Does Social Capital Pay Off More Within or Between Ethnic Groups?
Analyzing Job Searches in Five Toronto Ethnic Groups

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Abstract

In a multicultural society such as Canada, it is important to study the extent to which members of immigrant or minority groups perpetuate their disadvantaged status or overcome barriers to having access to unevenly distributed economic opportunities (Porter 1965; Portes and Zhou 1992; Lian and Matthews 1998; Pendakur and Pendakur 1998). This is especially significant in perceiving the long-term consequences of immigration.

Job search is one of the strategic sites to explore social processes through which immigrants and minority members attain equality. In job searches, economic inequality along racial/ethnic lines can be produced, reproduced, or overcome using social contacts. This is because particular social contacts within and outside of ethnic communities can expose job seekers to varying structural opportunities.

In this chapter, we look at the job search experiences of three generations of five Toronto ethnic groups: English, German, Jewish, Ukrainian, and Italian-Canadian. We address two questions about the social networks of immigrant and minority group members.
1. What factors influenced the use of intra-ethnic and inter-ethnic ties in their job searches?
2. Which ethnic groups attained higher incomes when their members use job contacts within or outside of their own ethnicity?

Overall, we show that different types of social contacts exposed minority job-seekers to varying opportunities, and that the existing ethnic stratification in the labor market significantly conditioned the cost and the benefit of the inter-ethnic and intra-ethnic ties. Members of low-status ethnic groups tended to achieve higher income when they had ties outside of their own ethnic group. By contrast, members of high-status groups tended to do better when they had ties within their own group. Both gender and generation of immigration played complex roles in the nexus of ethnicity and network heterogeneity. These results suggest that the social processes of job searches both sustained and overcame inequality along racial/ethnic lines through which the often vertical structure of the Canadian mosaic has been sustained and altered.
Introduction

In the early twenty-first century, Canada continues to receive a large share of global migrants and is facing old and new challenges of immigrant incorporation (Reitz, 1998; Mercer, 1995). Governmental immigration and refugee policies, the individual characteristics of immigrants, the place of settlement, and the condition of local markets interactively determine the patterns and the degree of immigrant incorporation. These, in turn, shape the long-term effects of immigration on the host society (Massey 1995).

First generation immigrants set the stage for what is to come (Portes 1998:814). In particular, the economic marginalization of particular groups, resulting in joblessness and spatial concentration of poverty can disadvantage the performance of the second-generation and perpetuate ethnic and racial inequality over generations (Portes and Rumbaut 2001). Sustained inequality and deprivation could be a source of social conflict and worsening inter-group relations in the immigrant-receiving society.

In multicultural Canada, an important research agenda has been to investigate how well immigrants and minority group members attain economic equality (Porter 1965; Portes and Zhou 1992; Lian and Matthews 1998; Pendakur and Pendakur 1998). As finding a better-paying mainstream job is a first-step toward economic integration into the host society, studying job searches is a strategic way to explore the social processes through which immigrants and minority members attain equality.

Social networks are an important and often successful means of searching for jobs. They provide network capital, a form of social capital, that links people interpersonally to job opportunities. Accordingly, social contacts within and outside of ethnic communities in job searches can produce, reproduce, or overcome inequality along racial/ethnic lines. In ethnically or racially segmented labor markets, what kinds of network ties pay off for whom? There is a pressing need for comparative analyses of minority experiences. We tackle this issue in the present chapter.

Toronto is a city composed of recent immigrants from many lands, and hence an excellent place to compare the job search experiences of immigrant and ethnic groups. Therefore, in this
chapter, we analyze the job searches of the members of three generations of five ethnic groups in Toronto: English, German, Jewish, Ukrainian, and Italian-Canadian. We focus on the following two questions:

1. What factors influence the use of intra-ethnic and inter-ethnic ties in job searches?
2. Which ethnic groups attain higher incomes when their members use job contacts within or outside of their own ethnicity?

To address these research questions, we perform original analyses of data from the “Ethnic Pluralism in an Urban Setting” research project that were collected in 1978-1979 (Breton et. al. 1981: Breton et. al 1991). To date, only these data provide information to study in detail the kinds of job contacts that members of different ethnic groups have used in their job searches and information about income that they have earned in these jobs. Focusing on the job search experiences among the five European groups in the late 1970s, this chapter does not directly address the recent experiences of non-white immigrants to Canada. However, our study provides a reference point in investigating the extent to which existing racial/ethnic segregation in the labor market can condition the structural advantages or disadvantages of intra-/inter-ethnic ties when minority members mobilize their ties for job searches. We believe that our study can provide a useful perspective to understand a socially mediated process through which varying economic opportunities are allocated along ethnic or racial lines and through which the often-vertical structure of the Canadian vertical mosaic has been sustained or alternated.

**Building on Previous Research**

One stream of research in social network analysis has investigated what characteristics of ties and networks help people to obtain information and find jobs. Mark Granovetter first showed that weak ties are important for obtaining professional-level jobs (1973, 1974, 1982). He argued that because weak ties are more apt than strong ties to connect people to different social circles, they are more apt to provide new information, including information about jobs. Yet other scholars have argued that when information is scarce and valued, strong or high-status ties are prime sources of information and jobs (Campbell, Marsden and Hurlbert 1986; Lin and Dumin 1986; Lin 2001). For example, it is close kin and good friends who give poor Chileans
information about scarce jobs (Espinoza 1999). Researchers have subsequently argued that it is
the heterogeneous social and relational characteristics of network members (e.g., Stoloff,
Glanville and Bienenstock 1999) and not the strength of their ties that connect people to new
information. However, most discussions have continued to focus on the strength of ties rather
than the benefits of heterogeneous networks (Wellman and Frank 2000).

