

The art of transforming the housing crisis in a crisis of the European public service

By a [Motion](#)¹ adopted unanimously on 17.05.2022, the **Chamber of Deputies** (ChD, Luxembourg Parliament), approached by another Luxembourg-based union, took a position on what we call the **attractiveness of the Luxembourg site**.

The Chamber of Deputies, criticising the fact that Luxembourg is equated with Brussels despite a **cost of living difference** of 10.5% found in a "study commissioned by the European Commission [COM] in 2019" [the [AIRINC study](#)],

notes that

- in order to “compensate for this difference in the cost of living”, “**potential solutions** [...] could be adopted **at the EU level**”;
- “Some possible solutions, including the introduction of a **correction coefficient** [cc] for Luxembourg, would require an amendment to the Staff Regulations”, which requires “applying the ordinary legislative procedure, unless otherwise provided”;
- the monopoly of the **initiative** belongs to the COM;

refers to the [Report from the Commission on the application of Annex XI of the Staff Regulations](#),

and concludes by inviting the Government

- to enhance the attractiveness of the European civil service and of the Luxembourg site and
- to “continue to call on the European Commission to **initiate** the adoption of a sustainable and non-discriminatory solution at EU level aimed at compensating for the difference in the cost of living between Luxembourg and Brussels for European officials and other servants posted in Luxembourg”.

→ Read the full text by clicking ▶ [here](#)

¹ See the whole file of the [Motion](#) of Mr Yves Cruchten, MP: European civil service.

The AIRINC study

The Motion refers to a very instructive [study](#) by AIRINC (September 2019), which evaluated the cost of living in Luxembourg at 110.5 compared to Brussels = 100.

It would also be interesting to see, in the [graph on p. 15](#), the indices for **Luxembourg** compared to those for **Thionville, Trier and Arlon**. It follows that the difference in the cost of living is due to **rents**, see even more clearly the [graph on p. 17](#). This last information is included in the [Commission Report](#) mentioned in the Motion of the Chamber of Deputies, in the following terms:

" 4.2.3. *The cost of living in Luxembourg*

[...] According to AIRINC, the **accommodation** in Luxembourg City in 2019 cost some **53%** more than in Brussels. **Rent** has been the main driver for the deteriorating purchasing power of staff members working and residing in Luxembourg as compared with staff members working and residing in Brussels".

→ Click ▶ [here](#) and go to point 4.2.3.

The present difference in the cost of living

According to recent sources harmonised with Eurostat methodology, at the end of December 2021, a **hypothetical cc for Luxembourg** would be **124.4**; more specifically, the ratio of **rents** in Luxembourg to Brussels (=100) is estimated at **188.2**.

No new reform

In its report, the Commission states that it does **not** consider it appropriate to propose a weighting.²

Fortunately, Commissioner Hahn recently told the trade unions that the Commission has decided not to **ask for a new reform of the Staff Regulations**, which in the current context would be catastrophic. 'Necessary changes' would be made **with Staff Regulations unchanged**.

What might these 'necessary changes' be?

The administrations of the institutions and bodies based in Luxembourg, coordinated within a High-Level Group (GHAN, see [News@Curia 225](#)), are currently working on 12 points of reflection aimed at improving the attractiveness of the Luxembourg site, which is struggling to recruit and retain staff.

These are necessary **expedients**, in which Luxembourg's help will be needed, for example, to create **temporary accommodation** for newcomers.

² To discover the *unknown* history of the weighting for Luxembourg, click [here](#).

Among the 12 Actions on the table of the GHAN, we are focusing on the “**housing allowance**”. A budget line entitled “[housing allowance](#)” can no longer exist as such, as its legal basis (Article 14a of Annex VII of the Staff Regulations) was formally repealed in 2004. The related appropriations will be presented under the modest label of “**measures of a social nature**” (Article 1e of the Staff Regulations) and reserved for the lowest salaries.

Housing: a societal problem

If, on the one hand, a Staff Regulations reform would be full of risks and, on the other hand, such expedients are felt as broadly insufficient, what remains to be done is to attack the root problem which is none other than the soaring cost of real estate and the price of rents, which are at the origin of this **24.5%** difference in the cost of living.

It is about **the housing crisis**, the missing word in the Motion of the Chamber of Deputies, which, however, falls within its own competence.

For **EPSU-CJ**, this is not a corporatist demand, but an issue around which we will need to rally all the forces in society that are affected by it. Moreover, unlike a reform of the Staff Regulations, its solution will not depend on the will of 27 Member States and will not risk becoming a threat to all persons to whom the Staff Regulations and the CEOS (some 100,000) apply.

Both solidarity and efficiency demand that we stop the upward spiral of prices, stop fuelling competition in an already overheated market, and consequently stop overheating the planet in search of affordable housing further and further from the workplace.

The **EPSU-CJ** Executive Committee



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