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NOTE

. All United Nations documents are designated by symbols, i.e., capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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AGENDA ITEM 39¹

Budget estimates for the financial year 1950: (a) Budget estimates prepared by the Secretary-General

Document A/C.5/331 and Corr. 1

Report of the Committee of Experts on Salary, Allowance and Leave Systems

[Original text: English]
[31 October 1949]

NOTE BY THE SECRETARY-GENERAL

1. The General Assembly, in approving the report of the Fifth Committee on the fourth annual budget of the United Nations² on 11 December 1948, expressed its agreement that a comprehensive review of the salary and allowance system be undertaken by the Secretary-General for consideration at the fourth regular session of the General Assembly and that a working party of three independent experts appointed by the Secretary-General in agreement with the Advisory Committee on Administrative and Budgetary Questions should assist in this review. It was also specifically agreed that this general review of the salary and allowance system should include the review of the question of home leave and a comparative study of the salary scales and allowance schemes of other international organizations.

2. Under the terms of this mandate, the Secretary-General began, early in 1949, to canvass the possibilities for men of high competence to serve as a committee of experts to assist him in this review. The Committee as finally selected, with the approval of the Advisory Committee, was composed of Mr. Arthur S. Flemming, President of Ohio Wesleyan University and former member of the U. S. Civil Service Commission (Chairman); Mr. Roger Gregoire, *Directeur de la Fonction Publique*, France; and Mr. Uno Brunskog of Sweden, member of the United Nations Board of Auditors and Auditor for the International Labour Organisation and the World Health Organization; he was also formerly Auditor of the League of Nations. The members have given freely of their expertness and energy and have now forwarded to the Secretary-General the Committee's unanimous report dated 31 October 1949.

3. The Staff Committee of the United Nations, as well as representatives of the specialized agencies, has been kept constantly informed of the developments in the study and has been furnished with a preliminary draft of the report dated 7 October. It has not been possible, however, for the staff to present its views formally until the final report could be made available. The Secretary-General is therefore now in consultation with the staff on the report now submitted. He is also in touch with the directors-general of each of the specialized agencies who, following meetings in

the last two weeks, have agreed to submit their views in writing not later than 1 November. In view of these consultations, it has been considered desirable to distribute to members of the Fifth Committee for their information and study the attached report of the Committee of Experts. The Secretary-General also expects to consult with the Advisory Committee on Administrative and Budgetary Questions before this question is discussed in the Fifth Committee. The Secretary-General's own views on the report, together with those of the staff and of the specialized agencies, will be forwarded as soon as possible.

LETTER OF TRANSMITTAL, DATED 31 OCTOBER 1949, FROM THE COMMITTEE OF EXPERTS ON SALARY, ALLOWANCE AND LEAVE SYSTEMS TO THE SECRETARY-GENERAL

We have the honour to present in the attached report the conclusions and recommendations reached as a result of the review of the salary, allowance and leave systems of the United Nations and of other international organizations which you requested us to undertake, pursuant to a recommendation of the Advisory Committee on Administrative and Budgetary Questions as endorsed by the General Assembly at its third regular session.

The Committee held two sessions at Lake Success, the first from 5 July to 4 August 1949 during which it arrived at provisional decisions based on a critical appraisal of existing salary, allowance and leave arrangements, and the second from 28 September to 12 October 1949 when it re-examined certain of these decisions in the course of drafting and approving its report.

In addition to much detailed information furnished, at its request, by representatives of the Administration, the Committee received a number of submissions from the United Nations Staff Committee at headquarters and at Geneva and was further aided by informal discussions with operating officials both of the United Nations and of the various specialized agencies.

We wish to record also our special indebtedness to the help received from Mr. A. J. D. Winnifrith who was present as an expert consultant throughout the greater part of the Committee's first session and to the United Kingdom Government for having made Mr. Winnifrith's services available. Without his effective and unfailing collaboration during this formative period in our deliberations, the Committee would have found its task very much more difficult.

Our grateful thanks are also due to the Committee's secretariat for the competent and con-

¹ For reference to other documents under agenda item 39, see *Official Records of the fourth session of the General Assembly, Fifth Committee, Annex, Volume I, page v.*

² See *Official Records of the third session of the General Assembly, Part I, Annexes to the Plenary Meetings, document A/798.*

scientious manner in which they have at all times carried out their duties.

We have deeply appreciated this opportunity of service. In approaching our task, we have conceived it to be our first responsibility to seek ways and means whereby the United Nations may be made steadily more effective in the fulfilment of its purposes. It is our earnest hope that the conclusions and recommendations unanimously agreed upon may contribute in some small measure to this end. We trust that, in any event, they will be received by all concerned in the spirit in which they are submitted for your consideration.

(Signed) Arthur S. FLEMMING (*Chairman*)

Uno BRUNSKOG
Roger GREGOIRE

THE SALARY, ALLOWANCE AND LEAVE SYSTEM OF THE UNITED NATIONS

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INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 24 of its second report of 1948,¹ recommended that "in view of the criticisms which have been levelled against the whole system of remuneration of the United Nations staff, . . . a comprehensive review of the salary and allowance system be undertaken by the Secretary-General for consideration at the fourth regular session of the General Assembly" and that "a working party of three independent experts, appointed by the Secretary-General in agreement with this Committee, assist in this review."

2. The Fifth Committee, in its report on the fourth annual budget of the United Nations² approved by the General Assembly on 11 December 1948, expressed its agreement "that this general review of the salary and allowance system, as recommended in paragraph 24 of the second report of 1948 of the Advisory Committee, should also include a review of the question of home leave and a comparative study of the salary scales and allowance schemes of other international organizations".

¹ *Official Records of the third session of the General Assembly, Supplement No. 7A.*

² *Ibid., Annexes to the Plenary Meetings, document A/798.*

3. In consequence of these recommendations, the Secretary-General appointed, with the concurrence of the Advisory Committee, Mr. Uno Brunskog, Mr. Arthur S. Flemming and Mr. Roger Gregoire to serve as a Committee of Experts, with the task of studying and reporting on the whole system of remuneration of the staffs of the United Nations and the specialized agencies, having regard particularly to the specific areas of study listed hereunder, and bearing in mind the following general considerations specially affecting employment in international organizations:

(a) The requirement of the Charter that the staff of the United Nations be characterized by "the highest standards of efficiency, competence and integrity", due regard being paid to its recruitment "on as wide a geographical basis as possible";

(b) The wide range of remuneration for comparable work prevailing in the government services of the Members of the United Nations and the need, therefore, to ensure that conditions of employment for internationally recruited staff "compare favourably with those of the most highly paid home and foreign services";³

(c) The relatively better position of national, as compared with international services, to guarantee stability and security of employment;

(d) The more limited prospects of promotion to the highest posts in an international secretariat compared with such prospects in most national services;

(e) The fact that a large proportion of any international staff is required to incur additional expense and to make certain sacrifices by living away from their own country.

4. In its examination of systems of remuneration currently employed in the United Nations and the specialized agencies, the Committee was requested to consider specifically:

(a) Classification and grading including the establishment of categories of staff and grading of posts;

(b) Salary rates including increments, overtime compensation and night differential, regard being had to comparability with national civil services, diplomatic missions, permanent delegations, universities and locality rates for comparable types of employment in the headquarters or regional office area;

(c) Cost of living adjustments and locality differentials;

(d) Allowances, including installation allowances and grants, expatriation allowance, representation allowance, children's allowances, education grants, and rental allowances, and including also the question of dependency for allowance purposes;

(e) Leave, including annual, sick, maternity and home leave;

(f) Other benefits in so far as they are deemed to increase total emoluments, including health or

³ Section 2, chapter VIII, Report of the Preparatory Commission, transmitted by the General Assembly to the Secretary-General for his guidance.

life insurance, pensions, indemnities and compassionate benefits.

5. In its review of these and of such other matters as it deemed necessary to consider, the Committee was requested to have regard to the relevant recommendations and observations contained in the various reports of the Advisory Committee on Administrative and Budgetary Questions and to the desirability of avoiding inter-agency competition for personnel and of facilitating interchange of staff to the extent that such interchange is feasible and appropriate. The Committee was informed, also, that recommendations which it might make for changes in the present system should be directed towards meeting more fully the essential needs of an international career service whilst achieving economy and administrative simplicity in the system without sacrificing equity for the staff.

6. Initially, the Committee took its terms of reference to mean that the system of salaries and allowances it should recommend should be capable of equal application to the United Nations and to each of the specialized agencies. It became apparent, however, as the comparative study of systems progressed that there were important differences in the problems encountered by the United Nations and the specialized agencies due to such factors as geographic location, and the fact that the organizations vary so widely in physical size and consequently in internal organization. It would be impracticable, therefore, to attempt to design a system which would be equally applicable in all its details to all the agencies. In this report the Committee is recommending a system which, although specifically designed to meet the needs of the United Nations, is, at the same time, based upon general principles which are thought to be capable of application by each of the agencies in developing its system of salaries, allowances and leave provisions. The Committee feels that, in general, only modification in details of the recommended system should be required, and wishes to emphasize that, in the interest of promoting an international career service, of avoiding inter-agency competition for personnel and facilitating interchange of staff, such modification should be made only when there are sufficient and compelling reasons to warrant changes.

7. In carrying out its task, the Committee concentrated its main efforts on the study of the difficulties which have their origin in the principles underlying the present system, and the extent to which a modification of those principles would succeed in diminishing the difficulties that now exist.

8. The Committee did not consider itself called upon (even had it felt competent to do so) to venture any observations on the manner in which the Secretary-General has carried out his administrative responsibilities in the classification and grading of the staff of the United Nations or in any other matter coming within its terms of reference. It has, therefore, confined itself to the task of identifying the difficulties and the defects inherent in the present system and of indicating either general or specific lines along which remedial action might be taken. Accordingly, any observations or proposals which it offers should in no sense be construed as reflecting critically

upon the Secretary-General's administration, aware as the Committee is of the unprecedented difficulties with which he has been confronted from the outset. It would be surprising indeed if no fault could be found with an organization not yet four years old that has been compelled to equip itself without benefit of administrative preparedness or precedent for dealing with a host of pressing problems and an ever-increasing range of responsibilities. It is to the credit of all concerned that so much versatility and flexibility have been shown in continuously modifying and adapting the administrative policies and procedures originally drafted by the Preparatory Commission in order that the Organization's new and expanding needs might be met with a minimum of difficulty and delay.

CHAPTER I

ORGANIZATION AND CLASSIFICATION OF STAFF

A. Problems arising from the present situation

9. Examination of the United Nations classification and grading system as it has been developed since 1946 points to the general conclusion that present policies and procedures do not take sufficiently into account the special problems and needs of an international agency. Changes made from time to time, both in the system itself and in the manner of its administration, have overcome in large measure certain of its earlier defects. Nevertheless, it appears to the Committee that the system was initially conceived in terms of the conditions typical of a large, stable and homogeneous national organization, and that serious doubts therefore arise as to the extent to which it can be successfully adapted to an organization whose needs, in the absence of such conditions, are necessarily very different. Indeed, at an early stage in its deliberations, the Committee reached the conclusion that many of the problems before it were capable of solution only in the light of a more accurate understanding of the nature of the staffing structure and classification most suitable to the needs of an international civil service. It accordingly took careful account of other pertinent experience in this field, including that of the League of Nations, in its attempt to define the organizational principles on which the staff of an international agency, such as the United Nations, should be built up.

10. The Committee assumes that it was in the minds of the Advisory Committee on Administrative and Budgetary Questions and of the General Assembly in recommending that a comprehensive review be undertaken of the classification, grading and salary system, that a sufficient degree of stability and of experience had been gained to justify passing from a provisional to a permanent basis of organization. It was informed that the system of standard post descriptions now in use was intended, at the time of its introduction in the summer of 1947, to represent the permanent classification plan of United Nations, but that following publication of the first draft manual it became apparent that the new system did not meet with general and complete approval from all operating officials some of whom, for example, felt they should be given greater freedom in fixing the grades of posts. Meanwhile a revision of the first (and currently operative) manual was prepared (its installation having been postponed pending this Committee's recommendations), but

apart from a broadening of categories and a reduction in the number of grades that could be used within each category, no important change in the general approach to the classification and grading problem was contemplated.

11. The Committee has, however, been firmly convinced by its inquiries that in an organization such as the United Nations, the objectives which a properly administered classification and grading system must have constantly in view, require a different approach from that so far adopted. It suggests that from the viewpoint of both the staff and the Administration (since in the long run their interests must be identical), these objectives should be to assure (a) equality of treatment throughout the Secretariat in terms of posts and individuals; (b) reasonable opportunities for promotion; (c) a maximum degree of security and of career prospects; (d) flexibility in the use and assignment of staff; and (e) simple and economical personnel and salary administration which does not impair effective budgetary control.

12. In the earliest stages of the United Nations it was apparently assumed that a rigid system, properly administered, would in the long run cause less inequity and injustice to the staff than too flexible a system subject to constant pressure for the inclusion of additional grades and categories and frequent re-evaluation of posts. There seems no reason to suppose, however, on the evidence of past or present experience that rigidity will, in itself, ensure either equity for the staff or protection to the Administration.

13. The Committee is obliged to state that its review of the United Nations classification, grading and salary system, as it is now operating, was not (nor could it have been in the time available) of sufficiently comprehensive and detailed a character to permit it to make any precise appraisal of the extent to which the objectives indicated are, in fact, being fulfilled. This applies particularly with reference to the problem of equality of treatment (in terms of grading) between comparable posts throughout the Secretariat. It is left with the distinct impression, nevertheless, that despite the best efforts and intentions of those responsible for its operation, the present system tends to defeat the very purposes it is designed to serve.

14. This impression is reinforced by the observations of the Advisory Committee and in particular by its comments on grading as contained in its 1947, 1948 and 1949 reports to the General Assembly on the budget estimates (A/336, A/598, A/934): "Disquieting features regarding the operation of the present system" to which the Advisory Committee has successively called attention may be summarized as follows:

(a) Lack of versatility and flexibility in the assignment of staff members;

(b) Excessive frequency of reclassifications of staff;

(c) Evidence of inequality of treatment between comparable posts throughout the Secretariat;

(d) A tendency to overgrading of posts and individuals both in the professional and secretarial and clerical levels with a somewhat disproportionate ratio of higher to lower grades;

(e) The identification of individual staff members with mere grade numbers;

(f) The fact that all the present scales, subject as they are to considerable overlapping, are extremely wide with the result that ultimate budgetary requirements for salaries will be substantially heavier.

15. In the opinion of the Committee many of the disquieting features to which the Advisory Committee has called attention are a direct consequence of the present staff structure of the Secretariat, which is characterized by:

(a) An extremely narrow conception of individual posts;

(b) A multiplicity of categories and grades; and

(c) An excessive overlapping of salary between one grade and the next.

16. The present conception of a post is based on the precise job to be done, that is to say, on the exact duties attaching to the specific post, rather than on the level of professional qualifications required to carry out those duties. The Committee realizes that the personal qualifications of the staff member filling a particular post should not be used as a justification for overpaying (or, for that matter, underpaying) the duties of that post. Equally, however, in a secretariat such as that of the United Nations, particularly in what may be regarded as the professional as contrasted with the non-professional area, there are many posts, the duties and responsibilities of which do not lend themselves to any precise, abstract measurement for salary purposes but vary considerably according to the experience, qualifications and potentialities of the incumbent. It seems to the Committee that the requirements of the post, on the one hand, and the calibre of the individual, on the other, should both receive appropriate attention although the respective emphasis may well differ according to the particular category of posts in question. The individual post formula, based on the precise job to be done, is in itself logical, but carried to the extreme it leads to an excessive specialization of posts and, in consequence, of staff members themselves. Considerable endeavours have recently been made to improve the situation: for example, the Bureau of Finance and the Bureau of Personnel succeeded, first in grouping comparable posts into a number of categories, and later in reducing still further the number of those categories. Evidence to this effect may be found in the fact that whereas the current Manual of Standard Post Descriptions lists forty categories of posts, the revised draft proposes a reduction of that number to eighteen. The Committee is nevertheless convinced that under the present system the grouping of posts into categories is essentially an artificial device and that, in the minds of service heads and of staff members themselves, specialization of post and of staff members tends to be the rule. Thus, staff are not normally considered interchangeable within the categories to which their post belongs, nor does the fact that a staff member holds a post in a particular category in itself commonly imply the possibility of advancement to posts of a higher level within the same category. This situation results in serious disadvantages both to the organization and to the staff:

(a) It is a factor in the size of the staff and in the tendency for numbers to increase whenever additional tasks arise, even when the original workload has in fact declined. This is the inevitable result of a theory which encourages the recruitment of staff for specific and limited posts and makes it correspondingly difficult to assign them new duties outside the scope of their original appointment;

(b) The fate of a staff member is too closely bound up with that of his post. Although promotions have been numerous they have not in reality corresponded to progression in a normal career, in which the staff member can look forward to an avenue of advancement into the higher levels as he establishes his ability and worth. They have been much more in the nature of new recruitments to fill posts which happened to carry a higher salary. This has hindered the development of one of the Secretariat's primary needs, that is to say, a nucleus of able and flexible staff capable of all-round utilization and confident of improving their careers according to their abilities.

17. This lack of flexibility in the utilization and assignment of personnel and the difficulty of assuring reasonable security and career advancement to the individual staff member are in turn accentuated by the multiplicity of categories and grades currently in use. Under the present system, lines of demarcation inevitably become blurred with the result that there arises a wide possibility of divergency of opinion when the salary for a particular post has to be settled; in other words, when the grade for that post has to be fixed. By and large, the Committee is of the opinion that it is impossible to make a clear distinction, on the basis of the importance of the functions performed and the level of responsibility involved, between a great number of posts now classified, for example, at grade 14, 15 and 16. Indeed, it appears probable that in a number of instances posts have been graded in the light of the salary regarded as suitable for the original incumbent, rather than in the light of the relative importance of such posts in the administrative hierarchy. It seems to the Committee to be inconsistent to attempt, on the one hand, the development of an all-round flexible service in which staff can be regarded as potentially interchangeable, whilst on the other hand, making strict and arbitrary distinctions between grades which do not correspond to clearly defined duties and responsibilities or to recognized and distinguishable hierarchical levels. It is therefore believed that a simpler and broader system of grading, particularly within the professional field, will greatly facilitate the assignment and transfer of staff within and between departments and units of departments, and the development of an effective career service. The present multiplicity of categories and grades, moreover, leads to the following serious difficulties which simplification would do much to overcome:

(a) The distinction in duties or in the level of qualifications and responsibility between adjacent grades tends to become so ill-defined that both departments and the incumbents of posts themselves are apt to exercise continual pressure for upgrading. In this connexion it was noted that as a result of the frequency with which requests for re-evaluation of posts were being received, the Administration had been obliged to establish

a rule that such requests would be dealt with only twice a year, the possibilities of reclassification later being further reduced when it was decided to consider them only in connexion with the establishment of the annual manning tables. It was noted also that there had been (as of 31 July 1949) more than 900 promotions at headquarters since July 1947 (when a new promotion system was installed) which means that, on an average, one person in every four in the Secretariat received an upgrading within twenty-four months. It is not the Committee's intention to imply that the opportunities for genuine promotion should be in any way limited or restricted. On the contrary, it considers that one of the virtues of the changes it is recommending is the fact that these will tend to be enlarged. It has a very strong impression, however, that an excessive proportion of promotions has occurred and will continue to occur, under present policies and procedures, without any significant change in the duties performed or the responsibility carried and that expenditures for staff costs may well have been, in that measure, accelerated. The Committee considers that a situation in which progress for the individual staff member must depend very largely on the willingness of the unit in which he is serving to press for his post to be reclassified is in the long run an unsatisfactory one from the point of view of the staff. The success with which the Bureau of Finance has latterly withstood such pressure is commendable, but the mere fact that it is worthy of comment is an indication of the defects of the present system. An assured career which offers wide and regular opportunities of advancement on the basis of merit would, it is felt, be a considerable step forward. As the personnel of the Secretariat becomes more stable, the conception of a career as an international civil servant assumes a greater importance even though a substantial proportion of the staff may not yet be regarded, for one reason or another, as likely to make their careers in the United Nations. One essential of a career service is the assurance to staff of good average quality of a steady salary progression at certain stages even when organizational changes do not justify the upgrading of the posts they hold;

(b) The use of numerous grades, in conjunction with an individual post system, tends to promote administrative rigidity and to prevent, or at least to make more difficult, the most efficient and economical use of available personnel and to imperil the security of the staff member. For example, it is understood that at the present time a vacancy at grade 11 can normally be filled only by a staff member at that grade with the result that a "redundant" staff member who is grade 10 or 12 must either be promoted or downgraded (neither of which may be merited) if he is to be assigned to the grade 11 vacancy;

(c) Heavy administrative burdens also result, which simplification could well avoid. The fact that the present system is an exceedingly complicated one is evidenced by the amount of paper work which it involves (even allowing for the possibility that much might be accomplished by simplified procedures apart from more radical changes in the system itself) and by the large number of staff concerned with administration, not only in the Department of Administrative and Financial Services but also in the substantive departments. The Committee understands, for ex-

ample, that every time reclassification and promotions are considered, the department concerned, the Bureau of Personnel, the Promotion Board, and the Bureau of Finance (to say nothing of the competing individuals) are all necessarily involved—the first two heavily. Elimination of much of this unnecessary work and unprofitable discussion should make possible not insignificant staff economies, would tend to discourage staff members themselves from spending as much time as they doubtless are inclined to do, under existing circumstances, in canvassing the opportunities for progression from one grade to the next and, most importantly, would free responsible officers in the departments for their proper tasks, enabling the main work of the Secretariat to move more easily.

18. The Committee observed that the highest point in the salary scale of a given grade coincides, under the present salary plan, with the fifth incremental point in the grade immediately above. The result is that a person who has already reached the highest step in the scale of his grade, finds himself on promotion within one step of the maximum of the grade to which he is promoted. It is recognized that some overlapping of scales may well be justified, particularly where the grades may be regarded as corresponding to normal careers at different levels of the hierarchy, but in the Committee's opinion, the excessive degree of overlapping provided for under the present salary system is in itself an additional factor to which many of the difficulties and disadvantages of that system may be attributed.

B. Recommendations

19. In the opinion of the Committee the foregoing difficulties are largely capable of solution if the following measures are adopted:

(a) An improved re-grouping of posts into not more than four categories;

(b) A substantial reduction in the number of grades or levels.

20. The Committee considers that the number of separate categories used for classification purposes should be reduced to as few as possible consistent with the following principles:

(a) Each category should contain a more or less homogeneous group of the existing classes of jobs, i.e., it should group together jobs of the same general character in terms of the duties performed, the type of qualifications called for and of responsibility and of authority involved;

(b) Each category should have a salary scale which will broadly define the maximum and minimum expectations of those serving in it so long as they remain in the category. This should have the two-fold objective of assuring the staff a regular career within the category (where the nature of the duties performed are such as to make a career service practicable and desirable) whilst at the same time preventing the unreasonable over-grading of individual posts.

