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INTERNATIONAL CIVIL SERVICE ADVISORY BOARD

REPORT ON

THE BASE SALARY SCALES OF STAFF IN THE PROFESSIONAL AND  
HIGHER CATEGORIES OF THE INTERNATIONAL CIVIL SERVICE

ADDENDUM

Table A of Annex I of document ICSAB/X/7 is attached.



ANNEX I, TABLE A<sup>1/</sup>

Indexes of real after-tax salaries of professional-level civil servants in various countries

Country and rank		Single persons			Married with 2 children		
		1955 1950	1960 1955	1960 1950	1955 1950	1960 1955	1960 1950
<u>Australia</u>							
Permanent Head of Department	Group 1	91	104	95	90	104	93
	Group 2	97	107	104	95	107	102
Intermediate category	min.	99	101	100	98	101	99
	max.	98	101	99	97	101	98
University graduates (non-technical)	min.	105	101	106	104	101	105
	max.	103	101	104	102	102	103
University graduates (Professional faculties)		114	107	122	113	108	121
<u>Austria</u>							
Chief of division	min.	142	131	187	143	131	186
	max.	148	134	199	146	134	196
Chief of section	min.	135	130	176	138	130	179
	max.	141	130	184	142	130	184
Lowest professional	min.	122	115	140	125	115	144
	max.	125	138	172	129	141	182
<u>Denmark</u> <sup>2/</sup>							
Departmentschef		114	116	133	111	114	126
Kontorchef		112	120	134	108	116	126
Fuldmægtig		111	118	131	108	111	120
Sekretær		111	120	133	108	112	121
<u>Canada</u>							
Deputy Minister Finance		99	102	101	93	110	102
Deputy Minister A		101	97	98	102	98	100
" " B		107	105	112	108	106	114
Foreign Service Officer 5		102	143	146	103	126	130
Librarian 1		105	128	135	106	127	135
Home Economist 1		106	129	137	107	129	138
<u>Federal Republic of Germany</u>							
A 16 (Ministerialrat)	min.	132	105	139	130	112	146
	max.	134	114	152	134	121	162
A 15 (Regierungsdirektor)	min.	130	118	153	127	125	158
	max.	135	115	156	134	123	165
A 14 (Oberregierungsrat)	min.	126	100	126	124	106	132
	max.	131	114	149	130	121	158
A 13 (Regierungsrat)	min.	128	123	158	127	128	163
	max.	128	114	146	128	121	155
<u>France</u> <sup>3/</sup>							
800		118	145	171	117	145	170
650		115	112	129	113	112	127
500		109	110	120	107	109	117
300		102	110	112	99	108	107
<u>Italy</u>							
IV (Direttore Generale)	min.	138	124	170	135	125	168
	max.	..	136	..	..	137	..
VI (Direttore di Divisione)	min.	128	111	143	125	114	142
	max.	..	127	..	..	128	..
X (Consigliere 3 classe)	min.	103	94	97	102	102	104
	max.	..	109	..	..	115	..

<sup>1/</sup> Sources and notes - see footnote at the end of table.  
<sup>2/</sup> For 1955, read 1954.

<sup>3/</sup> For 1950 read 1951.

TABLE A (concluded)

Country and rank			Single persons			Married with 2 children		
			1955 1950	1960 1955	1960 1950	1955 1950	1960 1955	1960 1950
<u>The Netherlands</u>								
Directeur	min.		107	104	111	109	104	113
	max.		107	113	121	109	111	121
Hoofdadministrateur	min.		113	102	116	114	104	117
	max.		112	107	119	113	109	122
Administrateur	min.		111	107	119	112	108	121
	max.		113	107	120	114	108	122
Referandis	min.		110	106	117	111	107	118
	max.		111	110	122	112	110	124
Referandis 2 Kl.	min.		110	108	118	110	108	119
	max.		110	116	127	111	117	129
Adjunct Referandis	min.		111	103	115	110	104	114
	max.		110	105	116	110	106	116
<u>New Zealand</u>								
Permanent Head of Major Department			88	103	91	90	103	93
Intermediate professional officer			102	96	98	101	98	99
University graduate entrant			114	103	118	115	108	124
<u>Norway</u> <sup>1/</sup>								
Ekspedisjonssef			105	130	136	96	128	123
Byråsjef			105	127	133	102	126	129
Sekretar med Universitets - Utdannelse (Begynnerløn)			104	124	129	106	125	132
<u>Sweden</u>								
Byråchef			113	101	114	114	102	117
Byrådirektör			103	98	102	105	100	105
1 : E Byråsekreterare			103	98	101	104	100	105
Byråsekreterare			103	98	106	109	100	110
Begynnelselön	min.		106	108	114	106	112	119
	max.		107	97	104	108	100	108
<u>Switzerland</u>								
Classe I/art.4	min.		97	109	106	99	109	103
	max.		98	109	106	99	109	108
Classe II/art.4	min.		98	109	106	99	110	109
	max.		97	109	105	99	109	108
Classe I	min.		98	109	106	99	109	108
	max.		98	109	106	100	110	109
Classe II	min.		98	109	107	99	110	108
	max.		98	109	106	99	109	109
<u>United Kingdom</u> <sup>2/</sup> (Administrative class)								
Permanent Secretary			85	133	113	86	134	115
Deputy Secretary			85	133	113	86	133	114
Under Secretary			89	131	116	91	130	113
Assistant Secretary	min.		100	128	128	101	126	128
	max.		93	127	118	94	127	120
Principal	min.		102	120	123	104	115	120
	max.		101	124	124	102	122	124
Assistant Principal	min.		103	121	124	104	122	127
	max.		101	114	115	103	110	113
<u>United States of America</u>								
GS.18			99	98	97	97	104	101
GS.14-1			100	105	105	102	105	107
GS.7-1 <sup>3/</sup>			103	128	132	103	126	129

1/ For 1960 read 1959.

2/ For 1950 read 1950/51.

3/ The corresponding entrance grade for a 'quality' graduate in 1950 and 1956 was GS-5, step 1; 'quality' graduates in scarce categories can now start at GS-7, step 4.

Sources and Notes: The figures in table 3 are based on published sources supplemented by information obtained directly from the various countries concerned.

Austria: The exact dates of reference are May 1950, June 1955 and January 1960.

Denmark: Statistiske Efterretninger, No. 6 1960; the salaries used are the maximum salaries of the ranges.

France: Supplément au Bulletin hebdomadaire de statistique, No.625 of 21.5.1960.

Italy: Prontuario delle competenze dovute al personale civile, Ministero del Tesoro; Annuario Statistico Italiano; Bollettino mensile di statistica.

Sweden: An increase of 5% in nominal salaries has been granted to Swedish civil servants effective from 1 January 1961. (Dagens Nyheter, 9 April 1960). This is not taken into account in the figures quoted above.

United Kingdom: Weekly Hansard No. 483, 18-24 March 1960 pp. 211-214; communication from the Ministry of Labour; The Times, May 28 1960 and 6 August 1960; ILO Yearbooks of Labour Statistics 1957 and 1959; UK Monthly Digest of Statistics, April 1960; comparable increases took place in the salaries of the executive class of the civil service.

INTERNATIONAL BASE SALARY SCALES

FOREWORD

The structure of the present United Nations common system of salaries and allowances was established by the General Assembly of the United Nations by resolution 470 (V) of 15 December 1950, on the basis, essentially, of the report<sup>1/</sup> of a committee of experts appointed by the Administrative Committee on Co-ordination after consultation with the Advisory Committee on Administrative and Budgetary Questions.

2. In 1955, certain aspects of this system - cost-of-living differentials, dependency allowances and education grants - were examined by a small committee of experts appointed by the ACC. Their recommendations<sup>2/</sup> were accepted on a provisional basis in resolution 976 (X), but by resolution 975 (X) the General Assembly decided that a comprehensive review of the whole salary system should be undertaken by a committee of eleven experts nominated by governments.

3. This review was made in 1956, and the report<sup>3/</sup> of the committee - known as the Salary Review Committee - was implemented by General Assembly resolution 1095 (XI) of 27 February 1957.

4. So far as concerns base salaries and cost-of-living adjustments for staff in the professional and higher categories, the principal effects of the Salary Review Committee recommendations were:

- (a) to transfer the base of the common system from New York to Geneva;
- (b) to leave the base salary scales unchanged (apart from a small change at the Director (D.2) grade) at the level at which they had been set in 1950;<sup>4/</sup>
- (c) to transform the earlier system of "salary differentials" into what is now known as the "post adjustment" system.

<sup>1/</sup> Document A/C.5/331.

<sup>2/</sup> Document A/C.5/632.

<sup>3/</sup> Document A/3209.

<sup>4/</sup> It is to be noted that in 1951, salary levels at Geneva were 5 per cent below the level at New York. Between 1951 and 1956, as a result of a rise in the cost of living, the "minus differential" at Geneva had been removed, so that by 1 January 1956 salaries at Geneva were at the New York base level.

5. The Salary Review Committee, in chapter IX of its report, recognized<sup>5/</sup> that it was "desirable to establish machinery which could help to ensure that United Nations salaries are maintained in a reasonably correct relationship to comparable outside salaries having regard to cost-of-living movements and other factors, without necessarily awaiting a further comprehensive salary review ... Since a high degree of administrative stability is desirable for the well being of the Secretariat ... there should be no need, except at comparatively rare intervals, to re-examine such questions as the number or structure of the categories and grades or the conditions of service such as leave, sick leave etc., in which case only the question of pay and allowances need be periodically considered".

