

**STATISTICAL COMMISSION and
ECONOMIC COMMISSION FOR EUROPE**

Working Paper No 11

CONFERENCE OF EUROPEAN STATISTICIANS

**ECE-Eurostat-OECD Joint Consultation
on the European Comparison Programme**

(Geneva, 23-25 October 2000)

**The European Comparison Programme:
Aggragate-level results for 1999**

Salaries Survey Definitions

(Abstract)

Paper submitted by Eurostat

1. Preface

- 1.1 This survey is undertaken in the context of the European Comparison Programme, and is intended to help establish purchasing power parities for salary costs. As with the survey for 1998, the 1999 questionnaire covers both hospital salary costs and public sector salary costs.
- 1.2 It is recognised that this is an area of statistical comparisons which is fraught with practical difficulties. For example, with both hospitals and the public sector, there are differences in the role and size from country to country (activities undertaken); patterns of employment (full-time/part-time); remuneration policies (collective bargaining/market determination); the structure of the employee population (sex; age; experience); systems of taxation and other charges; hours worked and holiday entitlements; labour productivity... The current questionnaire has been designed with the twin aims of comparability and representativity in mind.
- 1.3 There are several occupations in the proposed list. Countries should record data for as many of these occupations as can be identified within their administrations. Precise ISCO'88 definitions are supplied to help in this identification.
- 1.4 In public administrations, employees are typically paid on the basis of a salary scale. Each scale is usually divided into categories which generally correspond to levels of education. Within these categories there are normally various career brackets which are often divided into several **grades**. Each grade is typically divided into **steps**.
- 1.5 For each occupation, the **grade** that is the most representative in each country should be selected. To identify this modal grade, the number of employees should be ascertained in each grade of the career bracket of the category of the salary scale for the occupation.
- 1.6 For all the occupations in this list, the appropriate **step** within each grade for which salary costs should be recorded is the one which assumes 5 years seniority in the position.
- 1.7 Expenditure values in the National Accounts refer to the whole year. Consequently, the salary costs which are recorded should represent the **annual average** compensation for the calendar year.
- 1.8 Similarly, expenditure values in the National Accounts refer to the whole of the economic territory. Consequently, the salary costs which are recorded should be **national averages**. In other words, they should be representative of the differences in compensation which may exist between geographical regions (for example between officials working for national and local government administrations). Likewise, they should also take into account any differences in compensation which exist between different departments of government administrations.

- 1.9 For clarification, in the National Accounts of many countries, expenditure by nationalised industries is not included in government expenditure (ie. public administration). Each country should ensure that the data they supply is consistent with the treatment in their National Accounts.

2.1 Definition of compensation

- 2.1.1 Compensation of employees includes all payments in cash and in kind made by the employer during the year. These include :

- a) Gross salaries and wages.
- b) Actual social contributions.
- c) Imputed social contributions.

- 2.1.2 The term “gross salaries and wages” is defined as follows :

- a) Basic salary and wages as laid down in the official salary scales, before deduction of any taxes and charges payable by employees.
- b) **INCLUDE** Other payments, over and above the basic salary, such as :
 - Housing/residence allowance
 - Family allowance (assuming a married employee with two dependent children)
 - Special duty allowance
 - 13th month (“Christmas bonus”)
 - Other cash payments
- c) **EXCLUDE** Benefits in cash or in kind which are not related to the salary scale, such as subsidised housing, subsidised transport, or reimbursement of medical expenses – because such benefits are difficult to evaluate, usually vary from one employer to another, and are typically a negligible element of total annual remuneration.

- 2.1.3 Employer’s actual social contributions consists of the payments made by the employer to insurers on behalf of their employees. These payments typically cover contributions towards retirement pensions and sickness, accident and disability insurance.

- 2.1.4 Imputed social contributions represent the counterpart to actual social contributions paid directly by the employer, where the employer guarantees to provide such social benefits but does not participate in or establish a fund, reserve or special scheme for this purpose. Since no actual cash flows are involved, they have to be imputed. For example, the employer may pay pensions to retired employees out of general revenue. In such a case, the pension

element in the employee's compensation during his term of employment is usually assessed by reference to the average pensions paid over previous years. The ratio of 'pensions paid' : 'total compensation of employees' indicates the rate of imputed social contributions to be applied to the basic salary for the occupation.

- 2.1.5 The eventual calculation will be based upon a standard annual total of 1,710 hours (52 working weeks of 5 days each, totalling 38.0 hours duration, assuming 35 days paid leave per year including bank holidays). The recorded salary will be increased proportionately where the working week is shorter or the holiday entitlement is longer.
- 2.1.6 The questionnaire therefore requests details of the actual working week (number of days and total hours) and holiday entitlement (days) by occupation type. The information should be supplied corresponding to the basic salary in the official scales. The information supplied should not include typical overtime hours.

2.2 Attribution of percentage weightings

- 2.2.1 The calculation of purchasing power parities also requires an appropriate weighting scheme between the various occupations underlying each basic heading. Countries are therefore asked to supply approximate percentage weightings to reflect the relative importance of each occupation type in the national circumstances in their country.
- 2.2.2 It should be noted that the occupations selected in the questionnaire are only a sample, each one of which is meant to be representative of a wider group in the total population of employees. The percentage weightings are intended to relate to those wider groupings in the total population and not just to the sample used to complete the questionnaire.

