

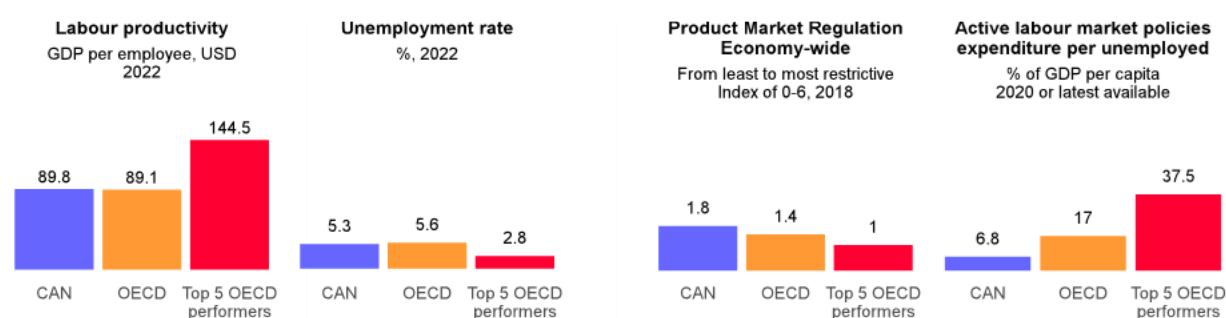


## Performance gaps

## Recommendations

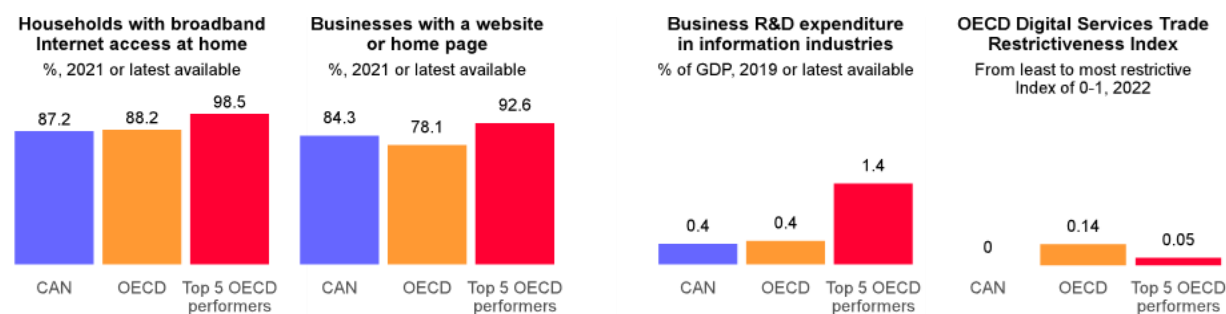
### Product and labour markets functioning

- Canada's productivity growth continues to underperform leading OECD countries. Differences in provincial regulation of markets for goods, services and labour obstruct internal trade and hinder business activity.
- Canada has lagged other OECD countries in adjusting competition laws for large producers of digital services. Tax breaks for small enterprises discourage high-performing firms from growing, weighing on productivity growth.
- Continue lowering internal barriers to trade, including through widening the scope of the Canadian Free Trade Agreement.
- Work on measures to prevent anti-competitive behavior by large digital enterprises.
- Remove tax subsidies for small firms, including by lowering the small firm tax-credit rate to that for large firms in the Scientific Research and Experimental Development Program.



### Digital transition

- Stronger competition among telecoms providers could reduce prices and improve network quality.
- Poor access to broadband internet in some communities impedes activity and opportunities outside Canada's cities.
- Widen market access for mobile virtual network operators and pare back foreign-ownership restrictions.
- Improve telecommunications services in rural and remote communities.

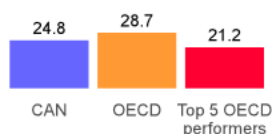


### Inclusiveness, social protection, and ageing

- Inadequate access to affordable childcare impedes female labour force participation and gender equality.
- Canada has experienced large increases in housing prices in recent years, making it harder for many Canadians to buy homes, particularly in cities.
- Large socio-economic gaps remain between Indigenous people and the non-Indigenous population.
- Canada's public health-care system does not cover pharmaceutical drugs at the national level. High-priced medicines can further stretch the budgets of vulnerable low-income households.
- Monitor and, where necessary, support provinces' and territories' delivery of lower cost childcare following deals struck with the Federal government.
- As part of efforts to improve housing affordability, work with sub-national governments to lower barriers to supply of housing in urban areas.
- Enhance self-determination among Indigenous peoples including through capacity building in Indigenous governments.
- Follow through with planned negotiations for gradual adoption of universal drug coverage (Pharmacare).