21. An improved re-grouping of posts will, in the view of the Committee, produce the most useful results only if the number of levels in each category is also reduced. Bearing in mind that the existing multiplicity of grades appears to make administration of the classification and salary plan unnecessarily costly and time-consuming,

to place the staff in a less favourable position from the point of view of security of tenure and career prospects, and to give rise to a situation in which there is an increasing number of staff who on any impartial view must appear to be at a level which their experience and qualifications do not warrant, the Committee recommends that the grading system be amended in conformity with the following principles:

(a) Within each category the number of levels should be reduced to as few as possible. In the professional career service the Committee felt that not more than four levels should be recognized (other than those of director and principal officer). In the more specialized work above the clerical level, it is considered that three levels should be sufficient, corresponding to the first three levels of the substantive or professional career; while in the case of secretarial, clerical and general service posts, it was recognized that a minimum of five levels may be required. The general objective, however, should always be to have no more than can readily be recognized by the non-expert as well as the expert as marking different levels of responsibility;

(b) The length of the scale for each salary level should be such as to assure the staff that given good conduct and satisfactory performance they will have the prospect of a regular advance in remuneration, and that their progress will not depend simply on fortuitous vacancies or on the reclassification of their posts. As far as possible there should also be a minimum of overlapping between the scales applying to the various salary levels of each category or service;

(c) The salary scales should be constructed with an eye to a normal career, due regard being had to the length of time which a staff member may be expected to remain in a given kind of job. It will be obvious that the number of posts available at the senior officer level and above will necessarily be limited so that advancement to these levels should be treated as the expectation only of those with the greatest ability;

(d) The number of incremental steps at each salary level should approximately correspond with these assumed periods of service. They should preferably be paid on a regular annual basis and as now should be granted subject only to satisfactory service;

(e) A staff member promoted from one category or level to another with an overlapping salary scale should be placed on the salary step immediately above the point he had reached in the lower category or level.

22. The Committee accordingly recommends that the permanent classification scheme for the United Nations be based on the following broad groupings of staff:

(a) Directors and Principal Officers;

(b) Substantive Service personnel;

(c) Special Service personnel;

(d) General Service personnel.

23. The Committee does not feel itself competent, without a very thorough review of the duties and responsibilities of each organizational unit, and where appropriate of the qualifications of the incumbents of particular posts, to indicate

in any detail the classification of individual staff members in terms of these suggested groupings. It has in mind, however, that each category would be broadly defined as follows :

(a) The *Director and Principal Officer category* would comprise the top policy-making and administrative posts in the classified service which staff members might be expected to attain as a result of progressive promotion based on outstanding service in the Secretariat. It would include three levels: namely, that of Principal (or Top-Ranking) Director, confined normally to persons serving as deputy to an Assistant Secretary-General or as the chief of a major "staff service"; that of Director, for posts held by heads of major divisions in the substantive fields or organizational segments of comparable importance; and that of Principal Officer, which would include chiefs of major organizational segments immediately below the rank of director, or specialists in a major professional or technical field serving as advisors to such officers, the allocation of this grade being based upon the programme to be supervised or the range of executive and directional responsibilities to be assumed;

(b) In general the *Substantive Service* would comprise, subject to any necessary re-evaluation of posts, personnel now classified as professional (e.g., political, scientific, economic, social, legal and trusteeship affairs officers from the junior to the senior level), general administrative and information officers, language and librarian personnel. In the case of other classes of personnel, the Committee would be disposed to regard as substantive, for classification purposes, those posts and those individuals whose duties clearly involve a general concern with, and a broad over-all knowledge of, the programme and work of a major department or service or the administrative policies and procedures of the Organization as a whole. A further criterion for determining whether a particular post belongs to the substantive category would be the extent to which the individual filling that post has any policy-making responsibility as contrasted with those whose responsibility is essentially one of performing a limited service function, though the latter might involve a considerable degree of technical or other specialized training, experience and skill;

(c) The *Special Service* would comprise such groups of special administrative and executive personnel as accountants, printing, presentation, procurement, travel, transportation, space, documents, communications and records officers as well as many of those now classified simply as "administrative" officers, i.e., posts involving primarily "servicé" functions although calling for certain recognized standards and levels of professional or technical qualifications and experience. The Committee recognizes that difficulties will arise in determining whether certain posts properly belong to the Special or Substantive Service. Any classification scheme based on a minimum number of very broad categories will inevitably involve difficult decisions of this kind. The Committee believes, however, that such decisions, having been taken, must be firmly and consistently followed through, if the very real advantages that will accrue both to the staff and the Administration from the kind of scheme suggested are to be fully realized;

(d) The *General Service* would comprise, in addition to those posts covered by this grouping in the last revised manual (i.e., messengers, telephone operators, guards etc.), the clerical and secretarial staff together with machine operators and other groups of personnel whose posts involve essentially clerical and routine administrative duties. The inclusion of certain of these latter posts (up to present grade 9-10 level) will serve to give a more assured opportunity to the secretarial and clerical staff of a career service with some prospects of merit promotion to more senior jobs. Posts classified in this service would to a large extent, although not exclusively, constitute those normally subject to local recruitment.

24. Whilst normally the avenue of advancement will be within a particular service, it is essential, under any scheme involving the grouping of staff, for classification and salary purposes, into several broad services, that an individual with the necessary abilities and qualifications should be able to pass freely from one service to another, in order that the possibilities of promotion may be as wide as possible.

25. Promotion from one grade or salary level to a higher one should be strictly dependent on the occurrence of a vacancy in the complement of the higher grade. When such a vacancy occurs, it should not automatically be filled by the most senior member (in terms of service) of the next lower grade but by the selection of the best qualified candidate. Promotions, involving movement from one level to another, will thus be based solely on merit. Within-grade increments, however, should continue to be dependent, as at present, simply on satisfactory performance of duties, the responsibility being on the department concerned to certify to this effect. The possibility of extending the principle of promotion on merit to within-grade increments was considered by the Committee but discarded as impracticable in an organization such as the United Nations. This would not, however, exclude the recognition, where appropriate, of utilized special skills (e.g., in secretarial and clerical posts where knowledge of two or more languages is essential) by payment of a bonus which might take the form of an additional increment or increments. In such cases, the bonus should be personal to the staff member and continue beyond the ceiling of his or her particular salary level.

26. So far as possible, staff members recruited at a given level should start their careers at the minimum of that level. Where it is necessary on recruitment grounds to start a recruit at a point above the minimum, this should only be done where a clear case can be made out on the basis of previous experience in other employment to justify a higher starting point.

27. The Committee calls attention to the importance of ensuring that the Secretary-General is afforded the fullest freedom and discretion in the assignment of staff within the limits of the over-all manning tables authorized annually by the General Assembly. It would strongly deprecate any limitation on the Secretary-General's authority to utilize the total staff placed at his disposal in a manner which he considers best calculated to meet the current needs of the Organization's programme and responsibilities as these may develop from month to month in the course of the budget-

ary year. Any restriction on freedom to transfer or assign staff according to these needs would, in the Committee's opinion, be inconsistent with the objective of a versatile and efficient Secretariat.

28. A disquieting feature of the present grading system to which the Advisory Committee on Administrative and Budgetary Questions has already called attention is the undesirability, from the psychological point of view, of branding employees with mere grade numbers. This Committee shares the opinion of the Advisory Committee that the use of titles or categories is much

to be preferred. It would suggest that the most appropriate way of identifying the salary level of an individual staff member in the Substantive, Special and Directorial categories would be by use of the titles Assistant Officer, Intermediate Officer, Officer, Senior Officer, Principal Officer, Director and Principal Director. In the case of General Service Personnel where it is proposed that more than three levels should be provided, the use simply of functional titles should suffice. The Committee's plan for the classification of staff in the United Nations may therefore be expressed in the following form:

| <i>General Service</i> | <i>Special Service</i> | <i>Substantive Service</i> | <i>Directors and Principal Officers</i> |
|---|------------------------|----------------------------|---|
| Messenger | | | |
| Typist, Junior Stenographer, etc. | | | |
| Secretary, Clerk, etc. | | | |
| Senior Secretary, Senior Clerk, etc. | | | |
| Principal Clerk, Administrative Assistant | Assistant Officer | Assistant Officer | |
| | Intermediate Officer | Intermediate Officer | |
| | Officer | Officer | |
| | | Senior Officer | |
| | | | Principal Officer |
| | | | Director |
| | | | Principal Director |

CHAPTER II

SALARIES OF INTERNATIONALLY-RECRUITED STAFF

A. *General observations and recommendations*

29. In the view of the Committee the overriding consideration in approaching the question of salaries must be the requirement of the Charter to recruit staff, due regard being had to its geographical distribution, of the highest standards of efficiency, competence and integrity. While it is not suggested that the salary offered will be the only, or even the main, inducement to enter upon a career as an international official, it would most assuredly be a serious, and in the long run a very costly, mistake to minimize its importance. The effectiveness of any international organization and the success with which it accomplishes its purposes must depend in a very large measure on the calibre and the integrity of its secretariat. It would be a dangerous and illusory economy to run the risk of impairing an organization's influence through failure to cope with some emergency situation or some challenging problem, largely because its secretariat proves unequal to its responsibilities. Accordingly, the Committee feels that neither the Secretary-General nor the General Assembly can afford to be unduly swayed by short-term budgetary considerations in fixing a salary scale which, together with other conditions of employment, is bound to have an important bearing on the kind and quality of career officials attracted to international service.

30. With the foregoing basic consideration in mind and after reviewing the data and the evidence submitted to it, the Committee has concluded that existing United Nations salaries are not in themselves unreasonable or extravagant. It does believe that certain adjustments are called

for and is aware that instances can be found of relative overpayment of individuals and of certain categories of posts. Allowance must be made, however, for the speed with which the Secretariat was recruited and the fact that replacement of those staff members who do not fully measure up to required standards is necessarily a slow and gradual operation. By and large, it sees no reason to disagree with the broad conclusions expressed to it by operating officials and representatives of the administrative services that the present average level of remuneration tends to be generous for staff in the lower grades, to be adequate for intermediate staff but to leave some room for improvement in the case of certain senior and top-level personnel.

31. The Committee did not, of course, attempt a post-by-post review of existing salary rates. It was concerned for the most part with a consideration of the minimum and maximum salaries as provided for under the present United Nations scale, that is to say, the rates applicable to posts subject to local recruitment and those for top ranking directors. Regulation 16 of the provisional staff regulations adopted by the General Assembly provides that "pending the adoption of a permanent classification plan, salaries of the members of the staff other than Assistant Secretaries-General and directors shall be determined by the Secretary-General within a range between the salary adopted by the General Assembly for the post of Director and the best salaries and wages paid for stenographic, clerical and manual work at the seat of the United Nations". The Committee accordingly considered its first task in this connection to be: (a) to re-examine in the light of current conditions the level of remuneration fixed in February 1946 for the post of top ranking director (representing the ceiling of the salary

scale) and (b) to ascertain the extent to which existing rates at the lower end of the scale (i.e., for posts subject to local recruitment) do in fact bear a reasonable comparison with the best prevailing rates in the New York area.

32. The Committee is convinced that changes which have occurred in the situation both in the headquarters area and in other parts of the world where United Nations offices have been established, justify an upward revision of the present salary ceiling of \$11,000 (for the post of top ranking director) fixed in February 1946. In the first place, the Committee is satisfied that recruitment of outstanding persons for senior positions, particularly at levels corresponding to present grade 16 and above, is becoming increasingly difficult as a result of the less favourable competitive position which the United Nations now enjoys, compared to its position in 1946 and 1947. Instances were quoted, in the course of evidence, of persons of high repute in various fields of professional work whose services would have brought both prestige and strength to the Secretariat but who had been unable to accept a United Nations appointment on the terms and conditions that could be offered. The Committee was also impressed by details furnished of staff members occupying key positions, notably in such departments as Security Council Affairs who had, within the past twelve or eighteen months, left the service of the United Nations in order to take up diplomatic or other governmental or professional appointments at substantially higher net salaries. It is, of course, not suggested that salary is the only, or often the most important, consideration underlying such decisions, but the Committee is convinced that inability to offer competitive salaries is at the present time a serious handicap and one which if permitted to continue would have the most unfortunate results for the future prestige, efficiency and usefulness of the Secretariat. Good people will tend to attract good people, mediocrity to perpetuate mediocrity.

33. In the second place, it is much impressed by the internal administrative difficulties which will increasingly result from the present limit. For example, unless a change is made, the distinction between grades 16 and above will almost completely disappear in the comparatively near future. On 31 January, 1949 there were, at headquarters, forty-eight staff (or 3.41 per cent of a total of 1,377 in grades 8 and above) with initial salaries ranging from \$10,000 to \$11,000; and 232 in grades 16 to 18 with initial salaries of \$7,450 to \$9,200. In approximately ten years' time, by the automatic operation of present within-grade increases alone, and without a single promotion, there would be some 280 of the staff of 1,377 receiving a salary of \$10,300 a year or more. In other words, rather more than one-fifth of the staff (20.03 per cent) above the secretarial and clerical level would be bunched together within a salary range of \$700 a year, i.e., \$10,300 to \$11,000. If the present rate of promotion were to continue, the situation would be even more alarming in the long run. Indeed, continuance of the present situation might well tend to discourage staff from shouldering the more arduous and critical senior jobs in so far as they would automatically reach virtually the same salary ceiling at the less responsible level of grade 16. It is recognized that some degree of levelling-off of sal-

aries at the top is desirable to compensate for the limited opportunity of promotion to the very highest posts, but in the Committee's opinion the present system carries this too far: no salary system can afford to ignore so completely the necessity to distinguish between posts where the levels of responsibility are fundamentally different.

34. Comparisons between United Nations salary rates and those prevailing in national civil services are difficult to make and in any event can have little validity. The Committee, however, did note that in the case of United States Government salaries, with which such a comparison is at least more meaningful, legislation is currently before Congress which, if enacted, would result in present ceilings being substantially increased (possibly by as much as 50 per cent, i.e., from \$10,000 to \$15,000 in typical cases). The principle of geographic distribution, moreover, makes it essential for the Secretariat to be able to attract candidates of excellent quality from every Member State, and it is not therefore a sufficient argument against raising the present ceiling that in comparison with the emoluments of one or more individual countries present salaries appear to be entirely adequate. Local comparisons of this kind are valid only in relation to locally-recruited staff for local jobs. They should not be allowed to restrict the freedom of selection which is essential if the Secretariat is to be ably staffed and at the same time adequately representative.

35. Whilst comparisons with home civil services are difficult, it is possible to relate United Nations salaries at headquarters with the average level of remuneration received by officials serving in the United States with permanent delegations, diplomatic and other missions maintained by Member Governments. The Committee recognizes that the position of a United Nations official cannot be assimilated in all respects to that of a diplomatic representative. It may be argued, for example, that the necessity of providing for entertainment and other representational expenditures, which traditionally account for a sizable portion of diplomatic remuneration, does not arise at least to the same degree in the case of most United Nations officials. Similarly, the remuneration paid to most diplomatic officials includes an element to enable them to educate their children at home and to provide for certain continuing commitments in their home countries during intermittent periods of foreign service. Under the United Nations system, however, separate allowances are paid for education purposes, whilst staff members, unless on a temporary or fixed-term assignment, can expect to remain abroad indefinitely (apart from home leave) and are able, therefore, to arrange their commitments and personal affairs accordingly. Nevertheless, the Committee considers that, particularly in the case of senior United Nations officials, the present discrepancy between United Nations salary scales, on the one hand, and emoluments of diplomatic and other missions, on the other, is such as to create difficulties in recruiting and retaining high-quality staff in the Secretariat.

36. In this connexion, the Committee took note of the following comparative rates paid by various Member Governments to their permanent delegations to the United Nations. The figures shown represent annual base salaries plus allowance in US dollars.

| Country code | Family status | Counsellor | First Secretary | Second Secretary |
|--|---------------|------------|-----------------|------------------|
| | | (minimum) | (minimum) | (minimum) |
| | | \$ | \$ | \$ |
| A | S. | 19,195 | 13,728 | 10,934 |
| B | S. | 14,927 | 10,909 | |
| | M. | 17,977 | 13,091 | |
| C | S. | 13,308 | 9,986 | 8,524 |
| | M. | 15,858 | 13,420 | 10,086 |
| D | S. | 10,771 | 7,444 | 6,817 |
| E | S. | 9,473 | 7,237 | 5,466 |
| | M. | 12,181 | 10,761 | 8,810 |
| F | S. | 13,400 | 10,182 | 8,365 |
| G | S. | 12,116 | 8,582 | 5,687 |
| | M. | 15,338 | 12,582 | 9,205 |
| H | S. | 13,523 | 10,385 | 8,038 |
| | M. | 14,543 | 11,345 | 8,938 |
| I | S. | 11,546 | 8,682 | |
| | M. | 12,704 | 10,620 | |
| J | S. | 14,400 | 12,000 | 8,250 |
| | M. | 14,767 | 11,970 | 9,260 |
| Average of above rates | S. | 13,266 | 9,914 | 7,760 |
| | M. | 14,767 | 11,970 | 9,260 |
| Average-equivalent United Nations salary | S. | 10,150 | 8,400 | 7,225 |
| | M. | 10,750 | 9,000 | 7,825 |

37. In order that the above figures may be properly evaluated, attention is called to the following explanatory comments:

(a) Due to the confidential nature of the information furnished by the various delegations the names of the represented countries are not shown.

(b) Information furnished by delegations on previous occasions has revealed a fairly general consistency on the definition of "equivalent ranks". It therefore appears reasonably justified to consider the rank of "Counsellor" as corresponding to United Nations grades 18 and 19; "First Secretary" to the United Nations grades 16, 17, etc.

(c) It has been considered most practical to present each salary as one total amount rather than show the technical breakdown which varies according to the customs of each Member Government.

(d) In all cases where no salary range for rank was reported the salary has been shown as the "minimum".

(e) All rates are shown as annual net take-home pay in US dollars including all allowances (except children's allowance) after deduction of tax to the represented country.

(f) The rates should be considered as approximate indications only, for the following reasons:

- (i) Certain delegations have given the rates of allowances as only average figures or rough guides.
- (ii) Only tax rates for single status have been available; they have therefore been applied against married status.

38. Having regard to the level of salaries paid to top officials at home and abroad by Member Governments, to the increase in the cost of living since early 1946, to the desirability of lengthening the salary scale so as to overcome the telescoping of salaries in the upper levels, and to the necessity of ensuring that the United Nations can compete successfully for the kind of people it

needs, the Committee recommends that the present salary ceiling of \$11,000 net (for the post top-ranking director) be increased to \$15,000.

39. By resolution of the General Assembly, top ranking directors are entitled, in addition to a salary of \$11,000, to an allowance to cover representation (including hospitality) as well as housing, education and children's allowances, varying in amount from \$3,000 to \$6,000 at the Secretary-General's discretion. If its recommendation for lifting the present salary ceiling to \$15,000 is accepted, the Committee would further recommend that representation allowances, as such, for officials below the rank of Assistant Secretary-General be discontinued. Instead, it is proposed that directors, including top ranking directors, should be deemed eligible for such special allowances as are available to staff members generally, e.g., children's allowances, education grants, etc. In addition, the Committee believes that provision should be made, in the case of top-ranking directors, for reimbursement, on a voucher basis of hospitality expenses, up to a maximum for each official of \$1,500 per annum. Provision for such reimbursement should be made in a central hospitality fund to be administered by the Secretary-General. In this connexion, the Committee commends, for the Secretary-General's consideration, the procedure that has been adopted by the World Health Organization. Discretion should be left to the Secretary-General to exceed the suggested limit of \$1,500, in individual cases, if special circumstances so justify, provided the total amount authorized on account of hospitality expenses remains within budgetary limits.

40. The effect of this recommendation would thus be to decrease maximum expectation for the post, of salary plus allowance, by \$2,000—which decrease, however, would be offset by the proposed reimbursement of hospitality expenses actually incurred for official purposes, as well as allowances ordinarily available to eligible staff. Since the Secretary-General has not, in fact, exercised his discretion in varying the amount of representation allowance (except in one instance but has maintained it at the minimum rate of \$3,000, the recommended adjustment would involve for present incumbents of these posts an increase in total emoluments (excluding hospitality reimbursement and general staff allowance) of \$1,000. The Committee submits, however, that in the circumstances it has described and in view particularly, of the increase in costs since early 1946 when salary and allowance rates were fixed, such an increase cannot be considered excessive.

41. Acceptance of the Committee's recommendation with respect to top-ranking directors would involve an appropriate adjustment of base salary for posts immediately above and below this level. At its first session in February 1946, the General Assembly decided by resolution that the Assistant Secretary-General should receive a net salary of \$13,500 together with an allowance varying from \$7,000 to \$11,500 at the Secretary-General's discretion. The amount of the allowance has in fact been fixed at \$8,500, combined salary and allowance for the post thus amounting to \$22,000 per annum on a net basis. The Committee would accordingly suggest, for the consideration of the General Assembly, that in the event of a top-ranking director's salary being increased to \$15,000, the salary for the post

Assistant Secretary-General should be increased to \$17,500 in addition to which it should carry a representation allowance of \$4,500 to \$7,500.

42. In the case of base salaries for grades immediately below that of Top Ranking Director, the Committee is persuaded that, for the reasons previously cited, similar adjustments are warranted. It accordingly recommends that for posts which under the suggested new classification scheme fall within the Director category, the base should be \$12,500 per year rising by annual increments to a maximum of \$14,000 per year. For principal officer posts the Committee suggests that the scale should be \$10,000 rising by annual increments to a maximum of \$12,000. For Substantive Service posts the Committee proposes a ceiling of approximately \$11,000 corresponding to the present maximums of grades 17, 18 and 19. For Special Service posts the figure of \$9,500 is suggested, corresponding to the proposed maximum for the third (or officer) level of the Substantive Service. The Committee is of the opinion that the entry rate at the first (assistant) level should be approximately \$3,600.

43. The Committee would like to emphasize at this point its conviction that:

(a) Effective improvement at the level of direction and major responsibility is of cardinal concern to the United Nations;

(b) Administrative economies which would be made possible under the proposed system would more than offset the slight additional salary increases proposed for senior staff;

(c) True economy in administration does not mean discouraging the recruitment of the best staff available, but the assurance that responsible levels of command are entrusted to staff of the highest quality;

(d) Its proposals should be regarded as a whole, and the salary scales proposed should be considered in the light of the considerable economies proposed under the allowance and leave systems.

44. The Committee recognizes that it may prove both necessary and desirable for its classification and salary proposals to be modified or adjusted in various ways in order to meet administrative, budgetary or legal considerations which it has failed to take fully into account. It assumes, therefore, that the Secretary-General, as chief administrative officer of the Organization, would exercise such discretionary power as he might see fit in the matter of their detailed application. The Committee does, however, place considerable importance on the limitation of the number of salary levels.

45. Subject to the considerations stated above and in order to illustrate more concretely the nature and effect of its recommendations, the Committee suggests that the following salary scale, or one similar to it, would be well adapted to the requirements of an organization such as the United Nations.

PROPOSED SALARY SCALE (NET RATES) FOR INTERNATIONALLY-RECRUITED STAFF OF THE UNITED NATIONS

(Showing number and amount of proposed annual increments)

| | Special Service | Substantive Service | Director and Principal Officer |
|----------------------------|---------------------------|--|---|
| | \$ | \$ | \$ |
| Assistant Officer ... | 3,600-5,400 (9 x 200) | 3,600-5,400 (9 x 200) | . |
| Intermediate Officer .. | 5,000-7,500 (10 x 250) | 5,000-7,500 (10 x 250) | |
| Officer | 7,000-9,500 (10 x 250) | 7,000-9,500 (10 x 250) | |
| Senior Officer .. | | 9,000-11,000 (6 x 300) (1 x 200) | |
| Principal Officer ... | | | 10,000-12,000 (5 x 400) |
| Director | | | 12,500-14,000 (3 x 500) |
| Principal Director .. | | | 15,000 |

46. Among those matters which the Committee was specifically requested to consider was the question of a ceiling in the cost-of-living adjustment which the Advisory Committee recommended should be reviewed in conjunction with the whole question of the remuneration of staff members. The present policy is to compensate staff members in receipt of salaries of less than \$7,000 a year (net) for cost-of-living increases since May 1946 when salary rates were fixed, by payment of a flat allowance of \$530 a year on a gross basis (\$450 or less after staff assessment) representing an adjustment of 22½ per cent on a gross base salary of \$2,350. The cost-of-living index for the New York area actually stood, as of August 1949, at about 25 per cent above this base period. The Committee does not, however, feel called upon to pass judgment on the adequacy or inadequacy of these arrangements in view of the fact that it is proposing in effect an entirely new salary scheme which is not directly dependent on the present one and which is intended to make adequate provision, in itself, for the cost-of-living at headquarters. The Committee has therefore proceeded on the basis of the following assumptions:

(a) That the present headquarters cost-of-living allowance is, in fact, an adjustment of basic compensation and, as such, should be reflected in base salary rates themselves, rather than paid as a separate allowance;

(b) That the present would be an opportune time to effect such a consolidation with prices showing a tendency to level off and a comprehensive revision of the salary classification and allowance system under consideration.

