Learning to Develop Negotiating Strategies: Labor market experiences of South Asian immigrant women as home-based entrepreneurs in Toronto

Final Report for the
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Background and Context

The Canadian labor market is heavily dependent on immigrants (Thobani, 1999). The vital need of the local labor market has always been dependent upon immigrant worker’s labor and skills (Lochhead and MacKenzie, 2005). However a problematic aspect of Canadian labor market is that the needs of this market and the means by which such needs are fulfilled, are often structured around complex race, class and gender lines: Filipino women as domestic workers, Chinese or South Asian women as garment workers (Jamal, 1998; Bakan and Stasiulis, 1997; Man, 2000).

Studies examining the links between immigration status, unemployment, gender and race demonstrate that because of a racialized and gendered labor market, women of color make up a large pool of the low wage, low income sectors in Canada (Sassen, 1998; Galabuzi, 2001; Jackson, 2002). They serve as a source of cheap labor and experience the highest levels of unemployment and poverty (Ornstein, 2000). Several barriers such as devaluation of credentials (Tatsoglou & Miedena 2000), lack of Canadian experience (Chakkalakal & Harvey 2001), lack of proficiency in English (CASSA 2000), lack of consistency in the evaluation process of new immigrants (Basran & Li 1998), glass ceiling (Pendakur & Pendakur 2001) and last but not the least racism and sexism in the host country (Jeea 2000) severely impede these women’s entry into jobs that are highly paid and related to their own field in the primary labour market. Thus, immigrant women of color are frequently lumped into jobs that are considered ‘peripheral’ to the mainstream Canadian labor market thereby systemically excluding them from the better paid, secure and the more desirable jobs in the market (Hou and Balakrishnan, 1996).

South Asian immigrant women in Canada constitute an important category in the low-paid sector of the labour market in Canada who are often marginalized as the “other” both as labourers as well as part of the population, where their integration into the mainstream Canadian society are as problematic as their entry into the job market. Coming from countries like India, Pakistan, Bangladesh, Sri Lanka, South Asian women constitute the second largest immigrant community in Canada (CASSA, 2000) consisting of predominantly middle class professionals or women with high education (Jeea, 2000). But this does not necessarily translate into ‘meaningful employment’ for many of these women in Canada (Li, 2001). Although since 1960s, most of the South Asian women had high education and professional degrees (Dasgupta, 1996), majority of the work these women do are the worst, low paid jobs in factories, farms or at home, under sweat shop conditions (Dasgupta, 1994; Khosla, 1983, CASSA, 2000), very similar to the situation of other immigrant women of color residing in Canada (Estable and Meyer, 1989). Even those women, who come with professional degrees and high education, are forced to work in low paid clerical jobs, garment factories, home based jobs and feel immensely undervalued and underemployed (Ghosh, 1981, Dasgupta, 1996; Jeea, 2000). Most of these jobs are non-unionized with dangerous health and safety conditions, low wages and have very little opportunities for upward mobility (Dasgupta, 1996). Thus South Asian immigrant women experience the phenomenon of ghettoization and segmentation, which achieve both a divided work force and a cheap, captive labor pool.

An important example of such segmentation is the enclave economy, an offshoot of the dual labor market theory that developed in the late 1960s elucidating the inequalities in employment (Averitt 1968). The category of what constitutes an enclave
has been defined by scholars as “one that is bounded by coethnicity and location” (Zhou, 2004) and as a vehicle for upward mobility, prosperity and success in the face of mainstream discrimination and lack of opportunities for minority immigrants (Wilson and Portes, 1980; Portes and Bach, 1985). However, a significant debate exists over enclave economy, particularly around the issue of whether enclave economy can really lead to success for minority immigrants. Challenging the hypothesis of Portes and others, scholars have variously argued against enclave enterprises as being dependent on low wage, sweatshop conditions, intense competition, factionalism, closure to union organizing and exploitative working conditions (Sanders and Nee, 1987; Light et al, 1995). Particularly, the issue of women’s work within enclave has been under theorized. While women’s contribution to family labor within enclaves (Fernandez-Kelly and Garcia, 1990; Boyd, 1989; Portes and Jensen, 1987) as well as their employment in enclave enterprise (Zhou, 2004) have been discussed, few studies have focused on women entrepreneurs in enclaves who because of gender and racial barriers run small businesses from home.

This study explores the negotiation and learning South Asian immigrant women entrepreneurs undertake, who while remaining within the enclaves also seek to enter the general labor market and thereby move beyond the confines of the enclave economy. Based on the preliminary findings of interviews with twenty-five South Asian immigrant women working as home-based entrepreneurs, this report documents the racial and gendered exclusions faced by South Asian immigrant women in the Canadian labor market, the reasons they enter the enclave enterprise and finally their agency in taking endeavors to create a niche in the mainstream Canadian labor market.

