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BLOAT IN THE FEDERAL PUBLIC SERVICE: JUSTIN TRUDEAU RANKS LAST AMONG CANADIAN PRIME MINISTERS OVER THE PAST 40 YEARS

By Gabriel Giguère

Over the past few decades, the number of employees in the federal public service has fluctuated somewhat with the mandates of successive governments. Under Justin Trudeau's current government, however, we are witnessing a truly unprecedented expansion in the size of the civil service.¹ The present study provides a ranking of prime ministers' performances over the past forty years in order to put the size and evolution of the federal public service into perspective.

An expanding public sector comes with consequences. It can generate a number of adverse effects on a country's economy, including undue competition with private-sector employment that can exacerbate labour shortages.² This can hold back productivity growth,³ because, for a number of reasons,⁴ public-sector employees are often less productive than those in the private sector. In comparison with other G7 countries, Canada is no stranger to low productivity growth.⁵

A bloated civil service workforce naturally puts upward pressure on personnel and operating costs, as we are currently seeing in Canada.⁶ This increased spending must ultimately be paid for by higher taxes. For all

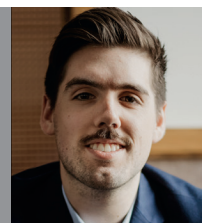


these reasons, political decision-makers must maintain consistent control over the size of the state and over the number of civil servants who manage it on a day-to-day basis.

CHANGE IN THE PUBLIC SERVICE WORKFORCE FROM MULRONEY TO HARPER

In order to analyze the size of the federal public service, we employ two key metrics: i) *the absolute number of employees*, and ii) *the absolute number of employees per 1,000 inhabitants of Canada*, the latter measure taking into account population growth.

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The Mulroney Years (1984–1993)

When Brian Mulroney's Progressive Conservative government came to power in 1984, it found that it had inherited a rather unenviable situation: under previous governments, the number of public servants had risen to over 253,000. This number remained fairly stable under Mulroney's watch, seeing only a modest reduction of about a thousand positions over his term in office (see Figure 1).

However, as Canada grew, the number of civil servants *relative to its population* fell faster than it had under any other government, from 9.9 employees per 1,000 inhabitants down to 8.9 (see Figure 2). The extremely high ratio at the start of Mulroney's mandate—higher than any in the four decades that followed—was the legacy of his Liberal predecessor, Pierre Elliott Trudeau.⁷

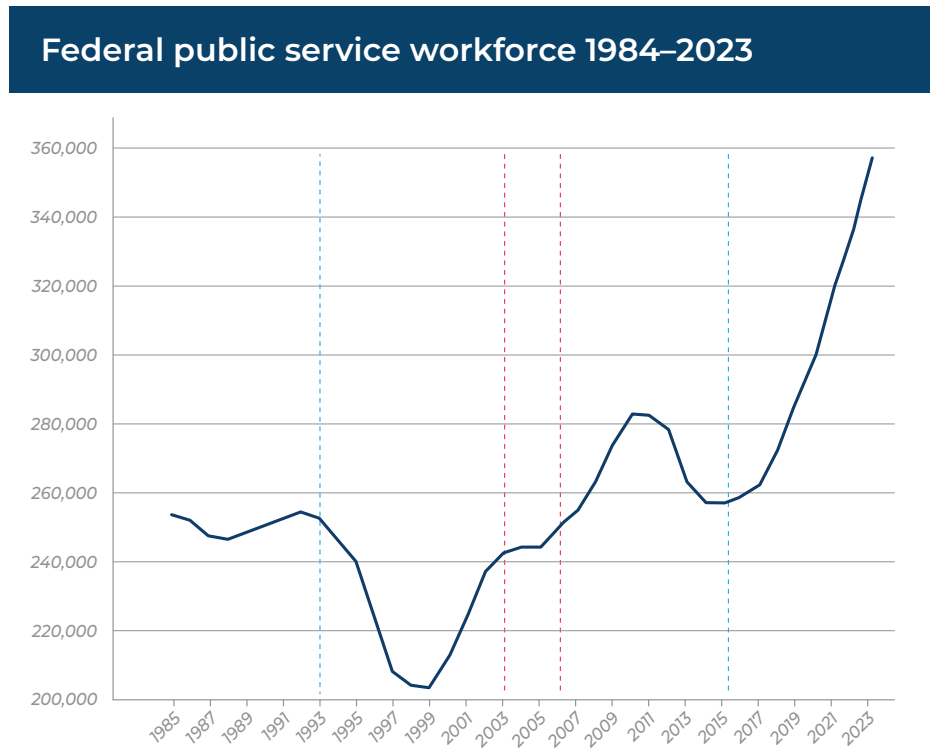
The Chrétien Years (1993–2003)

