virtually identical between countries.[12]

Table 5 presents the earnings estimates from the equivalent model. The results suggest that the earnings of new labour market entrants have, unlike their employment rates, changed dramatically in both countries over the past two decades, but in opposing directions. While the booming Australian economy of the 1990s and first half of this decade appears to have produced tremendous real earnings gains for new Australian-born labour market entrants (roughly 10 log points on average across all education groups), their Canadian-born counterparts, at least those without a university degree, experienced large real earnings losses (more than 20 log points since the early 1980s for the least educated).[13] These sharply contrasting trends are, of course, broadly consistent with the observed changes in earnings of Australian and Canadian immigrants.

Consideration of the immigrant cohort effects in Table 5 reveals that deteriorating labour market conditions in Canada can partially account for the declining performance of its less educated immigrants. Controlling for native cohort effects and the unemployment rate, the earnings gap facing the 2001-2005 immigrant cohort with high school or less (the education group experiencing the greatest deterioration in broader labour market conditions), for example, drops from 33.2 log points in Table 3 to 22.5 log points. However, unlike their Australian counterparts, a substantial and statistically significant gap remains. Moreover, for the university educated, controlling for broader labour market conditions makes the diverging long-term Australian and Canadian trends in immigrant entry earnings even more salient.

Why do the overall entry cohort effects, which are identified off the native-born, but assigned to everyone, not do more to change the immigrant cohort effects? The main effect of replacing

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[11]In fact, immigrants are in absolute terms roughly equally sensitive between countries, but the employment rates of Canadian native-born workers appear substantially less sensitive to aggregate unemployment rate fluctuations than their Australian native-born counterparts.

[12]Some caution must be exercised in interpreting these estimates. The similar magnitude of the cohort effects for the most recent arrival cohort between countries is not evidence against an Australian performance advantage, since as long as unemployment rates are positive, the larger unemployment rate interaction term for Canada implies a larger employment rate gap.

[13]This long-term decline in the relative real earnings of less educated men is, of course, also evident in the U.S. data, and has received considerable attention in the large literature concerned with rising wage inequality and the role of skill-biased technological change hypothesis (e.g., Bound and Johnson (1992); Juhn, Murphy and Pierce (1993)).

the fixed year effects in Table 3 with native-born entry cohort effects (and an unemployment rate) is instead to produce steeper (flatter) age profiles for native-born Australians (Canadians). This happens because the increased earnings of Australians were economy-wide, and not specific to new entrants. In the model with fixed year effects, the year effects (which we do not report) capture this secular trend. But in the model with native-cohort effects, the rising real earnings are captured by the combination of increasing native-born cohort effects and steeper age profiles for native-born workers. Hence, the model with native-born cohort effects fits higher earnings for young *and* old Australian men in the most recent data, just as the model with fixed year effects does. Moreover, since both models are trying to capture the same raw mean differences in earnings between immigrants and native-born workers, the steeper age profiles for natives in the Table 5 must be offset by declining immigrant-specific age profiles.

The question is, of course, whether the increasing earnings over time (or decreasing earnings for the unskilled in Canada) reflect "period" or "cohort" effects. If one accepts that our unemployment rate properly captures period effects, then the estimates in Table 5 tell us that the increasing earnings reflect cohort effects. However, this in turn produces declining immigrant-specific age effects in Australia, so that at least among the university educated, the substantial earnings penalty associated with migrating at older ages, observed in the Canadian data, is now also observed in the Australian data. Given the sound theoretical logic for expecting these penalties, we think the estimates controlling for native cohort effects appear more reasonable. The key result, however, is that while broader labour market conditions affecting all new labour market entrants can partially account for the deteriorating entry earnings of Canada's less educated immigrants, they do not explain the relatively strong performance of Australia's recent immigrants or the deteriorating performance of Canada's university-educated immigrants.

In Tables 6 and 7 we report the results from estimating the same model with native cohort effects, but separately for immigrants arriving from three different source countries: the U.K., India, and China. We choose these countries for two main reasons. First, in both Australia and Canada they account for relatively large shares of our recent immigrant cohorts. Second, they lie neatly on a language continuum from a case in which domestic-language issues (English or French in the case of Canada) are generally non-existent – the U.K. – to the case where they are likely the most serious – China – with India providing an intermediate case.[14] Although, we would prefer

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[14]Chiswick and Miller (2005) construct an index of linguistic distance between English and other languages using data on test results from the U.S. Department of State, School of Language Studies. Assuming linguistic symmetry – that it is equally difficult for a native-English speaker to learn Cantonese as a native-Cantonese speaker to learn English – these data provide an index of linguistic distance to English. Among 43 languages ranked, Hindi is 25th, whereas Mandarin is 40th and Cantonese 43rd. It is also true that coming from a British Commonwealth country, the average Indian migrant will have been exposed to more English than the average Chinese.

to also distinguish between education groups in this analysis, our sample sizes, particularly in the Australian data, do not permit this. Instead, we add dummies for the three education groups, as well as their interaction with immigrant status.

Comparing the results for U.K. immigrants, the sharply contrasting Australian and Canadian trends in immigrant cohort effects, identified in the previous tables, almost entirely disappear. In terms of relative immigrant employment rates in the five years after arrival, the Australian point estimates no longer provide any evidence of dramatic gains for the most recent cohorts. Similarly, the Canadian earnings estimates for U.K. immigrants do not suggest any persistent long-term deterioration in relative immigrant earnings. The Australian cohort effects in Table 7 are, however, consistently larger (above 20 log points), but this is partially explained by the larger unemployment rate effect for Australia's U.K. immigrants. If one considers a university-educated U.K. migrant arriving in a Australia or Canada facing an unemployment rate of 6%, there is essentially no difference in entry earnings relative to a similarly-educated native-born new labour market entrant within each country. These results for UK immigrants provide further evidence that there is nothing inherent in labour market structures, either today or two decades ago, that makes labour market integration easier for Australian than Canadian immigrants.

The results for Indian migrants similarly do not point to any inherent performance advantage of Australian immigrants. The relative employment rates of young male Indian migrants appear to have improved across arrival cohorts in both countries, with the most recent gains even larger in Canada. For the least educated group, the point estimates for the most recent cohort (2001-2005) suggest higher relative employment rates for Indian immigrants in Australia (8.6% compared to -1.1%), but for those with a university degree, the point estimates suggest nearly identical small shortfalls (adding the university-immigrant interaction to the cohort effect results in a -1.1% differential in Australia and -2.8% in Canada). If one also takes into account the unemployment rate effect, then the point estimates suggest better employment outcomes (relative to the native-born within each host-country) for recent Indian migrants settling in Canada.

Perhaps more telling are the earnings estimates for Indian migrants. As with the employment results, the Canadian estimates for India in Table 7 are devoid of any evidence of the long-term deterioration in immigrant entry earnings evident in the aggregate results pooling immigrants from different source countries, while the Australian estimates similarly no longer provide any indication of dramatic improvements for the most recent arrival cohorts. In fact, the Australian estimates suggest quite strongly that the earnings shortfalls of Indian migrants evident in the 1980s, actually worsened with the tightening of Australia's selection, resulting in a statistically significant gap of nearly 40 log points for the most recent arrival cohort. Once again, the magnitude of this gap is

virtually identical for Canada's university-educated Indian immigrants (particularly if one allows for some unemployment). The finding of improved employment rates, but deteriorating earnings, for Australia's Indian immigrants is entirely consistent with the prediction that providing less income support to immigrant jobseekers upon their arrival, as Australia has done, forces them to accept lower paying wage offers. This raises the possibility that the relatively superior performance of Australian migrants, is due to neither selection policy or labour markets, but rather to settlement policy. In particular, by providing less income support for new immigrants, perhaps Australian settlement is directly influencing the behavior of immigrants, in particular by lowering reservations wages and forcing Australian immigrants to be less fastidious about the jobs that they accept.

