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Financial compensation of local and regional elected representatives in the exercise of their office

Governance Committee

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Summary

Article 7.2 of the European Charter of Local Self-Government stipulates that people serving local authorities, either as elected officials or as employees, should receive sufficient allowances, salaries or compensation for their duties. However, thirteen member States have yet to ratify this article. This report analyses the different forms of financial compensation used in member States, in the light of a survey carried out by the Network of Associations of Local Authorities of South East Europe (NALAS).

In its resolution, the Congress invites local and regional authorities to ensure that forms of financial compensation are commensurate with the needs and responsibilities of local and regional representatives. It calls on them to assess on a regular basis the appropriateness and adequacy of their financial compensation for local and regional representatives, proposing adjustments as appropriate, in view of the evolving tasks and duties of representatives.

In its recommendation, the Congress asks the Committee of Ministers to call upon governments to ratify Article 7.2, if they have not yet done so, and for governments to consider adopting salary scales, setting minimum and maximum remuneration levels for heads of local and regional authorities, and those with executive functions.

¹ L: Chamber of Local Authorities / R: Chamber of Regions EPP/CCE: European People's Party Group in the Congress SOC: Socialist Group

ILDG: Independent and Liberal Democrat Group

ECR: European Conservatives and Reformists Group

NR: Members not belonging to a political group of the Congress

RESOLUTION 443 (2019)²

1. The right and ability of all citizens to stand for elected office is a fundamental principle of local democracy, established in Article 7 of the European Charter of Local Self-Government. Material concerns should not prevent any citizen from standing for office. Article 7.2 of the Charter aims to ensure that local elected representatives receive sufficient allowances, salaries or other forms of compensation for their duties.

2. It follows that local and regional elected representatives need to receive adequate and appropriate financial compensation in order to carry out their duties effectively. As demands on local and regional politicians become more complex, financial compensation packages need to be adjusted accordingly.

3. The diversity of compensation packages and arrangements available for local and regional representatives in Europe, which mirrors the rich spectrum of forms and structures of subnational government in Europe, must not conceal the fact that the principle of adequate compensation is valid for all. While this principle needs to be applied flexibly, it nevertheless needs to enable citizens to consider standing for office whatever their socioeconomic status.

4. Inappropriate and inadequate levels of compensation can and do discourage many suitable candidates from running for elected office. Any deterioration in the quality of candidates is harmful to the overall quality of governance of local and regional authorities. Dissatisfaction in the levels of compensation can also harm the effectiveness of elected candidates and increase the risk of corruption and illegitimate practices.

5. Since all member States of the Council of Europe now have some form of financial compensation in place for local and regional elected representatives, it is to be regretted that 13 member States have yet to ratify Article 7.2, whereas recent monitoring missions of the Congress have established that several of these member States have seen their national legislations evolve to a point where they can be considered to be in compliance with this article.

6. Recommendation 385 (2015) of the Congress on Conditions of office of elected representatives set out several principles for member States on how best to apply Article 7.2.

7. In the light of the above, the Congress, bearing in mind:

a. Recommendation 385 (2015) of the Congress on Conditions of office of elected representatives;

b. The Council of European Municipalities and Regions (CEMR) report on the Status of local elected representatives in Europe (2010);

8. Calls upon local and regional authorities of the member States of the Council of Europe to:

a. ensure that forms of financial compensation are commensurate with the needs and responsibilities of local and regional representatives;

b. engage with their national authorities on how best to apply the provisions of Recommendation 385 (2015) pertaining to Article 7.2;

c. carry out regular, independent audits on the forms and levels of compensation and the satisfaction of local and regional representatives with these arrangements;

d. assess on a regular basis the appropriateness and adequacy of different forms of financial compensation for local and regional representatives, proposing adjustments as appropriate, in view of the evolving tasks and duties of representatives.

² Debated and adopted by the Congress on 3 April 2019, 2nd sitting (see Document <u>CG36(2019)10</u>, explanatory memorandum), Co-rapporteurs: Marta CAMPANARI-TALABER, Hungary (L, EPP/CCE) and Robert GRUMAN, Romania (R, EPP/CCE).

