7 Immigrant Women and Earnings Inequality in Canada

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The existence of a gender wage gap in the Canadian labour market is undeniable. In 2003 the average earnings of women were 63 per cent of their male counterparts' (Statistics Canada 2006). Wage disadvantages for the foreign-born and visible-minority populations also are well documented (Aydemir and Skuterud 2005; Boyd 1992; Basavarajappa and Halli 1997; Basavarajappa and Jones 1999; Hum and Simpson 1999; Li 2000, 2001; Palameta 2004; Pendakur and Pendakur 1998, 2000, 2002; Reitz 2001; Smith and Jackson 2002; Swindinsky and Swindinsky 2002). These inequalities fuel increasing interest in the 'triply disadvantaged,' that is, visible-minority immigrant women, who suffer the brunt of the negative cumulative effects of being female, a visible minority, and foreign born, and who are consistently the lowest earners in the Canadian labour market.

Research on the earnings of immigrant women in general and on the 'triply disadvantaged' varies considerably in methodology, in disciplinary origins, in data sources, in the groups studied, and in research design. Although there exist highly informative studies of particular groups of visible-minority women in specific settings (Das Gupta 1996; Calliste 2000; Daenzer 1993; Ng et al. 1999; Stasiulus and Bakan 2005), most investigations on earning inequalities are conducted by economists and sociologists who rely on census data or other Statistics Canada surveys, and who analyse such data with multivariate statistical techniques. The analysis of large data sets and the use of statistics are motivated by three considerations: first, data sets like the census of population are based on the principle of complete enumeration of the Canada population. As a result, such data offer information on large numbers of people, making it possible to

study the earnings of small groups. Second, once the data are released into the public domain, access is assured; consequently, research results can be produced quickly, obviating the need for a long time frame to field a survey or conduct interviews. Third, the policy arena is highly influenced by studies that appear to have robust findings, and that can be generalized to all Canadians. These considerations have had a twofold effect: first, quantitative studies dominate in the field of earnings inequalities and, second, a large number of studies now exist on the earnings gap by gender, by visible-minority status, and immigrant status as well as on the earnings of those who are triply disadvantaged by all three dimensions.

This large body of census- and survey-based research itself is quite heterogeneous, varying in the time frame, specific focus, target groups under investigation, statistical methods, and variables used in the statistical analysis. Nonetheless, from these studies several core questions emerge with respect to the earnings of immigrant women. First and foremost, does a wage disadvantage exist for these women and, more specifically, is there evidence of a triple disadvantage in the earnings of visible-minority immigrant women? Second, if yes, what are the magnitudes of the disadvantages, and what are the fluctuations in size over time, particularly over successive immigrant cohorts? Third, does gender, ethnicity, or nativity matter more in accounting for the wage differentials between foreign-born visible-minority women and others in Canada? Fourth, and alternatively, does the combination of these three statuses create an earnings penalty that is greater than that from just summing up the separate impacts (Boyd 1984; Epstein 1973)? Fifth, through what processes are wage disadvantages for the triply disadvantaged created? Here, the possibilities considered in studies range from overt discrimination to those earnings disadvantages that result from variations in wage-productivity-related factors along gendered, ethnic, or native lines. Sixth and finally, given the growing concern over the economic consequences of being 'triply disadvantaged,' what is the impact of recent policy responses to employment-based inequalities?

Answering these questions is the core objective of this chapter. We accomplish this task through a comprehensive review and summary of existing studies. Because so much of this literature assumes a familiarity with the basic methods and logic of analysis used by these studies, we begin with a short orienting overview of the general approach to such quantitative analyses. Then, we summarize the general findings regarding the wage disadvantage, taking note of the tremendous

heterogeneity found in widely defined populations such as visible minorities, and asking whether the gap between the 'triply disadvantaged' and other comparative groups has widened or narrowed over the past several decades. Next, we discuss some of the explanations of the factors and processes that contribute to this phenomenon, particularly considering the complex dynamics between gender, ethnicity, and nativity. In the last section, we briefly outline the existing policies and ask if they can remedy the earnings inequalities between visible minority, immigrant women, and other groups in the Canadian economy.

Quantitative Studies of Earnings in Canada: Or Everything Your Statistics Professor Wanted You to Know

Earnings gaps assume that the earnings of individuals in a specified group 'S' are compared with the earnings of those in group 'P.' As noted elsewhere in this chapter, one of the first questions to ask when discussing the labour-market earnings of visible-minority immigrant women is 'With whom should they be compared?' If the interest is in the relative earnings of all immigrant women, should these earnings be compared to those of Canadian-born women, or to those of foreign-born men or Canadian-born men?

The number of possible comparisons increases further when race and ethnicity are factored in. Table 1 indicates the appropriate comparison groups when the dimensions of difference are nativity, race or ethnicity, and gender. If the interest is in the relative earnings of immigrant visible-minority women (A), should they be compared with non-visible-minority foreign-born women (B), Canadian-born visible-minority women (C), or not-visible minority Canadian-born women (D)? Or should they be compared to those of men, and if so, to those of the highest-earning group in Canadian society, namely, Canadian men who are not visible minorities (Z)? As discussed in later sections, answers vary across research studies, but usually (A) is compared with (D) and, to a lesser extent, with (Z).

