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Residential Proximity with the Charter Groups in Canada

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Abstract

This paper examines the patterns of residential proximity between the Charter groups and various racial/ethnic groups in Canada. This research analyzes special 1986 census data requested from Statistics Canada, which provides detailed socioeconomic and demographic information of racial/ethnic groups. While little variation in the levels of residential proximity was found between the charter groups and racial/ethnic groups in Canada, substantial variation was found across cities and regions. This study demonstrates the applicability of the social capital hypothesis in conjunction with urban structural factors in explaining the residential proximity among racial/ethnic groups in Canada. However, the social status and the social distance hypotheses derived from American research do not apply in the same manner to Canadian society. This discrepancy suggests the importance of public policy in altering the effects of group characteristics on the residential proximity of minority groups with the Charter groups.

Résumé

Cet article examine les différentes dynamiques de proximité résidentielle entre, d'une part, les deux groupes linguistiques (anglophone et francophone) et, d'autre part, les autres groupes ethniques et raciaux au Canada. Cette recherche procede à l'analyse de données tirées du rescensement mene par Statistiques Canada en 1986. Ce rescensement fournit des informations detaillées sur les caractèristiques socio-économiques et démographiques de chaque groupe ethnique et racial au Canada. Cette recherche démontre qu'il y à peu de différences entre les différents groupes ethniques/raciaux au Canada en ce qui concerne leur niveau de proximité résidentielle avec les deux groupes linguistiques dominant. Des variations furent cependant observées entre les différentes villes et régions canadiennes. Cette recherche met en évidence la necessité d'tiliser un cadre d'analyse qui tienne compté à la fois des facteurs structurels urbains et de la these du "capital social" pour rendre compte adequatement du niveau de inspirees de la sociologie americaine qui accordant une grande importance au statut social et a la distance sociale entre les groupes pour éxpliquer les différentes dynamiques de proximité résidentielle, ne s'appliquent pas aussi aisement à la societé canadienne. Cette différence entre les contextes américain et canadien souligne également l'importance du rôle joue par les politiques gouvernementales pour minimiser l'influence de l'appartenance ethnique sur les chances que les membres des groupes minoritaires s'établissent a proximité (ou non) des groupes linguistiques dominants.

***Key Words**: residential patterns, race and ethnic relations*

Introduction

The process of integrating ethnic minorities into larger society has attracted considerable public attention in both the United States and Canada in recent years. The topic of ethnic integration generates heated debates in both countries among policy makers, academic researchers, and lay citizens. Policy makers are delegated enormous responsibility to foster harmonious ethnic relations in a multi-ethnic society; academic researchers face the challenge of analyzing the increasingly complex process of ethnic incorporation in a country with growing racial and ethnic diversity.

Residential proximity with the majority group, usually described as spatial integration, is one of the important structural conditions which provide minority groups with opportunities for intergroup contact (Alba and Logan 1991; Massey 1981). When members of minority groups move out of their established ethnic areas into integrated neighborhoods, they may develop intimate friendships (Logan and Molotch 1987), cultivate shared values (Hallman 1984), and form

essential social networks (Wellman and Wortley 1990; Wellman and Leighton 1979) with other groups. Alternatively, the extent to which ethnic minority groups achieve residential proximity with the majority group may indicate how much the two groups share common resources, opportunities and risks, such as educational opportunities for their children (Orfield and Paul 1988), job opportunities (Wilson 1987; Kasarda 1985), exposure to crime (Sampson 1986), and even fertility patterns (Massey and Shibuya 1995).

Despite the significance of residential proximity between minority and majority groups, most Canadian studies of residential patterns have not undertaken systematic examination of the topic. Instead, they have mainly focused on the unevenness of residential distribution among groups (Kalbach 1990; Balakrishnan 1976, 1982; Darroch and Marston 1971). The patterns of residential proximity with the majority group among various ethnic groups in Canada remain virtually unknown[1]. This study takes an initial step to fill in this research gap by providing a systematic analysis of proximity patterns by ethnic groups.

Besides contributing to a better understanding of the residential proximity patterns of minorities with the majority group in Canada, this study also attempts to shed new light on the research on ethnic residential patterns in the United States. First, by studying the same process in Canada, it is possible to evaluate the applicability of the hypotheses largely developed in the United States at the turn of the century (Smith and Kornberg 1969). This exercise of examining another country, as Lipset succinctly stated, can delineate "to what extent a given factor actually has its suggested effect" (Lipset 1988:19). Second, by taking advantage of unique data sets from the Statistics Canada, this research can compare the process of spatial integration not only of racial groups such as Blacks and Asians, but also of various European ethnic groups which have largely been treated as a single homogenous group in most American studies (Alba and Logan 1993; Massey and Denton 1987; Massey and Fong, 1990).

