



HAL
open science

The French “New Military Pay Policy”, a good tool to retain the military?

Jacques Aben

► **To cite this version:**

Jacques Aben. The French “New Military Pay Policy”, a good tool to retain the military?. 25th International Conference on Economics and Security, Jun 2022, Perugia, Italy. hal-03710689

HAL Id: hal-03710689

<https://hal.science/hal-03710689>

Submitted on 5 Jul 2022

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

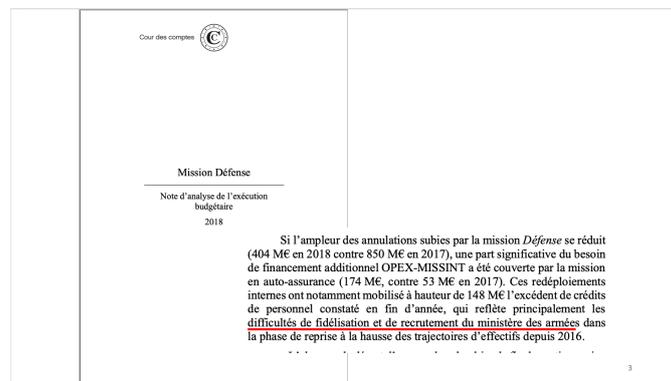
“The French “New Military Pay Policy”, a good tool to retain the military?”



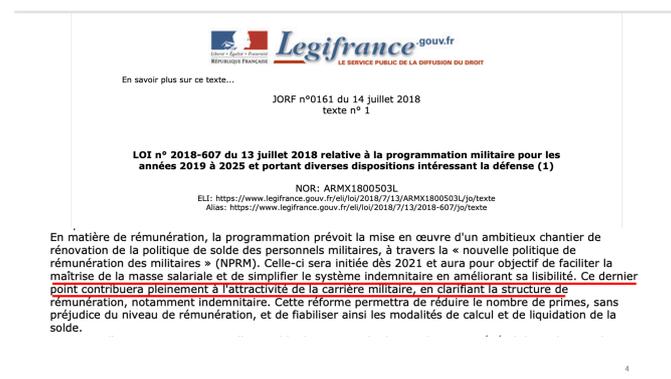
25th International Conference on Economics and Security - Perugia 31st June-1st July 2022

2

Here you have three posters for three military recruitment campaigns: Navy, Air force and Army. But it is only for the context because my main concern, now, will be retention on one side and pay policy on the other one.



My point of departure was first a report of the Court of the Accounts, dated 2019, about the execution of the 2018 defence budget. It showed a surplus of the military pay budget of 148 million Euros, due to the retention and recruitment simultaneous problems of the ministry of defence.



At the same moment, the parliament discussed the project of military programming law for the years 2019 to 2025, with this mention “the new military pay policy will simplify the allowance scheme, so contributing to the appeal of the military career by clarifying the pay structure, especially its compensatory part”.

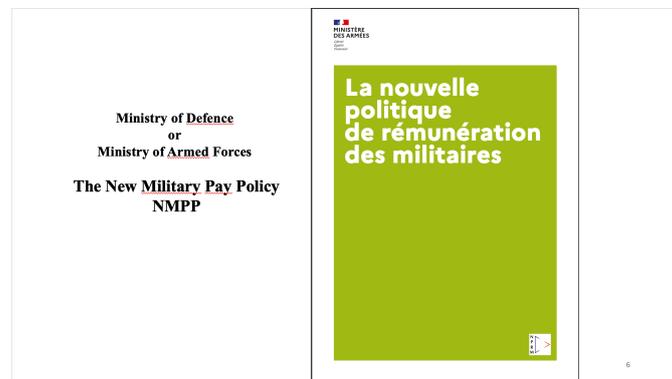
The first question set by these quotations is to know if the retention problems denounced by the Court of Accounts are only those of the 2018 budget, of if they have existed for a longer period.

Symmetrically, it is interesting to know if an “ancient” military pay policy has existed during this “longer” period, especially to increase the retention.

If the answer is yes, it would be correct to say that this first pay policy was not effective and justified a “new” policy.

