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IS WORK WORKING  
FOR  
WORKERS OF COLOUR?

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Congrès du travail du Canada

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# Is Work Working for Workers of Colour?

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## **SUMMARY**

This report reviews recent evidence on the quality of jobs, on income, and on poverty for racialized workers compared to other Canadian workers.

The bottom line is that there are large, disturbing, and growing gaps in economic security and opportunity which are based upon racial status.

Racial discrimination plays the major role in creating and sustaining large differences in the quality of jobs and in economic security.

## **Part I: INTRODUCTION: RACISM AND ECONOMIC OPPORTUNITY**

Workers of colour are, on average, paid significantly less and have less job security than other workers, despite higher than average levels of education. While some racialized workers with high levels of education have moved into good, professional jobs, many others with good qualifications are trapped in low-pay, insecure, no-future jobs. Workers of colour are disproportionately employed in jobs requiring lower levels of skills and education, despite higher than average qualifications.

The fact that many racialized workers are relatively recent immigrants is often used to explain away these large gaps in economic status compared to the native born. Advocates of the “catch-up” theory say that economic differences based on race will disappear as immigrants gain more Canadian job experience and move into the mainstream, just like previous white European immigrants.

But, the fact of the matter is that economic gaps between immigrants and all other Canadians have widened as immigrants have been increasingly drawn from racialized groups.

Immigrants used to catch up quickly. But racialized people who came to Canada in the 1980's have still not caught up.

Recent immigrants are more highly educated than other Canadians, and more highly educated than previous immigrants. Like earlier generations of immigrants, they are younger than the general population, and have come to Canada to seek new economic opportunities. But, economic gaps have still grown. And, racialized workers who are not immigrants, but were born in Canada and educated in Canada, still have lower earnings than comparable Canadian workers.

Large and growing gaps of income and opportunity are explained not by real differences in education and skills, but rather by racial discrimination.

In her Royal Commission on Equality report, Judge Rosalie Abella stated that:

**“Discrimination ... means practices or attitudes that have, whether by design or impact, the effect of limiting an individual or group’s right to the opportunities generally available because of attributable rather than actual characteristics. What is impeding the full development of potential is not the individual’s capacity but an external barrier.”**

These barriers can be intentional, as in overt racism in hiring and promotion decisions. Or they can be the by-product of systems and procedures which are discriminatory in effect. The failure to properly recognize foreign skills and credentials is a systemic racist barrier to equal opportunity. So is the frequent practice of automatically giving preference to job applicants with Canadian experience. The filling of jobs through informal social networks which exclude racialized workers is another common systemic barrier.

As Grace-Edward Galabuzi (Galabuzi, 2001) has eloquently and convincingly argued, economists and social analysts are frequently blind to the reality of racial discrimination, particularly the effects of racism which is systemic, institutional, and cultural.

The evidence of major economic gaps based upon race demands that we stop denying the reality of racism, and take concrete actions to counter exclusion and marginalization. Unions have a major role to play in this regard.

In this report, reference is sometimes made to data on “visible minority persons,” which is the official term used on surveys and in legislation. Such persons are defined in employment equity legislation and by Statistics Canada as persons who are neither Caucasian in race nor white in colour, and are not Aboriginal persons. The terms “racialized workers” and “workers of colour” are used interchangeably with “visible minorities” in this report. The term “racialized workers” signals that race is not an objective biological fact, but rather a social and cultural construct. Far from being “minorities,” racialized persons constitute the vast majority of the world’s people.

According to data from the 1996 Census of Canada (the most recent available), the largest identifiable visible minority groups in Canada are persons of Chinese origin (27% of all visible minority persons); of South Asian origin (e.g., persons from India, Pakistan, Bangladesh, Sri Lanka, and Asian Africans) who make up 21% of the total; and Blacks (18%). Other visible minority persons come from a very wide range of other communities, and include Arabs, Filipinos, Latin Americans and Vietnamese people, and other South-East Asians. Many of these cultural groups are themselves very diverse. For example, the Chinese communities in Canada include descendants of 19<sup>th</sup> Century immigrants, as well as recent immigrants from both Hong Kong and mainland China. Some studies, such as a report for the City of Toronto by Michael Ornstein, show that Blacks and South Asians are most vulnerable to racial discrimination.

Today, about 11% of the Canadian workforce are racialized workers. This is probably an under-estimate because of under-reporting of racialized status. More than three in four immigrants today belong to racialized groups, and about 80% of racialized workers immigrated to Canada.

Part II of the paper summarizes evidence of racial gaps in employment, income, and poverty. Part III discusses some of the causes of these gaps, and further looks at the significance of recent patterns of immigration, and at the role of racism. Part IV considers the role of unions in countering economic gaps based upon race.

## **Part II: PAY AND EMPLOYMENT GAPS TODAY**

### **(a) The Gap Between Jobs and Qualifications**

The most recent data from the Census of Canada are for 1996. (Data from the 2001 Census have not yet been released.) About one in ten Canadian workers in 1996 were workers of colour, and four out of five workers of colour were immigrants. The Census is the most recent source of detailed data for employment of racialized workers by occupation, and of data on educational attainment.