With the comparison group selected, the challenge in most quantitative studies of earnings differentials is not that they exist but rather how to explain them. A variety of statistical methods are used; usually, but not always, ordinary least squares (OLS) regression, commonly referred to as regression analysis and, increasingly, quartile regression. All rely on a basic representation in which earnings are explained by a set of variables:

Table 7.1 Different comparison groups for earnings

	Foreign-born		Canadian-born	
	Visible minority	Not visible minority	Visible minority	Not visible minority
Women	A	B	C	D
Men	W	X	Y	Z

Earnings = (variable 1, variable 2, variable 3, and so on)

The variables ought to be determined by what one thinks are the most important explanations. In actuality, if researchers have had no input into information collected in a particular set of data, they are limited to the variables in that data set, and thus are limited to a particular set of explanations. The Canadian census and many large surveys collect good information on the socio-economic and family characteristics of respondents. However, they do not collect information that documents the process of hiring, job placement, promoting, or paying, any of which can be discriminatory. Thus, census data can tell us if earnings inequalities are an outcome of the characteristics of (A) compared to (D) or (X), in such areas as education, age, or size of community, or whether inequalities persist after statistical techniques adjust for the different factors. But census data (and many other surveys) cannot show whether employers are prejudicial and refuse to hire a particular group of people or insist on paying them less. The analyses can only tell us if different earnings persist after taking into account other factors known to influence earnings. Unequal outcomes may persist because of employer discrimination, but they also may reflect other factors not included in the analysis, such as working in a small firms where pay levels are lower rather than in large firms with higher pay rates.

This constraint on how the earnings process is conceptualized is incorporated into quantitative analyses. In this chapter we are interested in the earnings of immigrant visible-minority women. The simplest representation of this is:

Earnings = (Z)+(Y)+(X)+(W)+(A)+(B)+(C)+(D)

Now, assume that one thinks that different groups have different levels of education and that is the reason for the earnings gaps between (Z) and (A) or (D) and (A). Researchers would add education into the representation, coming up with:

Earnings = (Z)+(Y)+(X)+(W)+(A)+(B)+(C)+(D)+Education

In this case, the values of Z,Y,X,W,A,B,C,D would change because the

results would be those that would exist if one *adjusted* for the effects of educational differences between the groups.

In many studies reported here, earnings have been adjusted for group differences in variables such as age, place of residence (thought to reflect local economies and, hence, job and earnings opportunities), language skills, education, occupations, industry of employment, weeks worked, and immigrant's length of time in Canada. In such studies, the overall strategy is to focus on those differences in earnings that remain after adjustments. Again, interpretations of results differ: some analysts interpret the remaining differences as reflecting discrimination, or at least signalling the possible existence of discrimination, while others do not (see Gunderson 2006).

In addition, some studies examine the impact of variables known to affect earnings separately for various groups of interest. For example, if we wanted to know if visible-minority immigrant women (group A) get the same pay increases for having university degrees as do non-visible Canadian-born women (group D), the representation would be:

Earnings of (A) = $ED_{(a)}$, where $ED_{(a)}$ is whether or not (A) has bachelor's degree

Earnings of (D) = $ED_{(d)}$, where $ED_{(d)}$ is whether or not (D) has bachelor's degree

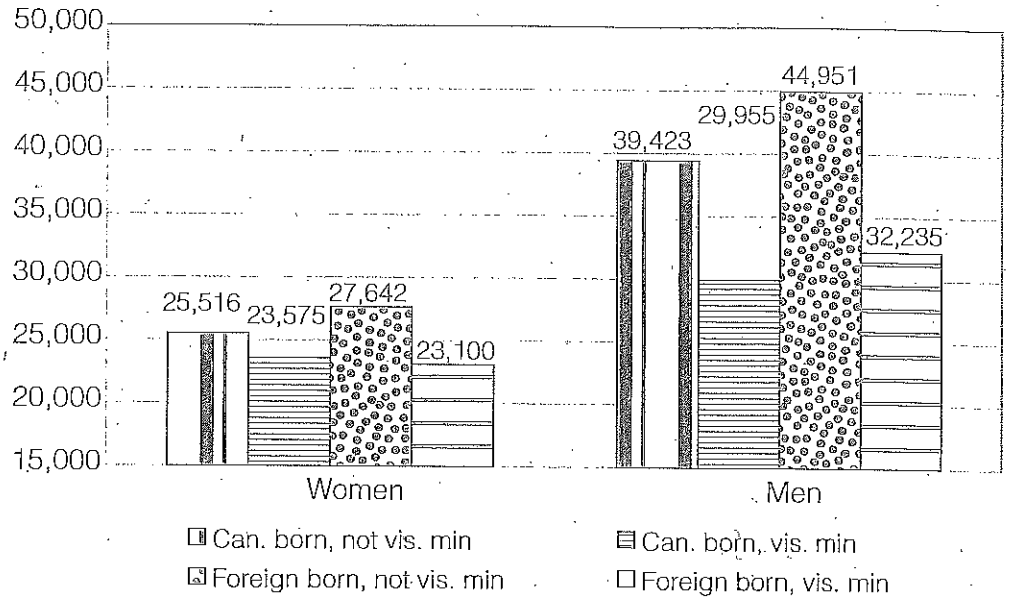
In this case, researchers would be interested in whether or not the effect of $ED_{(a)}$ on earnings was less than the effect of $ED_{(d)}$. Here too, some analysts interpret differences between $ED_{(a)}$ and $ED_{(d)}$ as barriers in the utilization of education on the job, while others see them as indicating discrimination.

Immigrant Visible-Minority Women: Lower Earnings and by How Much?

Most of the studies that form the backbone of this chapter use information about the earnings of immigrant women in the mid-1980s through the mid-1990s. Before turning to these studies, we update the most basic of findings, asking, What are the current earnings of immigrant women? Using data from the 2001 Canadian census of population, figure 7.1 shows that, while gender differences exist, within each male and female population, Canadian-born and foreign-born non-visible groups are similar in earnings to Canadian-born and foreign-born visible-minority groups. Thus, the basis axis of difference appears to be visible-minority rather than immigrant status.