When Jean Chrétien came to power in late 1993, an explosive increase in debt servicing was threatening the stability of public finances. He thus began his mandate by adopting a rigorous approach to the budget that included slashing the workforce of the federal public service by almost 38,000 people during his first term, an impressive 15.6% reduction.

An expanding public sector can generate a number of adverse effects on a country's economy.

However, the number of civil servants began to rise again during his second term. By the time he left office in 2003, there would be

Figure 1



Note: Kim Campbell succeeded Brian Mulroney as leader of the Progressive Conservative Party and led a very short-lived government before being defeated after just a few months in the October 1993 election. This interval is thus amalgamated with that of her predecessor.
Source: Payroll system (year ending March 31), Treasury Board of Canada Secretariat (see Annex).

just 3,500 fewer civil servants than when he had taken power ten years earlier, but this would still correspond to a 9.7% drop in the number of federal civil servants per 1,000 inhabitants.

The Martin Government (2003–2006)

There would be no major fluctuations in the size of the federal public service under Paul Martin's Liberal government, which was in power for just over two years.

The Harper Years (2006–2015)

Over the nearly ten years of Stephen Harper's Conservative government, the size of the public service initially rose considerably—by around 33,000—before falling back and finishing with around 7,100 more positions than in 2006. However, taking into account the growth of the population during the period, this nevertheless translated into a decrease in the relative size of the federal public service from 7.7 to 7.2 employees per 1,000 inhabitants.

CHANGE IN THE PUBLIC SERVICE WORKFORCE UNDER JUSTIN TRUDEAU

The relative stability of the absolute number of federal public servants over the preceding thirty years was shattered when Justin Trudeau's Liberal government came to power in 2015. From just under 260,000 at the start of his mandate, the number of public servants began to rise quickly, and by March of 2023 it had reached 357,247. On an annual basis, staff increases in government agencies and departments ranged from a few thousand at the start of his tenure to 21,290 between 2022 and 2023.⁸

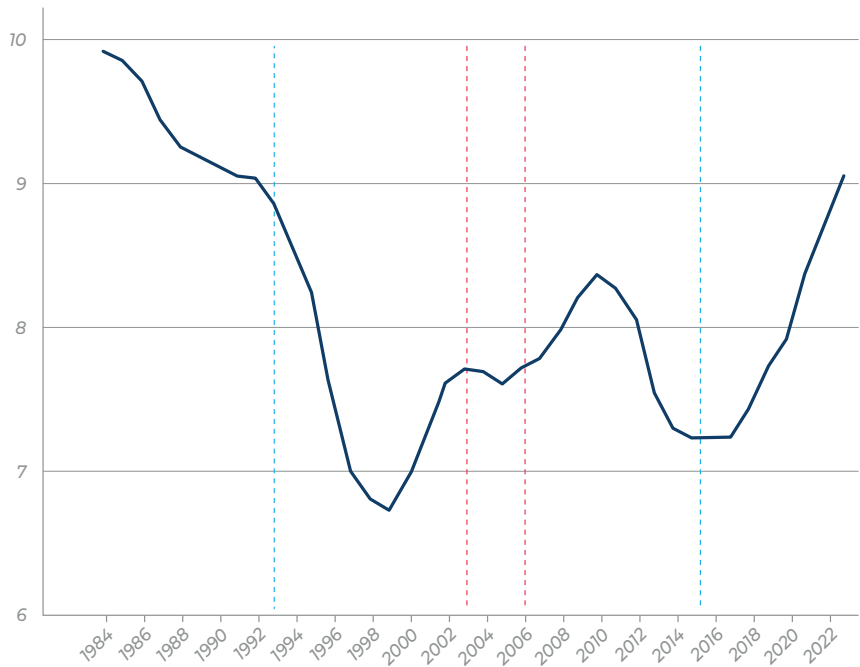
Political choices favouring rapid expansion in the size of the state and the public service have thus led to the addition of nearly 100,000 civil servants in just eight years of power. The Trudeau government has increased the headcount of the federal public service by 37.9%, and the ratio of public servants per 1,000 inhabitants by 25.3%. If the current rate of growth were to continue, the workforce would reach over 386,505 by 2025, representing an almost 50% increase in the federal public service in just 10 years.