47. From the point of view of the Administration, the consolidation of the cost-of-living adjustment with base salaries would have the advantage of simplifying the salary system and relieving the pressure for upward adjustment of the allowance whenever prices show a modest increase. From the point of view of the staff, it would give a greater measure of stability and security by making their basic compensation less

susceptible to downward adjustments whenever prices show a modest decline. On balance, however, a policy of recognizing cost-of-living increases by means of a special allowance is liable to prove more costly than one of adjusting base rates of salary, since past experience has shown that special allowances tend to keep well abreast of costs when the trend is upwards but to lag far behind (or not to move at all) when the trend is downwards. Base salary scales are less liable to fluctuation and are therefore to be regarded as a protection to both the staff and the Administration. Adjustment of salary rates to take account of cost-of-living changes is therefore considered to be the more realistic procedure, and the one more in keeping with the basic principle of having a salary scale for international officials adequate in itself to attract and retain the best people available without the added doubtful inducement of various supplementary emoluments the net effect of which is to complicate and confuse. A revised salary plan incorporating the present cost-of-living adjustment should be subject to review in the event of significant and substantial changes occurring in the level of costs and salaries generally.

48. The present provision under which staff are allowed a small night differential when required to work regularly on a night shift seems reasonable to the Committee and no changes are recommended. Similarly, the present system under which staff members above the lowest grades, who are required to work overtime, may be given compensatory leave, seems satisfactory. Under the new classification system this practice would apply to staff in the Special Service and Substantive Service categories.

B. Staff away from headquarters

49. In view of the fact that the headquarters and branch offices of the United Nations and the specialized agencies are located in various parts of the world, a considerable variation occurs in the cost of living, as well as in customs and standards of living, at different duty stations. In developing a comprehensive system of salaries and allowances, the United Nations and the specialized agencies have consequently attempted to provide, within practicable limits, for the adjustment of remuneration so that staff members may enjoy approximately equivalent living standards regardless of duty station or of fluctuations in costs which may take place within a particular area. The general practice has been for such adjustments to take the form of salary differentials applied, as appropriate, in either a plus or minus direction on the basis of relative costs of living and other factors.

50. Salary differential schemes so far developed have been of a provisional nature. The problem was reviewed by the Consultative Committee on Administrative Questions at its meeting held in January 1949 with a view to developing a permanent arrangement that would be acceptable to all the agencies concerned. It is understood, however, that further study was considered necessary before any decision could be reached on a scheme which would be both equitable and reasonable and at the same time suitable for general application, and in the meanwhile it was desired that the problem should be considered by this Committee in the light of the experience and the views of the various international organiza-

tions concerned. Accordingly, careful consideration has been given to the issues involved in the establishment of salary differentials, taking account both of the information furnished it as to existing practices and of the opinions expressed by representatives of the United Nations and the specialized agencies in the course of informal consultation.

51. The Committee considers that very great weight should be given to the general principle adopted by the International Labour Organisation since its inception that "salaries paid to international staff should have a universal character and should therefore not be subject to local conditions. International officials who are themselves recruited from all parts of the world must also expect to serve in widely scattered territories. These factors give to their position a character of universality which should be reflected in the nature of the salary. In other words, international salaries should have a minimum of stability irrespective of the duty station". Whilst recognizing the validity of this general principle, and appreciating also the administrative, technical and other difficulties inherent in any scheme of salary differentials to be applied consistently and uniformly not only between headquarters and overseas offices of the United Nations but equally between the various offices of the United Nations and other international organizations, the Committee considers, nevertheless, that situations will frequently exist in which the establishment of a differential is clearly justified. It recommends, therefore, that provision for differentials should be maintained as a feature of the United Nations salaries system.

52. The Committee suggests, for example, that in the case of a regional office such as Geneva there would be a *prima facie* case for establishing a differential provided it could be demonstrated that on the basis of costs, salaries and living standards in that area as compared with headquarters, and after due allowance for other pertinent considerations, internationally (as distinct from locally) recruited staff are markedly better or worse off at Geneva than at headquarters. The case for applying either a plus or minus differential as between branch offices and the headquarters office of an organization is greatly reinforced where the former are of a permanent or reasonably permanent nature and a considerable number of the "international staff" attached to them are drawn from the general area and may be expected to serve much or all of their career there. On the other hand, the Committee would question the desirability of attempting to establish and maintain equitable differentials in the case of relatively small offices of a temporary character or to which the normal practice would be to assign "international" officials for limited periods of duty only. In the case of United Nations Information Centres of which some fifteen have been established, the Committee is of the opinion that from a salary-administration point of view, the most satisfactory procedure would be to pay the substantive as well as the clerical staff of these Centres who are recruited from the area in question on a "local salary" basis. It realizes, however, that in specific instances wider policy considerations may well make such a procedure inappropriate.

53. In fixing salary differentials between areas, relative cost of living must be the basic factor to

be considered. Unfortunately, no comparative data are at present available from any official source. The problem of collecting the kind of information needed for fixing differentials, therefore, presents very great difficulties at the outset. The Committee notes, however, that through the joint efforts of the United Nations and the specialized agencies a plan for carrying out comparative cost-of-living studies has been developed, a manual of instructions for the implementation of this plan prepared, and a number of comprehensive cost-of-living surveys initiated.

54. In addition to the question of costs, consideration must also be given, in determining salary differentials between areas, to differences in salary and living standards and in living conditions. From the former point of view, the objective should be to assure to the staff member, in addition to reasonable requirements of health and convenience, a standard of living that will at least place him in the same relative position to persons normally resident in the area as would be his relative position if in the headquarters area, recognizing, however, that there are certain areas where it is essential for staff members, particularly in the higher grades, to maintain a position of greater social prestige than is the case, for example, in New York. From the point of view of living conditions in an area, it is essential, if the services of highly qualified staff are to be available wherever they are needed, that due regard be had to such factors as climatic conditions, the degree of cultural development, availability of schools, recreational opportunities, danger to health, isolation from professional and social contacts, etc.

55. Besides the technical and other serious difficulties inherent in the problem of international cost-of-living comparisons, there is clearly no precise way of measuring the relative importance to be given to the other factors indicated. The Committee believes, therefore, that salary differentials which are to take account of such factors must be determined somewhat arbitrarily in the light of broad judgment and experience rather than on the basis of exact and objective assessment.

56. From its examination of the practices followed by various national governments and by international agencies, it appears to the Committee that no single salary differential system has so far found any very general acceptance. Before reaching its conclusions on this point, the Committee reviewed possible solutions which are understood to have been discussed in previous meetings of the Consultative Committee on Administrative Questions. These include the following suggestions:

(a) That base salary rates be fixed at a level appropriate for the lowest-cost area so that all differential adjustments would be made in a plus direction.

Although such a system might be considered as in line with the practice followed by foreign services of Member Governments, where cost-of-living and other foreign service allowances are always added to the base rates, it should be borne in mind that a Government draws staff from only one country and can fix base rates accordingly, while an international agency is compelled to draw its staff from many different areas reflecting wide variations in salary and cost-of-living conditions. While under such a plan the psychological objec-

tion to the application of minus adjustments would be removed or substantially mitigated, it was felt that any such advantage would be far outweighed by the disadvantages that would result from the increasingly widespread nature of United Nations activities and from the drastic change it would involve in the pay and pension arrangements of present staff members;

(b) That the differential take the form of an allowance which would be in effect a decreasing percentage of base salary going from the lower to the higher salary grades.

The general opinion seems to have been that while this method would be satisfactory for plus differential areas, it would result in too small a reduction for higher-grade staff in relation to actual living costs were the same principles to be applied in fixing minus differentials;

(c) That a single flat amount should be applied for all salary levels.

This system, whilst simple to apply, would fail to make any distinction among staff members whether performing work at the lowest or highest salary levels in the Organization and would not therefore appear to meet the real needs of the situation;

(d) That adjustment should take the form of flat percentage differentials.

This system which is now used by the United Nations in offices away from headquarters likewise has the advantage of simplicity. It has been criticized, however, on the grounds that it involves too great an adjustment for staff in the higher salary grades;

(e) That provisions should be made for a decreasing percentage of base salary but an increasing dollar amount, going from the lower to the higher salary grades.

Such a plan, which would represent a compromise between flat percentage differentials and flat amounts, would have the advantage of making full adjustment for cost-of-living differences for staff at the lower end of the scale, while providing for a larger adjustment in terms of dollars (though a smaller percentage of base salary), thus recognizing that as base salary increases, the full impact of a given cost-of-living difference will not necessarily be felt.

57. The Committee believes that the plan indicated in (e) above has much to commend it. It feels, however, that substantially the same advantages would be secured if the more simple method of a flat percentage differential applicable to all salary levels were retained subject, however, to the following modifications:

(a) That since in practice small differences in relative costs and other pertinent conditions would be difficult to recognize and to assess with any degree of accuracy, a differential of plus or minus 10 per cent should be the smallest to be applied, and that as a general rule larger differentials than this should be established in multiples of 10 per cent;

(b) That since a proportion of salary will normally be expended in the home country and part will go into savings (including a 7 per cent contribution under the pension scheme) any differential which on the evidence is clearly justified,

should be applicable only to that part of a staff member's salary which would in fact be affected by living costs in the area. The Committee hesitates to suggest a precise figure in this connexion but believes that approximately 75 per cent would be found on examination to be a reasonable proportion of salary which should be subject to a differential adjustment.

58. As to the applicability of salary differentials to the specialized agencies, the Committee recognized that in each case the agency has the right to establish its own salary scale. It recommends, however, that the salary scale for a specialized agency should be based primarily upon the salary scale established for the United Nations headquarters and that its actual level should reflect, using the principles heretofore enunciated, the difference in cost of living in the area as compared with the cost of living at United Nations headquarters, due regard being had to other relevant considerations. Further, it recommends that in the interest of equity of remuneration between staff of the United Nations (including field offices) and the specialized agencies, the plan for carrying out comparative cost of living surveys referred to in paragraph 53 should be subject to continued refinement in the light of experience gained in making actual surveys. Thirdly, it believes that consideration should be given to the possibility of attaching to the Secretariat of the United Nations an expert on cost-of-living determination whose services could be made available to the specialized agencies on a reimbursable basis to assist in establishing equitable cost-of-living comparisons and who would ensure that, so far as possible, where factors other than the actual cost of living are to be taken into consideration, this would be done on a uniform basis.

59. Provisions regarding night differential and compensatory leave for overtime should be the same for internationally-recruited staff at offices away from headquarters, as those for staff members at headquarters.

CHAPTER III

SALARIES OF LOCALLY-RECRUITED STAFF

A. Local staff at headquarters

60. It was explained to the Committee that the United Nations salary rates at the lower end of the scale in the New York area were initially determined on the basis of a fair and objective evaluation of the average salaries actually received by staff employed in commercial organizations paying the "best" average rates in the local area. It should be borne in mind, however, that the rates so determined were entry (i.e., step 1) rates payable under a salary scale each grade of which now provides for six within-grade salary increases over a period of eight years. Consequently, as this incremental progression begins to have its effect and staff members at these levels pass from step 1 to step 3 or 4, where many now are, average United Nations salaries cease to be strictly comparable even with the "best" prevailing rates paid in the New York area. This growing divergence has possibly been accentuated by cost-of-living adjustments; by a tendency, in view of the difficult market situation which has prevailed for secretarial personnel, to follow a somewhat generous grading policy for such posts; and by the fact that the present grading system has tended to be particularly susceptible, at these levels, to pressure for regular up-grading of posts.

61. The Committee is not in a position to pass any firm judgment on what can in fact be regarded as constituting the "best" prevailing rates. Nevertheless, the information available to it was such as to point clearly to the necessity of certain readjustments in the present scales as indicated by the following comparative data:

COMPARISON OF UNITED NATIONS STARTING RATES (NET)¹ WITH BEST STARTING RATES PAID IN THE NEW YORK AREA, SEPTEMBER, 1949

| Post | Best locality rates Commercial | U. S. Government ² | Delegations in New York ³ | Present United Nations rates ⁵ |
|--------------------------------|--------------------------------|-------------------------------|--------------------------------------|---|
| | \$ | \$ | \$ | \$ |
| Messenger . . . | 1,700 | 1,970 | — | 2,030 |
| Copy Typist . . . | | | | |
| Junior Clerk . . . | | | | |
| Junior Office Machine Operator | 1,900 | 2,180 | — | 2,370 |
| Senior Typist . . | | | | |
| Junior Stenographer . . . | 2,050 | 2,350 | 1,990-3,000 ⁴ | 2,580 |
| Secretary I | 2,375 | 2,545 | | |
| Secretary II . . . | 2,820 | 3,015 | 2,140-4,200 ⁵ | 3,340 |

¹ Net rates are calculated for single status.

² U. S. Government rates as revised in October 1949.

³ This column is based on rates paid by thirteen delegations to stenographic and secretarial staff in New York. Owing to the small numbers of staff involved, duties vary considerably and hence assimilation to the levels of Junior Stenographer, Secretary I and Secretary II can only be an approximation. Similarly, while delegation starting rates are taken wherever identifiable, in certain delegations there are *ad hoc* rates only, with no definite scale which provides a starting rate and regular increments.

⁴ Of the thirteen delegations reporting rates between these limits, eleven pay less than the United Nations rate of \$2,810, while two pay more (\$3,000 each).

⁵ Rates within these limits are reported by eleven delegations of which ten pay less than the United Nations rate of \$3,340 while one pays more (\$4,200).

⁶ Present United Nations rates are based on the Manual of Standard Post Descriptions, 1947. The rates shown include cost-of-living adjustment.

It should be noted that the above comparisons take account only of the entrance rates offered upon initial employment. For certain specific posts examined, ranging through the grades for messenger, typist and secretary, it was found that the rates presently paid by the United Nations range up to \$6 per week higher than the "best" entrance rates paid for similar work in the local area.

62. In the opinion of the Committee it is important that the United Nations salary rates for clerical, secretarial and similar staff should not become too far out of line with best prevailing rates in the New York area. It believes that this criterion should be liberally interpreted in so far as it is no less necessary for the United Nations to be able to recruit and to retain in the lower, as well as in the higher levels of posts, staff of the highest standards of efficiency, competence and integrity. It believes, nevertheless, that sufficient evidence exists to justify a recommendation that existing gradings and salary scales for certain types of locally recruited jobs be carefully reviewed and that if, in comparison with prevailing rates in the New York area, they are found to be definitely too high, new schedules should go into effect for new staff without prejudice to the present salaries of existing staff members. On the other hand, it is realized that allowance must also

be made for the less favorable physical conditions of employment that have prevailed hitherto, partially as a result of the somewhat inaccessible location of the United Nations headquarters. It is assumed, however, that this is a disadvantage which will be largely overcome after the removal of headquarters to a more central location in Manhattan.

63. It will be noted that the Committee recommends that the number of salary levels in the General Service category must be somewhat greater than in the Substantive and Special Service categories, by virtue of the fact that the General Service category will comprise a considerable number of easily identifiable classes of jobs (e.g., messengers, typists, stenographers, chauffeurs, guards, machine operators, etc.). Moreover, as contrasted with Special and more particularly Substantive personnel, the value of General Service Staff to the Organization will not necessarily increase to the same extent as a result of progressive experience in their more limited and largely routine functions and responsibilities. At the same time there does not seem to be justification for the nine or ten different grade levels which now apply to staff doing work covered by the General Service category; in the Committee's opinion, five such levels should be sufficient.

64. The Committee believes that a starting salary of approximately \$1,900 for the lowest level in the General Service category would be appropriate for the New York area. Starting from this point and taking into account the desirability of reducing the present degree of overlap between grade levels, the following salary grouping for the General Service category at headquarters is suggested:

GENERAL SERVICE CATEGORY

(showing number and amount of proposed annual increments)

| | |
|-----------------|-------------|
| \$1900 - \$2600 | (7 x \$100) |
| 2200 - 3000 | (8 x 100) |
| 2600 - 3500 | (9 x 100) |
| 3000 - 4200 | (8 x 150) |
| 3600 - 5400 | (9 x 200) |

The comments contained in paragraph 44 with reference to internationally-recruited staff at headquarters would, in the Committee's opinion, apply equally to the salary scale recommended above for headquarters posts which will normally be subject to local recruitment.

65. The Committee is of the opinion that the present provisions for night differential are satisfactory in so far as local staff at headquarters are concerned. Similarly, the present system under which staff members in the lower grades are given either compensatory leave or time-and-a-half pay when required to work overtime is in line with local practice and should be continued. Under the proposed new classification system the Committee assumes that payments in cash at the rate of time and a half for overtime would be limited to staff members in the General Service category.

66. The Committee was unable, in the time at its disposal, to consider in detail the problem of the manual workers of whom some 150 are employed at headquarters (and 80 at Geneva). The practice is to engage such staff exclusively from the local area and to pay them in accordance with the best local rates as of May 1946, adjusted on the same basis as other United Nations salaries for cost-of-living increases since that date. In addition they are eligible for leave, children's allowances and participation in the pension scheme

It is recommended that the present practice be continued under which a separate salary schedule is developed for such staff on the basis of "best" prevailing local rates. Consideration might well be given, however, in conjunction with a thorough review of local rates, to the possibility of providing for not more than two or three salary levels and of increasing the number of annual increments beyond the one to which manual workers are now entitled.

67. The Committee further recommends that a somewhat similar procedure might be followed in the case of certain special technical posts, for example, engineering personnel, nurses, photographers, cameramen, which by their nature cannot easily be assimilated into the normal career service; that is to say, a separate salary schedule outside the regular classification scheme might also be developed for such posts based on a survey of local prevailing rates for positions involving comparable duties and responsibilities. It would be desirable, however, to keep the number of posts treated in this manner to a minimum.

B. Local staff at stations other than headquarters

68. In areas other than New York it has been the practice of the United Nations to recruit manual and clerical staff locally, in so far as this proves possible, and to pay such staff on a "best" prevailing local rate basis, in accordance with the same principles that have governed recruitment and salary rates of similar staff at headquarters. In the case, however, of the United Nations office at Geneva (the only permanent United Nations duty station outside headquarters of any considerable size), special local conditions have necessitated a somewhat different policy. The Committee was informed, for example, that it has proved impossible to recruit locally a sufficient number of English-speaking typists, secretaries, stenographers, etc., and that it has therefore been the established policy of the Geneva office to pay genuine local rates only to manual workers. Other Geneva staff in grades 1 through 7 (staff which at headquarters is locally recruited except for those posts requiring linguistic qualifications) have been paid in accordance with the headquarters scale, subject, until 1 January 1949 when it was eliminated, to a small minus differential. This has led, however, to a tendency to grade at a lower level than at headquarters certain categories of posts at Geneva, in order to avoid what otherwise would amount to unreasonable overpayment of European staff in terms of European conditions. The Committee was informed that at other established offices in Europe and elsewhere, the practice has been either to follow the same policy as at Geneva, i.e., to apply headquarters salary rates with an appropriate differential, at the same time adjusting the grading of posts in a downwards direction, or to pay local prevailing rates in those areas where the difference between such rates and those prevailing at headquarters is too great to be adequately bridged by the application of a minus differential.

69. It appears to the Committee that the experience so far gained has revealed the following defects in the present local recruitment and salary policy at offices away from United Nations headquarters, including those of specialized agencies whose classification and salary plan is based on that of the United Nations:

(a) In many instances it has resulted in the payment of unreasonably high salaries to local staff. This can easily lead to an embarrassing situation from the point of view of the host Government as well as that of the United Nations or the agency concerned, and is certainly not calculated to promote either good public relations or confidence in the Organization's administration;

(b) It has assumed a universal pattern of evaluation of posts which in fact is not in accord with the actual situation. The relative duties and responsibilities attaching to a particular job and its relative remuneration may, for example, vary considerably from one country to another which variation will not be reflected if the headquarters classification plan is applied directly irrespective of duty station;

(c) It fails to take account of local employment customs. At headquarters, for example, a messenger will, in accordance with the custom of the New York area, normally be a young person while in Europe it is usual to use persons of more mature age and experience for this kind of work with the result that the post would normally be evaluated at a relatively higher level.

70. Having regard to these defects, the Committee concluded that at offices away from United Nations headquarters, the salaries and wages of locally engaged staff should not have any direct relation to headquarters salaries for similar staff, but should be fixed independently although in accordance with the same principle of using as a basis the "best" prevailing rates of the local area.

71. It is therefore recommended that salaries and wages for locally engaged staff should be fixed and paid in local currency and should be sufficiently high to recruit and retain staff of high quality and standing. This means that, generally speaking, a local salary and wage scale should be equivalent to the "best" prevailing local rates, corresponding to the situation at headquarters. Particular account should be taken of rates paid by governmental or public authorities in the area where such authorities themselves use the formula of best prevailing rates. In this connexion the Committee believes that, in certain areas, the necessity should be recognized of having regard to salaries paid by the embassies, consulates and other non-national employers, where such employers have local staff approximating in number the local staff of the international organization concerned. An essential factor to bear in mind is that the prestige of the Organization and the need for meeting competition in the recruitment of well qualified staff precludes in many instances the basing of its local salary scale on even the best prevailing rates in local commercial establishments. Apart from this consideration, other situations may exist where it will be necessary to fix rates somewhat above the best prevailing local rates, for instance, where the demand for certain categories of staff exceeds the available supply or where other conditions of service offered by outside employers make it difficult for international organizations to attract necessary staff (e.g., where such employers are able to give at the same time long tenure or more attractive benefits).

72. With a view to achieving the greatest possible administrative simplicity and for the reasons cited in connexion with the Committee's recommendation concerning the headquarters salary scale, it is considered advisable to avoid recourse

to a special cost-of-living adjustment at offices outside New York headquarters, even though this involves periodic adjustments of the local salaries and wages scale in accordance with significant changes in the prevailing levels of costs and salaries. This policy may not, however, be practicable in areas where economic conditions are highly unstable.

C. *Semi-local staff*

73. Local staff should, in so far as possible, be recruited from the immediate area where the office of the United Nations or specialized agency is located. If, however, the local market fails to provide candidates with suitable qualifications, recruitment should be sought in the first instance from countries within the same general area and, failing that, from wherever the needed personnel can be obtained. In all cases where local salaries and wages are not sufficiently high to attract the necessary staff from other countries, such staff should, in addition to the local salary or wage, receive a permanent non-resident's allowance of a flat amount (subject to review as necessary) which should be fixed at a level sufficiently high to permit recruitment and retention of personnel with the desired qualifications, but on the other hand should not be higher than is necessary to achieve this goal, having regard to the special conditions of each duty station. It is believed that such an arrangement represents the best solution of the local staff problem both from an administrative and staff morale point of view.

74. Provided local and "semi-local" staff receive the same base salaries, it would seem unlikely that strictly local staff will regard as in any sense discriminatory the payment of a separate allowance by way of compensation for the higher costs which those brought into the area will have to bear. In the Committee's opinion, however, the proposed non-resident's allowance should be paid only in cases where a suitably qualified candidate is not available in the immediate area. In the same connexion, attention is called to the necessity of providing arrangements under which "semi-local" staff would be entitled to convert part of their total income into the currency of their home country in order that they may be in a position to meet current obligations of a continuing nature and to utilize their savings from current income, in the home country.