The last Census showed that the annual average earnings of all racialized workers was \$22,498, or 15% less than the national average for all workers. This significant gap reflected employment in lower paid jobs, and a higher average rate of unemployment among racialized workers. Annual earnings of workers of colour varied depending upon the period of arrival in Canada. Very recent immigrants (those who arrived between 1991-95) earned an average of just \$15,042; while persons who arrived between 1986 and 1990 earned an average of \$19,960.

More recent earnings data (from the Survey of Labour and Income Dynamics) are presented below.

Strikingly, the Census clearly showed that racialized workers are more highly educated than all other Canadian workers. But, they are nonetheless much more likely to be employed in lower paid occupations.

Table 1 shows levels of employment in 1996 for visible minority workers, by major occupational groups. Racialized workers made up 10.3% of the workforce, and could be expected to hold a roughly proportionate share of jobs within each occupational category.

However, as shown, such workers were significantly under-represented in senior management occupations, where they held just 7.3% of all jobs, and were very under-represented in jobs as supervisors in crafts and trades (3.6%), and as skilled craft and trades workers (6.8%). By contrast, racialized workers were over-represented in lower paid occupations usually requiring less education and training, such as semi-skilled and other manual workers, sales and service workers, and clerical personnel. Employment as professionals was about proportionate to the overall racialized worker share of the workforce. As further shown in the table, racialized women workers were less likely than racialized male workers to be in the higher paid and more secure occupations.

The distribution of workers of colour by occupational category is very much at odds with their higher level of education compared to the workforce as a whole.

As shown in Table 2, racialized persons made up 10.7% of the total population aged 15 and over. But, 15.8% of those with a Bachelor's Degree, 15.3% with a Master's Degree, and 18.7% of those with a Ph.D. belonged to visible minority groups.

**TABLE 1 - WORKPLACE POPULATION SHOWING PERCENTAGE REPRESENTATION FOR VISIBLE MINORITIES BY SEX - Canada**

Workforce Population Aged 15 Years and Over Employment Equity			
Occupational Groups (NOC)	Visible Minorities (%) Total	Males	Females
<b>Total</b>	<b>10.3</b>	<b>5.4</b>	<b>4.8</b>
Senior Managers	7.3	5.8	1.4
Middle and Other Managers	9.4	6.3	3.1
Professionals	10.4	5.8	4.7
Semi-Professionals and Technicians	9.1	5.1	3.9
Supervisors	9.8	5.1	4.7
Supervisors: Crafts and Trades	3.6	2.9	0.7
Administrative and Senior Clerical ...	7.3	1.3	6
Skilled Sales and Service Personnel	12.3	8.2	4
Skilled Crafts and Trades Workers	6.8	6.1	0.7
Clerical Personnel	11.6	4.1	7.4
Intermediate Sales and Service...	10.5	3.5	7
Semi-Skilled Manual Workers	11.9	7.9	4
Other Sales and Service Personnel	13.2	6.2	6.9
Other Manual Workers	11.2	6.5	4.7

Workforce population figures include those aged 15 years and over who worked in 1995 or 1996.

Source: Unpublished data, 1996 Census of Canada (20% sample data).

Prepared by: Data Development Section, Labour Branch, Human Resources Development Canada.

At the other end of the educational scale, racialized workers were somewhat under-represented among those in the working-age population who had not finished high school.

They were very under-represented among the workforce with a trade certificate or diploma, reflecting a low rate of entry into the skilled trades which often involve training through apprenticeship programs.

Additional Census data show that racialized workers made up almost one in four of all workers who had qualifications in engineering and applied sciences at levels higher than technologists, and about one in four workers with qualifications in mathematics and science. Racialized workers are more likely than average to have precisely those skills which are supposed to be in high demand in the “new economy.”

**TABLE 2 - POPULATION SHOWING REPRESENTATION BY HIGHEST LEVELS OF SCHOOLING FOR VISIBLE MINORITIES**

Population Aged 15 Years and Over - Canada	
Educational Attainment	Visible Minorities %
<b>Total - Highest Levels of Schooling</b>	<b>10.7</b>
Less than Grade 9	10.2
Grade 9-13 without Secondary Certificate	9.6
Grade 9-13 with Secondary Certificate	9.7
Trades Certificate or Diploma	5.9
Some Other Non-university without Certificate	10.9
Other Non-university with Trades or Certificate	8.1
Some University without Univ. Cert./Degree	14.7
University Cert./Diploma Below Bachelor Level	15.7
Bachelor's Degree(s)	15.8
Degree in Medicine, Dentistry, Veterinary Medicine, or Optometry	19.8
University Cert./Diploma Above Bachelor Level	12.5
Master's Degree(s)	15.3
Earned Doctorate	18.7

Source: Unpublished data, 1996 Census of Canada (20% sample data), Development Canada.

