



UNITED NATIONS  
GENERAL  
ASSEMBLY



Distr.  
GENERAL

A/C.5/32/50  
23 November 1977  
ENGLISH  
ORIGINAL: SPANISH

Thirty-second session  
FIFTH COMMITTEE  
Agenda item 109

REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION

Statement made by the Chairman of the International Civil Service  
Commission in the Fifth Committee

Mr. Chairman,

Article 17 of the statute of the International Civil Service Commission provides that the Commission shall submit an annual report to the General Assembly. I am grateful for this opportunity to address the Fifth Committee in order to introduce the report for the current year.

The report of the International Civil Service Commission is the third to be produced by this organ of the General Assembly since its establishment by resolution 3357 (XXIX) of 18 December 1974. This report, perhaps to an even greater extent than the two previous ones, shows how difficult it is to correct anomalies which have been consolidated with the passage of time and the wisdom of resolution 13 (I) of 13 February 1946 which, even at that early stage, provided for the establishment of an International Civil Service Commission to advise the United Nations and the specialized agencies on staff matters. That resolution was not strictly complied with, since the Advisory Board which was established instead of the Commission had neither the authority nor the means to exercise proper control over the development which the concept of the civil service in international organizations has undergone over the years.

As recently as 1974, the General Assembly, concerned over the growing impact of personnel costs, and having to take a decision on various questions and problems which had arisen as a result of the not always planned or systematic growth of the international civil service, decided to establish this new independent body, the Commission, reviving the title provided for in the 1946 resolution and assigning it not only advisory functions but also, in specific areas, executive functions with respect to the regulation and co-ordination of the conditions of service in the United Nations common system.

According to its terms of reference, the Commission is an interagency co-ordinating body, and it must therefore hold constant consultations with existing co-ordinating bodies and maintain continuing contact with each of the 14 organizations making up the United Nations common system. To that end, the Commission is holding, at the invitation of the various organizations, one meeting each year at the headquarters of one of the specialized agencies, in addition to its regular sessions at Headquarters in New York. Last year the meeting was held at FAO, this year it was held at the headquarters of IAEA, and an invitation from UNESCO has already been accepted for 1978. This programme of visits is supplemented by direct contacts with the various headquarters for the purpose of ascertaining the views of the administrations and staff associations on all matters which are of direct interest to the Commission.

The report of the International Civil Service Commission, supplement No. 30 to the official records of the current session of the General Assembly, summarizes the work done by the Commission in 1977.

I could not speak of this work without referring to the sad demise of our Vice-Chairman, Mr. Amishadai Adu, of Ghana, who died on 2 September. He made an invaluable contribution to the work of the Commission, and I should like to express the hope that he will be replaced by a person having all the qualities of ability, dedication and talent as Mr. Adu had.

The report which I have the honour to introduce shows that the Commission had to devote most of its time and resources to reviewing the salaries of the General Service staff in Geneva, in order to respond suitably to the very precise mandate given to it by the General Assembly in resolution A/31/193 B of 22 December 1976, providing for the conduct of a survey of local employment conditions at Geneva and the formulation of recommendations as to the salary scales deemed appropriate.

The Commission therefore, as in 1976, had to give priority to salary questions, to the detriment of other important matters in respect of which it has competence and responsibilities under its statute. The report indicates that, in spite of this restriction, the Commission was able to continue to deal with practically all the other questions within its terms of reference.

One of the directives which merited special attention was that contained in resolution 31/141 B, part II, paragraph 1, in which the General Assembly requested the Commission to report on the feasibility of establishing a modified system of post adjustments. The Commission studied two matters which it considered important in this regard. The first was the possibility that the application of the post adjustment system might lead to excessive divergencies in the ratio between the remuneration paid by the United Nations and that paid by the comparator country, and particularly to an excessively wide margin if the increases in the post adjustment for New York, based on the movement of the cost-of-living index, exceed the level of increments granted practically every year to United States civil servants.