Code	Job	Hospitals - physicians/nurses/nonmedical			Education	Gen. Govt.	Defence
		1154011.1	1154011.2	1154012.1	1321011.1	1311011.1	1311012.1
101	Doctor, head of department		*****	*****	*****	*****	*****
102	Doctor, senior consultant		*****	*****	*****	*****	*****
103	Doctor		*****	*****	*****	*****	*****
104	Nurse, head of department	*****		*****	*****	*****	*****
105	Nurse, operating theatre	*****		*****	*****	*****	*****
106	Nurse	*****		*****		*****	*****
107	Nursing auxiliary	*****		*****	*****	*****	*****
108	Physiotherapist	*****		*****	*****	*****	*****
109	Laboratory assistant	*****		*****	*****	*****	*****
110	Hospital chief executive	*****	*****		*****	*****	*****
111	Secretary – I	*****	*****		*****	*****	*****
112	Cook	*****	*****		*****	*****	*****
201	Finance department manager	*****	*****	*****			*****
202	Executive official (skill level IV)	*****	*****	*****			*****
203	Executive official (skill level III)	*****	*****	*****			*****
204	Computer operator	*****	*****	*****			*****
205	Bookkeeping clerk	*****	*****	*****			*****
206	Data entry clerk	*****	*****	*****			*****
207	Secretary – II	*****	*****	*****			*****
208	Telephone switchboard operator	*****	*****	*****			*****
209	Messenger	*****	*****	*****			*****
210	Maintenance electrician	*****	*****	*****			*****
211	Building caretaker	*****	*****	*****			*****
212	Cleaner	*****	*****	*****			*****
213	Policeman /woman	*****	*****	*****	*****		*****
214	Prison guard	*****	*****	*****	*****		*****
215	Firefighter	*****	*****	*****	*****		*****
216	Social worker	*****	*****	*****			*****
217	Town planner	*****	*****	*****	*****		*****
218	Civil engineer	*****	*****	*****	*****		*****
219	Draughtsperson	*****	*****	*****	*****		*****
220	Construction labourer	*****	*****	*****	*****		*****
221	Chauffeur	*****	*****	*****	*****		*****
222	Agricultural scientist	*****	*****	*****	*****		*****
223	Librarian	*****	*****	*****	*****		*****
301	Kindergarten teacher	*****	*****	*****		*****	*****
302	Primary teacher	*****	*****	*****		*****	*****
303	Secondary teacher	*****	*****	*****		*****	*****
304	University lecturer	*****	*****	*****		*****	*****
305	Head teacher	*****	*****	*****		*****	*****
401	Army: Private of infantry regiment, 1st-3rd class (NATO OR-2)	*****	*****	*****	*****	*****	
402	Army: Commander of infantry regiment, Lieutenant-Colonel (NATO OF-4)	*****	*****	*****	*****	*****	
403	Navy: Able seaman (NATO OR-2)	*****	*****	*****	*****	*****	
404	Navy: Commander of frigate (NATO OF-4)	*****	*****	*****	*****	*****	
405	Air Force: Aircraftsman, ground crew (NATO OR-2)	*****	*****	*****	*****	*****	
406	Air Force: Pilot of fighter aircraft, Wing Commander (NATO OF-4)	*****	*****	*****	*****	*****	
46		0	0	0	0	0	0

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		630.1	630.2	630.3	1321011.1	1311011.1	1311012.1
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102	Doctor, senior consultant		*****	*****	*****	*****	*****
103	Doctor		*****	*****	*****	*****	*****
104	Nurse, head of department	*****		*****	*****	*****	*****
105	Nurse, operating theatre	*****		*****	*****	*****	*****
106	Nurse	*****		*****		*****	*****
107	Nursing auxiliary	*****		*****	*****	*****	*****
108	Physiotherapist	*****		*****	*****	*****	*****
109	Laboratory assistant	*****		*****	*****	*****	*****
110	Hospital chief executive	*****	*****		*****	*****	*****
111	Secretary – I	*****	*****		*****	*****	*****
112	Cook	*****	*****		*****	*****	*****
201	Finance department manager	*****	*****	*****			*****
202	Executive official (skill level IV)	*****	*****	*****			*****
203	Executive official (skill level III)	*****	*****	*****			*****
204	Computer operator	*****	*****	*****			*****
205	Bookkeeping clerk	*****	*****	*****			*****
206	Data entry clerk	*****	*****	*****			*****
207	Secretary – II	*****	*****	*****			*****
208	Telephone switchboard operator	*****	*****	*****			*****
209	Messenger	*****	*****	*****			*****
210	Maintenance electrician	*****	*****	*****			*****
211	Building caretaker	*****	*****	*****			*****
212	Cleaner	*****	*****	*****			*****
213	Policeman /woman	*****	*****	*****	*****		*****
214	Prison guard	*****	*****	*****	*****		*****
215	Firefighter	*****	*****	*****	*****		*****
216	Social worker	*****	*****	*****			*****
217	Town planner	*****	*****	*****	*****		*****
218	Civil engineer	*****	*****	*****	*****		*****
219	Draughtsperson	*****	*****	*****	*****		*****
220	Construction labourer	*****	*****	*****	*****		*****
221	Chauffeur	*****	*****	*****	*****		*****
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223	Librarian	*****	*****	*****	*****		*****
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302	Primary teacher	*****	*****	*****		*****	*****
303	Secondary teacher	*****	*****	*****		*****	*****
304	University lecturer	*****	*****	*****		*****	*****
305	Head teacher	*****	*****	*****		*****	*****
401	Army: Private of infantry regiment, 1st-3rd class (NATO OR-2)	*****	*****	*****	*****	*****	
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403	Navy: Able seaman (NATO OR-2)	*****	*****	*****	*****	*****	
404	Navy: Commander of frigate (NATO OF-4)	*****	*****	*****	*****	*****	
405	Air Force: Aircraftsman, ground crew (NATO OR-2)	*****	*****	*****	*****	*****	
406	Air Force: Pilot of fighter aircraft, Wing Commander (NATO OF-4)	*****	*****	*****	*****	*****	
46		0	0	0	0	0	0