

APPENDIX

Assessing the Economic Case for Increasing Women's Political Representation in Parliament

By Ali Shariati, Stephen Tapp, and Armine Yalnizyan

September 4, 2026

Section 1. Canadian context

1.1 Economic challenges

In a low-growth environment, every extra percentage point of economic growth matters. Long-run trend economic growth has been slowing across advanced economies over recent decades due to a combination of population ageing — which has dramatically slowed labour force growth — weak business investment, and meagre productivity growth.

Canada faces particular challenges from increased geopolitical uncertainty with its largest trading partner. Indeed, recent trade tensions with the U.S. have reduced Canada's economic outlook by roughly 2%, according to Bank of Canada projections. With trade talks on hold and the prospect rising to end the largely tariff-free North American trade we have enjoyed, Canada urgently needs to find new ways to increase its long-run economic growth prospects.

1.2 Women's political representation in Canada

Persistent under-representation: Women make up slightly more than half of Canada's population but remain substantially under-represented in Parliament. In the recent 2025 election, women accounted for only [30.3%](#) of Members of Parliament (MPs) in the House of Commons. There was significant variation in the share of women candidates across political parties, ranging from a low of 22.8% to a high of 51.5%.

Gender parity still decades away: Progress in women's political representation has been slow over the past 75 years. To illustrate this point, if the modest progress experienced since 1950 were to continue, there would not be gender parity in the House of Commons until 2067 — more than four decades from now (see Annex, Figure 1).

Canada's declining global rankings: Canada's progress in increasing women's representation in the House of Commons has lagged substantially behind that of many other countries. Canada's share of women MPs currently ranks just 72nd among 182

countries, 5th among the G7, and 26th among the 38 OECD countries. Canada has lost significant ground compared with 1990 (Table 1 and Annex Figure 2).

Table 1: Canada’s falling global rankings in women’s political representation

Comparison group	1990	2026	Change in rank
G7	2	5	-3
OECD (38 countries)	14	26	-12
Global (182 countries)	32	72	-40

Source: Inter-Parliamentary Union, [Parline](#)

Other parts of government in Canada show that faster progress is possible. The federal Cabinet achieved gender parity for the first time in 2015, and women’s representation in provincial and territorial legislatures stands at 37% in 2026 (Annex Figure 3). This demonstrates that faster progress is possible within Canadian political institutions.

Section 2. Why women’s representation matters for the economy

A significant body of international literature provides supportive evidence that **women’s political representation can affect the policies governments adopt, the quality of public decision-making, the allocation of public resources, and the barriers women face in participating fully in the economy.** This work establishes several plausible channels through which more representative political institutions can contribute to stronger long-run economic performance.

Mechanism 1. Expanding labour supply and strengthening human capital

One of the clearest channels is by enacting policies that make it easier for parents —particularly mothers — to fully participate in the labour market. Canada's own experience demonstrates the economic importance of these barriers and the gains from policies to address them.

- **Expenditures on daycare subsidies in Quebec in 2008 paid for themselves** (\$2.15 billion in new revenues from a \$1.23 billion expenditure, a 1.75 ratio) via increased personal income tax revenues generated by mothers’ higher employment rates (Fortin et al, 2013).
- In 2025, the federal government estimated that **every dollar invested in childcare generates \$2.80 in economic returns** (Prime Minister of Canada, 2025).
- Statistics Canada analysis shows that, after Quebec’s childcare reforms in 1997, **participation among women aged 15–44 whose youngest child was**

under three rose by nearly 19 percentage points in Quebec between 1996 and 2016, compared with 4 points in Ontario, representing a 15-point differential (Moyser and Milan, 2018).

- Recent research suggests that the long-run increases in employment, **earnings and tax revenue generated by the program may recover 75% to 117% of its initial fiscal cost** (Baker, Gruber, and Milligan 2026).
- The recent **Canada-Wide Early Learning and Child Care** initiative provides another example. It is estimated that childcare expansion (which occurred across provinces and territories beginning in 2021) **increased maternal employment** by 1.9 percentage points, corresponding to about 29,000 additional employed mothers and \$2.7 billion in direct annual G· DP in 2025 (Shariati 2026).

