

**Wage Differentials between Ethnic
Groups in Hong Kong in 2006**

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Abstract. This paper investigates the average wage differentials between the Hong Kong natives and three groups of immigrants, Chinese, other Asians and white. We apply the classical Oaxaca-Blinder decompositions to a sample of 104956 males, whose 29780 immigrants, interviewed for the 2006 Hong Kong population By-Census. Our main findings are that other Asian immigrants receive the most discrimination and the rate of return to schooling is higher among local workers than among other immigrants, especially to those Chinese immigrants. Our paper also suggests students should put more effort on academic aspect.

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Reference

1. Introduction

1.1 Statement of the problem

Hong Kong is an international city around the world. Especially after 1997, it represents a connection point between China and the other parts of the world. Moreover, its status as the worldwide financial centre attracts much investment from the foreign countries and China. Therefore it is not surprising that Hong Kong consists of different races. According to the by-census, people other than Hong Kong account for 5% of the total population, and 9.24% of the work force in 2006.

In Hong Kong, the ethnicity can be divided into Chinese, Filipino, Indonesian, Indian, Nepalese, Japanese, Thai, Pakistani, Korean, and other white people (which include Australian, British and American, etc). How these different groups of people accommodate to the situation of Hong Kong is an issue interesting to be examined. Therefore, our research is going to follow the work of Augustin de Coulon (2001), Wage differentials between Ethnic Groups in Switzerland, work on the issue of average wage differentials between Ethnic Groups in Hong Kong. Through this, we can investigate our local process of assimilation of immigrants in Hong Kong.

Our research paper can be divided into 6 parts: Section 1 describes the issue we want to investigate (the part that we mentioned before), and the objectives of our

study. For Section 2, it is the Literature review, which describes briefly some papers of the related topics in other countries. Section 3 is the data source, models and other methodology that can help us find out the result. Section 4 is the description of the empirical result. Section 5 is the limitations that we faced. The last section is a short conclusion for our research paper.

1.2 Objectives of the study

Our research hopes to find out the wage gaps between different ethnic groups and natives in Hong Kong, and we will analyze the factors causing such differences through the decomposition technique used by Reimers (1983) and de Coulon (2001).

The factors we will consider can be roughly distinguished into observed and unexplained characteristics. The observed characteristics, for example, years of schooling and total market experiences, etc. are the characteristics that can be said to be apparently explaining the wage gap between the groups and the natives. They can be quantified. The unexplained characteristics can be divided into unobserved characteristics and discrimination. The unobserved characteristics such as quality of education and ethnic (culture) differences can also explain some parts of the wage differential between different ethnic groups. While discrimination among the different ethnic groups is another factor causing the differential in wages. Through the above analysis, we can know more about the degree of ethnic equality in Hong Kong. Are the minorities treated equally? What is the difference of the average wage between the minorities and the Hong Kong natives can be found out in this paper.

However, since most Filipino and Indonesian in Hong Kong work as the foreign domestic helpers and their wages are protected under Hong Kong “minimum allowable wage” (MAW). Their monthly received cannot fully reflect the

contributions of the variables that we will specify later in this research paper,
therefore this group of people will be excluded.

2. Literature Review and Hypothesis Development

2.1 Literature Review

Chiswick (1974) and Mincer (1974) defined the extended human capital function from the Mincerian earnings function:

[Equation 1]

$$y_i = \beta_0 + \beta'_1 x_i + \beta_2 ysm_i + \varepsilon_i$$

where y_i is the natural logarithm of gross hourly wage of the i^{th} individual, x_i is the vector of exogenous variables and ysm means the years since migration of immigrants (taking the value of 0 for natives). For the exogenous variables, they are the years of schooling, labor market experience, and other dummies variables, e.g. marital status and size of firm, etc.

However, according to Friedberg (2000), she has found that two restrictions have been implied in this function: First, the coefficient for schooling before migration for immigrant is the same as the coefficient for schooling for natives; second, the coefficients for education are the same for immigrants no matter it is before or after migration. They have been strongly rejected by her data.