9. Calls on national associations of local and regional authorities to:

a. report on any instances of backsliding or potential backsliding with regard to the application of Article 7.2;

b. where Article 7.2 has not been ratified, or national legislation with regard to the remuneration of local and regional representatives is inexistent, lobby government to ratify or introduce such legislation;

c. consult with local and regional representatives, to gauge remuneration satisfaction and develop a greater picture of what constitutes appropriate and adequate financial compensation for their respective duties.

10. Resolves to prepare reports at regular intervals on the evolution of the situation regarding the financial compensation of local and regional elected representatives in member States.

RECOMMENDATION 434 (2019)³

1. To ensure the effectiveness of local and regional governance and to minimise the risk of corruption, it is vital that local and regional representatives receive appropriate and adequate compensation for their work. Article 7 of the European Charter of Local Self-Government sets an important European standard in this respect and deserves to be applied more thoroughly.

2. Financial compensation for local and regional elected representatives needs to be sufficient to enable them to carry out their duties properly. This could take the form of salary scales for heads of local and regional authorities and those with executive functions, setting out minimum and also maximum thresholds of remuneration, at the national or regional level, as appropriate.

3. It may be appropriate to apply equalisation measures with regard to financial compensation, so that local and regional representatives carrying out comparable duties are compensated in line with the national framework and not with reference to the relative wealth of the region in which they are holding office.

4. Financial compensation needs to be tailored to the needs and individual circumstances of local and regional representatives. Representatives with a higher workload should receive greater compensation as a matter of course but also with a view to reducing the risk of corruption. It is acceptable to link financial compensation to the actual time spent on duties related to an elected office, including as travel and attendance at meetings.

5. As social welfare protection for local and regional representatives in member States tends to reflect the development of social welfare protection in general in a country, special consideration may need to be given to the circumstances of local and regional representatives if they are not adequately covered by the general social welfare protection. For example, single parents or disabled persons should be offered adequate compensation in all member States to enable them to fulfil the duties of elected office.

6. Corruption in all its forms is a destructive threat to the efficiency and quality of good governance at both local and regional level. For this reason, not only should the financial compensation of local and regional representatives be appropriate and adequate, it should also be publicly transparent. Applying such transparency at the local and regional level will contribute to instilling trust in local and regional governments. The means, levels and sources of financial compensation for local and regional representatives should be made clear and accessible.

7. Reliance on systems of local and regional elected representation which are voluntary and nonremunerated representation can result in certain socioeconomic groups of the population dominating elected positions. Only in the smallest councils, where duties are light, should it be considered acceptable for elected representatives to be voluntary or unrecompensed.

8. Since all member States of the Council of Europe now have some form of financial compensation in place for local and regional elected representatives, it is to be regretted that 13 member States have yet to ratify Article 7.2, whereas recent monitoring missions of the Congress have established that several of these member States have seen their national legislations evolve to a point where they can be considered to be in compliance with this article.

9. It is a cause for concern that over half of the member States that responded to the 2016 NALAS survey do not provide financial compensation for loss of earnings in the exercise of elected office, despite the explicit reference to such compensation in Article 7.2.

10. In the light of the above considerations, the Congress, bearing in mind:

a. Recommendation 385 (2015) on the Congress on Conditions of office of elected representatives;

b. The Council of European Municipalities and Regions (CEMR) report on the Status of local elected representatives in Europe (2010);

11. Invites the Committee of Ministers to encourage the governments and parliaments of member States and, where applicable, regions with legislative powers, to:

a. ratify Article 7.2 as soon as possible, if they have not yet done so;

³ See footnote 2

b. consider adopting salary scales, at the national or regional level, as appropriate, setting minimum and maximum remuneration levels for heads of local and regional authorities, and those with executive functions;

c. ensure that such pay scales and other forms of compensation for local and regional representatives are transparent and open to public scrutiny;

d. ensure that financial compensation takes into account individual needs, such as dependent relatives;

e. ensure that local and regional representatives are compensated for loss of earnings;

f. phase out the practice of non-remunerated or voluntary representation, where it exists, except in the smallest councils, where elected office can be shown not to significantly hinder other professional activities.