Another stream of research in ethnic relations has investigated how networks help
immigrants or ethnic group members obtain resources and become socially incorporated in their
new host society. Researchers have shown that social networks affect the destination of
migration (Boyd 1989, Koser 1997; Bauer and Zimmermann 1997), provide social capital for
entrepreneurship (Light and Bonacich 1988; Zimmer and Aldrich 1987; Portes 1995, Sanders
and Nee 1996; Cobas and DeOllos 1989), provide occupational niches for employment (Bailey
and Waldinger 1991; Hondagnew-Sotelo 1994), and share resources that provide access to job
opportunities in their new land (Anderson 1974; Fernandez 1995). Such research has focused on
the benefits of densely-knit, tightly-bounded ethnic networks that are supported by solidarity and
mutual trust (Wellman and Leighton 1979; Wellman 1988; Light and Bonacich, 1988). Yet this
celebration of ethnic solidarity has overlooked the possible usefulness of ethnically
heterogeneous ties to gain access to better opportunities (Portes and Sensenbrenner 1993; Portes

In other words, research into job searches by ethnic minorities has concentrated on
comparing the benefits of social capital that the members of an ethnic group can mobilize from
*within* their own groups (Granovetter 1994; Light and Bonacich 1988). Few studies have focused
on comparing the benefits of using ties within one’s own group with the benefits of using ties
with members of other ethnic groups (*intra-ethnic vs. inter-ethnic* ties; see the discussion in
Calzavara 1982).

*First*, researchers have generally assumed that immigrants or members of minority groups
have only one option: to rely on members of their own ethnic group even when this can be
disadvantageous (Sanders and Nee 1996). For example, because the networks of early
Portuguese immigrants and job contacts were almost exclusively composed of other Portuguese
Canadians, they mainly received help only from these low-status people (Anderson 1974).

Second, assimilationist analyses have also assumed that when inter-ethnic ties have become available, they are always a better means for immigrants to obtain the good jobs that exist only in mainstream milieus. Looking for jobs outside of the intra-ethnic economy niche has been considered to be the only path for the social mobility for ethnic minorities (Wiley 1967) because intra-ethnic ties are assumed to lead to lower-status jobs in ethnic niches (Calzavara 1982, 1983).

These two assumptions should be reconsidered. The members of ethnic groups including immigrants use both intra-ethnic and inter-ethnic contacts for job searches. One study found that immigrants who work longer in ethnically mixed milieus develop more inter-ethnic ties and are less likely to rely on intra-ethnic networks for job referrals (Nee, Sanders and Stairs 1994). Similarly, female West Indian immigrants to Toronto whose networks consisted of other West Indians depended on their co-ethnic network members for job searches and other information. They obtained such jobs as domestic house cleaners for each other. By contrast, some West Indian women made and used inter-ethnic friends to move out of domestic work (Turritin 1976).

Moreover, intra-ethnic ties do not always trap workers in poor jobs. To be sure, using intra-ethnic contacts for job referral is more likely to lead to jobs in the ethnic economy or ethnically dominated occupations (Bailey and Waldinger 1991). Yet, working in an ethnic economy can sometimes provide good returns on human capital and open up opportunities to be self-employed (Wilson and Portes 1980; Portes and Jensen 1989; Zhou and Logan 1992; Cobas, Aikin, and Jardine 1993; Reitz 1991).

The advantages (or disadvantages) of working in an ethnic economy or ethnic niches depend, in part, on the resources that particular ethnic groups can mobilize through their co-ethnic networks. In particular, co-ethnic communities differ significantly in terms of resources they can provide, depending on whether the co-ethnic group is mainly composed of working-class persons or contains significant professional or entrepreneurial elements (Portes and Rumbaut 2001:64). The resources that working-class communities can provide are limited because regardless of the human capital newcomers bring, they can be channeled into below-average occupations as a function of co-ethnic support (Anderson 1974; Bates 1994; Waldinger 1994). In such cases,
utilizing job contacts belonging to co-ethnic groups can lead disadvantageously to lower-paying jobs. On the other hand, more advanced ethnic communities that have professional or entrepreneurial components can provide more opportunities to translate their human capital resources into economic returns (Portes and Bach 1985). Hence, opportunities for mobility through co-ethnic job contacts should be more available (Portes and Rumbaut 1996). Thus, we cannot automatically assume that using intra-ethnic ties in job searches is always beneficial or disadvantageous. The advantage of using particular social contacts depends on what kinds of resources are controlled within and outside of one’s own ethnic group in the particular labor market.

In studying access to varying economic opportunities among immigrant and minority groups in Toronto, it is not trivial to distinguish between searching within and outside of one’s own ethnic group. This is because ethnic groups have been unequally dispersed throughout the occupational structure in Toronto and indeed, in Canada as a whole. Some ethnic groups have been concentrated in occupations with high rewards and others have been in occupations with lower rewards (Porter 1965, Richmond and Verma 1978). Members of the five ethnic groups we study here were over-represented in certain jobs according to prior analyses of the data used here (Reitz, et al. 1981). When these data were collected in 1978-1979, 63% of the men and 40% of the women worked in ethnically segregated jobs (see Table 1.1).²

In this ethnically segmented labor market, information concerning job openings is not equally accessible to all groups. Ethnic segmentation means that people may only find limited resources in ethnically homogeneous networks. They may have extensive social capital within their ethnic group, but this may not be effective social capital for getting access to resources beyond it (Gans 1962; Espinoza 1999).

² Table 1.1 about here

To which extent do ethnic groups in Toronto use intra-ethnic and inter-ethnic ties in their job search? Which is more beneficial: social capital mobilized through intra-ethnic ties or through inter-ethnic ties. We address first the question of what kinds of members of an ethnic group are likely to use different kinds of ties in their job searches? Because people use what is available
within their social networks as resources, we assume that the ethnic composition of their networks will affect opportunities to use intra-ethnic and inter-ethnic ties. We hypothesize that having ethnically heterogeneous friendship networks decreases the use of members of one’s own ethnic group for job searches (see also Calzavara, 1982). *Thus, the more heterogeneous their networks, the more likely that people will use inter-ethnic ties to find jobs (Hypothesis 1.1).*

If being in ethnically-heterogeneous networks facilitates the use of inter-ethnic ties and access to social capital located beyond ethnic boundaries, it is important to understand what kinds of people are likely to become members of such heterogeneous networks. To whom is social capital available beyond ethnic boundaries? We test the effects of generation, education, gender, and age on the ethnic heterogeneity of networks. Research into social incorporation suggests that ethnic minorities become incorporated over generations into the mainstream society, and that the inter-ethnic composition of networks increases as part of this process (Isajiw, 1990; Portes and Rumbaut 1996; Rose, Carasco and Charboneau 1999; Waldinger and Perlmann 1999). *Therefore, we hypothesize that the ethnic heterogeneity of networks becomes higher over generations (Hypothesis 1.2).*