Lastly, neither the employment nor earnings estimates for Australia's Chinese immigrants in Tables 6 and 7 suggest improvements in average performance concomitant with Australia's tightening immigration policy. In fact, on both measures the gaps identified for the most recent arrival cohort (2001-2005) are larger than for the previous (1996-2000) cohort (10.3% compared to 6.1% employment rate gaps and 39.1 compared to 36.3 log earnings gaps). The Canadian results for Chinese immigrants do, however, continue to show evidence of a long-term deterioration consistent with the aggregate estimates, although the extent of the deterioration in earnings is somewhat more modest. Consequently, for the most recent arrival cohort there is evidence of a performance advantage for the base education group – high school or less – in terms of both employment and earnings outcomes, but not for the university educated. Comparing the sum of the 2001-2005 immigrant cohort effect and the university-immigrant interaction term between Australia and Canada, the employment rate gap for Chinese migrants is slightly larger in Canada – 21.1% compared to 23.4% – but the earnings gap is larger in Australia – 59.7 compared to 54.5 log points. Therefore, even among Chinese migrants, for whom Australia's heightened language requirements are likely to be most binding, we find no overwhelming evidence of an Australian performance advantage comparable to what is found in the aggregate data.

In order to more directly measure to what extent differences in the source country distribution of Australia and Canada's immigrants can account for the observed differences in average employment and earnings outcomes for immigrants, in Table 8 we present the results from estimating the counterfactual employment and earnings differentials described in Section 3. Since the estimation requires that we estimate separate entry cohort effects for each source region, we pool the education groups and, as in Tables 6 and 7, include separate education controls and their interaction with an overall immigrant dummy. The outside columns of Table 8 report the actual estimated cohort effects, while the two adjacent columns confirm that we can obtain the same average gaps (or very close to the same in the case of the nonlinear earnings regression) by combining the vectors

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of region-specific shares and coefficients. The main patterns, evident in both columns, that we are trying to account for are: (i) larger improvements in employment rates of new immigrants in Australia than Canada; and (ii) declining earnings gaps for more recent arrival cohorts in Australia, but rising gaps in Canada.

In terms of the employment estimates, the key finding is that combining the Australian country-specific cohort effects with the Canadian source country shares, shown in the third column of Table 8, serves to increase the average employment rate gaps of Australian immigrants, particularly for the 1980s arrival cohorts. The estimates continue, however, to show substantial gains for the most recent cohorts, suggesting that the superior employment outcomes of Australia's recent immigrants reflect something more than just shifts in source country distribution. Further evidence of this is that assigning Canada the Australian source country shares (fourth column) does not produce the gains evident in the Australian data. The earnings results, however, tells a somewhat different story. In particular, assigning Canada the Australian source country shares (fourth column) results in improvements in performance for the most recent cohort (-16.5 log points for the 2001-2005 cohort, compared to -21.0 log points for the 1996-2000 cohort). And assigning Australia the Canadian shares (third column) continues to suggest gains for the most recent Australian cohorts, but the levels of the gaps are now substantially larger suggesting proportional gains across cohorts that are much more modest. Overall, these results tell us that while the employment success of Australia's most recent immigrants may be partially attributable to its immigration policy, perhaps in particular its restricted access to unemployment insurance, the superior earnings performance of its immigrants appears largely driven by differences in source country distributions, perhaps resulting from the ramped up language criteria of its selection policy.

5 Summary

Recent research comparing the labour market performance of Australian and Canadian immigrants has identified significantly better outcomes for Australian immigrants, which has been attributed to the tightening of Australian immigrant selection policy in the late 1990s. This evidence has received considerable attention among Canadian policymakers and appears to have been largely responsible for recent adjustments in Canadian selection policy, such as the introduction of mandatory pre-migration language assessments.

In this article, we point out that the recent evidence is based exclusively on comparisons of immigrant workers in Australia and Canada. They are, therefore, unable to distinguish the effects of immigration policy from differences in broader labour market conditions affecting all new labour market entrants. Given the exceptional growth of the Australian economy through the 1990s and

well into the 2000s, we wonder how much of the remarkable relative performance of Australia's recent immigrants reflects exceptionally strong labour markets providing all Australian workers, whether foreign born or not, with a performance advantage.

Using quinquennial Australian and Canadian Census data between 1986 and 2006, we compare the employment and earnings performance of Australian and Canadian immigrants paying close attention to changing labour market conditions affecting native-born new labour market entrants. Our results suggest that while part of the superior performance of Australian immigrants reflects a long-term deterioration in broader Canadian labour market conditions, which appears to have had a particularly adverse impact on less educated workers, the differences observed among the most recent arrival cohorts, most notably those with a university degree, appear by and large independent of changes in these conditions. To determine to what extent the exceptional performance of Australian immigrants, instead reflects heterogeneity in the immigrants, we make comparisons across migrants arriving from a common source country – either the U.K., India, or China. Our main finding is that when we condition on the source country of immigrants, we find little remaining evidence of an Australian performance advantage.

Overall these results suggest to us that Australian immigration policy, whether in selecting or settling immigrants, may indeed be producing better average labour market outcomes for new arrivals. Nonetheless, whatever these policies are, two things appear to be true. First, they are affecting the relative performance of Australian immigrants across education groups, suggesting that something more than the assessment of economic-class immigrants is at play. In our view, to understand these differences further, one needs to begin to look more directly at the choices migrants themselves make in choosing where to settle. Second, to the extent that the differences reflect selection policy, these policies appear to be working primarily by influencing the source country distribution of new arrival cohorts, rather than by successfully identifying higher-quality applicants within source countries.

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Table 1: Sample Means by Immigrant Entry Cohort in First Census Year Following Migration