EXPLANATORY MEMORANDUM

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1 Introduction: methodology and scope⁴

1. Article 7 of the European Charter of Local Self-Government, that entered into force in 1998 under the auspices of the Council of Europe and its Congress of Local and Regional Authorities ("Standing Conference" at that time), "aims at ensuring both that elected representatives may not be prevented by the action of a third party from carrying out their functions and that some categories of persons may not be prevented by purely material considerations from standing for office".

2. In paragraph 2 of the same article, the Charter provides standards to make sure that people serving the local authorities, either as elected officials or as employees, would receive enough allowances, salaries or compensations for their duty, in order not to be discouraged to start or continue working for local governments. It is also a condition to attract competent people by guaranteeing them acceptable material conditions. The critical importance of this aspect is well described in the explanatory report of the Charter: "The material considerations include appropriate financial compensation for expenses flowing from the exercise of functions and, as appropriate, compensation for loss of earnings and, particularly in the case of councillors elected to full-time executive responsibilities, remuneration and corresponding social welfare protection". The explanatory report adds that "in the spirit of this article, it would also be reasonable to expect provision to be made for the reintegration of those taking on a full-time post into normal working life at the end of their term of office".

3. But, according to the Compilation of the Congress' monitoring reports (2011-2016), dealing with the application of article 7 of the European Charter of Local Self-Government (pp. 28-29), at least 14 member countries of the Council of Europe had so far not ratified Article 7.2 dealing with a fair material compensation for local and regional elected representatives and public officials in the exercise of their office: Armenia, Austria, Azerbaijan, Czech Republic, France, Greece, Liechtenstein, Monaco, Montenegro, the Netherlands, Romania, Serbia and Switzerland.

4. To analyse carefully the way countries address, in this year 2017, the issue of the remuneration of local officials or employees, either these countries have ratified the article 7.2 or not, the Congress appointed two co-rapporteurs, Ms Marta CAMPANARI-TALABER, Mayor of Várpalota in Hungary, representative of the Chamber of Local Authorities and Mr. Robert-Csongor GRUMAN, member of the Chamber of Regions and Vice-President of Cosvana County Council in Romania. For the completion of their report, they benefited from the expertise of the Network of Associations of Local Authorities of South-East Europe (NALAS) which, with the assistance of the Secretariat of the Congress, launched a survey among all 47 member countries. In the end, 33 countries responded to the survey.

5. Apart from giving information about the situation prevailing in a number of countries, the present report aims at exploring the possibilities, for those countries which have not yet ratified the article 7.2 but already fulfil the obligations that it contains, to formally ratify this paragraph of article 7 of the Charter.

2 Legal framework

2.1 General background: who has ratified and who has not?

6. Among the 47 member countries of the Council of Europe, around 30% (13 countries exactly) have not ratified Article 7.2 of the European Charter of Self-Government. Among them, you find EU countries (such as Austria, Czech Republic, France, Greece, Netherlands and Romania) as well as non-EU countries (Armenia and Azerbaijan in Caucasus which are in the EU "Eastern Partnership", EU candidate countries like Montenegro and Serbia, and other West-European countries like Liechtenstein, Monaco or Switzerland). It is possible to add to this list a fourteenth country, Kosovo⁵, which is not a member of the Council of Europe but has also answered the NALAS survey.

7. This list of 13 European countries which have not ratified Article 7.2. of the Charter, is not only very diverse in terms of geographic location or institutional position towards the EU, but also regarding their size

⁴ Report prepared with the help of NALAS (Network of Associations of Local Authorities of South East Europe): Mr Kelmend ZAJAZI, Ms Jelena JANEVSKA, Mr Elton STAFA and Mr Francois SAINT OUEN.

⁵ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration on independence.

and population: one can find big countries like France or Romania, medium sized countries like Austria, Greece, the Netherlands or Switzerland, and relatively small, and even very small countries like Cyprus, Liechtenstein, Monaco or Montenegro.



Figure 1. Status of ratification of Article 7.2 of the European Charter of Local Self-Government

8. So neither the size of the country, nor its geographical location in Europe or the type of institutional links it may have with the European Union, can be regarded as important factors for a country having (or not having) ratified Article 7.2 of the Charter.