6. Within this limited field, the Committee thought that two kinds of review might be necessary. One would be a more or less current review to amend the post adjustments in the light of cost-of-living index movements. As regards the second, the Committee said<sup>6/</sup> that "at intervals ... a major examination will need to be made of the base scales in relation to salaries generally in outside employment".

7. The Committee suggested<sup>7/</sup> that the question of post adjustments should be kept under review by a small expert committee, which ACC has since established, and that the International Civil Service Advisory Board was the most appropriate body to examine data relating to future salary movements.<sup>8/</sup>

8. Accordingly, ACC in 1959 decided that a study of base salaries should be undertaken by the secretariats, and the results submitted to ICSAB for its consideration. The study was begun in 1960, completed early in 1961, and submitted to the Board at its tenth session in Geneva in May 1961.

9. The Chairman of the Expert Committee on Post Adjustments was invited by ACC to participate in the Board's review of the ACC study; his presence was of great assistance to the Board, since base salaries cannot be examined without taking into account the effects of the post adjustment system, and the Board wishes to record its appreciation for his willing co-operation.

10. Special staff assistance was provided by the Secretary-General, who made available to the Board the senior official who had served as secretary of the 1956 Salary Review Committee; in him, and in its own secretary, the Board has had

<sup>5/</sup> A/3209, paragraph 156.

<sup>6/</sup> Ibid., paragraph 157.

<sup>7/</sup> Ibid., paragraph 165.

<sup>8/</sup> Ibid., paragraphs 297-300.

officers of great ability to serve it, and it places on record its recognition of their comprehensive knowledge of the problems before the Board and its appreciation of their devotion to duty.

11. The ACC submitted documents of a high standard, containing a wealth of information and statistical data for the Board's consideration. This was supplemented by oral statements and answers to questions by representatives of the executive heads of the organizations and of the staffs. To all these, the Board expresses its warm thanks for the assistance which they rendered.

#### THE CASE FOR A REVISION OF BASE SCALES

12. When the League of Nations was established, the scales of pay for the internationally recruited staff were established, on the advice of the Noblemaire Committee, at a level based on the scales of the highest paid (home) civil service of any of the Member States, adjusted for the cost of living at the seat of the League, and further adjusted for the factor of expatriation. Several enquiries into League salaries - for example, that made by the Committee of Thirteen in 1931, and by the Supervisory Commission in 1932 - endorsed the conclusions of the Noblemaire Committee that this was the correct principle to be followed.

13. The governing criterion regarding the conditions of service of United Nations staff is laid down in Article 101 (3) of the Charter, which states that: "The paramount consideration in the employment of staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible."

14. On 13 February 1946, the General Assembly resolved that: "The conditions of employment ... should be such as will attract qualified candidates from any part of the world. Therefore ... account should be taken ... of the wide range of remuneration for comparable work prevailing in the Government services of the Members of the United Nations; the more limited prospects of promotion to the highest posts ... the cost of living at the seat of the United Nations ... possible housing difficulties ... and the additional expenses which a large proportion of the staff will incur by living away from their own country ...".

15. The Salary Review Committee also, in 1956, having decided to regard Geneva as the base of the whole salary system, recommended scales which in its view would be

just sufficient to attract the required staff from all areas, including those areas which had high salary levels. It agreed that the recruiting position was only marginally satisfactory, and that vigorous recruiting effort was needed. As regards the standards of staff required, the Committee said that: "Experience ... shows that it is unrealistic to believe that every single staff member must be the best of his kind ...; the practical requirement is that all staff should be of a high level of competence, and that the international organizations, like national administrations, should have their fair share of brilliant staff and be content with that".

16. The consistent thread of principle which runs through the above criteria is the need to have conditions of service which will attract and retain staff of a high level of competence, and in some cases of the very highest quality, from every part of the world.

17. The scales which the Salary Review Committee recommended in 1956 were identical (except at level D.2) with those approved in 1950.<sup>9/</sup> It explained that it had recommended virtually no change in these base scales because, in the first place, the recruiting position appeared to be satisfactory, and secondly because it was satisfied that between 1950 and 1955 national civil services had not, generally speaking, been given increases in real income commensurate with those which had occurred in non-public employment, and it felt that "the position of the international civil servants in the matter of salary movements must necessarily be related more to the position of public servants generally than to that of employees in business and industry".

18. The documents submitted by ACC contained evidence regarding both the movement of salaries outside the organizations since 1955 and the present recruitment position. The data showed that in over thirty countries for which statistics were available there had, over the last five years, been fairly steady annual increases in per capita real income. Detailed information regarding public-service remuneration does not appear to be published in all countries, but was available from fourteen. The increases in civil service salaries in those countries, since 1955, have not been limited to a mere compensation for rising cost of living but have increased the real after-tax incomes as follows, in the case of married officials with two children:

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<sup>9/</sup> See footnote 4 supra.



	<u>Highest grades of the service</u>	<u>"Junior professional" grades</u>
Australia	4 - 7%	8%
Austria	31 - 34%	15 - 41%
Denmark	14%	12%
Canada	6 - 10%	29%
Federal Republic of Germany	12 - 21%	21 - 28%
France	45%	8%
Italy	25 - 37%	2 - 15%
The Netherlands	4 - 11%	4 - 6%
New Zealand	3%	8%
Norway	28%	25%
Sweden	2%	0 - 12%
Switzerland	9%	9 - 10%
United Kingdom	34%	10 - 22%
United States of America	4%	26%

-----In the United Nations common system, on the other hand, the only increases since 1956 have been through changes in post adjustments, which do not, generally speaking, give full compensation even for cost-of-living increases.

19. Similarly, the position of the secretariats appears to have worsened relative to that of members of delegations in New York. Increases<sup>10/</sup> in the emoluments of the latter, judging by those which provided information (and excluding representation allowances wherever these were separately specified) ranged up to 40 per cent for married Third Secretaries, 27 per cent for First Secretaries and 25 per cent for Counsellors (see table C of Annex 1).

20. There was also evidence regarding increases in real income of doctors, university teachers, engineers and lawyers, since 1956, which showed that broadly speaking these professions had had relatively larger increases than civil services - see table B of Annex 1.

<sup>10/</sup> These increases are in monetary terms, not real income, and should be compared with an increase of a maximum of 18 per cent in the New York Secretariat since 1 January 1956.

21. As an indication of the relative decline in United Nations conditions and the extent to which they failed to meet the criteria suggested by the various committees which had examined the question of salaries, ACC presented figures to show the relationship between United Nations salaries in Geneva in January 1957 (on the levels recommended by the Salary Review Committee at that date<sup>11/</sup>) and in October 1960, and the salaries of the United States Federal Civil Service on the same dates. These were as follows:

Level	UN salaries (Geneva) as a percentage of US salaries (New York)			
	JANUARY 1957		OCTOBER 1960	
	Married, no children	Single	Married, no children	Single
P.3-V	112.0	115.1	105.7	106.2
P.4-V	100.9	105.9	97.7	98.1
P.5-I	96.4	101.8	91.9	94.8
D.1-I	100.2	106.8	95.0	99.5
D.2	105.0	108.9	99.4	106.5

22. There is no doubt, therefore, in the view of the Board, that since 1956 there has been a serious relative decline in the relationship between United Nations salaries and those of some of the principal national services and the professions.

23. ACC said that conditions of service in 1956/57 had permitted only a marginally satisfactory recruitment position and the relative decline in conditions had inevitably led to a recruitment position which was now unsatisfactory and which was summarized as follows:

"There are serious difficulties in recruiting many professions from any country, and equal difficulties in recruiting any professions from some countries, more especially from the high salary areas. The most difficult types of staff to obtain are the technical specialists in medicine, agriculture, physics and engineering; this is so in all the countries where such staff are available. Statisticians, economists, translators and administrative staff,

<sup>11/</sup> The legislative bodies of the specialized agencies in practice approved as from June 1957 the addition of a 5 per cent post adjustment to the level recommended by the Salary Review Committee.

amongst others, are difficult to obtain from the high salary areas and increasingly so from even the lower salary areas. Short-term experts of all kinds are difficult to obtain from any country."

24. The Board enquired into the nature and consequences of these recruitment difficulties, and the steps taken to overcome them. It was clear that the most acute difficulties are those relating to technical experts of all kinds, and they lead to a slowing down of technical aid programmes. WHO, for instance, said that its public health programmes in environmental sanitation were seriously handicapped by its inability to obtain sanitary engineers; the ILO was having serious difficulties and delays in filling 150 vacant expert posts.

25. The organizations also have difficulty in finding certain kinds of staff for the regular secretariats, as stated in paragraph 23. The United Nations French translation section in New York, for example, in some years has lost more staff than it is able to recruit, and has been below strength for long periods. WHO in Geneva can not get the scientists it needs to staff a programme designed to aid research workers throughout the world by co-ordinating and disseminating information on research in various fields. UNESCO also has had delays in filling some of its top posts.

26. In the opinion of the Board, while the difficulties experienced as regards experts are to some extent due to a general shortage of such personnel, the primary difficulty with all staff is due to inadequacy of the salary scales.