Theoretical Background

Most of the discussion of racial/ethnic residential patterns begins with the examination of group characteristics, and proceeds to the analysis of two major hypotheses: "social status" and "social distance" (Massey 1981). The "social status" hypothesis suggests ethnic residential patterns as the result of a sorting process that matches neighborhoods of different qualities and prices to the various levels of socioeconomic resources among ethnic groups (Guest and Weed 1976; Darroch and Marston 1972; Lieberson 1963). This hypothesis further suggests that ethnic residential segregation will decrease as groups improve their social status (Massey 1979, 1981; Taeuber and Taeuber 1964; Lieberson 1963).

However, I have serious doubt about the applicability of the social status hypothesis, which has been untested in Canada because of limitations in

Canadian data. In Canada, unlike in the United States, the effects of social status may have been "weakened" due to the active involvement of the Canadian government in the housing market. With the enactment of the National Housing Act in 1968, a number of laws have been passed at both the federal and provincial levels. This legislation was designed to ensure the provision of affordable housing to low- and moderate-income households, and the creation of socially-mixed housing environments in Canada (Patterson 1993; Rose 1980). As a result, the significance of economic forces in shaping the residential distribution of various ethnic groups may have been lessened. The possible effects of social status may have been further weakened by the of a strong and persistent social hierarchy existence in Canada that is drawn along ethnic lines. This stable ethnic hierarchy, usually referred to as the vertical mosaic (Porter 1965), may even discourage and divert aspirations of minority group members to attain the same level of resources and opportunities as the majority group by virtue of residential proximity with them (Boyd 1981; Marston 1969).

Another hypothesis which stresses the characteristics of ethnic groups is the "social distance" hypothesis (Massey 1981). This hypothesis suggests that residential patterns not only reflect the socioeconomic status of ethnic groups, but also reveal the pattern of social relations among them (Shevky and Bell 1955; Massey 1981; Park 1926). Social distance mirrors the desirability of certain ethnic groups as perceived by others, and it is rooted in the extent to which these groups share similar cultural and social values. If specific groups are labeled as undesirable, other groups may try to avoid living in the same area with them.

Research in Canada has shown stable patterns of social distance among groups along color lines (Pineo 1977)[2]. In general, European ethnic groups are socially closer to the Charter groups than are visible minorities such as Blacks and Asians. Among European groups, Northern and Western Europeans, usually called "old immigrant groups," are socially closer to the Charter groups than are Eastern and Southern Europeans, the "new immigrant groups."

As the immigrant population has increased drastically in recent years, researchers are beginning to emphasize the role of another group characteristic, social capital, in understanding the housing patterns of those ethnic groups which include high proportions of recent immigrants (Portes and Sensenbrenner 1993). Research has found that not everyone wants to be integrated (Isajiw, Sev'er and Driedger 1993). New immigrants, especially those with poor language ability and significant cultural differences from the host society, prefer to stay close to people from their country of origin (Portes and Sensenbrenner 1993; Boyd 1981). If they stay close to their fellow countrymen and adapt to the ethnic communities, they will develop social capital that encourages the development of reciprocal relations, which in turn offer various types of financial help, including job information (Portes and Sensenbrenner 1993).

In Canada, the effect of social capital is expected to be very strong because the incentives for immigrants to live close to the majority group may be significantly weakened by the enactment of a multiculturalism policy. The

policy originated from the effort to curb the separatist movement in Quebec in the early 1960s, and was later modified to promote racial harmony and cultural retention in the early 1980s (Li 1996). Contrary to the prevalence of the melting pot ideal in the United States, therefore, immigrants in Canada receive little "official" pressure to assimilate into the mainstream society.

Besides minority group characteristics, previous research has also recognized the structural context of the city as a crucial factor which, in conjunction with group characteristics, shapes the pattern of residential proximity among ethnic groups (Frey and Farley 1996). In this study, this structural context is measured by three factors: the size of the minority population, the ecological structure of the city and the labor market situation.

The size of the minority population is crucial in understanding racial/ethnic residential patterns, because the visibility of minority groups will be heightened as the size of the minority population increases (Frey and Farley 1996; Lieberson 1981). This heightened visibility may intensify racial and ethnic consciousness, which may in turn affect the level of residential proximity with the Charter groups. Lieberson's (1981) study of the residential patterns of Blacks and whites at the turn of the century clearly demonstrates this relationship between the size of the minority population and the level of their segregation.

