



Centre for the Study  
of Living Standards

# CSLS BIG IDEAS Seminar Series

# Public Sector Productivity

May 27, 2026



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# **Public Sector Productivity: Recommended Reading**

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# Selected Articles: Canada

1. [Can Angst About Productivity lead to serious public sector reform?](#)  
June 26, 2024, Policy Options
2. [Unlocking Productivity in the Public Sector: Focusing on Internal Services](#)  
October 16, 2024, C.D. Howe Institute – Intelligence Memos
3. [Nine Fault Lines and Seams in the Federal Public Service](#)  
November 8, 2024, uOttawa – secteur-public-sector.ca
4. [From Machinery to Executive Density: Time for Structural Reforms](#)  
December 20, 2024, Canadian Public Administration
5. [Canada Post Isn't the Only Federal Institution in Need of an Overhaul](#)  
May 25, 2025, Financial Post



# Selected Articles: Canada continued

6. [Caught Between Denial and Dogma, Here's a Better Way to Downsize the Public Service](#)  
September 11, 2025, Financial Post and C.D. Howe Institute
7. [Budget 2025 Is A Departure But It Falls Well Short of "Government Transformation"](#)  
November 6, 2025, Financial Post
8. [The Deadweight of Dogma on Public Service Reform](#)  
November 19, 2025, C.D. Howe Institute - Intelligence Memos
9. [Looking To The Horizon: Challenges and Opportunities For the Public Sector](#)  
November 25, 2025, Roy Norton Distinguished Lecture, University of Waterloo



# Selected Articles: International

10. [Making Government Work: Five Pillars of A Modern Effective Civil Service](#)  
2024, Global Government Forum
11. [How to Make An Entrepreneurial State](#)  
2022, Rainer Kattel, Wolfgang Drescher and Erkki Karo, Yale University Press
12. [Platformland: An Anatomy of Next Generation Public Services](#)  
2024, Richard Pope, London Publishing Partnership





**PANEL DISCUSSION ON PUBLIC  
SECTOR PRODUCTIVITY IN CANADA**

**Organized by the Centre for  
the Study of Living Standards  
May 27, 2026**

**RECOMMENDATIONS OF THE WORKING  
GROUP ON PUBLIC SERVICE PRODUCTIVITY**

**Benoît Robidoux**

## **WORKING GROUP ON PUBLIC SECTOR PRODUCTIVITY**

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- ❑ Appointed by the Treasury Board President in Autumn 2024 to “examine productivity in Canada’s federal public service and inform the government’s economic plan.”
- ❑ Supported by a secretariat at Treasury Board Secretariat (TBS).
- ❑ First meeting in December 2024, with meetings throughout 2025.
- ❑ Members were briefed by and held discussions with federal officials on a range of issues related to public service productivity.
- ❑ Working Group Recommendations and TBS Response were released on December 12, 2025.

## **WORKING GROUP MEMBERS**

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**Benoît Robidoux**, Former Senior Associate Deputy Minister, Employment and Social Development Canada

**Laura Dawson**, Executive Director, Future Borders Coalition

**Neil Yeates**, Former Deputy Minister, Citizenship and Immigration Canada

**Shingai Manjengwa**, Senior Director, Education and Development, Talent & Ecosystem, Mila

**Trevor Tombe**, Professor, Department of Economics, University of Calgary

**Wendy R. Carroll**, PhD, CPHR, Associate Professor, Department of Management, Sobey School of Business, Saint Mary's University

## **SOME CONTEXT**

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- ❑ Not just about measuring but also about improving productivity.
- ❑ Targeted and implementable actions, not high-level major reforms.
- ❑ Be specific about necessary actions, avoid generalities.
- ❑ Produce a report with recommendations.

## KEY MESSAGES

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- ❑ Better productivity measurement is needed at Statistics Canada and within the federal government.
- ❑ Investing in talent and technologies is key to productivity gains.
- ❑ Need to look at internal structures, processes and rules...and spending reviews.
- ❑ The good news is that the government seems interested.

