

NEWS RELEASE

Government sector accounts for more than 86% of new jobs in Canada since pandemic began

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For immediate release

TORONTO—The government sector accounted for 86.7 per cent of all new jobs in Canada since the pandemic began in early 2020, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“The government sector, not the private sector, is driving job creation in Canada since the onset of the COVID pandemic and recession,” said Ben Eisen, senior fellow at the Fraser Institute and co-author of *Comparing Government and Private Sector Job Growth in the COVID-19 Era*.

The study examines labour market statistics between February 2020 when the pandemic started and July 2022, the most recent available monthly information. It finds that jobs in the government sector have increased by 9.4 per cent (net) versus just 0.4 per cent in the private sector, including self-employment.

The government sector added 366,800 jobs (net) during this period while the private sector (including self-employment) added 56,100.

Consequently, the share of adults (15 years or older) employed in the private sector (including self-employment) has actually fallen from 49.3 per cent to 48.2 per cent.

Another worrying statistic in the study is the decimation of self-employment, a key measure of entrepreneurship. The study found that 214,400 jobs (net) have been lost since the pandemic began.

“Many of the headline statistics surrounding the Canadian labour market appear encouraging at a glance, but the reality is more complicated,” said Eisen.

“Canada’s job creation in recent years has not been driven by private sector-growth, but rather has primarily been the result of government hiring.”

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