D. *General observations and recommendations*

75. The Committee realizes it might be argued that the local recruitment policy it is advocating is not fully consistent with the principle of wide geographic distribution as stated in the Charter. It does not believe, however, it was ever the intention of the General Assembly to insist upon this principle being applied to an unreasonable extent. Its application to the entire staff of an international organization would be enormously expensive and in the Committee's opinion would not result in any corresponding contribution to the essential purpose which the General Assembly had in mind of ensuring that the Secretariat is adequately representative of national cultures and experience, particularly at what might be very broadly regarded as the professional and policy-making levels. Accordingly, it considers that the desirability of broad geographic distribution of staff on the one hand, and the importance of prudent and economical administration on the other, can be properly reconciled by grouping

staff for salary purposes on a basis of those recruited internationally and paid in accordance with an international salary scale subject to adjustment where appropriate by a salary differential, and those whose recruitment for practical and budgetary reasons should be restricted as far as possible to the local area where the United Nations activity is situated, and who should therefore be paid in accordance with local prevailing rates.

76. The Committee does not consider it desirable, if indeed possible, to prescribe for all offices including headquarters a uniform policy as regards those categories or grades of staff to be locally recruited. The determination should be made in each case in the light of local needs and conditions. It suggests, however, that normally the policy of local recruitment should apply to all staff occupying posts corresponding to those at headquarters which the Committee has proposed should be included for classification purposes in the General Service category. The Committee recognizes that even in the case of the United Nations itself, both at headquarters and at overseas offices, and more particularly in the case of the specialized agencies, the staff to be locally recruited cannot be too rigidly defined in terms of categories or salary levels. There will be a not inconsiderable number of present staff members included in the General Service category, particularly at the top level, who have been internationally recruited and who will continue to be paid on the basis of the international salary scale and to receive such allowances or other benefits as may be granted to international staff. Its proposals will nevertheless tend to widen slightly the area of jobs which in the future should be treated for salary purposes as subject to local recruitment and salary scales.

77. The Committee emphasizes that the policy which it is recommending of recruiting locally for certain grades and categories should be followed at headquarters to the same general extent and in accordance with the same principles that would be applicable to other United Nations offices. It also stresses the fact that, in its view, apart from differences in the scale of salaries and the fact that international staff would be entitled to certain "expatriation benefits", other arrangements relating to such matters as leave and allowances should, in principle, be the same for all staff members whether locally or internationally recruited.

78. With the exception of children's allowances (see paragraph 96) the Committee recommends that all other allowances and benefits (e.g., overtime compensation, night differential, installation allowances, repatriation grants, education grants, termination indemnities, leave and social security benefits) should ordinarily be granted to local and semi-local staff at offices away from headquarters in accordance with the same rules and regulations as may apply to similar categories of staff at headquarters. As a rule it is recommended that locally-recruited staff should be eligible for participation in the Joint Staff Pension Fund on the same basis as international staff. For semi-local staff, the non-resident's allowance should be recognized as pensionable together with base pay.

79. The Committee believes that children's allowances, education grants, annual, sick and maternity leave etc., are benefits which an organi-

zation provides for its staff over and above base salary, and that in establishing the local salary scale, while general regard may be had to local practice with respect to such benefits, the Organization should not be placed in a position of having to try to estimate the value of complicated social security provisions and of adjusting its salary scale accordingly.

80. In United Nations offices of any substantial size the Staff Assessment Plan should apply to all members of the staff, whether locally or internationally recruited. However, in smaller offices (e.g., Information Centres), it would appear best, for reasons of administrative simplicity, for staff to receive salaries on a net basis where they are also exempt, as United Nations employees, from national income taxation, or on a gross basis when such exemption has not been granted.

81. Locally-recruited and semi-locally-recruited staff should have opportunities, subject to the requirements of geographical distribution and to their possessing the necessary qualifications, for transfer to posts in the internationally-recruited categories to the same extent and under the same conditions as have the headquarters staff members in corresponding grades.

82. In the Committee's view it is of greatest importance that a considerable degree of administrative discretion should be left to the chief administrative officer in the area to work out a scale of emoluments for locally- (and semi-locally-) recruited staff subject to confirmation by the headquarters office. In all areas where more than one international agency operates, there should be the closest possible co-operation in connexion with the establishment of appropriate salary levels.

CHAPTER IV

APPLICATION OF THE CLASSIFICATION AND SALARY RECOMMENDATIONS

83. The full benefits of the recommendations will not accrue to the Organization unless a rapid transfer is effected from the old to the new system, involving two clearly distinct steps:

(a) The establishment of posts according to the new system, and

(b) The re-grading of the existing staff in terms of these posts,

and unless, at the same time, new principles of recruitment and promotion are put into immediate practical effect.

84. The establishment of new posts will, as already indicated, require a decision to be made first on the number of posts within each category needed by a particular organizational unit and, secondly, on their distribution throughout the levels in that category. The levels at which posts have been set up under the present system must undoubtedly be a major factor in this decision, but the Administration should feel entirely free to make any necessary adjustments in the light of the following considerations:

(a) The aim should not be to reclassify afresh the individual posts as they are now described in the Manual, but to establish the needs of the Organization in the light of new principles. In other words, the Administration should not ask: "As there are X number of staff in the unit occupying posts graded Y, to which of the four new

categories, and to which of the new levels should the posts be assigned?" It should simply ask: "How many posts in the four new categories, and how many at each level in those categories, are needed to enable the unit to function properly?"

(b) The organizational structure of certain services may undoubtedly need to be modified to bring it into harmony with the new system. The number of levels can be reduced only if the present administrative hierarchy is somewhat simplified;

(c) Within a given category the distribution of posts at different levels should be determined in the light of:

- (i) The organizational needs of the service concerned and, in particular, the establishment of such different levels of supervision or command as are strictly necessary;
- (ii) The maintenance of normal avenues of advancement; thus in the substantive category where the high level of staff makes the need for different levels of supervision less important, it will be necessary to bear in mind that subject to the avoidance of wasteful expenditure, the number of posts at the intermediate and senior level must give a reasonable expectation of advancement to well qualified staff.

85. When the new posts have been established the next stage will be to integrate existing staff into the new structure. The Committee recognizes that the Secretary-General must have complete discretion to determine what form the procedure for this operation must take. It feels bound to state, however, that, in its opinion, the cardinal consideration should be to effect the change with the least possible delay in order to avoid the damage to staff morale which would inevitably result from prolonged uncertainty. The need for prompt action once a decision in principle has been taken is all the more important because the staff of the United Nations has been subjected to frequent reorganizations and adjustments in terms and conditions of employment during the past three years. With this in mind the Committee has, therefore, made certain recommendations with regard to adequate and just transitional arrangements.

86. The type of classification and grading scheme which the Committee has suggested will require that considerably more emphasis be placed, in the future, on the recruitment, particularly in the substantive field, of junior personnel who may be expected to make a career in the Secretariat. As the Organization achieves stability, it should be possible to rely to an increasing extent on filling vacancies, as they occur, at the intermediate and senior levels from within the ranks of the Secretariat itself. It is recognized that for some time to come recruitment at all levels will continue to be necessary, and that there will always be need for bringing in specialists for particular assignments. The Committee is impressed, however, with the importance of guarding against a tendency, every time any new activity or programme develops, immediately to seek the recruitment of persons of proven experience and reputation in some highly-specialized field of professional work. The objective should be to recruit and train a versatile staff capable of dealing competently with most of the problems with which the Secretariat is liable at any time to be confronted. Only in this way can permanent staff members be assured of an adequate degree of security and reasonable promotion oppor-

tunities. This implies, moreover, not only a regular and consistent policy of recruiting at the junior or assistant level but, in addition, the development of an adequate in-service training programme so that such recruits will be given the possibility, within a reasonable period, of gaining proficiency and experience in different posts involving various types of functional responsibilities.

87. The Committee desires to emphasize the fact that the classification and salary proposals it is recommending are intended to represent an entirely new plan and not simply an adaptation or modification of the existing one. Accordingly, it is essential that every individual post should be re-evaluated in terms of the new system and that simultaneously there should be a similar review of the qualifications of individual staff members.

88. The Committee does not intend to imply that the introduction of a new scheme should in any way prejudice the "contractual" or "acquired" rights of the staff. It therefore assumes that present staff members will be assigned to the appropriate category and salary level under the new classification scheme, the determining factors being the level of duties and responsibilities required and the qualifications of the staff member. In some cases, this would mean an immediate increase in the salary rate for the staff member concerned, but, in any case, the Committee assumes that each staff member would receive a rate at least equivalent to his present salary plus cost-of-living allowance. Furthermore, in shifting staff from the present salary scheme to the one proposed, service credit already earned toward a salary step increase should be taken into account in determining the appropriate new rate. If, as a result of the re-evaluation of the responsibilities and duties of a post, it is clear that the appropriate placement of that post in the new system would be at a level too low to cover the incumbent's current salary, the post should be starred for subsequent readjustment, the staff member occupying it continuing in the meantime to receive the salary attaching to the next higher salary level. Similarly, if, as a result of the review of personal qualifications, it is clear that a staff member does not measure up to the standards of competence, technical or professional skill required by the category and level to which he is assigned, he should be noted either for transfer to a more appropriate category and level or for replacement as opportunity offers (e.g., as a result of resignation, expiration of contract, etc.). At the same time the Committee assumes that normal promotions would continue to be made during the transition period, and would not be subject to delay because of the application of the new plan.

89. The Committee would attach special importance to the need for a careful and thorough review of posts and of individuals at the senior level, in view of the higher salaries it is recommending for such posts especially in the case of Principal Officers and Directors. In recommending this improvement, it is certainly not the Committee's intention to suggest that all those who now hold the rank and salary of a Director or Principal Officer should automatically retain the rank and the new salary provided for under the new scheme. It seems to the Committee quite conceivable that in a number of instances neither the job being performed nor the individual, on the basis of his qualifications and experience, will justify the revised grading and that the staff member concerned

would be more appropriately placed under the new proposals in the next lower level, subject to his present net salary remaining unaffected.

90. It is inevitable that under any revised classification scheme involving a much smaller number of grades than exist at present, some staff members will find their salary ceilings extended while, for others, ceilings are likely to be somewhat curtailed. With the salary ranges proposed by the Committee, it is believed that the number of staff members who will find any substantial change in their salary ceiling will be very small. The Committee recommends that in the few cases involving a substantial reduction in ceiling, the Secretary-General should consider the possibility of making special arrangements on the basis of the facts in each case.

91. While the Committee recognizes the desirability of not cutting employees current earnings or greatly lowering present horizons in instituting changes in salary scales, it feels that where local salaries in offices away from headquarters have been established on a New York base resulting in gross overpayment in terms of local conditions, it may be necessary to apply the new salary scale as of a given date. In such an event, the Committee recommends that this should not be done without prior notification, of perhaps six months, in order that employees who may not wish to continue under the new scale be given adequate opportunity to seek other employment and that such seeking of other employment should not be prejudicial to their continuance with the Organization.

CHAPTER V

ALLOWANCES

Children's allowance

92. The Committee assumes that the General Assembly, in authorizing a scheme of children's allowances, intended that such payments should serve a general social rather than specifically economic purpose in keeping with the trend in many countries where children's allowance schemes on a national basis have acquired an increasing importance. In the light of this approach it was considered that the allowances now paid to United Nations staff should be regarded as in the nature of social benefits rather than as part and parcel of the system of compensation and that there should therefore be no change from the present policy under which a flat-rate allowance is paid to all eligible staff members.

93. It was further considered that the present rate for headquarters of \$200 for each child was reasonable and should be maintained, and that the allowance should be excluded from assessable income under the provisions of the Staff Assessment Plan in view of its character and purpose and the fact that, in any event, the alternative procedure appeared to involve serious technical and administrative difficulties and complications.

94. Also in the interests of administrative simplicity and for the further reasons that (a) the Organization should not be placed in the position of having to make detailed inquiries into the personal affairs of its employees; and (b) it is faulty administration and personnel practice to have within the same Organization double standards of entitlement, it was agreed that the allowance should be paid equally to male or female staff members who certify that the child is "dependent" and furnish a birth certificate or other documentary

evidence. Since, however, not more than one international organization should pay an allowance in respect to the same child, the certification required of the staff member should also state that his (or her) spouse is not in receipt of a children's allowance from another such organization. It was recognized that the foregoing proposal would admit a number of claims which would scarcely meet any strict test of dependency but since the number of additional allowances that will need to be paid is understood not to exceed seventy, the extra expense will be compensated by savings in administrative costs and the avoidance of any feeling of discriminatory treatment.

95. Under the present provisions (Staff regulation 30 and Staff rule 35) the children's allowance is payable in respect of dependent children "under the age of sixteen years or if the child is in full-time attendance at a school or university (or similar educational institution) under the age of eighteen or twenty-two years respectively". The Committee was informed that some administrative difficulty has arisen out of this age requirement since the age at which a child normally finishes secondary school and enters university varies from country to country. The Committee further had some doubt as to whether the type of school or educational institution at which the child is in full-time attendance was significant within the basic intention of the children's allowance. Finally, it would seem desirable to grant the children's allowance in respect of children between the ages of eighteen and twenty-two who are totally disabled and consequently not in school attendance. The Committee, therefore, was inclined to favor a revision of regulation 30 and rule 35 so as to make the children's allowance payable in respect of dependent children "under the age of eighteen years, or if the child is in full-time attendance at a school or university or is totally disabled, under the age of twenty-two years."

Children's allowance for local and semi-local staff

96. Local staff should be eligible for children's allowances in the same manner and to the same extent as international staff. In the case of the United Nations the amount of the allowance should be the same for all staff at headquarters. For local (and semi-local) staff at offices away from headquarters, however, the amount of the allowance should not necessarily bear any relationship with the headquarters rate but should be independently determined, due regard being had to appropriate conditions and circumstances in the local area, including the base salary and wage scale established for that area. Local customs with respect to children's allowance schemes should be one of the factors to be taken into consideration in fixing the amount of such allowances for staff members of international organizations. The rate of allowance for local or semi-local staff in such areas should be fixed and payable in local currency. The Committee recognizes that in certain areas conditions may be such as to preclude the provision of any children's allowance scheme for certain categories of locally-engaged staff.

Education grant

97. It was agreed that the education grant should be maintained on substantially its present basis, as a permanent feature of the system of allowances, in view of the fact that it represents partial compensation for a clearly identifiable "extra" expense incurred by the expatriated staff

member. While an international organization has no obligation to relieve a parent of the normal expenditure incurred in educating his children, it should accept the duty of assisting a staff member to meet the *extra* expense involved in educating his children in his own country or, at any rate, in his own culture. With this consideration in mind, it was felt that the present regulations and rules might reasonably be liberalized by:

(a) The removal of the present eleven-years-of-age limitation with respect to children attending "national schools" in the area of their duty station, i.e., schools which have curricula characteristic of their nationality including international schools organized for children of staff members;

(b) A more flexible rule for determining the approved country of education. In this connexion, it would seem reasonable to recognize, for the purposes of the education grant, a country other than the country of the staff member's nationality and leave, provided it is in the same geographical area and has a similar educational and cultural system, e.g., to enable a Swiss or Belgian national to send his child to a school or university in Paris.

In proposing removal of the eleven-year limitation, the Committee was influenced by the consideration that it may often be impracticable for financial or other reasons to arrange for a child's education in the home country and that, in such circumstances, an opportunity of attending a national or international school in the area in which the staff member is resident, will at least assure some measure of educational training in an environment which is not exclusively that of the duty station country.

98. At the same time, it was felt that present procedures should be tightened up in the following directions:

(a) Adequate safeguards are necessary against the Administration's being involved in unreasonable and unwarranted expense in connexion with a staff member's claim for a round-trip fare for a child; for example, there should be some provision similar to that under which staff members eligible at the time of appointment for travel expenses for dependents shall not be entitled to payment of these expenses if their services are unlikely to continue beyond six months after the date of the dependents' travel.

(b) The travel expenses provided under the grant should not as a general rule be payable in any case where the child has attended school for less than two-thirds of the normal school year.

Travel subsistence allowance

99. The establishment of new salary scales will require a realignment in travel-subsistence allowance rates and after examining the present system the Committee recommends that the standard rates should be as follows:

General Service and Assistant Officer, \$10.00;
Intermediate Officer through Director, \$12.50;
Principal Director, \$15.00.

Under the present system eligibility for the \$12.50 rate begins at the \$7,000 level rather than at \$5,000 as the Committee has proposed. It is believed that considering the nature of the duties and responsibilities of staff in this salary range a distinction in subsistence rates at the lower level is more appropriate.

100. The standard rates should, as now is the practice, be subject to variation according to the level of subsistence costs in the area where travel is performed. The Committee also believes that the type of travel accommodations allowed for senior and intermediate officials while on official travel, as distinct from home leave, should be re-examined. In the Committee's view, it would be more compatible with the dignity and position of the Organization for such officials to travel first class when on official business, than to be restricted to cabin (or equivalent) class accommodation as is now the practice whenever such accommodation is available.

Installation allowances

101. After reviewing the system of installation allowances established by the Secretary-General in the early days of the Organization, in accordance with the authorization of the General Assembly, the Committee was convinced of the necessity for including such an allowance as part of the permanent system, and was also of the belief that under present conditions the existing level of payments should be maintained. It appears to the Committee, however, that the scheme itself is unnecessarily complicated, providing as it does for the payment of a lump sum by way of an installation grant and of a daily allowance over a period of sixty days, varying in amount according to the grade of a staff member and by the application of fractions to determine the proportionate rate for dependents. Furthermore, it is understood that many problems have been encountered in the administration of the present scheme, particularly with respect to the determination of eligibility.

102. It is proposed, therefore, purely as a measure of administrative simplification, that, instead of the present system, installation allowances be paid under the regulations and rules governing travel subsistence allowances. Under such an arrangement problems with respect to determination of eligibility would be greatly simplified since the allowance would be paid only when authorized travel has occurred, either on initial recruitment or on transfer of duty station.

103. The average amount of allowance payable to an eligible staff member should be so designed as to provide in total approximately what is provided under the present system. Since travel subsistence rates are about double the special rates now in effect for installation purposes, the sixty-day period for which installation is now payable should be reduced to thirty days, subject, however, to variation if conditions in a particular area so warrant. In the interest of simplification, flat amounts for dependents rather than fractions of the basic subsistence rate would be preferable. For the purposes of payment of the installation allowance on initial recruitment or transfer of duty station, dependents should include any person whom the staff member certifies to be accompanying him as a dependent member of his household up to a maximum of four, not more than two of whom should be adults.

104. Since the need for the installation allowance will be greatest when he has first arrived, and also in the interest of simplification, the full amount of installation allowance to which a staff member would be entitled should be paid immediately on reporting to his duty station, in one lump sum, on the basis of the staff member's cer-

tification as to dependents he is bringing with him.

105. The simplified plan thus proposed would replace the present installation grant and the sixty-day installation allowance. Since it affects primarily future staff members of the Organization it could be installed on relatively short notice; 1 January 1950 is suggested as a convenient date.

Expatriation allowance

106. It is understood that the temporary system of expatriation allowance installed by the Secretary-General in 1947, which provides for \$250 a year for staff without dependents and \$500 for staff with dependents, was extended through the end of the year 1949 without limitation as to the period during which a staff member might receive the allowance, pending the completion of the Committee's comprehensive review of the salary and allowance systems. It is further understood that this allowance was established in recognition of the expenses and disadvantages affecting staff members serving in a foreign country, such as:

(a) Increased expenses intrinsic to living for the first time in a foreign country;

(b) The insecurity of tenure which is inevitably very much greater in the case of an international organization such as the United Nations than in the case of most national services;

(c) The progressive and serious loss of professional or business contacts with the home country and the resulting increasing difficulty in finding suitable employment in the home country if work with the United Nations should be terminated; and

(d) Maintenance in many cases of two households, one at the headquarters and one in their home country where close relatives may be living and to which the staff member is expected to return for home leave, upon retirement or the severance of employment with the United Nations.

107. After having reviewed the salary and allowance system as a whole, the Committee concluded that so long as an expatriated staff member expects to work the whole or a substantial part of his career in the United Nations, there is little reason to pay him more by way of a permanent expatriation allowance than is provided by regular salary (except to assist in the education of his children in the home country). So far as initial expenses are concerned, i.e., those which an expatriated staff member incurs upon arrival in a foreign country, it is believed that adequate provision has been made by way of installation allowances. It is, moreover, the considered view of the Committee that United Nations base salaries should be fixed at a level sufficient to allow expatriated staff members to meet current and continuing expenses after the initial installation period, so long as they may continue to serve with the Organization.

108. It was recognized, nevertheless, that upon leaving the Organization and being repatriated to his home country, a staff member is faced with certain extraordinary expenses, and that such expenses would fully justify payment of a special lump-sum grant at that time. Such expenses would arise, for example, as a result of (a) the loss, during United Nations service, of professional and business contacts with the home country referred to in sub-paragraph (c) of paragraph 106 above; (b) the necessity of giving up residence

and liquidating obligations in a foreign country; and (c) the expenses which a staff member will normally have to meet in re-establishing himself and his home on return to his own country. The Committee was, therefore, of the opinion that in place of the present expatriation allowance there should be substituted a repatriation grant designed to assist in meeting such extraordinary expenditures. The substitution of such a grant would not only be in the interest of economy and of administrative simplicity, but equally in the interest of the staff member who would receive the payment at the time when it was really needed.

109. It is proposed that the grant should be payable to all staff members with respect to whom the Organization is obligated to undertake repatriation to the home country. Staff members who are terminated by summary dismissal should not be eligible. The amount of the grant should vary with the length of service with the United Nations provided that payment of the grant would begin with staff who had served a minimum of two years. A suggested schedule of payments is as follows:

| Years of continuous service away from home country | Staff member with neither a wife, dependent husband or dependent child at time of termination (months of salary) | Staff member with a wife, dependent husband or dependent child at time of termination (months of salary) |
|--|--|--|
| After 2 years | 1 | 2 |
| " 3 " | 1½ | 3 |
| " 4 " | 2 | 4 |
| " 5 " | 2½ | 5 |
| " 6 " | 3 | 6 |
| " 7 " | 3½ | 7 |
| " 8 " | 4 | 8 |
| " 9 " | 4½ | 9 |
| " 10 " | 5 | 10 |
| " 11 " | 5½ | 11 |
| " 12 " | 6 | 12 |

The maximum grant payable to any staff member under this plan should be \$5,000 (net) for a staff member without dependents and \$10,000 (net) with dependents.

110. It is recommended that a repatriation grant along the above lines replace the present expatriation allowance as of 1 January 1950 and that all eligible staff members should begin to accumulate service credit towards such a grant as from that date forward. Any staff member serving with the Organization on 31 December 1949 who is terminated during the years 1950 or 1951 should, for such period as he has accrued service towards the repatriation grant, receive a lump-sum payment calculated at the rate of \$250 per year for staff without dependents and \$500 per year for staff with dependents, provided that in no event shall the grant payable during this period exceed one month's salary for staff without dependents and two months' salary for staff with dependents.

111. The Committee noted that the Staff Committee of the United Nations was strongly in favour of making the expatriation allowance a permanent feature of the salary and allowance system. In any event, the Staff Committee was of the opinion that any change from a system of expatriation allowances to a repatriation grant should allow for a gradual transition to avoid immediate and excessive hardship, particularly to staff in the lower grades. This Committee, however, could not agree with these views. The Staff

Committee also recommended that should the repatriation grant system be established, provision should be made for annual contributions to a special fund to be used for this purpose. The Committee makes no recommendation on this point but suggests that it be given consideration by the Secretary-General and the General Assembly.

