

Institutional Structure and Immigrant Integration: A Comparative Study of Immigrants' Labor Market Attainment in Canada and Israel¹

Noah Lewin-Epstein
Moshe Semyonov
Irena Kogan
Tel Aviv University

Richard A. Wanner
University of Calgary

The present study focuses on the incorporation of immigrants from the former Soviet Union in two receiving societies, Israel and Canada, during the first half of the 1990s. Both countries conducted national censuses in 1995 (Israel) and 1996 (Canada), making it possible to identify a large enough sample of immigrants and provide information on their demographic characteristics and their labor market activity. While both Canada and Israel are immigrant societies, their institutional contexts of immigrant reception differ considerably. Israel maintains no economic selection of the Jewish immigrants and provides substantial support for newcomers, who are viewed as a returning Diaspora. Canada employs multiple criteria for selecting immigrants, and the immigrants' social and economic incorporation is patterned primarily by market forces. The analysis first examines the characteristics of immigrants who arrived in the two countries and evaluates the extent of selectivity. Consistent with our hypotheses, Russian immigrants to Canada were more immediately suitable for the labor market, but experienced greater difficulty finding and maintaining employment. Nevertheless, immigrants to Canada attained higher-status occupations and higher earnings than their compatriots in Israel did, although the Israeli labor market was more likely to reward their investments in education.

¹Earlier drafts of this paper were presented at the International Sociological Association Research Committee on Stratification and Social Mobility (RC28) in Libourne, France, May 11–14, 2000 and at the trilateral – Canadian, German, Israeli – conference held at the University of Toronto, October 23–24, 2000. We wish to thank anonymous reviewers of the journal for their insightful and constructive comments on earlier drafts. We take full responsibility for whatever shortcomings remain.

Sociological theory and research on international migration has focused primarily on the social and economic incorporation of immigrants into the host society. Over the years several theoretical models of incorporation have been proposed, including "succession," "queuing," "segmented labor markets" and "ethnic group specific" models (*see* Lieberman, 1980; Reitz, 1998; Poston, 1994; Carliner, 1980; Massey *et al.*, 1993). In line with these models, most empirical research in this area examined the labor market attainment of immigrants in comparison with the native-born population. The central conclusions of this body of research can be summarized as follows: 1) immigrants are regularly at a disadvantage upon arrival in the host society (Chiswick, 1979; Semyonov, 1997); 2) human capital resources and period of migration affect immigrants' rate of economic assimilation (Bloom and Gunderson, 1990; Borjas, 1993a); 3) immigrants who are more similar to the majority in the host society tend to assimilate economically more rapidly than those who are less similar (Wanner, 1998); 4) with few exceptions, the socioeconomic position of immigrants steadily improves with the passage of time in the host society and, as a rule, reaches the levels of similarly endowed native born after fifteen to twenty years in the host society (Chiswick, 1979; Semyonov, 1997).

Many studies on immigrant assimilation have compared the economic attainment of different immigrant groups in the same receiving society. Relatively few studies, however, have undertaken a comparative analysis of immigrants from a single point of origin who reached various destinations (for some notable exceptions *see* Model and Ladipo, 1996; Model *et al.*, 1999; Inbar and Adler, 1977). The advantage of such studies is that by focusing on one relatively homogeneous group of immigrants, they permit a systematic examination of those structural and institutional characteristics of receiving societies that affect the attainment of immigrants. The present study aims to contribute to this important body of research by examining the socioeconomic attainment of recent immigrants from the Former Soviet Union (FSU) in two receiving societies.

Recent immigration from the FSU is interesting for both substantive and analytical reasons. Throughout most of the communist period, emigration from the USSR was restricted, and, except in certain unusual circumstances, Soviet citizens were not permitted to leave. The dramatic political changes in the late 1980s affected emigration as well as many other spheres of life; well over 2 million persons have left the FSU since 1989. The overwhelming majority of these emigrants settled in one of four destinations: Israel, the United States, Germany and Canada. These migration patterns

provide an opportunity to study both systemic and individual attributes associated with the incorporation of immigrants and their socioeconomic attainment. The empirical analysis focuses on two receiving societies, Canada and Israel.

EMIGRATION FROM THE FORMER USSR – HISTORICAL REVIEW

Emigration from the USSR was restricted throughout the period of communist rule. Hesitant steps towards opening of the Soviet borders to those who desired to repatriate (mostly Jews and Germans) or reunite with families living abroad were taken in the 1970s.² In recent decades, three waves of Jewish emigration from the USSR can be distinguished (Gitelman, 1997). The first wave (about 100,000 people) left the USSR between 1971–1974 and headed almost exclusively to Israel. These were immigrants from the Georgian Soviet Republic, where the Jews had preserved their ethnic and religious traditionalism, and from the Baltic republics and eastern Poland, the regions where Jews were less assimilated and more committed to Jewish memories, Yiddish culture and Zionism.

The second wave of emigration (between 1975 and 1989) originated mostly from the Slavic part of the USSR, where Jews were assimilated and acculturated and generally cut off from Jewish culture. During this period, Jewish emigration was characterized by a gradual decline in the importance of Zionist motivation (Salitan, 1997). According to Gitelman (1997), 68.6 percent of emigrants who possessed Israeli visas did not settle in Israel, but proceeded mostly to the United States. However, in October 1989 the United States announced a change in its policy, introducing a quota for Soviet immigrants. The effect of this was immediate and started the third wave of exodus of Soviet Jews. It is this most recent wave of migration that is at the center of the present study.

Between 1989 and 1995, over one million Jews left the FSU. It is estimated that two of every three Jewish emigrants reached Israel, although in the three-year period from January 1992 to December 1994, the number of immigrants to Israel and to other destinations was about equal (Dominitz, 1997). At this time, the USSR began granting exit permission not only to Jews, but to German ethnics, Armenians and Pentecostals as well. The major-

²The present study focuses on immigrants of Jewish origin, who constituted the bulk of the population leaving the USSR during 1989–1995.

ity of emigrants were pushed from their birthplace by economic deterioration and prolonged political crisis in most of the republics of the FSU, as well as growing ethnic cleavage and sporadic but more virulent displays of anti-Semitism. The emigration of Jews at this time was facilitated by contacts they had with relatives and friends already residing in Israel. Economic collapse, unemployment, poverty, crime, and the disastrous state of public health care and other support systems pushed Slavs and other nationals, who otherwise would not have considered emigration as an option, to the same response (Aron, 1991). They swelled the ranks of those leaving the FSU in the quest for better fortunes in North American and West European countries.

During the period from 1990 to 1994 (roughly corresponding to the period under study), Israel received an annual average of 121,900 immigrants, practically all of whom came from the FSU. The annual average intake in Canada was 211,900 immigrants (DellaPergola, 1998). Relatively few immigrants, however, were from the FSU, possibly as a result of the peculiarities of its immigration criteria and perhaps the scarcity or absence of social networks of Russian immigrants there. When the size of the absorbing population is taken into account, the annual rate of immigration was 23.7 per 1,000 population in Israel against 7.6 per 1,000 population in Canada. Indeed, the immigration ratio in Israel during these years was greater than that of any other immigrant receiving society.

INSTITUTIONAL FEATURES OF IMMIGRANT ABSORPTION – ISRAEL AND CANADA

In this study we adopt an institutional approach to the study of immigrant integration. We aim to explain differences between immigrants residing in Canada and Israel with respect to labor market participation and attainment in terms of the institutionally relevant characteristics of the two societies (*see* Tilly, 1994; Reitz, 1998). This is not to say that we disregard the attributes of the immigrants themselves. Rather, by focusing on immigrants from one origin we eliminate much of the social and cultural variation associated with international migration, and we highlight the way in which such individual attributes as gender, age and human capital of immigrants interact with the particular institutional arrangement in each of the two societies.

In his comparative study of immigrants in the United States, Canada and Australia, Reitz (1998) identified four institutional components of particular importance for immigrants: immigration policy and regulations; labor market structure and practices; the system of education; and welfare regime.

While each of the institutional elements may contribute to shaping immigrant incorporation, their importance may vary from time to time and from one society to another. Furthermore, the institutional settings themselves are interdependent, thus requiring an integrated evaluation of the institutional embeddedness of immigration. The following outlines the institutional contexts of Canada and Israel with regard to immigration, placing special emphasis on immigration policy and social integration mechanisms.

Canada

Canada's immigration policy during the first half of the twentieth century can be characterized as nationalist and even racist in wording and intent: non-white, non-European immigration was openly discouraged and/or prohibited. This is exemplified by the distinction between "preferred" and "non-preferred" countries (Taylor, 1991; Collins and Henry, 1994; Bloom and Gunderson, 1990). During the 1960s, however, economic interest came to play a dominant role in Canada's immigration policy. By 1967, immigration policy was completely revamped, and the Immigration Act that emerged was a testament to the country's commitment to ending discrimination against immigrants on the basis of race, national or ethnic origin and religion through the codification of a nondiscriminatory "point system" (DeRosa, 1995). Labor market requirements, family reunification and humanitarian issues became the cornerstones of the Canadian immigration program (Akbari, 1999).