Practically, G. G. Cain (1986) defined discrimination as the wide differential in economic returns among different demographic groups characterized by sex, race,

ethnicity, etc. And these differentials are systematic, persistent and inequitable from the view of most of us. Theoretically, G. G. Cain (1986) followed Becker (1957, rev. 1971) and defined psychic disutility as a main part in discrimination. If employers feel a disutility in hiring a worker which is only because of his or her demographic characteristic irrelevant to the physical productivity, then there will be prejudice.

Reimers (1983) has decomposed averaged earning differentials between six ethnic groups and natives in explained (characteristics) and unexplained (coefficient) parts using Blinder-Oaxaca decompositions. He found out that measured characteristics and discrimination outside the labor will have effects on the wages of Americans.

Peter Kee (1995) and de Coulon (2001) followed the work of Reimers (1983). They further decomposed the education and experience before and after immigration. de Coulon (2001) found that the problem of correctly decomposing the earning differentials will arise. He chose two comparable decompositions (this part will be further elaborated in Section 3). Through this step, the effect of total education can be split.

Our paper will mainly base on the paper of de Coulon (2000), Wage differentials between Ethnic Groups in Switzerland, to investigate the wage gap between the local natives and immigrants in Hong Kong.

2.2 Hypothesis Development

As mentioned in the Section 2.1, discrimination refers to psychic disutility towards some demographic characteristics which are not related to the workers' productivities. However, the unexplained (coefficient) parts in our research result can consist of both discrimination and some unobserved characteristics relating to productivities which cannot be measured.

Therefore, we will assume all unexplained characteristics without proper explanations to be discriminatory.

The last assumption is that individuals have a continuous working life without disruption. So, that the variable, experience will be correctly estimated.

3. Methodology

3.1 Data

The data set used in this study will be the micro sample data set of 2006 Population By-census conducted in Hong Kong in July 2006. The sample is taken from one-tenth of all quarters in Hong Kong and all households are required to provide the information needed by law. In our study, as gender discrimination could interact with ethnic discrimination and according to Hon-Kwong Lui and Wing Suen (1998), there is the intermittent labor force participation of female, we only include males. As we are now mainly studying wage earners, the sample we select will be the individuals whose working age lies between 15 and 65. There will be one limitation of the by-census which is those foreign cross-border workers who have to return home every day after work will not be included.

Immigrants in our paper refer to whose born place is not in Hong Kong. It is not the same as the definition of Census that putting all those other ethnic groups who have been living in Hong Kong for less than 7 years as immigrants. Filipino and Indonesian will be excluded in our samples because there is a minimum allowable wage for housemaid that we have mentioned before.

We will divide the whole sample into four groups through the Chow Test. The hypothesis of equality in coefficients will be rejected if the F value obtained is larger than the F critical value (the critical value are 2.639 and 2.511 for 7 and 8 degrees of freedom for numerator at 1 percent level respectively). The F statistic between the natives and other immigrants is 411.06 and we could reject the hypothesis. As we know that the Chinese immigrants have come to Hong Kong for long time. So, we have a test between them and the non- Chinese immigrants. The F statistic is 162.26 and the hypothesis is rejected again. Lastly, we assume the white immigrants in Hong Kong are different from the other Asians. So, we further divide them into two groups and the F statistic is 35.75, and the hypothesis is rejected within our expectation.

Our sample of 104956 individuals consists of 75176 natives, 27513 Chinese immigrants, 1267 other Asian immigrants and 1000 white immigrants.

Variables explaining monthly wages are schooling in home country and in Hong Kong, potential experience and its squared, marital status and managers in large and small firms.