However, these patterns reflect the age, the settlement patterns, and,

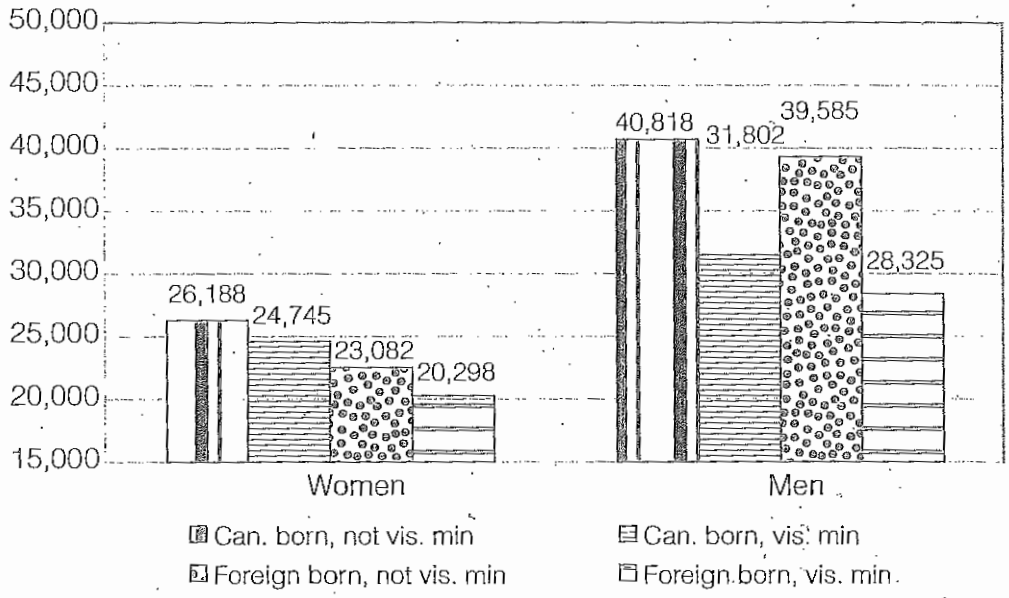
Figure 7.1 Average wage, salary, and self-employment earnings by nativity and gender, age 20–64, working one week or more in 2000, Canada



Source: Statistics Canada. 2001 Census Public Use Microdata File. Tabulations prepared especially for this chapter by the first author.

to a lesser extent, the educational characteristics that exist between the eight groups represented in the chart. For example, of those aged 20–64 who worked one or more weeks in 2000, close to half of the visible-minority immigrant population was living in Toronto rather than in other communities, compared to fewer than one-third of the non-visible-minority immigrant population and about one in ten of the Canadian-born non-visible-minority population. As discussed elsewhere, these group differences in geographical location, particularly when one group, such as the foreign born, lives in a high-wage-rate area, can mask the sizeable differences in earnings that actually exist (Boyd 1992). Figure 7.1 shows the results of a hypothetical exercise in which all groups must have the same age, the same percentages living in Toronto or not, and the same educational distribution. These adjusted earnings clearly show that immigrant women have lower earnings than their Canadian-born counterparts or as compared with men. Foreign-born visible-minority women have the lowest earnings of all. (The level of earnings and the magnitude of differences between groups will change if the analysis also takes into account other factors such as number of weeks worked and if employment was full time or part time.)

Figure 7.2 Adjusted* wage, salary, and self-employment earnings by nativity and gender, age 20–64, working one week or more in 2000, Canada



* Assumes that all groups have the same distributions with respect to age, living in Toronto or not, and education.

Source: Statistics Canada. 2001 Census Public Use Microdata File. Analysis and tabulations prepared especially for this chapter by the first author.

Previous studies also confirm the existence of the 'triply disadvantaged.' In studies that analyse earnings differentials along gender, nativity, and ethnicity lines, foreign-born women of visible-minority status consistently have the lowest actual and adjusted earnings out of all comparative groups (e.g., Boyd 1999; Li 2000; Pendakur and Pendakur 1998, 2002; Shamsuddin 1998). However, while there is general consensus that a wage disadvantage exists, there are significant variations among visible-minority subgroups that make up the aggregate composite of the 'triply disadvantaged.' For example, one study found that, in adjusted earnings, there are almost no wage differentials between Chinese and non-visible-minority women, while there is a significant earnings disparity between black and non-visible-minority women (Swidinsky and Swidinsky 2002). Another study found that Asian ethnicity is not consistently negative for earnings, given that the economic costs associated with foreign birth are not significantly larger for Asian

female immigrants than for their European counterparts (Lee 1999). Nevertheless, in spite of these ethnic-subgroup variations, immigrant visible-minority women as a whole fare poorly compared to their non-visible-minority counterparts: their earnings gap from Canadian-born non-visible-minority women is almost twice as large (Pendakur and Pendakur 2000).

Having established the existence of a wage disadvantage, most of the existing research seeks to determine its magnitude, albeit with contested findings (Boyd 1992; Basavarajappa and Jones 1999; Hum and Simpson 1999; Lee 1999; Li 2000, 2001; Pendakur and Pendakur 1998, 2000, 2002; Shamsuddin 1998; Swidinsky and Swidinsky 2002; Wanner and Ambrose 2003). In one study, using the 1996 census, the earnings disparity between visible-minority immigrant women and Canadian-born non-visible-minority men was estimated at 55 to 66 per cent, depending on the Census Metropolitan Area (Li 2000). This study compared the earnings of immigrant visible-minority women with those of non-visible-minority men, the ultimate reference group for ascertaining the degree to which the 'triply disadvantaged' are truly disadvantaged by the combined negative effects of gender, nativity, and ethnicity. However, most studies are typically limited to analysing data along only two axes of comparison – nativity and ethnicity *among women* – with varying results. For example, using the 1991 census, Pendakur and Pendakur (1998) found that the double negative effect of being foreign born and of a visible minority accounted for approximately 9 per cent of lower earnings among women. In the same study, using ethnicity as the main independent variable, they also found no significant difference between the earnings of visible minorities and non-visible minorities, when the samples of the Canadian-born and immigrant women were pooled (ibid.). By contrast, Shamsuddin (1998), who focused on the effects of nativity, found that foreign-born women, regardless of ethnicity, generally had 11 to 19 per cent lower earnings owing to their immigration status.

