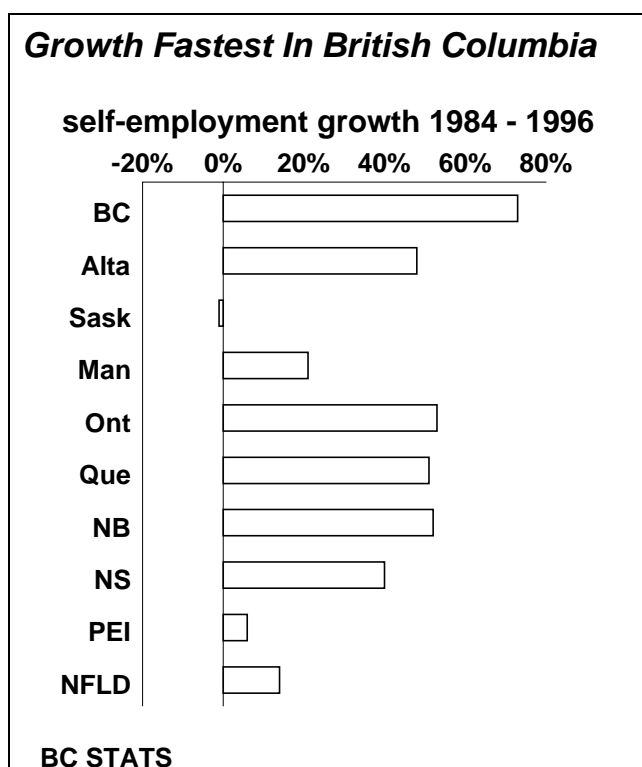


Feature: Immigrants Boost Self-Employment In British Columbia



More people are creating their own jobs everywhere in Canada, but nowhere is this more true than in British Columbia. Particularly strong rates of self-employment growth in British Columbia appear to be linked to high rates of immigration, and migration of people from other provinces. Both have brought more entrepreneurs into the province and expanded the marketplace available to them.

The new self-employed have established themselves in occupations ranging from accountants or business consultants, to construction workers or bed and breakfast operators.

Self-employed British Columbians (excluding those who are full-time students) rose 35 per cent between 1990 and 1996, faster than anywhere else in Canada, and much faster than the 13 per cent rise in the number of employees in the province. Across Canada, self-employment grew 21 per cent, as the number of employees edged up a mere 2 per cent.

With the steady increase in people creating their own jobs, self-employment has become much more common, both in the workforce, and in terms of the overall population. The self-employed accounted for 18 per cent of all British Columbia workers in 1996, up from 16 per cent in 1990. For Canada as a whole, the self-employed accounted for 16 per cent in 1996, up from 14 per cent in 1990.

In terms of the overall population, the number of self-employed in British Columbia rose 16 per cent from 70 per 1,000 people in 1990, to 81 per 1,000 in 1996.

Most self-employed people have no employees of their own, and it is this group that has grown fastest – 56 per cent, from 117 thousand in 1990, to 182 thousand in 1996. Those with employees grew a more steady 14 per cent, from 114 thousand to 130 thousand.

New Arrivals, Population Growth and Self-Employment

Immigration and migration from other provinces have together given the province the fastest population growth in Canada. Net immigration added 224 thousand to the provincial population between 1990 and 1996, and more than 43 thousand in 1996 alone. Net migration from other provinces added even more, expanding the provincial population by about 241 thousand people between 1990 and 1996.