In 1990, the Canadian government announced a Five Year Immigration plan which confirmed the country's commitment to a high level of immigration by increasing the intake of immigrants from less than 200,000 to 250,000 by 1993. Inglis *et al.* (1994) explain the need for increasing the overall level of immigration as a way of maintaining the balance between three competing objectives of the policy: the social, embodied in family reunions; the humanitarian; and the economic. By this time, Canada had immigration programs which included family, economic (independent immigrants and business class) and humanitarian (refugees) components (Borjas, 1993b; Bloom and Gunderson, 1990; Burnstein *et al.*, 1994). The category of independent immigrants is of special interest in the present context, since most immigrants from FSU in the past decade entered Canada mainly as independent immigrants.

Since 1967, independent applicants are systematically evaluated on a point system that reflects primarily the applicant's skills and labor market experience and his or her compatibility with the perceived needs of Canada's

economy. Points for occupational skill, experience, and special points for designated occupations make up 43 out of the 100 possible points. Age, education level and knowledge of English or French are also considered. Since the early 1990s, independent immigrants must receive at least 70 points to be admissible. Applicants who exceed the threshold are admitted on a first-come, first-served basis. Independent immigrants are required by the Canadian government to prove that they have enough money to support themselves and their dependents during the initial period after arriving in Canada, because the government provides no special financial support to new independent immigrants. Green and Green (1995) note that during years in which large numbers of family and refugee class immigrants are admitted, the right of entry for assisted relatives and independents is reduced, rendering the economic component of immigration insignificant. This, of course, has a negative effect on the skill level of the incoming migrants.

In summary, after several decades of tight control, Canada liberalized immigration policy in the second half of the twentieth century (Reimers and Troper, 1992). In recent decades, economic objectives and immediate economic self-interest replaced ethnic priorities, which dominated Canadian immigration policy in the earlier part of the century. Borowski and Nash (1994) underscore the fact that in recent years immigration and its component streams are seen, more than ever before, as strictly economic tools rather than demographic, social or humanitarian instruments. Consequently it can be expected that during the periods when the main flow of immigrants to Canada was defined according to the point system, the "quality" – *i.e.*, the human capital – of the newcomers will be higher.

As an immigrant society, and recognizing the importance of immigration for the country's development, the Canadian government established in 1950 the Department of Citizenship and Immigration – a formal institution to facilitate immigrant and refugee services (Lanphier and Lukomskyj, 1994). But only with the establishment of the Department of Manpower and Immigration in 1965 did the federal government become an important factor in immigrant assistance. In addition to its role in selecting and monitoring the flow of immigration, the government became actively involved in the resettlement process. Lanphier and Lukomskyj (1994) give a list of federal settlement services undertaken in 1992. It includes the Immigrant Settlement and Adaptation Program, based on grants to nongovernmental organizations; the Adjustment Assistance Program, keyed to indigent newcomers for a maximum period of twelve months after arrival; and various loan and language

programs (*e.g.*, admissibility, transportation, living assistance loans). State aid is generally offered to refugees and their dependents, but other newcomers who have difficulty starting their new lives in Canada are also assisted. In this regard, it is important to note that most absorption services aim to facilitate the attachment of the family's chief breadwinner (a male in the majority of cases) to the labor force. Better funded Canadian Job Strategy programs were useful to persons who are either destined for the labor market or already are in the labor force.

The relevance and importance of settlement services grew with the increasing flow of immigration in the 1990s, an increase, it should be noted, which did not reach designated quotas, allowing the Canadian government to control and plan the immigration process. While the involvement of federal and especially local governments continues to expand, it is informal voluntary organizations that are particularly instrumental in assisting the new immigrants and refugees in the initial stages of their absorption in Canada.

Israel

Jewish immigrants began arriving in Israel (Palestine, at that time) at the turn of the twentieth century. The first wave came mainly from Eastern European countries, inspired by the Zionist idea to establish a national home for the Jewish people in Palestine. With the Declaration of Independence, European Holocaust survivors, Jews who came directly from liberated Eastern Europe, and immigrants detained in Cyprus, considered illegal by former British mandate law, were received by the young state. Along with the Jewish exodus from Europe, immigrants from the Middle East and North Africa arrived during the decade after statehood, many as refugees (Dominitz, 1997; Rajzman and Semyonov, 1998; Semyonov, 1997). The decades following the mass flow were characterized by sporadic migration. The level of immigration depended mainly upon the degree of restrictions imposed upon Jewish emigration in source countries or upon various conditions that determined the desirability of Israel as a destination. In addition to political events in Israel itself, these included such developments as the Iranian revolution, unrest in South America, and the collapse of the USSR, which unleashed, by the end of the 1980s, the second major wave of Jewish emigration.

Israel's immigration policy differs from that of other migrant societies (*e.g.*, United States, Canada, and Australia), which control immigration through the establishment of priorities and preferences, quotas, and other means that limit immigrant entry. Since its establishment, the state has prac-

ticed an “open door” policy, accepting all Jews (but only Jews) who want to settle in it. The state of Israel views Jewish migration as a returning Diaspora and sees it as the natural right of all Jews to return to their historic homeland.

The centerpiece of Israel’s ethnicity-based immigration policy is the Law of Return. The law, passed in 1950, states that every Jew has the right to settle in Israel, unless he or she has committed acts against the Jewish people or is liable to endanger public health and state security. Jews who immigrate to Israel acquire Israeli citizenship upon arrival and are entitled to all benefits conferred by this status (Horowitz, 1996). Jewish ethnicity of immigrants supersedes other considerations such as age, profession and financial status, or any other entrance requirements (Geva-May, 1998; Dominitz, 1997).³ Throughout the years, Israeli governments have considered immigrant absorption a demographic imperative for the Jewish state and therefore a fundamental responsibility of the state. Employment, language learning and social absorption are regarded as interwoven, and actions are undertaken by the government in these realms to facilitate the absorption goals.

From its inception until the 1980s, Israel’s absorption policy was highly centralized. The state was actively involved in housing construction for immigrants, as well as job creation. The government linked immigrant absorption to other national goals such as population dispersion and Jewish settlement of the land. Housing policy was central to these goals, and in early years immigrants were directed to specific locations designated by the state. The benefits received by the immigrants were often conditional upon demonstration of expenditures or on participation in government sponsored language and job training.

The cornerstone of indirect absorption policy is absorption centers that serve as hostels where newcomers reside for the first months in Israel. In many cases, meals are served, daycare for children is provided, as are *ulpan*s – Hebrew classes where the adults can learn Hebrew. These centers also provide information services on employment opportunities and on various immigrant rights. All services, including housing and utilities, are either free or at very low rates. This track was mainly offered to immigrant families with at least

³The definition of “Jew” is determined by Jewish religious law (*halakha*) as any person born to a Jewish mother or converted to Judaism. Immigration to Israel determines eligibility for citizenship by means of an ascriptive, ethnic-religious criterion based on identification which includes Jews, children and grandchildren of Jews and their nuclear families (even if the latter are not Jewish). Inclusion of non-Jewish spouses and descendants to the third generation was recognized by an amendment to the Law of Return passed in 1970 in the Knesset (Israeli Parliament) (Horowitz, 1999; Shual and Leshem, 1998; Dominitz, 1997).

one adult in an academic profession, young couples and young single immigrants (Adler, 1997; Geva-May, 1998).

Absorption policy underwent major changes in the late 1980s (Horowitz, 1996). The government and particularly the Ministry of Finance championed a free market policy, formulated as "direct absorption." Those who preferred this track received from the state a living allowance, funds for initial expenses in the new country, basic things and furniture for living (*e.g.*, beds, mattresses) and low-cost rent in public housing projects. The so-called direct absorption was begun in 1987 and was marked by a certain measure of success and satisfaction among some immigrants, especially those who quickly found apartments and succeeded in entering mainstream Israeli society (Doron and Kargar, 1993). On the other hand, the *laissez faire* policy became a nightmare in 1990, as thousands of families with no known relatives arrived each week at Israel's single international airport, very often at night, with no idea where to go (Alterman, 1995).

RATIONALE AND HYPOTHESES

As described above, Canada and Israel represent very different contexts of immigration. This is evident in their political economies, in their immigrant-screening criteria and the states' perceived responsibility for successful immigrant integration. In addition, it should be noted that the economic contexts of reception during the period under study were considerably different in Canada and Israel. In 1989, when emigration from the FSU had just begun, the unemployment rate in Israel was higher by almost 2 percentage points than in Canada (8.9 vs. 7.1, in the two countries, respectively), reflecting more favorable economic conditions in the latter's labor market. The sheer volume of immigration further exacerbated the hardship faced by immigrants to Israel. In the five-year period between 1990–1994, almost 600,000 immigrants from the FSU entered Israel, increasing the population of Israel by more than 10 percent. The large increase in the supply of labor, coupled with adverse economic conditions, created extreme pressure on the Israeli labor market, which in turn had a negative effect on the opportunities for immigrants (Beenstock and Ben-Menaheem, 1997; Rajman and Semyonov, 1998). During the same period, the flow of immigrants to Canada was steady and small relative to the total population (between 1990 and 1994 immigration from all countries accounted for less than 3% of the increase in Canada's population).

From the perspective of receiving societies, the study of immigrants from one origin who reached different destinations may be instructive in

identifying the effects of migration policies and institutional arrangements on the quality of immigrants and the rate of their incorporation. From the immigrants' perspective, the study aims to identify the institutional features that constrain or facilitate economic assimilation.