The second factor in the structural context of the city is its ecological structure (Massey and Denton 1987). Cities with a large proportion of older housing stock usually contain established ethnic communities and dense working class areas near the central core. Such areas can create centripetal forces which impede the progress of minority groups to improve their residential proximity with the majority group.

The last structural factor of the city is its economic condition (Fong 1996). A strong city economy is usually associated with a general socioeconomic improvement which leads to a larger demand for housing improvement. Because new housing is usually built in the suburban areas, new housing development may facilitate the process of spatial assimilation. The city economy also captures the substantial economic disparities among regions in Canada. In general, the most prosperous cities are located in Ontario and the Western provinces, while most cities in the Atlantic regions struggle with economic stagnation (Brym and Fox 1989).

This study, therefore, evaluates the relative importance of various group characteristics and city structural factors in explaining the residential patterns of major racial/ethnic groups in Canada. The following discussion is divided into two parts. The first section presents patterns of residential proximity with the majority group among racial/ethnic groups in Canada. The second section discusses the relative importance of the factors mentioned based on the results of a multivariate analysis.

Methodology

Data for this analysis come from the 1986 Census 2B Profile file and three specially requested tables from Statistics Canada that provide detailed socioeconomic information on ethnic groups. The study includes the largest 20 Census Metropolitan Areas (CMAs) in Canada, which is a close representation of the total population of urban Canada. The majority group in this study refers to so-called "Charter groups," British and French, who have historically dominated Canada's economic and political scene[3].

In this study, the concept of neighborhood is represented by the census tract. Although the census tract is a geostatistical unit rather than a sociologically defined area, it is a reasonable representation of the concept of neighborhood (White 1987, ch. 1). According to Statistics Canada, a census tract is a geostatistical area containing an average of about 4,000 persons, which is about the size of what people consider to be a neighborhood (Statistics Canada 1987). Moreover, the census tracts were originally delineated so that the inhabitants would be homogenous in terms of socioeconomic background.

The use of census tract as a proxy for neighborhood, however, has its limitations. In order to ensure the comparability of census data over time, census tract boundaries have rarely been modified, even when the original features which were used to set the boundaries are no longer present. While the neighborhood may grow, shrink, or disappear, the census tract boundaries do not reflect such changes in actual urban communities.

The level of residential proximity with the Charter groups is measured by the interaction index (${}_xP^*_y$). The index was proposed by Bell (1954) and later popularized by Lieberson (1981) and Massey and Denton (1988). It is a measure of the probability that a group shares a neighborhood with another group. The interaction index differs from the more well-known dissimilarity index. While the former seeks to measure the extent of exposure of different groups to one another in an area, the latter tries to assess the degree of unevenness in the residential distribution of different groups. The most general form of the interaction index is

$$ {}_xP^*_y = \sum_{i=1}^{n} \left(\frac{x_i}{X}\right)\left(\frac{y_i}{t_i}\right) $$

where x_i, y_i, and t_i represent the number of group X (minority) members in tract i, the number of group Y (in this study, the Charter groups) members in tract i, and the total population of tract i, respectively, and X is the number of the minority group X members in the city. The value of this index ranges from 0 to 1, with higher values suggesting higher levels of residential contact between the two groups. Since the index can also be interpreted as the average proportion of group X members in each area, weighted by the proportion of group Y in the

area, the index is sensitive to the relative numbers of the groups involved (Lieberson 1981).

The sensitivity of the interaction index to the relative size of groups makes it best suited for the present purpose because the size of the minority groups in our data vary widely. Under these circumstances, the use of the dissimilarity index, which measures the degree of uneven distribution among minority groups, can provide misleading results. A minority group which is evenly distributed can still maintain a low level of residential proximity with the Charter groups if the group constitutes a large proportion of the population of the city. Similarly, an unevenly distributed minority group can maintain a high level of residential proximity with the Charter groups if the group constitutes a small proportion of the city's population. On the other hand, the interaction index can measure the extent of contact between the two groups by taking the relative size of the groups into account.

The ethnic data are obtained from a census question which asks respondents to self-identify their ethnicity. Instead of comparing a number of specific ethnic groups (such as Italians and Greeks), our analysis uses broader categories including Northern Europeans, Western Europeans, Southern Europeans, Eastern Europeans, South Asians, East and South East Asians, and Blacks. These are exhaustive categories defined by Statistics Canada, encompassing all ethnic groups reported by the respondents.

