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Base salary scales and post adjustments of the staff in the professional and higher categories of the international civil service: reports of the International Civil Service Advisory Board and of the Secretary-General (continued) 177

Chairman: Mr. Hermod LANNUNG (Denmark).

AGENDA ITEM 65

Base salary scales and post adjustments of the staff in the professional and higher categories of the international civil service: reports of the International Civil Service Advisory Board and of the Secretary-General (A/4823 and Add.1 and 2, A/4930, A/C.5/873, A/C.5/L.685, A/C.5/L.687) (continued)

1. Mr. ZARROUG (Sudan) said that there was no need to consult statistics or experts to realize that salaries and the cost of living were rising all over the world and that a base salary scale established in 1950 and reviewed in 1956 was no longer adequate in 1961, no matter what adjustments, allowances or other devices might have been adopted. He had found the reports submitted to the Committee conclusive, and considered that they justified the Secretary-General's proposals for providing the Organization, in accordance with Article 101 of the Charter, with staff of the highest standards of efficiency, competence and integrity. It was true that the Advisory Committee on Administrative and Budgetary Questions, on the grounds that it had been unable to examine all the necessary data, had confined itself to general comments without giving a clear-cut verdict (A/4930). Nevertheless, the only opposition to the Secretary-General's proposal so far had come from the representative of the United Kingdom who, after quoting certain figures and percentages in support of his argument, had concluded that existing United Nations salaries at Headquarters seemed attractive when viewed from London or Paris. In that connexion, he wished to point out that, in his view, the expatriation factor involved all the considerations set out in paragraph 5 of the report of the Administrative Committee on Co-ordination (ACC) annexed to document A/C.5/L.685, namely, the salary offered, career prospects, prestige and job satisfaction, job security and the possibility of finding re-employment, as well as expatriation itself. Moreover, the United Kingdom representative had compared maximum "take-home" salaries but he had not compared the number of steps or length of time in the various grades, or said anything regarding prospects of promotion.

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2. In connexion with the difficulties of recruitment set forth in paragraphs 5 to 31 of the ACC's report, he felt that even the salaries proposed would not always be enough to attract candidates from countries where civil servants were less well paid than in the United Kingdom. He might mention the case of two of his compatriots, officials in the Sudanese diplomatic service, to whom the Organization had offered posts as P-4 and D-1 respectively. The first had refused and the second had accepted the D-1 post for one year only.

3. While it was true that the problem of recruitment could not be reduced to a simple question of funds, it was nevertheless also true that the only solution immediately within the Committee's power was to approve the recommendations of the International Civil Service Advisory Board (ICSAB) in its report (A/4823/Add.1). That would be both a gesture of goodwill towards the Acting Secretary-General and to the Secretariat which had been severely criticized at recent sessions of the General Assembly. In that way the Secretariat and other organizations concerned would not be compelled to resort to various devices in order to recruit the staff they needed.

4. Lastly, he felt that it would be unfair to use the Organization's financial difficulties to reject or to postpone salary increases; that would be tantamount to asking the staff to suffer the consequences of a situation for which they were not responsible.

5. Mr. VENKATARAMAN (India) wished to explain why his country supported the proposals of ICSAB, the adoption of which had been strongly recommended by the Secretary-General. When the Salary Review Committee (A/3209)^{1/} had recommended in 1956 a base scale almost identical with that approved in 1950, it had based its decision on salary trends in national civil services and in private undertakings. Its method of comparison had thus been "historical" rather than "contemporary". If in 1950 it had been judged appropriate to approve a certain relationship between United Nations salaries and those of national civil services, it would appear logical for such a relationship to continue. Having regard also to the lack of opportunity for promotion and to expatriation, the Indian delegation was forced to agree with the criteria adopted by the ICSAB.

6. Even if the figures quoted by the United Kingdom representative showed that the staff of the United Nations was relatively better paid than civil servants in the United States and in the United Kingdom, it was none the less true that the Executive Heads of the specialized agencies were having great difficulty in recruiting not only technicians and specialists but also economists, translators and administrative staff.

^{1/}Official Records of the General Assembly, Eleventh Session, Annexes, separate fascicle.