| | AUSTRALIA | | | | | CANADA | | | | |
| | Arrival Cohort | | | | | Arrival Cohort | | | | |
	81-85	86-90	91-95	96-00	01-05	81-85	86-90	91-95	96-00	01-05
Age										
25-29	0.297	0.262	0.201	0.234	0.263	0.284	0.258	0.204	0.182	0.169
30-34	0.238	0.273	0.232	0.253	0.239	0.271	0.259	0.240	0.240	0.234
35-39	0.206	0.186	0.222	0.202	0.190	0.186	0.204	0.200	0.207	0.221
40-44	0.115	0.132	0.172	0.131	0.141	0.095	0.123	0.151	0.164	0.162
45-49	0.080	0.077	0.097	0.091	0.090	0.060	0.070	0.108	0.112	0.111
50-54	0.037	0.043	0.038	0.057	0.047	0.045	0.048	0.057	0.062	0.064
55-59	0.027	0.027	0.039	0.033	0.030	0.060	0.038	0.040	0.034	0.039
Education										
High School or Less	0.465	0.425	0.346	0.334	0.233	0.355	0.358	0.331	0.218	0.231
Certificate or Diploma	0.377	0.317	0.312	0.312	0.270	0.377	0.377	0.352	0.281	0.229
University	0.157	0.258	0.342	0.354	0.497	0.268	0.265	0.317	0.500	0.541
Place of Birth										
United Kingdom[a]	0.227	0.193	0.180	0.187	0.206	0.086	0.036	0.029	0.028	0.033
Europe	0.146	0.091	0.156	0.102	0.104	0.226	0.191	0.179	0.181	0.148
Germany	0.019	0.011	0.013	0.016	0.013	0.016	0.007	0.008	0.011	0.007
Greece	0.006	0.006	0.005	0.001	0.002	0.005	..	..	0.002	..
Italy	0.008	0.005	0.007	0.003	0.005	0.011	0.009	0.005	0.004	0.004
The Netherlands	0.008	0.005	..	0.004	0.007	0.008	..	0.003	0.004	..
Poland	0.029	0.011	..	0.003	0.003	0.074	0.064	0.029	0.007	0.004
Middle East & Africa	0.088	0.109	0.121	0.152	0.163	0.131	0.199	0.178	0.198	0.200
Asia	0.319	0.370	0.374	0.310	0.328	0.355	0.387	0.456	0.469	0.451
China	..	0.072	0.045	0.062	0.059	..	0.063	0.080	0.124	0.136
Hong Kong	..	0.033	..	0.013	0.007	..	0.072	0.088	0.030	0.007
India	0.026	0.031	..	0.053	0.105	..	..	0.076	0.101	0.111
Philippines	..	0.025	0.034	0.014	0.025	..	0.037	0.054	0.046	0.051
Vietnam	0.082	0.040	0.058	0.018	0.010	..	0.030	0.023	0.008	..
North America	0.038	0.036	0.026	0.033	0.039	0.040	0.031	0.025	0.030	0.035
Other Americas	0.021	0.020	0.021	0.011	0.020	0.151	0.145	0.122	0.086	0.119
Oceania	0.162	0.182	0.123	0.206	0.140	0.012	0.011	0.011	0.009	0.013
New Zealand	0.140	0.150	0.093	0.167	0.115	..	..	..	..	..
Language										
Foreign Home Language[b]	0.550	0.565	0.624	0.535	0.552	0.645	0.667	0.709	0.683	0.663
Sample Size	877	1,719	763	933	8,119	2,083	8,448	8,639	8,654	9,043

[a] Includes the Republic of Ireland for Australia. In Canada, the Republic of Ireland is included in Europe.
[b] In Australia this measures whether English is spoken at home. In Canada it measures whether English or French is spoken at home.

Table 2: Relative Immigrant Employment Rates Conditional on Fixed Year Effects, Separately by Education Group

	High School or Less				Some Post-Secondary				University			
	Australia		Canada		Australia		Canada		Australia		Canada	
Age Profile												
30-34	0.028^a	(0.005)	0.032^a	(0.002)	0.011^a	(0.004)	0.024^a	(0.002)	0.025^a	(0.005)	0.062^a	(0.003)
35-39	0.031^a	(0.005)	0.037^a	(0.002)	0.012^a	(0.004)	0.023^a	(0.002)	0.023^a	(0.005)	0.075^a	(0.003)
40-44	0.029^a	(0.005)	0.040^a	(0.002)	0.004	(0.004)	0.022^a	(0.002)	0.020^a	(0.005)	0.076^a	(0.003)
45-49	0.026^a	(0.005)	0.036^a	(0.003)	-0.003	(0.004)	0.016^a	(0.002)	0.019^a	(0.005)	0.073^a	(0.003)
50-54	-0.007	(0.006)	-0.007^a	(0.003)	-0.034^a	(0.005)	-0.013^a	(0.003)	-0.004	(0.006)	0.058^a	(0.003)
55-59	-0.119^a	(0.006)	-0.118^a	(0.003)	-0.164^a	(0.007)	-0.138^a	(0.004)	-0.092^a	(0.009)	-0.083^a	(0.005)
Immigrant Entry Cohort												
1981-1985	-0.151^a	(0.021)	-0.129^a	(0.010)	-0.134^a	(0.021)	-0.152^a	(0.011)	-0.180^a	(0.024)	-0.159^a	(0.012)
1986-1990	-0.094^a	(0.020)	-0.150^a	(0.009)	-0.139^a	(0.021)	-0.167^a	(0.010)	-0.169^a	(0.021)	-0.185^a	(0.011)
1991-1995	-0.153^a	(0.023)	-0.144^a	(0.009)	-0.139^a	(0.022)	-0.179^a	(0.011)	-0.172^a	(0.022)	-0.193^a	(0.010)
1996-2000	-0.056^a	(0.022)	-0.134^a	(0.010)	-0.106^a	(0.022)	-0.162^a	(0.012)	-0.123^a	(0.020)	-0.164^a	(0.010)
2001-2005	-0.030^a	(0.018)	-0.098^a	(0.012)	-0.059^a	(0.018)	-0.148^a	(0.013)	-0.067^a	(0.013)	-0.141^a	(0.011)
Immigrant Age Interaction												
30-34	0.030	(0.023)	-0.013	(0.010)	0.058^b	(0.023)	-0.001	(0.011)	0.022	(0.019)	0.008	(0.011)
35-39	0.006	(0.023)	-0.008	(0.010)	0.042^c	(0.022)	0.020^c	(0.011)	0.023	(0.019)	-0.008	(0.011)
40-44	-0.033	(0.024)	-0.031^a	(0.010)	0.065^a	(0.022)	0.010	(0.0120)	0.032	(0.019)	-0.027^b	(0.011)
45-49	0.004	(0.024)	-0.040^a	(0.011)	0.050^b	(0.024)	-0.001	(0.012)	-0.006	(0.021)	-0.036^a	(0.012)
50-54	-0.056^b	(0.027)	-0.041^a	(0.012)	0.065^b	(0.025)	-0.001	(0.013)	0.001	(0.023)	-0.060^a	(0.013)
55-59	-0.105^a	(0.030)	-0.036^a	(0.0130)	0.134^a	(0.028)	0.043^a	(0.017)	0.001	(0.028)	0.039^b	(0.016)
Years in Destination Country												
5-9 years	0.070^a	(0.016)	0.099^a	(0.007)	0.037^a	(0.014)	0.102^a	(0.007)	0.088^a	(0.014)	0.124^a	(0.006)
10-14 years	0.133^a	(0.019)	0.146^a	(0.008)	0.064^a	(0.016)	0.127^a	(0.009)	0.139^a	(0.016)	0.159^a	(0.008)
More than 14 years	0.149^a	(0.018)	0.161^a	(0.010)	0.065^a	(0.016)	0.150^a	(0.010)	0.152^a	(0.018)	0.173^a	(0.011)
R^2	0.021		0.031		0.030		0.029		0.034		0.055	
Native-born observations	105,879		314,023		92,860		221,634		40,738		111,004	
Immigrant observations	10,889		28,946		10,831		21,343		12,215		26,924	

Notes: Parameter estimation by ordinary least squares (OLS). Robust standard errors in parentheses. a, b, c denote statistical significance in a two-tailed test at the 1%, 5%, and 10% levels respectively. The samples are restricted to men aged 25-59 and the immigrant sample is restricted to those who migrated at age 20 or higher after 1980. Regressions also include a full set of year effects, which are fully interacted with geography.

