

COMMISSION OF THE EUROPEAN COMMUNITIES

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1980 COMMISSION REPORT FOR THE ANNUAL REVIEW OF THE REMUNERATIONS OF OFFICIALS AND OTHER SERVANTS

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Article 65 of the Staff Regulations requires the Council to undertake an annual review of the remunerations of officials and other servants of the Communities on the basis of a report from the Commission.

On 29 June 1976 the Council adopted the calculation method to be followed for this purpose (R/1582/76 (STAT 49 - FIN 414)).

This method uses only one indicator, the specific indicator that measures changes in the purchasing power of civil servants in the nine Member States.

The current method differs from the previous one in that now only the net increases in civil service remunerations in the Member States (after deduction of compulsory social security contributions and taxes), and not the gross amounts, are taken into account in determining Community remunerations. In this way the effects of national taxation are passed on to Community officials.

In addition to the specific indicator there are a number of items of information and macroeconomic indicators which help the Statistical Office of the European Communities to decide whether the specific indicator is sufficiently representative.

I. Cost-of-living trends

Part A of the SOEC report records trends in the cost-of-living indexes at the various places of employment from 1 July 1979 to 1 July 1980.

Taking 1 July 1979 as 100, the situation in the various countries one year later was as follows (column 1):

| | Cost of living on 1 July 1980 (1 July 1979 = 100) (1) | Increase given for the period 1 July 1979 to 31 December 1979 (2) | Remainder to be given with effect from 1 July 1980 for the period 1 January 1980 to 30 June 1980 (3) | Percentage to be given with effect from 1 April 1980 (4) |
|----------------|---|--|--|---|
| Belgium | 106.7 | 103.5 | 103.1 | - |
| Denmark | 113.0 | 107.1 | 105.5 | - |
| Germany | 106.1 | 102.4 ² | 106.1 | - |
| France | 113.7 | 106.2 | 107.1 | - |
| Ireland | 120.2 ¹ | 107.9 | 111.4 | 105.5 |
| Italy | 121.1 | 109.3 | 110.6 | 105.3 |
| Luxembourg | 106.7 | 103.5 | 103.1 | - |
| Netherlands | 106.3 | 102.7 ² | 106.3 | - |
| United Kingdom | 120.7 | 109.8 | 109.9 | 104.8 |
| Switzerland | 103.7 | 101.1 ² | 103.7 | - |
| USA | 114.3 | 106.1 | 107.7 | - |
| Canada | 110.1 | 104.4 | 105.5 | - |
| Japan | 108.4 | 102.5 ² | 108.4 | - |
| Greece | 127.0 | 111.6 | 109.5 | 104.6 |
| Turkey | 189.0 | 137.1 ³ | 137.9 | 117.4 |
| Spain | 116.0 | 107.8 | 107.6 | - |
| Portugal | 117.2 | 110.3 | 106.3 | - |
| Venezuela | 124.3 | 114.4 | 108.7 | - |
| Austria | 107.1 | 102.5 | 107.1 | - |
| Thailand | 124.3 | 110.3 | 112.7 | 106.2 |
| Chile | 138.1 | 120.6 ⁴ | 114.5 | 107.0 |
| Australia | 110.7 ⁶ | - | 105.1 | - |
| Yugoslavia | 128.4 ⁶ | - | 119.1 | 109.1 |
| Algeria | - | - | - ⁷ | - |
| Morocco | 109.7 | 106.7 | 102.9 | - |
| Tunisia | 108.7 | 105.1 | 103.4 | - |
| Egypt | 124.5 | 108.5 | 117.5 | 108.4 |
| Syria | 126.9 | 102.0 | 119.3 | 109.2 |
| Jordan | 113.9 | 112.3 | 101.4 | - |
| Lebanon | - | - | - ⁷ | - |
| Israel | 235.9 | 157.9 ⁵ | 149.4 | 122.2 |

¹ May 1979 - May 1980.

² Increase recorded between 1 July and 31 December 1979, but not given.

³ 115.2 with effect from 1 October 1979.

⁴ 112.8 with effect from 1 October 1979.

⁵ 123.5 with effect from 1 October 1979.

⁶ Token entry.

⁷ No figures available yet.

An initial increase to offset the rise in the cost of living in the second half of 1979 was given by the Council on 18 June 1980, effective 1 January (column 2).

The increase to be given for the rise in the cost of living in the first half of 1980 is shown in column 3.

In view of the striking increases recorded in certain countries (up to 10% or more over six months), there are good grounds for making interim adjustments every three months, for which figures are given in column 4.

II. Purchasing power trends from 1 July 1979 to 1 July 1980

(a) Specific indicator

The SOEC has worked out the trend in civil service remunerations on the basis of information provided by the Member States.

The statistics are to be found in Part B of the SOEC report.

It will be seen that trends in real net terms for each category in each Member State were as follows:

| Category | Germany | France | Italy | Netherlands | Belgium | Luxembourg | United Kingdom | Ireland | Denmark | Total |
|----------|---------|--------|-------|-------------|---------|------------|----------------|---------|---------|-------|
| A | 99.1 | 98.2 | 93.0 | 96.8 | 99.5 | 102.2 | 112.4 | 104.3 | 92.4 | 100.7 |
| B | 99.2 | 93.9 | 96.1 | 97.4 | 99.8 | 102.3 | 107.9 | 92.3 | 92.3 | 100.0 |
| C | 99.7 | 99.2 | 97.7 | 97.9 | 100.0 | 102.3 | 104.5 | 94.3 | 92.9 | 99.9 |
| D | 100.1 | 99.5 | 102.0 | 97.9 | 100.0 | 102.3 | 109.3 | 95.0 | 92.5 | 102.3 |
| TOTAL | 99.2 | 98.8 | 96.8 | 97.5 | 99.3 | 102.3 | 108.0 | 95.0 | 92.6 | 100.2 |

(b) Per capita emoluments and other economic and social indicators

Part C of the SOEC report sets out broad salary trends in the Community over the reference period and compares:

the movement in real terms of gross domestic product per person employed (1.0%),

with the change in real terms of aggregate per capita incomes (0.9%) and of gross per capita emoluments in general government (2%) and in central government (3.9%).