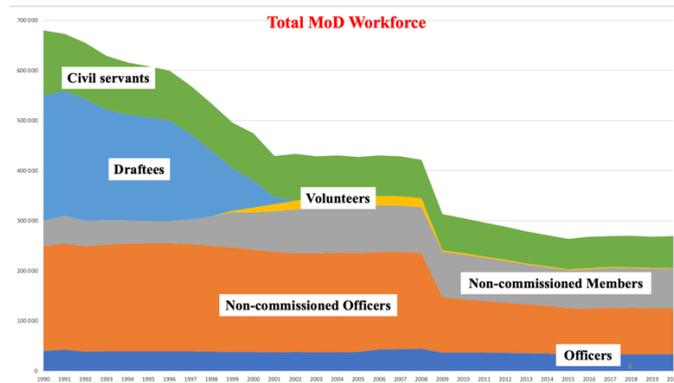


For these 2 parts, I shall use a (modest) quantitative approach, with official data of the ministry of defence, given in the “Defence social assessments” published from 1990 to 2020, that is during thirty years.

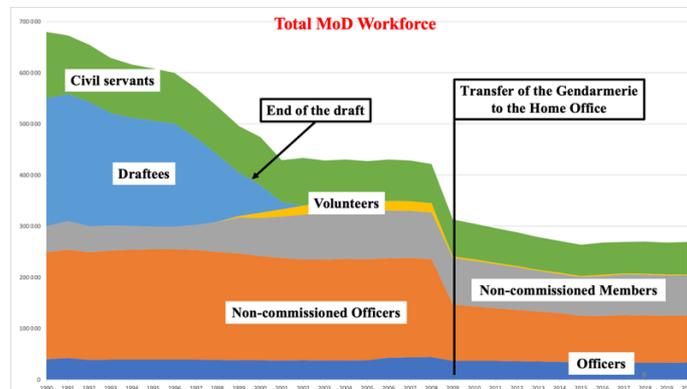


In the third part, I shall try to discuss the ability of the measures included in the NMPP to retain the military. In this case there is no quantitative approach possible, of course, and I will use the presentation of NMPP by the ministry themselves.

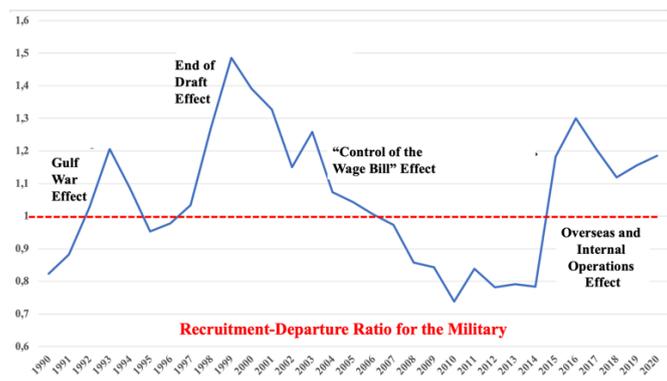




It seems useful to begin with a global view of the ministry of defence workforce during the period under examination. Of course, for the following part, the green and blue zones will be out of the scope.



As you can see, the dominant impression is a dramatic reduction of the global number, with two interesting events: first, the end of the draft between 1997 and 2001; second, the transfer of the Gendarmerie Nationale to the ministry of internal affairs in 2009.



To have an image of the military workforce management, I have calculated a Recruitment to Departure ratio. It shows the main periods of the recent history of the French military policy.

First an increase of the recruitment number because of the Kuwait war; then a new increase to compensate the end of the draft. After 1999 we find a global problem of budget deficit and the need to “control the wage bill”. Finally, after 2014, there is the acknowledgement that France is at war with terrorism; and needs men and women to wage this war.

This first index is certainly interesting, but it cannot render the idea of professional fidelity.

Departures by service and type 1994

131.2 - Départ du personnel militaire de carrière ou sous contrat, par armée et par circonstance de départ

	CIRCONSTANCE DE DÉPART					TOTAL
	Radiation des contrôles avec jouissance immédiate d'une pension militaire	Radiation des contrôles et droit à pension militaire à jouissance différée	Radiation sans droit à pension	Autres départs (*)		
Terre	2 790	16	4 686	257	7 749	
Marine	1 444	7	1 052	90	2 593	
Air	1 124	37	513	94	1 768	
Gendarmerie (!)	1 654	1	150	182	1 987	
DGA	109	12	3	1	125	
Santé	247	8	93	12	360	
Essences	14	0	7	0	21	
TOTAL	7 382	81	6 504	636	14 603	

Of course, the variable « departure » seems to be the good one to study the question of retention or, presented otherwise, the one of fidelity. But all the departures are not retention failures.