Table 3: Relative Immigrant Log Real Weekly Earnings Conditional on Fixed Year Effects, Separately By Education Groups

	High School or Less				Some Post-Secondary				University			
	Australia		Canada		Australia		Canada		Australia		Canada	
Age Profile												
30-34	0.098^a	(0.007)	0.170^a	(0.007)	0.084^a	(0.007)	0.173^a	(0.007)	0.208^a	(0.011)	0.287^a	(0.008)
35-39	0.130^a	(0.008)	0.270^a	(0.007)	0.138^a	(0.007)	0.265^a	(0.007)	0.312^a	(0.012)	0.479^a	(0.009)
40-44	0.150^a	(0.008)	0.319^a	(0.007)	0.143^a	(0.008)	0.325^a	(0.008)	0.352^a	(0.013)	0.590^a	(0.009)
45-49	0.134^a	(0.009)	0.347^a	(0.008)	0.141^a	(0.008)	0.347^a	(0.008)	0.385^a	(0.014)	0.635^a	(0.009)
50-54	0.114^a	(0.009)	0.339^a	(0.008)	0.129^a	(0.009)	0.359^a	(0.009)	0.387^a	(0.015)	0.663^a	(0.011)
55-59	0.045^a	(0.010)	0.277^a	(0.009)	0.089^a	(0.010)	0.294^a	(0.011)	0.360^a	(0.010)	0.634^a	(0.015)
Immigrant Entry Cohort												
1981-1985	-0.053^b	(0.026)	-0.354^a	(0.031)	-0.019	(0.028)	-0.262^a	(0.039)	-0.042	(0.039)	-0.099^b	(0.043)
1986-1990	-0.082^a	(0.024)	-0.365^a	(0.027)	-0.050^b	(0.025)	-0.331^a	(0.035)	-0.203^a	(0.032)	-0.247^a	(0.039)
1991-1995	-0.138^a	(0.031)	-0.407^a	(0.029)	-0.098^a	(0.029)	-0.370^a	(0.036)	-0.131^a	(0.036)	-0.298^a	(0.039)
1996-2000	-0.117^a	(0.030)	-0.365^a	(0.034)	-0.006	(0.029)	-0.352^a	(0.041)	-0.168^a	(0.036)	-0.329^a	(0.039)
2001-2005	-0.058^b	(0.026)	-0.332^a	(0.048)	-0.044^c	(0.025)	-0.373^a	(0.062)	-0.167^a	(0.024)	-0.452^a	(0.049)
Immigrant Age Interaction												
30-34	-0.026	(0.030)	-0.059^b	(0.030)	0.014	(0.028)	-0.002	(0.041)	-0.005	(0.032)	-0.060	(0.043)
35-39	0.004	(0.034)	-0.121^a	(0.031)	-0.005	(0.029)	-0.068^c	(0.041)	-0.043	(0.034)	-0.151^a	(0.042)
40-44	-0.017	(0.036)	-0.160^a	(0.032)	-0.031	(0.031)	-0.102^b	(0.042)	0.012	(0.035)	-0.263^a	(0.043)
45-49	-0.001	(0.036)	-0.165^a	(0.033)	-0.025	(0.033)	-0.126^a	(0.044)	-0.015	(0.039)	-0.323^a	(0.046)
50-54	0.033	(0.039)	-0.254^a	(0.039)	-0.017	(0.039)	-0.165^a	(0.051)	-0.085	(0.047)	-0.422^a	(0.050)
55-59	-0.002	(0.047)	-0.285^a	(0.047)	0.015	(0.047)	-0.221^a	(0.059)	-0.100	(0.056)	-0.435^a	(0.059)
Years in Destination Country												
5-9 years	-0.049^b	(0.027)	0.103^a	(0.021)	0.001	(0.021)	0.103^a	(0.022)	-0.058^b	(0.029)	0.015	(0.020)
10-14 years	-0.066^c	(0.032)	0.213^a	(0.026)	0.028	(0.027)	0.174^a	(0.029)	-0.084^b	(0.035)	0.073^b	(0.028)
More than 14 years	-0.116^a	(0.032)	0.251^a	(0.036)	-0.025	(0.028)	0.244^a	(0.037)	-0.030	(0.037)	0.138^a	(0.040)
ρ^2(observed,lower)	0.033		0.037		0.029		0.039		0.014		0.035	
ρ^2(observed,upper)	0.050		0.036		0.050		0.037		0.027		0.031	
Native-born observations	69,331		184,515		71,848		152,229		33,332		83,252	
Immigrant observations	6,562		13,288		8,066		11,532		9,154		14,378	

Notes: Parameter estimation by censored linear regression. Robust standard errors in parentheses. a, b, c denote statistical significance in a two-tailed test at the 1%, 5%, and 10% levels respectively. The samples are restricted to men aged 25-59, and employed full-time. In the Canadian data the sample restricted to those with 48 or more weeks worked in the income reference year. The immigrant sample is restricted to those who migrated at age 20 or higher after 1980. Regressions also include a full set of year effects, which are fully interacted with geography.

Table 4: Relative Immigrant Employment Rates Conditional on Native-Born Entry Cohort Effects and Unemployment Rate, Separately By Education Groups

