



Generation 2004

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TOP STORY

Outrage over EC approaching 1000 senior experts/senior assistants' nominations – widening career gap and waste of precious administration budget



The 2014 Staff Regulations introduced the so-called "career cap" (blocage des carrières in French). Regular ASTs and ADs who have no management responsibilities cannot reach grades above AST9 and AD12. At least in principle, see the next article on career inequalities which shows that the career cap does not apply to several thousand pre-2004 officials ...

The 2014 Staff Regulations also introduced a special career path for those who are supposedly experts in their field, the so-called "senior assistant" and "senior expert" posts. Most of us know that these titles are nothing but a reward for those who have been in place for a long time, nothing to do with actual qualifications!



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We have just received an update from DG HR on the number of nominations to these posts and on the resulting promotions since 1 Jan 2014.

| Year | Senior expert nominations | Senior expert promotions | Senior assistant nominations | Senior assistant promotions |
|-------|---------------------------|--------------------------|------------------------------|-----------------------------|
| 2014 | 180 | 140 | 59 | 28 |
| 2015 | 299 | 154 | 80 | 64 |
| 2016 | 130 | 75 | 72 | 60 |
| Total | 609 | 369 | 211 | 152 |

A staggering 820 permanent officials have benefited from nominations to these high-ranking positions during the past 3 years. With the current trend, we should reach over 1000 officials in these positions before the end of this year.

Because these nominations open the way to promotions to grades beyond the AST9 and AD12 cap, we can expect that most of these lucky colleagues will reach the AST11 and the AD14 grades in a few years' time. More than 500 of them have already benefited from promotions to AST10, AST11, AD13 or AD14 during the past 3 years.

The budgetary impact of these generosity is not public yet but a back-of-the envelope calculation suggests that it will be on the order of several million euros/year (a promotion implies a pay rise of about 13% if one neglects the steps; 13% of €10,000/month for 1000 people gives about €16 million/year; we don't have yet access to the financial fiche of the draft General Implementation Provisions for Contract Agents, but we reckon that DG BUDG is trying to save a similar amount on the back of the Contract Agents, through for instance their [downgrading at the occasion of a change of contract](#)).

While it is encouraging to see that DG HR is becoming more transparent with this "senior something" scheme, it raises a difficult issue: how can the Commission afford to spend so much money to boost the careers of officials who are already ultra-privileged while cutting on every other possible expenses?

Don't forget that the lucky "senior something" will not only enjoy higher salaries but they will also benefit from higher pensions since pensions are directly proportional to the last year of salary. When you consider that the [pension liability had reached €57 billion at the end of 2014 \(footnote 15, page 6\)](#) you start worrying, don't you? You won't be the only ones to be worried about the sustainability of our pension scheme, the Council is getting worried too and this is not good news for us! In particular, the [Council conclusion #8](#) *"requests that the Commission ... reports ... on the long-term sustainability of the EU pension scheme, taking into consideration ... an evaluation of the pension accumulation rate, the staff contribution rate of 1/3 to the pension system, including for **existing staff**,..... and to propose appropriate policy measures ... to ensure the sustainability of the scheme."*

Read the Council's lips: more cuts to the pension rights of "existing staff". Most of those nominated to "senior something" posts during the past 3 years will have escaped from active service before the situation becomes unbearable (they will no longer be "existing staff"...) but those of you who have been recruited after the 2004 reform, or worse after the 2014 reform, will be targeted once again! In this context, one would expect DG HR to be more cautious with the "senior something" scheme.