# TBS RESPONSE TO THE WORKING GROUP RECOMMENDATIONS

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- ❑ In its response, TBS noted that 16 of the 19 recommendations either align with current government actions, including Budget 2025, or could inform future work by the Cabinet Committee on Government Transformation.
  
- ❑ Only these 3 recommendations and one sub-recommendation were “not considered at this time due to other government priorities”.
  - Developing an output-based productivity measurement program for Canada’s public sector (R1).
  - Re-sequencing Cabinet decision-making process (R16).
  - Creating a senior official position to oversee the general management and reform of public service (R17).
  - Creating an evaluator general position (Part of R15).

## **RECOMMENDATIONS OF THE WORKING GROUP**

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1. Improve the measurement of public service productivity (2)
2. Support a productive public service workforce (7)
3. Deploy the power of technology, including artificial intelligence (4)
4. Review government programming and spending from a productivity perspective (2)
5. Improve internal structures, processes and rules (4)

# 1. IMPROVE THE MEASUREMENT OF PUBLIC SERVICE PRODUCTIVITY

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**R1.** Statistics Canada should explore, test and report publicly on the development of an output-based productivity measurement program for the public sector in Canada.

**R2.** Federal departments and agencies that provide direct services to Canadians should work with Statistics Canada to develop productivity metrics for those services.

More on this in **R13** and **R15**.

## 2. SUPPORT A PRODUCTIVE PUBLIC SERVICE WORKFORCE

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**R3.** Foster a proud and distinctive organizational **culture** that supports a high-performing and innovative public service and discourages risk aversion and conformism (e.g., creating innovation “sandboxes”).

**R4.** Support effective **leadership** of the public service, including through enhancing management training, opening pathways for external candidates, and appointing deputy-heads that aligned with organizational needs.

**R5.** Implement a culture of rigorous **performance management** through management of low performers – requiring performance reviews within the probationary period and providing managers with performance management training and clear guidelines on performance management.

**R6.** Ensure the suite of mandatory **training** requirements for public servants is not solely focused on compliance with rules but also includes training to support upskilling.

## 2. SUPPORT A PRODUCTIVE PUBLIC SERVICE WORKFORCE

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**R7.** Continue to support **diversity, equity and inclusion**.

**R8.** Ensure **employees with disabilities** contribute to their full potential by making Canada Workplace Accessibility Passport\* mandatory and establishing service standards for accommodation requests.

**R9.** Have a **more permeable public service** by better using what private, academic and non-profit sectors have to offer — establishing more external advisory committees and supporting Interchange Canada participants through onboarding and training.

\*An agreement between managers and employees with disabilities on the tools and support they need to succeed in the workplace.

### 3. DEPLOY THE POWER OF TECHNOLOGY, INCLUDING AI

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**R10.** Even in times of fiscal restraint, the government should make it a priority to **invest in technology** and training to support productivity and a world-class public service.

**R11.** To responsibly accelerate the use of **AI** and exploit its productivity-enhancing benefits, the government should: (1) invest in AI; (2) improve data management; (3) actively manage risks posed by AI and; (4) provide AI training to employees.

**R12.** Appoint an **external working group** to advise the government on how to proactively respond to the impacts of AI on its workforce.

**R13.** Establish an **investment fund** (or funds) to support small-to-medium-size projects with high prospective benefits in terms of enhancing productivity, and manageable costs and risks.

- These investment projects should be supported by business cases with rigorous cost-benefit analysis and a clear articulation of expected investment returns, as well as ex-post public evaluation reports detailing actual investment returns.

## 4. REVIEW GOVERNMENT PROGRAMMING AND SPENDING FROM A PRODUCTIVITY PERSPECTIVE

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**R14.** Government programming and spending should be **reviewed and assessed regularly** and in doing so the government should not only consider its core responsibilities, priorities and duplication but also assess programs for **effectiveness and efficiency** (in other words, assess whether the program can be delivered at lower cost or achieve better outcomes), including through the application of an “AI lens”.