9. This is surprising, given the seemingly uncontroversial nature of this article, which, as the explanatory report of the Charter clarifies, aims to ensure that: "some categories of persons may not be prevented by purely material considerations from standing for office" ... This is why Article 7.2 on responsibilities at local level "shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection".

10. Perhaps the reason for non-ratification could be the scarcity of public resources in some states. But Austria, Liechtenstein, Monaco, the Netherlands and Switzerland do not have the reputation of being "poor" countries... Liechtenstein and Monaco are very small: logically, it would make it easier to align the situation of local officers on the one of central officers, which is an idea in the background of the article 7.2. Or perhaps the conception of what a political mandate is, in certain countries (referring to the national "political culture"), might prevent them for ratifying the Article 7.2? This might be part of the explanation of the non-ratification by Switzerland, where there is no willingness to favour any professionalization of elected mandates, with only a few exceptions, such as Federal and Cantonal executive bodies and executive bodies of big cities.

11. In recent years, the rapporteurs of the Congress have estimated that some countries, even though they have not ratified Article 7.2, nevertheless have seen their national legislations evolving to such a point that they are practically now in compliance with it⁶. This is namely the case of France with a Law ratified in 2015 incorporating a "Charte de l'élu local", Montenegro and the Netherlands (where local officials do not receive

Source: Council of Europe; NALAS

⁶ See Compilation of the Congress' monitoring reports (2011-2016): Application of article 7 of the European Charter of Local Self-Government.

salaries, but an amount of allowances which are considered "fair" or "reasonable"), while it might also be the case for the Czech Republic. Most of these countries, if not all, could envisage to ratify Article 7.2., since they already respect it. It is also worth noting that Romania has made significant progress under Law no. 393/2004, providing several arrangements for paying elective representatives bonuses and financial compensation in the exercise of their function (and even afterwards, in the case of former elected representatives, who reach the age of retirement).

12. In the end, the report suggests that there is no single and simple reason explaining the non-ratification of the Article 7.2, and the recommendations to be made should remain flexible enough to take this complexity into account. Accordingly, the NALAS survey shows a certain degree of flexibility of the national regulations regarding remuneration for local elected officials and local government public officials.

2.2 A certain flexibility in national regulations

2.2.1 Countries which have not ratified Article 7.2

13. Among the nine countries of the survey (out of 32) which have not ratified Article 7.2., it is interesting to note that only one – Switzerland – does not have a national regulation of the matter. For Switzerland it seems there is as simple explanation: in the Swiss federal system, which is both diverse and decentralized, the local level is regulated by the Member States (Cantons) and not by the central government (Federation).

14. France, the Netherlands and Montenegro have well developed national regulations, even though they have not yet ratified Article 7.2 of the Charter. In France, a Law of 25 February 1992 stipulates that remuneration of officials at local level corresponds to a percentage of the remuneration of the civil servants calculated on gross index 1015, and it varies according to the population of the municipality and the importance of the mandate (a mayor is higher than a municipal councillor, for instance). In the Netherlands, the Municipalities Act of 1992 stipulates that council members shall receive payments for their activities, along with applicable allowances whereas Mayors receive remuneration based on law and council's deliberations. In the Czech Republic, the Municipalities Act regulates remuneration of councillors and mayors. In Montenegro, the Law on Salaries in the public sector concerns also the mayors, the presidents of local assemblies and the local government employees (including social welfare). But in Montenegro, there is no national regulations regarding the remuneration of municipal councillors; nevertheless, every municipal assembly has passed a decision on the matter.

2.2.2 Countries which have ratified Article 7.2

15. Among the countries which have ratified Article 7.2., the survey shows some variety in national legislations, which introduces also a certain degree of flexibility. It is interesting to point out that three countries of the survey, even though they have ratified Article 7.2., curiously do not have national legislation on the matter: Andorra, Croatia and Sweden. There should be a reason for such an absence of national provisions.

16. In Turkey, the Civil Servants Law No. 657 regulates remuneration of all civil servants, including at local level. Besides, the Municipality Law No. 5393 contains a certain number of provisions (Article 32, 36 and 39) regarding the remuneration of Mayors. Remuneration of local elected officials and local government public officials is regulated by Law No. 5510 on Social Security and General Health Insurance, and by Act No. 5434 on the Retirement Fund of the Republic of Turkey. In Finland, Municipal council members are entitled to have certain fee and compensation for their tasks, according to law. In Italy, Law no. 265/1999, Law no 267/2000 and the Government's Decree no. 119/2000 regulate the authorities and the thresholds for the remuneration of mayors and councillors, depending mostly on the type of local governments and the number of inhabitants.

