This thesis aims to offer a comprehensive introduction into the topic of efficiency measurement in the public sector. Firstly, usual definitions and concepts of efficiency are introduced. Attention is then turned to the description of various factors and problems specific for public sector that are crucial to efficiency measurement. It is shown that these factors preclude the use of general (private sector) efficiency measurement methods or demand their modification. The most common methods of analysis are then introduced and their relative advantages and disadvantages in the environment of public sector are explained. Finally the thesis outlines the possible uses and benefits of efficiency measurement, including the use in the economic policy-making, but also points out the limits inherent to this analysis in the current stage of development.