Departures by service and type 1994

131.2 - Départ du personnel militaire de carrière ou sous contrat, par armée et par circonstance de départ

	CIRCONSTANCE DE DÉPART					TOTAL
	Radiation des contrôles avec jouissance immédiate d'une pension militaire	Radiation des contrôles et droit à pension militaire à jouissance différée	Radiation sans droit à pension	Autres départs (*)		
Terre	2 790	16	4 686	257	7 749	
Marine	1 444	7	1 052	90	2 593	
Air	1 124	37	513	94	1 768	
Gendarmerie (!)	1 654	1	150	182	1 987	
DGA	109	12	3	1	125	
Santé	247	8	93	12	360	
Essences	14	0	7	0	21	
TOTAL	7 382	81	6 504	636	14 603	

Departure without a right to receive a pension

On this table the column “Departure without a right to perceive a pension”, immediately or after a delay, seems the good one to render this idea of failure, because “without pension” means very early, and perhaps too early to amortize the training cost.

2007 and later

2.2.1.3 - Départs des militaires de carrière, sous contrat ou volontaire par armée, par catégorie et par ancienneté

DURÉE DE SERVICE (ANNÉES)	TERRE	MARINE	AIR	GENDARMERIE	SSA	SEA	DGA	TOTAL
	OFFICIERS							
[0-4[	33	109	48	26	68	0	52	336
[4-15[	144	71	44	33	29	0	10	331
[15-25[	62	52	97	10	15	0	37	273
[25 +	461	121	215	165	129	11	73	1 175
TOTAL	700	353	404	234	241	11	172	2 115
SOUS-OFFICIERS								
[0-4[	59	28	113	339	137	1	0	677
[4-15[	645	423	246	268	101	2	0	1 685
[15-25[	1 008	814	685	470	46	9	0	3 032
[25 +	953	367	842	1 878	31	9	0	4 080
TOTAL	2 665	1 632	1 886	2 955	315	21	0	9 474
MdR*								
[0-4[	5 013	1 353	803	3 493	88	112	0	10 862
[4-15[	4 098	454	1 099	1 767	9	55	0	7 482
[15-25[	947	0	45	0	0	12	0	1 004
[25 +	6	0	1	0	0	0	0	7
TOTAL	10 064	1 807	1 948	5 260	97	179	0	19 355
TOTAL	13 429	3 792	4 238	8 449	653	211	172	30 944

Sources : directions du personnel militaire des armées, directions et services
* Lire "volontaires" au lieu de "MdR" pour la gendarmerie.

In 2007, the rules changed. Now all the military people leaving the service have a right to perceive a pension, of course proportional to the service length. It is the reason why the table changed also. The question is to find what length is equivalent to the preceding “without pension”.

2.2.1.3 - Départs des militaires de carrière, sous contrat ou volontaire par armée, par catégorie et par ancienneté