The Commission observed that, judging from the experience of recent years, the risk is slight since, as a rule, United States salaries have moved upwards, in each of the past few years at a rate comparable to the increase in the cost of living. This has also been the case in the year 1977, in which United States civil service salaries have been increased by 7.05 per cent, with effect from 1 October 1977, in accordance with Executive Order No. 12010 signed by President Carter.

The General Assembly requested the Commission to keep this question under constant review, and the report describes the steps taken to discharge this responsibility (paras. 39 to 44). The Commission considers that if the margin were to narrow excessively, the necessary correction could only be made through a review of the basic salary scale, a matter which is within the exclusive competence of the General Assembly. However, if there was found to be an excessive widening of the margin, as might happen in a year in which no increase was given to the United States Civil Service, the Commission has sufficient authority to enable it to apply the necessary corrective measures, for example by reducing the indexes of comparison or even delaying the addition of another class of post adjustment.

The Commission therefore concluded that no additional measures were required of the General Assembly in this regard. It will continue to keep careful watch over this comparison, which is the basis for the application of the Noblemaire principle. In September 1977 the situation is as reflected in the table in paragraph 34 of our report, namely, in a ratio in which 100 represents the United States salaries, the average adjusted figure for United Nations salaries in New York is 113.3. The Commission notes that there is a slight difference of 0.6 per cent compared with last year, which is due to a variation in the ratio between the cost of living in New York and that in Washington, but it considers that this change is too small to require any action for the moment. As a double check, a survey is at present being made of the ratio between the cost of living in these two cities.

When the situation is projected over the next 12 months, it will be seen that the increase of 7.05 per cent in the salaries of the United States civil servants, to which I have referred, has the effect of reducing the margin at various points. However, the Commission assumes that, owing to the movement in the cost-of-living index, two classes of post adjustment for New York should be granted before the end of 1978, one in December 1977 and the other in the second half of 1978, so that the margin will be maintained, on average, without any significant changes.

The other question considered by the Commission in its studies of the post adjustment system is a formula to ensure that it would take equal movements in the cost of living to produce changes of class at all levels of the post adjustment system. Under the present arrangement, whereby the post adjustment class changes whenever the index has moved up five points in relation to the base of 100, changes are triggered off by ever smaller movements in the cost of living as the index increases, and this gives rise to ever more frequent changes, with a spiralling effect. The change proposed by the Commission in paragraph 57 of its report would

/...

have the effect of slowing down this process by requiring a change of 5 per cent, rather than five index points, in relation to the existing level. The amount of each class would be in logical proportion to the increase in the index, so that the delay in the introduction of a new class would be compensated by its greater amount.

The Administrative Committee on Co-ordination has criticized the change proposed on the ground that the new system will be more difficult to understand and more complicated to operate than the present system. The Commission considered that, after a short period of adaptation, there would be no such problems; indeed, it is of the view that the modification, by obviating the need for excessively frequent change, will help to simplify the administrative work involved. The staff representatives have objected to the proposal on the ground that in high cost-of-living areas staff members will have to wait longer than at present to receive cost-of-living increases. This is true, but the correction was considered necessary for reasons of equity because, while in these areas already having a high class a change could be brought about by an increase of only 2.8 per cent in the cost of living, as occurs in the movement from class 15 to class 16, in the lower classes an increase of 5 per cent is required before an additional class is due. The Commission is sure that, even if this change is introduced, the United Nations system of compensating for increases in the cost of living will continue to be sufficiently sensitive and can compare favourably with the systems of most of the national civil services which provide for similar adjustments.

The Commission, considering that the change will require a period of adaptation, proposes that the new system, if adopted, should take effect from 1 July 1978.

This proposal, which is summarized in paragraph 57 of the report, is the only recommendation of the Commission which requires a specific decision by the General Assembly.

I would like now to refer to the most substantive part of this report which concerns the study of salary scales of staff in the General Service category in Geneva.

The adoption by the General Assembly of article 12 of the statute of the International Civil Service Commission, and the subsequent assumption by the Commission of its responsibilities under that article, led to a significant change in the existing procedure for establishing the salaries of the General Service category.