We also expect education to be positively associated with ethnic network heterogeneity because it provides social resources and opportunities to meet people from various ethnic groups. Better-educated people are more likely to form ties outside of their own ethnic group (Portes and Bach, 1985; Fong and Isajiw 2000). Moreover, better-educated people of all kinds are more likely to have heterogeneous networks (Campbell et. al. 1986). *Thus, we hypothesize that the higher the level of education, the more likely it is that people will have ethnically heterogeneous networks (Hypothesis 1.3).*

Previous research on friendship networks has suggested that gender and age do not affect the ethnic composition of friendship networks (Portes and Bach, 1985; Fong and Isajiw, 2000). *Therefore, we hypothesize that men and women do not differ in the ethnic heterogeneity of networks (Hypothesis 1.4), and that people of different ages do not differ in the extent of their inter-ethnic ties (Hypothesis 1.5).*
Comparing the Benefits of Intra/Inter-ethnic Ties

When ethnic minority members utilize both intra-ethnic and inter-ethnic ties, which types of ties can help them have access to more advantageous opportunities? In a segmented labor market such as Toronto, people may only be able to mobilize limited resources from within their own ethnic group. Using inter-ethnic contacts may enable job searchers to gain access to the more diverse opportunities that lead to higher paying jobs. Overall, we expect to find that inter-ethnic ties help people gain access to higher income jobs (Hypothesis 2.1).

However, the impact of inter-ethnic ties on income may not always be beneficial. It may differ depending on the position that ethnic groups occupy in the social hierarchy. For example, if densely connected ethnic networks are predominantly lower status, they may curtail social mobility. Only ethnic members who are able to reach beyond their intra-ethnic social circles will be able to locate employment opportunities. However, if job seekers belong to ethnic groups that have good job information, they do not have to move beyond their intra-ethnic networks to obtain good information.

Thus, we can expect that the benefits of inter-ethnic ties in ethnically segmented markets will be conditioned by the status of job seekers’ ethnic groups. Using inter-ethnic ties can be a beneficial resource for people whose ethnic groups are concentrated in lower-paying jobs because it increases their options in the search for better information and for opportunities to act on such information. On the other hand, for people whose ethnic groups are concentrated in good jobs, intra-ethnic ties can be a more beneficial resource than inter-ethnic ties. The types of resources particular ethnic groups control thus significantly condition the advantages of using intra- or inter-ethnic ties. We expect that for the members of low-status ethnic groups, inter-ethnic ties are better than intra-ethnic ties for attaining higher income jobs (Hypothesis 2.2a). On the contrary, for the members of high-status ethnic groups, intra-ethnic ties are better than inter-ethnic ties for attaining higher income jobs (Hypothesis 2.2b).

In all ethnic groups in North America, women tend to encounter more difficulty than men in obtaining good jobs. Two phenomena are at work. Women have more difficulty in getting jobs, and more difficulty in advancing their work status once they have a job. Previous research has
suggested that women profit from having ties to one or more men (Calzavara 1982; Stoloff, Glanville and Bienenstock 1999). By extension, we can expect that inter-ethnic ties are more rewarding for women than for men (Hypothesis 2.3). In addition to the ethnicity of job seekers, the ethnicity of job contacts may also affect the usefulness of inter-ethnic ties. The use of inter-ethnic ties may be advantageous only when members of low-status groups can use members of high-status ethnic groups. Therefore, we expect that inter-ethnic ties to job contacts in higher-status ethnic groups are more rewarding than ties to contacts in lower-status groups (Hypothesis 2.4).

Methods

Sample

Analyses were conducted using data collected 1978-1979 in the “Ethnic Pluralism in an Urban Setting Research Project” (see Breton et. al. 1990:269-272 for sample details). The overall sample contains 2,338 residents between the ages of 18 and 65, belonging to one of ten ethnic groups in Toronto. Because of our interest in examining the impact of the generation of immigration, we only included in this study the five ethnic groups about whom we have generational information: English, German, Italian, Jewish, and Ukrainian.

We examine here the 581 surveyed members of these ethnic groups who used personal contacts for their job search (see Table 1.2). However, when testing the strength of inter-ethnic ties on income attainment, we include only the 469 full-time workers in order to better compare differences in the income levels of ethnic groups. Job contact networks have a significant implication for the niche formation and job allocation of these five ethnic groups in Toronto: More members of each ethnic group use personal contacts in getting a job than use other methods such as direct application, newspaper want ads, private employment agencies, the government-operated Canada Manpower agency, or union referrals. Differences in the percentage of ethnic group members using personal contacts are not large. Jews have the highest rate of using personal contacts (54%) and Ukrainians the lowest (40%).

> Table 1.2 about here <
Variables

(1) Loglinear Analysis: Who Uses Inter-Ethnic Ties (N= 455):

Ethnicity of the Contact Used for Getting a Job: Respondents were asked about the person who provided help in the job search, the question being, “Was this person also <same ethnic group>?” If respondents answered “yes,” the tie was coded as intra-ethnic. If they answered “no,” the tie was coded as inter-ethnic.

Generation: First generation immigrants are coded “1”, the second generation coded as “2”, and the third generation coded as “3”.

Education: Years of education completed by the respondents, divided into (1) people who completed less than 14 years of education; (2) those who completed more than 14 years of education.

Gender: Male = 1, female = 2.

Age: In years. Only people between the ages of 18 and 65 and working in the labor market were included. For loglinear analysis, age was divided into categories spanning 15 years.

Ethnic Heterogeneity of Friendship Networks: Preliminary research related analyzed the ethnic heterogeneity of the job seekers’ friendship networks. Coding of the ethnic heterogeneity of networks was based on the question that asks the ethnicity of the respondent’s three closest network members. If none or one of the network members is from the same ethnic group, the network is coded as heterogeneous. If two or three of the network members are from the same ethnic group, the friendship network is coded as homogenous.