Growing inequalities in the institutions

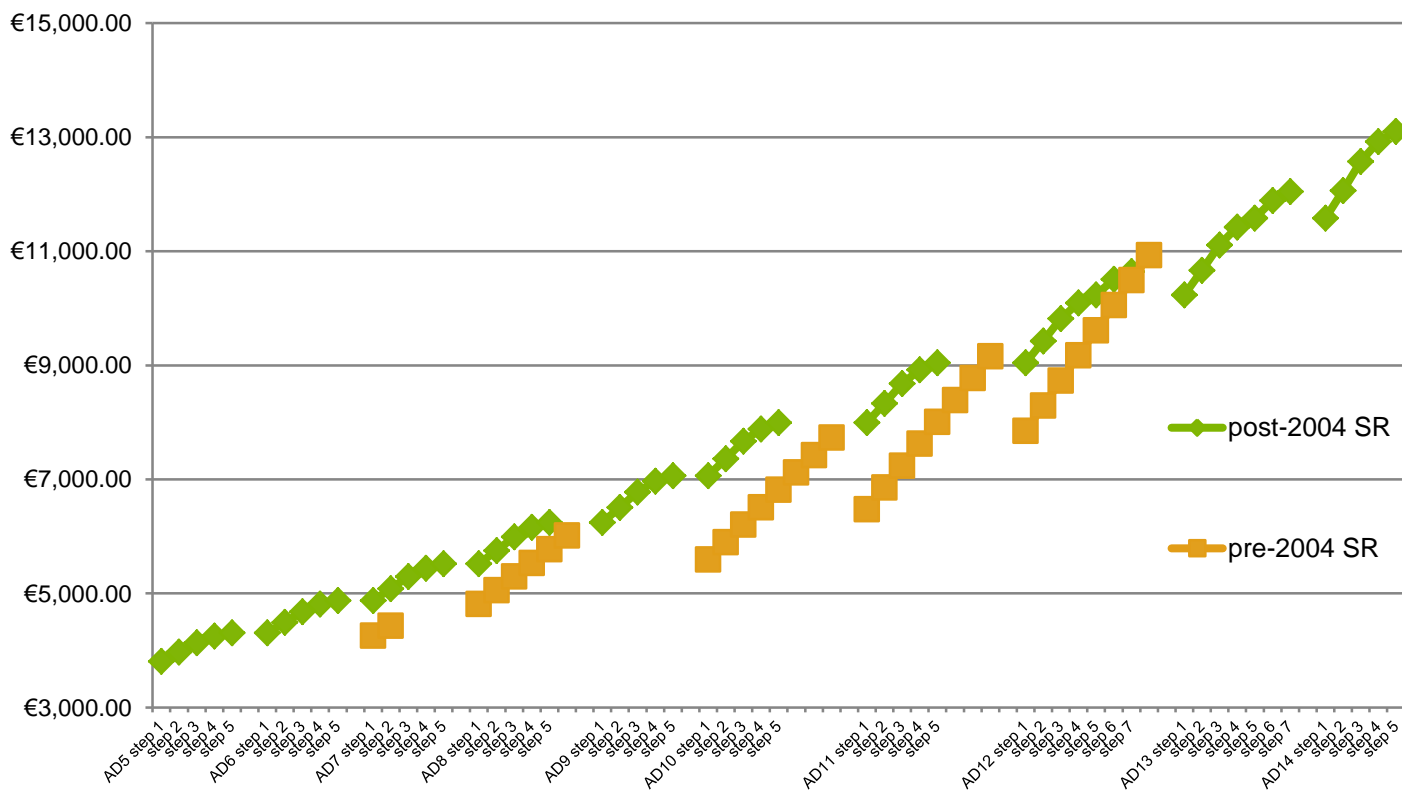
Oxfam, the well-known international confederation of charitable organizations has recently published its annual [report on social inequalities](#). What about inequalities in the EU institutions? Since the infamous Kinnock reform of 2004, inequalities have greatly increased in the EU civil service. Before the Kinnock reform, careers of non-management staff were limited to the equivalent of AD12.

For a decade, between 2004 and 2013, this upper limit became AD14. The 2014 Staff Regulations re-introduced the AD12 cap, but in the meantime, more than 2000 ADs had managed to sneak in to the AD13 grade and another 500 to the AD14 grade, most of them without taking managerial responsibilities. Moreover, the 2014 Staff Regulations did not put an end to what could be perceived as an overly generous scheme:

Several hundred senior experts are still managing to sneak in (see article above as well as a previous [newsletter](#)). In addition, the pre-2004 staff who haven't managed to become AD14 have nonetheless benefitted in January of last year from a pay rise that raised their salary to the level of an AD14 salary, without having to go through any painstaking promotion exercise. They achieved this pay rise via the additional steps that the 2014 staff regulations have granted them, supposedly to maintain their motivation at work (See the "[Generation Edith Cresson](#)" article - for those interested, the additional steps are explained in great details in [article 30 of annex XIII of the Staff Regulations](#)).

The whole range of measures in favour of pre-2004 staff is illustrated in the graph below. The pre-2004 salary scale for administrators is shown in orange (large squares if you are looking at the graph in black and white) and the post-2004 salary scale (modified to take the 2014 reform into account) is shown in green (or small squares if you are looking at the graph in black and white). The horizontal axis lists the grades in the post-2004 career structure, the grades of the pre-2004 career structure are super-imposed on the same axis but not explicitly mentioned. The vertical axis indicates monthly basic salaries in 2004 values (the figures come from Annex XIII of the Staff Regulations). For instance, the basic salary at entry level has become €3810/month for post-2004 ADs whereas it was €4259/month for pre-2004 ADs (i.e. 12% less for post-2004 ADs; the amounts quoted here were those valid in 2004; since then, salaries of both pre-2004 and post-2004 ADs have been adjusted in equal proportions according to the "method"; the salaries of pre-2004 ADs have benefitted from a further increase, which is not represented here, via the gradual convergence of the so-called correcting coefficients to a value of 1, so the present graph is a conservative estimate of the gains achieved by pre-2004 staff through the 2004 reform).





