



V. PUBLIC EMPLOYMENT

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Labour is the most important input in the government production of goods and services. Through its size and human resource management practices and policies, government employment affects the functioning of the wider labour market. It influences wage levels, general working conditions and the supply and demand for occupations (such as teachers and health care professionals). Public employees are at the forefront of upholding the values that form the ethical infrastructure of government, such as impartiality, legality and integrity. Many governments strive to have a workforce that reflects the diversity of society in order to better understand the needs, aspirations and experiences of citizens.

This chapter compares the size of employment in government and public corporations (which together define the public sector) across OECD member countries, and looks at the proportion of total government staff employed at the central and sub-central levels. It also presents data on gender representation and age distribution in the central government workforce.

The data provide insight on the scope, level and delivery method of public services across countries. They also illustrate important differences in workforce characteristics across countries – such as the age structure – that could affect the capacity of government to deliver services and implement responses to current challenges. Tracking these variables over time can help analyse the effect of fiscal pressures on the size of the workforce.

Large differences in government employment among countries reflect choices regarding the scope, level and delivery method of public services. In terms of delivery methods, some countries prefer the work of government employees, while others choose to contract with the private sector. As a result, government employment should be interpreted in the perspective of the costs of goods and services funded by government but produced by the private sector, a topic discussed in Chapter IV.

The proportion of the labour force employed in government ranges from just over 5% in Japan and Korea to nearly 30% in Norway and Sweden, reflecting similar trends in government expenditures as a share of GDP. Since 1995, the proportion of the labour force working for the government has been relatively stable in most countries.

Public corporations can be a transitory stage towards a more privatised management mode. In some countries, the management of employees in these corporations is less flexible than in the private sector due to legal or historical reasons, or the political visibility of industrial relations. Except for a few countries, in particular the Netherlands and France, employment in public corporations is a relatively minor part of the labour force. From 1995 to 2005, the share of the labour force employed in the public sector (government and public corporations) declined in 9 of the 11 countries for which data are available, with the Netherlands and Spain being the two exceptions. Slight overall increases in public employment in Spain are due to increases in employment at the local government level and in Autonomous Communities.

Methodology and definitions

Data refer to 2005 and were collected by the OECD 2006 Comparison of Employment in the Public Domain (CEPD) Survey. Respondents to the survey were predominately national statistical offices.

The data are based on System of National Accounts (SNA) definitions, and cover employment in general government and public corporations. The general government sector comprises all levels of government (central, state, local and social security) and includes ministries, agencies and non-profit institutions controlled by government. Public corporations are legal entities that are owned or controlled by the government and produce most of their goods and services for sale in the market at economically significant prices.

Public corporations include quasi-corporations, which are unincorporated enterprises with a complete set of accounts that behave in much the same way as corporations. Countries that do not compile a specific “public corporations/quasi-corporations” data in the National Accounts could provide data based on a pre-existing inventory of public corporations.

Data represent the number of employees, except for Austria, the Netherlands, Sweden, Switzerland and the United Kingdom, where data represent full-time equivalents. As a result, employment numbers for these five countries are understated in comparison. The labour force comprises all persons who fulfil the requirements for inclusion among the employed or the unemployed.

Further reading

OECD (2008), *The State of the Public Service*, OECD, Paris.
Pilichowski, E. and E. Turkisch (2008), “Employment in Government in the Perspective of the Production Costs of Goods and Services in the Public Domain”, OECD Working Papers on Public Governance, 8, OECD, Paris.

Notes

Data for Austria do not include non-profit institutions financed by government or social security (1995), and public corporations data are partial and only include universities that have been reclassified. Data for France exclude some public establishments. Data for Belgium, France and Poland are for 2004. Data for Austria and Finland are a mix of 2004 and 2005. Data for Mexico are for 2000. Data for Greece are for 2006 and include staff under private law. Data are not available for Denmark, Iceland, Luxembourg and New Zealand.