	High School or Less		Some Post-Secondary		University	
	Australia	Canada	Australia	Canada	Australia	Canada
Labour Market Entry Cohort						
1981-1985	-0.022^a (0.005)	-0.012^a (0.002)	-0.006 (0.004)	-0.003 (0.002)	0.002 (0.004)	-0.009^a (0.002)
1986-1990	-0.044^a (0.005)	-0.028^a (0.003)	-0.007^c (0.004)	-0.005^b (0.002)	-0.011^b (0.005)	-0.007^a (0.003)
1991-1995	-0.034^a (0.006)	-0.035^a (0.003)	-0.011^b (0.005)	-0.007^a (0.003)	-0.008 (0.006)	-0.015^a (0.003)
1996-2000	-0.039^a (0.008)	-0.027^a (0.004)	-0.015^a (0.006)	0.005 (0.003)	-0.005 (0.007)	-0.014^a (0.004)
2001-2005	-0.009 (0.008)	-0.021^a (0.005)	0.000 (0.006)	0.014^a (0.004)	0.006 (0.008)	-0.029^a (0.007)
Age Profile						
30-34	0.024^a (0.006)	0.024^a (0.003)	0.011^b (0.004)	0.025^a (0.002)	0.028^a (0.006)	0.056^a (0.003)
35-39	0.019^a (0.006)	0.023^a (0.003)	0.009^c (0.005)	0.025^a (0.003)	0.024^a (0.006)	0.066^a (0.003)
40-44	0.009 (0.007)	0.020^a (0.003)	-0.002 (0.005)	0.022^a (0.003)	0.019^a (0.007)	0.062^a (0.004)
45-49	-0.003 (0.007)	0.010^a (0.003)	-0.010^c (0.005)	0.016^a (0.003)	0.015^b (0.007)	0.057^a (0.004)
50-54	-0.040^a (0.008)	-0.034^a (0.004)	-0.043^a (0.007)	-0.014^a (0.004)	-0.009 (0.009)	0.039^a (0.004)
55-59	-0.151^a (0.008)	-0.144^a (0.004)	-0.173^a (0.008)	-0.138^a (0.004)	-0.096^a (0.011)	-0.103^a (0.006)
Immigrant Entry Cohort						
1981-1985	-0.169^a (0.034)	-0.098^a (0.014)	-0.158^a (0.032)	-0.091^a (0.015)	-0.185^a (0.034)	-0.077^a (0.015)
1986-1990	-0.100^a (0.033)	-0.117^a (0.012)	-0.167^a (0.031)	-0.110^a (0.014)	-0.166^a (0.031)	-0.113^a (0.013)
1991-1995	-0.172^a (0.033)	-0.115^a (0.013)	-0.161^a (0.03)	-0.126^a (0.014)	-0.173^a (0.031)	-0.123^a (0.013)
1996-2000	-0.071^a (0.030)	-0.109^a (0.013)	-0.121^a (0.029)	-0.117^a (0.014)	-0.126^a (0.027)	-0.104^a (0.0130)
2001-2005	-0.068^a (0.025)	-0.075^a (0.015)	-0.083^a (0.024)	-0.102^a (0.016)	-0.079^a (0.021)	-0.059^a (0.015)
Immigrant Age Interaction						
30-34	0.034 (0.023)	-0.008 (0.010)	0.056^b (0.023)	-0.004 (0.012)	0.020 (0.019)	0.014 (0.011)
35-39	0.017 (0.024)	0.004 (0.010)	0.045^b (0.022)	0.016 (0.011)	0.022 (0.020)	0.000 (0.011)
40-44	-0.015 (0.025)	-0.012 (0.010)	0.069^a (0.022)	0.007 (0.012)	0.033^c (0.020)	-0.015 (0.011)
45-49	0.032 (0.025)	-0.016 (0.011)	0.057^b (0.024)	-0.003 (0.012)	-0.002 (0.022)	-0.022^c (0.012)
50-54	-0.023 (0.028)	-0.014 (0.012)	0.072^a (0.025)	-0.001 (0.014)	0.006 (0.024)	-0.042^a (0.013)
55-59	-0.075^b (0.030)	-0.009 (0.013)	0.141^a (0.028)	0.042^b (0.017)	0.005 (0.029)	0.059^a (0.016)
Years in Destination Country						
5-9 years	0.064^a (0.016)	0.090^a (0.007)	0.036^a (0.014)	0.098^a (0.007)	0.087^a (0.014)	0.120^a (0.006)
10-14 years	0.121^a (0.019)	0.135^a (0.008)	0.063^a (0.016)	0.122^a (0.009)	0.137^a (0.017)	0.143^a (0.008)
More than 14 years	0.146^a (0.019)	0.147^a (0.010)	0.075^a (0.018)	0.147 (0.010)	0.152^a (0.019)	0.150^a (0.010)
Unemployment rate	-0.011^a (0.002)	-0.007^a (0.001)	-0.015^a (0.002)	-0.005^a (0.001)	-0.006^a (0.002)	0.003^a (0.001)
Unemployment rate * Immigrant	0.004 (0.005)	-0.005^a (0.001)	0.005 (0.004)	-0.008^a (0.001)	0.001 (0.004)	-0.011^a (0.001)
R^2	0.019	0.028	0.029	0.028	0.033	0.054
Native-born observations	105,879	314,023	92,860	221,634	40,738	111,004
Immigrant observations	10,889	28,946	10,831	21,343	12,215	26,924

Notes: Parameter estimation by ordinary least squares (OLS). Robust standard errors in parentheses. a, b, c denote statistical significance in a two-tailed test at the 1%, 5%, and 10% levels respectively. The samples are restricted to men aged 25-59 and the immigrant sample is restricted to those who migrated at age 20 or higher after 1980. Regressions also include a full set of region effects.

Table 5: Relative Immigrant Log Real Weekly Earnings Conditional on Native-Born Entry Cohort Effects and Unemployment Rate, Separately By Education Groups

	High School or Less		Some Post-Secondary		University	
	Australia	Canada	Australia	Canada	Australia	Canada
Labour Market Entry Cohort						
1981-1985	0.078^a (0.008)	-0.083^a (0.006)	0.067^a (0.007)	-0.047^a (0.007)	0.104^a (0.013)	0.027^a (0.008)
1986-1990	0.107^a (0.008)	-0.174^a (0.008)	0.117^a (0.008)	-0.095^a (0.008)	0.154^a (0.014)	0.013 (0.009)
1991-1995	0.150^a (0.009)	-0.223^a (0.010)	0.138^a (0.009)	-0.135^a (0.009)	0.183^a (0.015)	-0.016 (0.012)
1996-2000	0.178^a (0.011)	-0.257^a (0.013)	0.197^a (0.010)	-0.155^a (0.012)	0.227^a (0.017)	-0.007 (0.014)
2001-2005	0.201^a (0.012)	-0.348^a (0.022)	0.233^a (0.012)	-0.196^a (0.018)	0.199^a (0.019)	-0.052^a (0.019)
Age Profile						
30-34	0.141^a (0.008)	0.100^a (0.007)	0.130^a (0.008)	0.133^a (0.007)	0.243^a (0.013)	0.276^a (0.009)
35-39	0.209^a (0.009)	0.149^a (0.008)	0.224^a (0.008)	0.192^a (0.008)	0.392^a (0.014)	0.465^a (0.010)
40-44	0.261^a (0.01)	0.154^a (0.009)	0.259^a (0.009)	0.220^a (0.009)	0.473^a (0.016)	0.570^a (0.011)
45-49	0.267^a (0.011)	0.144^a (0.01)	0.287^a (0.01)	0.216^a (0.01)	0.547^a (0.017)	0.614^a (0.012)
50-54	0.266^a (0.012)	0.119^a (0.01)	0.297^a (0.012)	0.211^a (0.011)	0.589^a (0.021)	0.648^a (0.014)
55-59	0.192^a (0.013)	0.063^a (0.011)	0.255^a (0.013)	0.148^a (0.013)	0.563^a (0.025)	0.622^a (0.017)
Immigrant Entry Cohort						
1981-1985	-0.086^c (0.046)	-0.261^a (0.035)	-0.013 (0.046)	-0.167^a (0.042)	-0.053 (0.065)	-0.160^a (0.046)
1986-1990	-0.107^b (0.045)	-0.244^a (0.031)	-0.061 (0.045)	-0.233^a (0.039)	-0.224^a (0.06)	-0.299^a (0.042)
1991-1995	-0.166^a (0.044)	-0.295^a (0.034)	-0.091^b (0.042)	-0.275^a (0.041)	-0.138^b (0.059)	-0.331^a (0.044)
1996-2000	-0.127^a (0.041)	-0.282^a (0.037)	-0.009 (0.039)	-0.281^a (0.045)	-0.157^b (0.055)	-0.355^a (0.043)
2001-2005	-0.053 (0.036)	-0.225^a (0.056)	-0.041 (0.033)	-0.311^a (0.069)	-0.093^b (0.042)	-0.451^a (0.057)
Immigrant Age Interaction						
30-34	-0.067^b (0.010)	0.009 (0.030)	-0.032 (0.029)	0.037 (0.041)	-0.039 (0.033)	-0.046 (0.043)
35-39	-0.075^b (0.034)	0.000 (0.031)	-0.091^a (0.029)	0.006 (0.041)	-0.126^a (0.035)	-0.134^a (0.042)
40-44	-0.132^a (0.036)	0.005 (0.032)	-0.150^a (0.032)	0.003 (0.042)	-0.115^a (0.037)	-0.241^a (0.043)
45-49	-0.135^a (0.036)	0.035 (0.034)	-0.171^a (0.033)	0.004 (0.045)	-0.179^a (0.041)	-0.298^a (0.046)
50-54	-0.119^a (0.040)	-0.033 (0.040)	-0.186^a (0.040)	-0.021 (0.052)	-0.291^a (0.049)	-0.405^a (0.051)
55-59	-0.147^a (0.048)	-0.073 (0.047)	-0.149^a (0.047)	-0.081 (0.059)	-0.307^a (0.058)	-0.421^a (0.059)
Years in Destination Country						
5-9 years	-0.009 (0.027)	0.041^c (0.021)	0.037^c (0.022)	0.054^b (0.022)	-0.023 (0.029)	0.005 (0.02)
10-14 years	0.015 (0.033)	0.087^a (0.025)	0.101^a (0.028)	0.079^a (0.028)	0.005 (0.036)	0.064^b (0.028)
More than 14 years	0.018 (0.034)	0.05 (0.033)	0.118^a (0.031)	0.093^a (0.035)	0.126^a (0.039)	0.131^a (0.038)
Unemployment rate	-0.032^a (0.003)	-0.004^a (0.002)	-0.035^a (0.003)	-0.010^a (0.002)	-0.027^a (0.005)	0.000 (0.002)
Unemployment rate * Immigrant	0.005 (0.007)	-0.018^a (0.003)	0.001 (0.006)	-0.014^a (0.003)	-0.001 (0.009)	0.005 (0.003)
ρ^2(observed,lower)	0.026	0.037	0.025	0.039	0.012	0.034
ρ^2(observed,upper)	0.043	0.035	0.045	0.036	0.023	0.031
Native-born observations	69,331	184,515	71,848	152,229	33,332	83,252
Immigrant observations	6,562	13,288	8,066	11,532	9,154	14,378

