

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Small Differences That Matter: Labor Markets and Income Maintenance in Canada and the United States

Volume Author/Editor: David Card and Richard B. Freeman

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-09283-6

Volume URL: <http://www.nber.org/books/card93-1>

Conference Date: Jan 23-25, 1991

Publication Date: January 1993

Chapter Title: Front matter, preface, table of contents

Chapter Author: David Card, Richard B. Freeman

Chapter URL: <http://www.nber.org/chapters/c11142>

Chapter pages in book: (p. -10 - 0)

# **SMALL DIFFERENCES THAT MATTER**



**LABOR MARKETS AND  
INCOME MAINTENANCE IN  
CANADA AND THE UNITED STATES**

Edited by  
**David Card & Richard B. Freeman**

National Bureau of Economic Research  
Comparative Labor Markets Series

---

# Small Differences That Matter



**NBER Comparative Labor Markets Series**  
*A National Bureau of Economic Research Series*  
Edited by Richard B. Freeman

---

# Small Differences That Matter

Labor Markets and Income  
Maintenance in Canada and the  
United States

Edited by **David Card and  
Richard B. Freeman**

Small Differences That Matter

---

DAVID CARD is professor of economics at Princeton University and a research associate of the National Bureau of Economic Research. RICHARD B. FREEMAN is professor of economics at Harvard University, program director of the National Bureau of Economic Research's Program in Labor Studies, and executive program director of the Comparative Labour Market Institutions Programme at the London School of Economics' Centre for Economic Performance.

The University of Chicago Press, Chicago 60637  
The University of Chicago Press, Ltd., London  
© 1993 by the National Bureau of Economic Research  
All rights reserved. Published 1993  
Printed in the United States of America

02 01 00 99 98 97 96 95 94 93 1 2 3 4 5  
ISBN: 0-226-09283-6 (cloth)

Library of Congress Cataloging-in-Publication Data

Small differences that matter : labor markets and income maintenance in Canada and the United States / edited by David Card and Richard B. Freeman.

p. cm.—(NBER Comparative labor markets series)

Includes bibliographical references and index.

1. Labor market—Canada. 2. Labor market—United States.
3. Income maintenance programs—Canada. 4. Income maintenance programs—United States. I. Card, David E. II. Freeman, Richard B. III. Series.

362.5'82'0971—dc20  
HD5728.S54 1993

93-10513  
CIP

⊗ The paper used in this publication meets the minimum requirements of the American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials, ANSI Z39.48-1984.

---

## National Bureau of Economic Research

### Officers

George T. Conklin, Jr., *chairman*  
Paul W. McCracken, *vice chairman*  
Martin Feldstein, *president and*  
*chief executive officer*

Geoffrey Carliner, *executive director*  
Charles A. Walworth, *treasurer*  
Sam Parker, *director of finance*  
*and administration*

### Directors at Large

John H. Biggs	Martin Feldstein	Peter G. Peterson
Andrew Brimmer	George Hatsopoulos	Douglas D. Purvis
Carl F. Christ	Lawrence R. Klein	Robert V. Roosa
George T. Conklin, Jr.	Franklin A. Lindsay	Richard N. Rosett
Don R. Conlan	Paul W. McCracken	Bert Seidman
Kathleen B. Cooper	Leo Melamed	Eli Shapiro
Jean A. Crockett	Robert T. Parry	Donald S. Wasserman
George C. Eads		

### Directors by University Appointment

Jagdish Bhagwati, <i>Columbia</i>	James L. Pierce, <i>California, Berkeley</i>
William C. Brainard, <i>Yale</i>	Andrew Postlewaite, <i>Pennsylvania</i>
Glen G. Cain, <i>Wisconsin</i>	Nathan Rosenberg, <i>Stanford</i>
Franklin Fisher, <i>Massachusetts Institute of</i> <i>Technology</i>	Harold T. Shapiro, <i>Princeton</i>
Saul H. Hymans, <i>Michigan</i>	Craig Swan, <i>Minnesota</i>
Marjorie B. McElroy, <i>Duke</i>	Michael Yoshino, <i>Harvard</i>
	Arnold Zellner, <i>Chicago</i>

### Directors by Appointment of Other Organizations

Marcel Boyer, <i>Canadian Economics</i> <i>Association</i>	Charles Lave, <i>American Economic</i> <i>Association</i>
Rueben C. Buse, <i>American Agricultural</i> <i>Economics Association</i>	Rudolph A. Oswald, <i>American Federation of</i> <i>Labor and Congress of Industrial</i> <i>Organizations</i>
Richard A. Easterlin, <i>Economic History</i> <i>Association</i>	Dean P. Hyppers, <i>Committee for Economic</i> <i>Development</i>
Gail Fosler, <i>The Conference Board</i>	James F. Smith, <i>National Association of</i> <i>Business Economists</i>
A. Ronald Gallant, <i>American Statistical</i> <i>Association</i>	Charles A. Walworth, <i>American Institute of</i> <i>Certified Public Accountants</i>
Robert S. Hamada, <i>American Finance</i> <i>Association</i>	

### Directors Emeriti

Moses Abramovitz	Gottfried Haberler	George B. Roberts
Emilio G. Collado	Geoffrey H. Moore	William S. Vickrey
Thomas D. Flynn	James J. O'Leary	

---

## **Relation of the Directors to the Work and Publications of the National Bureau of Economic Research**

1. The object of the National Bureau of Economic Research is to ascertain and to present to the public important economic facts and their interpretation in a scientific and impartial manner. The Board of Directors is charged with the responsibility of ensuring that the work of the National Bureau is carried on in strict conformity with this object.