Whereas previously those salaries were determined by the executive heads of the organizations concerned in consultation with their staffs, Governments decided in 1975 that an independent body should be brought in to determine the facts and to recommend the level of salary which it considers suitable on the basis of that evaluation. The situation which arose at Geneva in 1976, and which the Joint Inspection Unit reported to the General Assembly, no doubt helped to strengthen government interest in this new procedure and led to arrangements for the preparation of a special report on the situation in Geneva, where 16 organizations and the European office of the United Nations are situated.

/...

The specific task entrusted to the Commission by the General Assembly in resolution 31/193 B, in which it was requested as a matter of urgency to cause a survey of local employment conditions at Geneva to be made, was very broad in scope, since the Commission had not yet had an opportunity to consider the general principles involved or to decide on the methodology to be used. It was therefore obliged to take a basically pragmatic approach, selecting an ad hoc procedure for Geneva, leaving the development of a general methodology to a later date.

However, the task was completed and the Commission has fulfilled its mandate on time, establishing the facts and preparing recommendations on a new scale of salaries; those recommendations were communicated to the executive heads concerned on 23 September and transmitted to the General Assembly in the report which I am now introducing.

The Commission began by studying basic principles and arrived at the conclusion that the principle of "best prevailing local conditions" should be retained. This principle has the approval of the General Assembly, and the Commission decided that the principle was fully applicable until revised by the General Assembly itself.

The next step was to identify and interpret the best local conditions. In order to obtain this information, and since there is no official publication in Geneva which gives complete data on salary levels, the Commission decided to make a survey among local employers. After considering various possibilities, the Commission decided to use a type of survey which has been tested adequately and has been used by various organizations in the past, namely a survey covering a pre-selected group of presumed best employers, thereby replacing the random sample method which had been used in the last three surveys carried out at Geneva. The method chosen by the Commission was endorsed by the executive heads, but was strongly opposed by the staff representatives.

The Commission is convinced that, for the purpose of determining the best prevailing local conditions, the pre-selection method is more valid from the statistical point of view than random sampling. Its greatest advantage is that it has operated satisfactorily in other places, whereas the results obtained from the sampling method gave rise to serious objections on two of the three occasions on which it was used in Geneva.

The other feature which distinguished this survey from previous surveys carried out at Geneva was the selection of a much larger number of jobs for study; 15 posts were compared, instead of the two used previously. Despite the differences which exist between the various organizations at Geneva, and despite the fact that the United Nations has not yet introduced a post classification system in its European office, the Commission encountered no major difficulties in obtaining the agreement of the administrations and the staff with respect to the detailed description of 15 jobs which could be regarded as representative of the tasks carried out by the great majority of General Service staff.

/...

The list of employers which could be regarded as among the best in Geneva was drawn up on the basis of the best advice which the Commission could obtain. It considered that the list of 45 enterprises which it had selected was genuinely representative of the best employers at Geneva and that the list also reflected an adequate balance in the various sectors of economic and commercial activity carried on at Geneva. The Commission invited staff representatives to propose additional names that they thought should be included in the list, but the staff representatives chose not to accept the offer. However, they criticized our list on the grounds that it excluded small firms. In that connexion, it should be explained that the Commission adopted the criterion of only considering companies with at least 50 office workers, since it believed that it would not be appropriate to compare the salaries in an organization which employs as many staff members as the United Nations with those of a small office with only a few employees. It may be that a small office would pay some exceptionally high salaries, but such an office must be regarded as an isolated case and not representative of the best prevailing local conditions.

It is certainly unfortunate that many of the employers who were invited to participate in the survey did not co-operate. Of the 45 enterprises chosen, 27 agreed to provide information but only 22 provided usable data, as five replies had to be excluded from the survey for various reasons, stated in paragraph 140 of our report.

The 18 refusals were due partly to the fact that the survey was carried out shortly before the summer vacation and partly to the short time available for the collection of data. The size of the questionnaires was probably also a factor, since the Commission thought it essential to obtain far more detailed information than in the case of previous surveys, both on salaries for a large number of jobs and on other conditions of employment, such as vacations, benefits, pensions, etc.