Methodology

In the summer of 2006 semi-structured in depth interviews were conducted with twenty-five women who have immigrated to Canada from India, Bangladesh, Pakistan, and Sri Lanka respectively. The goal of the interview was to deeply explore the respondent's point of view, feelings and perspectives on such issues as experiences of immigration, job search, racial and gender bias of the Canadian labor market, enclave enterprise, entrepreneurial experiences and learning initiatives undertaken to go beyond the enclave enterprise to create their presence in the general labor market. Eighty percent of the women were fluent in English, had University degrees from their home country and worked in various professional jobs before immigrating to Canada. All of them when interviewed were running small businesses from home as sewers and sellers of ethnic clothes for their own community. Five women were also working part-time at ‘Bay’ and ‘Zellers’ and one in a call centre. One other woman was working full time in a garment factory besides running her home business. The interviewees were recruited through snowballing, and personal contacts of the researcher in the South Asian community. The interviews were conducted in English or Hindi based on what suited the respondents most, except for one where a translator was used as the interviewee was more comfortable speaking in Tamil rather than English or Hindi. Each interviewee had to fill out a demographic form detailing her name, age, education, marital status, address etc. as well as a consent form designating the fact that the interview was conducted under mutual consent. Each interview was also given $25 as honoraria and the CERIS student
grant was utilized for that purpose. The audio-taped interviews were transcribed verbatim and the software program N6 was used to code and identify some of the important themes of the research. However the data analysis process (in progress) involves more than just identifying themes and has been quite nuanced, taking the women’s lived experiences as the locus of analysis to validate their knowledge, struggles, negotiations and agency against their exploitation in the gendered and racialized labor market.

Summary of Preliminary Research Findings

Barriers

Similar to studies mentioned in the literature review section, one of the most important findings was about the various barriers that these women faced (especially those who were highly educated) in getting employment after immigration. Most of the women reported that they had immigrated to Canada with a hope to get a “better life” for themselves and their family and with a “dream” to get a job based on their previous education and work experiences. Upon arrival at least seventy percent of the interviewees mentioned looking for jobs in such fields as schools, journalism, social work, banking, fashion designing and other supervisory and administrative jobs based on their previous work experience and education. However, in most cases either they never heard from the employer or else were told to get “Canadian work experience”, or “Canadian education”. Many of them actually felt that because of being women of color and immigrant, they were not hired in spite of having required qualifications for certain administrative and supervisory positions in particular.

Enclave Enterprise

One of the interesting trends that emerged out of the data was that majority of the interviewees after immigration chose to settle in those areas of Toronto that have similar ethnic groups. For instance, most of the interviewees of my research were residents of such areas as Bloor and Sherbourne, Victoria Park, Markham, Scarborough, Mississauga and Brampton, largely inhabited by South Asian communities. South Asians operate a thriving business in these areas ranging from ethnic stores, restaurants, property dealing, mortgage business to beauty parlors, computer stores so on and so forth. While enclave enterprises have been both commended and criticized with respect to social and economic integration of immigrants, in the case of the interviewees, some interesting data emerged:

a) Most of the interviewees who started home-based businesses did look for jobs when they first arrived in Canada. In fact most of the women were of the opinion that they wanted to work to support their family upon arrival as the money they brought (approximately $10,000 CAD as required by Canadian immigration policy) with them was not enough to sustain them for long. Yet because of the labor market barriers as well as lack of available resources to provide for childcare (for those who had children) and household work they were forced to think of other alternatives. Living in enclaves was useful as networking with other
immigrant women in similar occupation gave them the idea to start their own business from home. Many women were also of the opinion that instead of trying for other low end jobs in factories and sweatshops where they have to work long hours, home-based business was a viable option.

Sewing and selling of ethnic clothes was taken up as all the women had little or more training in sewing as part of their growing up in South Asian countries. Besides, women reported that occasions such as marriage, festivals etc always creates a demand for ethnic clothes and staying close to fellow communities gives them ample opportunity to advertise their work and get required clientele. However on the flip side, women respondents were of the opinion that intense competition characterizes these kind of jobs so that often women have to lower their prices to hold on to their customers. Besides, a limited enclave clientele entails the fact that the money earned varies from week to week and sometimes becomes quite seasonal.

b) The politics of gender within these enclaves is quite evident from the fact that most women were responsible for child rearing and household work. Besides, many reported that when looking for jobs their husband’s job got prioritized that further diminished their potentials to work outside of the home. Home business suited these women most as they felt that they could take care of their household and children and at the same time earn to sustain the household economy. Moreover, a few reported that their work being done from home is often devalued and discouraged by their own family members so that many of these women feel that they are closed within an economy with very limited scope for lateral movement outside of the enclave and home.