The variables schooling and experience will be defined as follow. The by-census does not include the total number of school years but the highest level attained by the individuals. The number of school years will be assigned between 0 and 20, 0 means

those with no schooling or are pre-primary, while 20 are those with doctor degrees. In order to find out the difference between studying in the immigrants' home country and that in Hong Kong, we have created two variables, schooling in home country and schooling in Hong Kong. Schooling in Hong Kong will be defined as the total schooling plus 6 minus the age at migration. However, if the products are negative for immigrants, this means the total schooling are in their home country. The schooling in home country will be the difference between the total schooling and schooling in Hong Kong.

The experience will be defined as age of the individuals subtracting the years of schooling plus 6. It is based on the assumption that individuals have a continuous working life without disruption.

3.2 Means of variables

In Table 1, it shows the sample statistics for natives and the three different groups of immigrants.

Table 1. Means of variables: Male wage earners

	Natives	Chinese Immigrants	Other Asian Immigrants	White Immigrants
Monthly wage	17386.97	13056.36	26989.24	62399.78
Years of schooling	11.53	9.81	12.78	15.07
- in the home country		8.10	11.44	14.52
- in Hong Kong		1.71	1.33	0.55
Experience	19.92	26.89	18.31	18.89
Experience squ.	539.46	891.07	430.51	452.37
Married in %	55.06	75.54	75.69	66.90
Large Manager in %	5.57	2.86	21.55	36.70
Small Manager in %	3.50	2.81	6.95	6.50
Age at migration		25.40	27.19	31.93
Years since migration		17.30	9.88	8.02
Age	37.44	42.70	37.08	39.95
Lambda	0.18	0.23	0.22	0.23
Number of Wage earner	75176	27513	1267	1000

For the mean observed wage gap, Natives earn more than the Chinese immigrants on average 33.17 percent, while other Asian immigrants and white immigrants earn more than natives on average 55.23 percent and 258.89 percent respectively. This shows a great difference among different ethnic groups. For the average total years of schooling, white workers get the highest value among the three groups (15.07 years). As mentioned before, the experience will be defined as age of the individuals subtracting the years of schooling plus 6. The Chinese immigrants

have the most years of experience (26.89 years) as they are generally older than the other three groups and with fewer years of schooling. Among the four groups, other Asian workers are the youngest (37.08). For the white immigrants, nearly half of them are in managerial roles while with 84.95 percent work for large firm.

3.3 Model and methodology

Since the earning structure of employers and self employed may be different from that of paid employees, we have to restrict the sample to wage and salaried workers. As they can choose to be employed or self employed, in which this decision depends on the one providing them with the highest economic return. Therefore, their choices are not random. The omission of this selectivity bias could lead to errors in the measurement of unobserved characteristics as mentioned in Reimers (1983,p.572). Therefore, we need to correct the sample selection bias by using Heckman's two steps method and the Bivariate Probit Selection Rule which is introduced by de Coulon (1998). The selection rule and the model is:

[Equation 2]

$$Z_{ij}^* = \gamma w_{ij} + u_{ij}$$

where Z_{ij}^* is the selection variable which is not observed whereas its sign is. So, as suggested by Coulon we should reformulate the selection mechanism as:

$$Z_{ij} = 1 \quad \text{if } Z_{ij}^* > 0$$

$$Z_{ij} = 0 \quad \text{if } Z_{ij}^* < 0$$

And the regression model as:

$$\ln y_{ij} = \beta' x_{ij} + \varepsilon_{ij} \quad \text{if } Z_{ij} = 1, \text{ (wage and salary sector)}$$

$$\ln y_{ij} = 0 \quad \text{if } Z_{ij} = 0, \text{ (unemployed, out of the work force)}$$

$$U_{ij}, \varepsilon_{ij} \sim N[0,0,1,\sigma_\varepsilon^2,\rho]$$

w_{ij} is a vector of exogenous variables explaining inclusion in the wage and salary sector for individual i from the j^{th} ethnic group.