To further complicate the matter, the effect of visible-minority status varies substantially according to nativity. Using the 1991 census, Basavarajappa and Jones (1999) found that immigrant non-visible-minority women had an earnings *advantage* of approximately 8 per cent over their visible-minority counterparts, while Canadian-born non-visible minorities actually had an earnings *disadvantage* of approximately 10 per cent over their visible-minority counterparts. Even in these results, there is significant heterogeneity by detailed ethnicity, as

illustrated in a study conducted by Pendakur and Pendakur (1998). Among Canadian-born women, only those of Greek and Aboriginal origins faced an earnings penalty in comparison to those of British origin, while the other non-visible-minority and visible-minority ethnic subgroups did not suffer a clear earnings disadvantage. Among immigrant women, none of the non-visible-minority ethnic subgroups faced an earnings penalty, while among the visible minorities, those of black, Vietnamese, and West Asian origins did.

Another trend that confounds the magnitude of the earnings disadvantage of immigrant visible-minority women is the *gendered* interaction effect of nativity and ethnicity. Some studies have found that although immigrant visible-minority women remain the lowest earners as a whole, the earnings penalty associated with being foreign-born and a visible minority is much higher for men than women (Boyd 1992; Basavarajappa and Jones 1999; Hum and Simpson 1999; Swidinsky and Swidinsky 2002). As Swidinsky and Swidinsky point out, based on data from the 1996 census, labour-market disadvantages associated with visible-minority status are largely confined to immigrant men, especially among those who were older at the time of immigration. Moreover, as Basavarajappa and Jones (1999) determined, using the 1991 census, in spite of the significant earnings penalties faced by both visible-minority immigrant men and women, compared to their non-visible-minority counterparts, there was a wide gender disparity in the size of this penalty: for women it was 8 per cent, while for men it was 30 per cent. Other studies indicate that nativity is more significant for explaining the low earnings of immigrant visible-minority women, while ethnicity is more associated with the lower earnings of visible-minority men, regardless of immigration status, compared to their respective non-visible-minority counterparts (Boyd 1992; Hum and Simpson 1999; Pendakur and Pendakur 1998). Boyd (1992) observes that one explanation for these diverse findings by gender may be found in the compressed wages of women relative to men. Women are not as commonly found in the high-earnings range as are men. Thus, inequalities within the female population may be smaller than within the male population.

These complicated and often contested findings have resulted in two main camps of thought: those who have found the earnings disadvantage to be minimal or inconsistent given the heterogeneous, even contradictory, results across gender and specific ethnic groups (Hum and Simpson 1999; Pendakur and Pendakur 1998, 2000, 2002; Swidinsky

and Swidinksy 2002), and those who have found a substantial and stable degree of earnings disparity (Boyd 1992; Li 2000, 2001; Smith and Jackson 2002) between immigrant visible-minority women and other groups.

Variations in Earnings Inequalities over Time

Another point of contention regarding the statistics on gender wage inequality is the amount of fluctuation in this earnings disparity over time. Most studies (e.g., Aydemir and Skuterud 2005; Reitz 2001; Schellenberg 2004) show that there has been a *widening* of the earnings gap between foreign-born, particularly recent arrivals, and native-born individuals (both men and women) over successive immigrant cohorts since the 1960s. In one study, using baseline estimates that control for unemployment rates, labour-market experience, and years of schooling, the full-time, full-year entry earnings for immigrant women who arrived between 1995 and 1999 were, on average, 22 per cent lower than for those who arrived thirty years earlier (Aydemir and Skuterud 2005). Some studies show that this overall decline in relative entry earnings for recent immigrants has had a greater effect on women than men (Reitz 2001; Schellenberg 2004). A possible reason for this widening earnings gap is that recent immigrants, particularly women, are more likely to be trapped in low-wage jobs (Schellenberg 2004).

A few studies also show a widening earnings gap between visible minorities and their non-visible counterparts, at least among the Canadian-born, since the 1970s (e.g., Pendakur and Pendakur 2000, 2002). However, while visible-minority men have always suffered a disadvantage, visible-minority women once had a significant earnings advantage over their non-visible counterparts, and this has only deteriorated over the past two decades (Pendakur and Pendakur 2002).

Nevertheless, other studies provide a more mixed and even optimistic picture regarding the relative entry earnings of recent immigrants in comparison to their predecessors (e.g., Pendakur and Pendakur 1998; Smith and Jackson 2002). As one study suggests, there is no evidence of a significant entry earnings decline for more recent female immigrant cohorts except for some Southern European groups. However, there has been a significant decrease in the entry earnings of recent male immigrant cohorts since the 1980s (Pendakur and Pendakur 1998). Another study suggests that although the earnings gap between recent immigrants and other Canadians persists, it has

narrowed over time; notably, the period of economic recovery during the mid-to-late 1990s substantially levelled off employment and income opportunities for all groups, including immigrant cohorts: in other words, 'the rising tide did lift all boats' (Smith and Jackson 2002, 1). This was particularly true for recent immigrant women who, in spite of their enduring economic disadvantages, managed to secure more weeks of work and higher wages at a rate that outpaced other comparative groups (Smith and Jackson 2002). Moreover, there seems to be a convergence in the earnings of native-born and foreign-born women over the entire career span (Pendakur and Pendakur 1998; Wanner and Ambrose 2003). When the earnings of successive female immigrant cohorts are tracked as they age, it seems that they 'catch up' with their native-born counterparts, thereby achieving some degree of earnings parity.