High-quality, targeted early-childhood programs in the U.S. have generated substantial life cycle benefits relative to their costs.

- A randomized evaluation of the intensive ABC/CARE birth-to-five programs estimated **\$7.30 in lifetime benefits for every dollar spent** (García et al. 2020).
- Kline and Walters (2016) estimated benefits equivalent to approximately **\$1.84 per net public dollar**. Using Head Start's historical rollout, Bailey, Sun and Timpe (2021) estimated **0.65 additional years of schooling**, together with increases of **2.7% in high-school completion, 8.5% in college enrolment and 39% in college completion**. Thompson (2018) similarly found that exposure to an average-sized Head Start program was associated with **\$2,199 in additional annual adult earnings**, based on outcomes followed through age 48.

Political representation matters because research indicates that women legislators can increase the political priority attached to addressing labour market barriers.

- Across 19 advanced democracies, greater representation of women in parliament was associated with increased adoption and generosity of maternity and childcare leave policies (after accounting for the ideology of governing parties, Kittilson 2008).
- Recent evidence from Bavaria found that electing an additional woman to a municipal council accelerated the expansion of public childcare by roughly 40% in communities where women were initially underrepresented (Baskaran and Hessami 2025).

The economic point extends beyond childcare. Policies that enable people to enter employment, remain attached to the labour force and make productive use of their education and skills can expand an economy's effective supply of labour and human capital.

Mechanism 2. Improving fiscal management and representation for constituents

Evidence also indicates that **greater women's representation can affect how governments manage and allocate public money.**

- Following Italy's municipal gender reforms, researchers found that each **1-percentage-point increase in women's share of executive boards reduced expenditure forecast errors by 0.5% and revenue forecast errors by 0.4%**, creating better alignment between budgetary and actual balances, and reducing fiscal surprises (De Benedetto, Giacobbe, and Mosca 2025).
- Across 128 European regions, a **12.7-percentage-point increase in women's representation was associated with a 1.5-percentage-point reduction in reported public-service bribery** (Bauhr, Charron, and Wängnerud 2024).
- Research on the U.S. Congress found that **congresswomen secured approximately 9% more federal discretionary spending for their districts** than comparable congressmen and sponsored and co-sponsored more legislation (Anzia and Berry 2011).

Mechanism 3. Improving the political talent pool

Measures that increase women's representation need not involve a trade-off with candidate quality.

- Evidence from Sweden's political gender policy reforms found that a **10-percentage-point increase in women's representation increased the share of competent male politicians by 3 percentage points**, principally because weaker male incumbents were displaced (Besley et al. 2017).
- Italian **gender policy reforms similarly increased the average educational attainment of elected councillors** by 0.12 to 0.24 years as more highly educated women entered office (Baltrunaite et al. 2014).

Representation also affects whether women who are already present have meaningful influence. Analysis of more than 40,000 U.S. city-council meetings found that **adding more women not only increased women's numerical representation but produced a larger increase in women's participation** in council motions (Brito Rebolledo et al. 2024).

This evidence base suggests that **political representation matters most when representation translates into influence.** Economic benefits are more likely when women have meaningful access to Cabinet, committees, budgets, legislative leadership and other positions where policy is developed and implemented.

Mechanism 4: Better returns and more sustainable results in private and public governance

A large corporate-governance literature finds associations between greater representation of women in decision-making, broader perspectives and organizational performance.

- McKinsey's 2020 analysis of **more than 1,000 companies in 15 countries** found that firms in the top quartile for gender diversity in executive teams were **25% more likely to record above-average profitability** than those in the bottom quartile (Dixon-Fyle et al. 2020).

Greater representation of women on corporate boards and in politics **increases attention to environmental considerations.**

- Research from the EU reveals an increased number of women in parliament is associated with **tightened environmental regulation; cleaner firms subsequently performed better** relative to other firms, and the export response was concentrated in pollution-intensive products. (Etzerodt 2026). Italian gender-based reforms show that those differences translate into measurable outcomes.
- Increasing women's representation on municipal councils reduced the number of days exceeding statutory **pollution limits** and increased adoption of measures such as bicycle lanes, green space and district heating (Baraldi and Fosco 2025).