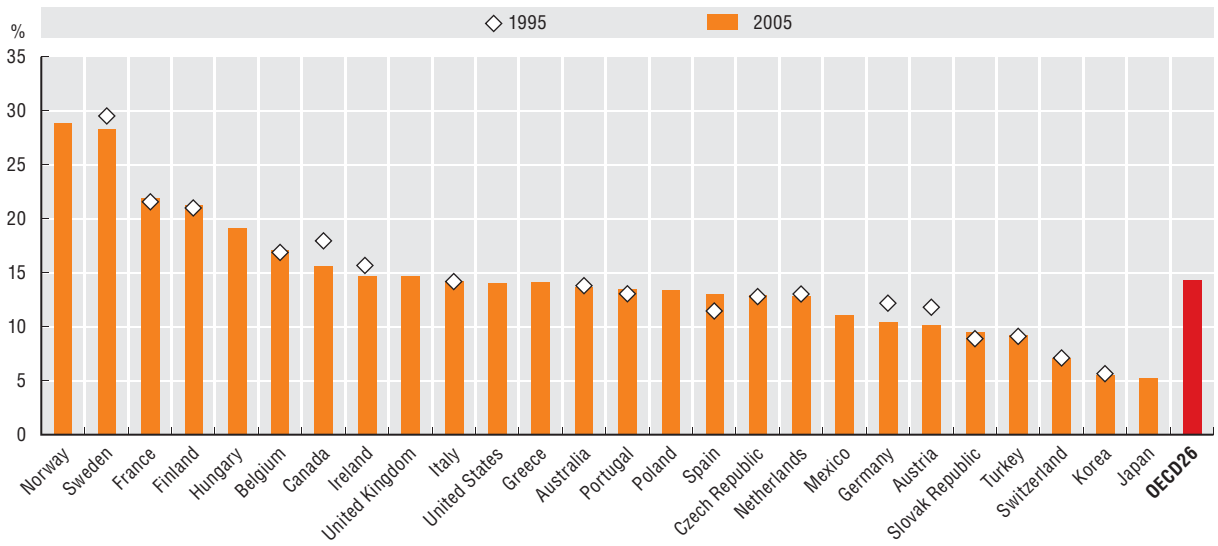
9.1: Data for 1995 are not available for Greece, Hungary, Japan, Mexico, Norway, Poland, the United Kingdom and the United States.

9.2: Data for 1995 and 2005 are not available for Finland, Greece, Hungary, Italy, Norway, Poland, Portugal and Switzerland. Data for 1995 are not available for Austria, Belgium, the Czech Republic, Japan, Mexico, the United Kingdom and the United States.

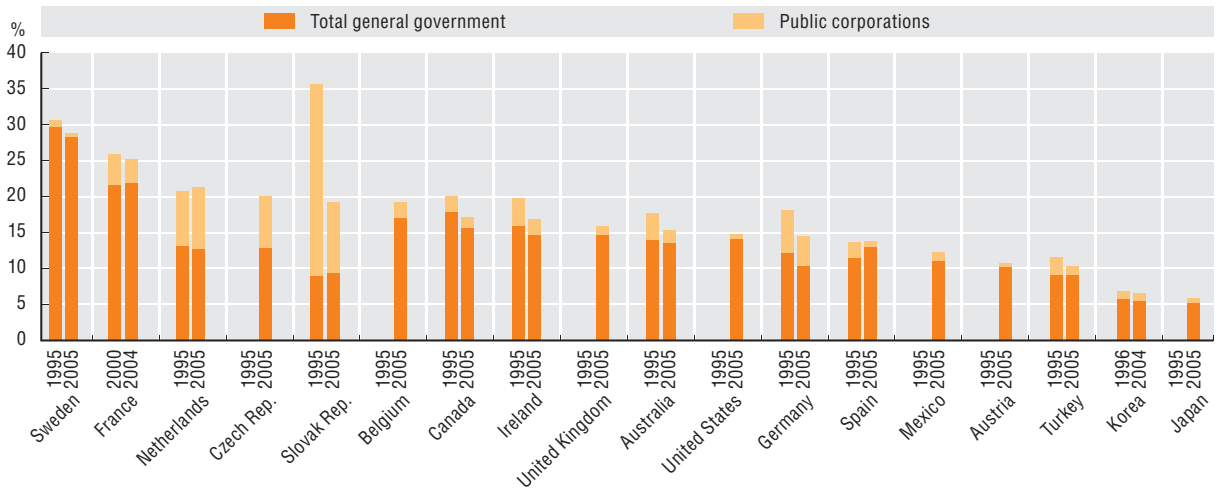
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9. Employment in general government and public corporations

9.1 Employment in general government as a percentage of the labour force (1995 and 2005)



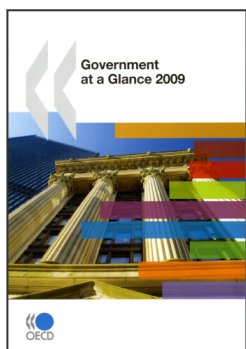
9.2 Employment in general government and public corporations as a percentage of the labour force (1995 and 2005)



Source: OECD CEPD and Labour Force Survey (2006). Data for Germany, Ireland, the Slovak Republic and the United Kingdom were provided by government officials.

StatLink <http://dx.doi.org/10.1787/723622503117>

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