In sum, several unresolved issues that exist in research on the earnings disparity between immigrant women, particularly those of visible-minority status, and other groups include its existence, magnitude, and fluctuation over time. There is general consensus that immigrant visible-minority women do earn substantially less than other comparative groups, thus validating their label as the 'triply disadvantaged.' However, there is disagreement over the magnitude of this disadvantage, which varies according to the groups singled out for study, and its fluctuations over time, although more studies suggest that it has widened for more recent immigrant cohorts.

Explaining the Lower Earnings of Immigrant Visible-Minority Women

In explaining the earnings disparity of immigrant visible-minority women, one of the first questions asked is whether gender, nativity, or ethnicity matters more in creating this disadvantage. Given the pervasively gendered nature of the Canadian labour market, gender is assumed to matter 'most' in the existing research, and most studies separate men and women, with very few cross-comparisons. Within these parameters, the literature contests the significance of nativity versus ethnicity as the primary basis for this wage disadvantage.

There is a general consensus that nativity matters more than ethnicity, at least for immigrant visible-minority women (e.g., Boyd 1992; Lee 1999; Hum and Simpson 1999; Pendakur and Pendakur 1998, 2000; Warner and Ambrose 2003). Studies agree that immigration status has a

greater effect than visible-minority status on the wage disadvantage of foreign-born visible-minority women . Some even suggest that visible-minority status is an insignificant factor in the lower earnings of immigrant women (Hum and Simpson 1999; Wanner and Ambrose 2003). However, in some cases, ethnicity – namely, visible-minority status – does seem to matter. One study argues that while labour-market discrimination against non-visible minorities is culturally contingent (e.g., access to employment and earnings opportunities are limited by their remaining in ethnic enclaves or using solely non-English/non-French languages), discrimination against visible-minority immigrants tends not to be culturally contingent, thereby suggesting that discrimination is based on skin colour alone (Reitz and Sklar 1997).

Most studies do not entirely dismiss the effect of ethnicity, conceding, rather, the notion of a dynamic interplay between gender, nativity, and ethnicity. (e.g., Boyd 1992, 1999; Li 2000, 2001). Many argue that the 'triple disadvantage' is not an outcome of the additive effects of these variables, but the consequence of the unique *interaction* between these variables, from which their individual impact cannot be separated or reduced. As a result, the compounding effects of these variables lead to a chain reaction that ultimately leads to an earnings disparity. To illustrate, one study that examines the relationship between language proficiency and earnings argues that immigrant visible-minority women are more likely to have lower levels of language proficiency in English and French (i.e., Canada's official languages) as opposed to visible-minority women and immigrant women separately; thus, they are also more likely to experience lower levels of labour-force participation and earnings (Boyd 1992). However, another study, which also illustrates the complex interactions of gender, racial origins, and nativity on earnings, cautions that at low level of earnings the additional negative effects of racial origin are less apparent (Li 2000).

There are several interesting findings regarding the complex ways in which these variables interact. For one, gender has a two-way effect: being female can either *buffer against* or *exacerbate* the wage disadvantage as related to visible-minority or immigrant status. In cases when being female is a buffer, studies have found that visible-minority status penalizes men more than women, compared to their non-visible-minority counterparts, in terms of income and labour-market opportunities (Palameta 2004; Pendakur and Pendakur 2000; Swindinsky and Swindinsky 2002). Sometimes, this degree of income disadvantage by visible-minority status can differ by a margin of more than 20 per cent

for men than women (Basavarajappa and Jones 1999). However, other research finds that being female exacerbates the negative effects of immigrant status on wages, so that the disadvantages associated with foreign birth are higher for women than for men (Hum and Simpson 1999). Some studies also suggest that nativity conditions the interaction of gender, visible-minority, and immigration status. In particular, being Canadian-born seems to absorb the wage disadvantages associated with being female *and* a visible minority. Basavarajappa and Jones (1999) point out that among women, visible-minority status actually produces an income advantage of approximately 10 per cent for the native-born, while it confers a disadvantage of over 8 per cent for the immigrant.

Given the complex and dynamic interplay of gender, nativity, and visible-minority membership, what are the processes that produce earnings disadvantages? A few studies have suggested direct discrimination in terms of racism, sexism, and birthplace discrimination (Boyd 1992; Pendakur and Pendakur 1998; Shamsuddin 1998). As has been noted above, one study argues that limited labour and income opportunities for visible-minority immigrants, including women, are not culturally contingent – that is, related to cultural barriers such as lack of language proficiency or living in an ethnic enclave – implying that discrimination is based on skin colour alone (Reitz and Sklar 1997).

However, most of the literature points to less pervasive processes, given the heterogeneity of wage levels across comparative groups by nativity, race/ethnicity, and gender. Some analysts insist that various forms of discrimination in the Canadian labour market persist, albeit in less explicit terms, such as, for example, the devaluation of foreign work experience. One study found that among more recent immigrants, the income disadvantage of visible minorities over their non-visible counterparts was largely due to the unfair assessment of their prior work experience abroad (Basavarajappa and Jones 1999). Another found that immigrant women, more than their male counterparts, suffered from the declining returns to foreign work experience (Aydemir and Skuterud 2005).