27. ACC to a large extent accepted the conclusion of the Salary Review Committee that the position of international civil servants in the matter of salary movements must be related more to the position of public servants generally than to employees in business and industry; but it stressed, nevertheless, that the organizations - especially in the technical fields - did not and could not recruit exclusively from public services, and must be in a position to compete, to some degree at least, in recruitment, with employment outside those services.

28. Irrespective of recruiting difficulties, ACC thought that as a measure of equity to serving staff the increases in real income outside the organizations must be reflected in revised basic salaries. The recruiting difficulties turned a desirable measure of equity into a necessity if the organizations were to be able to accomplish their task.

29. It seems self-evident to the Board that if United Nations pay scales (including post adjustments) are below the salaries of the public services of some of the Member

States the secretariats will be unable to attract staff from those countries.

Equally, they will be unable to maintain satisfactory staff relations and morale if improvements in real incomes outside public services are disregarded in determining or adjusting United Nations salaries.

30. The Board would add, nevertheless, that in making comparisons with outside conditions regard must be had to the normal needs of the organizations rather than the exceptional. Difficulty in obtaining the rarer kind of expert from exceptionally highly paid professions must of necessity be overcome by arrangements outside the common system of salaries. Nor should the whole of the secretariats be regarded as comparable to a diplomatic service, although foreign service conditions cannot be ignored because recruitment must sometimes, and more particularly in the higher ranks, be made from diplomatic services. The Board notes that the Secretary-General has already told the General Assembly that on present conditions he is unable to do this, and it notes further that when high-level outside personnel have to be recruited for special missions they have often to be granted the rank of Under-Secretary to bring emoluments to an acceptable level - a practice which, it seems to the Board, would not be resorted to as often as has been the case if conditions of service were adequate.

31. ACC's proposals, which are discussed later, had the effect, broadly speaking, of re-establishing the relationship with outside salaries which existed in 1957, and in the light of all the data the Board came to the conclusion that the proposals were essentially moderate, and represented a formula which should be accepted in the present case. It would stress, however, that no formula, mechanically applied, can suffice in all circumstances. It must always be an overriding requirement that the conditions of service do in practice enable the organizations to recruit the staff they need. The Board was satisfied that, in the light of the increases in outside real incomes, the necessary action at this time is an increase in base scales. There is evidence that special difficulties exist in the case of expatriate staff with families, and on a future occasion it may be that consideration should be given to a revision of dependency allowances or a re-introduction of expatriation allowance.

QUESTION OF CONSOLIDATION OF PART OF EXISTING POST  
ADJUSTMENTS INTO NEW BASE SALARY SCALES

32. Before examining the scales themselves, the Board considered a preliminary question - whether new scales for the base city should consolidate all or part of the existing class 3 post adjustment at present in force there.

33. In the view of the Board, a revision of base scales should normally be the occasion for consolidation, but two reasons were advanced why, in this instance, consolidation might create problems:

- (a) there are a number of offices where the cost of living is above the 1956 base level, but below the 1961 cost-of-living level in Geneva. If, therefore, there were to be a consolidation on the basis of the present Geneva post classification there would be an increase in the number of areas where a minus adjustment would be applied;
- (b) the amount of post adjustment for staff without dependants is two-thirds of the amount for married staff. If, therefore, the "married" rate of post adjustment is included in the base scale, single staff will receive a fortuitous increase and be relatively better treated than the married. If, on the other hand, only the "single" adjustment is included, married staff will lose that part of their dependency benefit which is included in the Geneva "married" post adjustment. Since the normal dependency allowances as such are at flat rates, it is not possible to adjust the allowance for a dependent spouse to give exact compensation for the variable amounts (by grade) now included in post adjustments.

34. The minus areas. The Board notes that one reason for shifting the base of the common system from New York to Geneva in 1957 was the desire of the Salary Review Committee to minimise the number of "minus areas". With the gradual rise in the cost of living in all countries since 1957, the position has now been reached where there are only four minus areas, and only in one of them - Copenhagen - is there a permanent office. The great majority of duty stations are at or above the level of Geneva - namely, 10 per cent above the 1956 base level - and consolidation would clearly have to be made by incorporating all the present Geneva post adjustment. If that were done, fifty-five other areas would become "minus areas", but only in twenty-one of them are there any regular staff, mostly few in number. In fifteen of the areas there are no staff of any kind, and in the remainder there are "project personnel", again mostly few in number. The areas are listed in Annex 4.

35. The Board is of the opinion that the existence of "minus" post adjustments is undesirable. What is described as a base salary should not be subject to reduction, and however logical it might seem to reduce base salaries where the cost of living itself is lower than the base, experience shows that minus adjustments cause great difficulties in inter-office transfers, and are a serious obstacle in recruitment of staff to the areas concerned. So much is this so, that the International Atomic Energy Agency, when establishing itself in Vienna, which was at the relevant time a "minus area", has not in fact applied minus adjustments to base salaries, and the World Health Organization decided in 1958 that it would suspend the application of minus adjustments throughout its offices.

36. The Board felt, therefore, that consolidation should only be recommended if it were also agreed that minus adjustments should be abolished. Accordingly, it examined how far such abolition would have financial or other effects. It reached the conclusion that, with the present base level, the financial effect would be virtually nil, and that even with a consolidated base at the present Geneva level the effects on regular budgets of abolishing minus adjustments would be so small that they could be ignored.

37. This is so because:

- (a) of the staff in the four areas which are now "minus areas", only two are not in WHO; some fifty others are in WHO and not subject to the minus adjustment in any event;
- (b) the majority of the ~~twenty-one~~ potential "minus areas" where there are regular staff now have a cost-of-living index between class 2 and class 3 - that is, between 5 and 10 per cent above base; among these is Vienna, the largest single office concerned. In the ordinary course of events it is probable that many of them will, within the next year or so, reach the 110 per cent level. Since no adjustment of scales can be made before 1962, it is reasonably certain that few areas where there are regular staff will be affected for more than a few months by an abolition of minus adjustments;
- (c) of the approximately 900 staff in all the areas concerned, over 500 (including 200 project personnel) are in WHO or IAEA, which do not apply minus adjustments. Of the staff in other organizations, approximately 100 are regular staff and the remainder project personnel; practically all the 100 regular staff are at duty stations where the ~~cost-of-living~~ index is now between 5 and 10 per cent above base.

38. The Board was informed that recruitment of project personnel is exceptionally difficult, since conditions of service are substantially inferior to those offered by some bilateral aid programmes. Abolition of minus adjustments in their case will certainly facilitate the achievement of United Nations technical aid programmes. As regards regular staff, the number who would be affected by the retention of minus adjustments will, by 1962, if present cost-of-living trends continue, be less than 100, and then only for a short period.

39. The Board also enquired whether abolition of minus adjustments would cause difficulty as a result of either:

- (a) staff in higher cost areas feeling themselves to be unfairly treated vis-a-vis staff who received base scales in lower-than-base cost areas; or
- (b) staff in the latter feeling that, on transfer to a base cost area, they should receive an increase in pay.

40. WHO, which had had two years' experience of this problem, said that no difficulties had arisen in practice. They emphasized, however, that they took care, in their administrative instructions, to designate areas with below-par living costs as such, even though no minus adjustment was applied. Staff in such areas were, therefore, aware that they could not expect any plus adjustment until the index figure for the area moved to 5 per cent above base or unless they were transferred to an area where the cost of living was at least 5 per cent above the base level.

41. One of the strongest arguments in favour of consolidation, in the Board's view, is that if conditions are to be attractive for recruiting purposes it is desirable that remuneration should consist mainly of base salary and as little as possible of post adjustment. In the circumstances described above, therefore, the Board has no hesitation in recommending that any new base salary scales should consolidate the post adjustment at the base city, Geneva, and that no minus adjustment should thereafter be applied. It must however be clearly understood that areas which are below the new base level will receive no further upward adjustment in respect of rising cost of living until the index at the duty station has risen to 5 per cent above the new Geneva base level.

42. As to whether the "single" or the "married" rate of post adjustment should be included in the new base scales, the Board reached the conclusion, and so recommends, that the amount of post adjustment to be consolidated in the new base should be the

"married" rate less \$200. This \$200 should be added to the allowance for a dependent spouse, which would thus be increased from \$200 to \$400. Such action would have the secondary advantage of removing an anomaly of the present system by which, in a base cost area, the allowance for a dependent spouse (\$200) is less than the allowance for a child (\$300). The overall effects would be that:

- (a) married staff would retain the full benefit of the "10 per cent" level of post adjustment (it should be remembered that in the higher grades this benefit represents less than full compensation for the 10 per cent cost-of-living increase since 1956);
- (b) single staff at P.1 and P.2 would also retain virtually the whole benefit from the present post adjustment, while from P.3 to Under-Secretary they would receive fortuitous increases of from \$35 p.a. to \$200 p.a., but their number is relatively small and the cost is negligible.

43. Effect of consolidation on the Pension Fund. The Board was informed that the effect on the Pension Fund of consolidation as such - and as distinct from the increase in remuneration discussed below - would be small, and probably negligible. This results from the fact that under present arrangements pensionable remuneration is the "half-gross" base salary plus 5 per cent, which represents the movement of the weighted average post adjustment since 1956. The organizations expect that by the end of 1961 the weighted average will be 10 per cent above the 1956 base level, so that pensionable remuneration will in any event become "base plus 10 per cent". Under the Board's recommendations, assuming new scales to be approved with effect from 1 January 1962, that date and the new scales would become a new base for pension purposes - that is, as at 1 January 1962 pensionable pay would be the "half-gross" equivalent of the new base pay, with no addition for post adjustment; and not until the weighted average post adjustment had moved by 5 per cent, measured from 1 January 1962, would a further adjustment of pensionable remuneration be called for.