Notes: Parameter estimation by censored linear regression. Robust standard errors in parentheses. a, b, c denote statistical significance in a two-tailed test at the 1%, 5%, and 10% levels respectively. The samples are restricted to men aged 25-59, and employed full-time. In the Canadian data the sample restricted to those with 48 or more weeks worked in the income reference year. The immigrant sample is restricted to those who migrated at age 20 or higher after 1980. Regressions also include a full set of region effects.

Table 6: Relative Immigrant Employment Rates With Native-Born Cohort Effects and Unemployment Rate, Separately by Source Country

	United Kingdom		India		China	
	Australia	Canada	Australia	Canada	Australia	Canada
Immigrant Entry Cohort						
1981-1985	-0.033 (0.036)	0.039 (0.028)	0.021 (0.085)	-0.128^a (0.031)	-0.179^a (0.100)	-0.203^a (0.035)
1986-1990	-0.030 (0.036)	0.024 (0.029)	-0.026 (0.073)	-0.111^a (0.026)	-0.047 (0.080)	-0.188^a (0.03)
1991-1995	-0.015 (0.035)	0.059^b (0.028)	0.056 (0.072)	-0.093^a (0.024)	-0.129 (0.083)	-0.210^a (0.029)
1996-2000	0.036 (0.031)	0.028 (0.030)	0.056 (0.069)	-0.047^b (0.023)	-0.061 (0.071)	-0.260^a (0.029)
2001-2005	0.002 (0.028)	-0.044 (0.034)	0.086 (0.056)	-0.011 (0.025)	-0.103^c (0.058)	-0.258^a (0.031)
Immigrant Age Interaction						
30-34	0.051^b (0.024)	-0.032 (0.023)	0.020 (0.034)	-0.023 (0.017)	0.034 (0.043)	0.044^c (0.025)
35-39	0.039 (0.024)	-0.034 (0.022)	0.049 (0.033)	-0.041^b (0.018)	-0.015 (0.045)	0.062^b (0.024)
40-44	0.047^c (0.024)	-0.002 (0.022)	0.036 (0.038)	-0.037^c (0.019)	-0.023 (0.047)	0.040 (0.025)
45-49	0.048^c (0.025)	-0.013 (0.023)	0.057 (0.044)	-0.056^a (0.020)	0.007 (0.048)	0.019 (0.026)
50-54	0.043 (0.028)	-0.014 (0.027)	0.050 (0.052)	-0.066^a (0.023)	-0.049 (0.056)	0.011 (0.028)
55-59	0.024 (0.035)	0.020 (0.034)	0.129^b (0.058)	-0.058^b (0.027)	-0.034 (0.069)	0.029 (0.030)
Years in Destination Country						
5-9 years	0.003 (0.014)	0.024^c (0.014)	0.053 (0.038)	0.113^a (0.014)	0.039 (0.034)	0.136^a (0.014)
10-14 years	0.043^a (0.016)	0.012 (0.017)	0.060 (0.049)	0.174^a (0.019)	0.103^b (0.046)	0.135^a (0.019)
More than 14 years	0.079^a (0.019)	0.025 (0.020)	0.109^b (0.051)	0.204^a (0.026)	0.096^b (0.045)	0.215^a (0.025)
Education						
Postsecondary	0.103^a (0.002)	0.078^a (0.001)	0.103^a (0.002)	0.078^a (0.001)	0.103^a (0.002)	0.078^a (0.001)
University	0.137^a (0.002)	0.110^a (0.001)	0.137^a (0.002)	0.110^a (0.001)	0.137^a (0.002)	0.110^a (0.001)
Postsecondary * Immigrant	-0.059^a (0.014)	-0.028^a (0.017)	-0.035 (0.042)	-0.020 (0.014)	-0.052^b (0.015)	-0.039^b (0.025)
University * Immigrant	-0.063^a (0.013)	-0.043^a (0.013)	-0.097^b (0.039)	-0.017 (0.011)	-0.108^a (0.016)	-0.024^c (0.023)
Unemployment rate	-0.011^a (0.001)	-0.004^a (0.001)	-0.011^a (0.001)	-0.005^a (0.001)	-0.011^a (0.001)	-0.004^a (0.001)
Unemployment rate * Immigrant	0.007 (0.004)	0.004 (0.002)	-0.013 (0.010)	0.000 (0.002)	0.011 (0.011)	-0.001 (0.003)
R^2	0.050	0.041	0.050	0.041	0.049	0.042
Native Observations	239,477	646,661	239,477	646,661	239,477	646,661
Immigrant Observations	6,563	2,984	1,876	5,725	2,327	6,543

Notes: Parameter estimation by ordinary least squares (OLS). Robust standard errors in parentheses. a, b, c denote statistical significance in a two-tailed test at the 1%, 5%, and 10% levels respectively. The samples are restricted to men aged 25-59 and the immigrant sample is restricted to those who migrated at age 20 or higher after 1980. Regressions also include a full set of region effects.