The present study uses broad categories instead of specific ethnic groups to represent the race/ethnicity of the respondents for technical and methodological reasons. Technically, detailed socioeconomic and demographic information about specific ethnic groups is not available at the tract level. Methodologically, the use of broader categories, rather than specific nationalities, can minimize the chance of group information being suppressed. Statistics Canada suppresses the tract-level information about any group whose tract population is less than 50. While the information about small ethnic groups such as Vietnamese and Cambodians is most likely to be suppressed, the information about these respondents is likely to be retained if a broader category, East and South East Asians, is used. This categorization can also be justified by previous research which found that the residential patterns of ethnic groups from the same geographic region are similar to one another (Balakrishnan 1976; 1982; Kalbach 1980).

These broader categories of groups, however, neither exist in actuality nor reflect coherency within each group. Moreover, the use of these broader categories may blur the social and demographic diversity within them, as they are composed of specific ethnic groups. The Chinese, for example, are culturally and socially quite different from the Japanese, and Italians are different from Greeks in socioeconomic and demographic background. Recognizing the limitations of these broad racial/ethnic categories, the interpretation will be adjusted accordingly.

Residential Proximity with the Charter Groups

Table 1 presents the interaction indices of major racial/ethnic groups with the Charter groups in the 20 largest Canadian cities. The average across cities for each group is reported at the bottom of the table, and the average over all groups for each city is shown to the right. The table also reports the average across cities for each group weighted by the proportion of the group in the city. In general, an interaction index above 0.7 indicates a high level of residential proximity between two groups. An index between 0.4 and 0.6 indicates a moderate level of residential proximity, and suggests a pattern of ethnically mixed neighborhoods. An index below 0.4 suggests a low level of residential proximity between the groups.

The results indicate that, for most groups, the levels of residential proximity with the Charter groups are moderate. Their variances are relatively small, ranging from the highest value of 0.469 to the lowest of 0.435. Nevertheless, the old immigrant groups, Northern and Western Europeans, are the groups who have the highest level of residential proximity with the Charter groups, followed by Southern Europeans and Blacks. Eastern Europeans and Asians have the least spatial interaction with the Charter groups.

The results further indicate that the levels of residential proximity with the Charter groups vary substantially from one city to another. Cities in Quebec, in general, show higher levels of residential proximity with the Charter groups than cities in other provinces. This pattern, however, may be simply a reflection of the demographic composition of Quebec where an overwhelming majority of population are French. The levels of residential proximity with the Charter groups are mostly moderate in cities in Ontario, with the exception of Toronto. The low values of the interaction indices in Toronto may be related to the influx of recent immigrants to the city. Ethnic groups in cities in western provinces usually have lower levels of residential proximity with the majority groups than do the ethnic groups in other regions. This may be a reflection of the historical trend that most members of the Charter groups settled in Quebec and Ontario.

Table 1, therefore, demonstrates that, while most groups are similar in their levels of residential proximity with the Charter groups, there is substantial variation among cities. However, this table does not indicate whether the small difference among ethnic groups in their levels of residential proximity with the Charter groups is the result of similarities in their group characteristics or the overriding effects of urban structural contexts. I will examine the group characteristics among racial/ethnic groups in the next section.

Table 1. Residential Proximity Levels between Major Racial and Ethnic Groups with the Charter Groups in 20 Census Metropolitan Areas, Canada: 1986

Census Metropolitan Areas	Northern Europeans	Western Europeans	Eastern Europeans	Southern Europeans	South Asians	East and SE Asians	Blacks	Average
Halifax	0.599	0.599	0.588	0.589	0.573	0.581	0.572	0.586
Saint John	0.706	0.684	0.669	0.665	0.637	0.670	0.702	0.676
Quebec City	0.975	0.948	0.951	0.944	0.960	0.949	0.945	0.953
Montreal	0.610	0.665	0.561	0.592	0.519	0.534	0.568	0.578
Ottawa	0.529	0.560	0.554	0.534	0.516	0.512	0.562	0.538
Oshawa	0.521	0.518	0.511	0.512	0.512	0.516	0.513	0.515
Toronto	0.374	0.378	0.256	0.324	0.291	0.287	0.295	0.315
Hamilton	0.445	0.434	0.394	0.421	0.410	0.408	0.416	0.418
St. Catherine	0.421	0.402	0.417	0.426	0.403	0.431	0.424	0.418
Kitchner	0.356	0.334	0.371	0.343	0.351	0.357	0.359	0.353
London	0.470	0.467	0.448	0.452	0.446	0.429	0.445	0.451
Windsor	0.502	0.491	0.441	0.466	0.443	0.441	0.467	0.464
Sudbury	0.515	0.567	0.502	0.556	0.547	0.568	0.568	0.546
Winnipeg	0.309	0.294	0.250	0.266	0.269	0.235	0.266	0.270
Regina	0.276	0.265	0.269	0.267	0.274	0.269	0.274	0.271
Saskatoon	0.273	0.255	0.255	0.263	0.259	0.257	0.255	0.260
Calgary	0.350	0.345	0.337	0.346	0.317	0.325	0.331	0.336
Edmonton	0.309	0.303	0.264	0.288	0.270	0.270	0.279	0.283
Vancouver	0.360	0.355	0.287	0.346	0.294	0.260	0.332	0.319
Victoria	0.474	0.470	0.452	0.471	0.436	0.441	0.442	0.455
Average	0.469	0.467	0.439	0.454	0.436	0.437	0.451	0.435
Weighted Average	0.465	0.474	0.409	0.441	0.408	0.406	0.428	0.430

