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Draft resolution for the 2023 USF Congress

submitted by USB

submitted by the Council section (US) to the USB Executive Committee

Reducing the pay gap in the European civil service

The '*wage ratio*' is the ratio between the highest and lowest salaries of full-time workers.

One of the aims of progressive trade unions around the world has always been to narrow this pay gap. This forms part of a solidarity-based and more egalitarian approach, aiming to avoid the downgrading of jobs at the lower end of the pay scale.

In general, (neo-)liberal-inspired policies lead to a widening of the pay gap. This has been happening in the small world of the European civil service since the beginning of the century, as a result of two reforms of the Staff Regulations, leading to the:

- lowering of the entry level salary (for new recruits) in 2004, with new basic grades introduced below the pre-existing grades;
- addition of a new category of AST/SC officials and temporary staff on lower salaries, at the lower end of the pay scale;
- addition of the 'contract agent' category within the CEOS to perform essentially the same tasks as officials, but under much worse conditions;
- at the top of the scale, the granting of a 4.2 % bonus to all Heads of Unit, Directors and Directors-General under Article

What does Union Syndicale Fédérale propose in order to reverse this trend?

The salary scale and the method

The main salary scale for the European civil service, applicable to AD and AST officials and temporary staff, has a very regular structure. The difference between two successive steps (4.2 %)

and between two successive grades (13.1 %) stays the same throughout the pay scale. In addition, as a rule, the salary in the last step of a grade matches that of the first step in the next grade. This means that moving from one step to the next, or from one grade to the next, has an equivalent proportional effect at each point in the pay scale.

Union Syndicale Fédérale is in favour of this consistent progression and does not call it into question.

However, reducing the differences between two steps is possible without undermining the consistent progression within the pay scale. This is Union Syndicale Fédérale's first proposal:

Gradually reduce the differences between two successive steps.

How can this be achieved? By amending the mechanism of the '*method*' applied to the annual salary adjustment (see Annex).

The method, which was secured following industrial action in 1981 and which has since been defended, is Union Syndicale Fédérale's most important achievement. It guarantees a stable level for salaries, pensions and social allowances, which follows the development of the pay of civil servants in national central administrations, thereby ensuring that the European Civil Service remains attractive. In addition, its entirely automatic nature guarantees, to a very large extent, good labour relations.

Union Syndicale Fédérale gives absolute priority to defending the method and its automatic nature.

Let us look more closely at what happens in practice.

Eurostat calculates a percentage of $x\%$ for a given year according to the method, with the result that all the figures in the salary scale, along with all pensions and allowances, are increased by $x\%$, in an absolutely linear fashion: a Director-General receives the same proportional increase as a contract agent in function group I – except that $x\%$ of the Director-General's salary is, in reality, 10 times greater than $x\%$ of the contract agent's salary.

It should be noted that staff in positions not governed by the pay scale (Commissioners, judges, Members of the European Parliament, secretaries-general of certain institutions), on salaries above AD 16/3, are also covered by the above salary adjustment '*method*'. The controversy in the anti-EU and anti-civil service press often focuses on these extraordinary salaries, whenever the method is applied.

The Head of Unit bonus

In 2004, the legislator introduced the Head of Unit bonus, amounting to 4.2 % of the basic salary, for colleagues in management positions. The justification was that AD 9-14 colleagues needed to be encouraged to take on new Head of Unit tasks – since no other incentive was provided for them.

At that time, two unjustified anomalies crept into the Staff Regulations:

- Directors and Directors-General also now needlessly benefit from it – and they are on salary grades that are inaccessible to anyone else. The bonus ‘rewards’ them for doing the job that they are supposed to do anyway.
- This bonus remains even after they leave the service (and even for a surviving spouse).

The 2014 reform gave Heads of Unit other benefits: only they can be promoted beyond grade 12.

This is more than enough to set them apart from other AD staff.

Not only has the bonus created anomalies since its inception, but today it no longer has any justification.

On the other hand, it costs the budget millions of euros every year, and further widens the pay gap.

This is the basis for Union Syndicale Fédérale’s second proposal:

Gradually phase out the Head of Unit bonus.

The savings made on the payroll can be used to further reduce the pay gap.

Annex

How can the method be applied differently?

An appropriate way of progressively narrowing the pay gap, while preserving the consistency and automatic nature of the method, is to use part of the overall increase in the payroll to reduce the gap between two successive steps each time the method is applied.

For a given year, let us suppose that M is the amount of the additional salary bill corresponding to the $x\%$ increase under the method. Only $x/2\%$ would be used for a linear increase in salaries. The remainder, i.e. $M/2$, would be used to reduce the gap between two successive steps (currently 4.2%), with the AD 16/3 salary (and the salaries of staff in positions not governed by the pay scale) remaining unchanged. Eurostat would calculate the new gap in such a way that $M/2$ is used to the full.

The effect is that the lower part of the pay scale would benefit from a larger proportional increase each time the method is applied. The consistent progression in the pay scale would be fully preserved.

Contract agents would still receive the AST/SC 1/1 increase.