THE PROPOSALS OF ACC REGARDING REVISED SCALES

44. ACC proposed increases in remuneration ranging from approximately 20 per cent at P.1 to 10 per cent at D.1 and D.2. Its suggestions were, however, made on the assumption that there would be no consolidation.
45. ACC assumed further that the amounts of post adjustments would be revised only to the extent that the new amounts would bear the same percentage relationships to the new base salaries as existing amounts bear to present base salaries. The Board was informed that the Expert Committee on Post Adjustment had at the request of ACC been studying the appropriateness of the table of post adjustment rates, with particular reference to the element of "regression", both "horizontal" and "vertical".<sup>12/</sup>
46. The ECPA report to ACC was in fact issued shortly before the opening of the Board's session. Its conclusions, and the ACC's preliminary comments on them, are summarized in Annex 1. Had the Board followed the ACC suggestion that there should be no consolidation of post adjustments at this time, it would have been obliged to reach its own conclusions on the amount of post adjustment to be added to revised Geneva base salaries, since it is clearly unrealistic to consider the latter without regard to any post adjustment payable, and since the pattern of post adjustment proposed by ECPA differed from that which ACC had assumed in making its proposals. The differences were not great for the lower cost areas such as Geneva, but were substantial for the higher cost areas such as New York.
47. However, the Board's conclusion that it was desirable to consolidate into any new base scales the existing Geneva post adjustment (at the married rates less \$200) - a conclusion in which the Chairman of ECPA concurred - made it unnecessary for the Board to go further into the question of post adjustments. Its recommendations relate solely to the Geneva base salary scales, and if they are accepted there will be no post adjustment at Geneva until the Geneva cost-of-living index is 5 per cent above the new base level. It will be for ACC to submit separately to the legislative bodies, after consideration of the ECPA report, its proposals for the future

<sup>12/</sup> The schedule of post adjustments adopted on the proposal of the Salary Review Committee contained both a "vertical" regression - which means that the higher the grade the smaller was the percentage increase in salary for a given (5 per cent) increase in cost of living - and a "horizontal" regression - which means that for any given grade of staff the smaller is the percentage increase in salary for each successive 5 per cent increase in the cost of living above the base.

post adjustment system by which other duty stations will be kept in appropriate relationship to Geneva. Certain technical adjustments will in any case follow: for example, the New York index, which is at present in advance of Geneva by nearly 22 per cent of the old base, will be ahead by 20 per cent (approximately) of the new base. The 5 per cent differences between the classes will represent somewhat larger amounts, and a slightly longer period will be required for any duty station to advance to the next higher class.

48. To avoid possible confusion over the question of post adjustments, the figures quoted below, in respect of both ACC's proposals and the present remuneration, include both the base salary and the post adjustment element, the latter being taken at the married rate; the \$200 which the Board suggests should be transferred to the spouse allowance has been left in the post adjustment in order to show the correct percentage increase which would result for the married official.

49. On this basis, the comparison between existing net scales and the remuneration proposed by ACC is as follows:

Level	PRESENT GENEVA NET SCALE FOR MARRIED STAFF		ACC PROPOSAL FOR MARRIED STAFF		Percentage increase	
	minimum	maximum	minimum	maximum	minimum	maximum
P.1	\$ 4,100	\$ 5,500	\$ 5,000	\$ 6,600	22.0	20.0
P.2	5,400	7,000	6,300	8,100	16.7	15.7
P.3	6,700	8,700	7,700	10,050	15.0	15.5
P.4	8,100	10,300	9,200	11,700	13.6	13.6
P.5	9,650	11,900	10,750	13,300	11.4	11.8
D.1	10,975	12,975	12,280	14,280	11.9	10.0
D.2	13,575	-	14,680	15,180	8.0	11.7

50. ACC proposed that although the minima and maxima should be increased, the amount of the increments should remain practically unchanged, so lengthening the scales and obviating the need for longevity steps. The Board concurs in this proposal, which has the effect of reducing the percentage increase at the intermediate steps in each scale, since staff would enter the new scales on a "corresponding step" basis. Detailed figures are in Annex 2.

51. The effect of accepting the ACC proposals would be no more than to re-establish the relationship between United Nations salaries in Geneva and those of the Swiss or United States civil services which existed in June 1957, when the legislative bodies had acted on the recommendations of the Salary Review Committee.

COMMENTS AND RECOMMENDATIONS OF THE BOARD  
ON THE PROPOSALS OF ACC

(a) The entrance levels (P.1 and P.2)

52. The increase in remuneration proposed by ACC for level P.1 (see paragraph 49 above) appears to the Board to be reasonable having regard to the increases in comparable grades of national services referred to in paragraph 18; and it appears equally reasonable if compared with emoluments of junior members of delegations. The Board was informed that the proposed entrance point would yield about \$100 a month more than the entrance salary offered by the Swiss Federal Government to unmarried probationer officials entering its service from university. This margin cannot be considered excessive in respect of an expatriated United Nations official, particularly if regard is had to the high level of rents which has developed in recent years and which is not fully reflected in the United Nations cost-of-living index for Geneva.

53. The Board notes that few of the organizations seem to have consistently used level P.1 for the purpose originally contemplated, which was - and in the Board's view should be - the recruitment of young university graduates who could be trained and make a career in the organizations. The Board would hope that with a revision of scales to the levels now proposed, all organizations will find it possible to make greater use of level P.1 for the real junior professional career entrant from the universities.

54. The proposed scale for level P.2 is acceptable, having regard to the margins necessary between the P.1 scale on the one hand and the P.3 on the other.

(b) Levels P.3 to P.5

55. The Board has no doubt that the position disclosed by paragraphs 18-22 above is unsatisfactory. The October 1960 conditions of service in the common system at Geneva were such that it seems improbable that they could, as the General Assembly directed that they should, "attract candidates from any part of the world". The increases suggested by ACC seem to the Board to be no more than are necessary to correct this situation.

56. There is in practice, and the Board believes there must always be, a good deal of recruitment at levels P.3 and P.4. The technical organizations need staff who have acquired practical experience before they are recruited. All organizations have such wide fields of work that they could not possibly take all their staff at P.1 or P.2 and by "on-the-job training" teach them the required skills.

57. The Board has evidence that in recent years recruiting difficulties at the P.3/P.4 levels had forced the organizations to make various special arrangements to attract the staff they needed. For example, it is now fairly common to offer employment at step IV, or even higher, in the P.3 or P.4 scales; since 1958, only 29 per cent of FAO staff recruited at P.4 could be obtained at step 1, and nearly 50 per cent of staff at P.4 and over 30 per cent of staff recruited at P.3 were started at step IV or higher. The International Atomic Energy Agency has resorted to the payment, in certain cases, of "personal allowances" entirely outside the common system. In many organizations, posts at these levels often remain vacant for long periods while qualified candidates are sought.

58. The increase of some \$1,000 a year which ACC proposed in starting salaries in these grades will, broadly speaking, put step 1 of the new scale at about the level of step IV of present scales; and this also serves to confirm the appropriateness of the action proposed.

59. Finally, the percentage increases at the various steps yielded by the proposed scales, as shown by Annex 2, appear reasonable in relation to the increases in real income outside the organizations.

(c) Levels D.1 and D.2

60. The Director level (D.2) is normally regarded as the top of the career service<sup>13/</sup>, and in the United Nations Secretariat most Directors have in fact arrived at level D.2 by promotion, though in many cases they had been appointed at fairly high starting grades. The Board was informed, however, that in present circumstances there are a limited number of direct appointments from outside the service. In practice, such appointments must reduce somewhat the career prospects of the permanent staff, and the Board feels that it is important that the process should not be carried so far that level D.2 ceases to be a genuine career rank.

61. In the specialized agencies, the position is somewhat different. In organizations such as FAO, UNESCO, WHO, ICAO or IAEA, the Directors of the technical divisions are often appointed from outside because recent practical experience in their professions is essential; only the "administrative" Director posts can

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<sup>13/</sup> The General Assembly in 1946 established the Principal Director (D.3) as the highest rank in the career service of the United Nations, but after the combination in 1954 of the ranks of Principal Director and Assistant Secretary-General, the resulting new rank of Under-Secretary became, in the main, a "political", non-career, grade.

normally be filled by promotion. In ILO, level D.2 is used only for a few special posts, and the normal division chief level is the D.1, reporting to an Assistant Director-General.

62. Conditions of service in these grades therefore need to be such that:

- (a) when direct appointments from outside are made to level D.2, the very highest quality personnel can be attracted - a technical specialist from the highest ranks of his profession, an experienced diplomat able to negotiate with high-level government representatives; whatever the need, at this level it will be false economy to recruit anything but the best;
- (b) career staff, whether they are of the type who enter at P.1 or at P.3/P.4, will have the possibility of a worth-while career. Through force of circumstances, the organizations are in the position where "career", at best, means a progression - for a small minority - up to a rank comparable with a foreign service Counsellor or perhaps a home service middle grade. The chance of becoming something equivalent to Ambassador or Secretary-General of Department is missing, and to some extent a high salary is a necessary alternative incentive if the organizations are to be able to attract staff of the calibre required.