Table 7: Relative Log Real Weekly Earnings Conditional on Native-Born Cohort Effects and Unemployment Rate, Separately by Source Country

|	United Kingdom		India		China	
	Australia	Canada	Australia	Canada	Australia	Canada
Immigrant Entry Cohort						
1981-1985	0.211^a (0.060)	0.011 (0.091)	-0.210^c (0.120)	-0.249^a (0.096)	-0.308^c (0.169)	-0.489^a (0.099)
1986-1990	0.221^a (0.058)	-0.044 (0.088)	-0.209^c (0.122)	-0.311^a (0.079)	-0.458^a (0.119)	-0.602^a (0.085)
1991-1995	0.222^a (0.059)	0.107 (0.092)	-0.201 (0.130)	-0.305^a (0.070)	-0.360^a (0.126)	-0.619^a (0.088)
1996-2000	0.223^a (0.053)	0.151 (0.103)	-0.354^a (0.123)	-0.267^a (0.064)	-0.363^a (0.102)	-0.658^a (0.089)
2001-2005	0.240^a (0.047)	0.030 (0.165)	-0.396^a (0.097)	-0.305^a (0.073)	-0.391^a (0.095)	-0.704^a (0.097)
Immigrant Age Interaction						
30-34	-0.025 (0.034)	0.093 (0.095)	0.010 (0.053)	-0.131^b (0.066)	-0.149^b (0.059)	0.063 (0.080)
35-39	-0.061^c (0.036)	0.102 (0.092)	-0.043 (0.060)	-0.119^c (0.061)	-0.198^a (0.063)	0.036 (0.078)
40-44	-0.075^c (0.040)	0.122 (0.104)	0.047 (0.061)	-0.114^c (0.061)	-0.312^a (0.069)	-0.015 (0.078)
45-49	-0.131^a (0.041)	0.282^a (0.096)	-0.020 (0.075)	-0.135^c (0.071)	-0.373^a (0.080)	-0.049 (0.082)
50-54	-0.171^a (0.051)	0.163 (0.104)	-0.035 (0.077)	-0.163^b (0.079)	-0.419^a (0.100)	-0.030 (0.085)
55-59	-0.198^a (0.060)	0.222^c (0.115)	0.080 (0.114)	-0.310^a (0.105)	-0.357^a (0.124)	-0.148 (0.103)
Years in Destination Country						
5-9 years	0.071^b (0.029)	0.010 (0.045)	0.008 (0.074)	0.116^b (0.051)	0.080 (0.058)	0.085^b (0.039)
10-14 years	0.108^a (0.037)	0.082 (0.055)	0.047 (0.097)	0.132^c (0.072)	0.189^b (0.085)	0.070 (0.058)
More than 14 years	0.154^a (0.039)	0.166^b (0.070)	0.075 (0.093)	0.074 (0.104)	0.204^b (0.087)	0.109 (0.081)
Education						
Postsecondary	0.135^a (0.003)	0.168^a (0.003)	0.135^a (0.003)	0.168^a (0.003)	0.135^a (0.003)	0.168^a (0.003)
University	0.552^a (0.005)	0.515^a (0.003)	0.552^a (0.005)	0.516^a (0.003)	0.552^a (0.005)	0.515^a (0.003)
Postsecondary * Immigrant	-0.065^a (0.024)	-0.006 (0.043)	0.083 (0.073)	0.140^a (0.043)	0.021 (0.054)	0.074 (0.053)
University * Immigrant	-0.037 (0.028)	0.071 (0.045)	-0.003 (0.072)	-0.076^c (0.042)	-0.206^a (0.042)	0.159^a (0.042)
Unemployment rate	-0.033^a (0.002)	-0.003^a (0.001)	-0.034^a (0.002)	-0.003^a (0.001)	-0.034^a (0.002)	-0.003^a (0.001)
Unemployment rate * Immigrant	-0.022^a (0.008)	-0.013^b (0.005)	0.003 (0.015)	-0.013^b (0.006)	0.012 (0.017)	-0.009^c (0.005)
ρ^2(observed, lower)	0.050	0.060	0.062	0.084	0.051	0.083
ρ^2(observed, upper)	0.093	0.052	0.110	0.076	0.091	0.075
Native Observations	174,511	419,996	174,511	419,996	174,511	419,996
Immigrant Observations	5,304	2,120	1,422	3,122	1,480	2,865

Notes: Parameter estimation by censored linear regression. Robust standard errors in parentheses. a, b, c denote statistical significance in a two-tailed test at the 1%, 5%, and 10% levels respectively. The samples are restricted to men aged 25-59, and employed full-time. In the Canadian data the sample restricted to those with 48 or more weeks worked in the income reference year. The immigrant sample is restricted to those who migrated at age 20 or higher after 1980. Regressions also include a full set of year effects, which are fully interacted with geography.

Table 8: Counterfactual Immigrant Employment Rates and Real Log Weekly Earnings

|	Australia Estimated	Aus. Shares Aus. Coeff Predicted	Can. Shares Aus. Coeff Predicted	Aus. Shares Can. Coeff Predicted	Can. Shares Can. Coeff Predicted	Canada Estimated
			EMPLOYMENT			
Immigrant Entry Cohort						
1981-85	−0.165	−0.165	−0.207	−0.061	−0.087	−0.087
	(0.020)	(0.018)	(0.027)	(0.015)	(0.009)	(0.008)
1986-90	−0.137	−0.137	−0.178	−0.075	−0.109	−0.109
	(0.019)	(0.012)	(0.018)	(0.011)	(0.007)	(0.008)
1991-95	−0.163	−0.163	−0.186	−0.081	−0.117	−0.117
	(0.019)	(0.018)	(0.022)	(0.011)	(0.007)	(0.008)
1996-00	−0.100	−0.100	−0.142	−0.063	−0.108	−0.108
	(0.017)	(0.016)	(0.024)	(0.017)	(0.008)	(0.008)
2001-05	−0.077	−0.077	−0.104	−0.052	−0.081	−0.081
	(0.014)	(0.009)	(0.012)	(0.017)	(0.011)	(0.009)
			EARNINGS			
1981-85	−0.073	−0.072	−0.135	−0.142	−0.251	−0.252
	(0.029)	(0.028)	(0.034)	(0.036)	(0.025)	(0.023)
1986-90	−0.137	−0.136	−0.210	−0.205	−0.304	−0.304
	(0.029)	(0.021)	(0.027)	(0.028)	(0.020)	(0.021)
1991-95	−0.138	−0.136	−0.226	−0.210	−0.345	−0.345
	(0.028)	(0.031)	(0.033)	(0.033)	(0.024)	(0.022)
1996-00	−0.106	−0.103	−0.231	−0.205	−0.342	−0.342
	(0.026)	(0.027)	(0.033)	(0.091)	(0.034)	(0.024)
2001-05	−0.087	−0.085	−0.175	−0.165	−0.365	−0.365
	(0.022)	(0.019)	(0.024)	(0.079)	(0.057)	(0.033)