Four hypotheses may be outlined. 1) Due to the different screening criteria, we expect that immigrants from the FSU in Canada will be better qualified for the labor market than immigrants in Israel. This should be reflected in their higher education and more advantaged occupation composition.⁴ 2) The point system practiced in Canada aims to increase the match between immigrant composition and labor market needs. This leads us to hypothesize that a higher proportion of immigrants to Canada will find employment shortly after arrival. On the other hand, since the State of Israel has a stronger commitment to the social and economic integration of immigrants and actively intervenes where the market fails, we may find high employment rates in Israel in spite of the large intake of immigrants and their composition. 3) As there is a stronger link in Canada than in Israel between market needs and immigration criteria, we hypothesize that employed immigrants will attain higher status occupations and earnings in Canada than in Israel. 4) Seeing that immigrants to Israel are viewed as a returning Diaspora, we hypothesize that they will be treated more favorably than immigrants to Canada. Specifically, we expect greater acceptance of their educational credentials and occupational experience. This should result in higher returns on their human capital attributes.

DATA AND VARIABLES

Data Sources

Data for the present study were obtained from several sources. The principal analysis is based on census data. Data for Israel are from the 20 percent public use sample of the 1995 Population Census conducted by the Israel Central Bureau of Statistics. Data for Canada were derived from the 1991 and 1996 Public Use Micro-Data Files of the Census of Canada.⁵ The two Canadian censuses were combined in order to increase the number of Russian

⁴This is so even though only principal applicants in the independent category are subjected to the point system. In the 1990s, half of all immigrants were admitted as economic migrants. The figures for immigrants from the FSU were substantially higher, and they were likely to arrive with few dependents (who themselves were usually highly educated).

⁵Canadian files for 1991 and 1996 contain, respectively, a 3 percent and 2.8 percent random sample of the population enumerated in the census year.

immigrants in the sample. Census data include a rich array of social and economic characteristics, including important variables for the analysis of immigrant attainment: age, year of immigration, education, occupation and earnings. Both the Canadian and Israeli data sets, however, have some limitations, which should be noted. Because of the aggregated form in which some variables in the Canadian Public Use File are presented, it is not possible to identify immigrants from the Central Asian and Caucasian republics of the FSU. As a result, the main analysis is limited to immigrants originating from the European republics of the FSU and those who named the USSR as their country of birth. Another limitation is that the 1995 Israeli census lacks information on language ability, so that it is not possible to evaluate the relative importance of facility in the official language for economic integration in the two countries.

Two additional data sources were used to evaluate the characteristics of immigrants arriving in Canada and Israel and to mitigate the shortcomings of the censuses' records. These include LIDS⁶ (Landing Information Data System) data on all immigrants landing in Canada between 1989–1997, and an Israeli special panel survey of immigrants (*olim*) from the former USSR. In 1990, a sample of approximately 3,300 respondents was selected from the population of immigrants arriving in Israel from the republics of the FSU. The selected respondents were interviewed again in 1992, 1993 and 1994. These two data sources make it possible to depict the main sociodemographic and economic characteristics of the immigrants at the time of their arrival, including their occupational histories (Israel) or professional intentions in the new country (Canada).

The present analysis focuses on 21–65-year-old Russian immigrants in Canada and Israel, irrespective of their ethnoreligious origin (Jewish or other). Between 1989–1995, Jews constituted 90 percent of all Russian immigrants to Israel and about 30 percent of Russian immigrants to Canada. For the descriptive overview as well as the multivariate analysis, native populations of corresponding ages were chosen as a comparison group.⁷ For the multivariate analysis, a simple random sample of 700 Russian immigrants, aged 21–65, from the Israeli census was pooled together with the total of 612 Russian immigrants of the same ages to Canada.

⁶These data come from a coding of the landing document required of every immigrant by Citizenship and Immigration Canada.

⁷The indigenous populations of Canada and the Arab population in Israel were excluded from the analysis because they represent yet another dimension of the sociodemographic complex.

Variables

Three dependent variables are examined in the study. These include labor force participation, earnings and occupational status. Individuals were assigned occupational status scores based on the description of their occupation provided in the census data. Occupational categories from the Canadian and Israeli data were first recoded into the 1988 International Standard Classification of Occupations (ISCO) (ILO, 1990) and were then assigned a status score based on the International Socio-Economic Index (ISEI) (Ganzeboom *et al.*, 1992; Ganzeboom and Treiman, 1996). The occupational status measure aims to capture income and educational differences among these occupational categories. It is measured on a standardized scale ranging from 0–100, with high scores indicating occupations of high position; that is, high entry qualifications and high rewards. One may think of occupational status as measuring the attributes of occupations that convert a person's main resource (education) into a person's main reward (income). In this sense, occupation is the intervening activity linking income and education (Duncan, 1961).

The independent variables selected to predict labor market outcomes are those traditionally used in studies of immigrants' economic incorporation. These include age at migration, gender, ethnicity, education, marital status, place of residence, years since immigration, labor force experience and hours worked per week. For a detailed description of the variables and their measurement, *see* Table 1.

For the earnings models, additional variables were constructed to serve as proxies for labor market experience. Pre-migration labor force experience is defined as the number of years a respondent could potentially have been in the labor force prior to immigration. Pre-migration labor force experience squared indexes declining marginal returns for foreign experience. Post-migration labor force experience is the number of years a respondent could potentially have been employed either in the Canadian or Israeli labor force, and post-migration labor force experience squared captures the declining returns on experience.

FINDINGS

Immigrant Characteristics

While structural and institutional features of receiving societies can affect the rate of socioeconomic integration of immigrants, numerous studies have underscored the relationship between the attributes of the immigrants' human capital skills in particular and their socioeconomic achievements.

TABLE 1
DEFINITIONS OF THE VARIABLES IN THE MULTIVARIATE ANALYSIS

Variable	Description	Values
Dependent Variables		
Labor force participation	Identifies one's state as employed, unemployed, or out of the labor force	0 - employed (reference) 1 - unemployed 2 - out of the labor force
Occupational status ^a	Internationally comparable measure of occupational status for the 1988 International Standard Classification of Occupations - ISEI (Ganzeboom <i>et al.</i> , 1992; Ganzeboom and Treiman, 1996)	Ranges from 16 to 85 in Israel and from 19.5 to 68 in Canada
Standardized earnings ^b	Z-scores of the gross annual earnings in Canada and gross monthly earnings in Israel	Ranges from -0.96 to 2.04 for Israel and from -0.81 to 3.69 in Canada
Independent Variables		
Age at migration	Age at time of migration	Ranges from 15 to 65
Gender		1 - male; 0 - female
Education	Years of formal schooling	Ranges from 0 to 22
Marital Status	Distinguishing married from unmarried	1 - married with spouse present; 0 - all other
Place of residence ^c	Based on Census definitions of metropolitan areas	1 - metropolis; 0 - all other
Years since migration	Year of arrival in host country subtracted from year of census	Ranges from 0 to 6 in Israel and from 0 to 7 in Canada
Ethnicity	Ethnic/religious origin	1 - Jewish; 0 - all other
Hours worked per week	Hours worked during the week prior to the census interview	Range from 2 to 98 in Israel and from 0 to 65 in Canada
Pre-migration labor market experience ^d	(Years of schooling + 7) subtracted from age at time of migration	Ranges from 0 to 55 in Israel and from 0 to 50 in Canada
Post-migration labor market experience	Pre-migration labor market experience subtracted from age at the time of the census	Ranges from 0 to 6 in Israel and 0 to 7 in Canada

Notes: ^a Since the 1991 and 1996 Public Use Microdata File (PUMF) reports only a collapsed version of Canada's 1991 and 1996 National Occupational Classification, this study employs scores assigned to the PUMF categories based on weighted mean ISEI scores for the detailed occupations comprising the following categories: Senior Managers, 68.000; Middle Managers, 53.479; Professionals, 65.850; Semi-professional and Technical, 50.463; Supervisors, 49.939; Foremen/women, 45.211; Administrative and Senior Clerical, 53.828; Sales and Service (Skill Level III), 41.740; Skilled Crafts/Trades, 34.121; Clerical Workers (Skill Level II), 45.000; Sales and Service (Skill Level II), 38.976; Semi-skilled Manual, 31.311; Sales and Service (Skill Level I), 30.504; Other Manual Workers (Skill Level I), 19.539. In Israel the two-digit Standard Classification of Occupations (1994) was recoded to ISEI scores.

^b In this cross-national study standardized earnings represent a relative measure of immigrant achievement in the each of the countries - Canada and Israel.

^c In Canada the following cities are considered metropolitan: Halifax, Quebec City, Montréal, Sherbrooke, Trois-Rivières, Ottawa-Hull, Oshawa, Toronto, Hamilton, St. Catharines-Niagara, Kitchener, London, Windsor, Sudbury, Thunder Bay, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria. In Israel Tel Aviv, Haifa and Jerusalem are considered metropolis cities, the last unofficially.

^d This is an estimate of the number of years a respondent could have been in the labor force prior to emigrating. In those cases where the value was negative (migration took place before schooling was completed) the values were set to zero. Such cases constitute 4.9 percent of all immigrants from the European part of the FSU arriving 1989-1995 to Canada and 3.1 percent of those who immigrated to Israel.