Rental allowance

112. It was the opinion of the Committee that given an adequate salary system justification no longer exists for continuing indefinitely the present rental allowance and subsidies and that these should therefore be abolished, after a reasonable period of notice, in the interests of administrative simplicity and economy. On the understanding that the leases on the United Nations housing projects expire in 1951 and that the removal of headquarters to Manhattan is likely to take place during the early part of that year, it was felt that the change should be made effective not later than 1 January 1952 for existing eligible staff. Provided prompt notice is given, staff affected should have ample opportunity to make any necessary adjustments. On the understanding, furthermore, that rental allowances and subsidies were never intended to be regarded as permanent features of an allowance system, it is believed that no serious hardship will result from their discontinuance. Staff members (almost two-thirds of whom are in any event not affected) have had several years now to establish themselves, during which time the housing situation has eased considerably whilst through promotions and increments their incomes have steadily risen. It seems highly doubtful, moreover, whether many of those who are receiving rental assistance are, in fact, any more disadvantageously placed in the matter of housing costs, than many among the large majority who, by virtue of having resided in the New York area, are ineligible for such assistance. In the event of United Nations leases expiring before 1 January 1952, those now receiving the rental subsidy should receive the appropriate rate of rental allowance for the remainder of the transition period.

CHAPTER VI

TENURE AND TERMINATION INDEMNITIES

113. The Committee's recommendations on the classification and salary system are designed to strengthen the concept of a career service, as envisaged by the General Assembly. Under such a concept, the question of job security becomes important, together with the related question of form and amount of indemnity in cases where staff must be terminated. The Committee has heard and given consideration to a number of viewpoints regarding these questions.

114. Some increased degree of security for the staff is clearly desirable in spite of the difficulties inherent in a young and growing organization. It was noted that somewhat less than 30 per cent of the staff now have indeterminate (or career) appointments, terminable only on the abolition of the post, reduction in force, or inefficiency. Such appointments are subject to review every five years, but it would seem wise to consider the abolition of this review, at any rate for posts below the rank of director, in order to assure the staff that an indeterminate appointment carries all the security that can reasonably be expected: in fact, that a staff member holding such an appointment will be terminated only for reasons of inefficiency

or if he cannot be transferred to any other post at approximately the same level should his post be abolished. The proposed broader system of categories and levels should be helpful in this connexion, in so far as it may promote the doctrine of the flexibility of staff, and may diminish the risk that the abolition of a particular post will necessarily imperil the security of the incumbent.

115. Although the Committee did not feel competent to propose any rigid rule, it is definitely of the opinion that, as a general principle, staff members should not be kept for a long period in temporary status. Subject to the reservations noted below, it should be a rare occurrence for a staff member to be continued in service beyond four or five years without having been granted a permanent contract. It is recognized, nevertheless, that security of tenure, while of great advantage to the individual, may result in an organization such as the United Nations in certain inconveniences to the Administration. Certain protective measures should therefore be considered:

(a) In the first place, whereas a substantial cadre of career staff is desirable in some areas of the Secretariat, the proportion need by no means be uniform throughout the Organization or in all types of work. Special care should be taken not to approve indeterminate appointments for:

- (i) Staff qualified only for duties which are not in their nature continuing elements of the work of the Secretariat, or
- (ii) Staff whose duties lie within fields where recent experience in the outside professional or technical world is of particular importance;

(b) Secondly, the possibility of the fresh inflow of talent should be preserved by limiting, perhaps to approximately 75 or 80 per cent, the number of indeterminate appointments even in areas where the justification for granting a high proportion of such appointments is greatest.

116. Present provisions regarding termination indemnity appear to the Committee to need modification. These provisions now distinguish between:

(a) *Indeterminate staff*, who receive a minimum of three months' notice and a minimum indemnity of three months' salary which increases with seniority to nine months' salary after twelve years of service;

(b) *Staff on fixed term appointments*, who receive no termination indemnity unless the appointment is terminated before the end of the agreed period; and

(c) *Staff on temporary indefinite appointments*, who upon termination receive five days' salary for each month of service with a maximum of thirty days' salary (reached after six months of service).

These conditions, which were prescribed in the earliest days of the Organization when it was regarded as important to compensate for the uncertainty then prevalent, are no longer suitable. Experience has shown that a sizable number of staff on temporary indefinite appointments have served continuously for two or three years; furthermore, staff on fixed term appointments, not infrequently, have their appointments extended at the expiration of the initial period.

117. Having in mind the above conditions, the Committee is of the opinion that in fixing termination indemnities the Organization should:

Annual leave

(a) Retain the present minimum and maximum indemnity payments provided for staff on indeterminate appointments, as fixed by the provisional staff regulations approved by the General Assembly;

(b) Provide that a staff member whose fixed-term appointment is renewed after the initial period, becomes eligible for termination indemnity on the same basis as staff members serving on temporary indefinite appointments. This provision would relate to cases in which the staff member's agreed fixed term is completed but the appointment not renewed; where a fixed-term appointment is broken by the United Nations before the expiration date, indemnity should be based, as at present, on a fixed amount for each unexpired month of the contract, provided that in such a case the amount paid should never be less than the amount the staff member concerned would receive under the "length of service" formula;

(c) Provide that staff serving under temporary indefinite appointments should receive no indemnity if terminated during their first year of service; it is felt that the thirty day notice period gives such staff sufficient protection unless they continue to serve beyond one year. After one year of continuous service, such staff should receive termination indemnity on a scale which increases with length of service up to a fixed maximum.

118. The Committee was aware that removal of termination indemnity for temporary staff during their first year of service would be equitable only in so far as such staff members are locally recruited. This proposed change, therefore, should be accompanied by continuing and strengthening the current practice of assuring staff members recruited from outside the country of duty station a period of service of one year or more. The Committee was of the opinion that this assurance of at least one year of service could be given without providing contracts of a fixed term. In fact, the Committee believes that the gradual elimination of fixed-term appointments, except for staff secured on loan or secondment, and the use normally of only two types of appointment—temporary indefinite and indeterminate—would simplify and improve personnel administration.

119. The adoption of these proposals would entail some such scale of indemnities as the following:

| A | B | C | D ^a |
|----------------------------|--|---|--|
| Years of completed service | Indemnity for indeterminate staff (months of salary) | Indemnity for temporary, indefinite and fixed-term staff (months of salary) | Indemnity for termination during fixed term if more than C |
| 0 | | | b |
| 1 | 3 | 1 | b |
| 2 | 3 | 1 | b |
| 3 | 3 | 2 | b |
| 4 | 4 | 3 | b |
| 5 | 5 | 4 | b |
| 6 | 6 | 5 | b |
| 7 | 7 | 6 | b |
| 8 | 8 | 7 | b |
| 9 and over | 9 | 8 | b |

^a The indemnity provided for in column D would be paid only in cases where a fixed-term appointment is broken by the United Nations before the expiration date. This indemnity would not be paid in addition to that provided under column C., but the staff member concerned would receive either the amount provided under C or the amount provided under D, whichever is greater.

^b Five days' pay for each unexpired month of fixed term.

120. The Committee took note of the existing provision for annual leave, i.e., thirty working days per calendar year. While this provision is somewhat liberal in comparison to that granted by public and private employers in the headquarters' area, the Committee believes that it is not unreasonable for an international civil service, particularly in the professional and higher levels. It is perhaps arguable that thirty days is rather generous for staff who would fall in the General Service, and who for the most part would be locally recruited. It was agreed, however, that having regard to the policy followed by the United States federal, state and local governments, and taking into account the difficulty of transferring from a uniform to a graded system, no distinction should be made between staff members on the basis of rank, status or length of service in so far as annual leave provisions are concerned.

121. Consequently, it is recommended that the provision of thirty days' annual leave for all staff members be continued. Since, however, the purpose of granting annual leave is to afford an opportunity to staff members to rest and recuperate from their labours, the Committee further recommends:

(a) That the present rule under which a staff member is ordinarily permitted to carry forward no more than fifteen days of the leave earned in a given year be continued; and

(b) That the present ceiling of 100 days on the total amount of leave which can be carried into a new year be reduced to sixty days. As a transitional measure, however, any staff member who at the beginning of 1950, has accumulated more than sixty days of annual leave, should be allowed to retain this higher amount as the maximum he may carry over for the next two years. As of 1952, the ceiling of sixty days should apply to all staff members.

Home leave

122. It was the view of the Committee that the purpose of home leave is to serve, in the first place, the interests of the Organization, i.e., to enable individual staff members to maintain their national ties and interests, and in particular their professional and official contacts, so that the "representative" character (in terms of different cultures and experience) of the staff as a whole is kept alive; and, in the second place, to afford the individual staff member the opportunity of renewing his personal ties and contacts and thereby to provide some measure of compensation, for his "expatriated" status. Whilst the latter of the above two conditions should not be neglected, the Committee believes that in administering a home leave policy emphasis should be placed on the former. Accordingly, it was agreed that "home" for leave purposes should, as a general rule, be the country of nationality. The Committee believes that a rule under which ordinarily "home" is defined as the country of nationality provided the staff member has resided there within the ten-year period before appointment, or another country provided the staff member has resided there continuously for five years immediately preceding appointment, is

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a reasonable application of these principles. The Secretary-General should, however, retain discretion to make exceptions to this rule in cases where rigid application would prove a hardship and go contrary to the concept and intention of the home-leave principle.

123. It was considered that the purposes for which home leave is granted would be adequately served if it were to be on a three-year instead of the present two-year basis, in addition to which, considering the extremely heavy annual cost to the Organization, substantial economies would thereby result.

124. Having regard to the fact that an essential justification for home leave is that such leave constitutes a compensatory benefit for the disadvantages of expatriation, the Committee concluded that no such justification exists for extending any of the existing home-leave provisions to staff members whose official duty station is in their home country. The liberal annual leave now granted should be, it was felt, adequate to enable such staff members to maintain family and professional ties.

125. It was considered that provision for annual leave and its accumulation is generous enough to warrant the discontinuation of the granting of ten additional working days at the time of home leave. Since allowance for travel time up to thirty days is granted, and since it is expected that the staff member normally would spend his vacation time in his home country during the year he takes home leave, this change would not materially weaken the home-leave system.

126. Provision should be made in the home-leave rules whereby staff members, on being granted home leave, would have to certify their willingness to serve a further two years with the Organization, if required to do so. Should a staff member leave the Organization without the Administration's concurrence before the expiration of this period, the travel expenses incurred by the United Nations with respect to the home leave should be recoverable from any amounts owed to the staff member by the Organization. The Committee also believes that the current provision for payment of the travel fares and subsistence for the wife and dependent children of a staff member going on home leave is reasonable and should be continued.

127. The Committee recommends that if its proposals regarding home leave are adopted, all current staff members as of 31 December 1949 should be allowed the next home leave to which they would have been entitled under the previous provisions, without any change in the conditions.

Special leave

128. The Committee recommends that in addition to provisions for annual and home leave, and to the normal provisions for leave necessitated by illness and maternity (see paragraphs 130 to 133), the Secretary-General should retain discretion to grant special leave as necessary. The Committee strongly supports, in particular, the authority of the Secretary-General to approve special leave for strengthening professional contacts, in addition to whatever home leave may have been granted, when such leave is clearly in the interests of the Organization.

129. Provisions for the protection of members of an international secretariat in the event of sickness or accident form an important part of the over-all system of pay and benefits. The Committee has, therefore, considered this question, and recommends the adoption of a general plan of staff social security, as outlined in paragraphs 130 to 147 below. The financial implications of this plan are impossible to calculate accurately without considerable experience. Consequently, certain phases—for example, the amount of compensation to dependents in case of death attributable to service—should undoubtedly be adopted on a provisional basis. Furthermore, it would seem necessary to grant a large measure of discretion to the Secretary-General in fixing the detailed conditions under which benefits should be awarded, and in fixing the exact amounts to be given in individual cases involving, for example, partial disability. The Secretary-General should have authority to determine the persons to be recognized as dependents within the provisions of this social security scheme. The Committee is of the opinion, however, that dependents should ordinarily be defined as including a wife, a dependent husband, children under eighteen years of age, and children between the ages of eighteen and twenty-two provided they are in full-time attendance at school or university or are totally disabled. While a detailed examination of the pension plan has not been made, the Committee did take into account the general features of this plan, in developing the total scheme of emoluments and benefits which it is recommending.

*A. Risks which do not result directly from exercise of duties**Salary and allowances during sickness*

130. The Committee considered both the existing provisions covering sick leave and the Organization's experience with these provisions as described from a number of points of view. The general conclusion reached was that the present provisions operate in such a way as to be perhaps too generous in cases of absence due to minor illnesses and indisposition and not generous enough in cases where staff members are seriously ill for extended periods. The Committee is of the opinion that revised sick-leave provisions should make it clear that sick leave is not an additional authorization for absence on full pay but is rather a protection afforded staff members in cases where absence is necessitated by sickness.

131. Consequently the Committee recommends that the following provisions should be made for application in cases of absence necessitated by sickness:

(a) Staff members should receive, at the beginning of each year of service, a sick-leave credit of twenty-five working days on full pay;

(b) Unused portions of this credit should be carried forward at the end of each year provided that the total amount which can be carried forward should not exceed 100 working days;

(c) After one year of service a staff member whose sick-leave credit is exhausted should be granted, where necessary, an advance of leave

on full pay, up to a maximum of twenty-five working days;

(d) After two years of service a staff member whose sick-leave credit is exhausted should be granted, where necessary, an advance of leave on full pay up to a maximum of fifty working days;

(e) In the event an advance granted under (c) or (d) is outstanding at the time of a staff member's separation from the service, an appropriate deduction should be made from any amounts owed to the staff member by the Organization. The Secretary-General should have the authority to make exceptions to this provision in hardship cases;

(f) Absence of three or more consecutive working days should be supported by medical certificate;

(g) In any one calendar year not more than a total of seven days of absence should be allowed if unsupported by medical certificate.

Medical and surgical assistance and hospitalization

132. The Committee was informed that the Director of Medical Services was making a detailed study of this subject, and that his recommendations would be made at a later date. Consequently, the Committee's consideration has been limited to general principles which should be embodied in any plan ultimately adopted, and the following recommendations are made:

(a) Medical and hospital care, including long-term sanatorium treatment where necessary, should be provided for all full-time staff members, with the exception of consultants and those employed only for short-term and conference periods;

(b) The possibility of providing personal choice of doctors should be examined;

(c) Provision should be made for staff contribution.

Clearly, medical and hospitalization benefits constitute an important part of any over-all social security programme. They form a separable part, however, and while waiting for expert advice in this connexion, it seems entirely feasible to decide upon other features of the social security plan at this time.

Maternity

133. In addition to sick leave, a staff member with indeterminate appointment, or two years' continuous service at time of confinement:

(a) Should be entitled to absent herself from her duties until date of confinement on producing a medical certificate that her confinement will probably take place within six weeks;

(b) Should not be permitted to work during the six weeks following confinement;

(c) Should receive full pay for the entire duration of her absence in accordance with paragraphs (a) and (b) above. No mistake on the part of the doctor or midwife as to the date of her confinement should prevent the staff member from receiving full pay from the date of the medical certificate to that of confinement.

Disability

134. In the case of total disability, pension scheme benefits will apply to participants in that

scheme. The United Nations cannot accept obligations in cases where other staff members suffer non-service-incurred disability. In the case of partial disability (i.e., any disability not compensable under the pension regulations), where necessary, re-adaptation of the staff member in a suitable job should be undertaken by the Secretariat. No other form of compensation is recommended.

135. (a) Pension scheme benefits will apply to participants in that scheme. The United Nations cannot accept obligation in other cases;

(b) When a staff member, entitled to transportation to his home on termination, dies, the United Nations should pay the expenses of transporting the remains to his home, including costs of preparation incidental to shipment. The dependents of such a deceased staff member should be entitled to return transportation irrespective of the type of appointment under which the deceased staff member served;

(c) The opportunity for staff members to participate in a voluntary, group life-insurance programme, as at present, might well be continued.

Retirement

136. The great majority of staff members are covered under the present pension scheme. No additional recommendation is made by the Committee.

137. The provisions of part A (paragraphs 130 through 136) should as a general rule apply to all full-time staff members with the exception of consultants and staff employed only for short fixed-term and conference periods.

B. Risks which result directly from the exercise of duties

Salary during disability

138. Staff members should remain, during disability, on full salary and full allowances for a period of one year or until prior date of recovery. If, after one year, the establishment of the type and degree of disability would still be impossible, the staff members should be paid the same compensation provided for staff members adjudged to be permanently totally disabled.

Medical assistance and hospitalization

139. All reasonable costs resulting from service-incurred sickness or accidents (such as medical, hospitalization and directly related costs) should be borne by the United Nations.

Disability benefits

140. If a service-incurred accident or sickness results in disability, the staff member, as from the end of the one-year period specified under paragraph 138 above, should be granted disability benefits on the following basis:

(a) *Permanent total disability.* In case of total disability adjudged to be permanent, 66⅔ per cent of salary should be paid to the staff member during the continuance of such total disability. The following minimum basis of compensation should be adopted:

(i) \$1,500 annually for a staff member without dependents;

(ii) \$2,000 annually for a staff member having one or more dependents.

An additional annual amount of 5 per cent of salary, but not less than \$300, should be paid to disabled staff members for each dependent child, provided that, in the absence of other dependents, the first child will be covered under (ii) above);

(b) *Temporary total disability.* During temporary total disability, the same compensation should be provided as for permanent total disability;

(c) *Permanent partial disability*

- (i) When the disability results in disfigurement or impairment, regardless of whether it affects the earning capacity of the staff member, he should be compensated by a lump-sum payment in accordance with the type and degree of disability incurred;
- (ii) A staff member remaining in the United Nations service, where the disability is of such a nature as to make impossible the resumption of his former or an equivalent post, should receive two-thirds of the difference between the staff member's salary before the accident and after the accident;
- (iii) A staff member whose earning capacity is adversely affected by the disability and who is not continued in United Nations service, should receive in full settlement an additional lump sum in accordance with the type degree of disability incurred.

Death

141. (a) *Funeral and related expenses.* The United Nations should pay reasonable funeral expenses and expenses of transportation to the home of the deceased. Dependents should be entitled to return transportation irrespective of the type of appointment under which the deceased staff member served;

(b) *Compensation to dependents*

- (i) Monthly compensation should be paid to dependents for the periods specified, in amounts equal to the specified percentages of the deceased staff member's final salary:

Widow or dependent widower until death or remarriage, with two years' compensation in one sum on remarriage: 33⅓ per cent but not less than \$1,500 per year;

Each dependent child: 5 per cent but not less than \$300 per year.

- (ii) Where no widow or widower survives, there should be paid in respect of any one orphan child until the age of eighteen or, if in full-time attendance at school or university, or totally disabled, until the age of twenty-two, the same benefit as would have been paid to the widow or dependent widower; and in respect of each such additional orphan child 10 per cent of final salary but not less than \$600 should be paid. Where there is more than one orphan child in any one family, each such orphan child should share equally in the combined orphan benefits payable with respect to any such family.

(iii) The total annual compensation to all dependents should not exceed 66⅔ per cent of the deceased's final salary, except where the minimum payment of \$1,500 is invoked under (b) (i) above.

(iv) No person should be entitled under this paragraph to be considered as a dependent of more than one staff member.

142. The provisions of part B should extend to all staff members, including consultants and short-term staff; provided, however, that in the case of staff locally employed at offices away from headquarters and paid in accordance with local standards, the Secretary-General may make appropriate adjustments in the minimum amounts provided under paragraphs 140 and 141.

143. In awarding benefits under part B of this scheme, (paragraphs 138 through 142), account should be taken of benefits available under the pension scheme or any other scheme financed by the United Nations, excepting benefits arising from privately purchased insurance. If the benefits thus provided are less, the United Nations shall pay under this scheme the additional amounts necessary to provide the benefits to which personnel may be entitled under part B. If other benefits are higher, such higher benefits shall be paid.¹

C. Auxiliary personnel

144. The term "auxiliary personnel" as used in this part shall be deemed to include all military observers and other personnel placed under the orders of the United Nations on a loan basis by any Government at the express request of the United Nations. As a general rule such personnel will be retained on the payroll of the Government concerned and will not be paid salaries or wages directly by the United Nations.

Risks which do not result directly from the exercise of duties

145. (a) *Sickness and disability.* All auxiliary personnel who are receiving *per diem* shall continue on full *per diem* during any sickness or disability in the field, unless hospitalized in the field, in which case the *per diem* will be reduced to one-third the normal rate. All reasonable medical and hospitalization expenses in the field will be paid by the United Nations;

(b) *Disability after repatriation.* For any sickness or disability which does not result directly from the exercise of duties, the United Nations cannot accept any obligation after the time of repatriation;

(c) *Death.* When any person within the category of auxiliary personnel dies in the field, the United Nations will pay the expenses of preparing and transporting the remains to his home.

Risks which result directly from the exercise of duties

146. (a) *Disability in the field.* All auxiliary personnel shall continue on full *per diem* during

¹ In connexion with this paragraph it is understood that once the scale of benefits for staff members has been decided, the United Nations will be free to protect itself against the risks involved through insurance; in such cases the United Nations would receive the benefits from such insurance and not the staff member. The latter would be paid the appropriate benefit provided under the general scheme.

an illness while in the field unless hospitalized in the field, in which case the *per diem* will be reduced to one-third of the normal rate. All medical and hospitalization expenses in the field will be paid by the United Nations;

(b) *Temporary disability after repatriation.* For disability after repatriation, the United Nations will pay all reasonable medical, hospital and related expenses, and during the period of temporary disability, such amount as is required to insure provision to the person concerned, during such disability, of the equivalent of the total home service pay and allowances which he was receiving from his Government when the accident occurred. Cases of temporary disability will be subject to periodic review in such a manner as may be stipulated by the United Nations;

(c) *Permanent total disability.* In the case of total disability adjudged as permanent, the individual concerned should receive the same pension as he would have received had the permanent disability been incurred while in the active service of his home country. The Secretary-General should be authorized to make, where appropriate, a lump-sum payment as a supplementary benefit;

(d) *Permanent partial disability.* Permanent partial disability will be compensated for by a lump-sum payment in full discharge of United Nations liability in accordance with a scale to be worked out;

(e) *Death.* In the case of death, benefits should be paid to the dependents of the auxiliary personnel according to the scale existing in the services of their home country. The Secretary-General should be authorized to make, where appropriate, a lump sum payment as a supplementary benefit.

147. In all cases the amounts paid by way of benefit by the United Nations should be reduced by whatever benefit monies are received by the beneficiary from his own national service.

CHAPTER IX

CONCLUSIONS

148. The Committee is firmly convinced that the adoption as a whole of the scheme presented in this report would be of great advantage both to the Administration and the staff. In particular, it regards its recommendations on the organization and classification of staff (chapter I) as of cardinal importance, and believes that the proposed scheme in this respect is much more appropriate to the nature of an international organization and to the development of an outstanding career international civil service than the system which is currently in effect.

149. From the point of view of the Administration, the scheme proposed would make possible the kind of administrative economy which criticism from many quarters has, over the past few years, recognized as not only desirable but necessary. The number of staff concerned with routine administration could undoubtedly be substantially cut as the scheme becomes established, and the majority of senior officers dealing with the substantive programme of the United Nations would find themselves relieved of routine duties which they cannot now avoid.

150. The scheme would result in the diminution of turn-over among internationally recruited staff. It must be recognized that extremely heavy additional expense is involved every time an overseas staff member, especially one with dependents, is recruited to the United Nations for a comparatively brief period. Transportation of dependents and families is a very costly item in itself, to say nothing of the loss in efficiency which necessarily occurs whenever the United Nations loses the services of a well qualified staff member and his successor has to begin to learn the job all over again.