[Equation 3]

$$\ln y_{ij} = \beta' x_{ij} + \beta_\lambda \lambda_{ij} + v_{ij}$$

The first step of Heckman's two-step is to compute the λ_{ij} from the probit estimation of the selection rule. β and β_λ can then be estimated by least squares regression of $\ln y_{ij}$ on x_{ij} and λ_{ij} . The x_{ij} contains variables as mentioned in Section 3.1.

Same as Reimers (1983), we will analyze the gap in average offered wage. So, on the left hand side of the equation, we will have the average offered wage of native minus the average offered wage of the immigrant group if the inactive, the unemployed and the self-employed were part of the sector:

Equation [4]

$$\overline{Iny_N} - \overline{Iny_I} - (\hat{\beta}_\lambda^N \lambda_N - \hat{\beta}_\lambda^I \lambda_I) = (\bar{x}_N - \bar{x}_I) \hat{\beta}_N + \bar{x}_I (\hat{\beta}_N - \hat{\beta}_I)$$

where $\bar{\lambda}^{N,I}$ is the total of natives and immigrants who are active in the wage and salary sector. The wage structure of natives is assumed to be the non discriminatory wage structure in the decomposition.

Since we need to take into account the effect of the education before and after immigration, then we will have the problem of decomposing the earnings differential in the right way. We follow the two alternative ways of decompositions of de Coulon (2001) which correspond to the original decomposition of Oaxaca(1973) and Blinder(1973):

Equation [5]

$$\Delta = (\bar{X}_N^c - \bar{X}_I^c) \beta_N^c + \bar{X}_I^c (\beta_N^c - \beta_I^c) + (\bar{X}_N - \bar{X}_I^{pre}) \beta_N + \bar{X}_I^{pre} (\beta_N - \beta_I^{pre}) - (\bar{X}_I^{post}) \beta_N + \bar{X}_I^{post} (\beta_N - \beta_I^{post})$$

E1 D1 E2 D2 E3 D3

and Equation [6]

$$\Delta = (\bar{X}_N^c - \bar{X}_I^c) \beta_N^c + \bar{X}_I^c (\beta_N^c - \beta_I^c) + (\bar{X}_N - \bar{X}_I^{post}) \beta_N + \bar{X}_I^{post} (\beta_N - \beta_I^{post}) - (\bar{X}_I^{pre}) \beta_N + \bar{X}_I^{pre} (\beta_N - \beta_I^{pre})$$

E1 D1 E2 D2 E3 D3

where Ei and Di represent the observed characteristics and the discrimination to the earning gap respectively. The superscript c represents the common characteristics of

natives and immigrants. The last four terms (E2, D2, E3 and D3) in decompositions [5] and [6] represent the education. The above two decompositions allow us to separate the effect of total education.

The first decomposition [5] attributes the observed difference to education before migration (E2), and the term E3 is treated as the wages that immigrants would get through their education in Hong Kong if they are not discriminated (receiving the wage rate of native, β_N).

The second decomposition [6] is different in the view which attributes the observed difference to education after immigration (E2), the term E3 being regarded as the wage earned by immigrants through education before immigration.

4. Analysis and Findings

4.1 Regression Analysis

Table 2. Estimated log wage equation, Male earners, sample bias completed

	Natives	Chinese Immigrants	Other Asian Immigrants	White Immigrants
Constant	7.35 *	7.81 *	7.90 *	8.08 *
	(504.54)	(205.46)	(65.72)	(27.70)
Years of schooling				
- in the home country		0.07 *	0.09 *	0.10 *
		(34.50)	(14.81)	(6.99)
- in Hong Kong	0.11 *	0.08 *	0.09 *	0.08 *
	(116.72)	(28.25)	(6.77)	(2.89)
Total years of experience	0.07 *	0.06 *	0.03 *	0.08 *
	(66.37)	(19.96)	(3.19)	(4.30)
Exp squ.*100	-0.10 *	-0.08 *	-0.04 *	-0.13 *
	(-53.69)	(-18.97)	(-2.30)	(-3.85)
Married	0.23 *	0.16 *	0.09	0.18
	(33.25)	(9.89)	(1.63)	(2.15)
Manager in large firm	0.79 *	1.44 *	1.07 *	0.77 *
	(60.07)	(33.28)	(15.16)	(9.81)
Manager in small firm	0.89 *	1.65 *	0.57	0.85
	(15.43)	(11.89)	(1.06)	(1.99)
Lambda	-0.81 *	-1.12 *	-0.08	-1.10
	(-10.72)	(-8.30)	(-0.12)	(-1.73)
Adjusted R ²	0.45	0.30	0.55	0.33
F _{stat}	8793.60	1473.17	198.13	62.10

