

## Self-employment in Quebec: a brief foray

The impression that self-employment is growing more and more and occupying a larger place in Quebec's labour market needs to be qualified. The numbers of self-employed workers are growing, yet self-employment represents a smaller proportion of total employment in Quebec than is the case in Canada and in Ontario. Although the majority of self-employed workers are men, more and more women are joining their ranks. Self-employment is more common among those aged 55 and up, and it will be interesting to see how the aging of the population, the scarcity of labour and the willingness to increase entrepreneurship will shape the labour market in the years ahead.

### A SIGNIFICANT PROPORTION

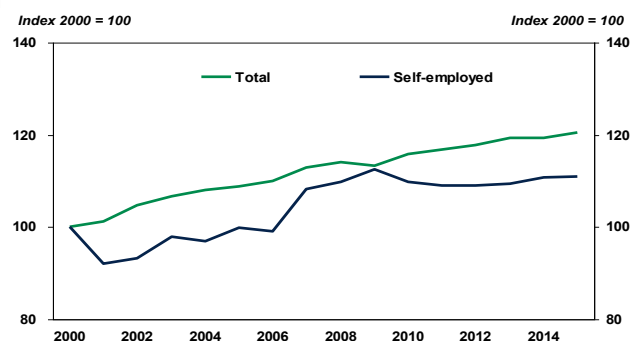
Quebec had around 560,000 self-employed workers in 2015 (average over 11 months), which represents 13.5% of Quebec's total employment in 2015. Self-employment has escalated significantly since the mid-1970s. Back then, it represented 10% of total employment, while by the end of the 1990s it reached 15.4%. However, since the start of the new millennium, its relative share of the job market has been trading water, oscillating between 13% and 14.7%.

The proportion of self-employment in Quebec's total job market is still below what may be observed in Ontario and in Canada, despite the fact that it has made gains since 1976. Moreover, since the beginning of the 2000s, Quebec has persistently lagged behind the Ontario and Canadian averages, both of which have stood at around 15.0% to 16.0%.

### SELF-EMPLOYMENT IS EXPANDING FASTER, OR MORE SLOWLY

Strange as it may seem, self-employment is growing both faster and more slowly than overall employment in Quebec. It all depends on what starting point is used when making comparisons over time. Since 1976, growth in self-employment has been around 119%, much faster than that of total employment (approximately 61%). But since the start of the millennium, self-employment has increased by close to 11% (from 2000 to 2015), that is, more slowly than overall employment in Quebec (between 20% and 21%). Lastly, since the 2009 recession, self-employment has lost some ground (between 1.0% and 1.5%) while total employment has expanded by around 6% to 7% during the same period. In short, the perception that self-employment is advancing like a steamroller does not hold up to analysis over the short and medium terms.

**Graph 1 – Quebec: since 2000, total job growth has been faster than that of self-employment**



Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

It is also important to point out that self-employment tends to grow a little faster during recessions, or in times of challenging labour market conditions.

### PREDOMINANCE IN CERTAIN SECTORS

As may be easily guessed, some sectors have larger percentages of self-employed workers than others. This is true of the farming sector in particular, where the proportion of self-employed hovers around 50%, year in and year out. This occupation is at the top of the list shown in the Labour Force Survey compiled by Statistics Canada. The second largest group of self-employed falls under the "Other Services" category<sup>1</sup> which includes businesses such as auto

<sup>1</sup> Statistics Canada: "This sector comprises establishments, not classified to any other sector, primarily engaged in repairing, or performing general or routine maintenance, on motor vehicles, machinery, equipment and other products to ensure that they work efficiently; providing personal care services, funeral services, laundry services and other services to individuals, such as pet care services and photo finishing services; organizing and promoting religious activities; supporting various causes through grant-making, advocating (promoting) various social and political causes, and promoting and defending the interests of their members. Private households are also included."

**François Dupuis**  
Vice-President and Chief Economist

**Joëlle Noreau**  
Senior Economist

418-835-2450 or 1 866 835-8444, ext. 2450  
E-mail: [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com)

NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

IMPORTANT: This document is based on public information and may under no circumstances be used or construed as a commitment by Desjardins Group. While the information provided has been determined on the basis of data obtained from sources that are deemed to be reliable, Desjardins Group in no way warrants that the information is accurate or complete. The document is provided solely for information purposes and does not constitute an offer or solicitation for purchase or sale. Desjardins Group takes no responsibility for the consequences of any decision whatsoever made on the basis of the data contained herein and does not hereby undertake to provide any advice, notably in the area of investment services. The data on prices or margins are provided for information purposes and may be modified at any time, based on such factors as market conditions. The past performances and projections expressed herein are no guarantee of future performance. The opinions and forecasts contained herein are, unless otherwise indicated, those of the document's authors and do not represent the opinions of any other person or the official position of Desjardins Group. Copyright © 2015, Desjardins Group. All rights reserved.

repair shops, hairdressing establishments, etc., where nearly one-third of jobs are held by self-employed workers year after year. That sector is closely followed by professional, scientific and technical services (approximately 30%). These include lawyers, engineers, notaries, architects, consultants, accountants, publicists and translators, to name a few.