Before investigating the socioeconomic outcomes of immigrants in Canada and Israel, it is important to consider the characteristics of the immigrant populations that arrived in the two societies and the extent to which individual choices and national policies are selective.

Table 2 presents descriptive statistics of chosen characteristics of Russian-born immigrants in Canada and Israel. Most of the information is derived from population censuses conducted in 1991 and 1996 in Canada and in 1995 in Israel. Language ability and occupation, however, were determined from Landing documentation in Canada and the special immigrant survey conducted in Israel shortly after their arrival. Consequently, the data in Table 2 provide a good indication of the characteristics of arriving immigrants.⁸

Generally speaking, the comparison of immigrants in Canada and Israel reveals a pattern that accords with the more selective nature of the Canadian system. On average, the immigrants who arrived in Canada hold better prospects for the labor market. They are slightly younger, better educated, and more likely to be familiar with the official language than their compatriots who migrated to Israel. Although the difference is not large, the proportion of males among the immigrants was larger in Canada than in Israel (48% and 45%, respectively).

According to Table 2, a larger proportion of immigrants arriving in Canada held professional or technical occupations. Caution should be used in interpreting these figures since a large percentage of immigrants to Israel were classified in the "unskilled or other" category (15.1%). While Russian immigrants to Canada exhibit on average more appropriate, economically relevant attributes than their compatriots who emigrated to Israel, the employment ratio of immigrants is substantially higher in Israel than in Canada (64.33 vs. 56.54 in Israel and Canada, respectively).⁹ These latter findings suggest that state intervention and specific immigrant absorption policies play an important role in affecting immigrants' labor market outcomes.

Labor Market Performance and Socioeconomic Outcomes

Turning now to the immigrants' insertion into the stratification system of the host societies, we examine only those who were employed at the time of the

⁸The drawback of the Israeli panel survey of *olim* is that it addresses only those who arrived in 1990. This can cause slightly erroneous estimates because of its failure to represent the total flow of Russian immigrants between 1989 and 1995, e.g., the higher "quality" of immigrants arriving in the beginning of the mass Russian Jewish immigration compared to more recent years.

⁹It should be noted, however, that the unemployed are defined in the Canadian census as those who did not work during the reference week before the census. The fact that 35.8 percent of immigrants officially considered unemployed mentioned that they were on lay-off or before starting a new job lessens the overall rate of unemployed among the Russian-born immigrants from 21 to only 11 percent.

TABLE 2
SOCIO-DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF RUSSIAN-BORN IMMIGRANTS ARRIVING
1989-1995 FROM THE EUROPEAN REGIONS OF THE FORMER SOVIET UNION AGED 21-65,
CANADA AND ISRAEL^a

	Russian-Born Immigrants	
	in Canada	in Israel
Age ^b	38.59 (10.26)	41.67 (12.43)
Percent males	48.0	45.43
Percent married	75.2	73.68
Percent with knowledge of official languages ^c	90.9	59.38
Total years of schooling ^b	15.51 (2.81)	13.30 (3.27)
Educational level (percent):		
Secondary or less	19.3	34.9
Post-secondary	34.9	24.1
Bachelors or Masters degree	42.5	38.5
Ph.D.	3.3	2.5
Occupation (percent): ^d		
Sciences and engineering	34.79	25.1
Medicine	6.89	9.00
Managerial and other professional	12.92	17.3
Artistic, sports	8.13	5.00
Clerical, service and sales	13.55	7.7
Crafts and agricultural	23.37	20.4
Unskilled and other	0.35	15.1
Employment ratio	56.54	64.33
N	612	52142

Notes:^a Source: 1991, 1996 Census of Canada Public Use Microdata File.

Source: 1995 Census of Population and Housing, Israel, Public Use Sample, Demographic File.

^b Means, Standard deviations (in parentheses).

^c In Canada "knowledge of official languages" refers to the ability to conduct a conversation in English only, French only, in both or neither English nor French (official languages of Canada). In Israel, "Knowledge of official languages" is computed from the Panel Survey of Immigrants who Arrived in 1990 and refers to the ability to speak Hebrew fluently. In order to make information of the two data-sets relatively comparable, in Israel: 1 = fluently or almost; 0 = with difficulty or cannot at all

^d Occupational distributions are based on 18,392 cases from LIDS data (1989-1995) for Canada, and 2,098 cases from the Panel survey of immigrants who arrived in Israel during 1990. This variable applies to immigrants coming from the whole FSU (and not only its European part). In Canada, "Occupation" refers to intended occupation in Canada. In Israel, it is the occupation in the home country.

census. Table 3 presents descriptive statistics for native born and immigrants in Canada and Israel, permitting a twofold comparison (between immigrants and native born in each society and between the immigrant populations). In Canada, immigrants have similar demographic characteristics to those of the native-born population. This is apparent in the mean age, percent male and percent married. Immigrants who were employed, however, had completed more years of schooling than the native-born workers. As is often the case with immigrants, they flocked to the urban centers, over 96 percent residing in large metropolitan areas (compared with 62% of the native-born population).

TABLE 3
SOCIO-DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF RUSSIAN-BORN IMMIGRANTS ARRIVING 1989-1995 FROM THE EUROPEAN REGIONS OF THE FORMER SOVIET UNION AND THE NATIVE-BORN POPULATIONS, EMPLOYED, AGED 21-65, CANADA AND ISRAEL

	Canada ^b		Israel ^c	
	Canadian-Born Population	Russian-Born Immigrants	Russian-Born Immigrants	Israeli-Born Population
Age ^c	38.58 (10.68)	37.87 (9.22)	39.76 (10.38)	35.63 ^a (9.96)
Percent males	53.74	54.62	51.8	52.1
Percent married	57.5	74.0	79.8	70.7
Percent residing in metropolis ^c	62.0	95.9	68.1	77.8
Year since migration ^f		3.00 (2.01)	3.73 (1.52)	
Total years of schooling ^d	13.29 (2.92)	15.52 ^a (2.87)	13.68 (2.97)	13.08 ^a (2.79)
Percent self-employed	12.7	13.01	4.0	12.8
Percent part-time	16.5	19.16	13.3	19.7
Occupational status ^d	45.48 (12.46)	45.61 (13.82)	39.69 (18.1)	47.58 ^a (15.36)
Occupation:				
Professionals and technicians	21.9	29.1	22.2	23.6
Managers and supervisors	16.1	9.5	0.6	5.8
Clerks, occupied in services and sales	33.7	27.2	19.5	34.2
Crafts	18.1	19.4	31.8	16.2
Other manual	10.2	14.7	26.0	20.2
Hours worked per week ^d	39.28 (14.00)	37.47 ^a 13.46	44.05 (14.52)	40.96 ^a (15.48)
Monthly earnings (for employees, in Canadian \$) ^e	2880.61 (3028.85)	1834.89 ^a (1768.74)	1305.99 (906.16)	2079.28 ^a (1864.82)
N	267219	346	33546	178566

Notes: ^a Significant ($p < 0.05$) difference in means between groups within a country.

^b Source: 1991, 1996 Census of Canada Public Use Microdata File.

^c Source: 1995 Census of Population and Housing, Israel, Public Use Sample, Demographic File.

^d Means, Standard deviations (in parentheses).

^e In Canada the following cities are considered metropolitan: Halifax, Québec City, Montréal, Sherbrooke, Trois-Rivières, Ottawa-Hull, Oshawa, Toronto, Hamilton, St. Catharines-Niagara, Kitchener, London, Windsor, Sudbury, Thunder Bay, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria. In Israel Tel Aviv, Haifa and Jerusalem are considered metropolitan, the last unofficially.

^f Means, Standard Deviations (in parentheses). Average YSM of immigrants to Canada presented in the table is of the sample which includes data from both (1991, 1996) Censuses. Actual YSM of Russian immigrants in the 1996 Census year is 3.41 (2.01).

^g Means, Standard Deviations (in parentheses). One Canadian Dollar is worth 2.247 Israeli Shekels (average for the last 6 months of 1995 and first 4 months of 1996). In Canada the inflation rate between 1991 and 1996 was 1.075. In Canada monthly wages are computed as annual wages divided into number of months worked.

Although Russian immigrants who were employed had two more years of schooling, on average, than native-born Canadians and were somewhat more likely to hold professional and technical occupations, their mean occupational status was no higher than that of the native born. Immigrants' monthly earnings were substantially lower than the earnings of native-born Canadians (immigrants' earnings were almost 40% lower, on average, than the earnings of native born). Clearly, the education and labor market experi-

ence that immigrants gained prior to arriving in Canada were discounted or not properly translated in the new context, lending support to Wanner's (1998) findings.

In Israel, the immigrants were slightly older, on average, than the native-born population. Here, too, the immigrants had more schooling than the receiving population, but the difference was quite small compared to the gap observed in Canada. It is also interesting to note that in Canada immigrants were much more likely than the native born to reside in metropolitan locations, but in Israel it was the other way around. To a large extent, this reflects the state policy of Israel's government to disperse the immigrants by means of housing programs, job opportunities, etc.

