



NEWS RELEASE

Eliminating unnecessary red tape could save Canadian businesses nearly \$11 billion per year

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For Immediate Release

VANCOUVER—If governments across Canada want to help increase productivity—and the possibility of a four-day work week—they should eliminate excessive regulation on businesses and entrepreneurs, finds a new essay released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Businesspeople and entrepreneurs in Canada should be focused on innovation, improving products, serving customers and growing their businesses, not filling out forms and reports to various levels of governments, which takes time and imposes real financial costs,” said Steven Globerman, editor of the essay series on ways to improve productivity, which is necessary to achieve a four-day work week.

For example, according to the essay *The Drag on Productivity from Excessive Regulation*, Canadian businesses spend \$36 billion per year on regulation. Yet government could reduce roughly 30 per cent of these regulations without harming the environment or the health and safety of Canadians. In other words, businesses could save nearly \$11 billion (that could be put to productive use) annually if governments across Canada cut unnecessary red tape.

Moreover, Canada’s smallest businesses and startups bear significantly higher costs than larger, more established businesses. Specifically, small businesses (with fewer than five employees) pay five times the per-employee cost of regulation compared to large businesses (with more than 100 employees).

A separate related essay examines how labour market regulations reduce wages and employment opportunities for Canadian workers, slowing productivity growth and limiting the possibility of a four-day work week.

“By eliminating undue restrictions on who’s allowed to work in specific occupations, governments can help workers better capitalize on their specific skills, which will fuel labour productivity and higher wages,” said Robert P. Murphy, senior fellow at the Fraser Institute and author of *The Importance of Labour Market Mobility to Productivity Growth*.

These essays are part of a series published by the Fraser Institute, which focuses on policy reforms that can improve productivity growth and lay the foundation for a four-day work week.

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