

ICP-GOVERNMENT CYCLE 2021

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General remarks.



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General remarks.

- The government produces services that are provided to the population for free of charge or at economically insignificant prices, according to the SNA it is a producer of non-market services, and its production is measured by the sum of the costs necessary to produce the services: compensation of employees, intermediate consumption, allocation for consumption of fixed capital, net taxes, net operating surplus.



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General remarks.

- From the production generated by the government, only the smallest part is sold; the difference between total production and sales constitutes the **Final Consumption of Government**, a component of the Final Demand of the economy and represents the consumption that the government carries out on behalf of the community.



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General remarks.

- Because most government output is not traded in the market, **there are no market prices for it.**
- In the International Comparison Program (ICP) government services, as part of the final consumption of the economy, will be addressed mainly through the comparison of the compensation of government employees.
- Since this is the main expenditure incurred to generate government services, it is the main source of government services.



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Government: Producer Consumer

General government as producer and consumer

		Individuals		Collectives
		Health	Education	Collective Services
	Intermediate Consumption			
plus	Compensation of Employee	ICP	ICP	ICP
plus	Consumption of fixed capital			
plus	Net taxes on production			
=	Production			
less	Sales			
=	Final government consumption	FC	FC	FC



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Required information



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Compensation of employees_ICP

Objective:

- To compare Final government consumption across countries.
- To obtain a deflator for Government Final Consumption

Focus on government employees' remunerations

- To obtain remunerations, as close as possible to the specifications by occupation so that the data are **COMPARABLE** among the countries of the region.



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Required information

- Compensation of employees for each defined function, according to the following basic headings:
 - Health
 - Education
 - Collective Services



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Required information

- Detail: According to the form
- Annual data
- In local currency
- The occupation chosen in the local information is desirable a position with seniority between 5-10 years.
- For each data inform the source



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Required information

- The hours worked must be the legal hours (actual or usual).
- Vacation days reported must specify whether they are working or non-working days.
- In general, the positions to be surveyed will be NON-managerial positions except for those specifically indicated.



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Compensation form

DATA ENTRY	Example
<u>Cash remuneration</u>	
Base pay	40,000
Allowances and other additions to pay:	
Housing	6,000
Transportation	3,000
Food and meals	1,000
Other allowances	2,000
Employers' social security contributions:	
Actual contributions	
Imputed contributions	
<u>In-kind remuneration:</u>	
Housing	3,000
Transportation	1,000
Food and meals	1,400
Other in-kind remunerati	1,000
<u>Total remuneration</u>	61
Number of <u>regular (official) work</u> hours per week	
Number of days of annual leave per year	20 (days per year)
Number of work-days per week	5 (days)
Number of public holidays per year	100 (days per year)

Corresponds to unpaid legal contributions

Indicate whether they are working or non-working days.

Indicate if excluding Saturdays and Sundays



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Compensation form

- For filling out the form, the **total compensation** should be prioritized, the identification of its components is gradual and, as far as possible, the following should be done



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Sources of Information

- Budget Execution Information
- Balance Sheet Information
- Website information (Transparency Law existing in many countries)
- Ad hoc survey



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Sources of Information

- To allow internal comparison, the same source of information should be used for all remunerations under each heading.



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Occupations

Basic Headings



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Basic Headings: Education

Name BH	Education Services (Compensations of employee)	
Cod BH	13.04.21.1	
13.04.21.1.01.010	Secondary School Principal	Two or more iconic public schools are selected
13.04.21.1.01.020	University teacher	Full-time professor, tenured or principal, most important State University. Faculty of Law, Chair of Civil or Roman Law.
13.04.21.1.01.030	Primary school teacher	The following will be obtained from the selected schools
13.04.21.1.01.040	Secondary school teacher	To be obtained from the selected schools. Find out how the workday is determined, whether it is only direct teaching or includes preparation of material and correction of homework and tests. Include this information in the observations.
13.04.21.1.01.050	Teacher's aide	Assistants for kindergarten, child care centers or nursery schools
14.01.11.1.01.150	Building caretaker	If the activity is outsourced, it does not apply.



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Basic Headings: Education

- One or two emblematic or most prestigious public educational establishments should be chosen. (this could be related to age and/or size).
- The chosen establishment may contain both levels.
- For both elementary/basic and secondary/middle school education, the hours worked will be the official contractual hours.



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Basic Headings:Education

- If there is a single salary scale for teaching staff, data should be extracted from it; if not, information will be sought for secondary language teacher and primary teacher/professor.



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Basic Headings: Education

- University Professor: the data will be sought in the most prestigious public university and must correspond to a full professor of the Faculty of Law who teaches Civil or Roman Law.



