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REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION

Implementation of revised General Service salary scales in Geneva

Note by the Secretary-General

1. In paragraphs 126 to 138 of its report (A/36/30), the International Civil Service Commission (ICSC) provides information and comments on (a) the actions taken by the Geneva-based organizations in respect of the Commission's recommendations following the second survey of best prevailing conditions for General Service staff in Geneva; (b) the decision of the Governing Body of the International Labour Organization (ILO) to increase by 3 per cent, with effect from 1 March 1981, the pre-1978 net salary scale which ILO had retained for its General Service staff recruited before 1 January 1979; (c) the intention of the executive heads of the six other organizations in Geneva to grant a comparable increase in the net remuneration, retroactive to 1 March 1981, to those General Service staff in their organizations to whom the pre-1978 scale had been applicable.

2. As regards item (a), the representatives of the Secretary-General had already orally informed the Fifth Committee at its last session of the decision of the Secretary-General to implement, with retroactive effect to 1 March 1980, the revised salary scale and dependency allowances recommended by the Commission and to accept the proposed interim adjustment procedure. The purpose of this note, therefore, is to provide information further to that contained in the ICSC report on items (b) and (c).

Background information

3. At the request of the General Assembly, ICSC, in 1977, undertook a survey of the best prevailing conditions of employment in Geneva, on the basis of which it recommended to the organizations concerned a revised salary scale which was, on average, approximately 17 per cent lower than the scale then in effect, i.e., the pre-1978 scale. On 22 November 1977, the Secretary-General made a statement

(circulated in document A/C.5/32/51) to the Fifth Committee, in which he announced the basic agreement reached by himself and the executive heads of the Geneva-based agencies to accept the Commission's report and its findings, and their intention to introduce the new salary scales with effect from 1 January 1978, as well as the basic agreement reached by them on the transitional arrangements required to implement in an orderly fashion the Commission's recommendations. In the latter regard, the Secretary-General stated that some of the executive heads considered that constitutional and other requirements of the respective agencies had a bearing on the way in which the transitional arrangements would be worked out in their particular agencies to give effect to the Commission's recommendations. The General Assembly, in resolution 32/200 of 21 December 1977, took note of that statement.

4. With the exception of ILO, the Geneva-based organizations applied the revised salary scale to all their General Service staff, subject to the payment of personal transitional allowances to those staff already in service to ensure no reduction in their attained levels of pensionable remuneration and net remuneration. The Secretary-General outlined to the Fifth Committee the arrangements for the phasing out of the personal transition allowances through their reduction by the amounts corresponding to future increases in the salary scales; a more detailed technical note, including the financial implications of implementing the new salary scales and of the transitional arrangements, was submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

5. In the case of ILO, the Governing Body of that organization sought an advisory opinion from the judges of the ILO Administrative Tribunal as to whether the introduction in ILO of the new salary scales and transitional arrangements would constitute a breach of the 1976 agreement with the staff or of the rights of staff members under the terms of their appointment. On the basis of the opinion rendered, the ILO Director-General undertook negotiations with the staff representatives and reported to the Governing Body in November 1978 that an agreement had been reached to implement the "new scale", effective 1 January 1979, for staff members recruited after 1 January 1979, while retaining the "old scale", i.e., the pre-1978 scale, for the remaining staff, i.e., those recruited before 1 January 1979.

6. Thus, the situation at the time of the second survey of the Commission in 1980 was as follows:

(a) The ILO was applying two salary scales, the pre-1978 scale for staff recruited before 1 January 1979 and the lower "new scale" for the remaining staff;

(b) The other organizations were applying the "new scale" to all their General Service staff, with the addition of personal transitional allowances for those staff members to whom the pre-1978 scale had once applied.

7. The amounts of the personal transitional allowances initially established on 1 January 1978 were reduced at the time of each subsequent salary revisions. At present, further salary increases ranging from approximately 1 to 8 per cent, depending on the level and step of the staff member, would be required to eliminate the remaining personal transitional allowances.

Decision of the ILO Governing Body

8. As indicated in paragraph 126 of the Commission's report, the ILO Governing Body, in May 1981, had decided to increase the net salaries in the "old scale", i.e., the pre-1978 scale, by 3 per cent, with effect from 1 March 1981. That decision of the ILO Governing Body led the staff representatives of the other six Geneva-based organizations to request their respective executive heads to grant a comparable increase to similarly situated General Service staff in their organizations. In support of that request, they invoked the following principles and arguments:

(a) The often-stated commitment of the executive heads to maintain a unified salary system in Geneva in the interests of the common system (in that regard, they recalled the declaration made by the executive heads in 1976 that it was of "paramount importance to maintain a uniform policy among the organizations in the United Nations common system in respect of the implementation of a new salary scale for the General Service category in Geneva");

(b) The principle of equal pay for equal work;

(c) The need for collective action by the executive heads, in order to avoid further fragmentation which might result if they pursued the issue separately with their respective staffs.

Decision of the executive heads of the six Geneva-based organizations

9. As recognized by the Commission in paragraphs 132 and 137 of its report, the executive heads were faced with a serious dilemma. On the one hand, they had accepted the recommendations of ICSC following both the first and second surveys, and the resulting salary scales had been approved either by the executive heads and their legislative bodies so informed or, where required, by the legislative bodies on the recommendations of the executive heads concerned. On the other hand, they had to respond to the very normal request made by their staffs in the light of the situation brought about by the decision of the ILO Governing Body, especially in view of their past commitments to maintain a unified salary system in Geneva in the interest of the common system and equitable treatment of staff.

10. The Secretary-General and his colleagues reached the conclusion that paramount importance had to be attached to the principle of equitable treatment of staff, and, on that basis, they informed their staffs of their intention to grant a comparable increase, with effect from 1 March 1981, to those General Service staff to whom the pre-1978 scale had once applied. At the same time, they indicated that because of the past undertakings and commitments made to ICSC and to their respective legislative bodies, they would bring the matter before each of those bodies. It was on that basis that ICSC took up the question at its last session and has submitted its comments to the General Assembly.

11. As indicated, the organizations concerned had long ago discontinued the pre-1978 scale. Therefore, the granting of a "comparable increase" would take the

form of an increase in the personal transitional allowances of those General Service staff to whom the pre-1978 scale had once applied.

12. For the United Nations, the financial implications of the increased allowances are estimated at \$903,400 for the year 1981 and \$1,084,000 for the biennium 1982-1983.