151. Further, the Committee is satisfied that the recruitment and retention of able staff is a major economy in itself. It is not by minor savings in the upper salary brackets that an administration achieves true economy. Much more is saved in the long run if highly qualified senior staff elect to make their career in the Secretariat, and by their enthusiasm and increasing experience are able to perform a greater workload, which would otherwise require the recruitment of additional staff at a much higher cost. A further factor to be taken into account is that, if the scheme is approved, it would be possible fairly soon thereafter to pass from provisional staff regulations to permanent and established staff regulations. This in itself would remove a great deal of uncertainty which now exists and is all the cause of much of the burden which now falls upon the Administration.

152. Likewise, from the point of view of the staff, to put conditions of service and staff regulations on a permanent basis would be an enormous gain. Few large secretariats can have been subjected to so many régimes in so short a space of time as the staff of the United Nations. It is accordingly the Committee's view that the Administration itself would derive important and continuing benefits from the establishment on the lines of the Committee's proposals of a career service under settled conditions, permitting the staff on the one hand to concentrate their entire energies upon their substantive work without the disturbing sense of insecurity, and the Administration on the other hand to plan a gradual and effective system of recruitment.

153. The Committee regards it as important to emphasize once more that, in its view, the scheme, if adopted, should be put into effect with all reasonable celerity. In its opinion it is essential to avoid, if at all possible, the unnecessary co-existence of two systems, and the prolongation of the feeling of insecurity which clearly has had ill effects upon staff morale, the continuance of which cannot fail to endanger the functioning of the Secretariat at the highest level of capacity.

154. In recommending the general principles which should be followed in awarding certain of the allowances and other benefits, the Committee is well aware that the application of these principles to individual cases is a matter which must be left to the discretion of the Secretary-General. The Committee recognizes, furthermore, that should its recommendations be accepted, the detailed bases of determining eligibility for some of the allowances and benefits (e.g., home leave) will need to be modified. The definition of "dependents" for various purposes is particularly difficult, and while the Committee has indicated in several parts of the report its view as to the persons who should be considered dependents

for various purposes, it is convinced that the definitions finally adopted in detail must provide an essential degree of uniformity in order to avoid administrative complications. As a consequence of all these considerations, it is assumed that after the Committee's report has been acted upon by the Secretary-General and the General Assembly, it will be necessary to review individual cases of entitlement to various allowances and benefits in the light of the decisions taken.

155. Detailed calculations of the financial effects of the Committee's proposals must undoubtedly be made by the Secretary-General and submitted with his other comments on the recommendations in this report. After consideration of preliminary estimates of the most important financial effects the proposed scheme would have, however, the Committee is convinced that adoption of its proposals would, in the long run, if not immediately, produce considerable financial savings for the Administration.

156. Finally, the Committee wishes to repeat that its proposals should be regarded as a whole. They have been arrived at after much deliberation and consultation. They derive from an examination of existing conditions of service as a whole and are designed to meet the whole range of problems put before the Committee in its terms of reference. The proposals offer, in the Committee's opinion, a balanced and comprehensive answer to the problem of the relationship between the staff and the Administration. Unless they are regarded as a whole the vital elements of balance and proportion will disappear.

Document A/C.5/331/Add.1 and Corr. 2

Report by the Secretary-General on the report of the Committee of Experts

[Original text: English]

A. INTRODUCTION

1. On 31 October, the Secretary-General transmitted to members of the Fifth Committee for their information the Report of the Committee of Experts on Salary, Allowance and Leave Systems, established at the request of the General Assembly at its third regular session. After further consultations with the Staff Committee and the specialized agencies it is possible now to present some conclusions.

2. The Secretary-General welcomes the report of the Committee of Experts, whose appointment afforded the first opportunity for a comprehensive review of the system proposed in London in 1946. The Experts have taken into account the experience of the United Nations in its four years of operation, as well as the various criticisms levelled at the existing system both from internal and external sources. The Secretary-General is convinced that the Committee's report sets forth a well-conceived and balanced plan. He believes that adoption of the essential features of that plan would achieve notable improvement in administration, and would be of substantial, long-term benefit to the staff.

3. He is prepared to put into effect those essential features of the plan without delay, provided the Assembly takes the necessary complementary action. He considers himself clothed with suffi-

cient authority to act on most of the recommendations of the Committee of Experts. To clear the way fully for the reforms proposed, however, Assembly agreement in two fields is necessary, and is requested. The two requisites are amendment of certain provisional staff regulations which presently stand in the way of the best interests of the staff, and an adjustment of the salary ceiling fixed by previous Assembly resolutions. Detailed proposals for these changes are outlined below.

4. The Secretary-General is of the opinion that items requiring approval by the General Assembly should be acted on at the present session. Already, as observed so wisely by the eminent members of the Expert Committee, the staff has been kept too long in doubt and uncertainty on matters of paramount importance to it. It must be recalled that the decision to study the whole question of salaries, allowance and leave systems was taken in December 1948. Such studies inevitably create unrest in the staff and, in the opinion of the Secretary-General, a year's delay would be likely to result in serious repercussions on staff morale. Going ahead with the Committee's proposals in 1950 would make possible the preparation of draft permanent staff regulations for consideration of the General Assembly at its fifth session. For his part, the Secretary-General desires earnestly to come to a time of stability and greater security for the staff. He hopes the General Assembly will be similarly disposed.

5. As already mentioned, there are additional reasons against further temporization. The General Assembly surely will not fail to see that important budgetary advantages are to be gained by early action. Without accepting the proposed change of home leave to a three-year basis (see paragraph 22 for the Secretary-General's reservation on this point), implementation of the plan in 1950 would result in savings of not less than \$300,000 in that year; annual savings by 1953 would be approximately \$800,000 and by 1956 would reach approximately \$1,250,000. Details of these calculations are attached (appendix I). As will be seen clearly from appendix I, the entire economy for the first year would result, not from regrading or lowering of wage scales, but from substitution of a repatriation grant for the present long-disputed expatriation allowance. Let it be understood that the plan contemplates no lowering of existing salaries and wages for any class of present staff members at the headquarters or for international staff in overseas offices, although in future years it does propose that the scales for new employees in some classes be brought more realistically into line with the best salaries paid for similar work in the area. This is in accordance with well understood principles already laid down and reaffirmed by the General Assembly.

6. It is also called to the attention of the Fifth Committee that several specialized agencies are awaiting decisions on these questions as a basis for changes in their systems of salaries and allowances. A year's delay would place an additional obstacle in the way of greater uniformity of conditions of service as between the United Nations and the specialized agencies. This point is developed further in part C of this report.

7. The Staff Committee, representing the Staff Association of the United Nations, has been kept fully informed of the preparations for the work

of the Committee and of each stage of the development of its work. Representatives of the staff have appeared before the Committee of Experts on several occasions and a number of suggestions made on behalf of the staff regarding salary scales and transitional arrangements were incorporated by the Committee. The comments of the staff (both at headquarters and Geneva) have been transmitted to the Secretary-General in documents which are attached (appendix II).

8. Draft resolutions covering the points on which General Assembly action is necessary are submitted in paragraphs 31 and 32 below. The Secretary-General, however, considers it appropriate that he should not confine the present statement to a mere request for Assembly co-operation in those fields where he is not empowered to act fully. He takes the occasion to present his views also on those other features of the plan which lie within his authority as chief administrative officer, so that the Assembly may be in no doubt as to his general attitude toward the proposals of the Committee of Experts.

B. VIEWS OF THE SECRETARY-GENERAL ON MAIN RECOMMENDATIONS OF THE COMMITTEE OF EXPERTS

Organization and classification of staff

9. The Secretary-General believes the recommendations of the Committee regarding organization and classification of staff (the establishment of broad categories and substantial reduction in the number of grades) and the level of salaries are the most important features of the proposed plan. He believes strongly that acceptance of the plan as it relates to classification, salaries and allowances would achieve the following significant advantages:

(a) A sound basis for the development of an international career service of the highest calibre,

(b) Greater flexibility in the assignment of staff across unit and departmental lines,

(c) Marked simplification in staff administration, and

(d) Substantial financial economies.

Salaries of internationally-recruited staff

10. The Secretary-General strongly supports the proposal of the Committee for an increase in the ceiling of the salary scale and believes that the figures recommended by the Committee (paragraph 45 of A/C.5/331) are sound, taking into account the increased cost of living since 1946, and the need for recruitment and retention of persons of outstanding ability. Approval of this point would require specific authorization of the General Assembly, and paragraphs for this purpose are included in the draft resolution which appears in paragraph 31. While some slight adjustment of the detailed scales suggested for the various levels below that of Principal Director might be required, the Secretary-General believes that the Committee's proposals are generally reasonable and should be accepted.

11. The Secretary-General agrees with the proposal to integrate the present headquarters cost-of-living allowance into base salary and with the view that such rates should be subject to review only in the event of significant and substantial

changes in the level of living costs and salaries generally.

12. The Secretary-General agrees with the Committee's proposals regarding salary differentials for international staff stationed away from headquarters.

Salaries of locally-recruited staff at headquarters

13. The salary levels and rates proposed by the Committee for locally recruited secretarial and clerical staff at headquarters are generally satisfactory, and from time to time the Secretary-General will make a detailed review of rates in the local area with a view to keeping United Nations salaries in line with best prevailing rates.

Salaries of local staff at stations away from headquarters

14. The Secretary-General agrees with the principle of paying locally-recruited secretarial and clerical staff in areas away from headquarters in accordance with the best local prevailing rates. The Committee's further proposal that a permanent non-residence allowance of a flat amount should be paid when it is necessary to recruit such staff from outside the local area and local rates are not high enough to attract competent staff, appears to be satisfactory.

Application of the classification and salary recommendations in 1950

15. The Secretary-General as noted in the introduction to this report supports wholeheartedly the Committee's recommendations in chapter IV and agrees:

(a) That changeover to the new system should be made as rapidly as feasible, and

(b) That suitable transitional arrangements must be made to protect the interests of staff members already employed.

Children's allowance and education grant

16. The Secretary-General is in full agreement with the proposals to retain children's allowances and education grants at the present rates and to liberalize slightly the conditions of eligibility. Since the detailed provisions for these allowances are at present contained in the provisional staff regulations, the changes proposed by the Committee of Experts would necessitate revision of staff regulations 30 and 33. The draft resolution appearing in paragraph 31 makes provision for the appropriate changes.

Expatriation allowance

17. The Committee's proposals to replace the expatriation allowance with a system of repatriation grants represents a considerable change from the present system as well as a change from the Secretary-General's previous recommendations for the adoption of a permanent expatriation-allowance system. There is a great deal to commend the ideas advanced by the Committee of Experts, however, and the Secretary-General feels, in view of repeated recommendations by the Advisory Committee on Administrative and Budgetary Questions, now reinforced by recommendations of the Committee of Experts and supported by many delegations, that further representations by the Secretary-General would be futile. The Secretary-General, therefore, is prepared to accept the

recommendations on this point. The draft resolution appearing in paragraph 31 makes provision for the appropriate changes.

Rental allowance

18. The rental allowance has always been recognized as a temporary measure and the Committee's proposal to discontinue it as of 1 January 1952 has the advantage of providing a reasonable period of adjustment for the staff.

19. The Secretary-General agrees with the Committee's recommendations that local and semi-local staff should receive allowances and benefits, such as installation allowance, repatriation grant, pension, overtime compensation and so forth, on the same terms as internationally-recruited staff, provided, of course, that appropriate eligibility conditions are met.

Tenure and termination indemnities

20. The Secretary-General agrees with the general proposal for an increased percentage of indeterminate appointments and proposes to take appropriate action along this line in connexion with the review of staff duties and qualifications. The Secretary-General is in entire agreement with the principle that indemnities for staff serving on temporary indefinite appointments should increase with service along the lines recommended by the Committee. Such indemnities for staff serving on fixed-term contracts which have been renewed at least once are more questionable; the Secretary-General is convinced, however, that equitable treatment of the staff would require acceptance of the Committee's proposal on this point.

Annual leave

21. The Secretary-General agrees with the Committee's proposals to retain the present rules providing thirty days of annual leave per year but to reduce the maximum accumulation of leave to sixty days. He agrees that the lower maximum will meet all ordinary requirements both of good administration and of the staff.

Home leave

22. One of the major changes suggested by the Committee is reduction in the frequency of home leave from two to three years. There is no doubt that this change would achieve substantial economies. The Fifth Committee debated the question in 1947 and decided to maintain the two-year rule. The principle of home leave is, of course, an underlying feature of the conditions of service of an international secretariat, and a reduction in the frequency, once the system has been established, has very real disadvantages. The Secretary-General is of the view that the Committee's proposal on this point should be rejected. Nor is he prepared to agree with the Committee's recommendations that in the future home leave should not be allowed to staff members serving at a duty station in their home country, in view of the inequalities thus established between nationals of adjoining countries. On the other hand, in view of the liberal annual leave, the Secretary-General is prepared to agree that home-leave benefits should be limited to travel expenses and travel time, without the provision of two additional weeks of leave as currently established in the staff rules.

In his opinion it would be undesirable to adopt the Committee's recommendation to the effect that

each staff member before having his home leave approved should certify his willingness to serve a further two years with the organization, and further that should a staff member resign within this two-year period without the consent of the Administration, his home leave transportation expenses should be recovered (see paragraph 126 of A/C.5/331). At the same time, it is believed that the primary purpose of this recommendation could be served by having a system under which home leave is withheld in the case of a staff member not expected to serve an additional six months, and under which the organization would not pay both home leave costs and repatriation costs in the case of a staff member who resigned without the concurrence of the Administration within one year of his return from home leave.

Social security provisions

23. The proposals of the Committee of Experts on the subjects of sick leave and maternity leave represent a slight liberalization of the present rules, and these proposals are acceptable to the Secretary-General. The more important provisions of the proposed social security scheme relate to compensation in the event of accident or illness attributable to service, both for regular members of the Secretariat and auxiliary personnel. The Secretary-General proposes to use the plan advanced by the Committee as a guide for the payment of compensation should need arise during the forthcoming year. The question is so important, however, that the Secretary-General wishes to give the matter further study in consultation with representatives of the specialized agencies, and he would hope to report further on this subject to the fifth session of the General Assembly.

24. The present statement does not attempt to review all of the many recommendations of the Committee of Experts. The Committee itself in many instances presented suggestions only, emphasizing that specific solutions should be worked out administratively. Paragraph 44 of A/C.5/331 assumes "that the Secretary-General, as chief administrative officer of the organization, would exercise such discretionary power as he might see fit in the matter of detailed application." Regarding several of these details, the Secretary-General must at the present time reserve that discretionary authority.

25. In the implementation of the proposed changes, the Secretary-General will follow his normal procedure of consultation with the Staff Committee. This procedure was established in June 1946 in Secretary-General's Bulletin No. 28 which provides that the Staff Committee shall be given an opportunity to submit observations before any final decision is reached regarding "the policy to be followed on matters such as salaries, allowances, appointments and promotions, contracts, general conditions of work, housing, transportation, welfare and discipline."

C. RELATION OF THE RECOMMENDATIONS OF THE COMMITTEE OF EXPERTS TO THE SALARY AND ALLOWANCE SYSTEMS OF THE SPECIALIZED AGENCIES

26. At the time of discussion of a general salary review at the third regular session of the General Assembly in Paris, the Fifth Committee specifically recommended that the review be extended to a "comparative study of the salary scales

and allowances schemes of other international organizations." The Secretary-General immediately communicated this request to the specialized agencies and asked their help in drawing up the terms of reference of the Committee of Experts, in selecting its members and preparing documentation.

27. The International Labour Organisation (ILO), the Food and Agriculture Organization (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO), the World Health Organization (WHO), the International Bank for Reconstruction and Development (Bank) and the International Monetary Fund (Fund) all transmitted comprehensive papers on their own systems and also sent officials to meet with the Committee of Experts in mid-July to give their first-hand opinions on experience with the existing systems. Further, UNESCO furnished a member of the Committee's secretariat throughout in accordance with a resolution of its Conference. ICAO also furnished secretariat assistance in the early stages of preparation for the Committee of Experts. Such assistance was much appreciated by the Secretary-General and by the Committee.

28. At the same time, it was inevitable that the Committee should devote its primary attention to the problems of the United Nations. The limitations of time and location precluded a thorough review of the problems of each agency. Attention is called to paragraph 6 of the Committee's report which states:

"... In this report the Committee is recommending a system which, although specifically designed to meet the needs of the United Nations, is, at the same time, based upon general principles which are thought to be capable of application by each of the agencies in developing its system of salaries, allowances and leave provisions. The Committee feels that in general only modification in details of the recommended system should be required, and wishes to emphasize that, in the interest of promoting an international career service, of avoiding inter-agency competition for personnel and facilitating interchange of staff, such modification should be made only when there are sufficient and compelling reasons to warrant changes."

29. When a preliminary draft of the report was available, the Secretary-General discussed the whole question with the Directors-General at a meeting of the Administrative Committee on Co-ordination on 11 October 1949. That Committee requested its technical sub-group, the Consultative Committee on Administrative Questions to review the report in detail. That body, composed of the senior administrative officials of each agency, agreed on the following summary of its views:

"The Consultative Committee on Administrative Questions, having regard to the importance of establishing, in so far as feasible, common conditions of service for members of the international civil service in accordance with the Agreements between the United Nations and the majority of the specialized agencies; and to the practical importance of facilitating interchangeability of staff among the United Nations and the agencies; and keeping in mind that the final authority and responsibility for salaries and allowances rests with

the executive heads, the governing bodies and/or conferences of each of the participating organizations, concludes:

"(1) That, in principle, a substantial reduction from a 19-grade salary system is desirable, maintaining the criterion that grades should be readily identifiable in terms of duties and responsibilities;

"(2) That the majority of agencies favour division of posts by broad categories. However, specialized agencies located in countries where salary scales for higher grade general service personnel would approximate junior professional rates, see little advantage in this system;

"(3) Whereas ranges up to 50 per cent are envisioned for certain of the levels in the proposed plan, the majority of agencies expressed the opinion that ranges beyond approximately 30 per cent were unnecessary, costly, and extended too far the points at which an individual would be examined critically for salary increases; and that a solution might be found in inserting one or two grades in the proposed system;

"(4) That the proposal to include existing headquarters cost-of-living allowances in base salary is sound and that a majority of the agencies believe that these salaries should be subject to review only in the event of significant and substantial changes occurring in the level of living costs and salaries generally; and that salary differentials are necessary in permanent offices away from headquarters where clearly justified on the basis of costs, salaries, living standards and living conditions.

"(5) That local staff should be paid according to best prevailing rates in the locality of the office where they are stationed, provided that, where it is necessary to recruit staff outside the local area and it is found that locality rates are not sufficiently high to attract the required staff, special rates (for example, the non-residence allowance proposed by the Experts), should be paid;

"(6) That a majority of the agencies consider that children's allowances and education grants are sound in principle, and accept the basis proposed by the Experts, provided that each agency retains appropriate flexibility in administrative rules; provided also that children's allowances to local and semi-local staff should take into account the pay rates and circumstances of the local area;

"(7) That the majority of agencies do not believe it necessary to introduce three gradations in travel subsistence rates, believing in any case that the distinction between two types of directors is unsound. All agencies agreed that special rates for conferences held away from headquarters and for unusually high or low cost areas are desirable;

"(8) That the proposals relating to the method of payment of installation allowances are sound;

"(9) That agencies now having expatriation allowances should replace them with a system of repatriation grants;

"(10) That it is sound personnel management, in the long run, to grant a high proportion of indeterminate appointments (or contracts), providing that some flexibility should always be re-

tained for recruitment of highly specialized personnel to meet the specific needs of each agency;

"(11) That for permanent career staff a system of termination indemnities which increase with length of service should be provided;

"(12) That a majority of agencies agree that the Committee's proposals on annual leave are desirable for those agencies now having a 30 day-a-year rate of accrual;

"(13) That a majority of agencies believe the Committee's proposals regarding frequency of home leave are sound. The United Nations Secretariat and representatives of all the agencies agree that the provision that a staff member must certify to his willingness to serve an additional two years and that a staff member who resigns without the Administration's concurrence within two years after home leave must repay the home leave travel expenses is *undesirable*. All agreed that it would be preferable to have a system under which home leave is withheld in the case of a staff member not expected to serve an additional six months, and under which the organization would not pay both home leave costs and repatriation costs in the case of a staff member who resigns without the concurrence of the administration within one year of his return from home leave.

"(14) The agencies agree that a system of social security is necessary in all international agencies but note that the system of social security proposed by the Experts is designed most specifically to meet United Nations needs which have become urgent in view of the missions now in unsettled areas. They also note that the Committee proposes the adoption of the scheme on a provisional basis and hopes that this will afford an opportunity for inter-agency consultations on the plan when some experience has been gained. Such consultation should take into account existing pension and social security provisions already adopted by the agencies."

30. Several agencies wish to emphasize the importance of action on this question by the United Nations at the current session of the General Assembly. UNESCO and ICAO, in particular, have informed the Secretary-General that their governing bodies and conferences by specific resolutions are awaiting the decisions to be made by the United Nations as a guide to necessary changes in their own systems. In general these agencies agree with the proposals of the Committee of Experts although the Director-General of UNESCO states that he believes some changes in detail would improve the plan. A supplementary letter from the Bank states that "in general we consider the recommendations made to be sound", while one from the Fund expresses the view "that the report of the Committee of Experts represents a distinct step forward in the formulation of long-term personnel policies". A letter from FAO, in supplementing the conclusions of the Consultative Committee on Administrative Questions, points out the features of the recommended plan which would not be suitable for FAO in view of its special problems. Letters from the Universal Postal Union and the International Telecommunication Union indicate that they are too long-established and too small to require major changes in their salary and allowance systems.

D. RECOMMENDATIONS OF THE SECRETARY-GENERAL FOR GENERAL ASSEMBLY ACTION

31. The Secretary-General recommends the following draft resolution for adoption by the General Assembly:

"The General Assembly,

"Having considered the report and recommendations of the Secretary-General on the system of salaries, allowances, leave and social security benefits of the United Nations,

"Agrees with the desirability of simplifying the organization and classification of the staff in accordance with principles set forth by the Committee of Experts;

"Notes the intention of the Secretary-General, within budgetary limits, to incorporate in the staff rules certain other recommendations of the Committee of Experts which are within his authority as chief administrative officer of the Organization;

"Resolves that the provisional staff regulations relating to children's allowances and education grants (regulations 30 and 33) be superseded, with effect from 1 January 1950, by the amended regulations contained in annex I;

"Resolves that the provisional staff regulations relating to separation be amended, with effect from 1 January 1950, by the addition of regulation 22A contained in annex I authorizing payment of repatriation grants;

"Resolves that the base salary of an Assistant Secretary-General shall be \$17,500 (U.S.) net, and that he shall also receive a representation allowance varying from \$4,500 (U.S.) to \$7,500 (U.S.) at the Secretary-General's discretion; such allowances being deemed to include any regular staff allowances, such as repatriation grants, rental and children's allowances, but not such reimbursable items as travel and removal expenses;

"Resolves that the base salary of a Principal Director shall be \$15,000 (U.S.) net, subject to the staff rules concerning currency of payment and salary differentials, and that he shall be eligible to receive any allowances and grants available to staff members generally; and

"Requests the Secretary-General to recommend to the fifth regular session of the General Assembly permanent staff regulations to replace the provisional regulations now in existence.

"ANNEX I

[*Note: All proposed deletions appear in square brackets; all proposed new material is in italics*]

"Regulation 30

"[As from 1 January 1948] full-time members of the staff, with the exception of those specifically excluded by resolution of the General Assembly, shall be entitled to a children's allowance of \$200 (U.S.) per annum in respect of each dependent child under the age of [sixteen] eighteen years, or if the child is in full-time attendance at a school or a university (or similar educational institution), or is totally disabled, under the age of [eighteen or] twenty-two years [respectively]; provided that, if both parents are members of the staff of the United Nations or a

specialized agency brought into relation with the United Nations, only one allowance will be paid in respect of each of their children; and provided further that, where the Secretary-General deems it advisable no allowance or an allowance of an amount other than \$200 (U.S.) may be paid under special circumstances, as for example, short-term assignments or assignments at duty stations where the levels of United Nations salary scales are fixed at levels varying from the headquarters scale.