However, despite the fact that some enterprises did not reply, the Commission agrees that the material obtained from the 22 enterprises that co-operated is sufficiently representative of the best employers at Geneva and provides a suitably balanced picture of the various fields of activity.

The actual survey was carried out by staff members who are highly qualified in this field and who have had considerable experience in the payroll sections of the United Nations and UNESCO. Staff representatives and representatives of the administrations participated at each stage of the survey.

In interpreting the data, the Commission tried to find solutions that were methodologically sound and equitable. Since there was evidence to suggest that some employers at Geneva pay men higher salaries than women for equal work, the Commission took particular care to avoid any effects of such discrimination which would be incompatible with the provisions of the Charter and with other resolutions and conventions adopted by the legislative bodies of the system. The method used was to consider only salaries paid to men in jobs done by both men and women and in the case of salaries for work done exclusively by women, to apply a correction factor based on the difference in salary paid to men in "mixed" jobs, which was calculated at 8 per cent.

/...

Having taken these precautions, the Commission agrees that it has fully eliminated the effects of any discrimination that might exist in the posts surveyed. It should be added that many of the firms which provided data do not apply any discriminatory policies. This is the case with the large banks, the public administration and transnational corporations which have offices in Geneva.

The methodology adopted by the Commission took into account all the criticisms levelled at previous surveys by the Joint Inspection Unit in its report submitted to the General Assembly last year. It should be pointed out that, although the Commission did not feel obliged strictly to apply the methodology set out in the "Guiding Principles" established by the Administrative Committee on Co-ordination in 1965, and subsequently confirmed by the International Civil Service Advisory Board, in practice it brought all its procedures into line with those guiding principles. As I say, the principles were not compulsory for the Commission because, in any case, they have never been adopted by any legislative body, but even so they were strictly followed for the purposes of our survey.

On the basis of the material collected, the Commission next proceeded to construct the salary scale appropriate to Geneva, as described in paragraphs 171 et seq. of the report. The process was an intricate one since various considerations had to be reconciled and various adjustments made. The resulting scale, which is contained in annex III L, represents an average reduction of 17 per cent compared with the existing salary scale.

As requested in General Assembly resolution 31/193 B, paragraph 2, the Commission tried to discover why the salaries in Geneva had reached their present level, and its views on the matter are stated in paragraphs 193 to 204 of the report.

The situation dates back to 1950, when with the establishment of the General Service category - until then all staff had been included in a single category - a salary scale was adopted for Geneva based essentially on the scale applicable to New York staff, although the survey carried out at that time had shown that remuneration rates in Geneva were much lower than in New York. The margin established at that time had tended to be perpetuated in later reviews. The frequent changes in methodology used in subsequent surveys, and the fact that on several occasions the results obtained were not duly applied because of staff objections, as occurred in 1966 when the survey showed that United Nations salaries were 16 per cent higher than the best prevailing rates in Geneva, have served to aggravate the problem.

In 1969 a new methodology was introduced in which it was decided to apply the ninety-second percentile of outside salaries to step 6 of the grade inside, a criterion that was criticized by ICSAB. That, together with the mistake of using job descriptions which did not correspond to the actual duties of those staff, particularly in the case of one of the two comparative posts, namely that of accountant, whose job had been radically changed by the introduction of computers into accounting methods, gave results that meant further substantial increases in General Service category salaries at Geneva in 1976.

/...

The Commission has tried to determine the reasons for those increases. One explanation is that the methodology applied was fundamentally incorrect and led to the collection of erroneous data. For its part, the Joint Inspection Unit maintained in its report last year, and reiterated in a letter from its Chairman, which I received a few days ago, that the agreements reached between the administrations and the staff on those increases were based not on the Battelle survey, which had been virtually discarded, but on the results of the 1969 survey, made by means of the very methodology already found to be wrong, and corrected to take account of the delay in applying the Swiss OFIANT salary index over the past few years..