Section 3. Implications for Canadian federal policy

Canada should view women's political representation not only as an issue of fairness, but also as one dimension of the country's overall institutional and economic capacity.

The federal government should therefore examine practical mechanisms to accelerate progress toward gender-balanced candidate slates in federal elections. One possible approach would create incentives for registered political parties to nominate candidates within a 45%–55% gender band, potentially linking compliance to existing public political-financing mechanisms.

International experience suggests the details matter. Candidate targets alone may have limited effect if women are disproportionately nominated in ridings that parties are unlikely to win. Weak financial penalties can simply be absorbed as a cost of non-compliance. Effective reform therefore needs to consider **candidate placement in competitive ridings, the strength and proportionality of incentives, transparent reporting, treatment of smaller parties and constitutional considerations.**

Any reform should be carefully designed, phased in and evaluated after implementation. But the economic and institutional evidence is sufficiently credible to warrant treating greater political representation as more than a symbolic objective.

Section 4. Conclusions

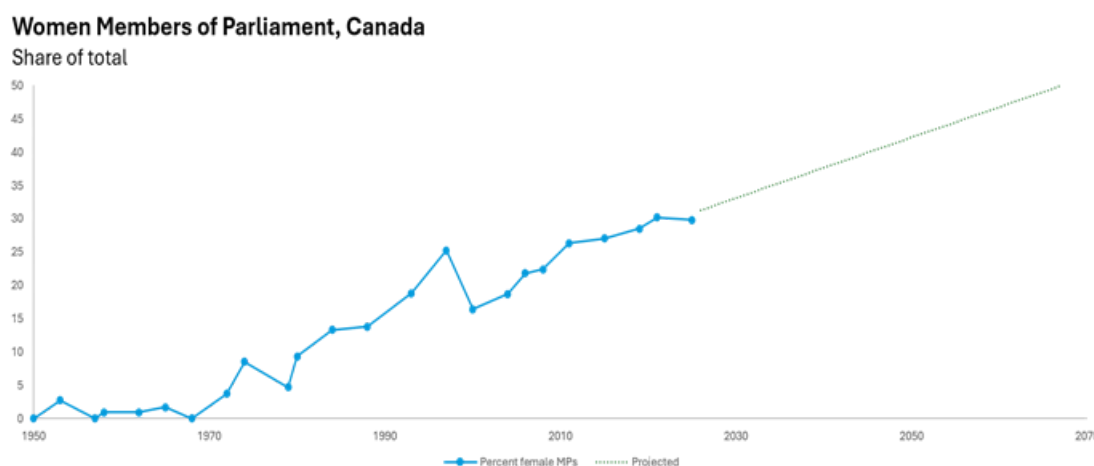
Canada remains well short of gender parity in the House of Commons and performs poorly relative to many peer countries. At the same time, Canada needs to draw more effectively on its people and skills, strengthen the quality of public institutions and ensure that government policies support participation in a productive economy.

The evidence does not support assigning a precise GDP dividend to gender parity. It supports a more credible and important conclusion: **who participates in political decision-making can influence the policies governments pursue, the talent they draw upon, the way public resources are managed, and the barriers Canadians face in contributing fully to the economy.**

Accelerating women's political representation should therefore be considered part of a broader strategy to strengthen Canada's institutions, human capital and long-run economic performance.