Country-by-country comparison of the gross and net real specific indicator and the other indicators referred to above comes out as follows:

| Member State (1) | Net real specific indicator (2) | Gross real specific indicator (3) | GDP per person employed (4) | Gross per capita incomes (5) | Gross per capita emoluments general government (6) | Gross per capita emoluments central government (7) |
|---------------------|------------------------------------|--------------------------------------|--------------------------------|---------------------------------|---|---|
| Belgium | 99,2 | 101,5 | 101,4 | 101,2 | 101,7 | 102,3 |
| Germany | 99,2 | 100,4 | 101,6 | 101,5 | 101,5 | 101,2 |
| France | 98,8 | 99,2 | 101,6 | 101,1 | 101,2 | 101,3 |
| Italy | 96,8 | 96,5 | 102,6 | 100,7 | 104,4 | 111,1 |
| Luxembourg | 102,3 | 101,7 | 101,4 | 101,4 | 102,2 | 102,6 |
| Netherlands | 97,5 | 97,1 | 101,2 | 98,7 | 96,1 | 96,1 |
| United Kingdom | 108,0 | 112,8 | 97,7 | 100,2 | 104,6 | 108,5 |
| Denmark | 92,6 | 93,4 | 99,0 | 96,5 | 96,2 | 95,7 |
| Ireland | 95,0 | 94,0 | 100,3 | 104,0 | 110,6 | 116,7 |
| Member States | 100,2 | 101,6 | 101,0 | 100,9 | 102,0 | 103,9 |

III. Proposed rate of increase for increase in purchasing power

On the basis of the figures indicated at II above and detailed in Parts B and C of the SOEC report, the Commission is proposing a net linear increase of 0.2% for all staff.

IV. Weightings

Incorporation of the cost-of-living increase recorded in Brussels from 1 July 1979 to 1 July 1980 plus a linear 0.2% would bring the weightings from Brussels/Luxembourg back to 100. Weightings for the other places of employment would be adjusted accordingly.

The weightings for European countries are calculated using the Fisher formula, while for other countries the Laspeyre method is applied. In accordance with Article 64 of the Staff Regulations some weightings also include a proportion ranging between 5% and 25% to compensate for specific living conditions in the countries concerned.

V. Flat-rate allowances

- (a) In Article 67(1)(a) of the Staff Regulations and Article 1(1) of Annex VII, "Bfrs 3 119" is replaced by "Bfrs 3 335".
- (b) In Article 67(1)(b) and in Article 2(1) of Annex VII, "Bfrs 4 018" is replaced by "Bfrs 4 296".
- (c) In the second sentence of Article 69 and in the last paragraph of Article 4(1) of Annex VII "Bfrs 7 177" is replaced by "Bfrs 7 674".
- (d) In the first paragraph of Article 3 of Annex VII, "Bfrs 3 589" is replaced by "Bfrs 3 837".

the intermediate rate of "Bfrs 1 292" is replaced by "Bfrs 1 381";
the intermediate rate of "Bfrs 1 795" is replaced by "Bfrs 1 919".

- (e) the fixed allowance provided for in Article 4(a) of Annex VII is:

Bfrs 2 002 per month for officials in Grades C4 and C5;

Bfrs 3 069 per month for officials in Grades C1, C2 and C3.

- (f) The value of the point for calculating the allowance for arduous working conditions is increased from to .
- (g) With effect from 1 July 1980, the allowances of Bfrs 5 426, Bfrs 8 954 and Bfrs 12 210 for shiftwork are replaced by Bfrs 5 801, Bfrs 9 574 and Bfrs 13 055 respectively.
- (h) With effect from 1 July 1980, the table in Article 10(1) of Annex VII to the Staff Regulations is replaced by the following:

| | Entitled to household allowance | | Not entitled to household allowance | |
|--|---------------------------------|---------------|-------------------------------------|---------------|
| | 1st to 15th day | from 16th day | 1st to 15th day | from 16th day |
| | Belgian francs per calendar day | | | |
| A1 to A3 and LA3 | 1 301 | 612 | 894 | 513 |
| A4 to A8 and LA4 to LA8 and Category B | 1 262 | 572 | 855 | 447 |
| Other grades | 1 145 | 535 | 737 | 369 |

- (i) With effect from 1 July 1980, the amounts shown in Article 4 of Regulation (EEC, Euratom, ECSC) No 260/68 are subject to a weighting of 2.076317.
- (j) For the period from 1 July 1980 to 30 June 1981, the amounts shown in Article 4 of Regulation (EEC, Euratom, ECSC) No 260/68 are subject to a weighting of 1.132395, in line with the incorporation method adopted by the Council on 19 December 1977.

VI. Budgetary implications

Provision was made by the budgetary authority (under the heading of remuneration and pensions for staff and other servants in the 1980 Budget) for salary and pension adjustments approved by the Council in the course of the year. There will therefore be no need to increase budgetary appropriations.

A statement showing the additional revenue and expenditure resulting from this proposal will be sent to the Council separately, with the draft Regulation.