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Topic 17: PROPOSED NEW CONDITIONS OF EMPLOYMENT

The Director has the honor to present the following document on the topic Proposed New Conditions of Employment, in two parts. Part I is submitted; at the request of the Director-General of the World Health Organization, to the Conference acting in its capacity as Regional Committee for the Americas. Part II is presented as a result of the action taken by the 34th Meeting of the Executive Committee.

PART I

REVIEW OF SALARIES, ALLOWANCES, AND BENEFITS

Legislative Origins

The Tenth World Health Assembly, after examining a report by the Director-General on this subject, in addition to other action, adopted Resolution WHA10.49 as follows:

"The Tenth World Health Assembly,

Considering

(1) that since 1949 the Pan American Sanitary Organization has adopted essentially the staff regulations relating to salaries, allowances and benefits of the World Health Organization, in order to assure uniformity of conditions of employment for the combined staffs of WHO/PASB;

(2) that full realization of efforts to establish uniform and equitable conditions of appointment for the staff of WHO/PASB has not been achieved;

(3) that the present complicated system of multiple allowances presents a very difficult administrative problem;

(4) that, although the complicated group of allowances may, in certain cases, provide adequate remuneration, these allowances fail to attract to the Organization the young public health officer who should become the career officer of the Organization in the future;

(5) that the base remuneration for positions requiring a high degree of educational training and proficiency renders more difficult the recruitment of medical public-health workers; and

(6) that the Directing Council of PASO (which serves as Regional Committee of WHO for the Americas) at its session in 1956 adopted a resolution which provides, inter alia, that 'in the event the United Nations fail to authorize a single system of salaries, allowances, and benefits for all staff in all programs, and the WHO Executive Board does not authorize such a system of employment, to take such steps as are necessary to effect a single set of conditions of employment for both regular and project staff,'

1. RESOLVES that the question of salaries, allowances and benefits for the staff of the Region of the Americas be referred to the Executive Board, with authority to make recommendations to the World Health Assembly with respect to the means of correcting the outstanding difficulties cited; and

2. REQUESTS that the Executive Board consult with the Directing Council of the Pan American Sanitary Organization regarding suitable staff regulations on salaries and allowances adapted to the needs of international health organizations."

As a consequence, the Executive Board gave preliminary consideration to this subject at its Twenty-first Session and adopted the following resolution (Off. Rec. Wld Hlth 83, EB21.R53)

"The Executive Board,

Noting the report of the Director-General on salaries, allowances and benefits, including the actions taken by the Directing Council of PASO, and particularly the divergence of practice which has arisen between PASO and WHO regarding minus post-adjustments;

Bearing in mind the mandate of the World Health Assembly to the Board, contained in Resolution WHA10.49, to make a study of this matter and report to the Assembly 'regarding suitable staff regulations on salaries and allowances adapted to the needs of international health organizations';

Considering that any such study must include an examination of what is required to meet the Organization's total staffing needs in all areas and from all sources of funds;

Recognizing that the essential data is not available on which to proceed with a complete examination of the subject at this session;

Considering that other studies relating to salaries, allowances and benefits are shortly to be undertaken;

Considering the need for internal consistency in the Organization in the matter of salaries; and

Considering that the Organization's salary arrangements should facilitate the application of the Organization's important policy of rotation of professional staff,

1. DECIDES to place this item on the agenda of its twenty-third session;
2. REQUESTS the Director-General to invite all regional committees to express their views on this subject at their next meeting so that such views will be available to the Board when it next considers the matter;
3. REQUESTS the Director-General to prepare for the twenty-third session of the Board a full report including the views of regional committees and any developments in the other specialized agencies and in the United Nations on this subject."

In accordance with the second operative paragraph of this resolution, the Regional Committee is invited to express, for the consideration of the Executive Board, any comments it may have on this subject.

In view of the limited time available to the Regional Committee, detailed documentation is not presented. Copies of the Staff Rules can be made available if the Committee wishes to examine the existing provisions regarding salaries and allowances.

The attention of the Regional Committee is invited to the following general considerations which seem of particular importance in dealing with this subject:

(a) The importance to a global health organization of a uniform system of salaries and allowances for all staff in all locations.

(b) The relationship between the system of salaries, allowances, and benefits and the ability of an international health organization to attract and retain adequately qualified staff.

(c) The need for both an adequate and a uniform system of salaries and allowances if professional staff are expected to rotate between various assignments and locations.

