

A note on self-employment

Henry Pold

The rapid growth in the number of employed women has been well documented - for example, between 1981 and 1990 female employment increased by 27% compared with only 6% for men. Another facet of the labour market that generated considerable interest over the past decade was small business - hailed by many as the engine of growth for employment.

While no long time series on small business is available, the Labour Force Survey (LFS) does provide a good proxy with its estimates of working owners of incorporated and unincorporated businesses. In 1981, the self-employed constituted 12.3% of total employment. By 1990, they made up 13.9% of the total. Over the decade, total employment grew by just over 14%, while self-employment increased more than twice as much (29%).

The influx of women into the entrepreneurial ranks was spectacular. For example, the number of women with incorporated businesses more than doubled between 1981 and 1990, while the number of men increased by little more than one-third. For unincorporated activities, the growth rates were more modest: 51% for women and 12% for men.

In addition to providing jobs for themselves, about 45% of the self-employed were employers with one or more paid employees. From the perspective of job creation, differences between the sexes were also evident: the number of female employers grew by 84% while male employers increased a little more than one-fifth. (In absolute numbers though, the situation was reversed - an increase of 111,000 men compared with 78,000 women.) The Survey of the Self-employed (November, 1986), an LFS supplement, found that each employer hired an average of 5.5 employees. In addition to themselves then, these new employers may have created slightly more than one million new jobs over the decade.



Table 1 Employment by class of worker and sex

Source: Labour Force Survey

Author

Henry Pold is with the Labour and Household Surveys Analysis Division of Statistics Canada.

Source

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Table 1

Employment by class of worker and sex

	1981	1990	Change
	'000		%
Total employment	11,001	12,572	14
Men	6,556	6,948	6
Women	4,445	5,624	27
Working owners	1,353	1,751	29
Men	1,030	1,230	19
Women	323	521	61
Incorporated businesses	412	597	45
Men	353	473	34
Women	59	123	108
Unincorporated businesses	941	1,154	23
Men	677	757	12
Women	264	398	51
With paid employees	607	796	31
Men	515	626	22
Women	92	170	84
With no paid employees	746	955	28
Men	515	604	17
Women	231	351	52

Source: Labour Force Survey