

Employment in general government and public corporations

Individual governments choose what public services to deliver and how to deliver them. Some countries use more public employees than others to provide services: teachers, health care providers, security and emergency workers and government administrators, for instance, are considered civil servants in many member countries and deliver important services. Other countries, however, make greater use of the private and non-profit sectors. The proportion of the labour force working for the government reflects this choice and is one factor in determining the ultimate cost of service delivery to tax-payers. The relative size of government employment can also have an effect on the labour market, with potential to impact the productivity of the economy.

The size of government employment varies significantly among OECD member countries, with governments in Nordic countries employing a higher proportion of the labour force than others. In 2011 for example, the governments of Norway and Denmark employed about 30% of the labour force, compared to 9% or less in Korea, Japan, Greece and Mexico.

Across the OECD member countries, general government employment as a percentage of the labour force remained relatively stable between 2001 and 2011, at just under 16% on average. Overall during this period, the share decreased only nominally, with the Slovak Republic, Sweden, Mexico and Portugal having the largest decreases at just over 2 percentage points. Employment in public corporations – such as post offices and railways in some OECD member countries – is a minor part of the labour force and tends to be smaller than general government employment. In general, public corporations in Central Eastern and European countries employ a relatively larger share of the labour force compared to other OECD member countries, despite the strong wave of privatisation in these countries during the early 1990s. Overall, employment in public corporations as a percentage of the labour force decreased in the majority of OECD member countries, from an average of 5.7% in 2001 to 4.7% in 2011.

Methodology and definitions

Data refer to 2001 and 2011 and were collected by the International Labour Organization (ILO) and OECD. 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 funds) and includes core ministries, agencies, departments and non-profit institutions that are controlled and mainly financed by public authorities. Public corporations are legal units mainly owned or controlled by the government which produce goods and services for sale in the market. Public corporations also include quasi-corporations.

Data represent the number of employees except for Austria, the Czech Republic, Italy, the Netherlands and New Zealand where data represent full-time equivalents (FTEs). As a result, employment numbers for these five countries are understated in comparison. The labour force, or active population, comprises all persons who fulfill the requirements for inclusion among the employed or the unemployed. For purposes of international comparability, the working age population is commonly defined as persons aged 15 years and older, although this might vary in some countries. Labour force refers to all persons of working age who furnish the supply of labour for the production of goods and services during a specified time-reference period.

Further reading

- OECD (2011), *Public Servants as Partners for Growth: Toward a Stronger, Leaner and More Equitable Workforce*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264166707-en>.
- 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*, No. 8, OECD Publishing, Paris, <http://dx.doi.org/10.1787/245160338300>.