T-statistics presented in parentheses. *Statistically significant at the 1% level.

The estimations of the log wage function can be presented as above. From the result, it is clear that years of schooling and experience are critical factors in determining one's earnings. No matter it is in the home countries of the immigrants or

in Hong Kong, employees' monthly wage can be raised along with their years of schoolings and experience. While signs of the experience squared of the four groups are also within our expectation which are negative. It means that the returns to the experience are increasing with a decreasing rate.

Getting married can also let natives and Chinese immigrants have a higher earning. It may be because the traditions of China (women stay at home and men go out to work) will usually enable wives to take care of all the affairs in the family, so that our target group (males) can focus on doing their jobs.

For the last variable, all groups can earn a higher wages if they are managers working in the large firms. However, working as managers in small firms can only affect wages of natives and Chinese immigrants

4.2 Results of the decomposition

Table 3. First decomposition [5] of the native-immigrants earnings differential

	Chinese Immigrants		Other Asians Immigrants		White Immigrants	
Difference in offered wages		0.59		0.38		-0.58
-years of schooling in the home country	0.37		0.01		-0.32	
-years of schooling in HK	-0.19		-0.14		-0.06	
total schooling (1)		0.19		-0.13		-0.38
-years of experience	-0.46		0.11		0.07	
-years of experience squ.	0.34		-0.11		-0.08	
total experience (2)		-0.12		0.00		-0.02
Married (3)		-0.05		-0.05		-0.03
Manager in Larger Firm	0.02		-0.13		-0.25	
Manager in Small Firm	0.01		-0.03		-0.03	
Total Manager (4)		0.03		-0.16		-0.27
Due to differences in observed characteristics(5) [(1)+(2)+(3)+(4)]		0.05		-0.34		-0.70
-years of schooling in the home country	0.35		0.24		0.14	
-years of schooling in HK	0.05		0.03		0.01	
total schooling (6)		0.40		0.27		0.16
-years of experience	0.26		0.64		-0.23	
-years of experience squ.	-0.12		-0.26		0.15	
total experience (7)		0.13		0.38		-0.09
Married (8)		0.05		0.10		0.03
Manager in Larger Firm	-0.02		-0.06		0.01	
Manager in Small Firm	-0.02		0.02		0.00	
Total Manager (9)		-0.04		-0.04		0.01
Due to differences in coefficients (10) [(6)+(7)+(8)+(9)]		0.55		0.71		0.11

Table 3 shows the result of the decomposition of equation (5) and the wages of natives is 0.59 higher than that of the Chinese immigrants. For that of the other Asians, they are 0.38 lower than that of the natives. Lastly for the white immigrants, they earn 0.58 higher than native.

The portion due to differences in coefficients is very important for the group, Chinese immigrants, because it is just slightly lower than the difference in offered wage (0.55 compared to 0.59). The difference of the observed characteristics between the two groups is quite small which means they share similar favorable characteristics. Unfortunately, these components are not fully rewarded because of unexplained characteristics.

For the other Asians immigrants, the situation is much more severe. Even though their observed characteristics are 34 percent higher than those of natives, their offered wages is 38 percent lower than the natives due to the huge difference in coefficients. There is a very large gap for the difference in coefficients which makes them earn 71% less than natives.