(2) Crosstabulation Analysis: Comparing the Benefits of Intra-Ethnic and Inter-Ethnic Ties (N=331)

Income: Annual job income of the respondent in 1978 (before taxes), expressed as the mean of a closed-ended range (see Calzavara 1982 for details).

Ethnicity of the Contact Used for Getting a Job: Respondents were asked about the person who provided help in the job search, the question being, “Was this person also <same ethnic group>?” If the respondent answered “yes,” this was coded as an intra-ethnic tie. If the respondent
answered “no,” this was coded as an inter-ethnic tie and further information about the network member’s ethnicity was gathered. Western and Northern European ethnic groups were coded as having relatively high social status. Other ethnic groups were coded as having relatively low social status – Southern and Eastern Europeans, Asians and Blacks – reflecting ethnic and racial stratification in Canada in the 1970s and early 1980s (Reitz 1980; Porter 1985; Li 1988; Lautard and Guppy 1990).

**Intra-Ethnic and Inter-Ethnic Ties?**

Members of the five ethnic groups studied here make use of both intra-ethnic and inter-ethnic ties for job referral. Their use of inter-ethnic ties in job seeking is related to the ethnic heterogeneity of their friendship networks. Job seekers who have ethnically heterogeneous networks are more likely to use inter-ethnic contacts. This supports Hypothesis 1.1 (Table 2.1). Almost 60% of the people who have heterogeneous networks (at least two of their closest friends are to another ethnic group) have job contacts with people of other ethnic groups. By contrast, only 15% of the people whose networks are homogeneous have job contacts with members of other ethnic groups. For those with heterogeneous networks, the odds of using an inter-ethnic job contact are 1:1.35. For those with homogeneous networks it is much lower, 1:0.18. These results suggest that people who are in ethnically heterogeneous networks are more apt to have access to the diverse opportunities outside of their own ethnic group.

>Table 2.1 about here<

We examined the factors influencing ethnic heterogeneity of friendship networks: *generation, education, age and gender*, since the degree of ethnic heterogeneity in friendship networks conditions the use of inter-ethnic ties for job search. The ethnic heterogeneity of friendship networks increases over generations, supporting Hypothesis 1.2. The third generation has more heterogeneous ties than the second generation, which, in turn, has more heterogeneous ties than the immigrant generation. The longer people have resided in Canada, the greater the availability of heterogeneous social contacts. This result suggests that immigrants are more limited in accessing the resources embedded outside of within-ethnic circles of relatives and friends. It implies that when the resources embedded in ethnic structure is disadvantaged,
immigrants who rely on co-ethnic social networks in finding a job may be more likely to be in disadvantaged segments of labor market.

*Education* affects the ethnic composition of friendship networks differently in each generation (Table 2.2). For the immigrant generation, education is positively related to being in heterogeneous friendship networks. About half (48%) of first generation immigrants with post-secondary education are in heterogeneous networks as compared to 26% of those with less education. This supports Hypothesis 1.3 that the higher the level of education, the more likely people are to have ethnically heterogeneous networks. Those who lack post-secondary education are likely to lack communication skills in English and are more likely to live in ethnically homogenous neighborhoods (Kalbach 1991; Portes 1998). Such contexts tend to produce ethnically homogeneous networks (Breton 1964). By contrast, post-secondary education can be the first generation’s path to interaction with the host society. Thus, immigrants with better education may have alternatives to relying on co-ethnic ties. Their alternatives would allow them to avoid using co-ethnic ties when such ties are disadvantageous. By contrast, immigrants with limited education may have fewer alternative options except relying on help from co-ethnic members.

Post-secondary education has an opposite effect for the second generation. Although half (52%) of people with high school level education or less have heterogeneous friendship networks, only (35%) of people with post-secondary education have such networks. And for the third generation, education does not have any significant effect. For example, a majority of those with less than high school education (64%) or with post-secondary education (59%) have heterogeneous friendship networks. By the third generation, most people might have developed ethnically heterogeneous networks regardless of their educational levels (Table 2.2). This generation is the only generation where age -- not education -- is associated with the use of inter-ethnic ties (Table 2.3). Having lived more years in Canada, older members of the third generation are more likely than younger members to have accumulated useful job-related inter-ethnic ties and to actually use them in job searches.
The data show that each succeeding generation is more likely to be in heterogeneous networks. With the second, and especially the third, generations, only a minority are exclusively involved with members of their own ethnic group. At the outset, the better-educated members of the first generation are more apt to have network members outside of their ethnic boundaries. But as the generations develop and opportunities for inter-ethnic relationships become more widespread, a higher percentage of better-educated people are likely to be in ethnically homogeneous networks. This may be because they choose to make professional or business careers in niches within an ethnic community (see Portes and Jensen 1989), or it may be that they have a larger pool of people from their own ethnic group to draw on as network members. Better-educated people in later generations may regard having some knowledge of one’s ethnic language and enjoying ethnic topics with friends as an expression of symbolic ethnicity and reflection of cultural capital (Alba 1990).

**Do Inter-Ethnic Ties Pay Off in Job Searches?**

We have shown that:

1. The use in job searches of intra-ethnic or inter-ethnic ties by members of specific ethnic groups is significantly conditioned by the availability of the ties in their social networks.

2. The availability of such intra/inter-ethnic ties is influenced by sociodemographic and socioeconomic characteristics of job seekers such as their generational status, educational background, and variation in age.

How is income attainment related to the use of intra-ethnic or inter-ethnic ties? We found that both men and women who use inter-ethnic ties attain higher income when they use inter-ethnic job contacts. Women who use inter-ethnic ties for job searches have a 10% higher mean income ($11,179) than women who use intra-ethnic ties ($10,194, a difference of $985; see Table 3.1). By contrast, men who use inter-ethnic contacts have only a 2% higher mean income ($17,278) than men who use intra-ethnic ties ($16,955), a difference of $323. Women are more
concentrated in lower paying jobs. In particular, more women in lower-status ethnic groups work in low-paying jobs because of the double burden of paid work and domestic work (Boyd, 1984). Those in lower-status groups who use intra-ethnic contacts are more likely to get low-paying jobs because their contacts (usually of the same gender) are likely to be in low-paying jobs. Hence ethnically homogeneous networks are less advantageous for women than for men. Those women who use inter-ethnic ties are more likely than men to go beyond the lowest income jobs that their co-ethnics hold. However, we do not find any relationship between using inter-ethnic ties and income level when we analyze the sample as a whole. Hence, Hypothesis 2.1 is not supported: Inter-ethnic ties are not broadly beneficial for members of all ethnic groups.