Group Characteristics of Major Racial/Ethnic Groups

Table 2 presents the characteristics of each racial/ethnic group. The socioeconomic status of each group is measured by median household income[4]. The median household income, instead of median income of the household, was used as a measure of socioeconomic status because purchasing a new house or relocating to another area tend to be a result of joint family decision. Therefore, most families – especially immigrant families – are likely to pull resources of individual family members together to improve their housing condition. Secondly, the amount of social capital is measured by both the proportion of immigrants in the group and the proportion of group members not knowing either official language in Canada. Both immigrants and ethnic members who do not know either official language tend to rely on social capital through social ties with their fellow ethnic members for adjusting to the wider society. Finally, to control for the possible effects of acculturation due to long duration of residence in the country, I further distinguish the early immigrants who arrived before 1978 from the recent immigrants who arrived in 1978 or later[5].

According to the 'social status' hypothesis, we should expect the economic variations among minority racial/ethnic groups to be small, because we know from Table 1 that there are minimal differences in their levels of residential proximity with the Charter groups. However, Table 2 shows that economic status varies substantially by racial/ethnic group, and that the groups with higher economic status are not necessarily the ones who are more spatially integrated with the Charter groups. For example, both of the Asian groups are less spatially integrated with the Charter groups than any of the four European groups, despite the fact that the median household incomes of the Asian groups are higher than those of the European groups. Therefore, as far as group variation is concerned, these descriptive findings do not seem to support the "social status" hypothesis.

Moreover, the findings from Table 2 do not seem to support the 'social capital' hypothesis, either. As in the case of economic status, there are sizable group variations in the proportion of recent immigrants, ranging from 0.01 for Western Europeans to 0.311 for South Asians. Also similar to the case of economic status, the groups with a higher proportion of immigrant population are not necessarily the ones with a high level of residential proximity with the Charter groups. For example, while the proportion of recent immigrants among Blacks is four times higher than that of Southern Europeans, both groups show comparable levels of residential proximity with the Charter groups. Similarly, while the proportions of recent immigrants among the two Asian groups are higher than that of Eastern Europeans, the probabilities of spatial contact for all these groups are almost identical.

Furthermore, the proportion of individuals not knowing either official language varies considerably by racial/ethnic group, and the pattern of this variation across groups does not reflect the pattern of variation in their levels of residential

Table 2.
Average Social and Demographic Characteristics of Major Racial and Ethnic Groups in Neighborhoods of 20 Census Metropolitan Areas, Canada: 1986

Major Racial/Ethnic Groups	Median Household Income	Proportion of Earlier Immigrants	Proportion Of Recent Immigrants	Proportion Not Knowing Either Official Language
European Origins				
Northern Europeans	39.721	0.253	0.014	0.002
Western Europeans	39.622	0.348	0.013	0.002
Eastern Europeans	38.102	0.311	0.064	0.016
Southern Europeans	40.196	0.541	0.041	0.086
Asian Origins				
South Asians	40.812	0.029	0.235	0.051
East and Southeast Asians	40.992	0.396	0.305	0.136
Blacks	30.964	0.441	0.155	0.002

proximity with the Charter groups. For example, Blacks are less spatially integrated with the Charter groups than are Northern Europeans and Western Europeans, despite the fact that the proportion of Blacks not knowing either official language is the same as that of Northern and Western Europeans.