2. The President of the National Bureau shall submit to the Board of Directors, or to its Executive Committee, for their formal adoption all specific proposals for research to be instituted.

3. No research report shall be published by the National Bureau until the President has sent each member of the Board a notice that a manuscript is recommended for publication and that in the President's opinion it is suitable for publication in accordance with the principles of the National Bureau. Such notification will include an abstract or summary of the manuscript's content and a response form for use by those Directors who desire a copy of the manuscript for review. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied, the character of the data and their utilization in the report, and the main conclusions reached.

4. For each manuscript so submitted, a special committee of the Directors (including Directors Emeriti) shall be appointed by majority agreement of the President and Vice Presidents (or by the Executive Committee in case of inability to decide on the part of the President and Vice Presidents), consisting of three Directors selected as nearly as may be one from each general division of the Board. The names of the special manuscript committee shall be stated to each Director when notice of the proposed publication is submitted to him. It shall be the duty of each member of the special manuscript committee to read the manuscript. If each member of the manuscript committee signifies his approval within thirty days of the transmittal of the manuscript, the report may be published. If at the end of that period any member of the manuscript committee withholds his approval, the President shall then notify each member of the Board, requesting approval or disapproval of publication, and thirty days additional shall be granted for this purpose. The manuscript shall then not be published unless at least a majority of the entire Board who shall have voted on the proposal within the time fixed for the receipt of votes shall have approved.

5. No manuscript may be published, though approved by each member of the special manuscript committee, until forty-five days have elapsed from the transmittal of the report in manuscript form. The interval is allowed for the receipt of any memorandum of dissent or reservation, together with a brief statement of his reasons, that any member may wish to express; and such memorandum of dissent or reservation shall be published with the manuscript if he so desires. Publication does not, however, imply that each member of the Board has read the manuscript, or that either members of the Board in general or the special committee have passed on its validity in every detail.

6. Publications of the National Bureau issued for informational purposes concerning the work of the Bureau and its staff, or issued to inform the public of activities of Bureau staff, and volumes issued as a result of various conferences involving the National Bureau shall contain a specific disclaimer noting that such publication has not passed through the normal review procedures required in this resolution. The Executive Committee of the Board is charged with review of all such publications from time to time to ensure that they do not take on the character of formal research reports of the National Bureau, requiring formal Board approval.

7. Unless otherwise determined by the Board or exempted by the terms of paragraph 6, a copy of this resolution shall be printed in each National Bureau publication.

*(Resolution adopted October 25, 1926, as revised through September 30, 1974)*

---

# Contents

	Preface	ix
	<b>Introduction</b>	1
	David Card and Richard B. Freeman	
1.	<b>Immigration Policy, National Origin, and Immigrant Skills: A Comparison of Canada and the United States</b>	21
	George J. Borjas	
2.	<b>Skill Differentials in Canada in an Era of Rising Labor Market Inequality</b>	45
	Richard B. Freeman and Karen Needels	
3.	<b>Unions and Wage Inequality in Canada and the United States</b>	69
	Thomas Lemieux	
4.	<b>Unionization in Canada and the United States: A Tale of Two Countries</b>	109
	W. Craig Riddell	
5.	<b>A Comparative Analysis of Unemployment in Canada and the United States</b>	149
	David Card and W. Craig Riddell	
6.	<b>Responding to Need: A Comparison of Social Safety Nets in Canada and the United States</b>	191
	Rebecca M. Blank and Maria J. Hanratty	

7.	<b>The Distribution of Family Income: Measuring and Explaining Changes in the 1980s for Canada and the United States</b>	233
	McKinley L. Blackburn and David E. Bloom	
	Contributors	267
	Author Index	269
	Subject Index	273

---

# Preface

This volume contains seven papers that explore and compare labor market and income maintenance policies and outcomes in the United States and Canada. The papers are the result of a comparative project on social policy and the labor market, executed as part of the program on United States-Canada comparative social policy of the William H. Donner Foundation, New York. We thank the William H. Donner Foundation for its support, and William T. Alpert, who served as program officer for this project, for his support and encouragement.

Six of the papers were presented at a conference held in Ottawa, Canada, 24–25 January 1991. We thank the many conference participants, and particularly the six discussants, for their valuable inputs to this project.