To summarize, it is clear that there is a very fundamental disconnect or contradiction between the occupational distribution of racialized workers and the educational qualifications of racialized workers compared to the workforce as a whole.

### (b) Employment and Earnings Gaps Today

For the purposes of this research note, the Canadian Labour Congress acquired from Statistics Canada data from the *Survey of Labour and Income Dynamics* (SLID) for 1999. This is the latest year for which employment and earnings data are available. Sample sizes in this survey limit very detailed comparisons between workers of colour and other workers (e.g., by distinct racial group, by age, by education, by occupation, and by industry), but we do provide separate data for women and men.

## Employment Gaps

Table 3 shows the proportion of all persons aged 16 to 69 in 1999 with some earnings who: (a) were employed all year, or (b) were unemployed at least once in the year. (The two numbers do not add up to 100% because some people were employed for part of the year, but out of the labour force rather than unemployed for another part of the year.) The table also shows the average number of weeks worked.

This table and Table 4 show data for all persons with some earnings, including the self-employed and family workers.

**TABLE 3 - EMPLOYMENT GAPS**

	Employed All Year	Unemployed at Least Once in the Year	Weeks Worked
<b>Workers of Colour</b>	54%	12.4%	34
<b>All Other Workers</b>	59%	11.6%	37
<b>Men</b>			
<b>Workers of Colour</b>	60%	13.7%	38
<b>All Other Workers</b>	64%	12.2%	40
<b>Women</b>			
<b>Workers of Colour</b>	49%	11.2%	31
<b>All Other Workers</b>	53%	10.9%	33

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1999.

As shown, 12.4% of racialized workers were unemployed at least once in 1999 compared to 11.6% of all other workers. And, only 54% of racialized workers were employed for the whole year compared to 59% of all other workers. On average, workers of colour obtained 34 weeks of work in 1999, three weeks less than all other workers.

While these differences are smaller than in the high unemployment years of the early to mid-1990's, racialized workers had difficulty gaining as many weeks of work as other workers even in a period of low unemployment. This shows that they were, on average, employed in more precarious jobs. On average, racialized workers depend more on EI than all workers, but are less likely to qualify on account of working an insufficient number of hours.

The difference in unemployment rates between racialized workers and all other workers was greatest among men (13.7% were unemployed at least once in 1999 compared to 12.2% of other men).

Racialized women workers are least likely to be employed all year, and have the fewest weeks of employment per year.

Data from the SLID also show that racialized workers are less likely to hold jobs providing pension plan coverage. In 1999, 35.3% workers of colour were in jobs with pension plans compared to 42.2% of all workers. (For men, the difference was 36.0% compared to 45.3%; for women it was 34.4% compared to 38.8%.) More precarious jobs mean an interrupted earnings history, a reduced ability to save, and reduced Canada/Quebec Pension Plan

contributions towards future benefits. In combination with low employer pension plan coverage, this means that many workers of colour are vulnerable to low income in old age.

## Pay Gaps

Table 4 provides average annual earnings (including earnings from self-employment) for racialized workers compared to all other workers. On average, racialized workers earned \$19,895 in 1999, \$3,869 or 16.3% less than all other workers. This was slightly higher than the 15% pay gap revealed in the 1996 Census, suggesting that little or no progress has been made even in a period of relatively strong job growth and falling unemployment. (However, note that data from different sources may not be directly comparable.)

The 16% gap for annual earnings reflects fewer weeks of work in the year and lower pay for each week of work. It does not reflect a preference for part-time jobs by racialized workers. In fact, rates of part-time work are comparable between racialized workers and other workers. Among racialized women workers, 3.3% reported that they worked part-time in 1999 because they could not find full-time jobs, slightly below the 4.2% rate for other women workers.

The pay gap was greatest for racialized male workers who earned an average of \$25,655. This was 17.0% or \$5,272 less than all other male workers in 1999.

Racialized women workers earned an average of only \$14,634. This was 11.9% or \$1,978 less than all other women workers.

The fact that the pay gap between racialized workers and other workers is larger for men than women is somewhat surprising since economic immigrants to Canada are selected on the basis of the skills of the principal applicant, usually a man. The large pay gap among men indicates the difficulty that racialized male workers have getting the well-paid and secure jobs which are disproportionately held by white men. Racialized women workers clearly tend to hold badly paid jobs — average annual earnings are under \$15,000. But, other women workers are also at high risk of only being able to find relatively badly paid and insecure jobs. Another factor is that good jobs for women tend to be found in the public sector, particularly

**TABLE 4 - PAY GAPS**

	Average Annual Earnings	
<b>Workers of Colour</b>	\$19,895	
<b>All Other Workers</b>	\$23,764	
<b>Pay Gap</b>	\$3,869	<b>-16.3%</b>
<b>Men</b>		
<b>Workers of Colour</b>	\$25,655	
<b>All Other Workers</b>	\$30,927	
<b>Pay Gap</b>	\$5,272	<b>-17.0%</b>
<b>Women</b>		
<b>Workers of Colour</b>	\$14,634	
<b>All Other Workers</b>	\$16,612	
<b>Pay Gap</b>	\$1,978	<b>-11.9%</b>

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1999.

in health and social services, where there is likely to be less discrimination than in the private sector where most men work. It should also be noted that many racialized women workers are employed in “underground” jobs, such as nannies, cleaners, and home-based sewing. Many such workers are not officially counted as paid workers, and thus do not appear in the data.

