



## **R&D AND THE OTHER UNIONS NEED STAFF TO PREPARE FOR COMING INDUSTRIAL ACTION**

**R&D** and the other unions need your support and for you to become actively involved. Behind the question of salary indexation lies hidden the challenges of the next set of reforms; reforms that will try to destroy what has not already been destroyed by the Kinnock reforms. All those heavily penalised by the 2004 reforms, particularly the contractual agents and the “shipwrecked” are going to pay the bill a second time around.

*For the European Union and its Civil Service, the time has come for action from all quarters.*

**R&D** and the other unions have met with Mrs. Day and President Barroso's chief of staff, in order to underline the importance and the necessity of respecting the Commission's legal and moral undertakings in respect of its employees, of whom a part will suffer changes because of the new Lisbon Treaty's coming into (those of the External Service).

### ***The method is a reflection of salary progression in Member States***

Salary progression for Civil Servants and contractual agents of the European Institutions is based on a system of indexation; known by the name of the “method”. This “method” takes account of the cost of living in Brussels, as well as the average changes in salaries for Civil Servants in eight Member States, to calculate changes in salary scales (the corrector coefficients for Civil Servants assigned to other locations except those in Belgium are not included). The method is thus an indirect reflection of the crisis measures taken as far as national Civil Service salaries are concerned.

### ***The method is appropriate for the European economic situation***

The “method” has as one of its objectives to avoid the decoupling of European Civil Service salaries from an average of those of national Civil Services (taking into account the changes in cost of living in Brussels). Application of “the method” can lead to a raising or a lowering of nominal salaries according to objective data supplied by Eurostat. Nevertheless, having regard to the calculation method, any raise in our salaries is in effect delayed by 18 months by comparison with inflation. The current deflation will be reflected – without a doubt – next year, during the next revision of our remuneration...

### ***The method is legally enshrined and is part of a global package***

The current “method” is an amalgamation of elements in the Kinnock reforms and agreements reached between the Commission, the Council and the staff. It is enshrined in Community Law in a Council Regulation (Terms and Conditions for Civil Servants; annex XI). As a consequence, the Commission could enter an appeal before the Court of Justice, as has been done successfully in the past.

During the meeting of Coreper1, the Commission made two proposals: one looking to increase our salaries by 3.7%, the other to increase our pension contributions by 0.4%. Member States adopted the proposal to increase pension contributions at that meeting. This rise in pension contributions follows an increase last year of 0.65% and could well rise further in the future... At the same time a majority of Member States desired a delay in taking a decision on our remuneration.

### ***The European Civil Service has already been paying a “crisis tax” for over ten years***

It is necessary to note that the “special levy” (former crisis contribution), has risen on average by 0.2% every year since inception of the “reform”. In total, and in spite of a sustained period of growth, the “method” has worked against the staff, since from year to year our purchasing power has been eroded. In 2008, and despite inflation in the reference period of 5.8% in Belgium, the salary correction was 2.15% – after deductions for pension contributions and special levy, making a net reduction of 4%. This squeeze in salaries was applied to staff of the Institutions well before the crisis appeared on the scene and in contrast to salary increases granted by Member States for their national administrations.

### ***Salary squeezes translate into losses of purchasing power***

The loss of purchasing power suffered by European Civil Servants is recognised by the Commission in a report by specialists (“Report from the Commission to the European Parliament and to the Council”, page 3 – the total salary spend reduced by 1% in 2008 in spite of the increase in the number of Civil Servants and contractual agents). The Commission calculates that the purchasing power of Civil Servants and other staff has reduced by 2.3% in the past four years ... **to which we need to add the total of four years of increases in special levy and pension contributions** (page 13 of the above-mentioned report).

This report emphasises (page 13 point 8): “*It can be said that Community officials' salaries have moved in line ... with a loss of purchasing power going beyond parallelism with national civil servants*” (period 2004 - 2008).

### ***The Council’s refusal: industrial conflicts in preparation***

What are the consequences of a refusal to apply the “method”? There are three:

- If the Council will respect neither its own agreements nor Community law, it is obvious that the credibility of this institution will be seriously called into question. It is certainly serious for our salaries but above all disastrous for all the agreements and decisions to come. Legal uncertainty will prevail..
- A refusal to apply the “method” in 2009 means the end of this method and will result in a real reduction in our remuneration both in nominal terms and in terms of purchasing power. That would be the first time in the history of the Communities.
- The absence of a formula would mean that we would have to negotiate salary changes every year with the Council. In this case, it is evident that the unions will take advantage of all means at their disposal to apply the necessary pressure to be heard – including strike action and blocking European Council meetings.

### ***A Commission which must uphold its role and make sure the law is respected***

What will the Commission do? It must remind Member States that they should apply the regulations in force (*Pacta sunt servanda*), and in our case it is simply a matter of catching up. A refusal to adopt the Commission’s proposal, which follows from regulations in the Terms and Conditions, on the basis of a particular interpretation, would effectively constitute a violation of the law, a unilateral calling into question of one of the Council’s own rules and of the “method”, as well as a head-on attack on European Civil Servants’ terms and conditions.

Pour adhérer à R&D/To join R&D **Bruxelles** : envoyer ce talon à /send this stub to R&D, J-79 09/232,

NOM/NAME:

Adresse adm/Adm Address:

Consultez notre site web/Consult our website: <http://www.renouveau-democratie.eu>

Secrétariat politique/Political Secretary: Helena Ferreira Ramos VLAHOPOULOS (61005), Marco PINO (57371)

Membres du Comité Exécutif: Franco IANNIELLO, Giuseppe ADURNO, Isa BIRKE, Domingos DIAS, Michael DOCHERTY, Fabien DURAND, Raymond HILL, Emile KIMMAN, Raffaele NAPOLITANO, Michele OTTATI, Helena Ferreira Ramos VLAHOPOULOS, Helga VOGELMANN, Cristiano SEBASTIANI, Helen SUTCLIFFE, Bruno UGUCCIONI.