



POLICY *Paper*

IS THE FEDERAL PUBLIC SERVICE TOO BIG?

An analysis of public service employment trends: 2015-24

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Context

- Prime Minister Carney's fiscal agenda includes reducing the federal deficit
- Determining the optimal size of the public service is part of that process
- From 2015-24 the number of federal public servants has grown rapidly
- Since 2015 more than 110,000 net new public servants have been added
- An increase of 43 per cent, for a total of slightly less than 368,000
- During same period Canada's population increased less than 15 per cent
- Economy grew by 18.5 per cent, total employment by 15.5 per cent

Considerations

- Four factors have driven growth in the public service
 - Ambition and philosophy of Trudeau government
 - The COVID pandemic
 - High profile service disruption/degradation
 - Political and bureaucratic incentives
- Two key factors can constrain public service growth
 - Fiscal discipline
 - Productivity: doing more with less
- Fiscal constraint was weak during extended period of low interest rates
- Headcount growth continued post pandemic to deal with clean-up

Questions

- Do you believe the growth in the public service was justified?
 - If yes, why? If no, what should be done about it?
- How do you determine an optimal size of the public service?
- How can productivity in the public service be increased?
- How do you measure it?
- What should be the role of technology?
- Why have governments never been able to address the issue?
- Is public support for government workers being eroded?