>Table 3.1 about here<

Ethnic groups’ different socioeconomic statuses are associated with the relationship between ethnic group members’ use of intra-ethnic or inter-ethnic ties and the mean income that the members of this ethnic group have attained Inter-ethnic ties are more likely to be beneficial for job seekers of low-status ethnic groups, supporting Hypothesis 2.2a (Table 3.2). For example, even though the great majority (83%) of Italian men and women rely on intra-ethnic ties, inter-ethnic ties provide the small minority who use them with higher paying jobs: Italian men obtain a 15% higher income and Italian women obtain a 22% higher income. About 40% of Ukrainians use inter-ethnic ties for job referral, and these ties tend to lead to higher-paying jobs. For Ukrainian men, the use of inter-ethnic ties is associated with a 45% higher income although there is no significant increase for Ukrainian women.

>Table 3.2 about here<

By contrast, intra-ethnic ties, and not inter-ethnic ties, benefit job seekers in high-status ethnic groups (Table 3.2). This supports Hypothesis 2.2b. The tendency for English and German Canadians to have higher income jobs means that intra-ethnic ties provide better income opportunities for them. For example, 85% of the English who use personal contacts use intra-ethnic ties. English men who use intra-ethnic ties have much higher incomes (mean =$20,510) than those who use inter-ethnic ties ($14,125). For English women, the use of intra-ethnic ties ($11,038) is somewhat better than the use of inter-ethnic ties ($10,929). A similar situation exists
for German men and women (see also Reitz 1991). Thus, the higher the position of the ethnic group to which the job seeker belongs, the more beneficial are intra-ethnic ties.

The situation for Jewish men is anomalous, but understandable, considering the discrimination and segregation that Jews have experienced in Toronto (Porter 1965; Kelner 1969, 1970; Newman 1975-1981; Reitz 1991). Although Jews have high status, Jewish men have 20% higher incomes when they use inter-ethnic ties. We believe this is because such ties help Jewish men to cross (now-weakening) barriers of elite segregation.

There is equivocal evidence that ethnically heterogeneous networks are more beneficial for women than for men. Supporting Hypothesis 2.3, inter-ethnic ties are associated with a 10% higher income for women but only a 2% higher increase for men (Table 3.1). More detailed analysis shows that this greater advantage for women is limited to the Jewish and Italian ethnic groups, where women's advantages for using inter-ethnic ties rather than intra-ethnic ties is 71% and 22% respectively (Table 3.2). There is no appreciable difference for English, German or Ukrainian women.\(^{10}\)

To this point, we have provided evidence suggesting that *intra-ethnic* contacts are good for *job seekers* who are members of high-status ethnic groups while *inter-ethnic* contacts are good for members of low-status ethnic groups. How is the status of *job contacts* related to income attainment? We look at the different outcomes in income attainment by the status of job contacts.

The data show that people who have job contacts with members of higher-status ethnic groups (northern and western European) generally have higher incomes than those whose contacts are with members of lower-status groups (see Table 3.3).\(^{11}\) This supports Hypothesis 2.4. For example, Ukrainian men who received help from the members of high-status ethnic groups have attained a mean income of $17,786, as compared to a mean income of $10,500 for those who received help from lower-status inter-ethnic contacts. In general, using inter-ethnic ties with members of *high-status* groups is more closely associated with higher incomes than is using inter-ethnic ties with members of *low-status* groups. However, the intra-ethnic ties of the highest status ethnic group (English men) with English job contacts are more beneficial ($20,510) than their contacts with other
higher-status ethnic groups ($17,000) and much more beneficial ($17,000) than their contacts with low-status ethnic groups ($5,500).

>Table 3.3 about here<

**Summary and Conclusions**

In this chapter, we have examined two major research questions for three generations of five ethnic groups in Toronto:

1. What factors influence the use of intra-ethnic and inter-ethnic ties in their job searches?
2. Which ethnic groups attain higher incomes when their members use job contacts within or outside of their own ethnicity?

Contrary to previous research, we found that members of all five ethnic groups, including immigrants, made use of both intra-ethnic and inter-ethnic ties. However, the composition of their friendship networks is associated with the type of ties they used. More than 80% of those job seekers whose friendship networks were ethnically homogenous used ties within their own ethnic group. By contrast, almost 60% of those job seekers whose networks were ethnically heterogeneous used ties outside of their own ethnic group (See Table 2.1 above).

Age, generation of immigration, gender, education and the heterogeneity of networks complexly affected the use of inter-ethnic ties in job searches. In general, the more recent the generation of immigration, the more likely people were to be in ethnically homogeneous networks and to not have access to the social capital of other, often higher-status, ethnic groups. Among immigrants, higher educational attainment was also associated with being in more ethnically heterogeneous friendship networks. Hence, better educated immigrants had more access to social capital in the host society beyond their own ethnic circle of relatives and friends. Later, post-immigrant generations were more likely to be in heterogeneous friendship networks and were more likely to use inter-ethnic ties for job searches. They were more apt to have access to social capital outside of their own ethnic group (see Table 2.2 above).

By contrast to the situation among the first generation, the more highly-educated members of the second and third generation were more apt to be in ethnically homogeneous networks.
Such people appeared to have found occupational and social niches within their ethnic groups (Merton 1957). Older members of the third generation, who had the most opportunity over the years to forge inter-ethnic ties, were more apt than younger members of their generation to use inter-ethnic ties (see Table 2.3 above).

