

The management of professionals in central government represents a key task for human resources units in ministries and departments. Professionals, narrowly defined as both economists and policy analysts, play a critical role in a government's decision-making processes by contributing analytical skills to the assessment of policy choices and allocations based on evidence. Senior and junior professionals do not hold managerial responsibilities (beyond managing a team of maximum three individuals).

A comparison of compensation levels across LAC countries can be performed by analysing professionals' earnings relative to GDP per capita. Senior professionals in Paraguay (6 times) and Brazil (5.4 times) attained the highest compensation levels relative to GDP per capita, while Costa Rica (2.4 times), Mexico (2.2 times) and Panama (1.3 times) experienced the lowest relative earnings. Similar findings were revealed for junior professionals' earnings. Evidence from the LAC countries shows that, on average, professionals' earnings among OECD member countries are substantially lower relative to GDP per capita in the case of both senior and junior professionals. Differences across countries can be attributed to various market factors that are not controlled for.

Among LAC countries, senior professionals earn on average USD 54 412 PPP, whereas junior professionals' compensation amounts to USD 39 425 PPP. Furthermore, compensation of senior managers (category D1) is three times higher than compensation of senior professionals. For both professional categories, wages and salaries represent the higher share (77% and 76%, respectively) of the average annual compensation, adjusted for differences in working hours and holidays. The remainder is divided in nearly equal shares between employers' social contributions and the working time corrections. Compensation of professionals is lowest in Costa Rica and Panama and highest in Argentina. In addition, Argentina has the highest value for the working time correction (the increase on the compensation level when correcting by the number of hours worked per week, the legal or average holiday entitlement and the number of public holidays that apply to the civil service), whereas Chile's working time correction is almost negligible.

On average, OECD member countries reward their professionals with significantly higher compensation than LAC countries in the case of both senior (USD 89 202 PPP) and junior (USD 71 981 PPP) professionals. Compensation of junior professionals in OECD member countries amounts to 81% of the average compensation of senior professionals. The same relation for LAC countries shows that junior professionals earn 72% of the average compensation of senior professionals.

Methodology and definitions

Data refer to 2011 and were collected by the 2013 OECD Survey on the Compensation of Employees in Central/Federal Governments for LAC countries and the 2012 OECD Survey on the Compensation of Employees in Central/Federal Governments for OECD member countries. Officials from central ministries were contacted through the LAC Senior Budget Officials Network.

Data are for five central government ministries/departments (interior, finance, justice, education, health). The classification and the definition of the occupations are an adaptation of the International Standard Classification of Occupation (ISCO) developed by the International Labour Organization (ILO). Compensation levels are calculated by averaging the compensation of the staff in place.

Total compensation includes wages and salaries, and employers' social contributions, both funded and unfunded. Social contributions are restricted to health and pensions systems, in order to have consistent data across countries.

Compensation was converted to USD using PPPs for GDP from the IMF *World Economic Outlook* (WEO). Working time adjustment compensates for differences in time worked, taking into account both the average number of working days/hours and the average number of holidays.

See Annex A for the full methodology.

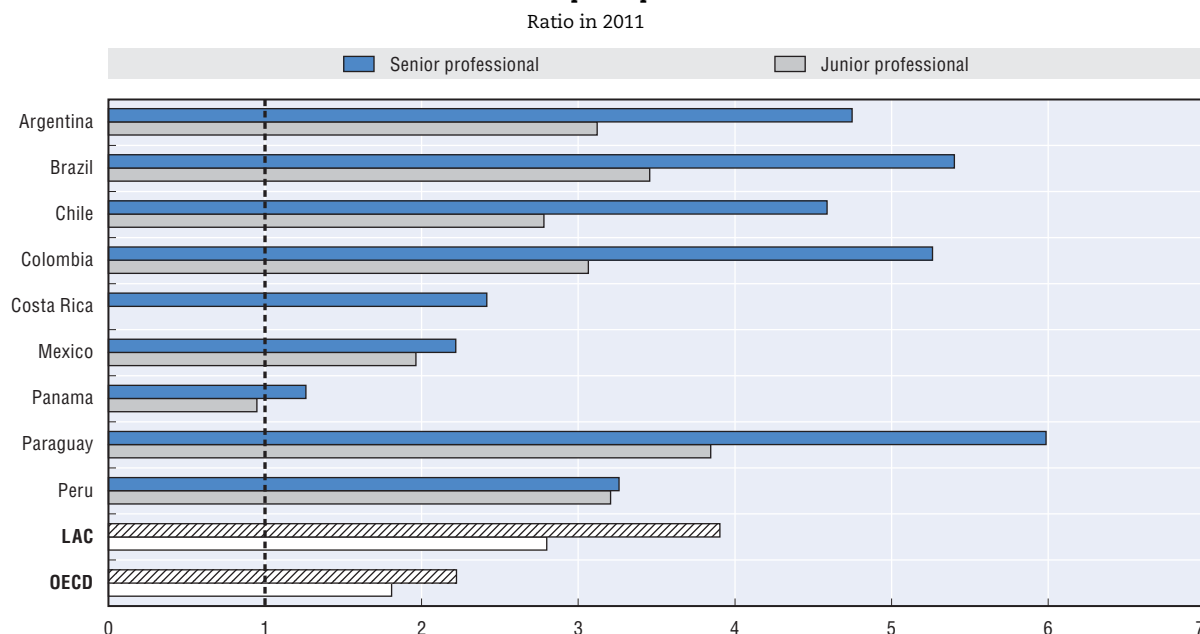
Further reading

OECD (2012), *Public Sector Compensation in Times of Austerity*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264177758-en>.