(d) The importance, to a decentralized and widely dispersed staff, of a system of salaries and allowances which is as simple of administration and understanding as is reasonably consonant with the requirements of equity to the individual staff member and his particular needs.

PART II

At the 34th Meeting of the Executive Committee of the Directing Council of PASO, serving as working party of the Regional Committee of WHO, the Committee considered the following information on this subject, (as presented in Document CE34/5, Part A):

Proposed New Conditions of Employment

Recent action of the governing bodies with respect to this subject is summarized below:

1. The Tenth World Health Assembly (1957) requested, in Resolution WHA10.49, that the Executive Board (a) consult with the Directing Council of the Pan American Sanitary Organization regarding suitable staff regulations on salaries and allowances adapted to the needs of international health organizations, and (b) make appropriate recommendations to the World Health Assembly.
2. The X Meeting of the Directing Council (1957) reviewed in detail the question of basic principles for the establishment of new conditions of employment in the PASB and referred a staff paper on this matter back to the Executive Committee for further study, at the same time specifically rejecting the proposal to eliminate "non-pensionable, peripheral allowances."
3. The Twenty-first Session of the WHO Executive Board, in reviewing the matter of conditions of employment, requested the Director-General to invite all regional committees to express their views on this subject and to present a full report to the Twenty-third Session of the Board.

The Director therefore presented to the Executive Committee for consideration the following report, which is a summary of the more important principles of his report (Document CE32/3) to the 32nd Meeting of the Committee.

Background

During the last eight and a half years in which the Pan American Sanitary Bureau has served as the Regional Office of the World Health Organization in the Americas, much progress has been made in defining the role of an international health agency. Organizational relationships have been clarified and a degree of stability has been reached with respect to plans, budgets, and major programs of both agencies. Programs of consultation and assistance which were initiated in certain fields on a trial basis have proven their value and are now accepted as a continuing responsibility of these organizations.

The present system of personnel administration in the Pan American Sanitary Bureau came into being in 1949, following the signature of the Agreement between the Pan American Sanitary Organization and the World Health Organization, under which the Pan American Sanitary Bureau serves as the Regional Office of the World Health Organization. This personnel system was officially adopted by the Directing Council of the Pan American Sanitary Organization at its III Meeting in 1949. The Staff Rules have been amended periodically to maintain general conformity with those of the World Health Organization. The World Health Organization in turn has developed its personnel system within the broad outlines of the so-called "common system" of the United Nations and its specialized agencies.

The concepts of a common international civil service system has theoretical attractions for many people. It might be thought that there might be advantages for the organizations concerned and their employees in the establishment of a true "common system." With these possible advantages in mind, those responsible for establishing the current system attempted to develop a system which could be adopted uniformly by all international agencies in the UN system. In practice, however, the agencies participating in the UN system have not been able to attain this objective. The personnel systems of the International Bank and the International Monetary Fund differ markedly on such matters as grade and pay structure, education grants, pension system, and the like. From a practical viewpoint, there is no transferability with retention of tenure, seniority, pension, leave and other rights from these UN organizations to other UN agencies.

Even among the UN agencies in the so-called "common system" (UN Secretariat, WHO, FAO, ILO, ICAO, UNESCO, etc.) there is great variation in implementation of the essential elements of the "common system."

It has been argued that a common system of personnel administration is necessary so that the staffs of different organizations work side-by-side in the same country would have the same salary and conditions of employment. In practice, however, this is not and should not be the situation. To be satisfactory, the personnel system for any organization must serve the particular mission of that organization. This is why a marked variation in the actual personnel practices and systems followed by the several international organizations has developed. Experience has shown that a single personnel system rigidly adhered to cannot serve equally well the needs of widely differing international agencies. The policy of the World Health Organization (Staff Regulation 3.2) very wisely provides for variations, when necessary, from the "common system." A similar principle was stated by the United Nations Salary Review Committee of 1956, when it declared that the common system "need not be applied with such rigid uniformity that an organization can never deviate from it, even if there is no other solution to its own particular staffing problems."

The international health programs have now reached a stage of development at which a re-examination of the underlying personnel system is greatly needed in order to establish a firm and more permanent basis for future progress and growth.

Recruitment and Tenure

A major weakness in the staffing of the Pan American Sanitary Bureau and the World Health Organization programs at the present time is the practice of making a majority of the appointments, particularly in the field, on a limited-term basis. This results in unnecessary turnover and unduly costly training programs for new employees.

Moreover, the programs and budgets of the PASO and WHO have reached a size, diversity, and maturity which would not only permit permanent appointments, but make it advantageous to both the organizations and the staff members to have many more permanent appointments.

