



NEWS RELEASE

Size of government grew in three of four Atlantic provinces between 2007 and 2022

March 26, 2024
For Immediate Release

VANCOUVER— The size of government increased in three of four Atlantic provinces between 2007 and 2022 relative to the size of their economies, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Governments have been growing in size across Canada for years, but the size and growth in government Atlantic provinces stands out. A large and growing government sector will limit the region’s ability to maximize economic growth in the years ahead,” said Alex Whalen, associate director at the Fraser Institute and co-author of *The Size of Government in Canada in 2022*.

The study measures federal, provincial, and local government spending in each province as a share of the economy (GDP), as well as public sector employment relative to private sector employment from 2007 to 2022, the most recent year of comparable data.

It finds that the size of government in Nova Scotia, relative to the economy as a whole, is the largest anywhere in Canada at 63.0 per cent of GDP in 2022. Government size was 58.3 per cent in Prince Edward Island, 57.6 per cent in New Brunswick, and 44.1 per cent in Newfoundland and Labrador. Measured as a share of the provincial economy, the Atlantic provinces—as well as Quebec—have the largest government spending in the country.

Nova Scotia saw the largest increase (nationally) in the size of government with 6.1 percentage points, followed by Newfoundland and Labrador (5.4 percentage points) at second-largest, and New Brunswick (4.8 percentage points) at third-largest.

Previous research has shown that the size of government (as a share of the economy) to maximize economic growth and social progress is between 26 and 30 per cent of the economy (GDP). When governments exceed that size, it imposes negative effects on the economy, such as crowding out private sector investment, but without providing proportionate benefits such as greater social progress.

“Atlantic Canada has been burdened by a large government sector for decades and the evidence shows that trend continues to this day,” said Whalen.

“Further, an increasing size of government could impair the region’s ability to improve its economic performance.”

Total Consolidated Government Spending as a Percentage

Province	2007	2022
Newfoundland and Labrador	38.7%	44.1%
Prince Edward Island	61.6%	58.3%
Nova Scotia	56.9%	63.0%

New Brunswick	52.7%	57.6%
Quebec	47.4%	49.8%
Ontario	35.8%	40.1%
Manitoba	45.0%	49.4%
Saskatchewan	37.7%	32.8%
Alberta	22.4%	26.8%
British Columbia	34.8%	35.6%

MEDIA CONTACT:

Alex Whalen, Associate Director, Atlantic Canada Prosperity Initiative
Fraser Institute

Jake Fuss, Director, Fiscal Studies
Fraser Institute

To arrange media interviews or for more information, please contact:
Drue MacPherson, Fraser Institute, (604) 688-0221 Ext. 721
drue.macpherson@fraserinstitute.org

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