

Employment in the public sector is one of the key indicators of the size of the public sector. It reflects the societal agreement on the role of government in the economy and society, as well as the decision on how public services are delivered – by public employees or in partnership with the private or not-for-profit sectors.

Public sector employment as a percentage of total employment in the LAC region for countries with available data amounted to an average of 11.9% in 2018, slightly lower than in 2011 when it was 12.3%. It is also much smaller than in the OECD countries, where on average it reached 21.1 % in 2018.

There are also considerable differences in the share of public employment to total employment across countries in LAC. Countries with high share of public employment in 2018 include Caribbean countries such as Trinidad and Tobago (25.9%) Barbados (23.6%) and Guyana (22.1%). The share of public employment is low in 2018 in El Salvador (7.7%), Guatemala (6.4%), Honduras (6.0%) and in Colombia (3.7%). However, the number of public employees in Colombia are underestimated, as it is not possible to get an accurate figure for the number of off-payroll staff. Additionally, in Colombia public employment in the health sector is very low compared to other countries, as most healthcare workers are employed as private contractors, although their tasks and responsibilities are very similar to people on employment contracts in other countries. Large countries in the region that additionally have a federal structure are operating their governments with various sized of workforces; Argentina's public sector employs 17.2% of the total workforce, while Brazil's employs 12.5%, and Mexico's 11.8%, in 2018.

Only in four countries in the region did public sector employment as a share of total employment increase from 2011 to 2018; in Argentina the one p.p. increase, from 16.2% to 17.2%, can explained primarily by an overall reduction of total employment. Public sector employment also increased in Uruguay from 14.4 % to 15%, the Dominican Republic from 13% to 14.8% and Chile from 10 % to 12%.

Regarding the annual growth rate of public sector employment, the LAC average amounted to 1.4% from 2011 to 2018 compared to the OECD countries' average of 0.6%. However, the comparison between the share of public employment and total employment in the LAC region between 2011 and 2018 shows on average a 0.4 p.p. decline with the annual growth rate of public sector employment,

meaning that total employment in LAC grew faster than public sector employment. High levels of public sector growth rate from 2011 to 2018 were recorded in the Dominican Republic (5.1%); Guatemala (4.5%) and Chile (4.3%), while public sector employment declined in Trinidad and Tobago by 0.6% annually and in Costa Rica by 1.8% . In Costa Rica the decline was caused by both an absolute decrease of public sector employment coupled with an annual increase of total employment over the period 2011-2018

#### Methodology and definitions

Data were sourced from the International Labour Organization (ILO) ILOSTAT database. Data are based on the Labour Force Survey unless otherwise indicated. Public sector employment covers employment in the government sector plus employment in publicly owned resident enterprises and companies. Data represent the total number of persons employed directly by these institutions without regard for the particular type of employment contract. The employed comprises all persons of working age, who, during a specified period, were in the following categories: paid employment or self-employment.

#### Further reading

OECD (2017), *Skills for a High Performing Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9789264280724-en>.