If staff was to be attracted to the United Nations, it would seem essential to raise base salaries.

7. As for post adjustments in areas in which the cost of living was lower than the new base level, it would appear that such cases were few in number and generally temporary. Since the minus adjustment created recruiting problems and difficulties in the case of inter-office transfers, the Indian delegation would vote in favour of abolishing it.

8. The International Civil Service Advisory Board was a body of eminent and extremely busy men who must be thanked for having spent more than ten days examining the question of base salaries. In the opinion of the Salary Review Committee, ICSAB was the body most competent to carry out occasional studies of salary scales, but in order to do so it would need a secretariat and the advice of outside experts. He hoped that the Acting Secretary-General would be able to give effect to the recommendations in that connexion in paragraphs 297-301 of the Salary Review Committee's report.

9. Lastly, he felt that the Acting Secretary-General's appeal to the Committee deserved the utmost consideration; moreover, in view of the increasing complexity of the work of the international civil service, the risks and the uncertainties inherent in such work and the opportunities available in private undertakings, the Indian delegation would not oppose the revision of the base salary scale.

10. Mr. GIRITLI (Turkey) fully approved the conclusions stated by ICSAB in paragraph 83 of its report. The Turkish delegation did not underestimate the financial implications of those recommendations, but it recognized, as ICSAB had done, that the proposals of ACC were essentially moderate, having regard to the increases in the level of real income of national civil servants during the past five years. It would therefore support the Secretary-General's proposals.

11. Mr. CHARARA (Saudi Arabia) noted that the Acting Secretary-General had taken over his predecessor's proposals in document A/4823 and had made out a convincing case for a revised salary scale on the grounds that it would enable him to recruit the best qualified staff and thus to discharge most effectively his varied responsibilities. The salaries of United Nations staff had been stationary since 1950 and a revision of the base salary scale was overdue. The matter affected not only the staff but all those who were interested in seeing the Organization become more effective.

12. The morale of the Secretariat was also at stake. The extremely heavy work-load, the hardships of expatriation, the limited opportunities for promotion and increasingly frequent mission assignments imposed special sacrifices on staff members. Lastly, the Acting Secretary-General's arguments had confirmed the Saudi Arabian delegation's conviction that ICSAB's proposals should be adopted.

13. Mr. GANEM (France) emphasized that the Committee bore a very heavy responsibility, since the plan to revise the base salary scale would have important financial implications: almost \$3 million for the United Nations itself, rather more for all the specialized agencies and several million dollars for experts. The Committee's decision would also have repercussions in other international or regional bodies whose salary scales followed those of the United Nations. It might also be that in certain countries

it would have internal repercussions, giving rise, for example, to wage claims from civil service trade unions.

14. From another viewpoint, it should be noted that the senior officials serving on ACC had no responsibilities to Governments; similarly, the distinguished and devoted members of ICSAB had no governmental responsibility, and the Committee was not therefore automatically obliged to bow to their recommendations. The Advisory Committee had refrained from making any judgement on the system as a whole and had simply commented on a few points of detail. In the circumstances, it might perhaps be wiser to refer the matter to the seventeenth session of the General Assembly, so that Governments, after careful examination, could give their delegations precise instructions.

15. That having been said, however, the Committee could not be entirely deaf to the Acting Secretary-General's urgent appeal which had been prompted not merely by a sense of administrative duty but by deep conviction. It must be recognized that there had, for several years, been an appreciable upward trend in civil service salaries as well as in the salaries of specialists and technicians. In any event, the French delegation's final position would depend on the results of the voting on the date of the entry into force of the proposed new system. For budgetary and administrative reasons, the French delegation would prefer the date of 1 July 1962 to that of 1 January which had been proposed.

16. Mr. CARRILLO (El Salvador) said that he would support the proposals for the new base salary scales and post adjustments. To the highly useful information which the Salary Review Committee had assembled for the preparation of its 1956 report could now be added the important documents before the Committee, in particular the report of ICSAB, which the Salary Review Committee itself considered the body best qualified to study the question. After having examined the documents the delegation of El Salvador was ready to approve the Secretary-General's proposals, which the Advisory Committee apparently did not oppose, and it hoped that a vote would be taken as quickly as possible.

