

More Unequal Yet More Alike: The Changing Anatomy of Constituent Canadian Income Distributions in the 21st Century

Gordon Anderson
University of Toronto
anderson@chass.utoronto.ca

Jasmin Thomas
University of Toronto

The Canadian income distribution is a mixture of many very different constituent income distributions, Aboriginal–non-Aboriginal, Male–Female, Urban–Rural. In part, the extent to which they differ reflects the Inequity of Life Chances across those various constituencies, which has long been one focus of the Canadian political agenda. A core component of the equal opportunity imperative is that, conditional on circumstance and effort, each and all should have the same opportunity for income. Assuming innate efforts and abilities are commonly distributed across those constituencies, measuring the extent of “inequality of opportunity” is a matter of measuring the manner and extent to which constituent income distributions are unequal. This task is somewhat obfuscated by the counterintuitive fact (illuminated by a subgroup decomposition of the Gini coefficient) that a collection of distributions can simultaneously become more (less) equal and more (less) polarized. Thus, it is possible that constituencies can at once become less equal and yet, at the same time, have more in common. Here, in a study of the evolution of Income distributions of Aboriginal–Non-Aboriginal, Male–Female and Urban–Rural constituencies in Canada, three new tools are introduced for measuring the degree of segmentation and polarization in a collection of constituencies and the extent of ambiguity in an Income Wellbeing ordering of those constituencies. The study reveals increasing inequality coincident with diminishing segmentation and polarization in the first decade of the 21st century indicating some small advancement of the Equal Opportunity agenda.