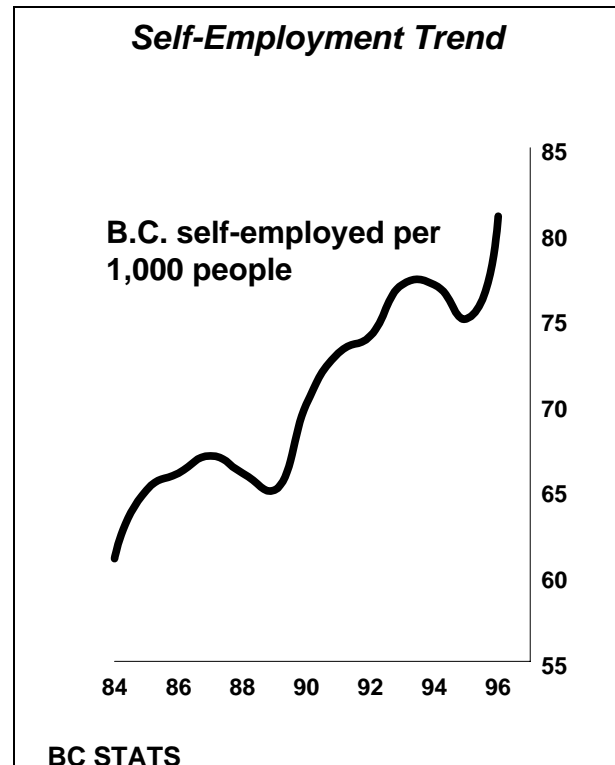
These new arrivals likely included a disproportionately large number of people with the abilities, capital or simply the inclination to become entrepreneurs.

Most recent immigrants (80 per cent in 1996) have been of Asian origin. Already they have become well established in the province's business community, creating jobs and generating new wealth.

Jock Finlayson of the Business Council of British Columbia observes that, 'Asian communities (in British Columbia) have demonstrated a strong entrepreneurial flair.'

This view is shared by Alan Chan, Manager of the Research Centre for SUCCESS, a Vancouver organisation devoted to assisting new immigrants settle in British Columbia. Mr. Chan notes that, 'Asian immigrants have a cultural drive to be successful and are frequently willing to work very hard and accept financial risks to achieve that.'

SUCCESS operates a Small Business Centre in downtown Vancouver to provide support to immigrants initiating their own business ventures.



In Richmond, where a great many recent Chinese immigrants have settled, Lino Siracusa, Manager of Economic Development, observes that, 'about 50 per cent of business licenses issued by the city are taken out by people of Chinese background.'

While few recent statistics are available on the work patterns of migrants from other provinces, it is known that they tend to be more highly educated, a characteristic associated with self-employed people. Like immigrants, they are also people who have already taken a chance with their decision to move, suggesting that they may be more prepared than most to accept risks involved in establishing businesses of their own.

Some may be drawn to work in the construction industry which, like agriculture, employs a relatively high proportion of self-employed labour. Others may have migrated west primarily seeking new scenery or warmer climates.

Even those who arrive in British Columbia without specific career plans may eventually come to consider self-employment as an option.

Mr. Finlayson observes that, 'With no ready supply of employment, people coming to British Columbia are obliged to make their own work,' adding that 'the employment base is small here because relatively few major companies are based in British Columbia and there are few technology companies of any size.'

He says that immigrants or migrants may be more prepared to venture into self-employment because they often have the necessary business experience and capital.

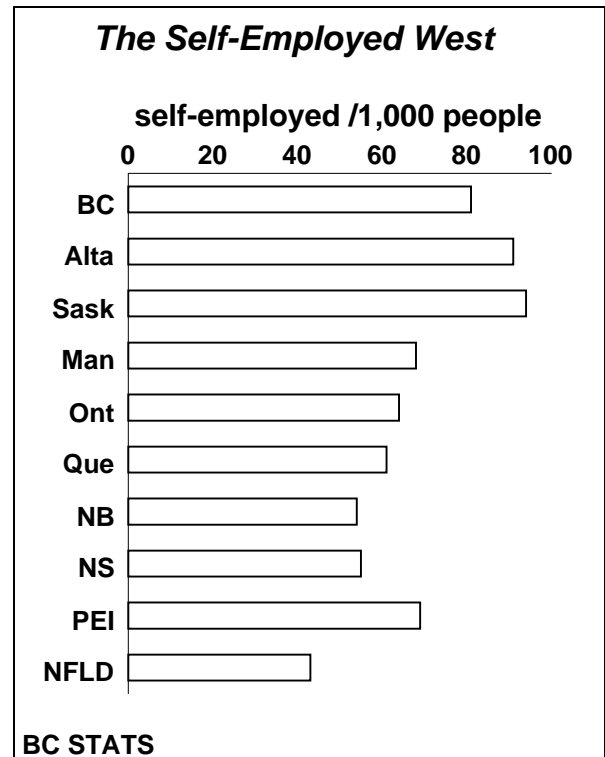
Even older migrants coming to British Columbia to retire may be swelling the numbers of newly self-employed.