17. The CHAIRMAN invited the Committee to consider one by one, those points of agenda item 65 on which its decision was required (A/C.5/L.687). Since the Advisory Committee had given its opinion on those points in the form of comments rather than recommendations, he would put the relevant proposal of the Secretary-General to the vote as soon as the examination of each point had been completed.

18. Mr. SOKIRKIN (Union of Soviet Socialist Republics) said he had reached the conclusion that the documents submitted on the question of the base salary scales were not sufficiently complete to enable him to approve or reject the Secretariat's recommendations. Some delegations had already pointed out that much of the data assembled by ICSAB was inconclusive. The Advisory Committee had made the same comment and had emphasized that it had had insufficient data at its disposal to be able to appreciate the validity of ICSAB's conclusions. While it was true that the United Nations was having difficulty in recruiting staff, it would seem that such difficulties only arose when it came to recruiting experts and certain categories of technical staff. In those circumstances, the obvious solution would be to provide for an increase in the salaries of those categories of staff where recruitment

was difficult, but not for all Secretariat officials. The costs of the Secretariat were increasing from year to year. New York had had to be placed in class 7 of the post adjustment scale in 1960 and in class 8 in 1961. There was no guarantee that a further reclassification would not be made in 1962. That was one aspect of the problem which should not be overlooked when the question of base salary scales was examined. The Soviet delegation considered that the Fifth Committee should request the Advisory Committee to study the latter question in greater detail and to submit to it detailed recommendations on the subject at the seventeenth session. Considering the existing state of study of the question, the Soviet delegation would have to abstain from voting.

Consolidation in the net base salary scales of the existing post adjustment at Geneva (A/4823, paras. 5 and 8 (b) and (c); A/4930, paras. 32, 33, 46, 47, 48, 57 and 58)

19. The CHAIRMAN put to the vote the proposal to consolidate the existing post adjustment at Geneva in the net base salary scales at the "married" rate less \$200, with the related reduction of the cost-of-living indices to 100/110 and the consequential increase of \$200 in the existing dependency allowance for a dependent spouse.

The proposal was approved by 67 votes to none, with 11 abstentions.

Abolition of "minus" post adjustments (A/4823, para. 8 (d); A/4930, para. 34)

20. Mr. KITTANI (Iraq) said he did not underestimate the strength of the administrative arguments for the abolition of the "minus" adjustments to which the Advisory Committee had referred in paragraph 34 of its report (A/4930). He considered, however, that there were even stronger arguments for maintaining the "minus" adjustments. Since the whole system rested on the fixing of a base duty station, the most elementary logic demanded that some stations should be classified above the base and others below. If the "minus" adjustments were abolished, persons stationed in the areas listed in paragraph 2 of annex 4 to document A/4823/Add.1, where the cost-of-living index was the same as or higher than the 1956 base level but below the present Geneva level, would in fact receive a double increase in salary. The Organization should make it clearly known to candidates whom it was preparing to recruit that the base salary applied solely to Geneva and to the duty stations placed in higher classes. That was an elementary principle of justice.

21. Mr. HODGES (United Kingdom) expressed agreement with the representative of Iraq and said that he would vote against the abolition of the "minus" adjustments.

22. Mr. QUIJANO (Argentina) said that he would also vote in favour of retaining the "minus" adjustments. He recalled that the post adjustment system had been introduced in order to ensure that emoluments paid at the different duty stations had the same purchasing power. He considered that the arguments put forward in 1956 by the Salary Review Committee for a "minus" adjustment (A/3209, paras. 99 and 132) were still valid.

23. Mr. ARRAIZ (Venezuela) said that he shared the opinion expressed by the Advisory Committee in para-

graph 34 of its report and would be unable to approve the abolition of the "minus" adjustments.

24. Mr. JAYARATNE (Ceylon) and Mr. WALKE (Pakistan) also considered that, for the reasons stated by the representative of Iraq, it would be only fair and equitable to retain the "minus" adjustments.

25. Mr. FENOCHIO (Mexico) said that abolition of the "minus" adjustments would put staff stationed in areas where the cost of living was lower than in Geneva in a privileged position compared with the other officials. He would abstain when the vote was taken.

