

Box 3 Correcting remuneration and productivity measures for temporary election-related employment

According to Statistics South Africa's *Quarterly Employment Statistics* survey, public-sector employment increased notably by around 132 000 in the second quarter of 2014. However, 130 000 of these new jobs represented temporary employment opportunities created by the Independent Electoral Commission (IEC) to assist in conducting the general elections held countrywide in June 2014. After the event, public-sector employment decreased by roughly the same number in the third quarter of 2014 as these workers were discharged. Figure B3.1 shows public-sector employment and total formal non-agricultural employment, adjusted for the outlier in the second quarter of 2014.

In addition to momentarily distorting the level of employment, the inclusion of the temporary IEC workers resulted in a somewhat misleading representation of remuneration growth per worker in the formal non-agricultural sector of the economy, and in public-sector wage growth in particular, in the second quarter of 2014. Although the inclusion of the temporary IEC workers resulted in a fairly large increase in employment in the second quarter of 2014, it did not raise the level of remuneration materially as the majority of these workers were only employed for a few days during the quarter, and earned relatively small amounts. When excluding the temporary IEC workers and their wages from the calculation, year-on-year remuneration growth per worker in the public sector amounted to 4,7 per cent in the second quarter of 2014, compared to -0,8 per cent when these workers are included. Similarly, year-on-year remuneration growth per worker in the total formal non-agricultural

sector of the economy amounted to 5,0 per cent in the second quarter of 2014 when excluding the temporary IEC workers, compared to a growth rate of 3,5 per cent when including these workers. Figure B3.2 illustrates remuneration growth per worker in the public sector and in the total formal non-agricultural sector of the economy after adjusting for the temporary IEC workers and their wages.

Figure B3.1: Formal non-agricultural employment

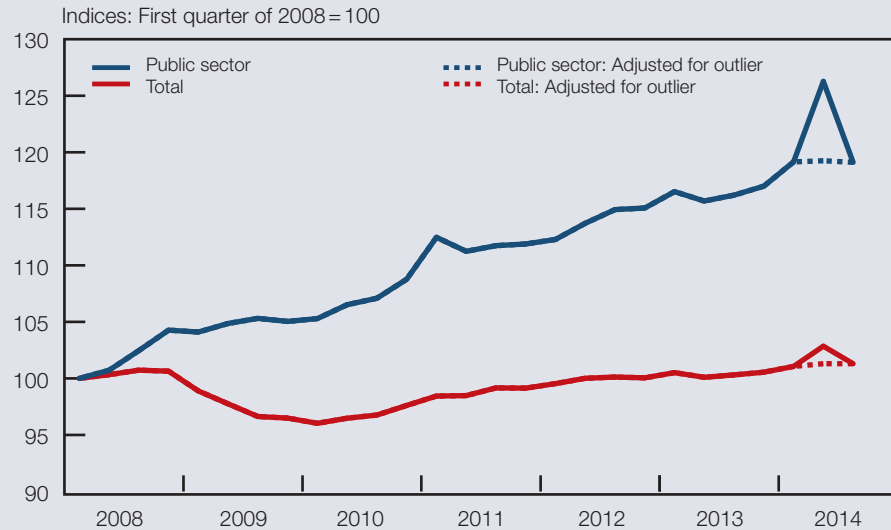
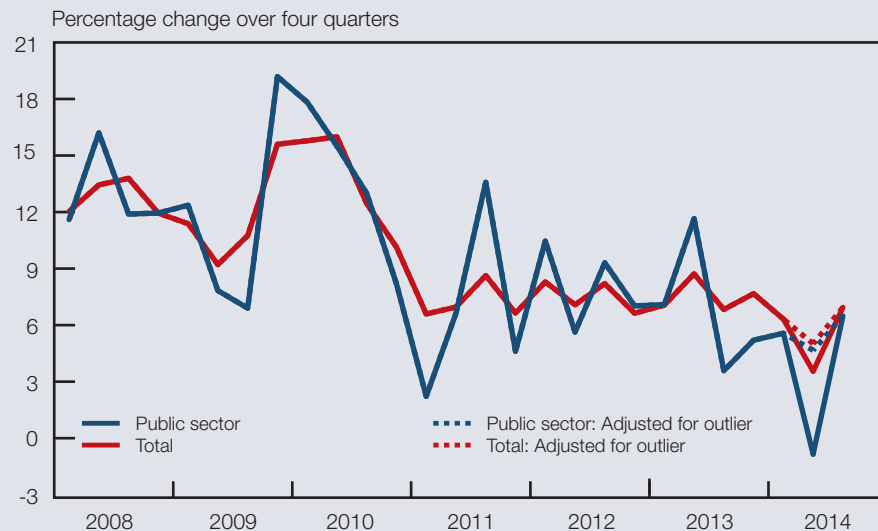


Figure B3.2: Formal non-agricultural remuneration growth per worker



Moreover, since labour productivity as measured by the South African Reserve Bank is defined as real output per worker in the formal non-agricultural sector of the economy, the measurement of this indicator was also distorted by the inclusion of the temporary IEC workers in the second quarter of 2014. Thus, when excluding these temporary workers from the calculation, year-on-year growth in formal non-agricultural labour productivity amounted to 0,1 per cent in the second quarter of 2014, compared to a misleading decrease of 1,4 per cent when these workers are included, as shown in Figure B3.3.

Figure B3.3: Formal non-agricultural labour productivity