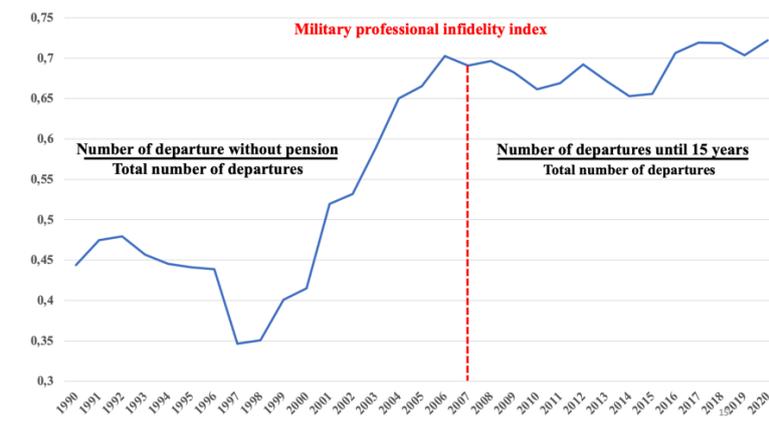
2007 and later

DURÉE DE SERVICE (ANNÉES)	DURÉE DE SERVICE (ANNÉES)							TOTAL
	TERRE	MARINE	AIR	GENDARMERIE	SSA	SEA	DGA	
0-4	33	109	48	26	68	0	52	336
4-15	144	71	44	33	29	0	10	331
15-25	62	52	97	10	15	0	37	273
25 +	461	121	215	165	129	11	73	1 175
TOTAL	700	353	404	234	241	11	172	2 115
0-4	59	28	113	339	137	1	0	677
4-15	645	423	246	268	101	2	0	1 685
15-25	1 008	814	685	470	46	9	0	3 032
25 +	953	367	842	1 878	31	9	0	4 080
TOTAL	2 665	1 632	1 886	2 955	315	21	0	9 474
0-4	5 013	1 353	803	3 493	88	112	0	10 862
4-15	4 098	454	1 099	1 767	9	55	0	7 482
15-25	947	0	45	0	0	12	0	1 004
25 +	6	0	1	0	0	0	0	7
TOTAL	10 064	1 807	1 948	5 260	97	179	0	19 355
TOTAL	13 429	3 792	4 238	8 449	653	211	172	30 944

Sources : directions du personnel militaire des armées, directions et services
* Lire "volontaires" au lieu de "MDR" pour la gendarmerie.

It appears that under 15 years of service, the pension is delayed. Of course, the sacrifice is less heavy than before, but it is a sacrifice, nevertheless. And it appears too, that the number of people leaving under 15 years of service in 2007, is almost equal to the number of people leaving without pension in 2006.

Consequently, it seems possible to build a homogenous series with the two characters “without pension” and “after 15 years of service or less”.

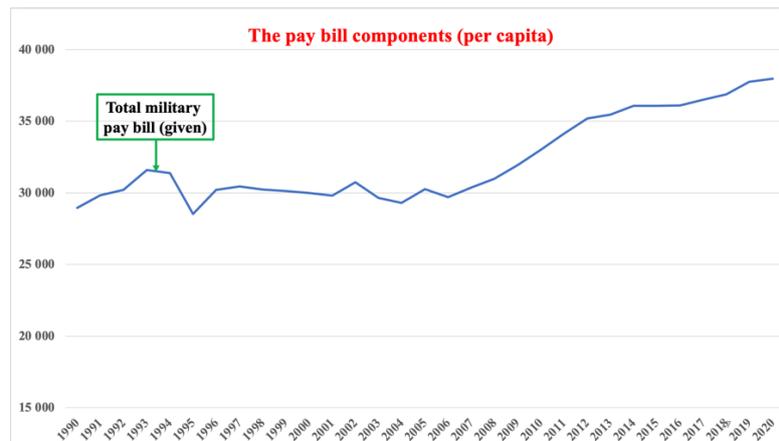


This diagram shows that the period when the index is growing is the same as the one when the ratio recruitments-departures is above 1.

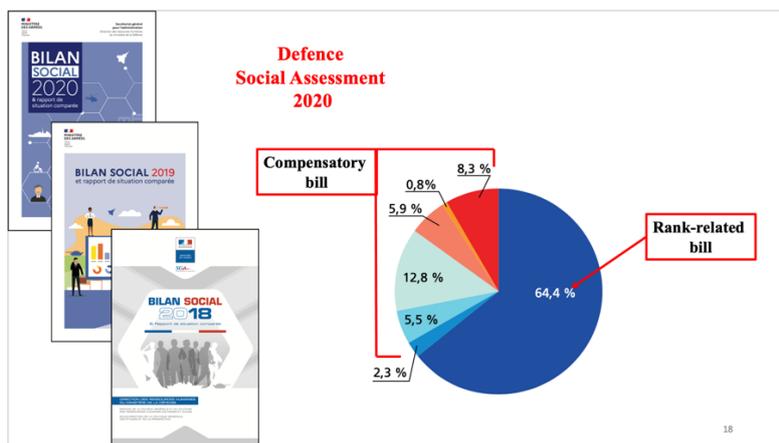
So, the explanation of this growth is certainly in terms of decreasing marginal quality of the enlistments. Nothing surprising in that because it is proving the legitimacy of a selection process.

2 - Was there a military pay policy to reduce the infidelity?