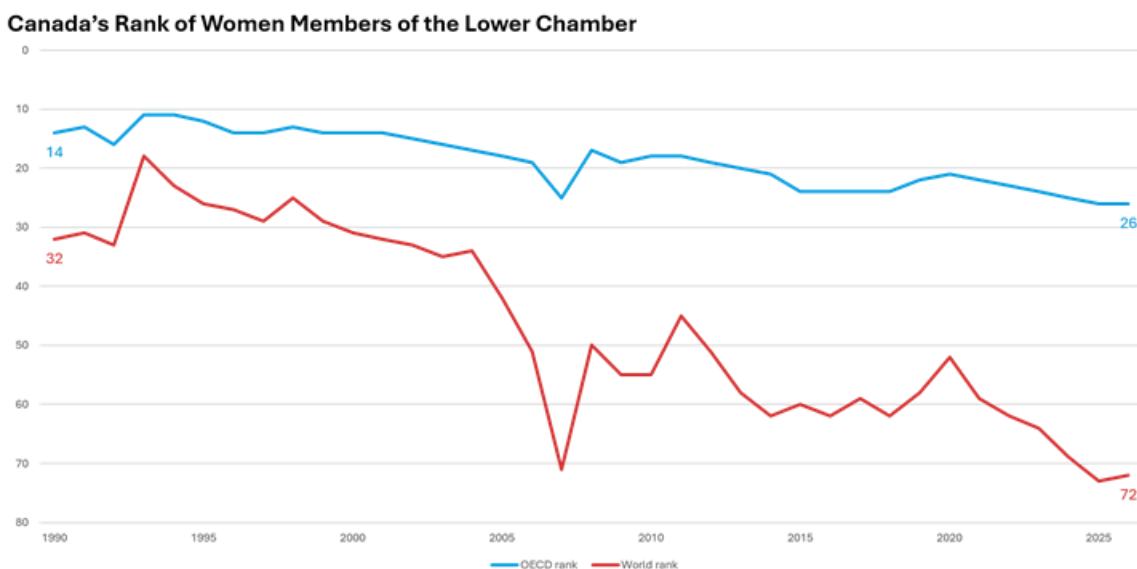
Annex Figures

Figure 1. Current Trajectory to Reach Gender Parity
Historical and Projected Share of House of Commons Seats Held by Women, Canada, 1950–2067



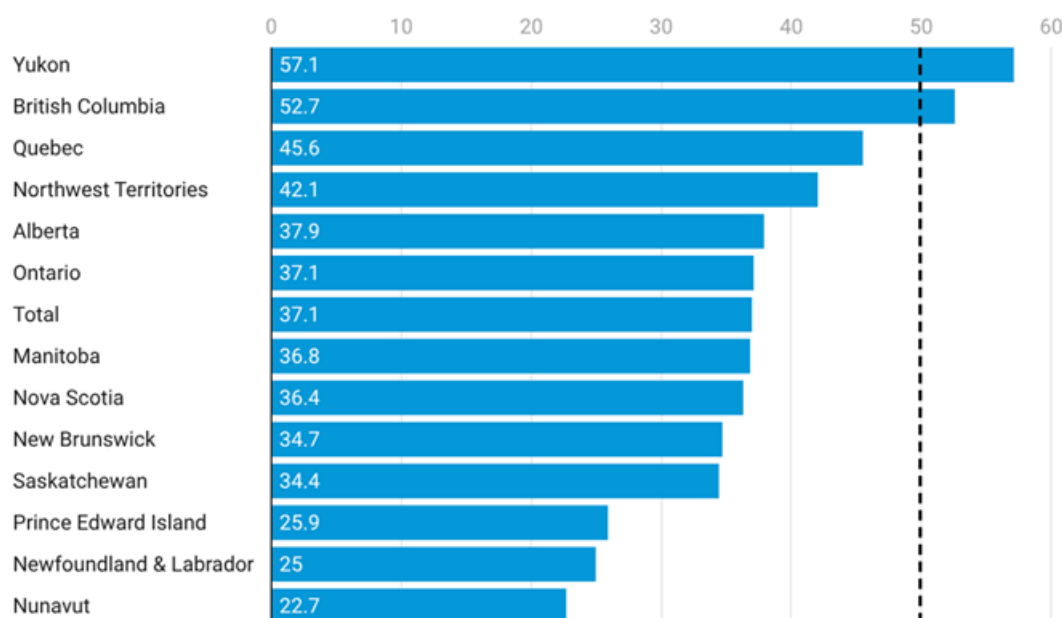
Source: Centre for the Study of Living Standards using Worldwide Age Representation in Parliaments (WARP) [data set](#). Note: This is an illustrative linear extrapolation of the fitted 1950–2025 historical trend and is not a forecast.