Construction workers follow close behind, with a share estimated at a little over one-quarter in recent years. “Business services”<sup>2</sup> categories also list nearly 25% of their jobs as self-employed. Lastly, manufacturing is the sector where we find the smallest proportion (less than 4%) of self-employed workers.

A comparison with the year 2000 shows that the proportion of self-employed workers has diminished somewhat, from 14.8% at the beginning of the millennium to 13.7% fifteen years later. The most evident changes are in the farming sector, where the share of self-employed fell from 60% to around 50% from 2000 to 2015.

#### SELF-EMPLOYED, MALE AND FEMALE

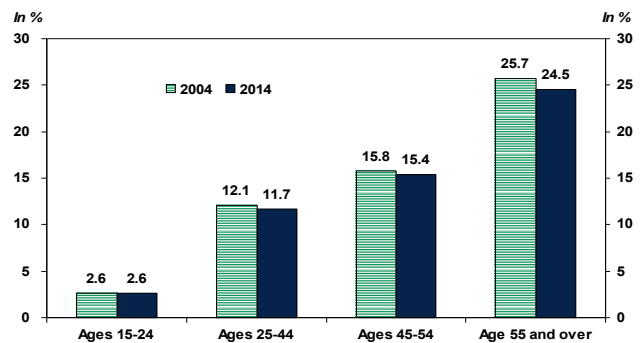
Self-employment includes both men and women. After 40 years of observations, more men are self-employed, in terms of both numbers and percentage.

Between 1976 and 2015, self-employment increased by about 85% for men and by around 210% for women. Compared to the levels seen in 2000, the gain is estimated at around 4.5% to 5% for men, and between 21% and 22% for women. Lastly, since the 2009 recession, self-employment has declined by nearly 3% among men, and has expanded by around 1% among women.

In 1976, the proportion of women who reported themselves as self-employed was about 27%. In 2015, that percentage was estimated at around 38%. Growth in self-employment has been faster among women than among men over the past 40 years.

<sup>2</sup> Statistics Canada: Management of Companies and Enterprises: “This sector comprises establishments primarily engaged in managing companies and enterprises and/or holding the securities or financial assets of companies and enterprises, for the purpose of owning a controlling interest in them and/or influencing their management decisions.” Administrative, Support Services, etc.: “This sector comprises two different types of establishments: those primarily engaged in activities that support the day-to-day operations of other organizations; and those primarily engaged in waste management activities.”

**Graph 2 – Quebec: proportion of self-employed in relation to all workers by age group – 2004 and 2014**



Source: Institut de la statistique du Québec

#### THE OLDER WE GET, THE MORE...

According to studies carried out by the Institut de la statistique du Québec as part of the publication of the *Annuaire québécois des statistiques du Québec*, the older we get, the more the percentage of self-employed workers increases. Thus, shown in graph 2, more of those aged 55 and up are their own boss, compared with younger age groups. The proportion of self-employed rises with age.

In 2014, one-quarter of workers aged 55 and over were self-employed. It should be noted that a significant proportion of workers in this category have decided to remain in the workplace, but outside more conventional arrangements. There are many reasons for this: difficulty in finding a job in a company, a desire to choose their projects and their schedules, starting up on their own after receiving training or after early retirement, or a desire to build up their savings after financial misadventures, to name just a few.

It is true that the number of self-employed workers has grown over the past 40-odd years, and recently as well. It has done so at a slower pace than total employment since the beginning of the 2000s. In the years to come, a few factors will influence the course of self-employment. The aging labour force will generate more workers aged 55 and over in the labour market: will more of them maintain ties with their current employers? Will recruitment challenges result in more flexible conditions for retaining older workers in their current positions, or facilitate the latter’s transition to self-employed status? Meanwhile, will efforts to stimulate entrepreneurship create a new generation of entrepreneurs and self-employed workers? It will be interesting to monitor the effects produced by these various forces in the years ahead.

**Joëlle Noreau**  
Senior Economist