“Regulation 33

“Each full-time member of the staff, with the exception of those specifically excluded by resolution of the General Assembly, entitled to receive a children’s allowance under regulation 30, who is employed by the United Nations in a country other than his own country as specified in his letter of appointment, shall be entitled to the following education grant:

“(a) The sum of \$200 (U.S.) per annum for each child, in respect of whom a children’s allowance is payable, in full-time attendance at a school or university in his home country *or, subject to the approval of the Secretary-General, in another country within the same geographical area and having a similar educational and cultural system*; provided that, where a child attended such an educational institution for a period of less than two-thirds of any one scholastic year, the allowance shall be reduced to such proportion of \$200 (U.S.) as the period so attended bears to a full scholastic year;

“(b) Once in each scholastic year the travelling expenses of the outward and return journey of such a child by a route approved by the Secretary-General;

“(c) Should staff members elect to send their children to special national schools in the area where they are serving, including international schools organized for children of United Nations staff members, rather than to schools in their home countries, the United Nations will pay for each child otherwise eligible for the education grant, an allowance equal to the difference between the cost of education at the special school which he attends and the cost of a comparable school attended by children of persons normally resident in the area, provided that the allowance shall not exceed \$200 per year. [This allowance shall be payable only when there is a valid reason for the child not to attend school in the home country; for instance, in the case of children under eleven years of age or when the health of the child is such that return to the home country is not feasible.]

“If both parents are members of the staff of United Nations *or a specialized agency brought into relation with the United Nations*, only one grant will be paid in respect of each of their children.

“Regulation 22A

[*Note: This proposed regulation is entirely new*]

“Subject to such conditions and rates as may be prescribed by the Secretary-General, the United Nations shall pay a repatriation grant to a staff member who is separated from the Secretariat following a period of service at an official duty station outside his own country.”

32. From a budgetary standpoint, the adoption of new salary scales and changes in the allowance system will affect budgetary provisions for 1950 which have already been considered by the Fifth Committee in first reading. As already indicated, these changes would result in savings in a total amount of \$300,000 in 1950. The Secretary-General requests that these savings be reflected in a new section of the 1950 budget estimates as follows:

“Section

“30. Global reduction to derive from the implementation of the revised salary and allowance scheme \$300,000”

In addition, the Secretary-General requests that he be authorized to apply this reduction to the various sections of the budget, as appropriate, and to transfer funds between these sections in order to implement the scheme. This would require a modification of paragraph 4 of the draft appropriation resolution, as proposed in document A/C.5/335,¹ to read as follows:

“4. The Secretary-General is authorized:

“(i) To administer as a unit the appropriations provided under section 3(a) and section 20, as detailed under paragraph 1 [*unchanged*].

“(ii) To apply the reduction under section 28 to the various sections concerned of the budget [*proposed in A/C.5/316*].

“(iii) To apply the reduction under section 29 to the various sections concerned of the budget [*proposed in A/C.5/335*].

“(iv) To apply the reduction under section 30 to other sections of the budget as are appropriate and to transfer funds between these sections in order to implement the revised salary and allowances scheme.

“(v) With the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, to transfer credits between sections of the budget [*unchanged*].”

Appendix I

FINANCIAL IMPLICATIONS OF THE REPORT OF THE COMMITTEE OF EXPERTS ON SALARY, ALLOWANCE AND LEAVE SYSTEMS

The Secretariat has calculated the financial implications of the plan as proposed by the Committee of Experts for the years 1950, 1953 and 1956. The assumptions made concerning the time and method for application of the plan as well as the reasons for increases or decreases in costs are explained below:

(1) *Salaries—Established posts*

These estimates are based on the established posts as shown in the 1950 budget estimates for headquarters and the other United Nations offices, excluding the International Court of Justice.

The increase in salary costs in 1950 under the proposed plan arises primarily from the fact that in making the transition from the old to the new salary rates, assumed to occur as of 1 April 1950, certain staff members will be given small increases in order to place them on step-rates under the new plan.

In calculating the costs under the proposed plan account has been taken of an estimated \$125,000 sav-

¹ See *Official Records of the fourth session of the General Assembly, Annex to the Fifth Committee.*

ings in 1953 and 1956 on salaries of locally recruited staff, which will arise from payment at local prevailing rates rather than at headquarters rates adjusted by differentials.

(2) *Expatriation allowance and repatriation grant*

This estimate shows the relative expenditures for the present expatriation allowance and the proposed repatriation grant, assuming that the proposed plan comes into operation 1 January 1950. As will be seen from the estimates, the expenditures under the proposed plan for repatriation grants will be less in the earlier years than later on, but it is estimated that the maximum payment for repatriation grants during any future year having a normal number of terminations will not exceed 75 per cent of what the costs would be under the system of expatriation allowances.

(3) *Rental allowance*

Assumption is made that the headquarters rental allowance will be discontinued 1 January 1952.

(4) *Children's allowance and education grant*

The increase in cost arises from the Committee's proposal to make male and female staff members equally eligible for the children's allowance, while under the present rule a female staff member whose husband is employable does not qualify for the allowance.

(5) *Home leave*

The savings on home leave are made as a result of granting home leave every three years instead of two and by eliminating home leave entitlement for staff serving in the country of their nationality.

(6) *Pension contributions*

The increase in the organization's pension contributions are accounted for primarily by the proposal that the headquarters cost-of-living adjustment be incorporated into salaries, which increases the base salary subject to the 14 per cent pension contribution accordingly.

(7) *Travel subsistence allowances*

The Committee's proposal to liberalize the standard rule for payment of travel subsistence allowance by paying the \$12.50 rate beginning with staff at the \$5,000 level, rather than at the \$7,000 level accounts for the increase in cost under this item.

(8) *Social security provisions*

The social security plan recommended by the Committee of Experts represents an over-all system for the protection of members of the Secretariat in the event of sickness or accident, particularly when duty-connected. Actually, the United Nations has always assumed a measure of responsibility in this regard and will expend about \$200,000 during 1949 on personal accident insurance and Workmen's Compensation, and approximately \$75,000 on Medical and Group Life Insurance.

As was pointed out by the Committee of Experts, it would be difficult to calculate accurately the financial implications of the proposed social security plan until considerable experience had been gained. However, it is estimated that the cost of the plan during 1950 would not exceed the cost to the United Nations were the present arrangements continued. (See table, page 35.)

Appendix II

PART ONE

STATEMENT TO THE SECRETARY-GENERAL ADOPTED BY THE UNITED NATIONS STAFF ASSOCIATION AT ITS GENERAL MEETING OF 9 NOVEMBER 1949 CONCERNING THE REPORT OF THE COMMITTEE OF EXPERTS ON SALARY, ALLOWANCE AND LEAVE SYSTEMS

1. As indicated in its letter of transmittal of 12 October 1949 to the Secretary-General, the Committee of

Experts on Salary, Allowance and Leave Systems held two sessions at Lake Success, from 5 July to 4 August 1949, and from 28 September to 12 October 1949. During this period the Staff Committee of the United Nations Staff Association devoted intensive study to the proposals and drafts of the Committee of Experts. The Staff Committee has also studied the final report, which was issued on 31 October 1949 as document A/C.5/331.

2. The work of the Staff Committee in this connexion, up to the present point, has been as follows:

3. Two broad preliminary statements were presented by the Staff Committee to the Experts on 18 July and 1 August, outlining its principal concerns with regard to the questions the Experts were discussing, and reserving the opportunity to reconsider each point in relation to all others in the event of a change in any part of the existing system.

4. On 10 October the Staff Committee submitted to the Staff Association a report (SCC/63) for consideration at a general meeting held on 13 October. Previously to the meeting of the Association, the Staff Committee discussed this report with the Experts, and at the meeting the Chairman informed the membership of certain recommendations of the Staff Committee which the Experts had agreed to incorporate into their final report.

5. The general meeting of 13 October expressed confidence in the Staff Committee's work in this connexion, and it was agreed that another meeting would be held after receipt of the final report of the Experts and before the Secretary-General submitted his recommendations to the General Assembly.

6. On 1 November, at the Committee's request, the Secretary-General and his senior administrative advisers met with the Staff Committee as a whole. The Staff Committee outlined to the Secretary-General certain serious reservations concerning the Experts' plan and its implementation, if adopted. The Secretary-General stated that he wished to have in writing the views of the staff on this question for his own consideration and for submission to the General Assembly.

7. Due to the very short time at its disposal for the presentation of its written views, it was impossible for the Staff Association to go into an exhaustive analysis of the Experts' final report. It therefore has emphasized those points regarding which the staff is seriously concerned, devoting only brief attention to the points which it welcomes.

8. The Staff Association has intentionally refrained from commenting on the parts of the Experts' report dealing with staff members outside headquarters. A separate statement (part two) is submitted to the Secretary-General on behalf of the Staff Association in Geneva. The staff at Lake Success having been apprised of the special position and the claims for equality advanced by the Staff Association in Geneva, desires to give its full support to its colleagues there. The staff at headquarters also wishes to state that it is aware of the special needs of the staff in Information Centres and requests the Secretary-General to examine those special needs.

9. The headquarters staff of the United Nations, convened in a general meeting of the Staff Association on 9 November 1949, respectfully presents to the Secretary-General the following views concerning the report of the Committee of Experts.

I. *Classification and Salary Scheme*

10. In chapter I of its report, the Committee of Experts enunciates a number of general principles which should be the basis for a good international civil service. The staff is in agreement with these basic principles. A study of the concrete proposals of the Committee of Experts, however, leads to the conclusion that the practical effects of the plan will not achieve all the desired objectives. The staff fully realizes the

RELATIVE COST OF THE PRESENT AND PROPOSED
PLAN TO THE UNITED NATIONS

| | 1950 | | | 1953 | | | 1956 | | |
|---|---------------------|----------------------|-----------------------------|---------------------|----------------------|-----------------------------|---------------------|----------------------|-----------------------------|
| | <i>Present plan</i> | <i>Proposed plan</i> | <i>Increase or decrease</i> | <i>Present plan</i> | <i>Proposed plan</i> | <i>Increase or decrease</i> | <i>Present plan</i> | <i>Proposed plan</i> | <i>Increase or decrease</i> |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (1) Salaries—Established posts | 18,100,000 | 18,238,000 | +138,000 | 18,839,000 | 18,779,000 | —60,000 | 19,245,000 | 18,742,000 | —503,000 |
| (2) Expatriation allowance and repatriation grant | 630,000 | 32,000 | —598,000 | 630,000 | 107,000 | —523,000 | 630,000 | 170,000 | —460,000 |
| (3) Rental allowance | 410,000 | 410,000 | None | 410,000 | None | —410,000 | 410,000 | None | —410,000 |
| (4) Children's allowance and education grant | | | + 14,000 | | | + 14,000 | | | + 14,000 |
| (5) Home leave | 1,020,000 | 1,020,000 | None | 1,026,000 | 654,000 | —372,000 | 1,026,000 | 654,000 | —372,000 |
| (6) Pension contributions | 2,173,000 | 2,318,000 | +145,000 | 2,267,000 | 2,407,000 | +140,000 | 2,319,000 | 2,403,000 | + 84,000 |
| (7) Travel subsistence allowances | | | | | | | | | |
| Official travel | | | +10,000 | | | +10,000 | | | +10,000 |
| Home leave | | | +10,000 | | | +10,000 | | | +10,000 |
| Initial recruitment | | | +1,000 | | | +1,000 | | | +1,000 |
| | | | —280,000 ^a | | | —1,190,000 ^b | | | —1,626,000 ^b |

^a It is not contemplated that insignificant amounts such as the financial implications of the proposals on subsistence allowances, which would affect many sections of the budget, would be requested in the supplementary estimates. It may therefore be assumed that a savings of \$300,000 would be possible in 1950 if the plan is adopted as a whole.

^b If the Secretary-General's recommendation that home leave be retained on the present two-year basis is accepted, these estimates will be reduced to \$828,000 in 1953 and to \$1,254,000 in 1956 as noted in paragraph 5 of this report (A/C.5/331/Add.1).

many shortcomings of the existing system of salary classification. It is necessary to point out, however, that many of the criticisms made by the Committee of Experts against the existing system arise, not from any inherent defects in the system, but from the manner in which it is implemented and administered. In matters of recruitment, classification of posts, of unequal treatment of comparable positions throughout the Secretariat, of promotions and within-grade increments, of permanent contracts and in other respects, the present rules and regulations are not being fully adhered to or adequately implemented. This is one of the reasons for which the staff urges, in particular in paragraph 51 of this statement, that there should be full staff participation in the implementation and administration of any system.

11. The far-reaching implications of the Experts' proposed classification and salary scheme are plainly acknowledged in paragraph 87 of the report (A/C.5/331) which states that "The Committee desires to emphasize the fact that the classification and salary proposals it is recommending are intended to represent an entirely new plan and not simply an adaptation or modification of the existing one". Paragraph 83 calls for "a rapid transfer . . . from the old to the new system".

12. The aim in applying the scheme, the Experts state in paragraph 84 (a), "should not be to reclassify afresh the individual posts, as they are now described in the Manual, but to establish the needs of the Organization in the light of new principles".

13. The Experts assume that each staff member would initially receive remuneration at least equivalent to his present salary plus cost-of-living allowance. However, where a post would be reclassified at a lower level than the present incumbent's salary, the post would be starred, and where a staff member would be considered as not meeting the specifications of his assigned category and level, his replacement in it would be indicated.

14. It thus becomes clear that what is proposed is not only a new salary structure, but a complete reorganization of the Secretariat. The staff feels, therefore, that, whatever the merits or demerits of the scheme, its impact could not be appraised apart from the important problem of implementation, should it be adopted. The Experts leave this problem entirely to the Administration. The staff's attitude toward it is to be found in the section at the end of the present report dealing with "General observations".

15. Within this general context, the staff wishes to express the following views on various aspects of the proposed classification and salary scheme.

16. In addition to equality of treatment in regard to posts and individuals, and flexibility in the use and assignment of staff, the Experts list among their stated objectives a maximum degree of security and of career prospects, simple and economical personnel and salary administration, and "reasonable" opportunities for promotion (paragraph 11). They also proceed on the assumption, as stated in paragraph 30, "that the present average level of remuneration tends to be generous for staff in the lower grades, to be adequate for intermediate staff, but to leave some room for improvement in the case of certain senior and top level personnel".

17. In connexion with the objectives of a career service and of administrative simplification, the Experts propose a considerable reduction in the number of categories and salary levels.

18. In regard to categories the staff believes that a reduction from the present number is desirable, but that the advantages of a reduction in number must not be over-balanced by any rigidity imposed by administrative interpretation.

19. The staff observes that certain groups of staff members, such as engineering personnel, nurses, photographers and camera-men, have been left outside the classification scheme, with the recommendation

that a separate salary schedule be developed for them, based on a survey of local prevailing (not "best prevailing") rates for positions involving comparable duties and responsibilities. The staff feels that these members of the Secretariat, who are in many cases internationally recruited, should be considered as a part of the regular staff, and should not be treated separately or differently.

20. The new proposals regarding hourly (manual) workers leaves them, as under the present system, in the uncertain position of enjoying neither the benefits of full integration into the Secretariat nor the protection of trade union affiliation customarily enjoyed by such employees.

21. In regard to levels (grades), the report states that under the existing system the number of grades is excessive and suggests a reduction by approximately one-half. While agreeing that the present number might be unnecessarily high, the staff wishes to point out the following problems raised by the proposed scheme.

22. The report assumes (paragraph 88) "that each staff member would receive a rate at least equivalent to his present salary plus cost-of-living allowance" and, as far as locally recruited staff is concerned (paragraph 62), that "new schedules should go into effect for new staff without prejudice to the present salaries of existing staff members". The staff wishes to point out that the protection thus promised to the present staff applies, in fact, only to a minority, i.e., those holding indeterminate contracts. In paragraph 88 the Experts state that "If, as a result of the re-evaluation of the responsibilities and duties of a post, it is clear that the appropriate placement of the post in the new system would be a level too low to cover the incumbent's present salary, the post should be starred for subsequent readjustment, the staff member occupying it continuing in the meantime to receive the salary attaching to the next higher salary level"; and that in cases where "a staff member does not measure up to the standards of competence, technical or professional skill required . . . he should be noted either for transfer . . . or for replacement as opportunity offers (e.g., as a result of resignation, expiration of contracts, etc.)". In this connexion the staff wishes to make it clear that it believes that only competent staff members should occupy posts in the Secretariat. It believes, however, that there should be full staff participation in any review of qualifications.

23. In the case of the great majority of the staff not holding indeterminate contracts, continuation "in the meantime" of their present salary could signify a reduction in salary or termination almost immediately for those holding temporary indefinite contracts, and very soon for those holding fixed-term contracts. Thus the implied security may well become illusory for the great majority of the staff.

24. The Committee of Experts' report states that they "did not, of course, attempt a post-by-post review of existing salary rates". Nevertheless their report frequently assumes that at present there is a considerable amount of over-grading. In the absence of any objective evidence in the report to this effect, the staff must conclude that the Experts' findings on this point are based heavily upon an administrative opinion. In any case, it is the distinct impression of the staff that if there be any over-grading, it occurs mainly in the upper grades. It is difficult to reconcile this with the Experts' findings that the salary scales for these grades are inadequate. These two opposing points of view can be rationalized only if there is confusion between the grades attached to posts, and the grades of the persons filling them. Irrespective of the question of possible over-grading, the staff wishes to point out that it is necessarily more concerned with the fact that a considerable amount of under-grading of both posts and individuals exists, particularly in the intermediate and lower grades.

25. In those cases where the Committee of Experts' assumptions would apply, and thereby lead to a star-

ring of posts and individuals, there would be introduced a dual system of remuneration which would make administrative simplification more difficult and would contravene the principle of equal pay for equal work.

26. The present salary ceilings are affected in various ways by the proposed scheme. Basing their proposals on the assumption that "the present average level of remuneration tends to be generous for staff in the lower grades, to be adequate for intermediate staff and to leave some room for improvement in the case of certain senior and top level personnel", the Experts have approached differently the three main salary groupings within the Secretariat.

27. The group included in the suggested General Service category, in the light of the statement in paragraph 61 that "the rates presently paid by the United Nations [are] higher than the 'best' entrance rates paid for similar work in the local area", would undergo a downward revision which would also adversely affect the ceilings of that group. The report states that the starting rates of United Nations locally recruited staff are higher by 3 to 10 per cent than those in the United States civil service (paragraph 61). No reference is made by the Experts to the fact that regulations require the entire time of United Nations staff members to be at the disposal of the Secretary-General, and that any of them may be called to serve on overseas missions at any time. Further the staff submits that facility in more than one language and an international outlook are more and more—and rightly so—regarded as necessary and distinct assets at every level of the Secretariat. Such requirements and demands are not normally a factor in a national civil service, and the Staff Association does not therefore feel that a 3 to 10 per cent differential in salary of United Nations personnel should be regarded as unfair or excessive.

28. The group included in the suggested Special and Substantive Service categories would, on the whole, not be adversely affected, provided no wholesale downgradings occurred. The acceptance by the Experts of the Staff Committee's recommendation concerning overlap, has reduced the number of staff members in this group who would suffer from lowered ceilings and the greater part of the staff in these categories would find their ceilings extended. The report also recommended (paragraph 90) that "in the few cases involving a substantial reduction in ceiling, the Secretary-General should consider the possibility of making special arrangements on the basis of the facts in each case". The staff appreciates the acceptance by the Committee of Experts of these recommendations.

29. The group included in the suggested Principal Officers and Directors category have received extensive consideration in the Experts' report, which proposes that their ceilings be considerably extended. While not objecting to the recommendation of the Experts that salaries and ceilings of this group be raised, the staff regards as unfortunate the coupling of this recommendation with the clear implication of the reduction of salary standards in the lower grades.

30. The staff feels that a major test to be applied to any system of grades and remuneration is the opportunities for promotion which it offers. In connexion with the Experts' proposals, the staff realizes that a reduction in the number of promotions would result from the reduced number of salary levels. On the other hand the salary increases attaching to these promotions would be more substantial. Moreover, it wishes to urge the incorporation, in the scheme, of accelerated within-grade increases within each category for especially meritorious service. Otherwise the scheme allows for little realistic promotion incentive, in view of the difficulty of moving from one level to another. The staff wishes to express concern lest the drawing of category and level lines make more difficult the promotion to any post in the Secretariat of staff members capable of doing a more responsible job.

31. The Staff Association takes exception to the suggestion of the Experts (paragraph 23 (d)) that posts

in the General Service category now classified at grades 9-10 "would to a large extent, although not exclusively, constitute those normally subject to local recruitment." This runs counter to the principle of wide geographical representation throughout the Secretariat.

II. Allowances

Expatriation allowance

32. The staff strongly opposes the proposed elimination of the expatriation allowance as being unfair to those who are now eligible to receive it, and short-sighted in terms of the effectiveness of an international Secretariat.

33. The Committee of Experts lists in its report (paragraph 106) some of the arguments in favour of an expatriation allowance. Furthermore, in paragraph 74, the Experts recommend, for "semi-local" staff "the payment of a separate allowance by way of compensation for the higher costs . . . [they] will have to bear". It would seem that what is true for "semi-local" staff is all the more true for internationally recruited staff.

34. In paragraph 107 the Experts express the opinion "that United Nations base salaries should be fixed at a level sufficient to allow expatriated staff members to meet current and continuing expenses after the initial installation period". The assumption seems to be either that there are no additional "continuing and current expenses" involved in sustained expatriation, or that granting an allowance in recognition of such expenses would involve an infringement of the principle of equal pay for equal work. National governments, which include an expatriation allowance in their foreign service emoluments, do not proceed on the former assumption. As to the latter assumption, the principle of equal pay for equal work is not involved. The salary is the same for the same work, but an allowance for additional expense incurred by expatriation is well-founded on the same basis that children's allowances and education grants are well-founded. In the opinion of the staff the report places undue emphasis on a repatriation grant to be paid at the termination of services, while overlooking the real and continuing expenses necessitated by the fact that overseas staff members are expected to maintain contact with their national cultures.

35. Discontinuance of the expatriation allowance would cause very real hardship to internationally recruited staff members, particularly to those in the lower salary brackets and to those with dependents, whose loss in take-home pay might amount to more than 10 per cent.

Rental allowance

36. The Committee of Experts has proposed that rental allowances be discontinued as from 31 December 1951. The staff believes that circumstances which cannot now be accurately determined might prove the necessity for the continuance of the allowance beyond the date mentioned.

37. The trend in the headquarters area seems to be toward the ultimate removal of rent controls, whereas United Nations Secretariat base salaries were originally set at a time when strict control was in effect. Particularly if the cost-of-living allowance is merged with the salary, and the mechanism for compensating increased living costs is thus removed, a sharp increase in rents would, in the absence of a rental allowance, represent a reduction in the real income of Secretariat members.

38. Further, the extent and duration of the housing problem which will be encountered by staff members as a result of the removal to the permanent headquarters in Manhattan, cannot now be estimated. It is quite possible that the termination of the United Nations housing projects leases at the end of 1951 will find a considerable number of staff members confronted with an acute housing problem, the immediate solution of

which may be very costly. As is said above, it is obviously impossible to visualize what will occur two years hence. The staff therefore recommends that the date mentioned by the Committee of Experts be considered tentative, and that this question be reconsidered in light of the conditions prevalent at that time.