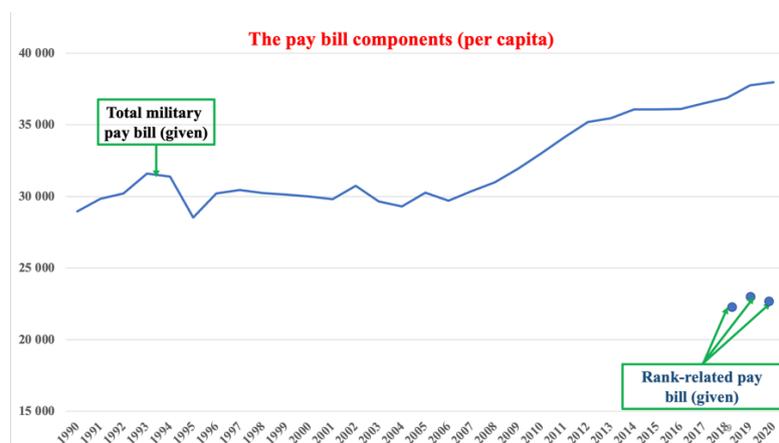
As everybody knows, there are two parts in the pay: a rank-related part, and a compensatory one. Consequently, a pay policy can be applied alternatively or simultaneously to the corresponding parts of the total pay bill of the ministry, the rank-related one and the compensatory one.



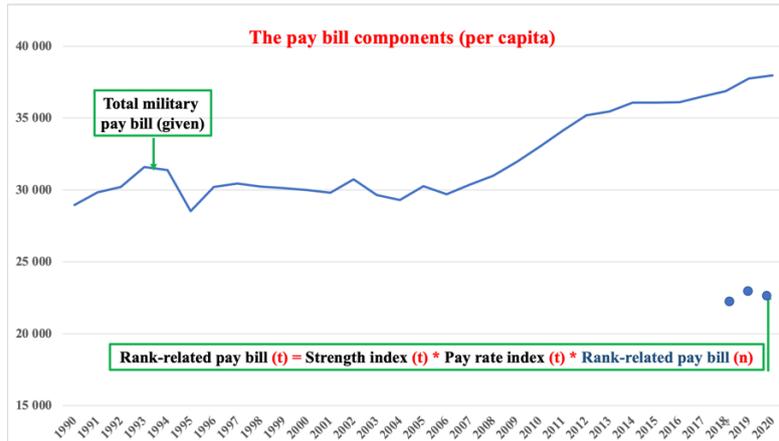
The problem is that in the thirty Defence social assessments there are data only for the total pay bill. This variable is treated “per capita” here.



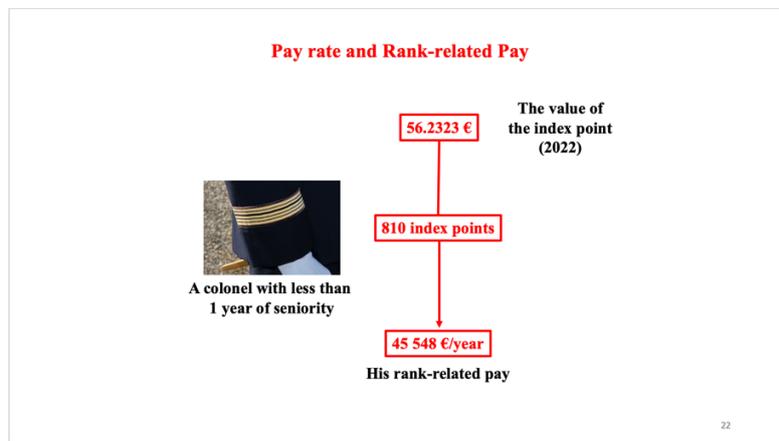
Happily, there are also data for the compensatory and rank-related bills in the three last assessments.



Then, for both composing series, the only solution is to repropolate them from the known data, by applying respective evolution laws.



The simulated rank-related bill per capita is determined by two explaining variables: first the pay rate and then the workforce structure per rank.



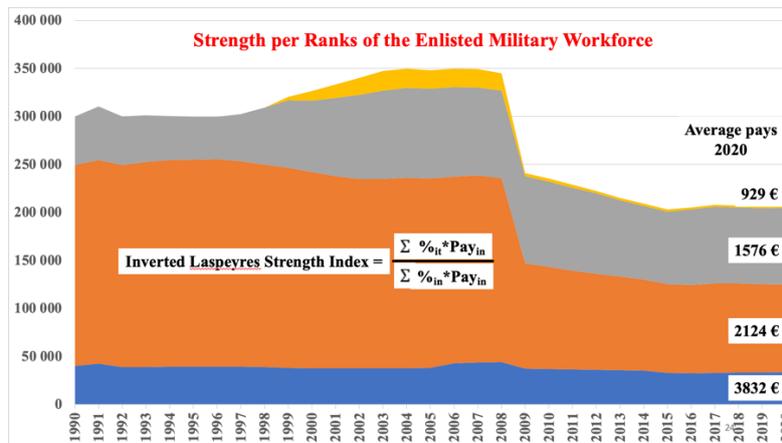
For the whole French “fonction publique”, the wage rate is the index point value. Since 2017, this value is equal to 56.2323.