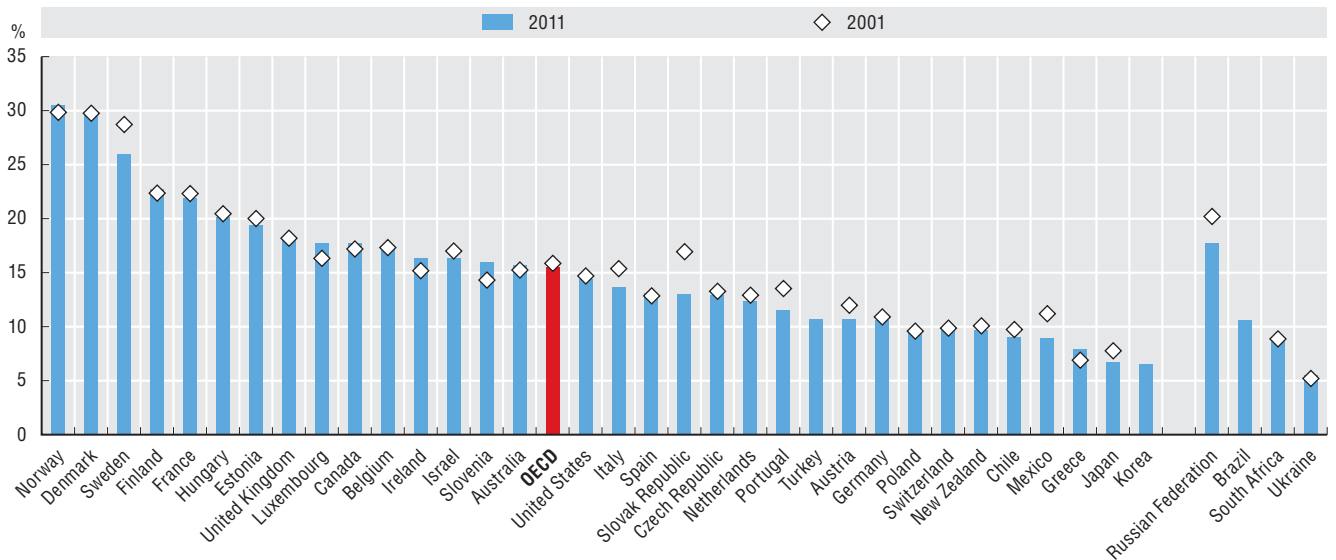
Figure notes

- Data for Iceland are not available. Data for Australia and Chile refer to the public sector (general government and public corporations). Data for Germany, Ireland, Sweden, the United Kingdom and Ukraine are for 2010 rather than 2011. Data for Hungary, Japan, Mexico, Brazil and the Russian Federation are for 2009 rather than 2011. Data for Chile, Greece, Portugal and Switzerland are for 2008 rather than 2011. Data for France are for 2006 rather than 2011. Data for Ukraine are for 2002 rather than 2001.
- 5.1: Data for 2001 for Korea and Turkey are not available and these countries are not included in the OECD average. Data for Norway are for 2010 rather than 2011. Data for South Africa are for 2006 rather than 2011.
- 5.2: Data on public corporations for Austria, Belgium, Hungary, Israel, Italy, Japan, Korea, Portugal, and the United States are missing and thus these countries are not presented. Data for the Czech Republic are for 2010 rather than 2011. Data for Finland are for 2008 rather than 2011. Data for Norway are for 2007 rather than 2011. Data for the Netherlands are for 2005 rather than 2011.
- Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

5. PUBLIC SECTOR EMPLOYMENT AND PAY

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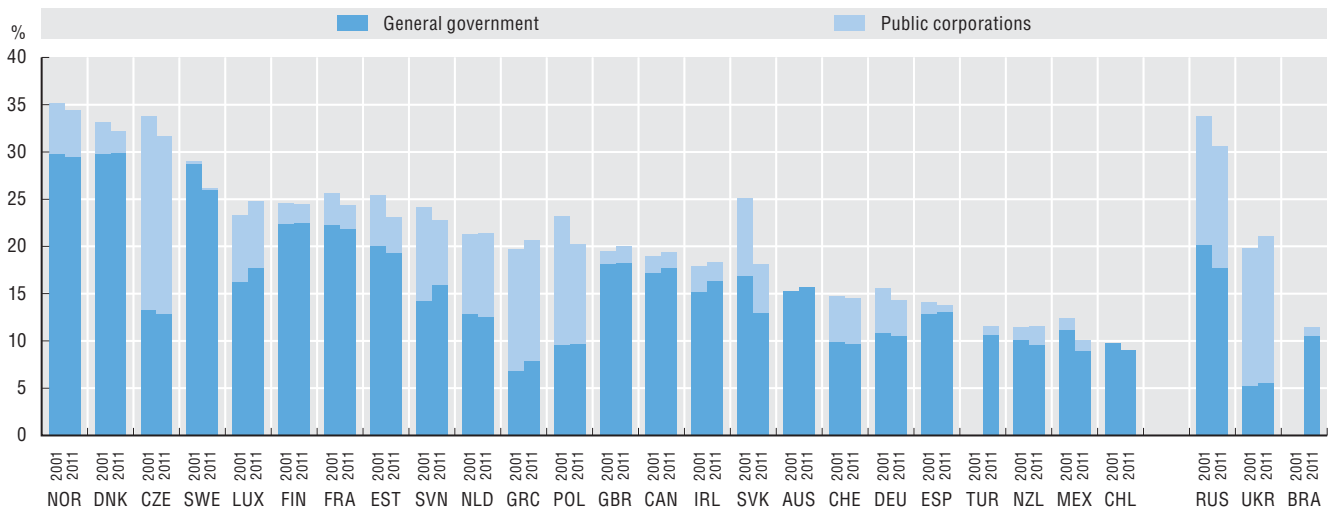
5.1. Employment in general government as a percentage of the labour force (2001 and 2011)



Sources: International Labour Organization (ILO), LABORSTA (database); OECD Labour Force Statistics (database). Data for Korea were provided by government officials.

StatLink <http://dx.doi.org/10.1787/888932942241>

5.2. Employment in general government and public corporations as a percentage of the labour force (2001 and 2011)



Sources: International Labour Organization (ILO), LABORSTA (database); OECD Labour Force Statistics (database).

StatLink <http://dx.doi.org/10.1787/888932942260>



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