

# Reconciliation of Public Employment Estimates from Multiple Sources

## Introduction

The Public Sector Statistics Division (PSSD) is responsible for defining the public sector, that is, for determining the criteria to be considered in classifying entities as either within or outside the public sector. This definition is applied throughout the Canadian System of National Accounts.

Both within and outside Statistics Canada, other definitions and universes are used to define what amount to subcomponents of the public sector as defined by PSSD. Within Statistics Canada, the Survey of Employment Payrolls and Hours produces an estimate for public administration. In addition, the Labour Force Survey produces estimates of employees within public administration and the public sector, which are further defined in the ensuing sections.

Independent of Statistics Canada, most of the provinces and territories produce their own individual employment estimates. For the federal government, the Public Service Commission and the Public Service Human Resources Management Agency of Canada both produce estimates.

## PSSD definition (Refer to IMDB 1713)

The public sector as defined by PSSD contains all institutional units controlled by government. Institutional units are economic entities that are capable, in their own right, of owning assets, incurring liabilities, and engaging in economic activities and transaction with other entities. Control may take the form of full ownership of the institutional unit or a majority holding of the voting shares.

The public sector consists of the government sector and the government business enterprise sector.

The sub-components of government are:

- Federal government (ministries, departments, agencies and non-autonomous funds, and autonomous funds and organizations)
- Provincial and territorial government (ministries, departments, agencies and non-autonomous funds, autonomous funds and organizations, universities and colleges, and health and social service institutions)
- Local government (municipalities and non-autonomous funds, autonomous funds and organizations, and school boards)

The government business enterprise sector contains all public entities created to produce goods and services for sale in the marketplace at economically significant prices. They are grouped by the level of government that controls them – federal, provincial and territorial, or local.

PSSD produces monthly employment, and wage and salary estimates for each subcomponent of the public sector by province.

## Survey of Employment Payroll and Hours (SEPH) (Refer to IMDB 2612)

The Survey of Employment, Payrolls and Hours produces information on the total number of paid employees, payrolls and hours at detailed industrial, provincial and territorial levels.

The target population is composed of all employers in Canada, except those primarily involved in agriculture, fishing and trapping, private household services, religious organisations and military personnel of defence services.

The industrial breakdown is based on the North American Industrial Classification System (NAICS). Within this classification system, the grouping “public administration” is defined as such:

- This sector comprises establishments primarily engaged in activities of a governmental nature, that is, the enactment and judicial interpretation of laws and their pursuant regulations, and the administration of programs based on them. Legislative activities, taxation, national defence, public order and safety, immigration services, foreign affairs and international assistance, and the administration of government programs are activities that are purely governmental in nature.
- Ownership is not a criterion for classification. Government-owned establishments engaged in activities that are not governmental in nature are classified to the same industry as privately owned establishments engaged in similar activities.

In contrast, PSSD data for public sector employment include employees who work in several industries where the establishments are under government control. Employment levels for the NAICS Public administration industry from SEPH are a subcomponent of PSSD’s public sector and, therefore, the levels are much lower.

For example, PSSD includes members of the Canadian Forces within the federal government, public hospitals within the provincial and territorial government and school boards within the local government. None of these is included in public administration by SEPH. Instead, they are coded to their corresponding industry.

See CANSIM table 183-0022 for a reconciliation table showing the differences between SEPH’s public administration and PSSD’s public sector.

### **Labour Force Survey (Refer to IMDB 3701)**

Discrepancies between PSSD and Labour Force Survey (LFS) data result from differences associated with concepts, data coverage, data groupings (breakdown by category), methodology, and sources.

Conceptual differences between PSSD and LFS stem from employment definitions. PSSD counts the number of persons on the payroll, while LFS counts the number of persons on strength. Furthermore, LFS does not gather data on second jobs. Therefore, holders of multiple jobs employed in the public sector may not be counted by LFS.

In terms of data coverage, PSSD includes full-time military personnel, public sector employment in the Northwest Territories, Yukon and Nunavut, and Canadian public employees working outside of Canada. All these categories are excluded from LFS data.

Employment estimates produced by the LFS provide groupings by industry. As with SEPH, this breakdown is based on the North American Industrial Classification System (NAICS). Within this classification system, there is the grouping *Public administration*. As explained above, employment levels for the NAICS *Public administration* are a subcomponent of PSSD’s public sector and, therefore, are much lower.

Methodological differences exist between the data collection processes carried out by PSSD and LFS. PSSD collects employment information based on a census of administrative data obtained from payroll records; LFS uses a sample. The LFS employment data are based on a survey of about 54,000 households. The survey results are then inferred to the population using current population projections based on the most recent census.

Another difference between PSSD and LFS methodology is the time at which information is collected. PSSD gathers its data at the end of the month, whereas LFS does so at mid-month.

These discrepancies between PSSD and LFS prohibit the complete reconciliation of their respective employment data.

### **Public Service Commission**

The Public Service Commission (PSC) defines public sector employment according to the *Public Service Employment Act*, which excludes over 30 institutions included in the broader PSSD definition (such as the Canadian Forces, and numerous crown corporations). For more information, visit the PSC website at [www.psc-cfp.gc.ca](http://www.psc-cfp.gc.ca).

See CANSIM table 183-0021 for a reconciliation table showing the differences between the PSC's universe and PSSD's federal public sector.

### **Treasury Board of Canada Secretariat**

The Treasury Board of Canada Secretariat defines federal public service as being composed of the core public administration and separate agencies. Many public sector employees recognized by the broader PSSD definition are excluded from the Treasury Board definition. For example, Canadian Forces personnel, the RCMP, as well as employees of several other institutions such as the national museums, are not considered by Treasury Board as members of the public sector.

See CANSIM table 183-0021 for a reconciliation table showing the differences between Treasury Board's universe and PSSD's federal public sector.

### **Provincial Governments**

Many provinces produce their own employment estimates for their respective provincial governments. Definitions and methodologies vary from province to province. For example, some produce estimates for full-time equivalent counts. PSSD does not distinguish between a full-time employee and a part-time employee. Furthermore, in most cases the universe included by the provinces is less inclusive than that used by PSSD.