



NEWS RELEASE

Job growth in government exceeded the private sector in 8 out of 10 provinces from 2019-23

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VANCOUVER—In eight of 10 provinces the rate of government job growth has been higher than the private sector, finds a new study published today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Canada’s net job creation in recent years has been disproportionately driven by growth in government employment rather than growth in the private sector, and as of 2019, government employment as a share of total employment in the country is at its highest point since the mid-1990s,” said Ben Eisen, Fraser Institute senior fellow and co-author of *Economic Recovery in Canada before and after COVID: Job Growth in the Government and Private Sectors*.

The study finds that historically, no other recent era of recession and recovery in Canada have been so dominated by government sector job growth compared to private sector job growth.

During the recession and recovery periods related to the COVID-19 recession (2019-2023), government employment across the country, including federal, provincial and municipal increased by 13.0 per cent compared to just 3.6 per cent in the private sector (including self-employment.)

In every Canadian province save for Alberta and Nova Scotia, employment in the government sector expanded at a higher rate than the private sector. In BC, employment growth in the private sector (including self-employment) rose only by 0.5 per cent during the period compared to 22.0 per cent in the government sector. Ontario’s public sector experienced triple the growth the private sector had, with 14.6 per cent and 4.8 per cent, respectively.

The study also compares the current recession and recovery in Canada to the United States, where the private sector has generated a large majority of all new jobs in recent years. In Canada, the government sector is responsible for 46.7 per cent of total job growth from 2019-2023 compared to 16.1 per cent in the United States.

“Canada has seen a much higher rate of job growth in the government sector than the private sector in recent years, which is a concerning trend given that job growth and wealth creation in the private sector are needed to finance the activities of governments,” said Eisen.

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