What were the advantages or disadvantages of using intra-ethnic and/or inter-ethnic ties? When members of low-status ethnic groups used inter-ethnic ties in job searches, they tended to obtain higher mean incomes. Female members of low-status ethnic groups were especially apt to have higher mean incomes when they used inter-ethnic ties. Most likely, this was because other women in their ethnic group (their probable intra-ethnic ties) tended to have low incomes. On the other hand, members of two high-status groups, English-Canadians and German-Canadians, obtained higher incomes when they used ties within their own ethnic group. Because these two groups controlled better resources within their own ethnic networks, structural opportunities accessed through inter-ethnic ties might not necessarily be as beneficial as those accessed through intra-ethnic ties.

Using inter-ethnic ties in an ethnically segmented labor market like Toronto could help people to gain access to diverse resources beyond their own ethnic group. However, the advantage of using inter-ethnic ties was conditional on the positions of the ethnic groups to which job seekers and job contacts belong. Not all inter-ethnic ties were necessarily beneficial, even for members of low-status ethnic groups. The use of inter-ethnic ties was more rewarding when contacts were with ethnic groups of higher economic status, such as western and northern Europeans. It was less rewarding when contact was with members of lower-status groups, such as southern and eastern Europeans and non-whites.

Studies of disparities in economic integration across Canadian racial and ethnic groups have emphasized the role of discrimination in the labor market when members of different racial/ethnic groups do not receive same amount of return to their human capital (Li 1988; Herberg 1990; Lautard and Guppy 1990; Pendakur and Pendakur 1998; Lian and Matthews 1998). However, the sustaining inequality may be partly produced and reproduced through network-mediated job searches (see also Reitz and Sklar 1997).
Job contacts are “network capital” (Wellman and Frank 2000), a form of social capital (Borgatti, Jones and Everett 1998). When co-ethnic members do not control good resources in an ethnically segregated labor market, the life chances of members of low-status ethnic groups – the job seekers themselves, their households, and their succeeding generations – depend on access to network capital through heterogeneous networks. Getting a high status, well-paying job provides a way to transform social capital into financial capital (earnings), human capital (skills acquisition), and further social capital (contacts to people and organizations formed on the job) over generations. Accordingly, not having access to the proper social networks may set the stage for producing, reproducing, and sustaining structured inequality. This may be especially true for first-generation immigrants who are more apt to lack other resources. Social mobility may partly depend on whether or not job seekers have access to network capital through heterogeneous networks.

We have found that immigrants with lower education have the least options in using inter-ethnic ties. We believe that this is due to the limited extent of their structural incorporation. When their co-ethnic group members do not include professional or entrepreneurial elements, they may become the most disadvantaged group in accessing better job opportunities since they are excluded from social networks that control the allocation of better-paying, mainstream jobs. Unless they form inter-ethnic ties and access to otherwise unavailable opportunities, better-educated immigrants are not exempt from such exclusion.

For example, our findings are congruent with Salaff’s demonstration in Chapter 9 that the limited networks of skilled Chinese immigrants have not led them to good mainstream jobs. Facing difficulties of locating a good mainstream job, some have stayed in a dead-end job, while others have returned home or became transnational “astronauts” commuting between Canada and Hong Kong. Thus, networks, as social capital, can play a significant role in structuring unequal allocation of opportunities for social mobility and conditioning how immigrants and minority members become incorporated into the host society.

Our research has shown varying uses of job searches among members of minority groups, and the possible outcomes of the use of inter-ethnic and intra-ethnic ties in an ethnically
segmented labor market. However, there are several limitations that could be overcome in future studies of job searches among immigrants and their descendants.

First, there is a need to compare the advantage of inter-ethnic ties versus intra-ethnic ties in different urban contexts. Toronto, one of the supremely multiethnic cities in the world, may not represent the dynamics of personal networks in other milieus. The resources that members of each ethnic group can mobilize surely vary by labor market. Making inter-city comparisons would help clarify how different social contexts can make inter-ethnic ties advantageous or disadvantageous.

Second, limitations of our data have forced us to make the simplifying assertion that a tie to a member of a high (or low) status ethnic group indicates a tie to a high (or low) status individual. Although group context can be important, it would be desirable to know more about the socioeconomic status of the particular people in a job searcher’s network.

Third, as people change their networks, the resources they can mobilize from networks also change. Analysts need to do longitudinal analysis to examine the changing dynamics of networks as resources and to see how these networks structure the incorporation of various groups into the larger structure of society.

Fourth, there is a need to examine data that is more recent and more diverse than what we have presented here. Our analysis looked at the benefit of inter-ethnic and intra-ethnic ties among immigrants or later generations of white, European origin. This analysis has been based on data collected in 1978-1979. Although Toronto has continued as a multiethnic city since then, there have been significant changes in the city's position in the world economy and the structure of local labor market (Richmond 1992). Radical changes in Canada’s immigration law in the late 1960s have altered the composition of the immigration stream received in Toronto in the past two decades. Asia, Africa, and Latin America have become the leading sources of Toronto’s immigrant population (Mercer 1995). East Asian ethnic groups now have higher status. Future research should focus on the consequences of these recent changes on the job search experiences of more diverse immigrant groups.
Fifth, race became a more salient factor than ethnicity in structuring inequality in Canadian society during the 1990s and 2000s (Li 1988, 1990; Agcos 1993; Pendakur and Pendakur 1998). Recent studies have shown that recent non-white immigrant groups are likely to be replacing previous immigrant groups in filling the less desirable jobs. Ethnic stratification has lessened among white European groups, while differences between racial groups have persisted (Lian and Matthews 1998; Ooka and Fong 2002; Hiebert 1999). When racial cleavages determine the allocation of resources, locating ties that can connect beyond racial boundaries become significant advantages in accessing economic opportunities. Simultaneously, the lack of proper social networks beyond racial boundaries can significantly harm the economic integration of racial minority groups (see also Salaff in Chapter 9). Hence, future research should investigate the resources that visible minorities can mobilize within and outside of their ethnic groups through the use of inter- and intra-racial ties.