An even more frequently documented form of systemic discrimination is the under-recognition of foreign educational credentials. Professional and technical degrees gained abroad are deemed unequal to those gained in Canada; this results in an immediate loss of human capital on entry for immigrants. And these adverse effects are aggrandized, based on gender and racial origins. As Li (2001) argues, the joint

negative effects of immigrant status and possession of a foreign educational degree are most severe for visible-minority women and least severe for white men (also see Boyd 1994). In fact, most studies agree that place of schooling is a more significant predictor of the earnings gap faced by immigrant visible-minority women than it is for their male counterparts. One study found that while education in the United States or the United Kingdom does not necessarily benefit immigrant women, as it does men (men receive about a 13 per cent bonus with a degree from either country), those who receive degrees from non-Western parts of Europe, Asia, and Africa suffer an earnings penalty of 6 to 8 per cent, compared to those educated in Canada, versus a 1 to 6 per cent penalty for their male counterparts (Pendakur and Pendakur 2000). There is further evidence that place of schooling, rather than immigration status alone, significantly accounts for immigrant earnings differentials among women. While there is a gradual convergence in occupational attainment and earnings between native-born and immigrant visible-minority women, there continues to be a lack of career mobility for those in the latter group who are educated abroad (Boyd and Kaida 2005; Wanner and Ambrose 2003).

In fact, the low and declining value of foreign education seems to have accelerated for women over the past two decades, and the overall decline in relative earnings for immigrant women with foreign degrees, compared to those with Canadian degrees, is larger than for their male counterparts (Reitz 2001). A possible reason for the greater difficulty faced by immigrant women in having their foreign degrees recognized is that many primary immigration applicants (most often men) are likely to have jobs prearranged upon entry into Canada and thus, concomitantly, have their foreign credentials recognized. If women arrive as sponsored dependents (more often the case), they are not screened on the basis of educational qualifications, and thus are less likely to have their credentials properly recognized after arrival (Pendakur and Pendakur 1998, 2000).

Apart from discrimination, some argue that wage disadvantages for marginalized groups stem from their less 'competitive' standing in productivity-related determinants in terms of human capital, work activity, occupational distribution, and other personal socio-demographic factors (Boyd 1992; Basavarajappa and Jones 1999; Pendakur and Pendakur 2000; Smith and Jackson 2002; Swidinsky and Swidinsky 2002). With respect to human capital, several studies have focussed on language proficiency in English or French as perhaps the most important variable

for economic well-being (Aydemir and Skuterud 2005; Boyd 1992; Lee 1999). For example, Boyd (1992) found that wage and employment levels substantially decline as language skills decrease; this, in turn, is often associated with foreign birth or visible-minority status. More importantly, she identifies the sequence in which the labour-market disadvantages of low language proficiency accumulate: for example, immigrant visible-minority women who have low levels of language proficiency are also more likely to have the lowest levels of education, which, in turn, contributes to the lowest rates of labour-force participation and the highest percentages in low-skilled occupations, and therefore results in the lowest earnings. In terms of work-activity variables, it appears that the earnings penalty experienced by immigrant women, particularly visible minorities, is significantly accounted for by their fewer weeks worked and mostly part-time status (Basavarajappa and Jones 1999; Pendakur and Pendakur 2000; Swidinsky and Swidinsky 2002). Interestingly, although controlling for work-activity variables substantially narrows the earnings gap between visible minorities and their non-visible counterparts, at least among immigrant women, the gap persists among immigrant men (Swidinsky and Swidinsky 2002). A study conducted by Pendakur and Pendakur (2000) that considered occupational distribution had similar findings: here, the earnings disadvantage of Canadian-born visible-minority and immigrant non-visible-minority women disappeared once occupation and industry were controlled. However, their male counterparts still faced a substantial earnings penalty even after adjusting for occupational distribution. Finally, socio-demographic factors, including place of residence, age, marital status, and family size, also contribute to variations in levels of earnings. Yet as many studies concede, even after these factors are taken into account, a strong pattern of visible-minority and immigrant wage disadvantage remains, particularly among women (e.g., Boyd 1992).

A few studies suggest that the impact of entry labour-market conditions (e.g., high unemployment rates during periods of economic recessions) affects the earnings of recent entrants, including recent immigrant cohorts. By controlling for these conditions, which influence wage levels across nativity groups, one study found that one-half of the earnings gap between recent immigrant cohorts of women and other female workers (including the native-born and earlier immigrants) was accounted for (Aydemir and Skuterud 2005).

In sum, existing research on immigrant women's earnings offers myriad explanations for why they earn consistently less than other

mographic groups in the Canadian labour market. Commonly, three riables are considered: nativity, ethnicity, and gender. Although some idies have prioritized the effects of nativity *over* ethnicity, most of the erature points to the more salient interplay *between* all three variables. iis suggests that the earnings disadvantages associated with being lely female, a visible minority, or an immigrant do not merely ac- mulate. In other words, the 'triply disadvantaged' phenomenon be- mes entangled in the unique interaction between the three variables, id individual effects can neither be reduced nor separated. Moreover, me studies have posited ways in which these variables interact in an ideterminate and contextual manner. More specifically, a given vari- ble (such as gender) may buffer against the prevailing wage disadvan- ige in some circumstances while exacerbating it in others.

Other explanations of the low earnings of immigrant visible-minority women focus on the processes arising from this interaction between variables. While very few studies posit direct discrimination – whether acism, sexism, or birthplace discrimination – as the main process, nuch of the research points to less pervasive processes, including sys- emic discrimination in the form of devaluation of foreign work ex- perience, and under-recognition of foreign educational credentials. In iddition to discrimination, some research attributes the wage dis- idvantage to the lower standing of immigrant women, particularly visible-minority women, in such productivity-related criteria as hu- man capital (specifically, language proficiency), work activity levels, occupational distribution, and other personal socio-demographic fac- tors. Finally, a few studies have noted the impact of poorer labour- market entry conditions on the lower earnings of all recent entrants, native-born and immigrant alike.