On the whole, therefore, Table 2 shows substantial variations in group characteristics by race/ethnicity in spite of small group variation in the levels of residential proximity with the Charter groups. As far as group variations are concerned, the findings up to this point support neither the social status nor the social capital hypothesis. However, the effect of group characteristics on residential proximity with the Charter groups may differ by racial/ethnic group. Moreover, other factors such as the structural context of the city may affect the extent of spatial integration of racial/ethnic groups with the Charter groups. To test the pertinence of various hypotheses, therefore, it is necessary to examine the effects of both group characteristics and structural contexts of the city on each racial/ethnic group.

A Multivariate Model

In this section, a multivariate model that includes both group characteristics and structural contexts of the city will be developed to account for the residential proximity of various racial/ethnic groups with the Charter groups. This model tests the hypotheses developed in the foregoing discussion, namely the social status, social capital, and social distance hypotheses, for each racial/ethnic group. The residential proximity with the Charter groups is measured by the proportion of the Charter groups in the neighborhood. Since this dependent variable is a proportion that ranges within the theoretical limits of 0 and 1, it is transformed by a logit function, $p = \log[p/(1-p)]$, so as to avoid violating assumptions for the estimation. Moreover, the estimate is weighted by the tract proportion of the racial/ethnic group under study for taking into account of possible variation in the distribution of racial/ethnic groups across tracts.

Because the unit of analysis in this model is the census tract, which is basically an arbitrary geostatistical unit, the interpretation of results requires special caution. Models using areal data may produce different estimates depending on the specific areal unit used for analysis. In the present model, for example, if the census enumeration area is used as the unit of analysis, the results may be different from the results obtained by using the census tract as the unit of analysis. Although no researcher in Canada has examined the degree of discrepancy in estimates using different geostatistical units, research conducted in the United States (Massey and Gross 1991) has shown that using the census tract as the unit of analysis produces conservative estimation, but is not likely to generate misleading conclusions. Since the United States and Canada use similar census sampling procedures and definitions of the census tract, these findings from American census data may justify the use of census tract data in the current analysis. The results must nonetheless be interpreted with caution.

The current model tests the premise that high social status of a racial/ethnic group and low dependence on social capital within its own community will result in high proximity with the Charter groups. As mentioned above, the social status of a group is measured by its median household income, and social capital is measured by the proportion of immigrants and the proportion of group members not knowing either official language. Therefore, the effect of the median household income on the residential proximity with the Charter groups is expected to be positive, and the effects of the proportion of members who are recent immigrants and the proportion of its members who do not know either official language are expected to be negative. However, it is equally possible that residential isolation of a racial/ethnic group reinforces their disincentives to learn an official language. The interpretation of the results, therefore, must take into account the fact that such a reciprocal relation may have inflated the coefficient of the proportion of group members not knowing either official language.

In the current model, the intercept of each equation measures the initial social distance between a racial/ethnic group and the Charter groups. The intercept infers the initial social distance because it represents the residential proximity of

a racial/ethnic group with the Charter groups, net of the effects of social status, social capital, and structural contexts of the city. Since previous research found that the social distance among racial/ethnic groups in Canada is divided along color lines (Pineo 1977), it is expected that, after controlling for group characteristics and urban structural factors, the intercept should be largest for Blacks and smallest for groups of European origin, especially Northern and Western Europeans.

The current model also includes three urban structural factors: the proportion of the racial/ethnic group in the city, the proportion of old housing structures, and the strength of the economy. A large proportion of a racial/ethnic group in the city is expected to be associated with a low level of residential proximity between that group and the Charter groups by increasing their visibility. Moreover, cities with a larger proportion of old housing structures and a stagnant economy are expected to show lower levels of residential proximity between racial/ethnic groups and the Charter groups. The proportion of old housing stock refers to the proportion of housing built before 1946. The strength of the economy is measured by the ratio of the total number of available jobs in the city to the total number of people in the city who are over 15 years old. It is the ratio of job demand to labor supply in the city, and a small value of this measure suggests a weak and stagnant economy.

Table 3 presents the results of the multivariate model which predicts the levels of residential proximity with the Charter groups by racial/ethnic group characteristics and urban structural factors. There is a separate estimate for each group, and the standard error of each coefficient is reported in parentheses. As shown in the first column, the effects of all explanatory factors averaged over all racial/ethnic groups are in the expected direction. A large proportion of group members who are immigrants, a large proportion of group members who do not know either official language, a large proportion of the group in the city, a large proportion of old housing stock in the city, and a stagnant city economy decrease the level of residential proximity between the racial/ethnic group and the Charter groups. As expected, the effect of the median income of the racial/ethnic group on their residential proximity with the Charter groups is negligible. Among these factors, social capital plays an important role in determining the residential pattern among racial/ethnic groups. Since South Asians, and East/South East Asians have much larger proportions of recent immigrants and of people not knowing any official language than do other groups, they experience a lower level of residential proximity with the Charter groups.