Then, every civil or military servant is identified by a certain number of index points. For instance, a colonel with less than one year of seniority “weighs” eight hundred and ten index points. Consequently, he earns 45 548 euros per year with his rank-related pay.

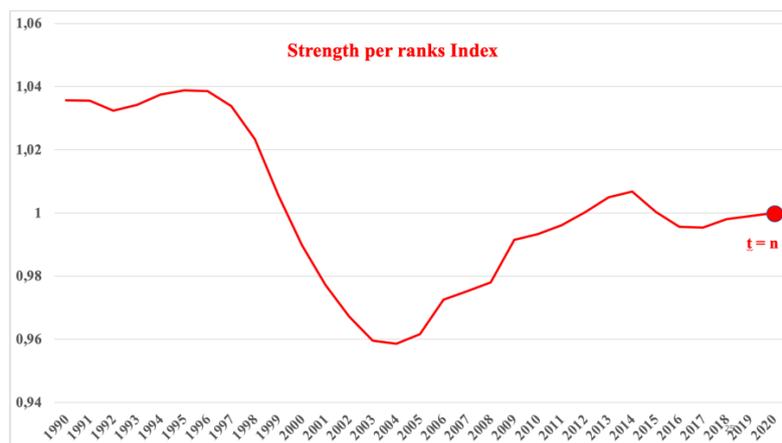
At this point one can remark that the uniqueness of the wage rate for military *and* civil servants make difficult to use the rank-related pay for a military pay policy, because of the inevitability of a diffusion effect. So, a military pay policy, or a civil one of course, must be a compensatory pay policy.



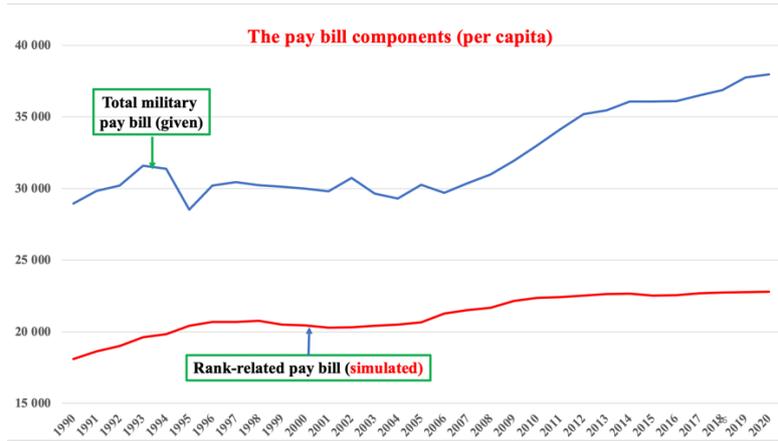
Here we have the pay rate effect.



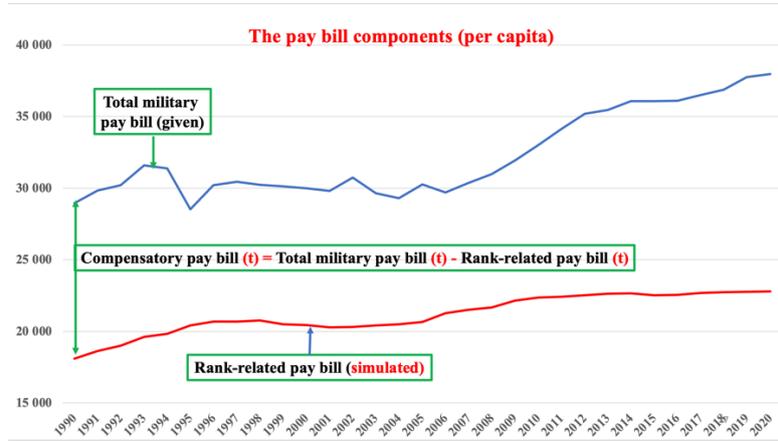
To take into account the structure effect on the rank-related pay bill, one has to calculate a strength index, weighted by the corresponding pays. The Defence social assessment gives average pays only for the most recent part of the period. The solution was to calculate an “inverted” Laspeyre index, that is weighted with the respective average pays of the terminal year, rather than the initial one.