Table 5 shows the distribution of annual earnings of racialized workers by income group compared to all other workers. The higher the level of pay, the lower is the proportion of racialized workers. And the lower the level of pay, the higher is the proportion for racialized workers. As shown, 38.0% of racialized male workers earned less than \$20,000 in 1999 compared to 32.2% of other male workers. And 52.8% of racialized women workers earned less than \$20,000, a bit more than the 51.1% of all other women workers.

**TABLE 5 - DISTRIBUTION OF ANNUAL EARNINGS**

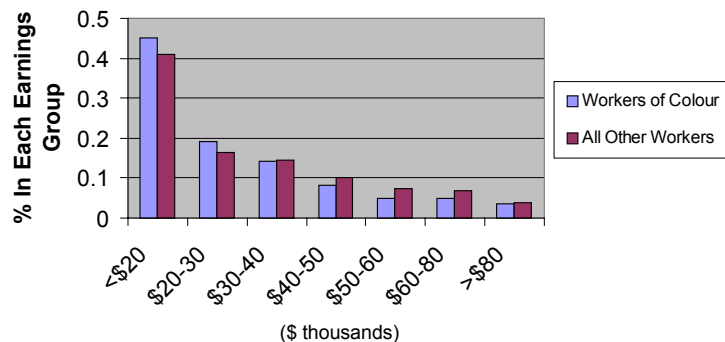
(\$ thousands)

	<\$20	\$20-30	\$30-40	\$40-50	\$50-60	\$60-80	>\$80
<b>Workers of Colour</b>	45.1%	19.2%	14.3%	8.1%	4.9%	4.9%	3.5%
<b>All Other Workers</b>	40.9%	16.3%	14.6%	10.2%	7.3%	6.9%	3.9%
<b>Men</b>							
<b>Workers of Colour</b>	38.0%	17.9%	14.1%	9.7%	6.9%	7.1%	6.1%
<b>All Other Workers</b>	32.2%	14.1%	15.0%	12.2%	9.8%	10.4%	6.2%
<b>Women</b>							
<b>Workers of Colour</b>	52.8%	20.6%	14.5%	6.3%	2.6%	2.5%	NA
<b>All Other Workers</b>	51.0%	18.9%	14.0%	7.7%	4.4%	2.7%	1.2%

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1999.

At the other end of the pay scale, racialized workers are under-represented among the higher paid. Among racialized male workers, 13.2% earned more than \$60,000 compared to 16.6% of other male workers. The proportion of racialized women workers earning more than \$80,000 is too statistically insignificant to report.

**CHART 1- DISTRIBUTION OF ANNUAL EARNINGS**



## Poverty

The 1996 Census revealed a strikingly higher rate of poverty for racialized people. Poverty or low income is defined as falling below Statistics Canada's Low Income Cutoff or LICO line, which is set by size of family and the size of the community in which a family lives.

For reference purposes, in 1999, the LICO line for a family of four in a large urban centre (where the vast majority of racialized workers live) was \$33,658, before tax. Given that rents for a two-bedroom apartment in Toronto and Vancouver run at well over \$1,000 per month, this is a conservative definition of an income required to meet even basic needs.

Poverty tends to be much higher among racialized people because of pay and employment gaps. Demographic factors play a minor role. Larger families do mean a higher risk of poverty, but racialized people, particularly recent immigrants, are at relatively low risk of poverty compared to the general population because of other demographic factors such as old age, ill health, disability, and lone-parent status. Recent immigrants are young, healthy and participating in the workforce at high levels. If they are poor, it is because of low wages and high unemployment.

In 1996, more than one in three (36%) of all racialized persons in Canada lived in poverty, almost double the one in five (20%) poverty rate of the general population. Almost half (45%) of children of racialized families lived in poverty compared to one in four (26%) of all children. (Statistics Canada. *The Daily*. May 12, 1998.)

A study by the Canadian Council on Social Development (Urban Poverty in Canada) found that the rate of poverty in 1996 among recent (post-1991) immigrants to Canadian cities was an extraordinarily high 52.1%. It was 35.1% even among immigrants who had arrived after 1986. Because of much higher than average poverty rates, in 1996, one in three of all poor persons living in Canadian cities belonged to racialized groups. As in the US, to belong to a racialized group is to experience a much higher risk of living in poverty and living in a very poor urban neighbourhood.