Group-specific models reported in columns 2 to 8 reveal several noteworthy patterns. First, the combined effects of urban structural factors are stronger than the effects of group characteristics. This explains the substantial variation across cities in the levels of residential proximity with the Charter groups. Second, contrary to the initial expectation, no clear pattern of division in social distance has emerged along color lines. Both Blacks and Southern Europeans clearly begin the process of improving residential proximity with the Charter groups from the most disadvantaged position.

Table 3. Regression of Various Factors on the Logit Transformation of Residential Proximity Level of Major Racial and Ethnic Groups with the Charter groups, 1986

Census Metropolitan Areas	Average	Northern Europeans	Western Europeans	Eastern Europeans	Southern Europeans	South Asians	East and SE Asians	Blacks
Group Characteristics								
Median Income (in '000)	-0.001	0.001 **	-0.001	0.001	0.001	0.001	-0.002	0.005 **
	(0.001)	(0.001)	(0.001)	(0.001)	(0.002)	(0.001)	(0.001)	(0.001)
Proportion of Earlier	-7.021 **	0.178 **	-0.541 **	-0.609 **	-0.725 **	0.263	-0.500 **	-0.587 **
Immigrants	(0.193)	(0.044)	(0.064)	(0.068)	(0.174)	(0.186)	(0.110)	(0.092)
Proportion of Recent	-3.159 **	0.071	-0.058	-0.639 **	0.026	-0.222 **	-0.591 **	-1.129 **
Immigrants	(0.419)	(0.145)	(0.270)	(0.111)	(0.274)	(0.083)	(0.093)	(0.115)
Proportion Not Knowing	-2.946 **	-0.516	-4.492 **	-1.180 **	-3.728 **	-1.062 **	-1.139 **	3.319 *
Either Official Language	(0.795)	(0.459)	(0.854)	(0.320)	(0.260)	(0.215)	(0.114)	(0.937)
Urban Structural Factors								
Proportion Ethnic Group	—	-0.331 **	-0.593 **	-0.675 **	-0.007	-0.372 **	-0.43 **	-0.053 *
in City		(0.015)	(0.017)	(0.023)	(0.031)	(0.026)	(0.017)	(0.031)
Proportion of Old Housing	-0.702 *	-3.896 **	0.055	-0.098	-3.819 **	-0.501	-1.733 **	-5.546 **
	(0.386)	(0.292)	(0.215)	(0.255)	(0.537)	(0.368)	(0.311)	(0.685)
Job Competition	5.651 **	4.500 **	1.660 **	2.438 **	7.523 **	1.607	1.491 **	8.558 **
	(0.258)	(0.196)	(0.191)	(0.228)	(0.285)	(0.307)	(0.230)	(0.357)
Intercept	-6.726 **	-7.996 **	-4.296 **	-5.875 **	-10.109 **	-4.360 **	-3.406 **	-11.252 **
	(0.359)	(0.290)	(0.253)	(0.292)	(0.403)	(0.377)	(0.330)	(0.399)
N	3300	1658	2871	2834	2978	1772	942	1816
R2	0.621 **	0.339 **	0.422 **	0.408 **	0.406 **	0.252 **	0.344 **	0.372 **

$p^* < 0.1$; $p^{**} < 0.05$

Finally, the effects of each explanatory factor on residential proximity with the Charter groups vary substantially by racial/ethnic group. While the level of residential proximity between Northern Europeans and the Charter groups in the city is largely determined by the structural contexts of the city, the same level between Western Europeans and the Charter groups is strongly affected by the proportion of group members who do not know either official language. This factor, however, is not likely to substantially alter the actual extent of their residential proximity with the Charter groups, because very few Western Europeans do not know either official language. On the other hand, for Eastern Europeans, South Asians, and East/South East Asians, the levels of residential proximity with the Charter groups are significantly determined by the amount of social capital within the ethnic group (i.e., the proportion of group members who are immigrants and the proportion of group members who do not know either official language).

Conclusions

This study has examined the pattern of residential proximity between minority groups and the Charter groups in Canada. While little variation in the levels of residential proximity with the Charter groups was found among racial/ethnic groups in Canada, substantial variation was found across cities and regions. This study has also provided several notable findings from a multivariate model that examines the relative effects of various group characteristics and structural contexts of the city on the level of residential proximity between a racial/ethnic group and the Charter groups.

