



# NEWS RELEASE

## Quebec's low levels of economic freedom mean lower standards of living compared to other provinces

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For Immediate Release

**MONTREAL, QC**—Quebec has one of the lowest levels of economic freedom among all Canadian provinces and American states, ranking ahead of only Nova Scotia and Prince Edward Island, according to a new report released today by the Fraser Institute, Canada's leading public policy think-tank.

"Quebec's low level of economic freedom is one of the key barriers limiting prosperity in the province. Provinces with low levels of economic freedom leave families with reduced standards of living compared to provinces with higher levels of economic freedom," said Jean-François Minardi, Fraser Institute senior policy analyst.

The Fraser Institute's peer-reviewed report, *Economic Freedom of North America 2011*, measures the impact of economic freedom on the level and growth of economic activity in all 10 Canadian provinces, 50 American states, and some Mexican states by examining key indicators of economic freedom based on size of government, taxation, and labour market freedom based on data from 2009 (most recent year available). The complete report is available for download as a free PDF at [www.institutfraser.org](http://www.institutfraser.org).

Research has shown that economic freedom is important to a society's overall well-being. Globally, economic freedom is positively correlated with per-capita income, economic growth, greater life expectancy, lower child mortality, the development of democratic institutions, civil and political freedoms, and other desirable social and economic outcomes.

"Quebec has mammoth government bureaucracies at the provincial and local level, extensive social entitlement programs, high levels of taxation, powerful trade unions, and biased labour regulations. Together, these conspire to reduce opportunity and limit economic growth," Minardi said.

This year's report shows that levels of economic freedom have increased in most Canadian provinces while declining in many U.S. states. Consequently, Alberta now ranks as the most economically free jurisdiction in all North America. Saskatchewan was the second highest-ranked Canadian province, 32<sup>nd</sup> overall, with Newfoundland & Labrador the third highest ranked province, 37<sup>th</sup> overall.

British Columbia (43<sup>rd</sup>) and Ontario (49<sup>th</sup>), are the next highest ranked provinces. The bottom five spots are all filled by Canadian provinces: Manitoba (56<sup>th</sup>), New Brunswick (57<sup>th</sup>), Quebec (58<sup>th</sup>), Nova Scotia (59<sup>th</sup>), and Prince Edward Island (60<sup>th</sup>).

Reinforcing the connection between economic freedom and prosperity, the report shows that the 12 Canadian and American jurisdictions with the highest levels of economic freedom had an average per-capita GDP of \$54,435 (Cdn) in 2009, compared to the 12 lowest-ranked jurisdictions in North America, where average per-capita GDP in 2009 was \$40,229.

"Provinces with high levels of economic freedom have shown a commitment to low taxes, small government, and flexible labour markets. These conditions foster job creation and greater opportunities for economic growth," Minardi said.

(more)

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The *Economic Freedom of North America* index is an offshoot of the Fraser Institute's *Economic Freedom of the World* index, the result of a quarter century of work by more than 60 scholars, including three Nobel laureates.

Quebec is one of five provinces, along with Ontario, Manitoba, Nova Scotia and New Brunswick where economic freedom declined between 2000 and 2009, though larger increases in the other provinces pushed the overall level of economic freedom in Canada upward.

Newfoundland & Labrador and Saskatchewan experienced the greatest increase in economic freedom between 2000 and 2009 followed by British Columbia and Alberta.

“As long as Quebec continues to experience low levels of economic freedom, the standards of living for most Quebec families will be noticeably lower than that experienced by families in Alberta and most U.S. states,” said Fred McMahon, Fraser Institute vice-president of international research and co-author of *Economic Freedom of North America 2011*.

“In order to build a more prosperous Quebec and raise the standard of living for residents, it is critical to re-evaluate the extensive role of government in the province.”

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