

GENERAL AGREEMENT ON TARIFFS AND TRADE

MEETING BETWEEN REPRESENTATIVES OF THE STAFF COUNCIL AND THE CONTRACTING PARTIES

A meeting, under the Chairmanship of the Director-General, was held on 10 March 1986 between representatives of the Staff Council and the CONTRACTING PARTIES.

The spokesman for the Staff Council, Mr. J.-M. Lucq, was accompanied by Mr. Alvarez-Miranda and Mr. Villa-Martin.

The spokesman for the CONTRACTING PARTIES, Ambassador Chiba (Japan), Chairman of the CONTRACTING PARTIES was accompanied by Ambassador Park (Korea), Chairman of the Council, and Ambassador Hill (Jamaica), Chairman of the Budget Committee.

Mr. Cyril Johnson, Director of Personnel Office, and Mr. Arif Hussain, Personal Assistant to the Director-General, were also present at the meeting.

The Director-General recalled that the meeting was in pursuance of the Staff Council's request to the Chairman of the CONTRACTING PARTIES for an early opportunity to discuss deteriorating conditions of service in the secretariat and the impact of this trend on the quality and morale of personnel. He referred to the Staff Council's letter of 4 February 1986 on these questions which had been sent, through him, to the Chairman of the CONTRACTING PARTIES.

The Director-General stated that while procedures existed in GATT for normally addressing such problems, recourse to the rather special procedure of arranging such a meeting had been taken in view of the Staff Council's desire to bring the matter directly to the notice of the CONTRACTING PARTIES and submit specific proposals to them. He recalled that at least once in the recent past a similar situation had arisen, when the Council had established

a tripartite Informal Contact Group comprising representatives of contracting parties, the Staff Council and the secretariat to look into the question of exchange rate problems and their adverse effects on salaries pensions and make recommendations for the Council's consideration.

Mr. Lucq thanked Ambassador Chiba for his quick response to the Staff Council's request for a meeting. He stated that the objective was really to initiate a dialogue with the CONTRACTING PARTIES on the two main problems confronting staff i.e. salaries and pensions. Both these were determined by decisions pertaining to "the common system" taken by the General Assembly in New York and difficulties arose because the situation of institutions and specialized agencies elsewhere in the world were not adequately taken into account. Mr. Lucq identified the ill effects of the fluctuating rate of the U.S. dollar as being a basic underlying problem.

In respect of salaries, Mr. Lucq pointed out that the post adjustment component, an important part of total take-home pay, had been "frozen" as a result of the decision taken in New York. In addition, decreases in the value of the U.S. dollar were presently being compensated to a maximum limit of 86 per cent, implying a salary loss of 14 per cent on every occasion. Seen together with the annual impact of inflation, it meant that the take-home pay of GATT staff had suffered a loss of approximately 15 percentage points since March 1985.

Regarding pensions, Mr. Lucq said that the formula adopted by New York for determining pensionable remuneration with effect from 1 January 1985 was unacceptable as it was based on largely arbitrary criteria. It implied a reduction in pensionable remuneration by a sizeable 17 per cent. It was also against the well established practice that agreed rules and conditions of service should not be amended with retroactive adverse effect on employees.

Mr. Lucq underscored the need to find solutions to these problems on an urgent basis. Adjustments had been made by certain other organizations in Geneva, members of "the common system", to meet their own particular administrative needs and provide incentives, as necessary, for their

personnel. Similar adjustments were possible in the GATT system to enable the present anomalies to be rectified in a reasonable manner. The use of the U.S. Federal Civil Service as a comparator for U.N. salaries may be acceptable for New York, but not for Geneva where employment conditions had to be competitive with local businesses.

Mr. Lucq said he would submit, in the next three days, two specific proposals, one on salaries and the other on pensionable remuneration, suggesting action for consideration by the CONTRACTING PARTIES. He expected these to be the basis for further discussion. The solution of the problems to which he had drawn attention would go a long way in creating a climate of security and optimism necessary to maintain the present high level of dedication and professional expertise among the personnel. This was important also in view of the expectations of service and excellence that the CONTRACTING PARTIES would have from the secretariat in the context of the forthcoming new round.

Ambassador Chiba stated that in the informal consultations he had had with a number of contracting parties, there had been a strong feeling of appreciation for the dedication and professional excellence of the GATT secretariat. He agreed that the case put forward by the Staff Council merited serious consideration by the CONTRACTING PARTIES particularly in view of the increased work load likely to result from the new round of negotiations. On the technical side, however, he detected both U.N. and inter-agency restrictions, and while the problems were understood better in Geneva, the instructions came from national governments. He felt that the dialogue would be very welcome.

Ambassador Park showed great interest in the problems put forward, expressed serious concern and personally regarded that the grievances should be accommodated to the maximum possible extent. He desired to be kept informed of all developments in view of the Council's overall responsibilities in these areas and its supervisory rôle vis-à-vis the Budget Committee.

Ambassador Hill welcomed the dialogue and looked forward to receiving specific proposals. He said the questions were linked to the general issue of the application of "the common system" to the GATT and its impact on the budget and staff conditions - an issue which the Budget Committee had also been examining in some detail. He said the way for future discussions and possible solutions would be clearer after the specific proposals were submitted. Regarding the Budget Committee's approach to these matters, he stated that while an important objective was to bring about economy where possible, it was equally important to ensure an efficient and effective use of resources.

The Director-General welcomed the readiness shown by the participants to carry the dialogue further. He reiterated that the special procedures had resulted from the desire of the Staff Council to present their concerns directly to the CONTRACTING PARTIES for their consideration at an appropriate political level. It was agreed that the dialogue should continue to be organized in the same manner in future. Accordingly, it was understood that the Staff Council's proposals would be forwarded to Ambassador Chiba, in his capacity as Chairman of the CONTRACTING PARTIES, with the request that he co-ordinate further action on them.

Ambassador Hill said that he found such an approach fair and reasonable, though in the normal course these matters could have been expected to come up in the Budget Committee in view of their budgetary and administrative implications.

The participants agreed to meet again in the near future at a mutually convenient date.