The Optimum Size of Government

A new study by the Institute for Market Economics (IME) in Sofia, Bulgaria, using the latest OECD data, finds that the government sectors in developed countries are too large relative to their private sectors to maximize economic growth.

The IME study finds the government sector should be no larger than 25% (and perhaps considerably smaller) to maximize GDP growth.

The average government sector for the OECD countries now exceeds 41% of GDP.

The results indicate that policy makers who are enlarging their government sectors in the name of economic stimulus are likely to be retarding the renewal of economic growth and job creation rather than enhancing it.

The study was sponsored by the non-partisan Center for Freedom and Prosperity Foundation in the United States and the European Coalition for Economic Growth based in Vienna, Austria.

http://www.youtube.com/watch?v=aEtrjx2nztA