**TABLE 6 - LIVING IN POVERTY, 1993-98**

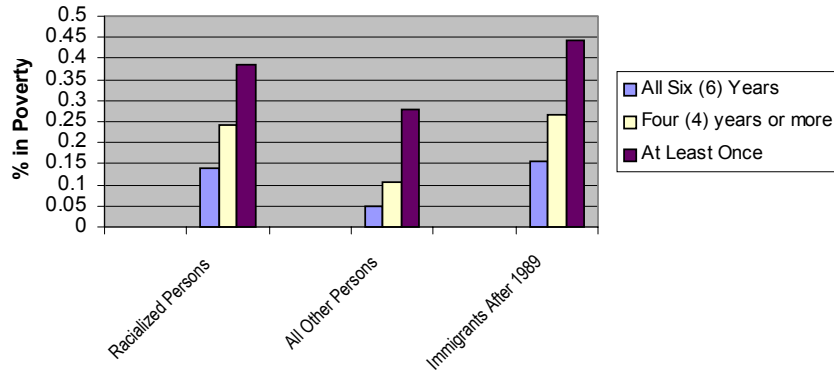
	All Six (6) Years	Four (4) years or more	At Least Once
<b>Racialized Persons</b>	13.8%	24.2%	38.7%
<b>All Other Persons</b>	5.0%	10.7%	28.0%
<b>Immigrants After 1989</b>	15.5%	26.6%	44.1%

Source: National Council of Welfare. *Poverty Profile*, 1999.

According to the 1996 Census, the average income of racialized immigrant families who arrived in Canada between 1991 and 1995 was just \$15,042, and just \$19,960 for those who arrived between 1986 and 1990. These levels of income mean not only that racialized immigrants are poor, but also that they fall well below the poverty line. Even after a decade

in Canada, racialized immigrants had very low average incomes and correspondingly very high rates of poverty.

**CHART 2 - LIVING IN POVERTY**



A follow-up report by the CCSD for the United Way of Greater Toronto recently found that the poorest neighbourhoods of the City of Toronto which have the heaviest concentrations of recent immigrants have fallen even further behind the rest of the city in the economic recovery period from 1995 to 1999.

Sometimes it is argued that poverty for racialized immigrants is brief and transitory. But, new data from the National Council of Welfare — shown in Table 6 — show that a very high proportion of racialized persons lived in poverty in the 1990s for several years. In fact, one in four (24.2%) of all racialized persons were in poverty for four or more years of the six-year period from 1993 to 1998, significantly more than double the rate for all persons.

## Economic Security

Each year, the Canadian Council on Social Development (CCSD) publishes *The Personal Security Index* (PSI) based, in part, on the results of a nationally representative public opinion survey conducted by EKOS.

Data for 2001 show a significant gap between racialized persons and other Canadians in terms of perceptions of economic security. A person's own perception of economic security is an important ingredient of quality of life in its own right.

The PSI measures “fear of job loss” by asking the question: “I think there is a good chance I could lose my job over the next couple of years.” (Respondents *agree* or *disagree* on a scale of 1 - 7.)

Among racialized respondents with jobs in late 2001, about one in three (34.0%) *strongly agreed* that they could lose their job over the next couple of years compared to one in four (25.8%) of other persons with jobs. 44.6% *strongly disagreed* that they could lose their job over the next couple of years, much less than 64.3% of other persons with jobs. (Here, and below, we report *strongly agree/disagree* as those responding on the three points closest to *strongly agree/disagree* on a seven-point scale. Other persons are not members of visible minority groups, not Aboriginals, and not persons with a disability.)

The PSI measures “confidence in employability” by asking the question: “If I lost my job, I am confident that I could find an equivalent one within six months.” Among racialized respondents, 37.8% *strongly disagreed* they could find an equivalent job in six months compared to 28.8% of other respondents; 42.8% *strongly agreed* they could find an equivalent job, well below the 57.9% of other respondents who *strongly agreed*. The difference between racialized workers and other workers is particularly striking given that the former are less likely to be employed in “good,” hard-to-find jobs.

### **Part III: WHAT DO WE KNOW ABOUT THE CAUSES OF PAY AND EMPLOYMENT GAPS?**

#### **(a) The Role of Immigration**

In the 1980's and 1990's, changing patterns of immigration made Canada a much more racially diverse society. The proportion of racialized persons in the Canadian population has risen from just 4% in 1971, to 9% in 1990, to 11% in 1996, and is projected to rise to 20% by 2016. The proportion of racialized persons in the total workforce has risen from just 6% in 1986, to about 12% today. Big cities, particularly Toronto, Vancouver, and Montreal, have become much more diverse than the country as a whole.

Virtually all of the growth of the Canadian labour force now comes from immigration. Currently, the average Canadian woman has less than 1.7 children, well under the population replacement rate of 2.1 children. According to Citizenship and Immigration Canada, 70% of the net growth of the Canadian labour force in the first half of the 1990's was the result of immigration, and *all* of the net growth of the labour force is expected to come from immigration by 2011. If it was not for new arrivals to Canada, we would soon see an even more rapidly aging workforce, and fewer labour force entrants than retirees. And, clearly,

our economic future as a country very much depends upon successfully integrating newcomers into the Canadian labour market.