63. At the D.1 and D.2 levels it is, in the Board's view, reasonable to make comparisons between the emoluments offered by the organizations and the remuneration of members of delegations. The staff concerned, in the delegations and secretariats, often deal with the same or comparable problems, and they are frequently in official contact with each other.

64. In 1956, eighteen delegations to the United Nations in New York were asked to supply for the Salary Review Committee, on a confidential basis, data regarding net emoluments; ten did so. In 1960, the same eighteen delegations were asked for similar data for the purpose of the present review. Eight of them did so, all of which had also given data in 1956. There was a wide geographical distribution among the countries. It is of interest to compare the emoluments of Counsellors with what the ACC proposed as the remuneration for levels D.1 and D.2 at New York. The following table shows:

- (a) the total salary (new base scale plus post adjustment) which would result at New York from ACC proposals for levels D.1 and D.2; plus \$800 dependency allowances in respect of wife and two children. Base salary has been taken as the mid-point of the scale, since the figures regarding Counsellors also represent the mid-points of scales;

- (b) the emoluments of the Counsellor, with wife and two children, in the eight countries concerned, and the average of the eight. Representation allowances, wherever they could be identified, were excluded.

United Nations level D.2	\$ 17,630
" " " D.1	15,715
Counsellor, country A	15,095
" " B	16,135
" " C	22,610
" " D	17,365
" " E	13,830
" " F	17,285
" " G	18,430
" " H	17,430
Average of eight countries	17,270

65. It must be borne in mind, in considering these figures, that members of delegations enjoy certain privileges which are not available to members of the secretariats in New York.

66. On the basis of these figures the Board does not consider that the conditions which ACC proposed for levels D.1 and D.2 are adequate. It noted that the proposals which ECPA made regarding post adjustments would, if wholly or mainly adopted, ameliorate the position of these grades at New York; but even so, on the assumption - which the Board believes is a valid one - that in all organizations it will always be necessary, from time to time, to make fixed-term appointments from outside the secretariats, it is difficult to see that many Counsellors of delegations or officers of comparable status would be willing to accept the remuneration proposed. Yet it is imperative that if high-level appointments are to be made from outside the widest possible field of choice must be available to the executive heads. There must be a margin over the level of emoluments in delegations to provide some balancing factor for the loss of privileges and the risk that secondment from his own service may have an adverse effect, through missed promotion chances, for example, on the normal career of the official concerned.

67. As regards the career staff, the Board notes that as long ago as 1949 an expert committee proposed that the career service should extend to a level of

\$15,000, with reimbursement for hospitality expenditure, on a voucher basis, up to \$1,500 a year. The General Assembly then fixed the salary at \$12,500, and it added a representation allowance of \$3,500. If the career is to have enough attraction to obtain the best type of young men or women, equal to those in national government service, the Board feels that a higher potential maximum than \$15,000 is now necessary. The ACC proposed that level essentially on the basis of the movement in outside remuneration since 1956, but this is a case where the Board believes that a relative improvement in status would be justified. There is evidence that in recent years a number of national services have made efforts to improve the position of their higher ranks to a greater degree than their lower ranks, whereas before 1955 the reverse was more often the case.

68. Some members of the Board felt that the maximum for Directors, D.2, should, if suitable personnel were to be recruited, be \$16,000, particularly if they were to be of the calibre able to head overseas missions and deal with high-ranking government officials and sometimes with Ministers. Others thought that a maximum of \$15,500 would serve the purpose. All were agreed that at this level only persons of the very highest calibre should be appointed. Accordingly, the Board suggests that one or, alternatively, two increments of \$500 should be added to the maximum of \$15,000 proposed by ACC. Career staff should be able to progress up the scale in the normal way, but for the purpose of fixed-term appointment from outside an executive head should be able to use the scale as a range, and appoint at any step up to the maximum.

69. At the same time, the Board believes that since level D.1 is in practice in many cases likely to be the normal top of the career, and carries substantial responsibility for major divisions of work, the maximum of the D.1 scale should be increased to \$14,500. The maximum proposed by ACC appears to be insufficiently above the proposed maximum for level P.5.

(d) The unclassified posts

70. Above the level of Director are the posts of Under-Secretary, Assistant Director-General or Assistant Secretary-General, the executive heads and, in certain cases, deputy executive heads. ACC made no proposals on these but said that the Board might consider it desirable to call attention to the situation of the unclassified posts in relation to such proposals as it might decide to put forward concerning the salaries of other staff; in any event, the Board would have

felt that it was incumbent upon it to do so. There is now so much telescoping and compression of the higher scales that it becomes difficult to improve any of them without affecting the level of all. ACC gave the Board a factual statement of the position regarding all the unclassified posts in the eleven organizations of the United Nations common system, which is reproduced at Annex 3.

71. That there should be some variation in the salaries of unclassified posts with similar titles in the different organizations seems to the Board to be appropriate in view of their differences in functions, structure and size. Nevertheless, there would seem to be a case for greater uniformity among the six or seven larger organizations, which prima facie seem roughly comparable from an administrative point of view. The Board did not examine reasons for the differences between the salaries in these organizations, and is confining its specific recommendations to the position in the United Nations. It assumes that any action which the General Assembly may take as a result of those recommendations would ultimately be reflected as appropriate in the other organizations.

72. Since 1946 the salary attached to the office of the Secretary-General of the United Nations has remained unchanged. The post adjustment, which all other staff receive when cost of living rises, is not applied to this salary. This is not the case with regard to the heads of most of the specialized agencies. The representation allowance, which was fixed when there were only forty-six Member States, has remained unchanged though there are now some one hundred.

73. Below Secretary-General is the rank of Under-Secretary, which was formed in 1954 by the amalgamation of the earlier level of Assistant Secretary-General and the former top career rank of Principal Director. The Under-Secretaries are, in the great majority of cases, "political" and relatively short-term appointments. At this level, as with the D.2, it would be false economy to have conditions that failed to attract men of the very highest calibre. The 1949 expert committee recommended a salary of \$17,500 for an Assistant Secretary-General, but the General Assembly preferred to maintain the level at \$15,000. In 1957, the salary of Under-Secretaries was also established at \$15,000 for the Geneva base; post adjustment is payable in addition, plus normal dependency allowances.

74. Having regard to the salary proposed in paragraph 68 for the Director, D.2, the Board would suggest a base salary of \$17,500 or \$18,000 for the rank of Under-Secretary, depending on the action taken in respect of the Director.



Summary of recommendations on base scales

75. In the foregoing sections of this Report the Board has recommended that:

- (i) New base scales should be established for the professional and higher categories, incorporating the Geneva "married" rates of post adjustment less \$200; the allowance for a dependent spouse should be increased by \$200 in the categories concerned.
- (ii) As from the effective date of the new scales, "minus" post adjustments should cease to be applied. In areas where the cost-of-living index is then still below the new base level for Geneva, no "plus" post adjustment should become payable until the local cost of living has risen to a point 5 per cent above the new base level.
- (iii) ACC should make separate recommendations to the General Assembly, in the light of the report of ECPA, regarding the rates of post adjustment to be applied in areas where the cost of living is higher than the new base level.
- (iv) The net amounts of the new consolidated base salaries should be as follows:
 

P.1	-	\$ 4,800	rising after eight annual increments to	\$ 6,400
P.2	-	\$ 6,100	" " nine " " "	\$ 7,900
P.3	-	\$ 7,500	" " eleven " " "	\$ 9,800
P.4	-	\$ 9,000	" " ten " " "	\$ 11,500
P.5	-	\$ 10,600	" " nine " " "	\$ 13,100
D.1	-	\$ 12,100	" " six annual or biennial " "	\$ 14,500
D.2	-	\$ 14,500	" " two or three biennial increments to	- \$ 15,500 or 16,000

76. The Board understands that all organizations contemplate the adoption of a common system of gross salaries, and in these circumstances it is desirable that the gross figures should be appropriately rounded. The eventual net figures may thus not be rounded, and they may vary slightly from those suggested above. The Board leaves it to ACC to calculate the appropriate gross figures, which should be such as to yield net figures as close as possible to those stated above.

#### FINANCIAL IMPLICATIONS

77. The Board was informed that acceptance of its proposals would lead to additional budgetary charges of approximately \$2,000,000 a year in the United Nations and a further \$3,000,000 over the other organizations in the common system. While the Board is very conscious of the need for economy in all the budgets of the organizations, it believes that this particular item is not one which can or should be the subject of reduction. Both to put the organizations in a position where they can attract and retain staff of the standard contemplated by the Charter, and for reasons of equity to existing staff, the scales recommended by the Board are no more than what is necessary. In the Board's view, the United Nations base scales have already remained unchanged for too long a period.

78. In addition to their financial impact on annual budgets, the new scales will have an impact on the actuarial position of the Joint Staff Pension Fund as a result of the increase in overall remuneration. The Board wishes to make it clear that it recommends the new scales irrespective of their impact on the Pension Fund, and that impact should not be a reason for modifying the proposals. All pension schemes in which benefits are related to final average pay are necessarily affected by inflation, changes in interest rates, and changes in pay scales. Governments which improve the salaries of their civil services are obliged to shoulder the effect on pension schemes also, and the United Nations organizations can do no less.