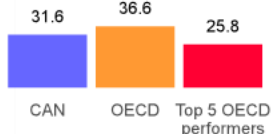
#### Mean poverty gap after taxes and transfers

Line at 60% of median disposable income  
2021 or latest available



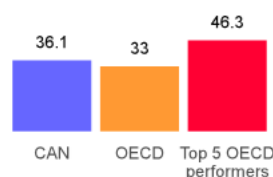
#### Impact of socioeconomic background in PISA reading score

%, 2018



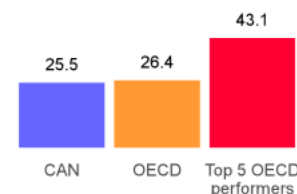
#### Strength of redistribution

Differences in Gini coefficients between market & disposable income relative to coef. on disposable income  
%, 2021 or latest available



#### Income levels provided by cash minimum-income benefits

% of median disposable income, 2021 or latest available

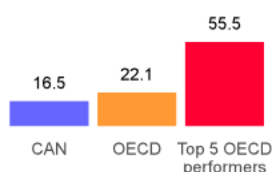


### Climate transition

- Canada's economy generates more emissions per person than most OECD economies. Deep abatement will require a large shift to clean energy and more efficient energy use.
- Incentives are too weak in some provinces' carbon pricing schemes to ensure Canada hits its emissions targets. Exclusion of some emissions sources reduces the efficiency of the national carbon pricing framework.
- Electricity pricing policies in some provincial power markets encourage heavy energy use and reduce returns to investment in green energy.
- High take-up of zero emission vehicles is needed to drive down emissions from passenger transport.
- Proceed with planned carbon price rises and continued tightening of emissions benchmarks.
- Continue to improve methods for tracking methane emitted from oil and gas operations with a view to including methane in emissions pricing schemes.
- Encourage time-of-use pricing as a default option for residential customers in provincial electricity markets.
- Continue support for increased domestic power trade to boost competition, facilitate market-based pricing, and lower the cost of decarbonising electricity.
- Maintain support for EV charging infrastructure rollout while markets are still maturing.

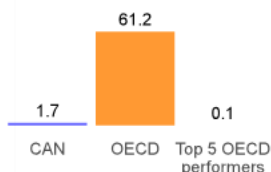
#### Share of renewables in the energy mix

%, Average over 2019-21 or latest available



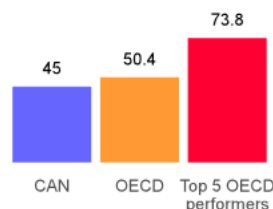
#### Share of population exposed to more than 10 µg/m3 of PM2.5

%, Average over 2017-19



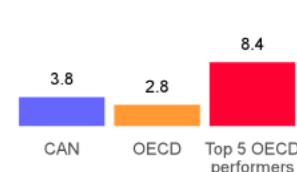
#### Carbon pricing score

%, at EUR 30 per tonne CO2, 2018



#### Environmentally-related government R&D budget

% of total government R&D 2021 or latest available

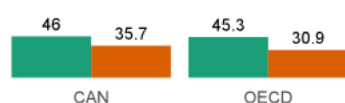


## Overall performance

#### Economy

Thousands USD per capita  
2022 or latest available

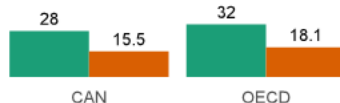
Gross Domestic Product  
Household gross adjusted disposable income



#### Inequality and poverty

2021 or latest available

Gini coefficient after taxes and transfers (index of 0-100)  
Poverty rate, line at 60% of median disposable income (%)



#### Environment and climate

1 unit of GDP, 2021

0.39 GHG emissions  
0.24 (OECD)

#### Welfare cost of premature deaths due to ambient particulate matter

% GDP equivalent, 2019





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Going for Growth

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