Today 69 per cent of the physicians, 77 per cent of the nurses, and 86 per cent of the sanitary engineers in PASB/WHO are serving on temporary appointments of two years or less. There are, in this group, a number of public health workers with broad training and experience who would be an asset to the permanent staff of our Organization and who would be interested in the security of a career appointment.

An even more important justification for an expanded career service in the international health agencies is the real need of these agencies to be able to offer more attractive conditions of service to the capable young public health official, recently graduated from a school of public health, who may be interested in a career in international public health work. To bring in the best of such persons at the entrance grade, to provide them opportunity for professional growth and development on a variety of assignments, and to give them more responsible posts and higher salaries as they grow and develop-- this represents the best possible type of a true career service.

If the Bureau adopts a personnel program enabling it to develop its own officials in the future by this means, it will thereby lessen the demand for experienced public health officials from the health ministries of Member Governments. With the present critical shortage of qualified public health workers, and bearing in mind that national health agencies carry the basic responsibility for providing health services, the international health organizations should not depend on recruitment from national health agencies to the extent they now do.

A substantial body of career service employees would have the advantage of providing a greater degree of flexibility. This would facilitate the easy interchange of staff between field operations and established stations of the Organization. Staff members would no longer think of their employment as limited to only one project, but would expect over a period of time to serve on a variety of projects as well as in some of the established offices. This variety of experience for each staff member would also represent opportunity for professional growth and development and a broader understanding of the work and problems of the Organization.

There are, of course, certain types of program activities, such as malaria eradication, in which specialized personnel are used and which by the nature of the program are needed for only relatively short periods of time. These should be appointed on a limited-term basis.

Training

A career service, which by definition encompasses the professional development of staff members, can only be successful if it incorporates a truly effective training program. This means that PASO and WHO should adopt a planned program of staff development which will include:

- (1) varying assignments in the field;
- (2) rotation between headquarters and field assignments; and
- (3) educational leave and stipends for specialized and advanced academic training and other educational experience for promising staff members.

Use of Secondments

Even with an expansion of the career service concept in PASO and WHO, there will still be many posts in short-term projects requiring highly specialized skills which should be filled by the secondment of personnel from private foundations, universities and laboratories, and natural ministries of health. This will be necessary because of the frequent need for personnel of particular competence to advise governments on problems of a very specialized nature, and because some personnel needs also will be of a definitely limited time duration.

The proper use of secondments will provide for the fullest possible development of individual public health workers and will eventually result in an enrichment of the programs of the agencies loaning as well as those utilizing such personnel. For this reason, it is hoped that governments will, wherever possible, facilitate transfers to international agencies by providing to employees who transfer full re-employment rights, seniority credit, and retirement credit for international service. But it is essential that (a) no transfers be effected which seriously impair the work of a national health ministry, research institution, etc.; (b) agreed upon time limits on secondments be rigidly observed; and (c) the needs and interests of the employees be kept in mind at all times.

It must always be borne in mind that the national agencies, and not the international health agencies, carry the basic responsibility for providing health services to the people.

Compensation

The most important contribution of international health agencies is the competence and experience of its professional and scientific consultants who are responsible for advising and assisting governments in the development of their health services. In order to fulfill their responsibility, the international health agencies must be able to employ the highest competence available in the world. There is abundant evidence that salary rates in international health agencies are no longer adequate for recruitment of professional and technical specialists of high competence and that substantial increases are urgently needed.

There should be a realistic reappraisal of the basic salary scale in the Pan American Sanitary Bureau and the World Health Organization to make possible the recruitment of professional health workers of the required high competence.

In addition to a substantial increase in the basic professional staff salaries, there is need for a re-examination of the grade structure of the present compensation scale. At present, the number of grades is not adequate to reflect the varying levels of responsibility in positions presently established in the Pan American Sanitary Bureau and the World Health Organization.

For all practical purposes in PASB/WHO, there are only three grades (exclusive of two division chiefs in the Washington office) into which medical officer posts may be classified and graded under the present system. One of these grades is reserved for zone representatives, reducing to two the number available for all other medical posts. This covers positions of widely varying responsibilities, such as country project subordinates, project leaders, branch chiefs, posts with no supervisory responsibilities, assistant zone representatives, etc. What has been said about medical staff is true also for other professional staff.

The Director believes that at least two additional grades in the professional series should be introduced.