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Basic heading: Collective services

BH Name	Collective Services (Compensation of Employees)		Ministries to be surveyed		
BH Code	14.01.11.1		Economy/ Finance	Justice	Labor
14.01.11.1.01.010	Senior government official	It is proposed to elect a senior manager who is directly related to the function of the ministry.	x	x	x
14.01.11.1.01.020	Data processing manager	Intermediate management	x	x	x
14.01.11.1.01.050	Human resources professional	HR Team Member	x	x	x
14.01.11.1.01.060	Database administrator	Member of the IT team	x	x	x
14.01.11.1.01.090	Office supervisor	Head of the section of administrative funct	x	x	x
14.01.11.1.01.110	Computer operator	No management position	x	x	x
14.01.11.1.01.120	Office administrative assistant (not med	It is proposed to choose the secretary of the position 14.01.11.1.01.010	x	x	x
14.01.11.1.01.130	Accounting and bookkeeping clerk	May be technical level, may be administrative only with secondary education.	x	x	x



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Collective services (continued)

BH Name	Collective Services (Compensation of Employees)					
BH Code	14.01.11.1			Economy/ Finance/	Justice	Labor
14.01.11.1.01.140	Payroll clerk	Can be technical level, can be an administrative person with only a high school education.		X	X	X
14.01.11.1.01.150	Building caretaker	If this activity is outsourced, it does not apply.		X	X	X
14.01.11.1.01.190	Driver (general duty)	If this activity is outsourced, it does not apply.		X	X	X
14.01.11.1.01.200	Office cleaner	If this activity is outsourced, it does not apply.		X	X	X
14.01.11.1.01.210	Messenger	If this activity is outsourced, it does not apply.		X	X	X



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Collective services

- It is suggested to work with three ministries for those occupations common to the whole administration, if this is not possible and one ministry is chosen, all occupations should be obtained from this one, it is recommended that the order of choice be:
 - Treasury/Economy/Finance.
 - Justice
 - Labor



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Collective services

- The three occupations that are presented in the following slide are very specific, therefore the service from which the information must be extracted is indicated and it will only be an observation.



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Collective services

BH Name	Collective Services (Compensation of Employees)	
BH Code	14.01.11.1	
14.01.11.1.01.030	Statistician	Non-managerial position. University professional of the Institute of Statistics, specialist in the area of sampling.
14.01.11.1.01.040	Accountant	Accountant dedicated to governmental accounting
14.01.11.1.01.080	Economist	No management position. Professional of the Ministry of Economy and Finance



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Collective services : (unique)

BH Name	Collective Services (Compensation of Employees)	
BH Code	14.01.11.1	
14.01.11.1.01.070	Judge	Criminal or civil only, NOT a member of the Supreme Court or Appellate Courts
14.01.11.1.01.160	Firefighter	Only if they are remunerated
14.01.11.1.01.170	Policeman or woman	Civil police, judicial or detectives
14.01.11.1.01.180	Prison guard	If you have military rank, data will be obtained from a sergeant or equivalent.
14.01.11.1.01.100	Customs inspector	Inspecting officer of the Customs Service



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Collective services : (unique)

- Judge: civil or criminal, NOT from the appellate or supreme courts.
- If federal country, NOT a federal judge
- Police: judicial or investigative police at the rank of inspector or sub-inspector.
- Firefighter intermediate grade
- Prison guard intermediate grade
- Customs inspector, customs officer (customs agent?)



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Consistency of the information

- In order to ensure the consistency of the intra-heading information, a **ranking** proposal for each heading is provided in the Excel file.
- In the following illustration, a case is presented as an example: In the proposition ranking, 1 indicates the highest remuneration of the heading.
- The inter-heading consistency will depend on each country.



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Ranking

BH Name	Collective Services (Compensation of Employees)	
BH Code	14.01.11.1	Ranking
14.01.11.1.01.010	Senior government official	1
14.01.11.1.01.020	Data processing manager	2
14.01.11.1.01.050	Human resources professional	3
14.01.11.1.01.060	Database administrator	3
14.01.11.1.01.090	Office supervisor	3
14.01.11.1.01.110	Computer operator	4
14.01.11.1.01.120	Office administrative assistant (not medical)	5
14.01.11.1.01.130	Accounting and bookkeeping clerk	5
14.01.11.1.01.140	Payroll clerk	5
14.01.11.1.01.150	Building caretaker	6
14.01.11.1.01.190	Driver (general duty)	6
14.01.11.1.01.200	Office cleaner	7
14.01.11.1.01.210	Messenger	7



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Types of contracts.

- The remuneration requirement is associated with "stable" or "permanent" occupations or positions.
- It is possible that these positions are scarce, indicate the type of contract that corresponds to the data obtained.



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