Minding the Gap: Canada's Policy Levers

Given these findings of earnings inequalities that operate to the disadvantage of immigrant women, and visible-minority immigrant women in particular, what can be done to remove them? In the remainder of this chapter we answer this question by considering the existing policy responses at the government level.

Before we consider specific policy remedies, it should be noted that as a formalized set of procedures that seek to achieve specified goals, policies on economic inequalities often build on two key concepts: equality and equity. Equality exists when outcomes are the same; equity

exists when there is fairness in producing outcomes. These distinctions are important when discussing earnings inequalities and related policies. Equality and equity are not the same, even though the terms may be erroneously interchanged. To invoke an extreme example, if all Canadian workers in paid employment had exactly the same wages, salaries and self-employment income, earnings equality would exist; but the outcome would be inequitable since – under economic theory – some might be less productive than others who would work exceptionally hard. And some might not have the skills commensurate with the wage rate paid, while others would be over-skilled. In another extreme example, if inequalities existed in the earnings of workers, they might be 'fair.' For example, economic theory generally sees wages as linked to productivity. If a group of workers lack language skills or have lower levels of education that dampen productivity, then lower wages will result.

However, not all earnings differentials are equitable. Earnings inequalities often result from inequities somewhere in the system, and discrimination – discriminating among workers with the same set of skills and treating some differently – is a major form of inequity. Research about the earnings of immigrant women thus focuses on both issues: equality and equity. As our overview suggests, it is evident that earnings inequalities exist; why this is so includes explanations that emphasize the impact of economic downturns and note that foreign-born women differ in earnings-generating characteristics such as language proficiency. Other explanations emphasize unfair evaluations of the worth of immigrant women's labour. As discussed early in this chapter, census data and many large surveys do not observe – and therefore cannot document – the actual process of discrimination. But when studies show different and unfair assessments of prior work experience abroad, different and unequal earnings returns to educational credentials, and unequal outcomes that simply cannot be explained by other factors, then suspicions grow that unfair barriers exist.

Barriers to fair treatment exist outside the labour market, and these can impact on the earnings of immigrant women. For example, in the 1970s the Canadian federally funded language training programs privileged the training of male heads of household. The difficulty faced by immigrant women in obtaining federally funded language training increased the likelihood that they would lack language skills necessary for better-paying jobs. This policy was changed in the 1980s to include women, although it still is far from comprehensive (Boyd 1990, 1999;

Man 2004); however, the example from the 1970s indicates that a comprehensive attack on earning inequalities also needs to consider those barriers that exist outside the employment arena, but which nonetheless affect the earnings of immigrant women.

That said, the major policy levers that currently exist to diminish earnings inequalities in Canada focus on barriers within the labour market. One targets direct discrimination, the other two policies target systemic discrimination. The Canadian Human Rights Act (1978) addresses direct discrimination, where unfair treatment of one worker compared to another exists and where such treatment is prejudicial to individuals. Examples include paying someone less than another or inequitable promotion or hiring practices. This legislation uses a complaint-based approach, which presupposes that employees can identify the propagator of discrimination, and it focuses on making amends for the past in that it benefits only those filing complaints (Agocs 2002; Weiner 2002). Although it hypothetically can help improve the earnings of immigrant women, including visible-minority immigrant women, its extensive use as a tool for remedying earnings inequalities is likely to be undermined by the complaint-based approach, coupled with lengthy wait times before cases are heard.

Systemic discrimination refers to 'those patterns of organizational behaviour that are part of the social and administrative structure and cultural and decision-making processes of the workplace, and that create or perpetuate relative disadvantage for members of some groups and privilege for member of other groups' (Agocs 2002, 257–8). In studies of earnings, the persistence of inequality in opportunities for, and returns to, employment by gender, nativity, and race/ethnicity after productivity-related characteristics have been taken into account is frequently attributed to 'systemic discrimination.'

Canada's legislative redress to systemic discrimination in the labour market takes the forms of employment-equity and pay-equity programs. Employment- and pay-equity programs are systemic remedies to systemic discrimination; they involve proactive processes whereby employers are charged with responsibility for determining whether there is discrimination in their employment system, and if there is, they are charged with the responsibility for devising and implementing a remedy for it (Weiner 2002). Weiner points out that because discrimination is built into employment systems, it is difficult for employees to suspect, let alone determine, that employment systems are working in such a way as to put them in a position of relative disadvantage. Hence,

a proactive (as opposed to a complaint-based) approach is appropriate for redressing systemic discrimination.

Both programs recognize that earnings inequalities can be produced by unfairly segregating workers into different jobs with different job titles and then having higher wages for one set of jobs than for another. Pay-equity programs seek to remove this source of earnings inequality by defining equality in terms of job content: 'equal pay for work of equal value' indicates that jobs of equal value to the organization should be paid equivalently, regardless of whether the duties and responsibilities of the jobs are totally different (Weiner 2002). Employment-equity programs seek equality of employment opportunities by gender, race, and disability. In order to ensure this objective, employers that are part of this program are required to undertake the following tasks: to ascertain representation based on workplace surveys and correct underrepresentation; to identify and eliminate barriers to employment for members of designated groups; to ensure reasonable accommodation; to consult and collaborate with employees and their representatives; and to prepare an employment-equity plan, including both qualitative and quantitative objectives (Bakan and Kobayashi 2000). Although pay-equity and employment-equity programs differ, both work well together. As Gunderson (2002) notes with respect to basic male-female earnings differentials, with only employment-equity programs, women might be paid discriminatory wages; with only pay-equity programs, women might not be hired at all (also see Fortin 2002, Fortin and Huberman 2002).

