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REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION

Note by the Secretary-General

At the request of the Chairman of the Staff Committee of the United Nations Office at Geneva, the Secretary-General transmits herewith a statement by the United Nations Staff Council at Geneva on the report of the International Civil Service Commission (A/32/30).

The Secretary-General has been informed that this statement reflects also the views of the Staff Councils and Committees of the other Geneva-based organizations participating in the United Nations common system of salaries, allowances and benefits.

14 November 1977

THE RECOMMENDATION OF THE INTERNATIONAL CIVIL SERVICE COMMISSION  
CONCERNING GENERAL SERVICE SALARIES AT GENEVA

Note by the Staff Councils and Staff Committees of  
GATT, the ILO, ITU, United Nations-Geneva, WHO,  
WIPO and WMO

I. Introduction

1. The determination of General Service salaries at Geneva has always been a thorny problem. The reasons for this are not hard to explain: some are due to the nature of Geneva's economy; others, to the complexity of the interrelations between the staff of seven international organizations and three or four poorly co-ordinated hierarchical levels (Administrations, Executive Heads, United Nations Secretary-General, General Assembly).

2. In the latest crisis provoked by this problem, two bodies have entered the scene: the Joint Inspection Unit, which served to detonate the crisis now developing, and the International Civil Service Commission, which was recently introduced into the complex machinery of the administrative organs and functions of the United Nations system, without contributing to the harmonization of that system.

3. There was a hope that the intervention of the ICSC in the determination of General Service salaries at Geneva would bring to that process a greater degree of the objectivity and orderliness certain parties had failed to discern in the way in which the problem had been dealt with hitherto. That hope has been completely disappointed and the very action of the ICSC may lead to the most serious crisis in the history of the international organizations at Geneva if the responsible authorities insist on applying the recommendation of the ICSC on General Service salaries. The reasons for this will be seen below.

II. Legal situation

4. The ICSC is not acting in a complete legal vacuum. On 23 April 1976, the representatives of the Directors and Secretaries-General and of the staffs of the Geneva organizations signed an agreement laying down General Service salary levels for the future. The substance of this agreement was incorporated in the Staff Rules and Regulations of the various organizations in the form of a General Service salary scale. Any arbitrary, high-handed replacement of that scale by the scale recommended by the International Civil Service Commission could be challenged in law.

5. Moreover, depending on the procedures that might be decided on for applying the scale recommended by the Commission, additional grounds for appeal to the Administrative Tribunals would be available to the staff.

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6. Under article 12, paragraph 1 of its statute - the only applicable provision at present - the Commission can only make a recommendation. The Commission, however, seems to believe that it has made a determination about whose implementation there is no doubt. The staff, on the other hand, consider that as things stand the ICSC recommendation is only one of the elements to be taken into account for arriving at a generally satisfactory solution of the problem of General Service salaries at Geneva.

7. The Commission's recommendation is vitiated by the fact that the Commission has failed to comply with the terms of reference assigned it by the United Nations General Assembly in resolution A/31/193 B, whereby the Commission was required, before causing a survey to be made, to establish the methodology of the survey.

8. The fact that methodology is a prior necessity is borne out by the statute of ICSC, which in its articles 10, 11 and 12 lays down the logical sequence of the operations to be performed. This, it may also be noted, is what the ACC felt compelled to recognize when, in a document formulating certain principles on the subject, which it submitted to the Commission at its third session (8-26 March 1976), it stressed that it was important "to try to reach agreement on a detailed methodology for the acquisition, treatment, analysis and evaluation of the data before any survey is launched" (ICSC/R.36, annex III, para. 19 (d)).

9. To these reasons of a legal and regulatory nature which considerably limit the significance of the Commission's recommendation must be added the following considerations, which underscore the fragility of its methodological foundations.

### III. Action of the Commission

10. The basic principle for determining General Service salaries establishes those salaries at the level of the "best prevailing local conditions". That principle was confirmed by the Commission. Traditionally, at Geneva, to determine those conditions, a survey is made of the entire market, after an appropriate level has been determined in the distribution of the data to be collected for each job. The Commission replaced this procedure with a different approach, based on a new interpretation of the principle of the "best prevailing local conditions" - one that amounts to the following equation: the best prevailing local conditions - those provided by the best employers. This rather tautological principle means that instead of considering the entire range of salary data, only the data furnished by employers who on the whole offer the best conditions of employment will be considered. The problem then consists of defining what is meant by the best employers and of making a survey to determine who those best employers are.

11. For this, it would have been necessary first of all to survey all employers or a sample representative of all employers, while refraining, contrary to what was actually done, from establishing a quantitative criterion (not less than 50 employees) which does not conform to the characteristics of the market and which therefore may exclude a number of the best employers. Owing to the necessities of its time-table, the Commission skipped this indispensable stage and preferred to work directly on a sample of the presumed best employers, such presumption being based on nothing more than the unverifiable opinion of the Geneva employers' association.

12. One of the defects of this method is that, once the preselection of the presumed best employers has been made, there is no way of verifying whether the presumption was warranted, since no data other than theirs were collected, except from local public administrations, the Permanent Mission of the United States and a non-profit research institution.

13. That this method is based on a purely abstract concept borne out by the fact that the data collected did not make it possible to show the existence of a category of employers that could be considered the best employers, for the salaries paid by each employer for different jobs were too heterogeneous and the final sample was too narrow. Consequently, the ICSC finally had to abandon this notion and work, in establishing its scale of salaries, on the complete range of the salary data collected for each separate job, i.e. the opposite of the method which had been intended and which had been the justification for the choice of a survey by preselection.