Figure notes

3.13 and 3.14: For Brazil, the Ministry of Justice belongs to the Ministry of Interior. For Brazil and Paraguay, the average is calculated assuming the same number of employees across all ministries (unweighted average). For Peru, the average refers to arithmetic mean between the minimum and the maximum levels of compensation and not the actual average. For Costa Rica, junior and senior professionals are mixed. For Panama, data refer to 2012. For Peru, data refer to 2013.

3.13. Average annual compensation of senior and junior professionals in central government relative to GDP per capita

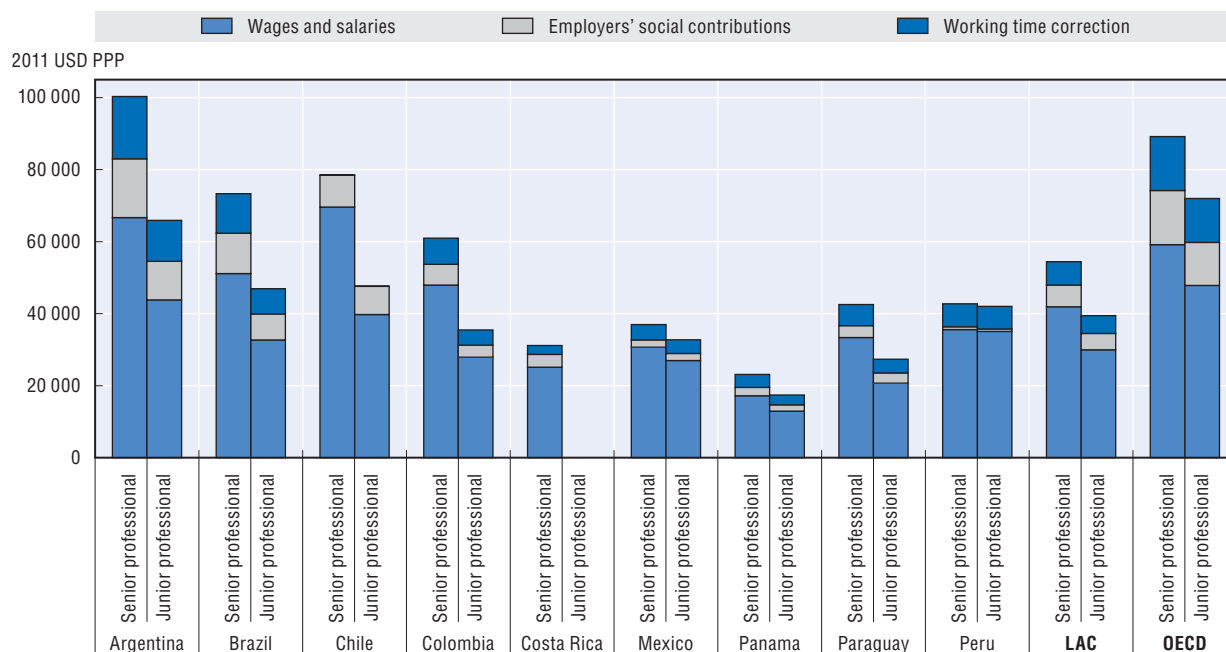


Sources: For LAC countries, data are from the 2013 OECD Survey on Compensation of Employees in Central/Federal Governments; IMF, World Economic Outlook (WEO). For OECD countries, data are from the 2012 OECD Survey on Compensation of Employees in Central/Federal Governments.

StatLink <http://dx.doi.org/10.1787/888933090213>

3.14. Average annual compensation of senior and junior professionals in central government (2011)

Adjusted for differences in working hours and holidays



Sources: For LAC countries, data are from the 2013 OECD Survey on Compensation of Employees in Central/Federal Governments; IMF, World Economic Outlook (WEO). For OECD countries, data are from the 2012 OECD Survey on Compensation of Employees in Central/Federal Governments and OECD STAN/National Accounts Statistics (database).

StatLink <http://dx.doi.org/10.1787/888933090232>



From:

Government at a Glance

Latin America and the Caribbean 2014: Towards Innovative Public Financial Management

Access the complete publication at:

<https://doi.org/10.1787/9789264209480-en>

Please cite this chapter as:

OECD/Inter-American Development Bank (2014), "Compensation of professionals in central government", in *Government at a Glance: Latin America and the Caribbean 2014: Towards Innovative Public Financial Management*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264209480-20-en>

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