One can clearly see how the range of salaries has increased since 2004. How does this increased range affect post-2004 staff and pre-2004 staff? As mentioned above, the 2004 reform has substantially reduced the salaries of entry grades, i.e. the salaries of the newcomers recruited after 2004. In contrast, the graph shows that AD13 with no management responsibilities, who would have had their careers capped at a basic salary of about €11000/month before 2004 (here again, figures are those that were in force in 2004 in order to allow for comparison between pre and post-2004 salary scales) can now reach a maximum basic salary of €12046/month (2004 values – this figure takes into account the 2 pay rises described in article 30 of Annex XIII of the Staff Regulations, represented in the graph as 2 additional steps in the careers of AD13 for the sake of simplicity). This is 10% more than the maximum salary for non-management staff before the 2004 staff reform. Even more generous is the possibility for non-management staff that had reached the AD14 grade before 1 January 2014 to achieve a basic salary of €13100/month (2004 values), i.e. 20% more than the maximum salary allowed for non-management staff before the 2004 staff reform. The point here is that those who have benefited from this generous salary increase are staff recruited before the 2004 reform. Indeed, no non-management post-2004 staff were recruited at a high-enough grade to benefit from the increase. Thus, what the graph illustrates is a generous salary policy in favour of pre-2004 ADs combined with a very significant loss in salary inflicted on post-2004 ADs. Social inequalities among ADs have thus greatly increased in 2004.

Inequalities between the best-paid non-management staff and staff at the bottom of the salary ladder have also increased because of the 2014 reform. Before 1 January 2014, the ratio of the highest basic salary for non-management staff (AD14, step 5, i.e. €15944/month in 2017 values) to the lowest basic salary of permanent officials (AST1, step 1, i.e. €2830/month in 2017 values) was 5.6. With the Staff Regulations in force since 1 Jan 2014, the highest salary has been untouched but the lowest salary has become that of the new category SC1, step 1 (€2481/month): as a result, the ratio is now 6.4, almost +15% compared to what it was before the 2014 reform. It now takes less than 2 months for the best paid non-management official to earn as much as what an entry-level official earns in a year. This inequality index looks even worse when applied to Contract Agents: the lowest salary for a Contract Agent is €1970/month, which gives an inequality ratio larger than 8 (it takes only 1.5 month for an AD14 to earn as much as what a CA earns in a whole year). Interestingly, the lowest salary of a Contract Agent is below the minimum wage in Luxembourg.



Taking into account that Contract Agents do not have the same job security as AD14 permanent official (CA3b in the Commission actually have no job security at all ...), the inequality is even more difficult to justify. Note that here we have not considered the highest possible salary of an EU official, which is the salary of the president of the European Commission; this would be another debate that we will leave to the [British tabloids](#). In any case, the conclusion is clear: the rise in inequalities is not limited to ADs, it is widespread among the entire staff of the institutions.

When releasing its report on inequalities, Oxfam made the following statement: "*Our economy must stop excessively rewarding those at the top and start working for all people. Accountable and visionary governments, businesses that work in the interests of workers and producers, a valued environment, women's rights and a strong system of fair taxation, are central to this more human economy.*"

You don't have to agree with this statement. But if you do, you should ask yourself whether HR policies that lead to increasing inequalities within the EU civil service are not a way to format us to accept that inequalities should also increase outside the bubble of the EU institutions. That our former boss, Jose Manuel Barroso, has deemed perfectly acceptable to go and work for one of the banks that wreaked the financial system havoc in 2008 and thus contributed to greatly increased inequalities in the world, could be interpreted as a sign that the successive 2004 and 2014 reforms Staff Regulations may have been less fortuitous than a naïve observer might think. Let us hope that the next reform of the Staff Regulations tackles this inequality trend in a serious manner.

How the promotion system works, and why you might be disappointed with this year's promotion exercise

This year, as every year, the decision of who to promote or not will be largely driven by a set of crude quotas supplied to DGs by DG HR. Because of the clumsy way quotas are calculated many hard working colleagues who have performed well will be left scratching their heads, disappointed at their lack of promotion.

To explain the problem, let us visualise two different DGS with 6 colleagues at each DG of the same grade, where the grade in question has a promotion rate set by the Staff Regulations of 33% (e.g. AST3->AST4, AD8->AD9, etc.) implying an average promotion rate of 3 years:

DG 1, (seniority in grade)

4 years 🙄🙄🙄

3 years 🙄🙄

2 years 🙄

DG 2, (seniority in grade)

4 years 🙄

3 years 🙄🙄

2 years 🙄🙄🙄

The only difference between the two DGs is the distribution of the 6 colleagues in terms of their seniority. However, this is not taken into account by DG HR when they set the DG's promotion quotas, which are simply based on the number of 'promotable' colleagues in the grade, i.e. the number of colleagues within the grade who have at least 2 years of seniority, (which in our simplified example is everybody). The result is that when DG HR's calculations are made for the DG's quotas, for both DG1 and DG2 the quota will be the same – let's say that in this example their calculation gives both of the DGs a quota of 3.