The vast majority of immigrants come to Canada to pursue economic opportunities, and the rate of labour force participation is very high. But, racialized workers face major barriers in finding and keeping secure and reasonably paid jobs.

Research has repeatedly shown that the significant income and employment gaps which exist between racialized persons and other Canadians are greatest among recent racialized immigrants. (See Galabuzi, Jackson and Smith, Canadian Race Relations Foundation.) As immigrants as a group have become more racially diverse, the traditional “catch-up” period compared to the Canadian-born majority has become longer and longer. And, racialized immigrants who came to Canada in the 1980's have still not caught up, and probably will never do so.

In the 1990's, average annual earnings of *family class immigrants* and *refugees* have been only about one-half the national average one year after landing. (Grant and Thompson.) Average annual earnings of *economic immigrants* to Canada who were principal applicants (almost always men) have averaged about one-sixth less than annual earnings of all Canadians one year after landing. (About one-half of immigrants entering the labour force are economic immigrants.) While the gap between economic immigrants and the rest of the population is smaller, it is still significant and surprisingly large because these workers were specifically chosen for their skills. Economic immigrants actually earned *more* than the Canadian average in the 1970's and early 1980's when the composition of the immigration population was much more European.

Some racialized immigrants do well, and earnings of immigrants do still rise over time to some degree. As noted above, immigrants who arrived in the 1980's earned more in 1996 than those who arrived in the 1990's, which is not surprising given that they are older and have greater Canadian job experience. What is surprising is that the average earnings of racialized immigrant workers who have been in Canada for so long have remained so low.

Barriers to employment equity include the fact that, for much of the 1990's, there was little new hiring into the kinds of workplaces which provide secure and reasonably well-paid jobs. Like young workers, workers of colour have been more likely to find jobs in smaller, non-union workplaces than in large corporations and the public sector. The lack of new hiring excluded many racialized workers from entry jobs, from internal promotion ladders, and from union representation. As the economy began to grow strongly in the late 1990's, recent immigrants began to slowly close the large earnings and employment gap. (Jackson and

Smith.) In short, strong job growth and low unemployment does counter racial discrimination to a certain extent by forcing employers to look for hidden skills.

Barriers to employment equity include the fact that many employers do not recognize foreign skills and qualifications, and are unwilling to help train even workers who could quickly upgrade their existing skills to meet the requirements of a vacant job. High unemployment through much of the 1990's has meant that employers have often had a large pool of qualified candidates with Canadian credentials and Canadian job experience to fill openings. Racialized workers are likely to be excluded from consideration, particularly in the private sector where very few employers are covered by employment equity legislation requiring a fair and inclusive hiring and promotion process.

A recent study by the Conference Board of Canada (Bloom and Grant, 2001) found that 540,000 Canadian workers lose between \$8,000 and \$12,000 per year in potential earnings because of unrecognized learning credentials, and that the annual cost of the learning recognition gap is between \$4.1 and \$5.9 billion. The study shows that half (47%) of unrecognized learners belong to visible minority groups, and that 340,000 Canadians have unrecognized foreign, post-secondary degrees and diplomas. They provide a striking example: only 56% of engineers who settled in Canada in the first half of the 1990's found work as engineers.

Barriers to hiring result in a vicious circle because even highly skilled immigrants are often unable to gain Canadian experience, and then see their skills erode over time. Contributing to this vicious circle, immigrant settlement programs provide only limited language training, and little “hands-on” job search assistance. Many racialized immigrants find themselves trapped in low-wage, insecure, no-future “survival jobs” which lead nowhere.

### **(b) The Role of Racism**

The existence of racism as a key factor in pay and employment gaps is often denied, but the existence of racial barriers to employment has been well-documented in hundreds if not thousands of complaints to employment equity and human rights tribunals.

Last year, the CLC added a question to a large, sample national opinion survey conducted by EKOS. The question was: “Over the past year, have you experienced any type of racial harassment or discrimination at your workplace?” Almost one in four (23.5%) of racialized respondents reported that they had been subjected to workplace harassment or discrimination in the past year.

Most studies by economists find that there is a significant pay and employment gap between racialized workers and other Canadians when everything else which should count — like education and work experience — is taken into full account.

People who want to explain away pay and employment gaps based on race claim that differences do not reflect overt or more subtle forms of racial discrimination, but rather hidden differences in job qualifications. But, a recent study has found that even graduates from *Canadian* universities and colleges who belong to racialized groups are less likely than other graduates to find jobs after graduation, and are paid less than their fellow graduates when taking their level of qualifications and field of study into account. (Department of Human Resources Development Canada. *Applied Research Bulletin*, Summer 2001. p.19.) Racialized graduates are more likely to graduate in fields which are high-demand in the job market, but still experience greater difficulties finding good jobs.

The fact that racial discrimination plays a major role is shown by large pay and employment gaps between workers of colour *born and educated in Canada* and other Canadians. These gaps contradict the view that gaps between workers of colour and other Canadian workers are not explained by racism, but rather by lack of Canadian skills and experience.