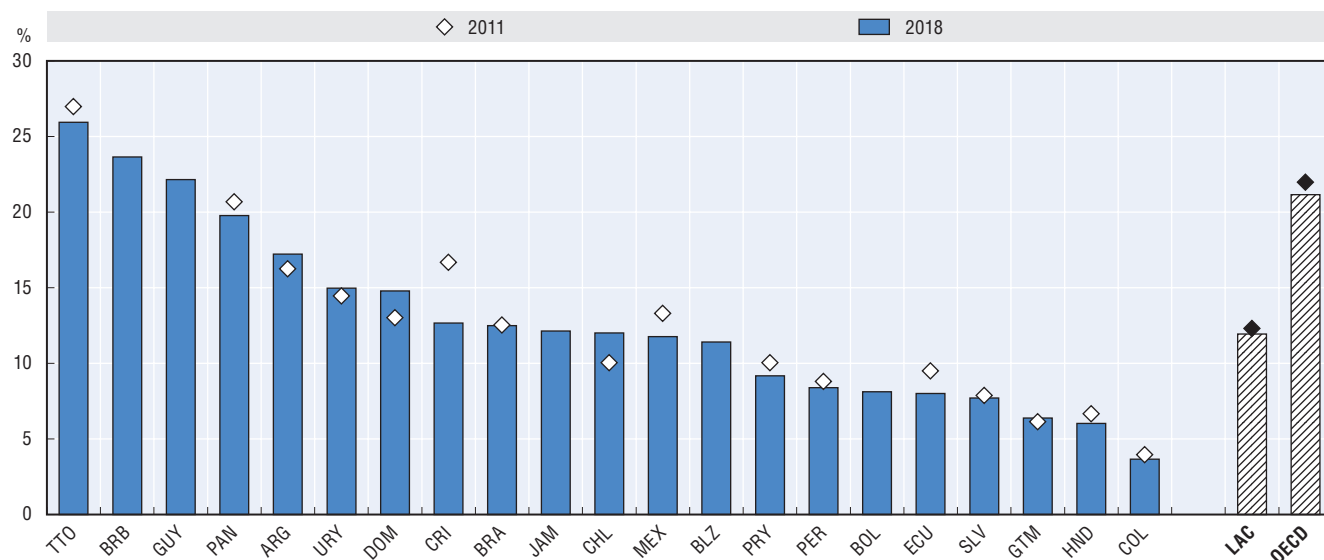
#### Figure notes

Data are based on the Labour Force Survey. Data for Brazil, El Salvador, Honduras, Paraguay and Peru are based on household surveys.

3.1: Data for Barbados, Belize, Bolivia, Guyana and Jamaica are not included in the LAC average. Data for Belize, Guatemala, Guyana, Jamaica , Paraguay and Peru are for 2017 rather than 2018. Data for Barbados, the Dominican Republic and Trinidad and Tobago are for 2016 rather than 2018.

3.2: Data for Argentina refer to urban areas only. Data for Guatemala, Paraguay and Peru are for 2-11-2017. Data for the Dominican Republic and Trinidad and Tobago are for 2011 to 2016. Data for Brazil are for 2012-2017.

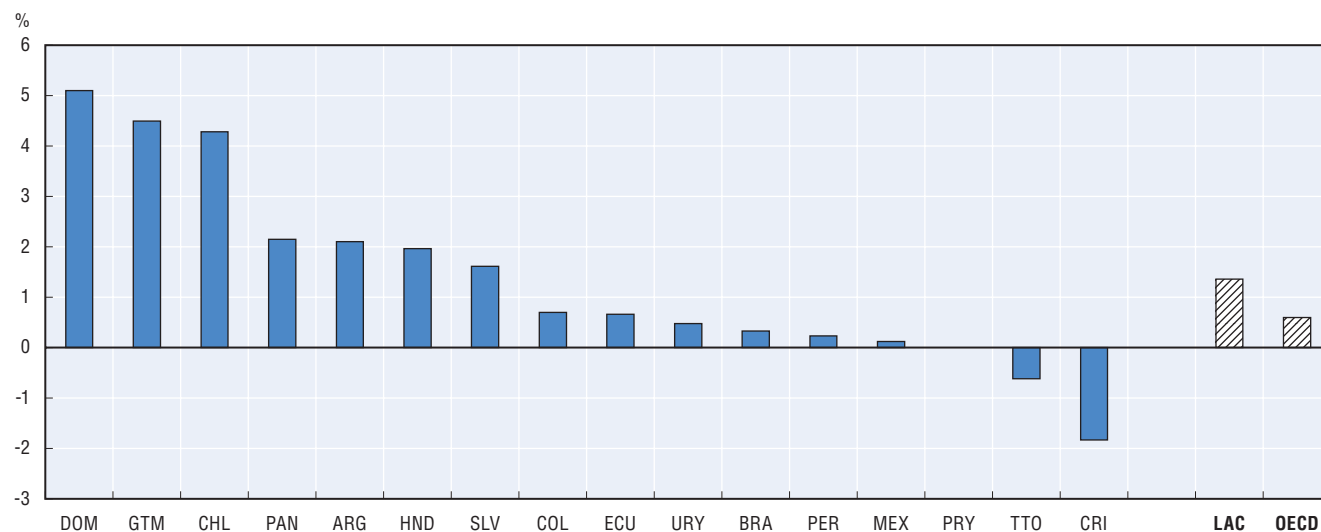
## 3.1. Public sector employment as a percentage of total employment, 2011 and 2018



Source: International Labour Organization (ILO) ILOSTAT (database), Employment by sex and institutional sector.

StatLink <https://doi.org/10.1787/888934091600>

## 3.2. Annual average growth rate of public sector employment, 2011-2018



Source: International Labour Organization (ILO) ILOSTAT (database), Employment by sex and institutional sector.

StatLink <https://doi.org/10.1787/888934091619>



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