In view of the fact that the present salary level is the result of a process which began in 1950, and in the course of which various distorting factors have accumulated, the Commission preferred to avoid taking decisions on questions which the Joint Inspection Unit itself had found to be somewhat academic at this level, initiating instead a study which will provide new bases and a fresh approach. Our report does not aim to justify or to invalidate current salaries or the increases granted in 1976, but has merely tried to determine with the maximum possible objectivity and precision what would be an appropriate salary level for 1 January 1978, on the basis of the principle of best prevailing local conditions.

The recommended scale is shown in net figures, the comparison having been made with the actual remuneration received by employees in Geneva after tax deductions. If it is applied, it will also have the effect of reducing to some extent the present overlapping of salaries at Geneva of staff in the Professional category and those in the General Service category, which is so great that the Commission has described it as an anomaly. While recognizing that the principles governing the salaries for the two categories are different, and that there is no strict relationship between the two salary scales, it is impossible, however, to disregard the fact that the two categories of staff work together and that an hierarchical structure exists between them. The Commission regards as unsatisfactory a situation in which the remuneration of a staff member at the highest level in the General Service category is equal to that of a P-3 or P-4 in the Professional category. The new scale, if applied, would have the effect of bringing about a reduction of one grade in this overlapping, placing a G-7, step 11, at the level of a P-2, step 4.

The Commission is still worried, however, about the even greater anomaly which exists as a result of the overlapping of the two categories with respect to pensionable remuneration and, consequently, in pensions. This will also be corrected to some extent by the new scale, but to a more limited degree, since the pensionable remuneration of a G-7, step 11, will be equal to that of a P-4, step 9. The Appointment and Promotions Board a few days ago reported the case of a G-7 staff member at Geneva who rejected a promotion to P-3 level because the promotion would mean less money.

To remedy this situation it would be necessary to make a change in the scales of staff assessment for the General Service category, but that would require an over-all decision which could not be applied separately at Geneva. The Commission

/...



had intended to submit some proposals to the General Assembly to that effect but, as it explains in paragraphs 187 and 188 of the report, it has not been able to do so in the absence of concrete proposals on the subject by the Administrative Committee on Co-ordination. It will continue to deal with the matter next year and will urge the administrations, in consultation with the staff, to submit some proposals to it in that connexion. Meanwhile, the scale of gross salaries shown in annex III M of our report has necessarily had to be calculated in accordance with the present staff assessment scale.

Having fulfilled its mandate under the terms of article 12, paragraph 1, of its statute, by establishing the facts and making recommendations on salary scales, the Commission considers that it is for the executive heads to decide how those scales will be applied. The Commission has indicated in paragraph 183 of the report that it expects that the new scales could come into force with effect from 1 January 1978 and foresees that, in view of the difficulties which could arise as a result of a reduction in actual salary, some kind of special interim allowance may be paid to staff in service in order to protect their current rate of remuneration.

Whatever measures are adopted, the Commission considers that the time has come to rectify the existing situation at Geneva since the passage of time can only serve to make it more abnormal. In view of the complexity of the case and the problems which may arise in implementing the recommendations, the Committee is prepared, if so requested by the organizations, to make a new survey in 1980 to analyse any change which may have taken place in conditions of employment at Geneva in the meantime.

Before leaving this topic, I should like to refer to a related matter. As many delegations are aware, representatives of the staff associations at Geneva commissioned a firm of consultants to carry out a supplementary survey, obtaining information from a number of employers included in the original list drawn up by the Commission and from other employers, which had less than 50 employees that the Commission considered as the necessary minimum. At the time, I told the staff representatives that if they let me have the data they had obtained, I would examine them carefully, even though the work had been done without any supervision from the administrations or the Commission.

A few days ago I received from those representatives a report prepared by the consultant who analysed the data collected. However, they have refused to make available to me the detailed data on which the report is based; instead, they suggest that I should meet them in Geneva so that we can study the material together. I regret this attitude on the part of the staff, which constitutes a breach of the principle of reciprocity and confidence that the Commission has tried to maintain in all dealings with the staff. I should like to point out that all the information collected by the Commission during the survey was immediately brought to the attention of the staff representatives.