While the proportion of native born who were self-employed is similar in Canada and Israel (approximately 13%), Russian immigrants in Israel were much less likely than the native born, or their compatriots who migrated to Canada, to enter self-employment. It is noteworthy also that immigrants in Canada are more likely than natives, and more likely than their compatriots who arrived in Israel, to hold part-time jobs. In Israel, by contrast, while the percentage of natives employed part-time is relatively high (higher than in Canada), Russian-born immigrants are less likely than the native-born population to work part time.

It was noted earlier that immigrants to Israel were more likely than migrants to Canada to participate in the labor force and to be employed. The figures in Table 3, however, indicate that they entered mostly low-level jobs. Their occupational status is significantly lower than the occupational status of native-born Israelis and lower than the average status attained by Russian immigrants in Canada. Of particular note is the fact that almost one third of the Russian immigrants employed in Israel found employment in crafts occupations, and another quarter held other manual jobs. Despite their relatively high levels of education, then, they were downgraded upon arrival. The disadvantage of immigrants is also evident in their monthly earnings, which are substantially lower than the earnings of native-born Israelis.

Since salary scales (as well as the standard of living) in Israel and Canada are quite different, it is not possible to directly compare immigrants' earnings attainment in the two societies. It is noteworthy, however, that both in Canada and in Israel Russian immigrants earned about 63 percent of native-born earnings. Since immigrants to Israel resided in the host society somewhat longer, on average, than immigrants to Canada (the respective figures are 3.73 and 3.00 years) it might be concluded that in terms of earnings immigrants to Canada

actually did better than their compatriots in Israel. This is more obvious if one takes into account the fact that immigrants to Canada worked, on average, about six hours less per week than the immigrants in Israel.

Determinants of Immigrants' Labor Force Participation

It has been shown that the labor force participation rate as well as the employment ratio of the immigrant populations in Canada and Israel differed. It was also pointed out that the populations themselves differed in some important ways, probably as a result of the differences in self-selection and the selection criteria applied in Canada and Israel. Finally, it was noted that the two receiving societies differed in their market institutions (the labor market in Canada is less controlled and more competitive than in Israel), their institutional commitment to the immigrant population, and the extent of immigrant social networks.

In the present section we examine more closely the modes of labor force participation of Russian immigrants to Canada and Israel, using multinomial logistic regression models which take into consideration key attributes of the immigrant populations.¹⁰ We distinguish three labor force participation states – employed (which serves as the reference category), unemployed and not in the labor force – and estimate the effects of immigrants' attributes on the likelihood of being in one state rather than another. For this analysis, the immigrant samples in Canada and Israel are combined.¹¹

The results of the analysis are presented in Table 4. The first two columns give the results of an additive model, which estimates the incremental effect of the host country (Canada vs. Israel) on labor force status. This model serves as

¹⁰The form of the model estimated is:

$$\Pr(y = j) = \frac{e^{\sum_{k=1}^K \beta_{jk} X_k}}{1 + \sum_{j=1}^{j-1} e^{\sum_{k=1}^K \beta_{jk} X_k}}$$

where J refers to the labor force participation states. The beta coefficients have 2 subscripts, k for distinguishing the x explanatory variables, and j for distinguishing the response categories. The beta coefficients in the model give the estimated effect of a change in a given explanatory variable on the (log) odds of being in a particular category of the response variable rather than in the comparison category.

¹¹In order that the results would not be overwhelmed by the extremely large immigrant sample in Israel, we randomly selected 700 cases from the Israeli sample to achieve a combined sample of 1,312 immigrants.

TABLE 4
UNSTANDARDIZED COEFFICIENTS AND STANDARD ERRORS OF MULTINOMIAL REGRESSION PREDICTING LABOR FORCE PARTICIPATION (WITH 'EMPLOYED' AS A REFERENCE CATEGORY) OF RUSSIAN-BORN IMMIGRANTS ARRIVING 1989-1995 FROM THE EUROPEAN REGIONS OF THE FORMER SOVIET UNION AGED 21-65, CANADA AND ISRAEL

Independent Variables	Model (1)		Model (2)	
	Not in the Labor Force	Unemployed	Not in the Labor Force	Unemployed
Age at migration	.03* (.01)	.01 (.01)	.04* (.01)	.008 (.02)
Gender (males=1)	-.88* (.14)	-.47* (.19)	-.73* (.19)	-1.15* (.39)
Marital status (married=1)	-.33* (.15)	-.41 (.22)	-.68* (.21)	-.397 (.381)
Years of schooling	-.06* (.02)	.072* (.035)	-.08* (.03)	.052 (.057)
Metropolis (=1) ^a	-.27 (.17)	.36 (.34)	-.27 (.17)	.25 (.39)
Years since migration (YSM)	-.19* (.04)	-.24* (.06)	-.22* (.06)	-.47* (.10)
Ethnicity (Jewish=1)	.12 (.17)	-.097 (.23)	.09 (.32)	.45 (.59)
Country (Canada=1)	.39* (.18)	.74* (.27)	-.25 (.99)	-1.10 (1.60)
Country * Age at migration			-.016 (.012)	-.000 (.02)
Country * Gender			-.24 (.28)	.98* (.46)
Country * Marital status			.802* (.32)	.21 (.47)
Country * Years of schooling			.047 (.043)	.044 (.07)
Country * Metropolis			-.14 (.48)	.31 (.87)
Country * YSM			.047 (.08)	.33* (.12)
Country * Ethnicity			.016 (.38)	-.65 (.65)
Intercept	.05	-2.67	.287	-1.86
-2 Log Likelihood ^b	2091.14		2066.68	
χ^2	199.89		224.35	
N	1312			

Source: 1991, 1996 Census of Canada Public Use Microdata File; 1995 Census of Population and Housing, Israel, Public Use Sample, Demographic File.

Notes: * p<0.05; p<0.10

Standard errors are in parentheses.

^aIn Canada the following cities are considered metropolitan: Halifax, Québec City, Montréal, Sherbrooke, Trois-Rivières, Ottawa-Hull, Oshawa, Toronto, Hamilton, St. Catharines-Niagara, Kitchener, London, Windsor, Sudbury, Thunder Bay, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

In Israel Tel Aviv, Haifa and Jerusalem are considered metropolitan, the last unofficially.

^bThe two models are significantly different (p<0.05) as can be determined from the change in log likelihood ($\chi^2 = 24.4, 7df$)

a baseline to which we then compare the second – interaction – model (the third and fourth columns). The interaction model estimates the effect of individual-level variables in the different contexts of Canada and Israel.

Results of the additive model reveal a strong and significant context effect. Residence in Canada, as compared to Israel, increases the likelihood of being both unemployed and out of the labor force (as contrasted with employed). At the individual level, age at migration, gender, education and length of residence in the host society all significantly affect labor force status. Specifically, women have a more difficult time than men; not only are they less likely to be in the labor force, but they are more likely than men to be unemployed. Older people have a higher chance of being out of the labor force. As expected, years since migration has a negative effect on the likelihood of being out of the labor force or unemployed, meaning that with the passage of time immigrants are more likely to find employment. The effect of education is somewhat more complex. Higher education is negatively associated with being out of the labor force. At the same time it is positively related to unemployment. Evidently, the better-educated immigrants are more likely to join the labor force, where they or prospective employers discover that they are over qualified for the jobs offered.

The second model in Table 4 includes interaction of country with all individual-level variables. A comparison of model statistics for the model with interactions (model 2) to that of the model without interactions (model 1) indicates a statistically significant difference between the two, indicating that individual-level attributes operate differently in the two social contexts. Several points are evident from the interaction terms: there is no difference between Canada and Israel in the likelihood of men and women being in the labor force. In both societies men are less likely to be out of the labor force. In Israel, men are less likely than women to be unemployed rather than employed (the main effect of "gender," $b = -1.15$, represents the effect in Israel, which is the contrast category in the "Country" variable), but in Canada there seems to be almost no gender difference.¹² Married persons are less likely than unmarried persons to be out of the labor force (as opposed to employed) in Israel ($b = -0.68$), but this is not the case in Canada.

In both Canada and Israel, years since migration is negatively associated with the likelihood of being out of the labor force. In Israel, however, there is also a negative relationship between YSM and the likelihood of unemployment ($b = -0.47$), but duration of residence in Canada has a significantly weaker effect ($-0.47 + 0.33 = -0.14$). Finally, it should be noted that Jewish

¹²The effects in Canada are calculated as the sum of the main effect, $b = -1.15$, and the interaction effect, $b = 0.98$.

ethnicity has no effect on labor market status, either in Israel or in Canada, the same being true for place of residence (metropolis or elsewhere).

Labor Market Outcomes

The final section of the analysis examines immigrants' success in terms of labor market outcomes. We focus on two aspects of labor market attainment – occupational status and earnings – in order to achieve a more comprehensive understanding of immigrants' assimilation. As in the analysis of labor force status, the samples of Russian immigrants in Canada and Israel are pooled together. In order to gain comparability, occupational categories are coded according to the uniform, international social status scale. Earnings are transformed into standardized scores, calculated separately in Canada and Israel, thus providing a measure of immigrants' earnings relative to the host population. The models for occupational status and earnings follow similar estimation procedures using OLS and covariance techniques.¹³ Estimation is carried out with no statistical correction for selectivity. This is based on the fact that selection of country of destination is captured in the model and selection into employment does not differ much in Canada and Israel.