**R15.** Review the **evaluation function** so it supports decision-making by:

- Making it mandatory that all programs and activities are subject in priority to a value-for-money (cost-benefit) evaluation.
- Ensuring that all programs and activities are subject to evaluation requirement and have clear ultimate desired outcomes.
- Establishing an independent organization that would exercise a leadership function for evaluation in the public service.

## **5. IMPROVE INTERNAL STRUCTURES, PROCESSES AND RULES**

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**R16.** Treasury Board should focus on significant, complex and strategic-level items and the government should also **re-sequence the Cabinet decision-making** process by stress-testing the implementation plans and assumptions of budget policy proposals at the Treasury Board before they receive consideration by Cabinet and the Minister of Finance.

**R17.** There should be a **senior official** whose full-time function is to oversee the general management and ongoing reform of the public service.

**R18.** All existing **Treasury Board and departmental policies should be reviewed** with the aim of supporting productivity and reducing administrative burden. Any new policies should undergo an administrative burden check through a cost-benefit analysis.

**R19.** The government should introduce **greater discipline and longer-term planning** into the budget process by supporting core operations on a longer horizon, limiting budget proposal intakes outside the budget process, reducing the number of supplementary estimates, and reviewing and eliminating sunseting process.

# **WORKING GROUP ON PUBLIC SERVICE PRODUCTIVITY**

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Treasury Board of Canada Secretariat response to the recommendations of the Working Group:

<https://www.canada.ca/en/government/system/government-wide-reporting-spending-operations/committees-task-forces/working-group-public-service-productivity-overview/working-group-public-service-productivity-response.html>

# Measuring Public Sector Productivity

CSLS Big Ideas Seminar

May 2026



Statistics  
Canada

Statistique  
Canada

Canada

# Outline

- What is public service productivity? Is the concept of productivity in the public sector the same as in the business sector?
- How should statistics on public service productivity be used?
- How do you measure productivity in the public service? What international guidelines and best practices should be followed?
- What are the current estimates of public service productivity for Canada and other countries?
- Is it possible to develop output measures in Canada?
- Concluding remarks

# What is public service productivity?



The same concept of productivity applies to both the private and public sector. Productivity is defined as the ratio of output to input.

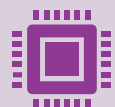


Productivity measures the efficiency with which a sector transforms inputs into outputs.



Productivity can be measured in levels for a given period or as changes from period to period.

The focus for public service productivity is on measuring changes (Does public service productivity increase or decrease over time?)



An increase in productivity means the same amount of input is now producing more output.

# How are statistics on public service productivity used?



Monitoring changes in the productivity of public service activity.



Analyzing the drivers of such changes: investment in fixed capital, investment in human capital, AI and technological changes, new organizational practices.



Encouraging productivity growth through policy levers and practices that may impact the drivers of productivity growth.



Budgeting and projection.

# Measuring public service productivity

# How do you measure public service productivity?

## Guidelines and best practices

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Measuring public service productivity (public administration and defence, health and educational services) poses unique challenges due to the lack of economically significant prices for public services.

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There are international guidelines for measuring public service output (Atkinson 2005; OECD, 2010; Eurostat 2016).

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The measurement of public service output should, as far as possible, follow a procedure that parallels the measurement of market output (Atkinson report, 2005).

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The measurement of public service output should capture the changes in the outcomes and effectiveness of the public services provided (quality adjustment).

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# Measuring public service output

- There are two main approaches for measuring the output of public services:
  - **Direct output** approach (measuring what the public sector produces)
  - **Direct input** approach (measuring the output by the resources used to produce public services)

To measure public service productivity, the direct output approach is preferred

# Measuring public service output: Direct output approach

- Like output measures for the market sector, the output of most public services can be represented as **physical counts or quantities of services produced**:
  - Patients treated, students enrolled, inspections conducted, licenses processed, passports processed, etc.
  - The output measure of public services needs to capture the outcomes that the public values
- While it may be possible to identify measurable outcomes from delivering health and education services, outcomes from public administration (large parts of federal public service) are not easily identified.
- How would you quantify or value public administration work? E.g. developing policies, regulations, maintaining relationships with other governments and stakeholders
- Given this complexity, work on estimating public sector productivity has focused on sectors where measurement is more likely.