The group, white immigrants, is very well equipped. They have an advantage in earnings for 70 percent due to the difference in characteristics. However, the total difference is weakened by 11 percent because of the presence of unfavorable difference in coefficients.

The portion of the offered wage gap due to differences in characteristics is mainly dominated by both the effects of education and experiences for Chinese immigrants which are 0.19 and -0.12 respectively. The natives have higher levels of education than that of the Chinese immigrants. The wage differentials of the other Asian immigrants and white immigrants are mainly dominated by education which contributes 13 percent and 38 percent higher for the average offered wage.

Then here we come to the decomposition part. The years of schooling in the home country of Chinese immigrants account for a large part of the differential which is 37 percent. This means they had studied less than natives before they arrived Hong Kong and even their schooling in Hong Kong cannot be enough to close the wage gap which is 19 percent less than the natives.

For that of the group other Asians, the immigrants studied slightly less than the natives before they move to Hong Kong. However, their education after arrival to Hong Kong is more than enough to close the gap which results in a 13% higher in wages than natives.

The white immigrants are very knowledgeable. They have an amount of 32 percent higher in wages due to the education before arrival to Hong Kong and the education in Hong Kong further enlarged the difference by 6 percent to 38 percent.

Table 4. Second decomposition [6] of the native-immigrants earnings differential

	Chinese Immigrants		Other Asian Immigrants		White Immigrants	
-years of schooling in the home country	-0.88		-1.24		-1.57	
-years of schooling in HK	1.06		1.10		1.19	
total schooling		0.19		-0.13		-0.38

Equation [6] looks at the decomposition in a different point of view. The only difference between equation [5] and [6] is the variables: years of schooling in the home country and Hong Kong of the difference in observed characteristic. The equation [6] attributes the observed difference to education after immigration. So, we compare the difference between the schooling of the natives with the schooling in Hong Kong of the immigrants. We can see that the natives will have advantages compared with all the three groups. It is simply because they have only studied for less than two years on average in Hong Kong. So, the results of the difference between the natives and the three groups of immigrants should be positive (106 percent more than Chinese immigrants, 110 percent more than the other Asians immigrants and 119 percent more than the white immigrants). The Chinese immigrants' education in home country cannot compensate for the difference caused by the schooling in HK. For both the other Asian immigrants and white immigrants, their high level of schooling in the home country is more than enough to compensate for the small amount of schooling in Hong Kong.

5. Limitations

- (1) The result of the difference due to coefficients may overstate the effect of discrimination. Although we have used some theories to explain part of the difference, some other factors affecting the productivity such as IQ and aptitude, etc. have to be classified as discrimination.

- (2) The variable, years of schooling, is based on the item: duration in Hong Kong. While this item has a maximum number of 20 in By-Census. That is, No matter how long a person has stayed in Hong Kong, the number shown in the survey would be 20 only. As we believe that parts of Chinese and some other immigrants have been staying in Hong Kong for more than 20 years. As a result, their years of schooling will be affected.

- (3) The data set used in this study is from the micro sample of the population By-census conducted in Hong Kong. Since all the data are based on the answers of respondents and it is no way for us to challenge the reliability of the data; therefore we have to assume that all answers are facts.

6. Conclusions and Policy implications

Four Conclusions can be generated from our analysis.

(1) The estimated coefficients for lambda for natives and Chinese immigrants are significantly negative. It means selectivity bias do exist and indicates the selection is not random.

(2) Years of schooling is a critical factor in determining one's earnings. No matter where the other ethnic groups study, they still earn at least 1 percent less than natives per year. This is the discrimination on the other ethnic groups. In the case of Chinese immigrants, they even earn 4 percent less than natives per year of schooling in the home country. According to the result, however, they can earn 1 percent more if they study in Hong Kong instead of their home country.

Interestingly, the situation is reversed in the case of white immigrants. This may be related to the difference in the quality of education between the two areas.