#### DATE OF APPLICATION

79. The organizations stressed the fact that the data on which their proposals were based were in many cases a year old; by the earliest time at which legislative bodies could take action, the data would be well over a year old. The time-lag factor was serious, because of the rapidity of movement in outside salaries. Since the ACC documents had been prepared, for instance, it had been stated that several of the civil services referred to in paragraph 18 had received or were to receive further increases in salaries.

80. In principle, the organizations said, there was justification for applying their proposals retroactively to a date in 1960, and in some national administrations such retroactivity has been conceded. Because of budgetary and constitutional factors in the international organizations, ACC did not in fact ask for or expect any retroactivity; but it emphasized that there should be no delay in the application of the new scales, which should come into effect on 1 January 1962.

81. With this proposal the Board concurs. If adopted, 1 January 1962 should be the new base date for the common system, although, for the purpose of any future review of base salaries, it should be borne in mind that the Board took account of data on outside salary levels only up to October 1960.

82. It must be realized also that on 1 January 1962 the cost-of-living index at Geneva will be above the 110 per cent level to which the proposed consolidation is related. Bearing in mind the interval which has already elapsed since the ACC study was made, the Board considers that it would be unreasonable to regard the new index at Geneva as being 100 on 1 January 1962. It should, on the contrary, be regarded as 100/110ths of whatever level it has reached on the old index by that date, and the indices at other offices should be adjusted correspondingly.

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83. The Board believes that it is important that action should be taken to provide the secretariats of the United Nations and the specialized agencies with a clear assurance that the constructive contribution which they are making towards international co-operation is recognized and appreciated. One practical and necessary sign of such recognition is that their status as regards emoluments should be maintained and in certain cases improved. The Board has made its recommendations in the firm belief that if they are adopted in their entirety they will go far towards giving the assurance which is needed.

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ANNEX 1

SUMMARY OF THE INFORMATION SUBMITTED TO THE BOARD

The documents submitted to the Board included:

- (a) a description of the United Nations common system of salaries and allowances, and its evolution;
- (b) a statement on the recruiting difficulties which organizations were experiencing. Numerous examples were given, and the general position is summarized in paragraph 23 of the Board's report. Attention was drawn to some of the factors, such as language requirements, which tended to limit the field of recruitment, and to the factors - both financial and non-financial - which caused recruitment difficulties. Some stress was placed on the problems caused by expatriation, especially as regards the education of children;
- (c) an analysis of salary movements outside the organizations in the periods 1951/55 and 1955/60. The data covered national civil services in fourteen countries (summarized in table A at the end of this Annex); the teaching profession in several countries (see table B); and a number of other professions, mainly but not wholly in the United States of America. Data were also supplied as regards eight delegations to the United Nations in New York (this is summarized in table C) and as regards salaries paid under United States bilateral aid programmes (see table D).

2. ACC also submitted data on indices of per capita gross national product and per capita consumer expenditure (at constant prices) in some thirty countries, showing a marked upward trend in all countries over the decade 1950/59. It was not suggested that these indices offered a basis of adjustment of international civil service salaries, but other data were submitted to show that whereas the national civil services had often, in the period 1950/55, not had increases commensurate with increases in outside incomes, they had, in the period 1955/60, generally moved ahead faster than the general outside indices. The inference was drawn that between 1955/60 a conscious move was being made to overtake the lag which had developed in the preceding five years - see table E.

3. ACC also submitted its views on the conclusions to be drawn from the data referred to above. These are referred to in the body of the Board's report. ACC discussed the criteria which should be applied in deciding the extent to which

outside movements should be reflected in United Nations scales. It noted that the Salary Review Committee had used the test of "recruitment and retention of staff", but argued that this criterion was valid only if (i) salaries of public services outside the organizations had not been improved, and (ii) there were no difficulties in recruiting or retaining staff. If, as ACC thought was now the case, neither of those conditions were met, the Salary Review Committee criterion offered no guide as to the measure of the adjustment which should be made in United Nations scales.

4. ACC considered that, in present circumstances, the most useful criterion was that which had been suggested by the Noblemaire Committee of the League of Nations in 1921, and endorsed by several subsequent enquiries into League salaries - namely, that the salaries of the international civil service should be based on the scales of the highest paid national (home) civil service, adjusted for the factor of expatriation and further adjusted for the cost of living at the base duty station (Geneva). ACC agreed that the position now differed from the position in 1921 in that the largest United Nations office was in the country which, generally speaking, had the highest paid national civil service. If, therefore, the base scales at Geneva were to include an appreciable expatriation factor, over and above the United States civil service pay rates, the fact that the post adjustment system entailed paying some 18% more at New York than at Geneva would raise remuneration at New York to a level which might be considered excessive. ACC, therefore, in its proposals, did not include an adjustment for the expatriation factor as large as was applied by the Noblemaire Committee, but sought only to re-establish the relationships with outside salaries existing in June 1957.

5. This entailed increases ranging from about 15 per cent at the minimum and maximum of level P.3 to approximately 8 to 10 per cent at level D.2. Because, however, an increasing number of staff were becoming blocked at the maximum of their scales, with resulting pressure for the establishment of "longevity steps" at all levels up to P.5 (such steps already having been introduced in the United Nations at level P.3), ACC suggested that the amounts of annual increments should not be increased. Such action, coupled with the higher minima and maxima, would have the effect of (a) increasing the number of steps in the scales and (b) reducing the percentage increase in salaries, at steps other than the minimum and maximum, below the percentages mentioned above.

6. The proposed increases would put the common system salaries (including post adjustments) in a somewhat better position, relative to United States civil service salaries, than they had in January<sup>1/</sup> 1957, and ACC suggested that this degree of improvement was in any event necessary to compensate for the excessive time-lags which occurred in making adjustments to United Nations scales. Improvement of United Nations salaries was always likely to take place after national public salaries had been improved. It was impracticable and probably undesirable to review United Nations base salaries more often than once every five years, and the review itself might require two years from inception of a study to legislative action. If, therefore, as was the case in 1956, a review took place just before an appreciable upward move in public service salaries, the United Nations system might lag seriously behind for an excessive period.

7. As regards levels P.1 and P.2, the position was complicated by the fact that although the Salary Review Committee had recommended no change in the base scales it had recommended that for the real junior professional career official, level P.1, should be regarded as a training grade, and that promotion to P.2 should normally be given after two years' satisfactory service. In those organizations which had adopted this recommendation<sup>2/</sup>, the position of the P.1 had been substantially improved; in the third year of service, the improvement was 20 per cent by comparison with the pre-1957 system. Since 1955, however, ACC said that the net starting pay of junior professional staff outside the organizations had increased in many cases by some 30 per cent. ACC therefore proposed (a) an increase of approximately 20 per cent<sup>3/</sup> in the scale for level P.1, with a lengthening of the "training period" from two years to four years in the normal case and (b) an increase of approximately 16 per cent<sup>3/</sup> in the scale for P.2. The base salary

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<sup>1/</sup> The legislative bodies of the specialized agencies in practice approved as from June 1957 the addition of a 5 per cent post adjustment to the level recommended by the Salary Review Committee. ACC proposals had the effect of restoring the June 1957 relationships.

<sup>2/</sup> Viz. UN, ICAO, UNESCO, ITU and ICITO/GATT. The other organizations have felt that the large number of non-career specialist staff made it impossible to apply the measure.

<sup>3/</sup> These percentages relate to the minima and maxima of the scales; at intermediate steps the increases were somewhat smaller.

progression of a new entrant under the ACC proposals would therefore compare as follows with the progression before 1957, and the progression under the Salary Review Committee system (in those organizations which adopted it):

	<u>Pre-1957</u>	<u>Present (SRC) system</u>	<u>ACC proposal</u>
Entry	\$ 3,600 (P1-I)	\$ 3,600 (P1-I)	\$ 4,400 (P1-I)
After 1 year	3,800	3,800	4,600
" 2 years	4,000	4,800 (P2-I)	4,800 (P1-III)
" 3 years	4,200	5,000 (P2-II)	5,000 (P1-IV)
" 4 years	4,400 (P1-V)	5,200 (P2-III)	5,600 (P2-I)

#### Post adjustment

8. The ACC proposals covered both base salary scales and post adjustments, but as regards the latter ACC assumed that the amounts of post adjustment would merely be increased in such a way that the new amounts were the same percentage of the mid-points of the new salary scales as existing post adjustments were of the present salary scales. The Board was informed, however, that the question of post adjustments was under review by the Expert Committee on Post Adjustment, whose Chairman was to be invited to sit on the Board during its study of the salaries question.

9. The ECPA study had been begun before any proposals had been formulated regarding revision of base scales, and was concerned with the principles of the post adjustment system rather than with specific amounts. The Committee reported, however, a few weeks before the opening of the Board's session and it recommended<sup>4/</sup> that

- (a) staff without dependants should receive the same amount of post adjustment as staff with dependants. (At present, the "single" rate of post adjustment is two-thirds of the "married" rate);
- (b) all "regression"<sup>5/</sup> should be eliminated from the post adjustment system;
- (c) for each 5 per cent (of base level) increase in cost of living, the post adjustment should be 4.6 per cent of the net base salary of the official (that is 4.6 per cent of each step of each grade, instead of a "regressive" flat amount for all steps in each grade). ECPA reasoned that the official's pension contribution, of approximately 8 per cent of net base pay, was unaffected by cost-of-living changes; therefore

<sup>4/</sup> Like the Board itself, ECPA reports to ACC, to whom it makes recommendations.