17. In Bulgaria, the salaries of mayors and local employees are determined by the Municipal Council, but within the limits set out in national Decree No. 67 / 14.04.2010, limits which vary according to the population of the municipality. Following this Decree, Municipal Councillors are remunerated for their participation in plenary sessions and commissions. The remuneration varies according to the population of the municipality and is based on the principle that, for municipalities of more than 100'000 inhabitants, it should not exceed 70% of the gross wage of the President of the Municipal Council, or (for municipalities under 100'000 inhabitants) of the average gross wage in municipal administration. The remuneration of the President of the Municipal Council cannot be higher than 90% of the one of the Mayor.

18. In Albania, Law no. 139/2015, provides municipal councils with the authority to approve the level of remuneration of local elected officials and local government public officials, within the thresholds prescribed by legislation (Government Decree no.165/2016). The monthly remuneration of municipal councillors is set at 10% of the monthly remuneration of the mayor. In Ireland, the payment to Mayors and Council members is highly regulated by a detailed set of Ministerial regulations and circulars. The payment to local employees is regulated through negotiations between Government and the trade unions.

19. In Republika Srpska of Bosnia and Herzegovina, the remuneration of officials is determined by a set of criteria: average salary in the municipal administration, number of inhabitants of the municipality. In Norway, the Local Government Act regulates remuneration for work and coverage of expenses and financial loss. The detailed rules are established by the municipal or county councils. In Luxembourg, the employers of elected persons receive a compensation for the hours spent on duty. There is a detailed and uniform regulation for the remuneration of local civil servants. In Lithuania, remuneration of Mayors is regulated by the Law on remuneration of state politicians and officers. According to the Law on Self-Government of this country, municipal councillors receive a payment (like a salary) for the hours they spent on duty and compensation (on the basis of invoices, etc.) for expenses like transport, telephone.

20. In Georgia, the Edict No 726 (2005) of the President sets minimum and maximum limits of salary for local and regional officials, including mayors, council members and municipal employees, while the remuneration for public officials is regulated by the Law on Public Service. In Czech Republic, the Act on Municipalities adjusts the right on the remuneration of the councillors and mayors, while the salary levels are determined by the Government regulation. In the other hand, the right to the remuneration of the employees of the Municipal Administrations is adjusted by several special Acts.

21.Remarkably, in Cyprus, an agreement exists between the Union of Cyprus Municipalities and the Ministry of Interior regarding the remuneration of Municipal Council Members. The agreement provides that Municipal Council Members remuneration is linked as a percentage to the compensation of the Members of the Parliament. Municipalities are categorized in 5 groups depending on their size. To each group corresponds a percentage that is applied to the Members of the Parliament compensation (100%, 80%, 60%, 50% and 40%). The remuneration of the Municipal Council Members consists of the remuneration and the representation allowance. Each Municipal Councillor receive up to 15% of the total income (remuneration and representation allowance) of the respective amount given to the Mayor. Municipal employees' terms of employment are the same as the Central Government employees. The salary of employees depends on the service plan of each position. As far as the Presidents of Community Councils are concerned there is a Law for remuneration of the Presidents of Community Councils which determines that the Presidents of Community Councils get a remuneration, which is regulated by a Cabinet's decree.

22.In San Marino, the remuneration of local elected officials, "Capitani di Castello" and "Membri della Giunta" is regulated by Article 34 of Law no. 127/2013, with specific appropriations determined in the Annual Budget Law. Article 34 of Law 127/2013 provides that in the State Budget there is an annual fund in a chapter of dedicated expenditure, intended for related expenses: (i) emoluments for the service provided by the Council President (ii) emoluments for the service provided by the Secretary of the Council; and (iii) attendance tokens of the Council President, the Secretary of the Council and the members of the Executive. The amount of emoluments and attendance fees is indicated in the Budget Law.