This is the effect of the structure per rank.



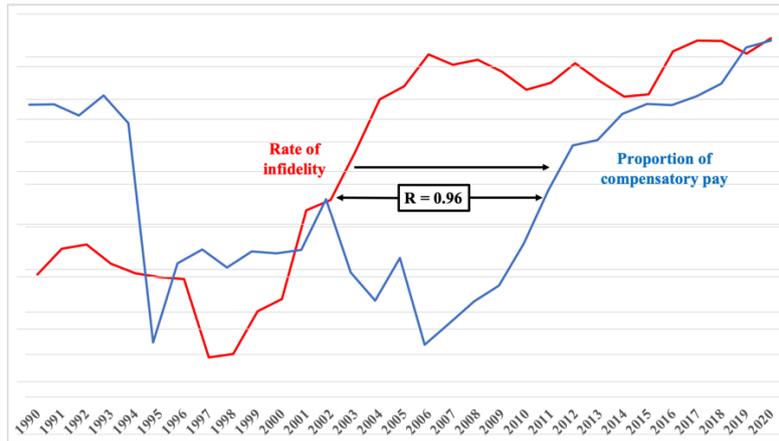
And now we have a simulated rank-related pay bill



So, we can calculate the compensatory pay bill values by difference



And finally, we have the proportion of the compensatory pay bill in the total pay bill.

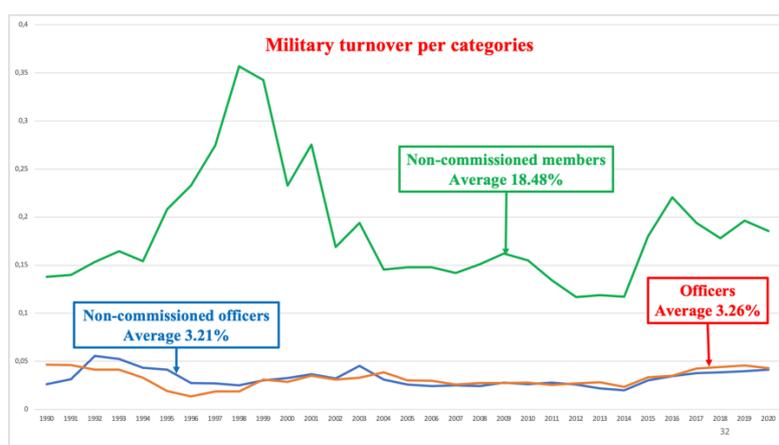


If we superpose the compensatory pay proportion curve on the rate of infidelity index curve, we have something resembling a relation. On fourteen data we find a correlation coefficient at 0.96.

So, we can suspect that the compensatory pay policy launched after two thousand and six was a reaction, somewhat delayed, to the growth of military infidelity. But this policy doesn't seem to have been effective because the infidelity rate remains at a high level and, perhaps still growing during the four last years.

This statement would be a good reason to launch a new military pay policy.

3 - Is the NMPP able to solve the problem?



In fact, if an infidelity exists, it is the infidelity of the non-commissioned members as it appears on this diagram representing the turn-over of each category. So, if the new policy is to be effective, it must convince this specific category.

Allowance of “military profession”
Allowance of “garrison”
Allowance of “operational absence”
Allowance of “geographical mobility”
Bonus of “command and responsibility”
Bonus of “professional career path”
Bonus of “performance”
Bonus of “specific competences”

31

Previously, there were one hundred and seventy-four allowances and bonuses. Next year it would be only eight, certainly a simplification. But are they the good ones?

Number one existed already under another name

Number two is interesting essentially for large families renting premisses in the free-price sector, not generally the case of NCM

Number three, yes. The problem of absence concerns any military person’s partner.

Number four doesn’t concern most of NCM, because they generally remain in the same garrison.

Number five doesn’t concern NCM, by definition

Numbers 6, 7 and 8, perhaps, because NCM also have access to training and career improvement. In that case, the longer the career, the higher the skill marketable in the civil world.

But globally, one can remain perplexed!