c) What further emerged out of the discussions with the interviewees was their desire and aspirations to go beyond the enclave economy and get absorbed in the primary labor market. This disjuncture is important if we compare these women’s discourse with the prevalent literature that argues in favor of enclave economy being self sustaining and self-fulfilling for minority immigrants. The desire of most of the interviewees to get enmeshed in the larger circuit of labor market speaks to the fact that enclaves are not seamless spaces but marked by inner contradictions and trajectories and it is important to pay attention to these inner dynamics especially in relation to women immigrants working from home.

d) Finally, the agency of the women is evident in the resourcefulness these women have in diversifying their business outside the limits of the enclave enterprise and choosing to act on their situation by learning to increase their income and get acknowledged for their potentials:

- Social networking: Women workers were actively networking not only within their own community but some of them have also advertised in other community newspapers to reach out to other clients. Two of the women who were working in retails stores contacted the subcontractors who supply clothes to those stores and when interviewed were in the process of finalizing a plan to sell clothes with ethnic designs to the
supplier. Another woman mentioned visiting community retail shops to convince them to buy clothes from her. She had also contacted a friend to set up their own store as partners.

• Learning to utilize ethnic resources: Most women were of the opinion that they could hardly find any resources specifically for immigrant women in helping them to start their own business. This lack of resources was most evident in the fact that when a start up capital was required, most of the banks refused them to grant loan based on such facts as “no credit history”, “husband’s work not recognized to grant a loan”, “a co-signer needed to get a credit card or loan”. Thus rejected, many women actually invested their own savings to initially spend for sewing machine and other accessories. On the other hand, few women actually approached their own ethnic groups who deal with mortgage and loans and were able to successfully get some finance based on community relations, good networking and community references.

• Learning to upgrade: Finally, most of the women were also involved in upgrading their knowledge of stitching and embroidery and were taking constant endeavors to learn new designs. For example one woman interviewed was taking a fashion designing course to learn designing Western outfits. Some women mentioned sitting together in the afternoons to learn from each other intricate designs and sewing skills. Others use the Internet, television and fashion magazines to remain updated so that they can cater to the wider society and not just their own ethnic groups.

It is through these multifarious learning initiatives that immigrant women try to actively participate in the economy and expand their entrepreneurial zeal so that their work is valued and they are accepted as important members of the Canadian society.

Policy relevance (for governments and community)

The study is an important contribution to the literature on the settlement experiences of South Asian immigrant women as well as literature on ethnic minority female entrepreneurs. The findings of the study will help to provide data to community agencies that deal with immigrant settlement and employment. The experiences of the women will help provide a direction to the organizations on the areas that need to be focused in terms of immigrant women’s settlement per se in Canada. The study suggests that advocating for childcare subsidies especially for immigrant women is imperative as most women are unable to work outside of home because of the lack of low cost childcare facilities in Canada.

The findings further indicate that there are several barriers that immigrant women of color face when they want to set up their own business in Canada. Since entrepreneurship is encouraged by the Canadian government, it is important that the government as well as service providers in the small scale business sector make provisions to promote learning
and training opportunities among immigrant workers so that they can further increase their skills and productivity to suit Canadian labor market needs.

Finally, both community organizations as well as the State should organize workshops to educate newly arrived women on such issues as loan application, banking, mortgage, that are important to know before setting up a business. It is important that the training and learning be designed as gender/race sensitive as racialized immigrant women are especially disadvantaged due to the exclusion and discrimination they experience both at the structural and individual levels (Blackburn & Ram, 2006).

**Plans for Dissemination**

The findings will be disseminated in the following manner:

- A paper based on the findings will be published as a book Chapter in *Learning to Win: Labour, Knowledge & Globalisation*, edited by Dr Mario Novelli and Dr Anibel Ferus-Comelo as part of the Routledge series on Globalization.
- Another paper will be sent to a scholarly journal
- A presentation will be delivered by the researcher in one the CERIS organized seminars.
- Conference presentations will be made both in Canada and internationally.

**References**


Westport, CT: Greenwood Press.


Learning to Develop Negotiating Strategies: Labor market experiences of South Asian immigrant women as home-based entrepreneurs in Toronto. Article. Jan 2007. This paper explores the nature of HIV-related stigma among South Asians in Toronto, its consequences for people living with it and its role in determining access to HIV services. The study is based on data from four focus group discussions with members of an HIV outreach organization, HIV-positive men and women, and women of different ages from the mainstream South Asian community. The questions were adapted from the Explanatory Model Interview Catalog that has been widely used to assess health-related stigma. HIV-related stigma was found to be high in Toronto's South Asian community.