We wonder about the extent to which racial cleavages and the ensuing lack of appropriate social connections hinder racial minorities from accessing better-paying mainstream jobs? What is the benefit for racial minorities of using inter-racial ties to overcome difficulties in the Canadian labor market? It would be useful to address these questions in future studies by comparing the resources that visible minorities can mobilize within and outside of their groups, through the use of inter- and intra-racial ties. Such additional research can help us to understand socially mediated processes through which racial and ethnic inequality in the often-vertical Canadian mosaic has been partly sustained and overcome. More broadly, such research will help us to investigate the resources that people can mobilize through the network capital within and outside of their ethnic groups.
References


Website: http://ceris.metropolis.net/vl/community/rose1.html


Table 1.1
Typical Occupations with Ethnic Concentration for Five Ethnic Groups, by Gender

<table>
<thead>
<tr>
<th>Ethnic Origin</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>Fire Fighter</td>
<td>Postal Worker</td>
</tr>
<tr>
<td></td>
<td>Postal Worker</td>
<td>Government Official</td>
</tr>
<tr>
<td></td>
<td>Bus Drivers</td>
<td></td>
</tr>
<tr>
<td>German</td>
<td>Tool and Die Making</td>
<td>Electrical Products</td>
</tr>
<tr>
<td></td>
<td>Food Preparation</td>
<td>Hairdresser</td>
</tr>
<tr>
<td>Jewish</td>
<td>Medical and Health Operation</td>
<td>Sales Supervisor</td>
</tr>
<tr>
<td></td>
<td>Textile Products</td>
<td>Real Estate Sales</td>
</tr>
<tr>
<td></td>
<td>Lawyers and notaries</td>
<td>Social Work</td>
</tr>
<tr>
<td>Ukrainian</td>
<td>Railway Work</td>
<td>Cleaners</td>
</tr>
<tr>
<td></td>
<td>Baking</td>
<td>Food Processing</td>
</tr>
<tr>
<td></td>
<td>Hotel Management</td>
<td>Hotel Managers</td>
</tr>
<tr>
<td>Italian</td>
<td>Masons and Tile Setters</td>
<td>Textile products</td>
</tr>
<tr>
<td></td>
<td>Construction Trades</td>
<td>Sewing</td>
</tr>
<tr>
<td></td>
<td>Barbers</td>
<td>Material Processing</td>
</tr>
</tbody>
</table>

*Note: Table 1.1 reconstructed from data on ethnic occupational concentration analyzed by Reitz, *et. al*, 1981; Reitz, 1990:166-167.*
### Table 1.2
Methods of Job Search among Five Ethnic Groups

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Formal Method</th>
<th>Direct Application</th>
<th>Personal Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>33% (282)</td>
<td>23% (65)</td>
<td>44% (123)</td>
</tr>
<tr>
<td>German</td>
<td>33% (257)</td>
<td>23% (58)</td>
<td>45% (115)</td>
</tr>
<tr>
<td>Italian</td>
<td>21% (255)</td>
<td>28% (70)</td>
<td>51% (131)</td>
</tr>
<tr>
<td>Jewish</td>
<td>27% (183)</td>
<td>20% (36)</td>
<td>54% (98)</td>
</tr>
<tr>
<td>Ukrainian</td>
<td>32% (285)</td>
<td>28% (80)</td>
<td>40% (114)</td>
</tr>
<tr>
<td>Total</td>
<td>372 (1262)</td>
<td>309</td>
<td>581</td>
</tr>
</tbody>
</table>

Source: Ethnic Pluralism in an Urban Setting Data
### Table 2.1

**Ethnic Composition of Friendship Networks**  
**By Ethnicity of Tie Used for Getting Current Job**

<table>
<thead>
<tr>
<th>Ethnicity of Job Contacts (%)</th>
<th>Intra-Ethnic</th>
<th>Inter-Ethnic</th>
<th>Total (N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heterogeneity of Friendship Network</td>
<td>85</td>
<td>15</td>
<td>268</td>
</tr>
<tr>
<td>Homogenous (2-3)</td>
<td>43</td>
<td>57</td>
<td>188</td>
</tr>
<tr>
<td>Heterogeneous (0-1)</td>
<td>307</td>
<td>149</td>
<td>456</td>
</tr>
</tbody>
</table>

$x^2 = 89.22$ (significance < .001)
Missing Cases = 125
Source: Ethnic Pluralism in an Urban Setting Data
Table 2.2

Heterogeneous Friendship (%) by Generation and Education

<table>
<thead>
<tr>
<th>Generation</th>
<th>High School or Less</th>
<th>Post-Secondary Education</th>
<th>$x^2$</th>
<th>Education Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>26</td>
<td>48</td>
<td>11.13</td>
<td>(.000)</td>
</tr>
<tr>
<td>Second</td>
<td>52</td>
<td>35</td>
<td>3.78</td>
<td>(.050)</td>
</tr>
<tr>
<td>Third</td>
<td>64</td>
<td>59</td>
<td>.42</td>
<td>(.520)</td>
</tr>
<tr>
<td>$x^2$</td>
<td>42.50</td>
<td>7.15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Sig. Level</td>
<td>(.000)</td>
<td>(.028)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Ethnic Pluralism in an Urban Setting Data
Table 2.3
Percentage Using Inter-Ethnic Ties by Generation and Age

<table>
<thead>
<tr>
<th>Generation</th>
<th>Younger</th>
<th>Middle</th>
<th>Older</th>
<th>$\chi^2$</th>
<th>Age Sig. Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>35</td>
<td>23</td>
<td>20</td>
<td>4.41</td>
<td>(.111)</td>
</tr>
<tr>
<td>Second</td>
<td>45</td>
<td>38</td>
<td>29</td>
<td>2.36</td>
<td>(.306)</td>
</tr>
<tr>
<td>Third</td>
<td>32</td>
<td>56</td>
<td>67</td>
<td>7.90</td>
<td>(.019)</td>
</tr>
<tr>
<td>$\chi^2$</td>
<td>3.03</td>
<td>9.54</td>
<td>9.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source: Ethnic Pluralism in an Urban Setting Data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3.1
Ethnicity of Contact by Mean Income of Males and Females