14. The Commission cannot even claim to have correctly carried out this kind of survey, based as it is on such fragile premises, for it actually collected data from only half of the "presumed best employers", this relative failure being once again partly due to the shortage of time, as the Commission itself admitted.

15. Analysis of these data show that the employers surveyed cannot be considered as the best employers, since the salaries indicated by the General administrations - the only reference point external to the allegedly best employers - put them slightly above the average level of all the other employers.

16. As regards wage discrimination against women, the Commission, in spite of the lessons of the past, set out to survey typically "female" jobs and to collect data on female employees in jobs performed by both sexes. Eventually, it had to eliminate these latter data and recognize the reality of discrimination, but it refused to eliminate the purely "female" jobs, where it is most difficult to measure the degree of discrimination, which, by its empirical procedure, it greatly underestimated.

17. The external matching point was set at the 75th percentile, which could be valid when one is working with data relating to all the best employers or a sample representative of all the best employers, but is not in the case of data impaired by a hasty preselection involving averages.

18. The internal matching point is one whose determination offers the greatest opportunity for influencing the final decision. Starting from a given external point, the various possible internal points (running from step I to step XI in each grade) can produce a range of salary scales of which the highest is more than 30 per cent above the lowest. Lacking the guidance, here as elsewhere, of a pre-established methodology, the Commission chose the internal matching point (G-4, step VI) without seriously justifying its choice or carefully considering the arguments of staff representatives.

19. The recommendation of the Commission is thus the final outcome of a whole cascade of empirical decisions on choice of survey method, composition of the sample of "presumed best employers", salaries for "female" jobs, and determination of external and internal matching points, to mention only the most important.

IV. Complementary survey by the staff associations

20. In order better to show up the weaknesses of the ICSC survey the Geneva staff associations, acting in an Inter-organization Defence Committee, took the initiative of having a complementary survey made among Geneva employers.

21. This survey has shown first of all that the actual collection of data was not carried out in optimum conditions by the Commission. Indeed:

(a) The Commission was able to obtain valid data from only 22 employers out of the 45 forming its initial sample; 18 firms contacted by the Commission refused to reply to its questionnaire; nevertheless, the consultant engaged by the staff was able to obtain data concerning the salaries paid by those same 18 firms;

(b) The consultant's experience gives grounds for thinking that in the data collected by the Commission there may be anomalies, and these may have influenced the final result of the Commission's work. This could be verified if the coding for the firms surveyed by the Commission were communicated to the consultant.

22. On the basis of the additional data collected by the consultant, it will be possible to select the 20 or 22 best employers from among all the firms on which data are now available, and the relevant salary data, analysed according to the ICSC method, will undoubtedly produce figures different from those arrived at by the Commission.

23. These same supplementary data afford a set of homogeneous figures on the basis of which it has been possible to evaluate wage discrimination against female employees in Geneva more reliably than the Commission could. Whereas this discrimination was estimated at 8 per cent in all cases by the Commission, in reality it represents 15.8 per cent, and this is still a cautious estimate in comparison with Swiss official statistics.

V. Conclusion

24. In its report, the Commission goes back over the past record of determination of General Service salaries at Geneva, underlining the difficulties encountered. The facts are not so simple. There have been difficulties, of course, but the fact that a few disputes have occurred in 25 years is not the sign of a fundamentally unhealthy situation; it is rather the inevitable expression of the tensions normally existing between employers and employees when they are discussing employment conditions. Over the years, with the discreet intervention of the advisory bodies that preceded the Commission, the staff and the administrations learned to work together on the essential matter of salaries and to observe certain rules, stemming, inter alia, from ILO recommendations on collective bargaining. In this connexion, it is noteworthy that the 1976 strike was not in support of any direct salary claim, but resulted, as the Joint Inspection Unit emphasized, from a breach of existing agreements and deficiencies in the relations between certain administrations and their staff. This is borne out by the fact that the final settlement was below the figures yielded by the survey.

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25. The intervention of the Commission has wiped out all that. In place of the conventional employer-employee conflict relationship disciplined by a set of concerted rules, it has set up a relationship of authority. There has only been token observance of the staff consultation requirement in the Commission's statute. The Commission has not really taken into consideration the position of the staff on any of the major problems covered by its exercise (choice of methodology, criteria for selecting employers to be considered, treatment of salary discrimination in regard to female employees, coverage of the questionnaire addressed to employers, rationale of the determination of the internal matching point).

26. Everything happened like a repetition of the 1966 Geneva survey which the administrations carried out unilaterally without any concertation with the staff, and which was criticized for that very reason by the ACABQ at that time.

27. If one evaluates the Commission's work according to the extent of its success in remedying the causes of earlier difficulties, one can well expect a negative conclusion. Indeed, more than any earlier survey, the one carried out by the Commission presents such technical shortcomings and has taken so little account of staff opinion that it may well arouse staff reactions going far beyond any yet experienced at Geneva in this regard.

28. This situation is basically the result of underestimation of the difficult technical problems and of the time needed by the Commission to carry out its mandate. And given this situation, the utmost circumspection is needed on the part of all those who may be called upon to consider or appreciate the appropriateness of and the modalities for any application of the recommendation made by the International Civil Service Commission.

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