26. Mr. TURNER (Controller) said that before members of the Committee decided on the question of principle he would like to explain the practical problems raised by the "minus" adjustments. The question did not concern the United Nations alone but all the organizations linked to it. Thus, account had to be taken of the difficulty there would be in explaining to a person who applied for a post at IAEA and who would be required to work at the headquarters of that organization why his salary would be reduced by 5 per cent. The person concerned would not regard such a condition as being in accordance with common sense. It was a fact that nowhere in the world was there a public or private organization which operated reductions in the base salary. Moreover, IAEA was finding such difficulty in recruiting staff that it had had to recruit officials at step 3 of their grade and even, in some cases, pay them "personal allowances". It was to be hoped that the proposed new system would enable such obnoxious practices to be eliminated. The International Atomic Energy Agency and WHO, in fact, had both decided, for the same reason, to abandon the system of "minus" adjustments. Most of the delegations represented on the Fifth Committee had thus had, in other organizations, to adopt common-sense solutions regarding "minus" adjustments.

27. The proposed step would have only negligible effects on the regular budget of the United Nations, since very few officials were stationed in the areas listed in paragraph 2 of annex 4 to document A/4823/Add.1. On the other hand, the question was one of considerable importance for the recruitment of specialists needed by the specialized agencies and IAEA and of the experts appointed to carry out projects of the Expanded Programme of Technical Assistance and the Special Fund.

28. Mr. KITTANI (Iraq) said that the question of principle was extremely important, while the administrative problems which it raised were minor ones. If the legislative organs of IAEA and WHO had broken the established rule, that was no reason why the General Assembly, which laid down the rules for the United Nations staff alone, should do the same, thus justifying the violation. It was perfectly normal and in accordance with common sense that staff working in areas where the cost of living was below that of Geneva should receive a lower gross remuneration than officials stationed at Geneva. The Hague was one duty station where there were many officials who were paid from the regular budget of the United Nations.

29. Mr. WILLOCH (Norway) said that he found the arguments of the Director of Personnel and the Controller very convincing and that he would vote in favour of abolishing the "minus" post adjustments. The arguments to the contrary were logical, but the practical and psychological reasons that justified the proposal

were even more weighty. Moreover, the abolition of the "minus" post adjustments would have only a negligible effect on the regular budget of the United Nations. Lastly, it could even be said that staff serving away from Headquarters might be entitled to certain compensations.

30. The CHAIRMAN put to the vote the proposal to abolish the "minus" post adjustments, on the understanding that if that proposal was rejected, the existing system would remain in force.

The proposal was rejected by 31 votes to 15, with 25 abstentions.

Revision of the base salary scales (A/4823, paras. 8 and 9 and annex 1; A/4930, paras. 29-44).

31. Mr. HODGES (United Kingdom) said his delegation had been impressed by the Acting Secretary-General's statement at the 877th meeting and yielded to none in its support of good employment conditions in the United Nations. However, he could not support the proposals presented in the Secretary-General's report (A/4823), for four reasons. First, the existing salary scale compared favourably with the scale applied in various civil services or in organizations of the same character. Secondly, he was not convinced that the relationships on which the 1950 comparisons of United Nations salaries and outside salaries had been based should necessarily be maintained. Thirdly, he considered that a general salary increase was not the best way of attacking the recruitment problem. Lastly, like the representatives of France and the USSR, he felt that Governments should have been given a better documented case before having to decide on that question, with its large financial implications.

32. Mr. MUNGUIA NOVOA (Nicaragua) said that it was undeniable that United Nations salaries were generally lower than those paid in the United States or elsewhere. The United Nations, however, could not employ just anyone and if it acquired an international reputation of not being a good employer the difficulties of recruitment would inevitably increase. He would vote in favour of the proposal in the Secretary-General's report, which he considered fair and equitable.

33. The CHAIRMAN put to the vote the proposal that the base salary scales should be revised as set out in paragraph 8 and annex 1 of the Secretary-General's report (A/4823).

The proposal was approved by 62 votes to none, with 15 abstentions.

34. The CHAIRMAN put to the vote the proposal that the method of transition should be as set out in paragraph 9 of the Secretary-General's report (A/4823).