In recent years, the federal government and a number of provinces have legislated pay-equity and employment-equity programs (Agocs 2002; Bakan and Kobayashi 2000; Leck 2002; Pay Equity Task Force 2004; Weiner 2002). Much has been written about the overall effectiveness of existing legislation and the need for improvements in new legislation (Agocs 2002; Jain and Lawler 2004; Leck 2002; Pay Equity Task Force 2004). However, from the perspective of immigrant women in general, and visible-minority immigrant women in particular, neither policy lever is explicitly proactive towards them. In wording and in practice, pay-equity legislation focuses on male-female inequalities in general; it does not recognize that race or immigrant status also may be mechanisms of job segregation and thus sources of unequal earnings. Similarly, the federal employment-equity legislation passed in 1986, and again in 1995, targets four groups as disadvantaged in terms of access to opportunities

for regular and full-time employment, reasonable compensation, and representation at upper levels of the occupational hierarchy: women, members of visible minorities, aboriginal peoples, and persons with disabilities (Agocs 2002). Immigrant women are included in employment-equity initiatives as women and, separately, as visible minorities. However, under the terms of the legislation, firms can comply with employment-equity requirements by hiring white women and visible-minority men and by ignoring the foreign-born altogether.

A task force for pay equity was established in 2001 by the federal government to review the legislation and ensure that employers take more effectual steps towards achieving equality. Although the report of the task force was submitted in 2004, the revised legislation has yet to be passed by parliament and implemented. In all, the inequities and inequalities faced by immigrant and visible-minority women do not appear to provoke an outcry from the public for ameliorative action; rather employment equity and pay equity are criticized as being misguided and a form of 'reverse discrimination' against white males.

This latter position is demonstrated in a recent analysis (Henry and Tator 2005) of a series of *Globe and Mail* editorials in which the liberal principles of individualism, equal opportunity, fairness, and merit were used to argue for the dismantling of employment equity in Ontario in 1999. The editorials noted that Canadian society provides all citizens with individual rights to pursue their dreams and equal opportunity to get ahead based on merit; thus, programs such as Employment Equity are unfair to most white Canadians and a threat to liberal democracy, for they 'challenged the fundamental tenets of liberalism such as individual rights and equal opportunity' (ibid., 166). Further, these editorials argued, the playing field is even and employers adopt a neutral attitude in hiring employees; they did acknowledge that sometimes discrimination might occur, but such instances were rare and not systemic.

Such editorials, and the beliefs both underlying and promulgated by them, convey powerful messages that can affect policy development and implementation. Neglecting evidence of continuing inequalities in the hiring and wages of visible minorities, they focus attention on the dangers of implementing group rights that undermine the values of a liberal democratic society (Henry and Tator 2005). As well, such editorials implicitly and in racially coded language aggravate perceptions of the unfair advantage that visible minorities gain through systemic

policies in employment rather than understanding the matter as one of equity and equality for all Canadians. Consequently, programs such as Employment Equity and Pay Equity, are in constant tension with the prevailing ideologies of the population and its ruling elites. A right-wing conservative government might favour the status quo that privileges some but disadvantages visible-minority immigrant women, and their agendas make it less likely that they will introduce and implement progressive programs for these women. Similarly even a liberal government, in the absence of strong public pressure, may be reluctant to make it a priority to initiate and support systemic remedies in the names of equity and equality.

Conclusion

Many studies undertaken on earnings during the past twenty years reach similar conclusions: immigrant women earn less on average than do Canadian-born women and men. Further, visible-minority women are most at risk of having low earnings. Given that earnings gaps exist between immigrant women and other groups, the pivotal questions become: how large are the gaps, do they exist over time, does the size of the gap vary by ethnicity or race, is one or the other more important for understanding earnings inequalities, or are there unique consequences of being foreign born, female, and a visible minority? Finally, and as, if not more, important, what explains these earnings gaps?

No simple answers emerge. Our survey of the literature finds substantiation for the existence of a 'triply disadvantaged' population of immigrant women, who by virtue of their gender, visible-minority membership, and immigrant status experience earnings penalties greater those of other groups. Further, while debate is ongoing, a number of studies suggest that the earnings gap has widened rather than narrowed over time for those who are recent arrivals in Canada. However, less consensus exists over the actual magnitude of the disadvantage, and whether race/ethnicity or being foreign-born is the more important underlying dimension accounting for the gap. Studies also offer a variety of explanations for the earnings gap between immigrant women, particularly those of colour, and others in the Canadian labour force. Studies note that a portion of the gap reflects differences between immigrant women and other groups in productivity-related characteristics such as educational levels and language proficiency; others call attention to the impact of economic cycles in deepening the magnitude of earnings inequalities.

However, many studies, including those that offer alternative explanations, grapple with the findings that differences in earnings remain, even after possible explanations associated with productivity or with a worsening economy have been factored into statistical analyses. These findings of persisting earnings inequalities to the detriment of immigrant women, and visible-minority immigrant women in particular, suggest that systemic discrimination may be at work. Indicators include the under-evaluation of the educational credentials of immigrant women and the lack of recognition for their work experience outside Canada.

Coinciding with these findings is the fact that current policy initiatives at the federal and provincial levels are not likely to substantially diminish the earnings gaps existing between immigrant women and others or to improve the earnings of visible-minority immigrant women. Employment-equity and pay-equity legislation and related programs are targeted at groups other than immigrant women. Individual immigrant women may find marginal improvement in their earnings from these programs under the assumption that 'a rising tide lifts all boats.' But if earning inequalities that reflect inequities are to decline for immigrant women, additional levers of intervention will be needed.

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