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A weighting for Luxembourg?

- In order to guarantee equivalence of purchasing power, the Staff Regulations provide that an official's remuneration shall "*be weighted at a rate above, below or equal to 100%, depending on living conditions in the various places of employment*".

▶ Article 64 of the Staff Regulations

- However, no such weighting exists for Luxembourg: "*No correction coefficient shall be applicable in Belgium and Luxembourg*".

▶ Article 3 (5) of Annex XI to the Staff Regulations

- This does not amount to affirming that the correction coefficient for Luxembourg is equal to 100%: such a (wrong) statement implies that this correction coefficient could be modified in the future.

- However, the rules in force have precluded the very existence of a correction coefficient for Luxembourg, as a result not of any statistical calculation whatsoever, but of plain political will.

- A flyer of a trade union based in the Commission in Luxembourg, which has been distributed in the Court of Justice, touches upon real problems linked to the purchasing power of the staff of Luxembourg-based institutions.

- Such problems, which are particularly experienced by newly recruited colleagues, need in fact to be addressed by every trade union, which should in principle deal not only with income, but also with purchasing power and hence with the cost of living.

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- Before tackling the issues raised, we will say right away that the remedy proposed, *i.e.* introducing a weighting for Luxembourg, is ineffective and diverts the existing unease in the wrong direction.

● Firstly, introducing a weighting for Luxembourg would require amending the Staff Regulations.

● This would give the Council -which has still not swallowed some aspects of the Reform- an opportunity to hit back: *e.g.*, to withdraw guaranteed promotion rates or to cut further pension rights.

● Indeed, for some delegations in the Council, guaranteed rates of promotion (Annex I,B StaffRegs) do not have to be applied, they are mere 'ceilings'.

● Neither the gloomy political climate in the Union following the failure of the Constitutional Treaty nor the present composition of the Commission and DG Admin points to a more favourable evolution in our conditions of pay.

● Secondly, such a change in the rules would require, as that trade union's article admits, a "political will", mainly on the part of the Luxembourg authorities.

● Is there any chance for such a political will to occur?

● Supposing that a correction coefficient were created and had a value above 100%, it would only result in speeding up the flight of the Commission's (and Parliament's) services to Brussels, this time for budgetary reasons.

● Such a result would be contrary to the goals not only of the Luxembourg authorities, but even more so of the trade union in question, which, strangely enough, puts forward in its headlines "the defence of the site of Luxembourg".

● This defence is linked to defending the staff levels of the Commission in Luxembourg, which in turn guarantees to the said union its means of survival.

● Do they frankly wish to lose them?

● Thirdly, let's suppose that all political and legal obstacles are removed and that a weighting for Luxembourg is finally

introduced: would it be higher than 100%, as anticipated ?

- This is very doubtful: in fact, the method used by Eurostat in calculating the purchasing power attributes to the cost of housing a much smaller weight than it really represents inside the "real" basket of the household of an expatriate who has recently settled in a host country.
- However, it's mainly the cost of housing which is particularly high for new colleagues, a fact which reduces considerably Luxembourg's attractiveness as a site of settlement of Community institutions.

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- Fourthly, let's suppose that, despite all that, a weighting is introduced which would be above 100%. To whose benefit would that be?
 - Since an increase is applied in the form of a flat rate, it would obviously carry a huger benefit to the higher salaries, and a much smaller one to the lower salaries, and mainly those of contract staff, which are brought up as an argument in favour of introducing a weighting for Luxembourg.

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- Therefore, remedies to the problems linked to the cost of living in Luxembourg must be sought elsewhere.
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