39. The staff objects to the principle applied at present whereby the rental allowance rises as a staff member's salary increases. It recommends that the amount of the housing allowance be made proportionate to that part of salary which is spent on rent, i.e., that rental allowance should increase as the relative salary decreases. Furthermore, the rental allowance should take into account also the number of the staff member's dependents.

Children's allowance

40. The staff welcomes the proposal that men and women staff members be put on the same basis as regards eligibility to receive the children's allowance. It is to be pointed out, however, that if the Experts' proposals as a whole were adopted (i.e., if the expatriation and rental allowances were cut), the already inadequate differential between staff members with and without dependents would be reduced by nearly one-half. The differential for United Nations staff members with dependents, already considerably lower than the differential existing for the permanent delegations to the United Nations (see table in paragraph 36 of the report) would be reduced even further. Should this occur, the children's allowance and other provisions for dependents, would be completely inadequate.

41. In any case the staff considers that an immediate increase in the amount of the children's allowance is warranted on its own merits. It wishes to point out that the children's benefit provided for under the Joint Staff Pension Fund regulations amounts to \$300 *per annum*. The staff recommends the same allowance for the children of living staff members.

Other allowances

42. The proposed changes affecting the installation allowance are acceptable. The staff, however, fails to understand why the installation grant should be suppressed, since no reasons are set forth in the report.

43. The staff welcomes the proposed liberalization of the travel subsistence allowance and of the education grant.

III. Leaves

Home Leave

44. The staff strongly opposes the proposed change of home leave from once every two years to once every three years. This opposition is based equally on the needs of expatriated members of the staff and the quality of the service they can render as part of an international secretariat. The report of the Committee of Experts gives no reasons whatsoever as a justification for lengthening the period between leaves, beyond saying in paragraph 123 that "It was considered that the purposes for which home leave is granted would be adequately served if it were on a three-year instead of the present two-year basis . . ." The same sentence concludes, however, ". . . in addition to which, considering the extremely heavy annual cost to the Organization, substantial economies would thereby result."

45. The staff is sincerely interested in helping eliminate any genuine waste or extravagance which exists as regards the Secretariat. It does not, however, consider a biennial visit to one's home country to fall into either category. It is convinced, rather, that a visit home every two years enables the staff member better to retain his national characteristics and thus to be in a position to render a richer contribution to a genuinely international secretariat.

46. The staff regards as most objectionable the suggestion in paragraph 126 that staff members, on being granted home leave, would have to certify their will-

ingness to serve a further two years, and that they would have to return their home-leave travel expenses if they left within that period without the concurrence of the Organization. The desire to prevent abuse could be fulfilled by dealing with each case individually.

47. The staff is also strongly opposed to the elimination of the extra two weeks' leave in connexion with home leave. If the period between leaves is lengthened purely as a measure of economy at the staff's expense, surely the time available for the less frequent leaves should be longer, rather than shorter.

Annual leave

48. The major change recommended by the Experts is that the maximum ceiling of 100 days which can be carried into the next year be reduced to sixty. As of 1952, this ceiling would apply to all staff members. If this proposal is adopted, it is strongly urged that staff members receive, within the two-year period, an adequate opportunity to use their accumulated leave. On no account should a staff member lose any accumulated leave, if in this period he cannot take it for reasons beyond his control.

IV. Other Provisions

49. The staff welcomes the recommendation to increase the number of indeterminate contracts and the proposed abolition of the five-year review of this type of contract. It also welcomes the liberalization of the termination indemnities, especially for those holding temporary indefinite contracts. The staff feels that these provisions work toward a sense of greater security, which the staff has always regarded as an extremely important matter.

50. The staff welcomes the principle of broadening the staff's protection under a social security scheme, although it is not able to appraise the specific proposals.

General Observations

Implementation

51. Earlier in this report, the staff has emphasized the paramount importance of implementation. If the plan of the Committee of Experts were adopted, the staff is convinced that it would be in the interest of both the staff and Administration that the staff should share, effectively and genuinely, in all stages of an unhurried implementation. Such participation would include participation both in drawing up the rules and time-table of implementation, and also in the actual review of each individual post and in the determination of each staff member's qualifications. Where proposals of such far-reaching impact upon the present and future status of the Secretariat are concerned, it would seem only equitable and reasonable that the staff should have the privilege and responsibility of such participation in implementation.

Economic implications

52. It is to be noted that since 1946 the economic status of the majority of the Secretariat has deteriorated and that further deterioration would be implied by the fact that, while the Preparatory Commission recommended that staff in the lower grades be remunerated on the basis of "the best prevailing rates", the Experts speak only of "prevailing rates". It is also to be noted that the present basic rates were established in February 1946 and that, since that time, the local cost of living has risen 25 per cent. The cost of living allowance has represented, on the average, only about 10 per cent. Thus the remuneration which it is proposed to consolidate at the present level by the incorporation of the cost-of-living adjustment with the basic salary is, in terms of purchase power, about 15 per cent lower than when established. All recommendations for downward revision should be examined in the light of this fact.

53. The staff takes strong exception to paragraph 112 of the Committee of Experts report where it states that incomes of the staff "through promotions and in-

crements . . . have steadily risen". Such is not the case with respect to real income, due to the sharp increase in the cost of living since 1946 (as stated in paragraph 46 of the Experts' report).

54. The report states in paragraph 155 that the Experts are "convinced that adoption of their proposals would, in the long run, if not immediately, produce considerable financial savings for the Administration". It is plainly revealed in the report, however, that the proposed savings would come preponderantly at the expense of the lower grades and the internationally-recruited staff, particularly those with dependents. The staff feels that any advantages which might result from the plan, should not be financed at the expense of these groups.

Conclusion

55. The concluding paragraph of the Experts' report states that "its proposals should be regarded as a whole", and that "unless they are regarded as a whole, the vital elements of balance and proportion will disappear". In the present report, the staff has expressed its views on the various major component parts of the Experts' proposals. It feels that none of these components should be examined without due consideration being given to the relations existing among the various parts.

56. The staff is conscious of the defects of the present system and of its operation, and pledges full co-operation to the Administration in improving it or in developing and implementing a more suitable one.

57. With respect to the plan of the Committee of Experts, the staff, while noting with approval the basic objectives of a career service and security of tenure, and the specific beneficial provisions of the plan, reaffirms:

(a) Its strong opposition to several assumptions upon which the proposals concerning classification and salaries rest, notably, that the lowest grades are over-paid and that their salaries should be reduced, in conjunction with increased salaries for the highest grades; that flat comparisons can be made between national civil services and an international civil service; that there is at present widespread over-grading and very little under-grading; that grades 8, 9 and 10 should, to a large extent, be subject to local recruitment. The staff is also opposed to the financing of any benefits which may result from the plan at the expense of the lower grades and the internationally-recruited staff, particularly those with dependents;

(b) Its strong opposition to the proposals regarding home leave, expatriation allowance and rental allowance, which are inequitable and detrimental to the international character of the Secretariat;

(c) The staff also reaffirms its position on the overriding necessity of staff participation, at all stages, in the implementation of any plan having such far-reaching implications for the present and future status of the Secretariat.

58. In the absence of assurances in the above respects, the staff would feel compelled respectfully to request the Secretary-General to recommend that, pending further consideration of the observations made in this statement, the plan of the Committee of Experts not be adopted during the present session of the General Assembly.

59. The staff also respectfully requests the Secretary-General to invite it to participate fully in whatever programme of work may be undertaken looking toward the improvement or replacement of the present system. As the basis for such a request, the staff pledges its co-operation in working toward the achievement, throughout the Secretariat, of faithful, competent and disciplined discharge of duty in a spirit of international co-operation; of elimination of waste, bureaucracy and inefficiency; of adequacy of remuneration and of promotional opportunities; of increased

security of tenure; of healthy conditions of work in the discharge of a reasonable work-load.

60. The staff is convinced that joint participation in pursuit of these objectives between the Administration and the staff, subject to the authority of the Secretary-General, would be consistent with the Charter's provisions regarding the Secretariat, and expressive of the Organization's programme in regard to employment and association.

PART TWO

Statement by the Staff Association of the United Nations Office in Geneva to the Secretary-General concerning the position of the staff in general and their comments regarding the report of the Committee of Experts on Salary, Allowance and Leave Systems

I. Status of the Geneva staff

1. The case for the Geneva staff was already stated both in writing and orally in 1947, 1948 and 1949. All the relevant documents have been submitted to the Administration in Geneva and at headquarters and to the Advisory Committee on Administrative and Budgetary Questions. For the sake of clarity it seems necessary before commenting upon the Experts' report to restate the case briefly. We shall therefore sum up the various conclusions which may be drawn from the documents. It has been established beyond doubt that the staff of the European office is discriminated against in various matters. This differential treatment is extensive and applies not only to the method of remuneration of the staff (salary and allowances) but also to their general status as regards conditions of work, training, welfare, social security, security of tenure, chances of career, promotion, leave and related matters.

2. All reports, statistics and surveys on the cost of living and general conditions in Geneva have shown ever since 1946 that such conditions were in general comparable to those existing at headquarters, with the corrective that the costs of such indispensable items as food, clothing, transport, utilities, etc., are very much higher in Geneva while certain items, rents, in particular, are slightly lower, at least for unfurnished flats.

3. Even if it is admitted that differentials in general may have to be applied as between headquarters and regional offices, it is quite clear as the Experts have conclusively explained in their report (paragraph 52) that such differentials should be established only when there is a marked difference in the cost of living and general conditions, but not otherwise. Now, it is a well-known fact that even in 1946 when a differential of 5 per cent was established for Geneva, the cost-of-living surveys available, while somewhat confusing in their conclusions, indicated that the difference in the cost of living was at most of about 3 per cent and therefore that, even then, a differential was not justified (see paragraph 57 (a) of the Experts' report).

4. Since 1946, cost-of-living and rental allowances were added to the salaries of the United Nations staff at headquarters while no comparable steps whatever were taken in favour of the Geneva staff, while it was recognized that the cost of living in Geneva had increased at least to a similar extent.¹

5. The results of these increases were that in September of 1948 the actual take-home pay of the Geneva staff was between 10.6 and 22.3 per cent below the corresponding pay of the staff at headquarters.

6. Since then the 1948 General Assembly in Paris approved a further increase (by 7.5 per cent) of

¹ See *Official Records of the third session of the General Assembly, Part I, Fifth Committee*, 168th meeting, and the Advisory Committee's tenth report of 1948, *ibid.*, *Annexes to the Plenary Meetings*, document A/730.

the cost-of-living allowance at headquarters and a 5 per cent cost-of-living adjustment applied to all staff members at Geneva. The net results of these new measures were that the difference in take-home pay was further increased by about 2 per cent.

7. If, in addition, account is taken of the fact recognized by the Administration and the Experts that the staff at Geneva has been in general "under-graded" as compared with headquarters, one is bound to come to the conclusion that the difference in pay as between Geneva and headquarters amounts in many cases to 20 to 30 per cent, a difference which can in no way be justified since there is no great difference in cost and conditions of living as between Geneva and New York.

8. It is therefore respectfully submitted that since the situation has now been reviewed within the terms of the Advisory Committee's tenth report of 1948 (A/730, paragraph 9), these wide differences should be removed as from 1 January, 1950. This can be done by either of the following means:

(a) The conditions laid down for the international staff at headquarters should be applied to the international staff at Geneva, if the Experts' report is approved by the General Assembly during the present session.

(b) We would, on the other hand, submit that rule 202 of the staff rules be abolished, and that cost-of-living adjustment and rental allowance be applied to staff members in Geneva in the same manner and to the same extent as to their colleagues at Lake Success as from 1 January 1950, should the consideration of the Experts' report be postponed to the next meeting of the General Assembly.

9. Facts and figures fully substantiating the above recommendations can be found in particular in existing official cost-of-living surveys and in the correspondence exchanged between the Statistical Office at headquarters and the head of the Statistical Division of the ILO in Geneva in September 1949.

10. In that connexion special care should be exercised to apply fully the principle of equal grade and pay for equal work and to give the international staff in Geneva equal working conditions and opportunities which they almost completely lack at present.

11. The conclusions of this part of our statement are as follows:

(a) The Administration has repeatedly emphasized that the staff at Geneva was an integral part of the United Nations family and that there was no intention whatever of discriminating against it.

(b) All objective sources and studies show that living standards and conditions in Geneva are in general similar to those existing at headquarters.

(c) The Administration seems to have come to the same conclusions as those reached by the staff in that respect. Independent studies carried out by some of the specialized agencies and private firms reached similar results.

(d) The conclusions of the relevant parts of the Experts' report only give more force to the plea for equality presented by the staff in Geneva, which has suffered materially and morally from unjustified differential treatment for the past three years.

II. *Comment on the report of the Committee of Experts*

12. The staff in Geneva has refrained from commenting on most parts of the report in view of the statement submitted by the Staff Association at Lake Success. In general we found that the report has much to be commended both in its principles and in some of the steps which are envisaged for its implementation. We have noted with satisfaction that some of the proposals which we had submitted to the

Experts when they came to Geneva in June 1949 and which were formulated in document CPG DT/Exp.2 had been incorporated in the report.

13. It will be seen in paragraph 8 of the statement submitted by the staff at Lake Success that no comments were presented on the parts of the reports dealing with offices outside headquarters. It is therefore mainly to these parts and to related matters that the following comments will apply. For the convenience of the reader, reference is made in each case to the relevant paragraphs of the Experts' report.

Promotions

14. It should be noted that the possibility of promotion in Geneva has so far been practically non-existent (about twelve promotions in three years for an average of 600 staff members) and that therefore the comments made by the Experts in that respect (paragraph 17) do not in any way apply to Geneva.

15. We approve in principle the idea according to which promotions should be based solely on merit (paragraph 25) but we regret that the Experts have discarded the possibility of extending the principle of special promotion on merit to within-grade increments.

Classification plan

16. Regarding the new classification plan proposed by the Experts (paragraph 28), the Geneva staff considers that while being an improvement as compared to the present system it is still too complicated.

For those reasons we would like to submit that the plan put forward by the Staff Committee be reconsidered (see annex).

Salaries

17. As regards the integration of the Geneva staff into the new proposed salary scale (paragraph 45), it is essential that a very careful review of the existing posts and grades be made for Geneva, and that for the purpose of reclassification due attention be paid to the necessity of adding to the base salaries a nominal amount corresponding to the cost-of-living allowances which should have been applied there, and of regrading some of the obviously under-graded posts (see paragraph 8 (a) above).

18. The staff wishes to draw attention to the fact that the conclusions reached by the Experts as regards the present average level of remuneration (paragraph 30) do not apply to Geneva whose staff in the lower grades are in a less favourable position than intermediate and top level personnel in view of the very high cost of food, utilities, transport, etc.

Differentials

19. The staff has noted with satisfaction (paragraph 51) that the Committee of Experts considered "that great weight should be given to the general principle adopted by the International Labour Organisation that 'salaries paid to international staff should have a universal character'". It is regretted however, that subsequent paragraphs contradict this affirmation and suggest (paragraph 52) that differential might be established in the case of a regional office such as Geneva.

20. This contradiction is to some extent offset by the fact that the Experts recognize (paragraph 57) that "a differential of plus or minus 10 per cent should be the *smallest* to be applied" (*italics supplied*).

21. On the basis of existing surveys and of the evidence submitted in the first part of this statement, it is quite clear that in the present circumstances no minus differential would be justified in the case of Geneva.

22. This position is re-enforced by the fact that living standards and conditions are in general comparable as between Geneva and New York.

Locally-recruited staff

23. As regards manual workers (paragraph 60), it is necessary to give a precise definition of what is meant by this category of staff. The interpretation given varies according to countries of employment. In Geneva, for instance, some employees arbitrarily classified as manual workers according to New York's practice would be considered as officials according to the practice followed in the Swiss public services.

24. The staff considers that semi-local staff (paragraph 73) should in Geneva be paid an adequate allowance due to the fact that the high cost of living and the housing difficulties in the area will cause very serious disadvantages to these categories of staff, as compared to the genuinely local staff. Semi-local staff should in any case receive such expatriation benefits and home leave as may be granted to other internationally recruited staff members. This request is based on the fact that these staff members returning to their home countries will face the same hardships as internationally recruited staff and will need to the same extent assistance in returning to their home countries at regular intervals.

25. The staff feels strongly that children's allowances, like all other allowances and benefits (paragraphs 77 and 78), should always be granted to local and semi-local staff in accordance with the same rules as are applied to similar staff at headquarters and in the same amount. Any social security plan should also apply fully to these staff members.

26. The staff sees absolutely no justification for not extending, even partly, these allowances and benefits to all the staff members, however recruited.

27. A fair implementation of the provisions of paragraph 81 (dealing with the transfer of locally- and semi-locally-recruited staff into the internationally-recruited categories) is considered essential.

28. With reference to paragraph 91 the staff wishes to point out that, in the case of Geneva, there has never been over-payment in terms of local conditions, but that on the contrary local salaries had to be adjusted recently to meet the constant increase in the cost of living and the corresponding adjustments applied by public services and private firms in the Geneva area.

Rental allowance

29. In general we fully associate ourselves with the remarks made by the Staff Association at headquarters regarding the rental-allowance provisions

We wish, however, to point out that no rental allowance is at present paid to the Geneva staff and that therefore we claim that any rental allowance system applicable to headquarters should be extended to the same categories of staff in Geneva.

Contracts

30. As regards provision for permanent contracts we welcome the Experts' suggestion according to which 75 to 80 per cent of the staff should be given such contracts (paragraph 115) but we point out that there are at present practically no staff members holding permanent contracts in Geneva, where only 15 out of 670 have indeterminate appointments against about 800 out of 2,600 at headquarters.

Expatriation allowance

31. As regards the suggested replacement of the expatriation allowance, we consider that a system of repatriation grant as outlined in paragraphs 106 to 110 might be acceptable provided that (a) the expatriation allowance is removed only gradually and (b) that the repatriation fund be administered by the United Nations as a saving fund on behalf of the staff members.

32. For the purpose of expatriation provisions and home leave, we note that the criteria should be the place of work and not the place of residence.

Home leave

33. The staff is strongly opposed to the Experts' proposal regarding home leave (paragraph 123) for the reasons stated in paragraph 45 of the statement of the headquarters Staff Association (part one of this appendix).

Social security provisions

34. We generally approve and welcome the social security provisions (chapter VIII of the Experts' report), but we wish to point out that the sick-leave system envisaged, while improving the existing situation, remains unfavourable if compared with most of the existing national systems.

35. Having carefully considered the proposals put forward in the Experts' report, the staff in Geneva is of the opinion that subject to adjustments according to some of the proposals submitted by the Staff Committee at headquarters, to the suggestions contained in this statement and to a gradual and objective implementation, this plan would constitute a definite improvement both for the Administration and the staff.

Annex

DRAFT STAFF CLASSIFICATION

| <i>Category</i> | <i>Title</i> | <i>Corresponding existing grades (for guidance)</i> |
|-----------------|--|---|
| | Secretary-General | |
| | Assistant Secretaries-General | |
| | <i>Division A</i> (normally filled exclusively by international recruitment) | |
| I | Directors, 1st Class (or Principal Directors) | Top Ranking Director |
| | Directors, 2nd Class | 19-18 |
| II | Deputy Directors } | 18-17 |
| | Counsellors } | |
| III | (a) Heads of Section | 17-16 |
| | (b) Members of Section | |
| | 1st Class | 16 |

| | |
|--|-------|
| 2nd Class..... | 15 |
| 3rd Class..... | 14 |
| 4th Class..... | 13 |
| 5th Class..... | 12 |
| (c) Probationers ¹ (or Assistant Officers) | 11-10 |
| <i>Division B</i> (international or local recruitment) | |
| IV Office employees, secretaries, etc. | |
| 1st Class..... | 10-9 |
| 2nd Class..... | 8 |
| 3rd Class..... | 7 |
| 4th Class..... | 6 |
| V Clerks | |
| 1st Class..... | 6-5 |
| 2nd Class..... | 4 |
| 3rd Class..... | 3 |
| 4th Class..... | 2 |
| <i>Division C</i> (normally filled exclusively by local recruitment) | |
| VI Technical and Maintenance Services ² | |
| 1st Class..... | 5-4 |
| 2nd Class..... | 3 |
| 3rd Class..... | 2 |
| 4th Class..... | 1 |

¹ Normally probationers would be recruited by competitive examination, either externally or from among meritorious candidates in Division B.

² Foremen, supervisors etc. may in certain cases be assimilated to members of Division B.

Document A/C.5/331/Add.2

Memorandum from a group of individual members and alternates of the Staff Committee, regarding the report of the Committee of Experts

[*Original text: English*]
[16 November 1949]

COMMUNICATION DATED 15 NOVEMBER 1949 FROM THE STAFF COMMITTEE TO THE ASSISTANT SECRETARY-GENERAL IN CHARGE OF THE DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

1. Attached hereto is the text of a decision taken by the Staff Committee at its meeting of 15 November, in connexion with the report of the Committee of Experts, together with the memorandum which the Staff Committee agreed to forward. It will be noted that although the signers of the memorandum are members and alternates of the Staff Committee, the memorandum is being transmitted as the individual views of the signers and not as the views of the Staff Committee.

2. Would you be so kind as to transmit the enclosures to the Secretary-General.

(Signed) W. EPSTEIN
Chairman
A. BERNSTEIN
Secretary

Decision adopted by the Staff Committee at its meeting 14 November 1949

The Staff Committee decides to transmit the attached memorandum to the Secretary-General as the individual views of those who have signed the memorandum, and also to transmit copies to the members of the Staff Association.

15 November 1949

To: The Secretary-General,
via Mr. Byron Price, Assistant Secretary-General

From: The undersigned members and alternates of the Staff Committee

Due to the unanimous decision of the Staff Committee, against the wishes of the Chairman, that none of the members other than the Chairman should speak at the general meeting of the Staff Association, it was not possible for members of the Committee to speak on several of the serious amendments submitted to the meeting of the Staff Association, which considered the draft statement (SCC/65) by the Staff Committee to the Secretary-General on the report of the Committee of Experts.

These circumstances constrain the undersigned to express the following views so that the Secretary-General might know that the opinions which have been expressed were not those of all members of the Staff Committee.

Subject to the reservations which have been previously expressed in the draft report to the Staff Association, the undersigned are in favour of the broad principles of the new system of classification proposed by the Committee of Experts. They believe that it could represent an improvement over the existing system, and that if, as they urge, the staff is permitted to participate in putting it into effect, the uncertainties and misgivings of most of the staff will thereby be removed in a very large measure.

(Signed)

Antonis Wojcicki
(alt.) M. G. Hebrard
G. O'Rooney
V. M. Mills
A. R. Courtois
Anne Radd
James A. Bough
(alt.) Jan. G. Schumacher
(alt.) P. B. Home
(alt.) Felice Lee
(alt.) R. V. Lewis
(alt.) Elizabeth Boys
J. C. Gentil Netto
E. Scheltema
Peter Wight
(alt.) B. Hodge

Document A/C.5/331/Add.3

Views of the International Labour Organization and the World Health Organization on the report of the Committee of Experts

[Original text: English
{21 November 1951}]

1. Since the distribution of document A/C.5/331/Add.1, the Secretary-General has received letters from the International Labour Organization and the World Health Organization regarding the report of the Committee of Experts, views of the other specialized agencies, see paragraphs 26-30 of document A/C.5/331/Add.1. The letter from the International Labour Organization states that the Director-General, in absence of authorization from the Governing Body, to express any views on the Experts' proposal does not find it possible to make any comment at this stage; he plans to communicate the Committee's report together with information on action taken by the United Nations to the Staff Questions Committee of the Governing Body at the next session.

2. The letter from the World Health Organization endorses the summary conclusions of the Consultative Committee on Administrative Questions (see paragraph 29 of A/C.5/331/Add.1) subject to a number of points on which the World Health Organization did not agree with the majority of specialized agencies or wished to suggest more precise alternatives.