

Tapping economic potential through broader workforce participation ^[1]

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AVAILABILITY

Full report PDF ^[2]

Introduction

Canada's economic growth over the past 50 years was fuelled largely by growth in labour force participation rates. In 2015, Canada had one of the highest labour force participation rates among OECD countries. While it is true that our population is now aging and that the workforce will no longer grow at the pace we have become accustomed to, Canada still has significant untapped labour force potential given the underrepresentation of a number of demographic groups. Finding ways to include more of these Canadians in the labour force would improve their quality of life and their chances of success in the economy. This would deliver on the promise of inclusive growth in a way that also improves the wider economy's prospects, and makes it less likely that Canada's social safety net becomes overstretched.

The Council has identified four demographic groups where an increase in participation to "best-in-class" levels could have a significant impact on the economy: Indigenous Peoples, lower-income Canadians, women with young children, and Canadians over the age of 55. We are keen to see action from the federal government to spur inclusive growth by increasing participation rates among these four over the coming years. The four groups addressed here are not meant to be an exhaustive list. Several other groups face barriers to participation, such as people with disabilities, recent immigrants, and youth who are not in education, employment, or training (NEET). Bringing more members of these groups into jobs is also very important, but we have focused attention on the groups for which increased participation in the workforce will have the greatest economic impact, since we believe that the better the economy performs, the greater the opportunity for all Canadians.

This memorandum is not a specific recommendation of one policy approach over another; it is rather a collection of broad recommendations to aid policy makers to explore the existing policy landscape in depth, and to determine ways of removing barriers to employment. In some cases, the appropriate response might be new policy, while in others the government might simply need to "get out of the way", for example by eliminating distortions created by existing policies that discourage employment. The potential approaches we outline here are only examples and do not constitute an exhaustive list of policy options. Further, it is important to note that policy makers are not the only actors in this space—employers, both private and public, have a role to play in establishing the conditions for more inclusive participation in the workforce.

Region: Canada ^[3]

Tags: economics ^[4]

women's labour force participation ^[5]

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