Without these data, all I can say is that the new report, as submitted, provides no new evidence to contradict our conclusion that the salary data

/...

collected by the Commission represent the best prevailing conditions in Geneva. Moreover, from some of the figures mentioned in the document I have received, it can be deduced that the new survey has not come up with better remuneration rates than those recorded in our report. Using those same salaries, the consultant tried to arrive at higher comparative figures by applying different methods of interpretation from those used by the Commission, especially in three cases: first, in calculating the correction factor to be applied to women's salaries in order to avoid the discrimination that may exist in some jobs in Geneva; secondly, in the formula for projecting the salaries obtained to 1 January 1978 and, thirdly, in converting gross salaries into net salaries by deducting the Swiss income tax.

None of their proposals is therefore acceptable since the proposed percentage increase to update the remuneration rates to 1 January 1978 is merely an estimate, and cannot be verified, while the suggested formulas to correct the discrimination factor and to arrive at the tax adjustment are based on clearly illogical premises. If delegations are interested, I could circulate, as a working paper, the detailed comments we made on the survey prepared by the staff.

In my opinion, there is nothing in the material provided by the staff representatives to justify any reconsideration of the Commission's recommendations. On the contrary, if correctly interpreted, it is more likely that the data would tend to confirm those recommendations.

To conclude this introduction, I will now refer to the Commission's proposed programme of work for 1978.

In further implementation of article 12, paragraph 1, of its statute, it will make a survey of local salaries in Paris in co-operation with UNESCO and, if possible, a second survey on conditions of employment in another headquarters city before the end of the year. It will be recalled that the nineteenth UNESCO Conference, held at Nairobi last year, decided that a study would be made of staff salaries in the General Service category, for submission at the next Conference, to be held in November 1978. In consultation with the Director-General of UNESCO, the Commission has decided on the procedures to be followed in order to complete this survey in time for consideration by the Executive Board and then by the General Conference. The results of that survey will be included in our next report to the United Nations General Assembly.

Next year the Commission will have to deal with some pending matters relative to the review of the salary system for Professional categories approved last year. Pursuant to the terms of resolution 31/141, these matters would be:

- (a) Study of all terminal payments on separation from the service (repatriation grants, termination indemnities, death grants, etc.);
- (b) Study of the bases and conditions for the payment of the education grant;
- (c) Further comparative studies of United Nations and United States Federal Administration grades.

/...

Another study, which is already in progress and which we hope to complete in time for inclusion in our next report, deals with staff recruitment policies and practices, which will be considered in connexion with the concept of career service and fixed-term appointments. Finally, we have assigned high priority in our programme to conditions of service for staff away from headquarters, in the field service, financed either from the regular budgets or from development programmes, the General Service category being included in both cases.

As representatives can see, we have a wide-ranging programme ahead of us. The enumeration of these matters and other routine questions, such as the fixing of post adjustments in 165 different countries or territories, travel allowances for international civil servants, or the constant comparison made of the salary margin in the United States, should demonstrate that, although the International Civil Service Commission was only set up in 1975, it now has a sufficiently broad field of action to justify its existence.

The Commission's task, as laid down in its statute and various General Assembly resolutions is basically, without prejudice to the executive functions for which it is responsible, to make available to Member States and, when necessary, to the administrations, technical and objective advice to help them determine the conditions of employment in international organizations and thereby ensure that they have staff of the highest standards of efficiency, competence and integrity, as provided for in Article 101, paragraph 3, of the Charter of the United Nations, which constantly guides us in our work.

The Commission proposes gradually to review all the conditions of employment prevailing in the United Nations system. Where it finds an anomaly of any kind, it will bring it to the attention of Member Governments and the administrations responsible for such matters. When remuneration or allowances are inappropriate, whether too high or too low, recommendations will be made to rectify the situation. It is our hope that the General Assembly may have the benefit of suitable advice in this field, similar to the valuable contribution it receives from the Advisory Committee on Administrative and Budgetary Questions in its own particular field.

We shall endeavour to fulfil this responsibility with the necessary prudence, to avoid any undue change in a system which has been continually developing and taking shape over the years and which, in many cases, embodies a set of rights acquired by the staff, but, at the same time, with the firmness necessitated by the importance which Member States attach to this question.

-----