Family Allowances

The Directing Council, at its X Meeting (1957), discussed the matter of family allowances and also considered the Director's proposal to eliminate non-pensionable, peripheral allowances. It was the decision of the Directing Council that principle number 4 referring to the elimination of non-pensionable, peripheral allowances should not be included in the approved statement of principles.

However justifiable family allowances may be as means of supplementing salaries paid by national agencies, these justifications do not necessarily apply to international organizations employing highly qualified professional personnel. It is incumbent upon our Organization to provide a salary sufficient to permit a staff member to maintain a standard of living appropriate to his professional position and to discharge his responsibilities as head of a family without the need for salary supplementation.

The overemphasis on family allowances has been an important factor in preventing adequate increases in base salaries. This system has also tended to discriminate against the young public health worker with few dependents and the more experienced, veteran official whose children are grown and no longer qualify as dependents. In both of these classes are well-qualified potential recruits for international health work.

In short, a salary scale for international public health workers should be based only on relative difficulty and responsibilities of the job to be done, and not on family status or other considerations affecting the incumbent personally.

The Director wishes to report, further, that there are particularly two provisions of the Staff Rules adopted by WHO effective January 1958 which complicate even further the administration of the dependent's allowance. These are: Staff Rule 210.3 (a), which provides that an allowance will not be payable for a spouse who is employed and earns more than US\$1700¹/per year or the lowest entrance salary of the local scale; and Staff Rule 250, which provides that the allowance for a child will be reduced by the amount which is received, "by reason of such child, from public sources by way of social security payments or tax exemption." ²

¹/ Changed to US\$1850 effective 1 July 1958.

²/ The phrase "or tax exemption" deleted effective 1 July 1958.

For the Organization to attempt to investigate and record in detail the provisions of social security and tax benefits for children in all countries is an enormous administrative chore. Therefore, the Organization has taken the measure of having each employee furnish this information. Our employees have found it difficult to obtain this information and to make a proper application in their individual cases. As a result they have asked the Personnel Office to make such study and analysis for them, so that in the end the result is the same as if the Organization had done the work in the first place.

Staff Rules 210.3 and 250 have served to reduce the amount of allowance payable to some staff members. It has produced some savings to the Organization, but it is questionable whether the savings have not been offset by increased administrative costs. Therefore, it is the opinion of the Director that this restrictive procedure governing the granting of dependency allowances should be discontinued.

Post-Adjustment System

In order to maintain equity in compensation, it is necessary to maintain parity of real income of internationally recruited staff in accordance with the cost of living of the place of assignment. The United Nations Salary Review Committee of 1956 noted certain difficulties of administration but recommended the continuation of the present United Nations cost-of-living adjustment system, with a strengthening of the statistical staff to improve the speed and accuracy of the adjustments. It is believed that this is a sound recommendation which should be implemented as soon as possible. It becomes even more urgent with the expansion of coverage to include project personnel assigned to many stations not now covered by the post-adjustment system. It is hoped that the Executive Board of the WHO will adopt the recommendation of the Directing Council for eliminating the application of minus post-adjustments and thereby make possible a single condition of employment for the staff of PASEB/WHO.

Pensions

An organization which expects to carry on programs of strictly limited duration and employ temporary, fixed-term staff has relatively little need to emphasize adequate pensions for its staff members. On the other hand, an organization which conceives of its program as a continuing one requiring the stability of a permanent career staff requires a complete and adequate pension system as one of the essential elements in the recruitment and retention of permanent staff members. Aside from the need to provide adequately for retired staff members, such an organization cannot afford to be less liberal in the matter of pensions than the principal agencies and organizations with which it is competing for personnel.

The major deficiency in the United Nations pension system is the fact that annuities are based on net salary and not on total compensation received, as is the case in most other systems. This problem was recognized by the heads of the specialized agencies in their joint statement on the report of the Salary Review Committee and it was recommended that further consideration be given to improving the Joint Staff Pension system.

An Expert Group on Pensionable Remuneration has now been appointed by the Administrative Committee on Coordination and it is hoped that recommendations for substantially improving the system will soon be developed by this group.

On the basis of the above information the 34th Meeting of the Executive Committee resolved (Resolution V):

"1. To recommend to the XV Pan American Sanitary Conference that it approve Document CE34/5 as a statement of basic principles to guide in general the development of an improved system of personnel administration for international health agencies,

2. To recommend to the Conference that it authorize the Executive Committee to negotiate with the Executive Board of the World Health Organization for the acceptance of these principles and their implementation through the adoption of revised Staff Rules and Regulations based thereon."