Ted Mallett, Research Director for the Canadian Federation of Independent Business says that, 'retired or nearly retired in British Columbia are establishing their own businesses to augment pension or investment incomes.' This pattern is doubtless encouraged by the relatively high cost of living in the province compared to many other parts of Canada.

High Levels of Self-Employment Tied to Agriculture, Except In British Columbia

With the exception of British Columbia, high levels of self-employment in Canada are linked to large agricultural industries.

Everywhere in Canada, agriculture supports a proportionately greater number of self-employed people than any other industry. Where there are large numbers of people employed in agriculture, there are also large numbers of self-employed. It is likely that the small and relatively remote communities



associated with agriculture also spawn a large number of owner-operated retail and service businesses.

In 1996, Saskatchewan had both the highest concentration of self-employed people of any province, and the highest proportion of its economy committed to agriculture. For every 1,000 people in Saskatchewan, there were 94 self-employed. This compared to a Canadian average of 68 self-employed per 1,000 people. The 11 per cent of Saskatchewan's gross domestic product in agriculture was more than five times the Canadian average of 2 per cent.

There were similar links between high self-employment and large agricultural industries for Alberta, Prince Edward Island and Manitoba. Alberta had 91 self-employed per 1,000 people and an agriculture industry amounting to 4 per cent of its economy. In Prince Edward Island there were 69 self-employed per 1,000 people and an agriculture industry amounting to 8 per cent of its economy. In Manitoba there were 68 self-

employed per 1,000 people and an agricultural industry accounting for 5 per cent of the economy.

British Columbia's 81 self-employed per 1,000 people was well above the Canadian average of 68, but agriculture accounted for only 1 per cent of gross domestic product, half the national average and much too little to explain its high level of self-employment.

There has always been a certain amount of self-employed work associated with the natural resource industries that still dominate the British Columbia economy. For example, there are independent logging operations in forestry and independent fish boat owners or co-adventuring crew (also self-employed) in the fishing industry. Along with these and other resource industries there are always service support activities performed by self-employed people, particularly in small and remote communities.

Small communities in British Columbia have a relatively high incidence of self-employment by national standards, but the really exceptional concentrations of self-employment are in Vancouver and Victoria, its two major centres.

Vancouver and Victoria have had the highest concentrations of self-employment of major centres anywhere in Canada. They have also had some of the highest propor-

tions of immigrants and interprovincial migrants in their populations.

1991 Census data (still the latest available with these statistics) show Vancouver's ratio of immigrants to total population to be 30 per cent, exceeded only by Toronto with 38 per cent.

Victoria also had a high proportion of immigrants in its population (19 per cent) by comparison with the Canadian average (16 per cent). As well, it had the highest proportion of migrants from other provinces (those having migrated within the previous five years) of any major centre in Canada.

Interprovincial migrants accounted for 10 per cent of Victoria's population in 1991, more than twice the 4 per cent ratio for Canada as a whole. Calgary had the next highest concentration (9 per cent), followed by Charlottetown (7 per cent).

Victoria's attraction for people elsewhere in Canada is largely as a retirement centre. But in addition to retirees, the city attracts many people of working age, drawn to the city for its lifestyle attractions. Many of these establish their own businesses as a means of earning a living in local economy known for its tight job market.