Now let's assume that in both DGs, the 6 colleagues are judged by their hierarchy to have put in an equally good performance, as evidenced by their respective appraisal reports, their recognized use of languages and levels of responsibility. The result of the promotion exercise will be as follows:

DG 1:

4 years 😊😊😊
3 years 😞😞
2 years 😞

DG 2:

4 years 😊
3 years 😊😊
2 years 😞😞😞

In both cases, 3 colleagues are smiling 😊, and 3 are not 😞. However, if we focus in particular on the two colleagues in each case who have 3 years seniority and are therefore "due" for a promotion, in both cases they are average performers in a group of average performers, but in DG 1 they will get promoted 😊, whereas in DG 2 they will not 😞. The reason is simply because of the way the seniorities of other colleagues in their grade happen to be distributed around them. This unfortunately gives our promotion system arbitrary outcomes, since no account is taken of the seniorities of colleagues in a grade when quotas are given to DGs. (In a previous version of the promotion system, account was taken of seniority, but DG HR no longer apply this because some DGs started playing tricks by artificially putting officials in slow careers to increase their quotas).



This is of course a simplification in a number of ways: Not all colleagues will be deemed to have had an average performance, and so the distribution of promotions will not just depend on seniority. Indeed, the Staff Regulations, and now also jurisprudence, dictate that promotion should be based solely on merit, therefore why would we be asking for quota adjustments on the basis of seniority?

While G2004 indeed supports the idea that promotions should be based solely on merit, the fact is that under the current system we observe that whilst merit plays a part, seniority is still the *de facto* principal determiner in promotion decisions.

Because of this reality where it is DG quotas and seniority with only limited adjustment for merit that drives promotion decisions, and because DG HR clearly feels it necessary to give DGs a helping hand with promotion arithmetic (we could also argue that DGs do not need quotas at all), G2004 argues that for the sake of fairness, quotas supplied by DG HR should also be adjusted to take into account the distribution of seniority years within a grade in a given year. This would avoid the situation described above, where hard working colleagues who have put in solid performances are denied the rewards they deserve 😞, while underperforming colleagues get lucky 😊 simply because they happen to be in a DG with an unfavourable, respectively favourable distribution of seniority within their grade in the respective year. Whilst these phenomena will tend to even themselves out over a career, with the 'distribution' luck on your side in some years leading to quicker promotions and vice versa, a slightly more sophisticated set of quotas from DG HR would serve to fine tune better performance and seniority with reward, and this would clearly be in the interest of both staff and of the institution.

In the meantime, some colleagues who now better understand the current system may be wondering how they can make it work in their favour in order to get themselves faster promotions. The answer to this is that it is not easy, since firstly as your promotion decision approaches you would have to have the not readily available data about how the seniority distribution of others in your grade in your DG, and secondly, in the scenario that the distribution was unfavourable, (typically with many colleagues overdue for promotion, but few in the promotable-but-not-due-for-promotion range), then the only option to avoid disappointment based on distribution would be to try and change DG (or institution) before the promotion exercise.

This is of course a rather drastic option, and rarely one that would justify the upheaval just for the sake of improving your promotion odds. Furthermore, it would also depend on having an equivalent knowledge of the seniority distribution in your new DG in order to know whether it was any more favourable than in your current DG. In addition, the distributions in both DGs are ever changing with the movement of staff between DGs. Finally, as mobility between DGs is sadly often punished by the current promotion system, the benefits in terms of being within a more favourable seniority distribution are unlikely to outweigh the general detrimental effect of changing DG in a possible promotion year. However, for a colleague who is in any case considering a move between two DGs, but is undecided on whether to make that move, if they could obtain the data, then the differing odds of their next promotion because of seniority distributions might be worth taking into account alongside all other factors in making a decision.

We'll keep on pushing to change the system. But until then, we wish you "Good luck!" 😊

..... *and finally*

Got any ideas for the G2004 newsletter? [Send](#) them along (with "Newsletter" in subject), together with any letters, articles, poems and other assorted forms of expression.

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Whilst **Generation 2004** is the home of **EVERYONE** who believes in equality, justice and solidarity, it is

✓ *the natural home of ALL staff recruited after 01 May 2004*

and de facto,

✓ *the natural home of ALL staff recruited from the "new" (2004+) Member States*

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