<sup>5/</sup> The schedule adopted on the proposal of the Salary Review Committee contained both a "vertical" regression - which means that the higher the grade the smaller was the percentage increase in salary for a given (5 per cent) increase in cost of living - and a "horizontal" regression - which means that for any given grade of staff the smaller is the percentage increase in salary for each successive 5 per cent increase in the cost of living above the base.



full compensation required 5 per cent of 92 per cent of salary, or 4.6 per cent of salary, as adjustment;

- (d) dependency allowances should also be increased by 4.6 per cent for each 5 per cent increase in cost of living.

10. As regards point (a), ECPA recognized that the change it proposed could probably not be made before a complete re-examination and revision of the dependency allowances system.

11. Copies of the ECPA report were given to the Board, but at the time of the session ACC had been unable formally to consider the ECPA report, although the organizations had formulated their preliminary views on it.

12. As regards 9(a) above, they thought that while there was much to be said for removing the "dependency" factor from the post adjustment system, in principle, it should not be done in practice until an entirely revised system of dependency allowances could be evolved. This was a complex matter which probably could not be settled until all organizations had introduced a staff assessment plan and adopted a common system of gross salaries in place of the present common net system. It was expected that this would be achieved within the next two years or so, and for the time being points (a) and (d) of the ECPA recommendations should not be implemented.

13. As regards points (b) and (c), the ECPA recommendation to remove all regression from the system was based on data suggesting that expenditure patterns did not vary much by grade and that staff in high cost areas did not spend much of their salaries outside the area of their duty stations. ECPA itself had recognized that the data were rather scanty and intended to make further studies of the problems involved in calculating accurate cost-of-living indices in high cost areas. Moreover, the ECPA recommendation had necessarily been related primarily to the need to maintain equal purchasing power of equivalent staff in different areas - that is, place-to-place adjustment - whereas in national practice a "time-to-time" cost-of-living adjustment would normally be based on a gross salary, and the effect of progressive income tax would tend to make the net compensation regressive, though less so than present United Nations rates of post adjustment.

14. All in all, therefore, the organizations thought that it would be unwise at this stage to remove all the regression in the post adjustment system, though some might be. No specific proposals were made, and in any event the organizations

felt that the proposals they had made on base scales required no change as a result of the ECPA report.

Question of consolidation of part of  
post adjustments into base scales

15. This question is discussed in paragraphs 32 to 43 of the Board's report. ACC did not propose a consolidation, but analysed problems involved.

ANNEX 1, Table A

. This table is to be reproduced by offset and will  
. be distributed later as an addendum  
. .

## ANNEX 1, Table B

## I. INDICES OF REAL AFTER-TAX SALARIES OF UNIVERSITY TEACHERS IN VARIOUS COUNTRIES

Country and rank		Single persons			Married, with two children		
		<u>1955</u> 1950	<u>1960</u> 1955	<u>1960</u> 1950	<u>1955</u> 1950	<u>1960</u> 1955	<u>1960</u> 1950
<u>Australia</u> <sup>1/</sup>							
Professor		117	115	134	118	114	134
Senior Lecturer	min.	138	116	159	139	115	160
	max.	125	114	143	126	113	143
Lecturer	min.	135	119	160	137	118	162
	max.	134	114	153	136	114	154
<u>Netherlands</u>							
Professor	min.	119	103	122	122	103	125
	max.	117	106	124	120	106	127
<u>New Zealand</u>							
Professor		90.3	138.2	124.8	90.3	139.3	126.0
Senior Lecturer		103.6	127.8	132.4	103.6	128.5	133.3
Lecturer		98.1	120.2	118.0	97.9	119.8	117.4
<u>Sweden</u>							
Professor		119	104	123	119	105	126
<u>United Kingdom</u> <sup>3/</sup>							
Professor	min.	94	118	111	96	117	112
	max.	..	115	..	..	115	..
Lecturer	min.	100	134	134	102	132	135
	max.	97	121	117	98	117	115
Assistant Lecturer	min.	104	123	128	106	124	131
	max.	100	123	123	102	122	124

<sup>1/</sup> University of Sydney.<sup>2/</sup> Standard rates, excluding eight professors paid higher rates.<sup>3/</sup> England and Wales (non-clinical posts).Sources:Australia: Communication from University of Sydney.Netherlands: Communication from the Ministry of Finance.Sweden: Swedish Association of University Graduates, Information Bulletin No. 4, 1960.United Kingdom: The A.U.T. and salaries (a statement by the Central Executive Committee of the Association of University Teachers, February 1955); A.U.T. memorandum on salaries, presented to the University Grants Committee on 19 November 1959; statement of the Chancellor of the Exchequer in the House of Commons on 3 May 1960.

ANNEX 1, Table B (continued)

II. Data for the United States of America are not available in exactly the same form as for the countries above, but ACC presented the following table:

AVERAGE PERCENTAGE INCREASES IN MEDIAN SALARIES OF FULL-TIME  
INSTRUCTIONAL PERSONNEL IN DEGREE-GRANTING INSTITUTIONS  
IN THE UNITED STATES OF AMERICA

Type of institution	From 1954-55 to 1955-56	From 1955-56 to 1956-57	From 1956-57 to 1957-58	From 1957-58 to 1958-59	From 1958-59 to 1959-60
State universities	6.4	5.4	10.4	5.3	7.4
Non-public universities	5.6	8.5	7.2	6.9	6.4
Municipal universities	4.8	6.7	8.0	5.6	5.3
Land-grant colleges	5.6	5.2	10.4	5.3	6.9
State colleges	4.9	5.9	10.4	5.8	7.3
Teachers colleges	4.9	6.0	10.3	5.6	7.1
Non-public colleges (by enrolment)					
1,000 and over	6.1	8.6	7.8	8.1	6.5
500-999	6.0	7.9	6.9	7.3	7.3
Under 500	5.8	5.9	6.0	5.9	5.7
All types combined	5.6	6.9	8.2	6.3	6.7

Source: Salaries Paid and Salary Practices in Universities, Colleges and Junior Colleges, 1959-60, Research Division, National Education Association, March 1960.

For all the above institutions taken together, the rise in median salaries between 1954-55 and 1959-60 amounts to 38.5 per cent or an average annual increase of 6.7 per cent.

ANNEX 1, Table C

SALARY AND ALLOWANCES OF CERTAIN MISSIONS TO THE  
UNITED NATIONS IN NEW YORK (in June 1960)

- I. Average total emoluments (i.e. the mean of the net minimum and maximum basic salary and allowances) for single staff with no dependants (S) and for married staff with wife and two children (M)

(in US dollars per annum)

Country	<u>Third Secretary</u>		<u>First Secretary</u>		<u>Counsellor</u>	
	S	M	S	M	S	M
A	7,165	9,500	9,770	12,745	11,770	15,095
B	5,880	9,150	8,970	13,060	11,985	16,135
C	8,040	10,800	11,950	15,625	17,210	22,610
D	7,080	8,965	12,070	14,825	14,200	17,365
E	5,350	5,705	11,400	11,760	13,470	13,830
F	6,080	8,255	9,625	12,955	12,850	17,285
G	-	11,400	8,700	14,400	12,120	18,430
H	8,750	11,125	11,330	14,240	13,825	17,430

- II. Compared with the emoluments paid in the same delegations in 1950 and 1956, the following percentage increases in money values were reported:

PERCENTAGE INCREASES IN MONEY VALUES OF  
DELEGATION EMOLUMENTS SINCE 1950 AND 1956

Country	<u>Third Secretary</u>		<u>First Secretary</u>		<u>Counsellor</u>	
	S	M	S	M	S	M
	% inc. since 1950	% inc. since 1956	% inc. since 1950	% inc. since 1956	% inc. since 1950	% inc. since 1956
A	22	22	40	40	19	13
B	86	-1.4	82	-2.3	60	-3
C <sup>1/</sup>	0	0	0	0	0	0
D	28	12	27	13	40	15
E	28	9.3	26	9.1	36	9.9
F	47	1.6	54	1.2	55	1.6
G	No data supplied					
H	40	6.4	47	6.2	47	6.8
					36	27
					57	1.8
					33	14
					38	18
					36	12
					Not stated	1.1
					Not stated	0.8
					31	6.7
					32	6.2

<sup>1/</sup> It will be observed that in absolute terms the emoluments for country C are on the whole the highest of any of the countries.