The estimation model for occupational status includes age at migration, education and years since migration.¹⁴ While education and years since migration are expected to exert a positive effect on occupational status, age at migration is likely to have the opposite effect; the older the person when migrating, the more difficult it is to reach the higher rungs of the occupational ladder. In addition to the above variables, the model includes demographic attributes – gender, marital status, place of residence and ethnicity. Controlling for gender is necessary due to the high occupational segregation of men and women, and marital status represents the kind of family respon-

¹³The estimation models for occupational status and earnings have the following form:

$$Y_i = \sum_{k=1}^K \beta_k X_{ki} + \gamma D_i + \sum_{m=1}^M \delta_m D_i X_{mi} + \varepsilon_i$$

where X is the set of explanatory variables (which in the prediction equation for earnings includes squared terms for labor market experience and the occupational status variable), D is a dichotomous variable which distinguishes the Israeli and Canadian contexts, and DX are interaction terms used to estimate the differential effect of explanatory variables in the two countries.

¹⁴We refer here to years since migration rather than experience since we assume that experience *per se* would not generally affect one's hierarchical position on the occupational ladder, but length of residence in the host society, which is associated with a better understanding of the culture, language and opportunities, would have a positive effect on occupational position.

sibility that necessitates more stable and rewarding employment, which in turn is associated with higher occupational status. We also control for type of community because of the different tendencies of immigrants in Canada and Israel to reside in metropolitan areas. We introduce an indicator of Jewish ethnicity to test for differential treatment in the two societies and a dummy variable distinguishing the two host societies.

The results of the analysis are presented in Table 5. Starting with the assumption of similar effects of individual characteristics on occupational status in Canada and Israel (column 1), we find that age at migration, education, and years since migration significantly affect occupational status achievements in the labor market. Age at migration has a negative effect, but education and length of residence in the host society both have positive effects. That is, the older a person at the time of migration, the lower the occupational status one is able to attain. Occupational attainment, however, tends to increase with education and length of residence in the host society (YSM).

In the second column we introduce interaction terms between host country and individual level attributes. We find that education exerts similar effects on occupational status in Canada and Israel. YSM has a strong positive impact on status attainment in Israel, but not in Canada. Possibly this is an effect of immigrants' entry at very low "starting" points in the occupational system of Israel, which in turn is a result of the massive and sudden immigrant influx. With the passage of time some sorting takes place, and at least some of the immigrants move into higher status occupations which match their pre-emigration status. In Canada, entry is often dependent on arrangements with employers who seek employees with specific occupational qualifications. At the macro level, the Canadian 'point' system aims to match the immigrant's qualifications with the economy's needs so that immigrants are more likely to enter appropriate jobs sooner after arrival and are less likely to move rapidly into higher status occupations.

Finally, it is of interest that the effect of age at migration differs significantly in the two countries. In Canada older persons are better rewarded in terms of occupational status than in Israel. In Canada occupational status increases only slightly with age ($b = -0.33 + 0.41$), while in Israel age at time of migration is negatively associated with occupational status; every additional year reduces the average occupational standing attained by 0.33 status points. The explanation can be found in the nature of the immigration and absorption policies of the two countries. Immigrant selection in Canada gives

emphasis to occupational suitability more than to one's age. Even older immigrants who are occupationally suitable for the Canadian labor market manage to find their niches; hence, they are adequately rewarded for their sociodemographic characteristics. In Israel older age is shown to be an obstacle to successful economic assimilation. Immigrants older than 45 face the greatest difficulty in finding jobs corresponding to their qualifications.

TABLE 5
UNSTANDARDIZED OLS REGRESSION COEFFICIENTS PREDICTING OCCUPATIONAL STATUS OF RUSSIAN-BORN IMMIGRANTS ARRIVING 1989-1995 FROM THE EUROPEAN REGIONS OF THE FORMER SOVIET UNION, EMPLOYED, AGED 21-65, CANADA AND ISRAEL

Independent Variables	Occupational Status	
	(1)	(2)
Age at migration	-.12*	-.33*
	(.05)	(.07)
Gender (males=1)	-.57	1.27
	(.996)	(1.42)
Marital status (married=1)	.72	-1.84
	(1.2)	(1.79)
Years of schooling	1.80*	1.96*
	(.17)	(.22)
Metropolis (=1) ^a	.31	.92
	(1.39)	(1.48)
Years since migration (YSM)	.77*	2.44*
	(.29)	(.47)
Ethnicity (Jewish=1)	2.07	1.19
	(1.22)	(2.27)
Country (Canada=1)	3.53*	2.85
	(1.30)	(7.56)
Country * Age at migration		.41*
		(.11)
Country * Gender		-3.03
		(1.98)
Country * Marital status		3.59
		(2.43)
Country * Years of schooling		-.29
		(.33)
Country * Metropolis		-3.20
		(3.89)
Country * YSM		-2.50*
		(.59)
Country * Ethnicity		.79
		(2.68)
Intercept	14.47	14.84
R ²	.17	.22
N		891

Source: 1991, 1996 Census of Canada Public Use Microdata File, 1995 Census of Population and Housing, Israel, Public Use Sample, Demographic File.

Notes: * p<0.05; p<0.10.

Approximate standard errors under simple random sampling.

The two models are significantly different (p<0.01).

^aIn Canada the following cities are considered metropolitan: Halifax, Québec City, Montréal, Sherbrooke, Trois-Rivières, Ottawa-Hull, Oshawa, Toronto, Hamilton, St. Catharines-Niagara, Kitchener, London, Windsor, Sudbury, Thunder Bay, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria

In Israel Tel Aviv, Haifa and Jerusalem are considered metropolitan, the last unofficially.

Turning to the earnings models, we examine four different specifications. The basic model estimates the effects of education, hours of work and labor market experience on relative earnings while controlling for demographic attributes – gender, marital status, place of residence and ethnicity. It also includes a dummy variable distinguishing between Canada and Israel. A distinction is also made between pre-migration labor market experience and post-migration experience, and an interaction term is included to test whether the effect of pre-migration experience declines as post-migration experience increases. In the second model we relax the assumption that individual characteristics exert similar effects on earnings in both Canada and Israel. In the third and fourth models occupational status is added to the list of predictors in order to evaluate the extent to which the effects of education and labor market experience are mediated by occupational position.

Results of the earnings analyses are presented in Table 6. The findings displayed in column 1 indicate that education and pre-migration experience have no significant effect on earnings, nor does the interaction of the two experience terms, but experience in the host country (post-migration) as well as hours of work per week have a positive effect on earnings. In addition, the results reveal that immigrant women earn considerably less than men, and the earnings position of immigrants, relative to the native born, is higher in Canada than in Israel ($b=0.19$).

The next model (column 2) examines the interaction of individual-level attributes and immigration context. Only the interactions of education and post-migration experience were found to be significant. Education has a positive (but rather small) effect on earnings in Israel, while in Canada the effect is negative ($b = 0.02 - 0.03$). On the other hand, labor market experience following migration is rewarded in Canada but not in Israel. These two patterns may, in fact, be related as a greater effort is made by the state in Israel to evaluate educational certificates that immigrants bring with them, and monetary rewards are frequently linked to educational credentials. In Canada education obtained abroad seems to be largely disregarded, while experience gained after migration is rewarded. Given the short time immigrants in our sample have been in Canada (an average of 3 years), this may reflect a wage adjustment made by employers once they observe “first-hand” the qualifications of their immigrant employees.

The findings presented in column 3 and column 4 indicate that the effect of education on earnings is mediated through the occupational positions of immigrants. This is evident from the fact that the coefficient for edu-

TABLE 6
UNSTANDARDIZED OLS REGRESSION COEFFICIENTS PREDICTING STANDARDIZED EARNINGS OF RUS-
SIAN-BORN IMMIGRANTS ARRIVING 1989-1995 FROM THE EUROPEAN REGIONS OF THE FORMER SOVIET
UNION, EMPLOYED, AGED 21-65, CANADA AND ISRAEL

Independent Variables	Standardized Earnings ^a			
	(1)	(2)	(3)	(4)
Pre-migration labor market experience ^b	.008 (.006)	.004 (.008)	.007 (.006)	.004 (.007)
Pre-migration labor market experience squared	-.0002 (.00)	-.0002 (.00)	-.0003 (.00)	-.0002 (.00)
Post-migration labor market experience ^c	.21* (.05)	.03 (.08)	.15* (.05)	-.002 (.08)
Post-migration labor market experience squared	-.01 (.007)	-.01 (.01)	-.01 (.007)	.01 (.01)
Pre-migration* post-migration labor market experience	-.001 (.007)	-.0005 (.001)	.0002 (.001)	.001 (.001)
Gender (males=1)	.31* (.04)	.32* (.04)	.31* (.04)	.32* (.04)
Marital status (married=1)	.09 (.05)	.09 (.05)	.08 (.05)	.08 (.05)
Years of schooling	.01 (.007)	.02* (.008)	-.005 (.007)	.005 (.009)
Metropolis (=1) ^d	-.01 (.05)	-.02 (.05)	-.02 (.05)	-.02 (.05)
Ethnicity (Jewish=1)	.013 (.05)	.02 (.05)	-.02 (.05)	-.02 (.05)
Country (Canada=1)	.19* (.05)	.17* (.23)	.14* (.05)	.026 (.22)
Occupational status			.01* (.001)	.01* (.001)
Hours worked per week	.008* (.001)	.008* (.001)	.008* (.001)	.008* (.001)
Country* Years of schooling		-.03* (.01)		-.02 (.013)
Country* Post-migration labor market experience		.30* (.10)		.28* (.09)
Country* Post-migration labor market experience squared		-.04* (.02)		-.03* (.01)
Intercept	-1.45	-1.36	-1.46	-1.27
R ²	.275	.29	.334	.348
N			669	

Source: 1991, 1996 Census of Canada Public Use Microdata File. 1995 Census of Population and Housing, Israel, Public Use Sample, Demographic File.