The proposal was approved by 63 votes to none, with 14 abstentions.

Revision of the schedule of post adjustments (A/4823, paras. 11-20 and annex 2; A/4930, paras. 18-24 and 45-56)

35. Mr. EL-MESSIRI (United Arab Republic) said he would abstain from voting, for he considered that the proposed measure, which would fix a post adjustment amount for each step in each grade, would result in unequal increases, according to the duty station. It would seem preferable to fix, for each grade as a whole, a total amount to be calculated on the basis of either the first step in that grade or an average step.

36. Mr. TURNER (Controller) said that since the Committee had decided to retain the "minus" post adjustments, that fact should be taken into account and annex 2 to the Secretary-General's report, which had not allowed for that contingency, corrected accordingly.

37. The CHAIRMAN put to the vote the revised schedule of post adjustments, as proposed in paragraph 20 and annex 2 to the Secretary-General's report (A/4823), subject to the inclusion of "minus" post adjustments.

The proposal was approved by 64 votes to none, with 11 abstentions.

Determination of post classifications for New York and Geneva (A/4823, para. 21; A/4930, paras. 48 and 56)

38. The CHAIRMAN stated that since the Committee had decided to recommend the consolidation of the existing post adjustment at Geneva into the new net base salary scales and the revision of the schedule of post adjustments, it was necessary to reclassify the duty stations. The reclassification would take effect on 1 January 1962, but it would obviously be some time before the "nine months average" of the cost-of-living index, which would be used to calculate the post adjustment on 1 January 1962, could be ascertained.

39. Mr. TURNER (Controller) acknowledged that while New York could reasonably be expected to pass from the present class 8 to the new class 4, the case of Geneva was much more uncertain; as shown in the table in paragraph 21 of the Secretary-General's report (A/4823), Geneva already had 4.3 points towards class 4 on the present basis. It could thus not be predicted with certainty that Geneva would be in class 0. In any case, it would be unwise to submit such imprecise data in the form of a resolution. He therefore, suggested, subject to the views of the Advisory Committee, that the Fifth Committee should note in its report that the transition from the old indices to the new would be automatic, implying that the present cost-of-living index would be reduced by application of the factor 100/110; that, on the basis of present data, New York would be in class 4 and Geneva in class 0 under the new system; and that no further changes in the new classifications would be made without a report on the question having first been submitted to the Advisory Committee.

40. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) supported the Controller's suggestion.

41. The CHAIRMAN proposed that the Committee should approve the procedure suggested by the Controller.

It was so decided.

Revision of staff assessment rates (A/4930, paras. 59-70; A/C.5/873)

42. Mr. HODGES (United Kingdom) said he would vote for the revision.

43. The CHAIRMAN put to the vote the new staff assessment rates proposed in paragraph 14 of the Secretary-General's report (A/C.5/873).

The new staff assessment rates were approved by 66 votes to none, with 11 abstentions.

Effective date of application of the new scales (A/4823, para. 26; A/4930, para. 17)

44. The CHAIRMAN recalled that the Secretary-General had expressly proposed that the new scales should be applied from 1 January 1962 (A/4823, para. 26), a proposal of which the Advisory Committee had taken note (A/4930, para. 17), but that the representative of France had proposed the date 1 July 1962.

45. Mr. GANEM (France) thought that the date 1 July was a wiser and more logical choice. In the first place, Governments were ill prepared to assume heavy supplementary costs, Member States were burdened with a large number of financial obligations and the adoption of that date would decrease 1962 budget expenditures by about 50 per cent. Moreover, the members of the Committee were legislating not only for the United Nations but also for the specialized agencies and the latter should have a reasonable period of time in which to consider the repercussions of any decisions taken. Furthermore, in almost all countries such increases were carried out by stages.

46. Mr. HAMILTON (Director of Personnel) drew attention to paragraphs 79, 80 and 81 of the ICSAB report (A/4823/Add.1) and noted that arguments in favour of retroactivity could have been put forward; in view of the circumstances and of current financial difficulties, that had not been done but it could be considered if the date of application was postponed. He recalled that the Secretary-General had mentioned the question of salary revision on several occasions and that the ICSAB report had been transmitted in July 1961, which, in the opinion of ACC, should have given Governments sufficient time to examine it. The principal specialized agencies had already authorized their secretariats to comply with the decisions taken by the United Nations.

