Delivering on the promise of better outcomes for Canadian women

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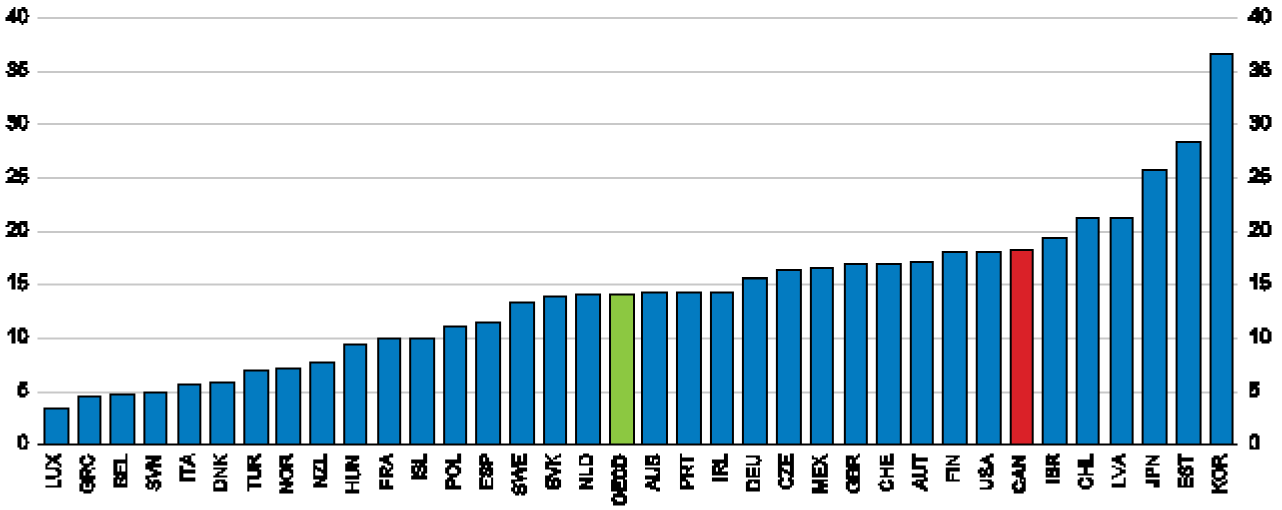
The current Canadian government has declared itself feminist and has taken a number of steps to improve labour market outcomes for women. This includes increased funding for early learning and child care and improving equality of parental leave by introducing five weeks of leave for the second parent (generally fathers) on a take it or lose it basis. In terms of employment and labour force participation, Canadian women do much better than the OECD average.

However, there remains a sizeable gap in earnings between Canadian men and women (Figure 1).

Figure 1. The gender earnings gap is above average in Canada
2016 or latest year available[1]

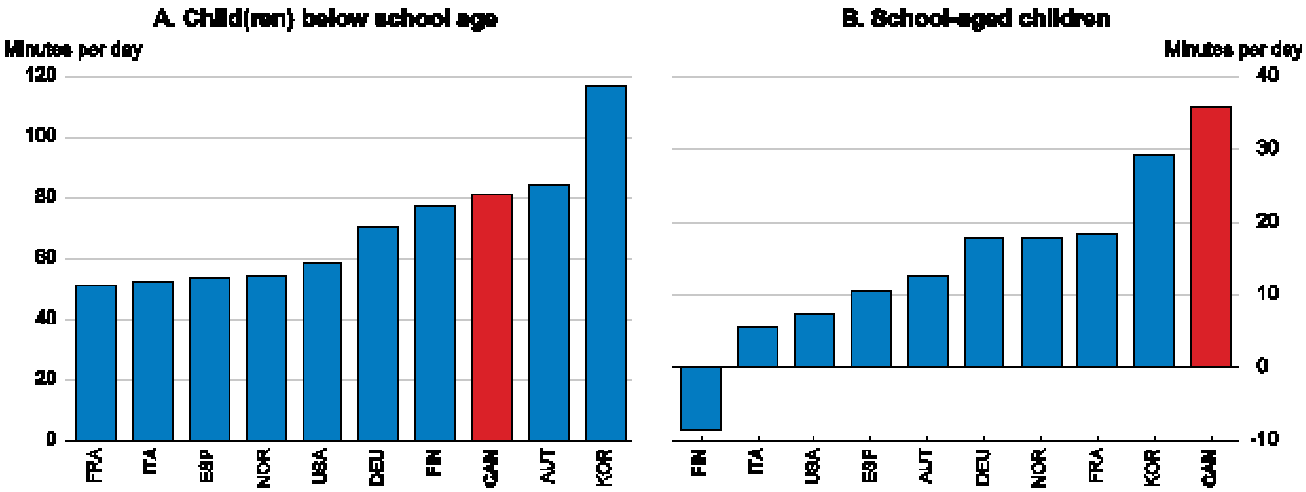


1. The gender wage gap is defined as the difference between median earnings of men and women relative to median earnings of men. Data refer to full-time employees and to self-employed. For Canada data are based on weekly earnings.
Source: OECD (2018), *Gender Database*, https://data.oecd.org/earnwage/gender-wage-gap.htm.

The earnings gap is particularly large for women with children, in part explained by fewer years of work experience and more hours devoted to unpaid work (Figure 2). This might be fine if it was the result of personal choices on how to split paid and unpaid work between couples, but international survey evidence indicates that women would like to work more and, within Canada, comparison with Quebec – where women have for many years enjoyed affordable child care and more equitable division of parental leave – indicates that Canadian women would choose to work more if given access to more family-friendly policy support.

Figure 2. Canadian fathers spend less time on childcare activities than mothers[1]

Time spent on childcare activities by women less time spent by men, by youngest child's age



1. Data for partnered men and women (those who live in the same household as a spouse or cohabitating partner, married or not) in couples with a female partner aged 25-45, only. Pensioners and students excluded. Data restricted to 'carers', i.e., mothers and fathers who are engaged in at least one childcare activity during a time-use diary day.

Source: OECD (2017), *The Pursuit of Gender Equality: An Uphill Battle*, Figure 15.2.

An important step in this regard is to make sure that new fathers use the additional leave that they are now entitled to. Governments need to work with businesses and lead by example to create a culture where men are encouraged to take leave to look after their young children. Payment rates for parental leave may need to be adjusted if take-up remains low, as it has in some other OECD countries with low payment rates.

Improving access to high-quality, affordable early childhood education and care (ECEC) is the best way to improve labour market outcomes for Canadian women. Canada stands out among OECD countries for the high cost of childcare (in the comparison province of Ontario, at least) and the low share of Canadian youth who have attended ECEC for two years or more. Affordable and high quality ECEC can address barriers to mothers' labour force participation, reduce the motherhood wage penalty and support child development, particularly for disadvantaged children. While there are upfront fiscal costs, these are offset over a longer period through women's higher participation and productivity. Women's productivity, and thus incomes, would also be assisted by further steps to promote female entrepreneurship and to boost women's representation in senior management, computing and engineering.

References:

OECD (2018), OECD Economic Surveys: Canada 2018, OECD Publishing, Paris.