Notes: * p<0.05; p<0.10.

Approximate standard errors under simple random sampling.

The four models are significantly different (p<0.01). Only significant interactions are displayed.

^aThe equation of standardized income is for employees only.

^bMeasured as a number of years a respondent could potentially have been in the labor force of the country of origin and/or an intermediate country. For immigrants it equals age at immigration minus age at completion of education.

^cNumber of years a respondent could potentially have been either in the Canadian or Israeli labor force, measured as age at time of Census minus age at immigration.

^dIn Canada the following cities are considered metropolitan: Halifax, Québec City, Montréal, Sherbrooke, Trois-Rivières, Ottawa-Hull, Oshawa, Toronto, Hamilton, St. Catharines-Niagara, Kitchener, London, Windsor, Sudbury, Thunder Bay, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria
 In Israel Tel Aviv, Haifa and Jerusalem are considered metropolitan, the last unofficially.

cation is no longer significant when occupational status is included in the model. Occupational status itself is positively correlated with earnings, but within occupational status levels those with higher education are not better rewarded than the less educated. From column 3 it is evident that even after controlling for their higher mean occupational status immigrants in Canada receive higher earnings than do immigrants in Israel. Since the standardized earnings scores used here measure the ranking of immigrants in their host societies relative to the native born, it can be concluded that immigrants to Israel are at a greater disadvantage relative to the native born than is the case in Canada.

It is worth noting, once again (since we found no significant effect of pre-migration experience on earnings), that work experience brought from the Former Soviet Union was discounted in both immigrant societies. As noted earlier, however, there is an interaction effect of post-migration experience and host country. Specifically, there are higher returns to experience in Canada than in Israel. This is true even after controlling for occupational status. We may conclude that this is not a result of upward occupational mobility, but rather an increase in immigrants' wages resulting from their longer experience in the Canadian labor market.

SUMMARY AND DISCUSSION

The objective of the study was to examine the socioeconomic attainment of immigrants from the Former Soviet Union who arrived in Canada and Israel between 1989 and 1995. The advantage of a comparative study of immigrants originating from the same society but reaching different host countries is that, with the focus on a homogeneous group of immigrants, it permits a systematic examination of those structural and institutional characteristics of receiving societies which concern the attainment of immigrants.

Before discussing the implications of the findings, it is necessary to acknowledge possible limitations of such a crossnational comparative study. Model and Ladipo (1996) pointed out that similar outcomes observed among immigrants from a given origin in different settings might be due to a likeness in pre-migration experience, similar post-migration experience, or both. It is possible, however, that similarities are a consequence of mutually neutralizing effects of the level of selectivity of the immigrating flow, on the one hand, and the unequal assimilation of the newcomers on the other. In the same vein, cross-national differences may be due to group members of similar origin receiving differential treatment in the destination countries or the result of selective

immigrant policies (Inbar and Adler, 1977) as well as self-selection of the migrant populations (Reitz, 1998).

In this study we examined the absorption practices of two countries: Canada and Israel. As discussed at length, Canada has planned intake quotas and an immigration policy directed mainly toward the attraction of immigrants able to contribute to the country's economic growth. Israel, a relatively small society, practices an open door policy for Jewish immigrants and has had to cope with an extremely large wave of immigration that included unprecedented proportions of highly educated people. We started out with a comparison of the Russian newcomers to Canada and Israel. This comparison revealed a pattern that accords with the more selective nature of the Canadian immigration system.

Consistent with the first hypothesis, Russian immigrants who arrived in Canada possessed better prospects for the labor market: they were younger, better educated, practiced occupations more preferable for the labor market, and were more likely to be familiar with the official language(s) than their compatriots who migrated to Israel. From the perspective of the social network theory (Shuval and Leshem, 1998) and the "immigrant market" model (Borjas, 1993a), immigrants to Canada appear to be positively self-selected, *i.e.*, they are more ambitious and better motivated, qualities that are difficult for direct observation.

Although Russian immigrants to Canada are a somewhat more select population, with regard to their economically relevant attributes, than immigrants to Israel, they experienced greater difficulty in the labor market, as determined by their lower employment ratios. This finding confirms our second hypothesis, which suggested that state intervention and specific immigrant absorption policies in Israel, as opposed to free market mechanisms in Canada, would facilitate rapid integration of immigrants into the labor market.

Although Russian immigrants had, on average, more years of schooling than native-born Canadians and were somewhat more likely to hold professional and technical occupations, their mean occupational status was no higher than that of the native born, and their monthly earnings were substantially lower. This clearly indicates that education and labor market experience gained by immigrants prior to arriving in Canada were undervalued by the free-market context. This accords with findings of previous studies on immigrant status attainment in Canada (Wanner, 1998; Schaafsma and Sweetman, 1999; Sloan and Vaillancourt, 1994).

The findings for Israel were quite similar. The occupational status attained by immigrants was significantly lower than the occupational status of

the native born. Similarly, immigrants to Israel were disadvantaged with regard to monthly earnings, which were substantially lower than the earnings of native born Israelis. Although immigrants attained lower status and earnings than native born in both Canada and Israel, our findings revealed that immigrants to Canada did better than their compatriots who migrated to Israel, which accords with our third hypothesis.

Employers in both Canada and Israel largely ignored pre-migration labor market experience of immigrants. The effect of education differed, however, in the two countries. In Canada, education, which was most likely attained prior to immigration, had no significant effect on earnings although it was positively related to occupational status. In Israel, education positively affected both occupational status and earnings. Hence, our fourth hypothesis is partially supported, and it seems that greater consideration was given in Israel to the immigrants' credentials.

The difference between the two immigrant absorbing regimes of Canada and Israel is also evident in the effect of years since migration. As a result of the massive influx to Israel, immigrants had no choice but to enter low-status jobs shortly after arrival. With the passage of time some sorting took place, and at least some of the immigrants moved into higher status occupations that matched their pre-immigration qualifications. In Canada, the point system succeeded in matching immigrant qualifications with the economy's needs, so that immigrants were more likely to enter appropriate jobs immediately upon their arrival and there was no effect of years since migration on occupational attainment.

Finally, it is of interest that the effect of age differs significantly in Canada and Israel. In the former, older persons are rewarded more substantially in terms of occupational status than is the case in the latter, where older age is an obstacle to successful labor market attainment. This does not seem to be the case in Canada, where immigration authorities' primary emphasis on occupational suitability allows even older immigrants who are occupationally suitable for the Canadian labor market to be employed in higher status jobs.

The present study contributes to the systematic examination of the structural and institutional characteristics of receiving societies via estimation of the success of immigrants' economic assimilation in two societies, Canada and Israel. With relatively moderate and steady migration streams, such as that in Canada, the number of immigrants is not very large relative to the size of the host population, and occupational niche overload due to immigration flow is unlikely to emerge. But when the flow of migration is uncontrolled and when immigrants belong disproportionately to a small number of mostly high-status

occupations, it follows that some occupational niches will be overloaded by the influx. At the beginning of the 1990s, Israel experienced just such a mass migration stream with an oversupply of immigrants seeking to work in high-level jobs, as they held in the FSU (Rajzman and Semyonov, 1998). Semyonov (1997) stresses that the masses of Russian immigrants entering Israel in a very short time generated remarkable pressure on the Israeli economy, which was unable to produce suitable jobs for "too many" highly educated Russian immigrants. The most notable consequence of these circumstances was the large proportion of immigrants that were downgraded into low-status jobs for which they were over-qualified.

Clearly, too little time has passed since the Russian immigrants left their homeland and resettled in Canada and Israel to make final conclusions about the economic attainment of immigrants in the two countries, suggesting that there are prospects for continuation of the current study. Another possible direction for such a comparative study is its expansion into a wider project with the inclusion of other host countries. The fact that Russian immigrants resettled after the collapse of the Soviet Union in a number of countries (Germany, the United States, Canada, Australia and Israel) offers the potential to examine the effects of those countries' migration policies and institutional arrangements on the economic incorporation of immigrants.