The Trudeau government has increased the headcount of the federal public service by 37.9%, and the ratio of public servants per 1,000 inhabitants by 25.3%.

When Justin Trudeau came to power in 2015, the number of federal public servants relative to the population was close to the historical

Figure 2

Number of federal employees per 1,000 inhabitants, 1984–2023



Source: Author's calculations (see Annex). Statistics Canada, Table 17-10-0009-27: Population estimates, quarterly, December 19, 2023.

average.⁹ Since then, his government has increased this ratio at an unprecedented rate, a trend that suggests a loss of control over the size of the state.

Moreover, this expansion of the workforce entails additional spending, which requires additional public debt, ultimately leading to increased fiscal pressure on Canadian taxpayers. Between 2015 and 2022, federal personnel costs rose by 53%¹⁰ to \$60.6 billion.¹¹ Canada's gross debt also grew at a very high rate over this period, increasing almost 50% after adjusting for inflation.¹²

RANKING THE PRIME MINISTERS

Our classification ranks the five major prime ministers who have held power since 1984 based on their performance in controlling the size of the public service for the indicator employed, namely the variation in the number of federal public servants per 1,000 inhabitants¹³ (see Table 1).

To summarize:

- First place goes to Brian Mulroney. Under his government, we saw the biggest decrease in the number of federal public servants per 1,000 inhabitants, a drop of 10.2%.
- Second place goes to Jean Chrétien. Sound management of public finances enabled him to reduce the number of public servants relative to the Canadian population by 9.7%. He would have taken first place had he not raised the ratio with a resumption in hiring during the second half of his mandate.
- Third place goes to Stephen Harper. Despite a slight increase in the absolute number of government employees, the total per 1,000 inhabitants declined 6.3% by the end of his mandate.
- Fourth place goes to Paul Martin. During his relatively short mandate, he maintained a steady equilibrium between public service human resources and population growth.
- Last place goes to Justin Trudeau. He pushed the number of federal public servants per 1,000 inhabitants to a 30-year high, increasing it by a substantial 25.3%. In recent decades, no prime minister has come anywhere close to Trudeau's increases in the size of the federal public service.

Table 1

Ranking of Prime Ministers		
	Change in the number of civil servants per 1,000 inhabitants over the term of office (%)	Rank
Mulroney (1985-1993)	-10,2%	1
Chrétien (1994-2003)	-9,7%	2
Martin (2004-2005)	-1,0%	4
Harper (2006-2015)	-6,3%	3
Trudeau (2016-)	25,3%	5

Note: The years attributed are those used for the calculation for each prime minister, according to who was in power as of March 31.

Source: Author's calculations.

eventually result in heavier burdens for Canadian taxpayers.

Though the COVID-19 pandemic may have affected the hiring of civil servants, it is not the primary factor explaining the increase in the number of federal employees. The rate of growth in the federal workforce was already high in 2019 and this has been sustained right through 2023 at a pace unmatched at any point in the preceding forty years.¹⁴

This sharp increase puts upward pressure on public spending and debt, something that must eventually result in heavier burdens for Canadian taxpayers.

CONCLUSION

After remaining relatively stable for decades, the number of federal public servants is now rising rapidly under the Trudeau government. In addition to its repercussions for economic factors such as productivity, this sharp increase also puts upward pressure on public spending and debt, something that must

The rising trajectory of the magnitude of the government's labour force requires a new approach. This should begin with a thorough analysis of the necessity of every government position with a view to reducing the size of government (and its associated personnel costs) the way the Chrétien government did in the 1990s.

