

Child care, stimulus restraint key for economic recovery: Business council ^[1]

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EXCERPTS

The Business Council of Canada is concerned Canada's economic recovery will stall if the federal government doesn't prioritize private sector growth and new ventures.

In a pre-budget letter to Deputy Prime Minister and Finance Minister Chrystia Freeland, the council's chief executive officer Goldy Hyder said some business leaders are concerned the government's "build back better" mantra for the recovery might lead to a permanently swelling in the size and scope of government.

"This simple phrase means different things to different people," Hyder warned in the document dated Feb 24. "To some, it is a call to permanently expand the size and scope of government, the result of which would be larger deficits or higher taxes – or both."

"Rather than prioritizing economic growth and competitiveness, the government's primary focus would be on wealth redistribution."

The federal government has completed pre-budget consultations and is now preparing what is expected to be one of the most significant financial plans in modern Canadian history as it seeks a path out of the downturn brought on by the COVID-19 pandemic.

Among the six recommendations the council presented to the feds was a call to improve the affordability and reliability of child care as a way to allow more women to return to the workforce. Recent data released by both CIBC and BMO Financial Group found that not only are women taking on a larger share of household labour during the pandemic, but that many are putting organizing the family's finances ahead of managing their own.

The council also wants to see measures that facilitate higher immigration of skilled workers, better promotion of innovation and support for entrepreneurs to protect and capture value from their intellectual property. Hyder also said avoiding new permanent spending and creating a budget with a fiscal anchor is key to improving business confidence. Also on the council's budget wishlist is an acceleration of public- and private-sector investments in greenhouse gas reducing methods such as carbon capture.

"For the economic recovery from COVID-19 to be durable and resilient, the budget must establish a responsible and credible fiscal framework," Hyder wrote to conclude the letter. "It must enhance productivity growth and strengthen the ability of Canadians and Canadian companies to compete and win in the global economy."

Region: Canada ^[3]

Tags: economic recovery ^[4]

investment ^[5]

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