REFERENCES

- Adler, S.
1997 "Israel's Absorption Policies since the 1970s." In *Russian Jews on Three Continents: Migration and Resettlement*. Ed. N. Lewin-Epstein, Y. Ro'i and P. Ritterband. London: Frank Cass. Pp. 135-147.
- Akbari, A. H.
1999 "Immigrant 'Quality' in Canada: More Direct Evidence of Human Capital Content, 1956-1994," *International Migration Review*, 33(1):156-175.
- Alterman, R.
1995 "Can Planning Help in Time of Crisis? Planners' Responses to Israel's Recent Wave of Mass Immigration," *Journal of the American Planning Association*, 61(2):156-177.
- Aron, L.
1991 "The Russians are Coming," *Policy Review*, 58:44-50.
- Beenstock, M. and Y. Ben-Menahem
1997 "The Labor Market Absorption of CIS Immigrants to Israel: 1989-1994," *International Migration*, 35(2):187-224.
- Bloom, D. E. and M. Gunderson
1990 "An Analysis of the Earnings of Canadian Immigrants." In *Immigration, Trade, and the Labor Market*. Ed. R. Freeman and J. M. Abowd. Chicago: University of Chicago Press. Pp. 321-345.

Borjas, G. J.

1993a "Assimilation and Changes in Cohort Quality Revisited: What Happened to Immigrant Earnings in the 1980s?," *Journal of Labor Economics*, 13:201–245.

1993b "Immigration Policy, National Origin, and Immigrant Skills: A Comparison of Canada and the United States." In *Small Differences that Matter: Labor Market and Income Maintenance in Canada and the United States*. Ed. D. Card and R. B. Freeman. Chicago and London: The University of Chicago Press. Pp. 21–45.

Borowski, A. and A. Nash

1994 "Business Migration." In *Immigration and Refugee Policy* (Volume I). Ed. H. Adelman, A. Borowski, M. Burstein and L. Foster. Toronto and Buffalo: University of Toronto Press. Pp. 227–255.

Boyd, M.

1992 "Gender Issues in Immigration and Language Fluency." In *Immigration, Language, and Ethnicity: Canada and the United States*. Ed. B. Chiswick. Washington, DC: The AEI Press. Pp. 305–373.

Burnstein, M., L. Hardcastle and A. Parkin

1994 "Immigration Management Control and Its Policy Implications." In *Immigration and Refugee Policy* (Volume I). Ed. H. Adelman, A. Borowski, M. Burstein and L. Foster. Toronto and Buffalo: University of Toronto Press. Pp. 187–227.

Carliner, G.

1980 "Wages, Earnings and Hours of First, Second, and Third Generation American Males," *Economic Inquiry*, 18:87–102.

Chiswick, B.

1979 "The Economic Progress of Immigrants: Some Apparently Universal Patterns." In *Contemporary Economic Problems*. Ed. W. Fellner. Washington, DC: American Enterprise Institute. Pp. 357–399.

Collins, J. and F. Henry

1994 "Racism, Ethnicity and Immigration." In *Immigration and Refugee Policy* (Volume II). Ed. H. Adelman, A. Borowski, M. Burstein and L. Foster. Toronto and Buffalo: University of Toronto Press. Pp. 515–549.

DellaPergola, S.

1998 "The Global Context of Migration to Israel." In *Immigration to Israel: Sociological Perspectives*. Ed. E. Leshem and J. T. Shuval. New Brunswick, NJ and London: Transaction Publishers. Pp. 51–95.

DeRosa, J. D.

1995 "The Immigrant Investor Program: Cleaning up Canada's Act," *Case Western Reserve Journal of International Law*, 27(2/3):359–406.

Dominitz, Y.

1997 "Israel's Immigration Policy and the Dropout Phenomenon." In *Russian Jews on Three Continents: Migration and Resettlement*. Ed. N. Lewin-Epstein, Y. Ro'i and P. Ritterband. London: Frank Cass. Pp. 113–128.

Doron, A. and H. J. Kargar

1993 "The Politics of Immigration Policy in Israel," *International Migration*, 31(4):497–512.

Duncan, O. D.

1961 "A Socio-economic Index for All Occupations." In *Occupations and Social Status*. Ed. A. J. Reiss. Glencoe, IL: The Free Press. Pp. 109–161.

- Ganzeboom, H. B. G., P. M. DeGraaf and D. J. Treiman
 1992 "A Standard International Socio-Economic Index of Occupational Status," *Social Science Research*, 21:1-56.
- Ganzeboom, H. B. G. and D. J. Treiman
 1996 "Internationally Comparable Measures of Occupational Status for the 1988 International Standard Classification of Occupations," *Social Science Research*, 25:201-239.
- Geva-May, I.
 1998 "Immigration to Israel: Any Lessons for Canada?" *Research on Immigration and Integration in the Metropolis*. Working Paper Series, Number 3.
- Gitelman, Z.
 1997 "From a Northern Country': Russian and Soviet Jewish Immigration to America and Israel in Historical Perspective." In *Russian Jews on Three Continents: Migration and Settlement*. Ed. N. Lewin-Epstein, Y. Ro'i and P. Ritterband. London: Frank Cass. Pp. 21-45.
- Green, A. G. and D. A. Green
 1995 "Canadian Immigration Policy: The Effectiveness of the Point System and Other Instruments," *Canadian Journal of Economics*, 28(4b):1006-1041.
- Hamilton, J.
 1993 "Gatekeeper to the Promised Land," *Canada and the World*, 53:14-17.
- Horowitz, T.
 1999 "Integration or Separatism?" In *Children of Perestroika in Israel*. Ed. T. Horowitz. Washington, DC: University Press of America.
-
- 1996 "Value-Oriented Parameters in Migration Policies in the 1990s: The Israeli Experience," *International Migration*, 34(4):513-537.
- Inbar, M. and C. Adler
 1977 *Ethnic Integration in Israel: A Comparative Case Study of Moroccan Brothers who Settled in France and in Israel*. New Brunswick, NJ: Transaction Books.
- Inglis, C., A. Birch and G. Sherington
 1994 "An Overview of Australian and Canadian Migration Patterns and Policies." In *Immigration and Refugee Policy* (Volume I). Ed. H. Adelman, A. Borowski, M. Burstein and L. Foster. Toronto and Buffalo: University of Toronto Press. Pp. 3-31.
- Lanphier, M. and O. Lukomskyj
 1994 "Settlement Policy in Australia and Canada." In *Immigration and Refugee Policy* (Volume II). Ed. H. Adelman, A. Borowski, M. Burstein and L. Foster. Toronto and Buffalo: University of Toronto Press. Pp. 337-372.
- Liebersohn, S.
 1980 *A Piece of the Pie: Black and White Immigrants Since 1880*. Berkeley: University of California Press.
- Massey, D. S. et al.
 1993 "Theories of International Migration: A Review and Appraisal," *Population and Development Review*, 19:431-466.
- Model, S. and D. Iadipio
 1996 "Context and Opportunity: Minorities in London and New York," *Social Forces*, 75(2):485-510.

- Model, S., G. Fisher and R. Silberman
1999 "Black Caribbeans in Comparative Perspective," *Journal of Ethnic and Migration Studies*, 25(2):187-212.
- Poston, D. L., Jr.
1994 "Patterns of Economic Attainment of Foreign-born Male Workers in the United States," *International Migration Review*, 28(3):478-500.
- Raijman, R. and M. Semyonov
1998 "Models of Labor Market Incorporation and Occupational Cost among New Immigrants to Israel." In *Immigration to Israel: Sociological Perspectives*. Ed. E. Leshem and J. T. Shuval. New Brunswick, NJ and London: Transaction Publishers. Pp. 111-135.
- Reimers, D. M. and H. Troper
1992 "Canadian and American Immigration Policy Since 1945." In *Immigration, Language, and Ethnicity: Canada and the United States*. Ed. B. Chiswick. Washington, DC: The AEI Press. Pp. 15-55.
- Reitz, J. G.
1998 *Warmth of the Welcome*. Boulder: Westview Press.
- Salitan, L.
1997 "Ethnic and Related Factors in Soviet Emigration Policy, 1968-1989." In *Russian Jews on Three Continents: Migration and Resettlement*. Ed. N. Lewin-Epstein, Y. Ro'k and P. Ritterband. London: Frank Cass. Pp. 68-87.
- Schaafsma, J. and A. Sweetman
1999 "Immigrant Earnings: Age at Immigration Matters." *Research on Immigration and Integration in the Metropolis*. Working Paper Series, Number 3.
- Semyonov, M.
1997 "On the Cost of Being an Immigrant in Israel: The Effects of Tenure, Origin and Gender," *Research in Stratification and Mobility*, 15:115-131.
- Shuval, J. T. and E. Leshem
1998 "The Sociology of Migration to Israel: A Critical View." In *Immigration to Israel: Sociological Perspectives*. Ed. E. Leshem and J. T. Shuval. New Brunswick, NJ and London: Transaction Publishers. Pp. 3-51.
- Sloan, J. and E. Vaillancourt
1994 "The Labour Market Experience of Immigrants." In *Immigration and Refugee Policy (Volume II)*. Ed. H. Adelman, A. Borowski, M. Burstein and L. Foster. Toronto and Buffalo: University of Toronto Press. Pp. 472-488.
- Taylor, K. W.
1991 "Racism in Canadian Immigration Policy," *Canadian Ethnic Studies*, 23(1):1-21.
- Tilly, C.
1994 "The Weight of the Past on North American Immigration." *Research Paper No. 189*. Toronto: University of Toronto, Centre for Urban and Community Studies.
- Wanner, R. A.
1998 "Prejudice, Profit, or Productivity: Explaining Returns to Human Capital among Male Immigrants to Canada," *Canadian Ethnic Studies*, 30(3):24-55.