Figure 1: Total Permanent Settler Arrivals 1980-2007, in thousands
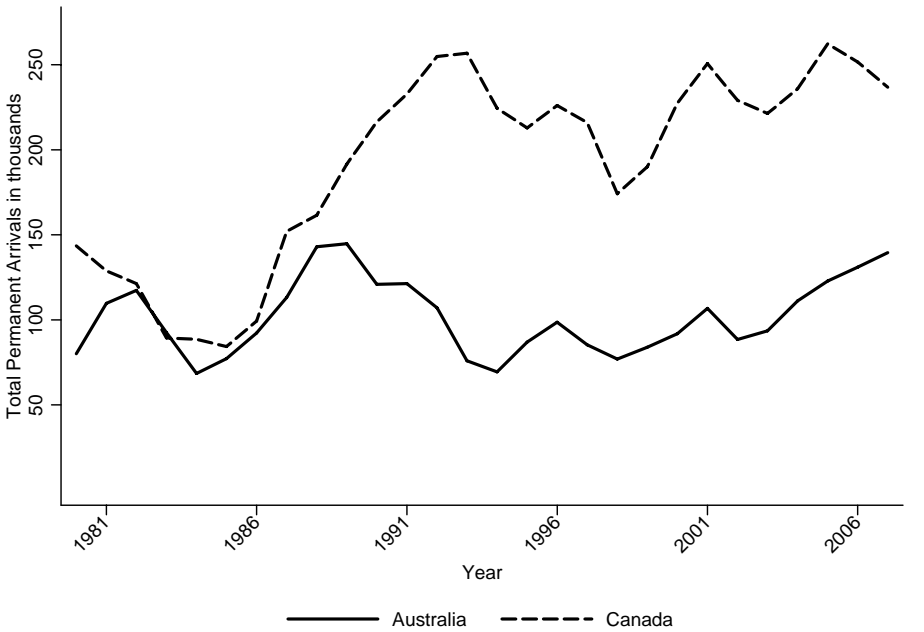
Sources: Australian Immigration Consolidated Statistics, Immigration Update (various issues) DIMA; *Facts and Figures: Immigration Overview* (various issues), Citizenship and Immigration Canada.
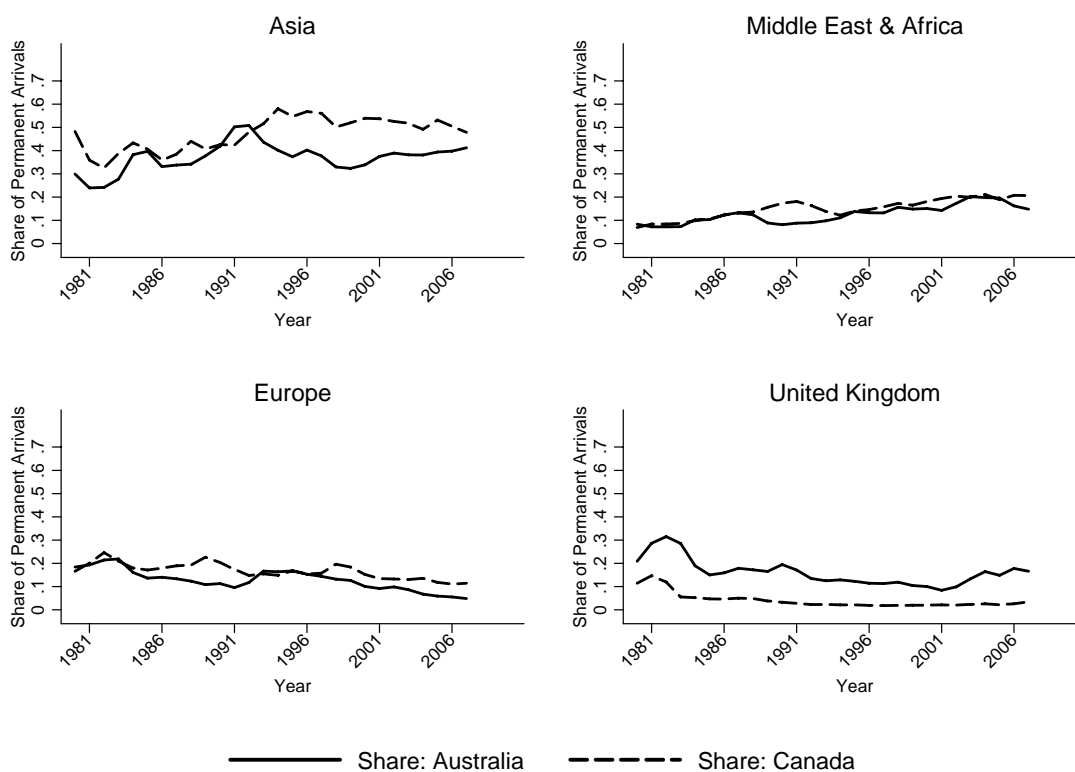
Figure 2: Immigration Class of Permanent Settler Arrivals 1980-2007

Family Class

Economic Class

Refugee Class

——— Share: Australia   — — — — Share: Canada
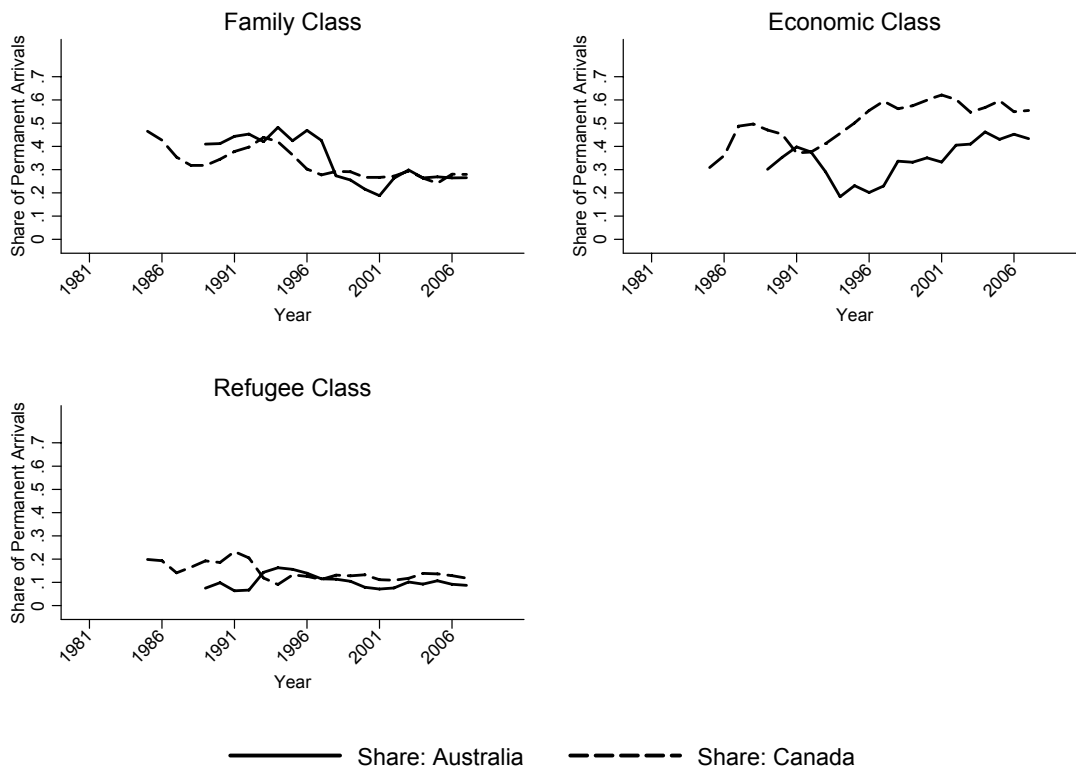
Note: For Australia, immigrants from New Zealand are treated as a distinct immigrant class. The Australian family, economic and refugee class shares therefore do not add up to one.
Sources: Australian Immigration Consolidated Statistics, Immigration Update (various issues) DIMA; *Facts and Figures: Immigration Overview* (various issues), Citizenship and Immigration Canada.

Figure 3: Source Country of Permanent Settler Arrivals 1980-2007

Sources: Australian Immigration Consolidated Statistics, Immigration Update (various issues) DIMA; *Facts and Figures: Immigration Overview* (various issues), Citizenship and Immigration Canada.