REFERENCES

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3. Horst Feldmann, "Government size and unemployment: Evidence from industrial countries," *Public Choice*, Vol. 127, Nos. 3-4, 2006, p. 452.
4. Matthew Dimick, "Compensation, Employment Security, and the Economics of Public-Sector Labor Law," *University of Toledo Law Review*, Vol. 43, Spring 2013, p. 548.
5. Renaud Brossard, "Lagging Productivity: A Threat to Canadian Living Standards," MEI, Viewpoint, August 10, 2023.
6. Office of the Parliamentary Budget Officer, "Personnel Expenditure Analysis — Update," April 2023, p. 1.
7. Ignoring John Turner's very brief mandate, which lasted less than three months.
8. Author's calculations. Treasury Board of Canada Secretariat, *op. cit.*, endnote 1.
9. 2015 was the 6th best year for this indicator, out of the 38 that we analyzed.
10. Adjusted for inflation, the increase in personnel costs is 32%; Author's calculation. Statistic Canada, Table: 18-10-0004-01 - Consumer Price Index, monthly, not seasonally adjusted, December 19, 2023.
11. Office of the Parliamentary Budget Officer, Personnel Expenditure Analysis Tool, Consulted December 15, 2023. This amount could take into consideration certain employees of the federal public administration who are not included in the count made by the Treasury Board of Canada Secretariat.
12. Nathalie Elgrably, "Federal Government Deficits and Debt: Should We Be Worried?" MEI, Economic Note, pp. 2-3.
13. The years attributed to each prime minister are those in which each was in power. For election years, with their inevitable overlap, the year was assigned to the person holding the office on March 31.
14. See Annex.

ANNEX – POPULATION OF THE FEDERAL PUBLIC SERVICE

Year	Population of the Federal Public Service	Population of the Core Public Administration	Population of Separate Agencies
1981	240,872	234,625	6,247
1982	246,240	240,016	6,224
1983	250,882	244,415	6,467
1984	252,796	246,273	6,523
1985	253,483	246,844	6,639
1986	252,133	245,705	6,428
1987	247,614	241,406	6,208
1988	246,531	239,822	6,709
1989	248,850	241,878	6,972
1990	250,625	243,593	7,032
1991	252,276	245,458	6,818
1992	254,584	247,591	6,993
1993	252,566	245,201	7,365
1994	246,244	237,399	8,845
1995	239,959	231,530	8,429
1996	221,446	213,833	7,613
1997	207,950	201,048	6,902
1998	204,131	193,454	10,677
1999	203,476	192,393	11,083
2000	211,925	152,069	59,856
2001	223,933	161,505	62,428
2002	237,251	170,779	66,472

Source of information: Pay System as of March 31 of each year. *Please note that we do not have reliable data for 1980.*

The federal public service consists of 2 population segments: the core public administration and separate agencies.

Departments and agencies in the core public administration are named in schedules I and IV of the Financial Administration Act. The Treasury Board is the employer of this segment of the federal public service.

Separate agencies are named in Schedule V of the act. Separate agencies conduct their own negotiations or set their own classification levels for their employees.

Year	Population of the Federal Public Service	Population of the Core Public Administration	Population of Separate Agencies
2003	242,737	174,581	68,156
2004	244,158	177,136	67,022
2005	243,971	184,083	59,888
2006	249,932	189,280	60,652
2007	254,622	192,683	61,939
2008	263,114	200,575	62,539
2009	274,370	209,523	64,847
2010	282,980	216,596	66,384
2011	282,352	217,224	65,128
2012	278,092	212,028	66,064
2013	262,817	200,516	62,301
2014	257,138	195,330	61,808
2015	257,034	195,565	61,469
2016	258,979	197,354	61,625
2017	262,696	199,691	63,005
2018	273,571	208,312	65,259
2019	287,983	220,315	67,668
2020	300,450	231,176	69,274
2021	319,601	245,739	73,862
2022	335,957	254,309	81,648
2023	357,247	270,798	86,449

Included in this information are: active employees of all employment tenures (indeterminate, term, casual and student); Governor in Council appointees; deputy ministers; federal judges.

Excluded from this information are: inactive employees (i.e., employees on leave without pay); ministers' exempt staff; employees locally engaged outside of Canada; RCMP Regular Force members; RCMP Civilian members; Canadian Forces members.

Population counts for the following separate agencies are not included because their employee information is not available in the Pay System: Canadian Security Intelligence Service; National Capital Commission; Canada Investment and Savings; Canadian Forces Non-Public Funds; Security Intelligence Review Committee (before 2010).

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