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## Open letter to MEPs: In defense of the EU and its civil service

Dear Members,

The European Council is meeting on 7-8 February to reach a political agreement on the next Multiannual Financial Framework for the period 2014-2020. They did not reach agreement at their November meeting despite the level of cuts (EUR 80 billion) proposed by its President, Mr Van Rompuy — **freezing the EU budget until 2020 at the level of the 2007 budget!!**

Apparently this was not enough “pain” and this second round of negotiations start with a demand by certain so-called “net payers” Member States to cut an additional EUR 30 billion, **including €6 billion from the Union’s administrative budget.**

This level of cuts is not compatible with the EU competences (significantly increased by the Lisbon Treaty), with fostering growth and jobs, tackling climate change, migration, cross-border crime, with supporting less well-off regions, securing our own food supply and with making the EU’s political weight count in the world. These cuts are in blatant contradiction with the political compromises made by EU institutions, first and foremost the European Council, to develop a more integrated Union in response to the global challenges that affect us all.

This drastic reduction is also irreconcilable with the proper functioning of the institutions that have to deliver these goals. The EU’s administrative expenses amount to less than 6% of the total EU budget, with staff salaries accounting for around half of that 6%. EU staff (just 3% of the budget) have to execute EU policies and manage and monitor the other 97% of the budget.

You might have heard and read many **myths** and, to put it mildly, **misconceptions and false impressions about the EU civil service**.

Let's put the figures in proportion.

EU staff is composed of 55,000 EU officials, which include those in the Commission, the Parliament, Council, the Court of Justice, the European External Action Service, delegations abroad, agencies, the Committee of the Regions and the Economic and Social Committees. One department in the UK, the Department for Public Works and Pensions, is nearly two times bigger, with 98 000 people.

In the November European Council one Head of Government emphatically declared that EU staff cannot be immune from the crisis. **"Eurocrats must pay"**.

**The fact is that we have been paying for a long time.** Just seven years ago — during the 'boom years', well before the current crisis hit us — a major reform of the EU civil service was adopted by the Council. This included lower recruitment salaries, the creation of a contract agent category with lower salaries, higher retirement age, lower pension rights and higher pension contributions. This reform has already saved the EU taxpayer €3 billion, and is expected to generate another € 5 billion in savings by 2020.

Not happy with this measures and with the excuse of the economic situation the EU administrations the Commission has proposed additional measures so as to contribute with an "extra effort": 5% cut in staff in all EU institutions and agencies between 2013 and 2017, complemented by an increase in the minimum working week to 40 hours for staff without any salary compensation. In addition, the Commission has proposed an increase in the retirement age from 63 to 65 while making it easier to work until 67, as well as a significant lowering of starting and end of career salaries for certain functions of between -18% and -45%. In addition, the Commission has also proposed to increase the so-called 'solidarity levy' (which is applied in addition to income tax of up to 45% and devoid of any deductions as in the case in Member States) from 5.5% to 6%. **Because, yes, we pay taxes that serve as income to the EU budget.** It is paradoxical that this crisis 'solidarity levy' is going to be applied to finance the budget, to lessen the financial burden of Member States, proportionally more for the wealthier (greater Gross National Income) Member States.

But, what are these national budgets cuts?

There are cuts only in the five "programme" Member States, **the budgets in 22**

**Member States are actually growing.** If we look at budget developments over the longer period, from 2000 to 2011, only two Member States had slower-growing budgets than the EU budget. If we take the example of the UK, in that case the budget grew twice as fast as the budget of the European Union.

You must know that our **annual salary adjustment (the so-called 'Method')**, tracks the evolution of national civil servants' purchasing power, up or down, from a basket of 8 Member States (UK, Germany, France, Italy, Netherlands, Spain, Belgium and Luxembourg - a sample explicitly chosen by the Member States in 2004 and representing 76% of EU GDP). In other words, it **applies the political decisions taken by those national governments concerning the salaries of their own civil servants to the salaries of EU staff.** You must also know that in between July 2011 and July 2012 there were salary increases in the public administrations of Germany (+4.3%), Belgium (+2.5%), Luxembourg (+2.5%), France (+1.8%) and the UK (+0.9%).

Applying this 'Method' - or rather not applying it as the Council since July 2011 has refused to abide by the law and take the appropriate decisions - we face a loss in purchasing power of 1.1% in 2012 and 3.6% in 2011. In total, **our loss in purchasing power between 2004 and 2011 is 7.6%.**

With regard to the issue of **pensions, the first thing to say is that we are paying the highest contribution rates in Europe.** German civil servants, for instance, do not pay for their pensions and even, through a newly adopted measure, will generate pension rights even if they take personal leave to work for a private company. We are paying the pensions into the EU budget under the promise that when we reach pensionable age we will get our pension. If there were a pension fund - it was abolished by the Member States - today we would have a pension fund of EUR 35 billion to cover future pensions.

**To say that the EU civil service is the best paid civil service in Europe is also not correct.** The EU salary grid is broadly in line with the salary grids of other international organisations and diplomatic services - and in fact is often lower, particularly at the lower and higher ends of the salary scale. **Many national diplomatic services, other international organisations in Europe and in some cases even national civil services have comparable and even higher pay and benefit packages.** It is interesting to note that Member States have refused point blank (even to President Schulz that officially requested this information) to share information about the pay and benefit packages for national diplomatic services in Brussels with the EU institutions. So much for transparency and evidence-based policy making!

The following table published in the UK Tabloid *The Telegraph*, provides a very revealing comparison between the EU and the UK civil service.

## EU v UK civil service

	EU civil servants	UK civil servants
Purchasing power evolution 2004-11	-7,6%	-3,2%
Net salary evolution 2011	+1,7% (refused by Council)	+1,3%
Weekly working time	37,5 (40 as from 1/1/2013)	36
Salaries (monthly)	€ 1.847 – € 16.919	Up to € 25.000
Pension contributions	11,6%	3,5%
Annual accrual rate (pension rights per year of service)	1,9%	2,3%
Normal retirement age	63 (65 as from 1/1/2013)	65
Minimum early retirement age	55 (58 as from 1/1/2013)	50
Maximum rate of pension	70% of final salary (average: 62% of final salary, will go down to 55%*)	75% of highest earning (2007 scheme) 66% (1972 + 2002 scheme)

**Yes, we are paying; yes, our salary and working conditions are deteriorating (irreversibly hardwired in EU law and not as a result of temporary measures), yes the EU civil service is losing attractiveness. But the EU project needs staff of the highest standard of independence, ability, efficiency and integrity, recruited on the broadest possible geographical basis from among nations of Member States of the Union. This is blindly put at risk in this irrational Member States' contest to be the greatest "exterminator" of the EU budget. Responsible politics is about measuring the consequence of the choices made. We sincerely hope that will do so when deciding on the next MFF and the reform of the Staff Regulations.**

Thank you very much for your kind attention.