Figure 2. Canada's Falling Global Rankings, 1990–2026



Source: Inter-Parliamentary Union, Parline, api.data.ipu.org/v1/chambers

Figure 3. Women in Provincial and Territorial Legislatures, Canada, April 2026



Note: Share of seats held by women in each legislature. "Total" is all thirteen provincial and territorial legislatures combined. Source: Centre for the Study of Living Standards using [Equal Voice, Canada-Wide Tracker](#).

References

- Anzia, S. F., and Berry, C. R. (2011). The Jackie (and Jill) Robinson effect: Why do congresswomen outperform congressmen? *American Journal of Political Science*, 55(3), 478-493.
- Bailey, M. J., Sun, S., and Timpe, B. (2021). Prep school for poor kids: The long-run impacts of Head Start on human capital and economic self-sufficiency. *American Economic Review*, 111(12), 3963-4001.
- Baker, M., Gruber, J., and Milligan, K. (2026). Investing in mothers? The long-run impact of a universal child care program on maternal work and income. NBER Working Paper No. 35514.
- Baraldi, A. L., and Fosco, G. (2025). Clearing the air: Women in politics and air pollution. *Journal of Environmental Economics and Management*, 130, 103106.
- Baltrunaite, A., Bello, P., Casarico, A., and Profeta, P. (2014). Gender quotas and the quality of politicians. *Journal of Public Economics*, 118, 62-74.
- Baskaran, T., and Hessami, Z. (2025). Women in political bodies as policymakers. *Review of Economics and Statistics*, 107(6), 1501-1517.
- Bauhr, M., Charron, N., and Wängnerud, L. (2024). Will women's representation reduce bribery? Trends in corruption and public service delivery across European regions. *Political Behavior*, 46, 2427-2450.
- Besley, T., Folke, O., Persson, T., and Rickne, J. (2017). Gender quotas and the crisis of the mediocre man. *American Economic Review*, 107(8), 2204-2242.
- Brito Rebolledo, E., Bruhn, J., How Choon, T., and Weber, E. A. (2024). Gender composition and group behavior: Evidence from US city councils. NBER Working Paper No. 33223.
- De Benedetto, M. A., Giacobbe, P., and Mosca, A. (2025). Female political representation and budget forecast errors. *European Journal of Political Economy*, 90, 1027-66.
- Dixon-Fyle, S., Dolan, K., Hunt, V., and Prince, S. (2020). Diversity wins: How inclusion matters. McKinsey & Company.
- Etzerodt, S. F. (2026). Women in parliament make economies and international trade cleaner. *European Journal of Political Research*.
- Fortin, P., Godbout, L., and St-Cerny, S. (2013). L'impact des services de garde à contribution réduite du Québec sur le taux d'activité féminin, le revenu intérieur et les budgets gouvernementaux. *Revue Interventions économiques*, 47.
- García, J. L., Heckman, J. J., Leaf, D. E., and Prados, M. J. (2020). [Quantifying the life-cycle benefits of an influential early-childhood program](#). *Journal of Political Economy*, 128(7), 2502-2541.
- Kittilson, M. C. (2008). Representing women: The adoption of family leave in comparative perspective. *Journal of Politics*, 70(2), 323-334.

- Kline, P., and Walters, C. R. (2016). Evaluating public programs with close substitutes: The case of Head Start. *Quarterly Journal of Economics*, 131(4), 1795–1848.
- Moyser, M., and Milan, A. (2018). [Fertility rates and labour force participation among women in Quebec and Ontario, 1996 to 2016](#). *Insights on Canadian Society*. Statistics Canada, Catalogue No. 75-006-X.
- Prime Minister of Canada. (2025, March 6). [Affordable child care, a stronger economy](#). Government of Canada.
- Shariati, A. (2026). [The economic returns of accessible and affordable child care in Canada](#). Centre for the Study of Living Standards, Research Report 2026-01.
- Thompson, O. (2018). [Head Start's long-run impact: Evidence from the program's introduction](#). *Journal of Human Resources*, 53(4), 1100–1139.