ANNEX 1, Table D

COMPARISONS OF TOTAL NET EMOLUMENTS IN 1951 AND 1960 OF ICA AND  
PASB/WHO OFFICIALS IN SOUTH AMERICA AT TIME OF RECRUITMENT

Place and type of staff	1951			1960		
	ICA	PASB	Difference	ICA	PASB	Difference
<u>Medical officers</u> <sup>1/</sup>						
Montevideo	\$ 11,673	7,700	3,973	13,770	8,100	5,670
Lima	10,415	7,700	2,715	13,350	8,100	5,250
Rio de Janeiro	10,504	7,700	2,804	13,589	8,100	5,489
Mexico City	9,859	7,700	2,159	13,925	9,275	4,650
Asuncion	11,557	7,700	3,857	14,852	8,900	5,952
<u>Engineers</u> <sup>2/</sup>						
Montevideo	10,089	7,700	2,389	10,974	8,100	2,874
Lima	8,815	7,700	1,115	10,825	8,100	2,725
Rio de Janeiro	9,541	7,700	1,841	10,930	8,100	2,830
Mexico City	8,504	7,700	804	11,210	9,225	1,985
Asuncion	10,510	7,700	2,810	12,040	8,900	3,140
<u>Nurses</u> <sup>2/</sup>						
Montevideo	7,347	6,000	1,347	8,468	6,000	2,468
Lima	6,350	6,000	350	8,270	6,000	2,270
Rio de Janeiro	6,924	6,000	924	8,205	6,000	2,205
Mexico City	6,383	6,000	383	8,336	6,700	1,636
Asuncion	7,420	6,000	1,420	9,254	6,465	2,789

<sup>1/</sup> The figures reflect the fact that ICA normally recruits medical officers at the top step of the grade, while PASB normally recruits at step 1.

<sup>2/</sup> Comparisons made at the minimum step in each case.

ANNEX 1, Table E

COMPARISON OF "REAL" INDICES OF GROSS NATIONAL PRODUCT 1959/55,  
CONSUMER EXPENDITURE 1959/55, AND AFTER-TAX CIVIL  
SERVICE SALARIES 1960/55

Country	1959 Gross national product at constant prices 1955 = 100	1959 Consumer expenditure at constant prices 1955 = 100	1960 Real after-tax civil service salaries 1955 = 100	
			Lowest grade	Highest grade <sup>1/</sup>
Australia			108	104
Austria	118	118	141	134
Canada	102	105	129	110
Denmark	111	114	112	114
Federal Republic of Germany	116	120	121	121
France	112	109	108	145
Italy	120	114	115	137
Netherlands	108	107	106	111
Norway	108	105	125	128
Sweden	111	109	100	102
Switzerland	111	106 <sup>2/</sup>	109	109
United Kingdom	104	107	110	134
United States of America	102	105	125	104

<sup>1/</sup> For married man at maximum of grade

<sup>2/</sup> 1958/55.



ANNEX 2  
COMPARISON OF PRESENT AND PROPOSED<sup>1/</sup> CONSOLIDATED NET SCALES AT GENEVA

LEVELS P.1 THROUGH D.2

Level		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12
P.1	Proposed Present %age inc.	\$ 5,000 4,100 22.0	5,200 4,300 20.9	5,400 4,500 20.0	5,600 4,700 19.1	5,800 4,900 18.4	6,000 5,100 17.6	6,200 5,300 17.0	6,400 5,500 16.4	6,600 - 20.0			
P.2	Proposed Present %age inc.	6,300 5,400 16.7	6,500 5,600 16.1	6,700 5,800 15.5	6,900 6,000 15.0	7,100 6,200 14.5	7,300 6,400 14.1	7,500 6,600 13.6	7,700 6,800 13.2	7,900 7,000 12.9	8,100 - 15.7		
P.3	Proposed Present %age inc.	7,700 6,700 15.0	7,900 6,900 14.5	8,100 7,100 14.1	8,300 7,325 13.3	8,500 7,550 12.3	8,700 7,775 11.9	8,900 8,000 11.3	9,100 8,225 10.6	9,325 8,450 10.3	9,550 8,700 9.8	9,800 - 12.7	10,050 - 15.5
P.4	Proposed Present %age inc.	9,200 8,100 13.6	9,425 8,325 13.2	9,650 8,550 12.9	9,900 8,800 12.5	10,150 9,050 12.2	10,400 9,300 11.8	10,650 9,550 11.5	10,900 9,800 11.2	11,150 10,050 10.9	11,400 10,300 10.7	11,700 - 13.6	
P.5	Proposed Present %age inc.	10,750 9,650 11.4	11,000 9,900 11.1	11,250 10,150 10.8	11,500 10,400 10.6	11,800 10,700 10.3	12,100 11,000 10.0	12,400 11,300 9.8	12,700 11,600 9.5	13,000 11,900 9.2	13,300 - 11.8		
D.1	Proposed Present %age inc.	12,280 10,975 11.9	12,680 11,375 11.5	13,080 11,775 11.1	13,480 12,175 10.7	13,880 12,575 10.4	14,280 12,975 10.0						
D.2	Proposed Present %age inc.	14,680 13,575 8.0	15,180 - 11.7										

<sup>1/</sup> As proposed by ACC (salary plus post adjustment).



ANNEX 3  
EMOLUMENTS IN UNCLASSIFIED POSTS

Organi- zation	Executive Head		Deputy Executive Head		Under-Secretary, or Assistant Secretary-General, or Assistant Director-General, or equivalent	
	Salary (net)	Allowances	Salary (net)	Allowances	Salary (net)	Allowances
UN	\$20,000	\$20,000 representation allowance, plus a furnished residence. No other allowances.		No post	\$15,000	Normal staff allowances, plus representation allowance of \$1,000 - \$4,000.
ILO	\$20,000	\$10,000 representation allowance, plus normal staff allowances.	\$16,000	\$1,500 representation allowance, plus normal staff allowances.	\$13,000 x 1,000 - \$15,000	\$1,500 representation allowance, plus normal staff allowances.
FAO	\$20,000	\$6,500 representation allowance, plus normal staff allowances.	\$15,000	\$3,000 representation allowance, plus normal staff allowances.	\$14,000	Normal staff allowances.
WHO	\$20,000	\$6,500 representation allowance, plus normal staff allowances.	\$16,500	Normal staff allowances.	\$15,000	Normal staff allowances.
UNESCO	\$20,000	\$3,800 rental allowance, \$5,000 representation allowance, plus normal staff allowances. 1/	\$16,500	\$3,500 representation allowance, plus normal staff allowances. 1/	\$14,000	\$2,000 representation allowance, plus normal staff allowances. 1/
ICAO	\$17,500 1/	\$1,800 representation allowance; normal staff allowances except post adjustment.		No post	\$14,000	Normal staff allowances.

## ANNEX 3 (continued)

Organi- zation	Executive Head		Deputy Executive Head		Under-Secretary, or Assistant Secretary-General, or Assistant Director-General, or equivalent	
	Salary (net)	Allowances	Salary (net)	Allowances	Salary (net)	Allowances
WMO	\$14,000	\$1,500 representation allowance, plus staff allowances as for UN Under-Secretary	\$12,000	\$500 representation allowance, plus staff allowances as for UN Director (D.2)		
ITU	\$14,651 <sup>4/</sup>	\$1,628 <sup>4/</sup> representation allowance, plus normal staff allowances.	\$13,721 <sup>4/</sup>	\$814 <sup>4/</sup> representation allowance, plus normal staff allowances.		
IMCO	\$13,050 <sup>2/</sup>	\$2,500 rent allowance, \$1,500 representation allowance.	\$11,500 <sup>3/</sup>	Staff allowances as for UN grade D.1		
IAEA	\$20,000	\$10,000 representation allowance, \$10,000 housing allowance, plus normal staff allowances.		No post	\$15,000 <sup>5/</sup>	\$2,500 representation allowance, plus normal staff allowances.
GATT	\$16,500	\$3,500 representation allowance, plus normal staff allowances.	\$15,000	\$1,500 representation allowance, plus normal staff allowances.	\$12,500 <sup>6/</sup>	Normal staff allowances.

1/ Post adjustment payable at the level applicable to Directors D.2.

2/ Includes \$550 corresponding to the London post adjustment for a Director D.2.

3/ The holder of this post is Secretary of the Maritime Safety Committee, but acts as Deputy Secretary-General.

4/ US \$ equivalent of Swiss franc amounts.

5/ The incumbents of these posts are described as Deputy Directors-General.

6/ The holder of this post is described as Assistant Executive Secretary; the post is graded as Director D.2.

7/ ICAO has a President of the Council who is paid as an international official although not a member of the Secretariat. His salary is \$20,000 net p.a., with a representation allowance of \$5,500. No post adjustment or dependency allowances are payable.

ANNEX 4

LIST OF "MINUS" AREAS

1. Minus areas in relation to 1956 base, as at March 1961  
Anguilla; British Virgin Islands; Copenhagen\*; parts of the West Indies Federation.
2. Additional areas below the level of Geneva 1961 (i.e. below 110)
  - (a) Areas regarded as base level in absence of data  
Andaman Islands; Basutoland; Bechuanaland; Brunei; Cameroons; Fiji; Gilbert Islands; Guadeloupe; Macao; Maldive Islands; Malta; New Guinea; New Hebrides; North Borneo; Papua; Reunion; Sarawak; Seychelles; Sierra Leone; Singapore\*; Swaziland; Tonga; Uganda\*; West Samoa; Zanzibar.
  - (b) Areas with index between 100 and 105  
Brussels\*; Georgetown; Belize; Nicosia; Prague\*; Salisbury (Southern Rhodesia); Bonn\*; Reykjavik; Djakarta\*; Nairobi\*; Martinique; The Hague\*; Wellington N.Z.; Lisbon; Madrid; Stockholm; Cairo\*; Montevideo\*; Belgrade\*.
  - (c) Areas with index between 105 and 110  
Buenos Ayres\*; Vienna\*; La Paz\*; Rio de Janeiro\*; Colombo\*; Rabat\*; Goa; Tunis\*; Ankara\*; Damascus\*; London\*.

\* Areas where there is one or more regular staff member.