

How the **Joint Index** cost us 0.5 %

'The Method' laid down in Annex XI to the Staff Regulations guarantees that our remuneration is updated annually, based on a combination of two variables¹:

- Changes in the cost of living Belgium and Luxembourg
- Changes in the purchasing power of salaries of national civil servants in central government (specific indicators).

Let us examine the first of these.

Prior to the 2014 reform, reference was made only to "Changes in the cost of living for Brussels (Brussels International Index)". As of 2014, the text has been as follows:

*"Eurostat shall draw up an index to measure changes in the cost of living for officials of the Union in Belgium **and Luxembourg**. That index (hereinafter the '**Joint Index**') shall be calculated by weighting national inflation (as measured by*

- *the Harmonised Indices of Consumer Prices (HICP) in the case of Belgium and*
- *the Consumer Prices Index (CPI) in the case of Luxembourg)*

between June of the previous year and June of the current year according to the distribution of the staff serving in those Member States."

	BE HICP	LU CPI	Joint Index JBLI	LU impact on JBLI
1-Jul-15	1.3%	0.7%	1.2%	-0.1%
1-Jul-16	1.8%	0.0%	1.4%	-0.4%
1-Jul-17	1.1%	1.3%	1.1%	0.0%
1-Jul-18	2.1%	1.6%	2.1%	0.0%

**total impact
in 4 yrs
-0.5%**

This distribution, which is measured annually, is approximately: **Brussels 81 %, Luxembourg 19 %**. Luxembourg's impact on the Joint Index is therefore low. However, twice in the four years since this concept was introduced, when the Luxembourg index came in much lower than the Brussels index, including when it was zero percent, the Joint Index was dragged down.

An artifice

This merely illustrates the deceit in the very notion of a 'Joint Index' for two

countries with different economic conditions. The cost of living in Luxembourg was already 10 % higher than in Belgium, in 2013, according to external sources acknowledged by

¹ A third variable is the "Changes in the cost of living outside Brussels" (and Luxembourg), which applies to other duty stations.

Eurostat. However, no matter how **real** this difference in the cost of living is in economic terms, **legally it does not exist**. So, the starting point (2014) of the 'Joint Belgium-Luxembourg Index' was simply: Belgium.

The purpose of its introduction was *not* — and could never have been — to obtain a weighted average between the cost of living in the two countries, but simply a weighted average between **the variation** in the cost of living in the two countries **from one year to the next**. And, **if Luxembourg happens to have lower inflation than Belgium, it drives the 'Joint Index' down, curbing the evolution of salaries in European Public Service as a whole**.

The purpose of its introduction was to give a poorly informed public **the impression that "Luxembourg has been taken into account" ...**

The 'Joint Index' —which makes no economic sense— was indeed taken into account, only to **reduce**, in fact, **our general salary growth by 0.5 % since 2015**.

A tolerable loss? The loss of income perhaps, but the deception persists.

The correction coefficient, again!

In our previous flyer [Creating a correction coefficient \(cc\) for Luxembourg? Legal framework](#), we explained why a correction coefficient **cannot** be created by the Commission by way of a **"delegated act"**.

Should the Commission go on to exceed its powers, it would expose itself to a **revocation of the delegation** by the European Parliament or the Council. In fact, one of the few improvements brought about by the 2014 Reform of the Staff Regulations was the Commission being attributed exclusive competence to decide on updating remuneration (Article 65 (3) of the Staff Regulations). This protects us from the misfortunes we have been through in the past ([non-application of the Method in 2011-2012](#), [confirmed by the Court of Justice](#)).

A hypothetical legal improvisation would put at risk the salary adjustment Method (Annex XI), which was hard won through union mobilisation. **The strength of the method lies in its rigour**. If we replaced this rigour, both statistical and legal, with legal acrobatics, we would ourselves be putting an end to this great achievement.