First, the social status of the minority group, as measured by its median household income, is not pertinent to the determination of the residential proximity between the minority group and the Charter groups. This lack of relevance of income in Canada is striking, because studies in the United States have generally found that income has a significant effect for minority groups on their level of residential proximity with the majority group. A possible explanation is the difference in the manner in which the American and Canadian housing markets operate. In the United States, the housing market is largely governed by the principle of supply and demand, and even government involvement ensures that this principle is upheld. For instance, the greater residential segregation between the rich and the poor in the United States is exacerbated by federal public housing projects (Bickford and Massey 1991). In Canada, on the other hand, the government is committed to socially mixed housing and to implementing a variety of social housing programs, such as subsidized housing, rent control, rent-geared-to income, and co-op housing. All these programs are designed to prevent the extreme poor from concentrating in particular housing projects (Rose 1980).

Second, the residential proximity of racial/ethnic groups with the majority group in Canada is better explained by their dependence on social capital within their own community than by their level of social status. The effect of social capital

is particularly strong for Eastern Europeans and the two Asian groups. The low level of residential proximity between the Asian groups and the Charter groups, therefore, can be explained by the fact that a large proportion of Asians have to rely on ethnic social capital because of their recency of arrival in the country or lack of knowledge of either official language.

This strong effect of social capital is, in part, a result of the open immigration policies in Canada that have attracted a large number of immigrants in recent years. New immigrants have strong incentives to live in close proximity with their own ethnic group because of their lack of experience in the new country and lack of language skills. These incentives are reinforced by the multiculturalism policy in Canada which encourages ethnic and cultural retention.

Third, the effect of social distance from the Charter groups varies widely by racial/ethnic group. The effects found in this study are not clearly divided along color lines. While Blacks are in the most disadvantaged position to begin the process of attaining residential proximity with the Charter groups, some European groups, such as Southern Europeans, are also relatively disadvantaged. On the other hand, East and South East Asians occupy a better beginning position in comparison to most European groups. This may reflect the differences in historical experiences and demographic compositions of minority groups between the United States and Canada.

Finally, among all the variables in the model, the combined effect of the structural contexts of the city on residential proximity is strong. These factors explain the substantial variation in the levels of residential proximity between a minority group and the Charter groups across cities.

This study therefore demonstrates the applicability of the social capital hypothesis in conjunction with urban structural factors in explaining residential proximity among racial/ethnic groups in Canada. However, the social status and social distance hypotheses derived from American research do not apply in the same manner to Canadian society. This discrepancy suggests that public policy plays an important role in altering the effects of group characteristics on the residential proximity of a minority group with the Charter groups. As Portes and Rumbaut (1990) have argued, the incorporation of minority groups into North American society has been largely determined by government policy.

This study also points to the direction for future research on the residential patterns of racial/ethnic groups in Canada. Future research should focus on the role of public policy in shaping the spatial configuration of ethnic relations. Future research should also focus on the differences among individual racial/ethnic groups in the process of attaining residential proximity with the Charter groups. For example, why do Southern Europeans, in contrast to other European groups, experience a relatively disadvantaged starting position in the beginning of the process of integrating spatially with the Charter groups? Finally, given the increasing racial/ethnic diversity and the proliferation of mixed neighborhoods in North America (Frey and Farley 1996), it is also important to expand our understanding of the residential patterns not only

between minorities and the Charter groups, but also among various racial/ethnic minorities.

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Endnotes:

1. Based on factor analysis of twenty segregation indices, Massey and Denton (1988) showed that residential segregation is a "multidimensional phenomenon" with five distinctive and independent dimensions: evenness, exposure, concentration, centralization, and clustering.
2. The pattern of social distance differs from the social hierarchy mentioned above. The social hierarchy is the ranking of socioeconomic resources held by each groups; whereas social distances refer to the social relations among groups.
3. The British North American Act of 1867 gave both founding groups, British and French, the status of Charter groups in Canada. Privileges for the two groups with respect to language, culture and education were established historically.
4. Other possible measures of socioeconomic status include educational attainment levels and occupational status of the household head. However, previous studies have documented that not all racial/ethnic groups share the same rate of socioeconomic return from educational attainment, and that some groups (e.g. immigrants) have lower economic returns from their education achievements than other groups (Li 1990; Goldlust and Richmond 1974). Previous studies (Zhou 1992) have also documented that occupational status of the household head may underestimate the economic power of the family because purchasing a new home is a result of joint decision by family members.
5. The cutoff year, 1978, was chosen by the Statistics Canada.

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