<table>
<thead>
<tr>
<th></th>
<th>Male (N)</th>
<th>Female (N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intra-Ethnic</td>
<td>$16,955 (166)</td>
<td>$10,194 (72)</td>
</tr>
<tr>
<td>Inter-Ethnic</td>
<td>$17,278 (54)</td>
<td>$11,179 (39)</td>
</tr>
<tr>
<td><em>Intra-Inter Difference</em></td>
<td>$323 (+2%)</td>
<td>$985 (+10%)</td>
</tr>
</tbody>
</table>

Source: Ethnic Pluralism in an Urban Setting Data
Note: Only people using personal contacts were included in the sample
Table 3.2

Ethnicity of Contact and Mean Income of Males and Females by Ethnic Groups

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Males</th>
<th></th>
<th>Females</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Intra-Ethnic</td>
<td>Inter-Ethnic</td>
<td>Monetary Difference</td>
<td>Intra-Ethnic</td>
</tr>
<tr>
<td>English</td>
<td>$20,510</td>
<td>$14,125</td>
<td>$6385</td>
<td>$11,038</td>
</tr>
<tr>
<td>(72)</td>
<td>(48)</td>
<td>(4)</td>
<td>-31</td>
<td>(13)</td>
</tr>
<tr>
<td>German</td>
<td>$19,917</td>
<td>$17,580</td>
<td>$2337</td>
<td>$10,100</td>
</tr>
<tr>
<td>(62)</td>
<td>(18)</td>
<td>(19)</td>
<td>-12</td>
<td>(10)</td>
</tr>
<tr>
<td>Italian</td>
<td>$15,310</td>
<td>$17,625</td>
<td>$2315</td>
<td>$8,789</td>
</tr>
<tr>
<td>(83)</td>
<td>(50)</td>
<td>(8)</td>
<td>+15</td>
<td>(19)</td>
</tr>
<tr>
<td>Jewish</td>
<td>$16,860</td>
<td>$20,167</td>
<td>$3307</td>
<td>$8,769</td>
</tr>
<tr>
<td>(46)</td>
<td>(25)</td>
<td>(6)</td>
<td>+20</td>
<td>(13)</td>
</tr>
<tr>
<td>Ukrainian</td>
<td>$11,380</td>
<td>$16,500</td>
<td>$5120</td>
<td>$12,265</td>
</tr>
<tr>
<td>(68)</td>
<td>(25)</td>
<td>(17)</td>
<td>+45</td>
<td>(17)</td>
</tr>
</tbody>
</table>

Source: Ethnic Pluralism in an Urban Setting Data
Note: "% Difference" describes the relative increase (decrease) in income for using inter-ethnic ties, as compared with using intra-ethnic ties.
Table 3.3

Income Attainment Among Five Toronto Ethnic Groups:
By Ethnicity of Job Seeker and Job Contacts

<table>
<thead>
<tr>
<th></th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Intra-Ethnic</td>
<td>Inter-Ethnic</td>
</tr>
<tr>
<td></td>
<td>Low Status</td>
<td>High Status</td>
</tr>
<tr>
<td>English</td>
<td>$20,510</td>
<td>$5,500</td>
</tr>
<tr>
<td></td>
<td>(72)</td>
<td>(48)</td>
</tr>
<tr>
<td>German</td>
<td>$19,917</td>
<td>$18,500</td>
</tr>
<tr>
<td></td>
<td>(62)</td>
<td>(18)</td>
</tr>
<tr>
<td>Italian</td>
<td>$15,310</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>(83)</td>
<td>(50)</td>
</tr>
<tr>
<td>Jewish</td>
<td>$16,860</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>(46)</td>
<td>(25)</td>
</tr>
<tr>
<td>Ukrainian</td>
<td>$11,380</td>
<td>$10,500</td>
</tr>
<tr>
<td></td>
<td>(68)</td>
<td>(25)</td>
</tr>
</tbody>
</table>

Source: Ethnic Pluralism in an Urban Setting Data
Endnotes

1. We thank Raymond Breton, Wsevolod W. Isajiw and Jeffrey Reitz, the principal investigators of the original Ethnic Pluralism in an Urban Setting study, for providing the data sets that we analyze here. We thank Liviana Mostacci Calzavara for advice about analyzing these data, and Michael Patrick Johnson for comments on an earlier version.

2. The proportion of people who are working in different occupations changes over time. As our analysis is based on data conducted in 1979, we use labor market information from the late 1970’s and the early 1980’s.

3. We discuss high and low status ethnic groups here and not individuals because we are interested in the milieus in which job seekers are located.

4. The sample includes people who used formal referrals, such as an employment agency, Canada Manpower, unions and newspapers. It also includes those who applied directly to the employer but who also received initial help from personal contacts. Students and self-employed people are excluded because they were not asked about job referral. Part-time workers (N=78), and unemployed, retired, disabled, and housewives (N=34) were excluded from analysis to aid comparison of incomes.

5. The question asks: “Think of your three closest friends who are not relatives. Of these three friends how many are from the same ethnic group?” The question regarding the ethnicity of the contacts used for finding jobs has a large number of missing answers, leading to a reduced sample size of 455. The first reason for this is a problem in interviewing. Some people who were approached with job offers by their prospective employers were not asked to give information about their employers’ ethnicities (Calzavara 1982:61). The second reason is some people did not want to answer the question even if they knew their job contacts’ ethnicity because ethnicity can be a sensitive and personal issue. Third, in a multicultural society such as Canada, it is often difficult for people to know the ethnic background of their network members. Fourth, some Canadians have multiple ethnic backgrounds.

6. For the same reason that was discussed in the previous note, a large number of missing variables regarding the ethnicity of the contact decreased the sample size to 331.

7. As expected, there was no significant impact of gender and age on the maintenance of ethnic friendship networks (Hypothesis 1.4 and 1.5 are supported.)
8. All amounts are expressed in Canadian dollars. At the time of data collection, one Canadian dollar was equal to about 87 US cents.

9. For the sake of brevity, we follow the convention here of omitting the suffix “-Canadian”. Thus “Italian men” are really “Italian-Canadian men”.

10. Results from the Table 3.2 should be treated with caution due to the small cell sizes.

11. The only exception is German men. Using inter-ethnic ties from lower-status ethnic groups was more rewarding for them. However, this anomalous result is affected by one outlying case where a person attained a very high income after using a Hungarian contact.