Table 7 summarizes some 1996 Census data taken from *Unequal Access*, a recent study for the Canadian Race Relations Foundation. Comparisons are made between workers of colour born and educated in Canada, and Canadian-born persons who do not belong to racialized groups.

The younger generation of racialized workers born in Canada (age 25 - 34 in 1996) are much more highly educated than non-racialized Canadians of the same age group. Almost half (47.5%) hold university degrees compared to one-quarter (26.6%) of others, and just one in ten (9.8%) have failed to complete high school compared to 18.2% of others. While education levels are somewhat lower for workers of colour born in Canada who are aged 35 to 64, they are still significantly higher than the non-racialized population of the same

**TABLE 7 - CANADIAN-BORN WORKERS COMPARED**

Education	Workers of Colour	Non-Racialized Group
<b>University</b>		
Age 25-34	47.5%	26.6%
Age 35-64	32.3%	21.0%
<b>Less than High School</b>		
Age 25-34	9.8%	18.2%
Age 35-64	23.6%	29.9%
<b>College/Trade/or Some University</b>		
Age 25-34	23.9%	28.8%
Age 35-64	22.5%	22.6%
<b>Annual Earnings, Age 25-64 (Full-Year, Full-Time Earners)</b>		
Men	\$42,443	\$43,456
Women	\$33,519	\$31,150
<b>% University Educated in Top Income Quintile</b>		
Men	36.5%	49.8%
Women	21.8%	25.6%

Data from 1996 Census as reported in Canadian Race Relations Foundation, *Unequal Access*.

age group. The most likely explanation is that immigrants to Canada highly value education, and have encouraged their children to get ahead by becoming highly educated.

Despite far higher levels of Canadian education, the annual earnings of racialized workers born in Canada were essentially the same as other workers of the same age group. Racialized male workers aged 25 to 64 born in Canada earned less than comparable male workers, \$42,433 compared to \$43,456, while racialized women workers born and educated in Canada earned slightly more than other women.

Even racialized workers born and educated in Canada find it hard to get very well-paid jobs and climb career ladders. As one would expect, highly educated racialized workers tend to be employed in skilled and professional jobs. But they clearly have had major difficulties climbing career ladders on a basis of equality with their non-racialized peers. Just 36.5% of male, Canadian-born, racialized workers with a university education were in the top 20% of all income earners in 1996 compared to 49.8% of non-racialized, university-educated comparable men. The gap was smaller, but still present among women.

#### **Part IV: UNIONS MAKE A DIFFERENCE — THE IMPACT OF UNIONS ON PAY AND EMPLOYMENT GAPS**

Unions have a positive impact on earnings and employment stability and can play a role in closing gaps. Research shows that collective bargaining coverage tends to raise the pay of lower paid workers and to close pay differences among unionized workers. Often, unions negotiate higher pay settlements for their lowest paid members. And, new union locals representing lower paid workers are often successful in raising wages compared to comparable non-union workers. Belonging to a union also promotes access to benefits, such as workplace pensions, compared to non-union workers.

Perhaps most importantly, unionized workers enjoy rights which are not enjoyed by most non-union workers. Most unionized workers have seniority-based protection from layoff, and can access contract provisions for promotion based upon seniority. The seniority principle is imperfect and can obviously work against newly hired workers. But, it does serve to limit discrimination against workers of colour once they are hired into a unionized workplace. Unionized workers also often have access to grievance procedures which can be used to stop harassment and discrimination on the job. Some collective agreements incorporate employment equity plans intended to promote greater diversity in the workplace, and to counter systemic discrimination and racism. Finally, union representation often means that workers are able to effectively access legal mechanisms which are, in principle but not in practice, available to all workers. For example, unions can and do bring

complaints to human rights tribunals and to provincial employment standards authorities. Unions do not guarantee equality, but they are an important potential tool for gaining equality.

Table 8 provides data on the proportion of employees who are covered by a collective agreement. (Note that in this and the following tables, we are looking at employees only, and the self-employed are not included.)

In 1999, the proportion of workers of colour covered by a collective agreement was at 22.1%, well below the 32.0% rate for all other

workers. Workers of colour are most in need of union protection, but less than one in four have access to the rights and protections of a collective agreement.

The difference in collective bargaining coverage is particularly great among male workers (20.3% compared to 33.4%), and a bit narrower among women workers (22.0% vs. 30.4%). (Note that the overall collective bargaining coverage rate for racialized workers is slightly higher for the group as a whole than for men or women because the data by gender do not include people who are covered by a collective agreement, but are not union members.)

The particularly low, relative unionization rate of racialized male workers suggests that men from racialized and immigrant groups have had difficulties finding employment in heavily unionized sectors of the economy. These sectors include larger companies in manufacturing, in construction, transportation, and utilities, as well as public and social services. The greatest opportunities for well-educated recent male immigrants have been in those parts of the “new economy,” such as software development, which have a very low unionization rate.