# Measuring public service output: Direct input approach

- Due to significant challenges in developing a direct output indicator for public services, input indicators are now used to measure the output of public services, especially for public administration and defence.
- The “direct input approach” means that “output equals inputs” (the output of a public service is the amount you spend on that service)

*When output is measured by inputs →  
there would be no change in the estimate of public  
sector productivity over time*

# Measuring public service productivity: Canada

- No direct output measure of public services productivity exists in Canada.
- Input indicators (hours worked) are used to project the output of public service activity.

# International comparison

# International comparison of the measurement of public service output

- The direct input approach is generally used for public administration and defence.
- The direct output approach predominates for education and is common for measuring healthcare.
- For Canada, the direct input approach is currently used.

Sector	Canada	United Kingdom	United States	European Union
<b>Education</b>	Input	Output	Input	Output
<b>Health service</b>	Input	Output	Output	Output
<b>Public Administration and defense</b>	Input	Mostly input	Input	Input

Source. OECD and UK ONS (2022) "International comparisons of the measurement of non-market output during the coronavirus (COVID-19) pandemic".

# Measuring public service productivity: United Kingdom

- Since the early 2000s, the UK government has focused on the productivity of the public sector and has repeatedly asked the Office for National Statistics (ONS) to develop and further refine measures for the public sector.
  - Atkinson Review (2005)
  - Bean Review (2016)
  - Ongoing review, with a final report due in March 2025 (Heys, et al, 2024)
- The ONS has developed a direct output measure for most of the public sector, including health and education, with quality adjustments for 60% of the public sector.
- But for most types of public administration except social security administration, the direct input indicator is used to measure output.

# Measuring public service productivity: United States

- The Bureau of Labor Statistics (BLS) currently does not produce a direct output measure of productivity for public administration.
  - Previously produced estimates of the productivity of the Federal Government under the Federal Productivity Measurement Program (FPMP) from 1967 to 1994.
  - In 1994, the last year for which data were collected, the productivity statistics represented 60 agencies, 255 organizations, and covered 69 per cent of the civilian labour force of the executive branch of the US Government.
  - By 1994, the BLS had over 2,500 indicators (or physical counts) for detailed activities such as inspections conducted, licenses processed, claims paid, kilowatt hours generated, outpatient visits conducted, money orders sold.
  - Those indicators are aggregated to derive measures of output and labour productivity for different government functions, agencies and organizations. The weights are based on labour requirements for those activities.

# Improvements to measurement

# Sector estimation

- Direct output measures for the health and educational sectors are comparatively straightforward to develop
  - Canada has already developed some experimental estimates for these sectors.
- Public Administration:
  - Direct volume output measures have not yet been developed for Canada, but we could mirror work in the UK for the public administration using number of tax filers and processed tax forms.
- The key challenge continues to be quality adjustment:
  - For education - standardized test scores could be used
  - For health services and public administration, appropriate quality adjustments remain an area for further research and methodological development.

# Concluding remarks

- The concept of public service output and productivity is well established for most public services, except collective services such as defence and public administration.
- But developing robust estimates of public service productivity is not straightforward. It entails identifying, counting, costing or valuing activities that are not necessarily observable.
- The UK and U.S. have shown how public service productivity can be measured, though measuring collective services remains challenging.
- Canada continues to investigate possible output measures.

# References

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- Bean, C. (2016) 'Independent Review of UK Economic Statistics' Available at: [https://assets.publishing.service.gov.uk/media/5a7f603440f0b62305b86c45/2904936\\_Bean\\_Review\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/media/5a7f603440f0b62305b86c45/2904936_Bean_Review_Web_Accessible.pdf)
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