47. Mr. GANEM (France) said that he preferred to maintain his proposal as it reconciled the interests of the staff, which had a firm promise that salaries would be increased, and the interests of Governments.

48. Mr. ARRAIZ (Venezuela) supported the Secretary-General's original proposal. Even the speakers who had not found the data supplied by ICSAB conclusive had recognized the seriousness of the situation. It was simply a matter of performing an act of justice and remedying an unsatisfactory situation; as the decision to increase salaries had been taken, there was no reason to postpone the date of its application.

49. The CHAIRMAN said that in accordance with rule 131 of the rules of procedure he would first put to the vote the amendment submitted by France.

The amendment was rejected by 43 votes to 4, with 26 abstentions.

50. The CHAIRMAN then put to the vote the Secretary-General's original proposal that the new scales should be applied from 1 January 1962 (A/4823, para. 26).

The proposal was approved by 61 votes to none, with 16 abstentions.

51. Mr. CHRISTIADI (Indonesia) said that he had abstained in the votes because he had not yet received instructions from his Government; he hoped, however, to be able to take a stand on the question in the General Assembly.

52. Mr. HAMILTON (Director of Personnel) said that the decisions just taken by the Committee on the question of pay scales entailed two purely technical amendments to General Assembly resolution 1561 (XV), designed to protect the Organization and the United Nations Joint Staff Pension Fund. Under that resolution, pensionable remuneration at present consisted of the "half-gross" base pay plus a percentage which represented the increase in the weighted average post adjustment since 1 January 1956. The resolution specified that the pensionable base salary should be deemed to have been increased by 5 per cent as from 1 January 1959. It was virtually certain that by 1 January 1962 the weighted average post adjustment would have increased by another 5 per cent, so that pensionable remuneration would be the half-gross base plus 10 per cent, i.e. the new half-gross base plus 10 per cent if the 1960 resolution was not amended. That 10 per cent, however, had already been included in the new base scale and the effect of the amendment would thus be to ensure that on 1 January 1962 the pensionable remuneration would be simply the new half-gross scale. There would be no percentage addition until the weighted average post adjustment had again risen by 5 per cent calculated from 1 January 1962. In other words, the base date would be shifted from 1 January 1956 to 1 January 1962, which was perfectly fair to the staff.

53. The second amendment would have the effect of ensuring that between 1959 and 31 December 1961 the 5 per cent addition to the half-gross base was still valid.

54. The Committee might also take note in its report of another point concerning pensions, namely that relating to the calculation of withdrawal benefits. It had been decided in 1960, by amendments to article X.4 of the Regulations of the Joint Staff Pension Fund (General Assembly resolution 1561 (XV)), that a staff member who had been a participant in the Fund before the date on which the pension system had been amended would be entitled, if he withdrew on or before 31 December 1966, to a lump-sum withdrawal benefit calculated on the basis of the provisions in force at 31 March 1961; thus the benefit had been related to the net pay plus 5 per cent; the Regulations had not specifically so stated, but they had mentioned the "provisions in force at 31 March 1961". The Assembly had unquestionably intended that the staff member concerned should be entitled until 1966 to a withdrawal benefit calculated on the net basis that had prevailed before the Regulations of the United Nations Joint Staff Pension Fund were amended. As a result of the incorporation into the base net scales of the post adjustments currently paid at Geneva, the 5 per cent which had been added to the net pay after 1959 was included in the new net pay. It followed that after 1 January 1962, if a staff member wished to take advantage of the transitional measures approved by the General Assembly and embodied in article X.4 of the Regulations of the United Nations Joint Staff Pension Fund, the basis of calculation for withdrawal purposes would be the new net scale, without any percentage addition. That would, of course, also apply if between 1962 and 1966 pensionable remuneration was again increased by a certain percentage. In other words, the withdrawal benefit would be calculated on the same net basis that would have been used if the Pension scheme had not been changed.

The meeting rose at 6.5 p.m.