The unionization rate for women is highest in public services, where many racialized women seem to have been able to find jobs. The fact that employment equity programs are most likely to be found in public services, where women are employed in larger numbers than men, has probably helped raise the participation rate for racialized women workers in unionized parts of the economy.

There are some occupations where unionization rates are relatively high, but workers of colour are significantly under-represented. These include teaching, skilled trades in construction, and some transportation occupations such as truck driving. There are other occupations where unionization tends to be low, but workers of colour are very over-represented in the workforce compared to their share of all workers. These include low paid

**TABLE 8 - EMPLOYEES COVERED BY A COLLECTIVE AGREEMENT**

Workers of Colour	22.1%
All Other Workers	32.0%
<b>Men</b>	
Workers of Colour	20.3%
All Other Workers	33.4%
<b>Women</b>	
Workers of Colour	22.0%
All Other Workers	30.4%

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1999.

jobs as child care workers, cleaners and janitors, taxi drivers, garment workers, and agricultural labourers. Racialized workers are also to be found in significant numbers in some higher paid but largely non-union jobs, such as computer programmers. Finally, there are a few occupations where workers of colour are well-represented and unionization is high, such as nursing (though women workers of colour are more likely to be nurses aides than nurses.)

For the unionization rate of racialized workers and of all workers to converge, some sectors of unionized employment will have to be opened up to racialized workers, and some sectors of employment will have to be unionized.

The relatively low unionization rate for workers of colour, particularly men, is probably more the result of hiring patterns than of conscious union discrimination. The overall strength of unions in the private sector is in larger companies which have been generally slow-growing in the 1990's, and public service employment only began to grow in the last part of the 1990's. Nonetheless, the data do show that unions will have to make strong efforts to reflect the increasing diversity of the Canadian workforce in their membership. This will mean new efforts to organize workers in unorganized firms and sectors, and new efforts to promote employment equity in hiring in already unionized workplaces.

A recent survey by the Canadian Policy Research Networks found that workers of colour are more in favour of joining unions than other workers. Forty per cent of non-union workers of colour said they would like to join a union compared to 25% of other workers. This shows that organizing drives targeted to workers of colour may be more likely to succeed.

Table 9 shows the impact of unionization on annual earnings. Here, we compare the annual earnings of employees who are union members to workers who are not covered by a collective agreement.

As shown, workers of colour who were unionized earned an average of \$33,525 in 1999. This was 29.9% or \$7,724 more in 1999 than workers of colour who were not unionized.

**TABLE 9 - UNION IMPACT ON ANNUAL EARNINGS**

	Workers of Colour	All Other Workers
<b>Union Member</b>	\$33,525	\$37,909
<b>Not Covered</b>	\$25,801	\$28,002
<b>Union Premium</b>	\$7,724	\$9,907
<b>As %</b>	29.9%	35.4%
<b>Men</b>		
<b>Union Member</b>	\$39,675	\$43,817
<b>Not Covered</b>	\$30,819	\$35,354
<b>Union Premium</b>	\$8,856	\$8,463
<b>As %</b>	28.7%	23.9%
<b>Women</b>		
<b>Union Member</b>	\$27,908	\$30,875
<b>Not Covered</b>	\$20,772	\$20,362
<b>Union Premium</b>	\$7,136	\$10,513
<b>As %</b>	34.3%	51.6%

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1999.

While this gain was substantial, it was a bit smaller than the union wage advantage of 35.4% among all other workers.

Among men, the union wage advantage is greatest for workers of colour compared to all other workers (28.7% compared to 23.9%). This means that the pay gap by racial status among unionized male workers is smaller than among non-union workers. Male workers of colour who are union members earn 9.4% less than other male workers, while male, non-union workers of colour earn 12.8% less than other non-union workers. For men, unions make a positive contribution to employment equity.

The story is somewhat different among women. Women workers of colour who are unionized earn \$7,136 or 34.3% more than non-union workers of colour — a significant pay advantage. Indeed, the union premium for women is greater than for men. However, the union premium is still greater among women who do not belong to racialized groups.

Union membership also has a positive impact on economic security for workers of colour: 84% of unionized workers of colour worked all year in 1999 (compared to 71% of non-union workers of colour) and this group had average annual earnings of \$36,808.

## **CONCLUSIONS**

The evidence is clear that systemic racism is very much a factor in the Canadian job market. Racialized workers are paid less, enjoy less security, and are much more vulnerable to poverty than other workers. Unions do make a difference. But, unions and governments must do far more to combat the injustices of systemic racism.

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## TECHNICAL NOTE

Data from the Survey of Labour and Income Dynamics (SLID) were provided by Statistics Canada. Of the SLID sample in 1999, 9.8% of respondents belonged to visible minority groups, defined as being neither Caucasian nor Aboriginal. This is likely an underestimate, and it can be noted that 4.6% of the SLID sample reported that they “didn’t know” when asked about visible minority status. In this report, we mainly refer to “racialized workers” and “workers of colour” rather than to “visible minorities.”

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