(3) From our research, it reflects discrimination exists on the other ethnic groups in Hong Kong from the result of our decomposition. While the other Asian immigrants received the most discrimination which makes them earn 71 percent

less than natives. Particularly for the item, experience, they receive 3 to 5 percent less than the other groups for each year of experience obtained. For the Chinese immigrants, discrimination occupies 93 percent of the total wage gap.

(4) While for marriage, it has a positive impact on Chinese employees' wage rate as their spouse can take care of the household work after marriage. So that the working hours of the males can be prolonged and enjoy more earnings. However, it is not the case for the non-Chinese immigrants. It may be due to the difference in culture among these groups.

We found that schooling seems to have a greater effect on the wages than experience. Therefore, we recommend students should focus more on studying rather than spending too much time on part time jobs.

Under our limitation as stated in Section 5, our paper shows that other Asian immigrants receive the most discrimination. In order to achieve racial equity, we suggest that the government should take some actions to deal with this situation.

Our paper also shows that Chinese immigrants can enjoy higher returns of education in Hong Kong than that in China. We therefore believe they should receive Hong Kong education as soon as possible.

Appendix

Table 5. Means of variables in year 2001: Male wage earners

	Natives	Chinese Immigrants	Other Asian Immigrants	White Immigrants
Monthly wage	20399.47	13654.86	28761.75	82463.49
Years of schooling	11.07	8.63	12.66	15.59
- in the home country		7.53	12.04	14.84
- in Hong Kong		1.11	0.62	0.75
Experience	19.32	28.95	17.91	19.27
Experience square	508.07	988.16	439.28	458.13
Married in %	57.05	82.65	75.27	68.25
Large Manager in %	6.49	2.71	25.27	30.16
Small Manager in %	4.36	3.30	10.75	6.35
Age at migration		26.01	30.25	32.05
Years since migration		17.57	6.32	8.81
Age	36.38	43.58	36.57	40.86
Lambda	0.19	0.24	0.18	0.18
Wage earner	6473	3579	186	63

Table 2. Estimated log wage equation in year 2001, Male earners, sample bias

completed

	Natives	Chinese Immigrants	Other Asian Immigrants	White Immigrants
Constant	7.40 *	8.23 *	8.35 *	7.61 *
	(162.98)	(107.41)	(5.23)	(7.92)
Years of schooling				
- in the home country		0.05 *	0.08	0.21*
		(16.86)	(1.08)	(4.27)
- in Hong Kong	0.12*	0.70*	0.18	0.14
	(45.94)	(11.09)	(0.58)	(1.91)
Total years of experience	0.06*	0.04*	-0.00	-0.01
	(16.67)	(4.42)	(-0.02)	(-0.13)
Exp squ.*100	-0.09 *	-0.06 *	0.04	0.06
	(-13.56)	(-5.11)	(0.15)	(0.64)
Married	0.24 *	0.11 *	0.91	0.05
	(11.41)	(3.33)	(0.48)	(0.24)
Manager in large firm	0.59 *	1.03 *	1.20	0.41 *
	(17.50)	(14.40)	(1.20)	(2.41)
Manager in small firm	0.65 *	0.70	3.84	-0.63*
	(4.06)	(1.72)	(0.46)	(-2.13)
Lambda	-0.68*	-0.26	-6.61	-0.36
	(-2.68)	(-0.60)	(-0.39)	(-0.69)
Adjusted R ²	0.53	0.26	0.51	0.40
F _{stat}	1034.20	162.07	25.01	6.25

T-statistics presented in parentheses. *Statistically significant at the 1% level.

The two tables are the means and the results of year 2001 using the same approach used in this paper. At the beginning, we would like to compare if there are differences between the two samples (year 2001 and year 2006). However, the sample size in year 2001 is too small which results in quite a number of insignificant

variables for the other Asian immigrants and white immigrants. Unexpected signs of the variable, experience, are also resulted due to the small sample. So, we cannot compare the results.

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