23. In the Netherlands, based on the Municipalities Act 1992, the Council Members are to receive a payment for their activities and an allowance for their expenses in a bye-law to be enacted by the Council (Article 95). Whereas, the Mayor (article 66) receives remuneration, regulated by or pursuant to Council order, from the municipality. Rules may also be laid down concerning the partial or full reimbursement of special expenses and other financial allowances connected with the discharge of the office of mayor. With the exception of what has been granted to him by or pursuant to Act of Parliament, the mayor receives, in that capacity, no income in any form from the municipality. The mayor receives no payments of any kind for activities performed in the course of second jobs or positions held by virtue of his office as mayor, regardless of whether or not such payments are made by the municipality. If such payments are made they should be credited to the municipality's account. Municipal executive members (article 44) receive remuneration, regulated by or pursuant to order of the council, from the municipality.

24. Rules may also be laid down concerning partial or full reimbursement of special expenses and other financial provision connected with the discharge of the duties of a member of a municipal executive. With the exception of what has been granted to them by or pursuant to Act of Parliament, members of a municipal

executive receive, in that capacity, no income in any form whatever from the municipality. The members of a municipal executive receive no payments in any form whatever for activities performed in the course of second jobs or positions held by virtue of their position as members of a municipal executive, regardless of whether or not such payments are made by the municipality. If such payments are made they should be credited to the municipality's account. Payments include income, by whatever name it may be known, from second jobs or positions which the member of the municipal executive ceases to hold at the end of his term of office.

2.2.3 Uniformity or flexibility of the national regulation?

25. Fourteen countries of the NALAS survey, representing 42.5% of the sample, said that their national regulation of the remuneration of local elected representatives and public officials is not uniform and has exceptions. In Federal States like Austria, Belgium and Switzerland, this is because a significant part of the local level is regulated by the Member States (Cantons, Regions or Länder). The level of numeration in the Netherlands is determined by the number of residents in the municipality. Regardless of whether national frameworks are considered uniform or envisaging exceptions, it seems that in most of the cases, remuneration of elected officials is related to the size of the local government in terms of number of inhabitants, where larger local governments tend to have higher remuneration levels.

26. There is also a special case for big cities, like in Georgia (special regime for the capital city Tbilisi), in Albania and Montenegro. It seems obvious that the mayor of big towns counting millions of inhabitants cannot have the same remuneration as the mayor of a small rural community. Here, the disparity lies in the type of municipalities, not in the remuneration itself. More generally, the municipal councils have the possibility, within certain limits provided by national legislation, to adopt a remuneration policy of their own. It is the case for instance in France and in Georgia, while Croatia, Italy, Romania and Sweden mentioned the existence of exceptions to their national regulations, but without giving more details.

27. For various reasons (size of the municipality, magnitude of the burden for elected officials, decentralized, or even federalised, vision of the local administration), it seems practically unavoidable to keep a certain flexibility in the implementation of the national legislation.

2.3 The specific case of federal states

28. Four federal states responded to the NALAS survey: Austria, Belgium, the Russian Federation and Switzerland. It appears that federal states are a specific case with peculiarities to be taken into account, mainly because a significant part of the legislation affecting the local and regional governments depends on the Member States (corresponding to regional level in a unitary state), and not on the federal (central) level.

29. In Switzerland, which is a very decentralized and diverse system, there are significant differences between the 26 Cantons, between rural and urban areas, etc... It is then difficult, and it does not make much sense, to find a common denominator. In Austria, there are also regional differences, but they are to a certain extent harmonized by federal regulations, more strictly than it is the case in Switzerland. In Belgium, there are basically at least three systems of remuneration for local officials: one for Flanders, one for the Walloon Region and the German-speaking Community, one for the Brussels Capital region.

2.4 Possibilities and limits for local authorities to determine their own remuneration policies

30. The NALAS survey shows the following division in the answers: 18 countries saying that the possibilities for local authorities to determine their own remuneration policies are guaranteed, 14 saying the contrary, but for various reasons.

31. Where there is no national legislation regarding the remuneration of local officials and employees, like in Croatia and Sweden which are bound by Article 7.2, the remuneration is decided at local level, by the municipal councils themselves.

32. If we consider the case of the countries of the survey which have not ratified Article7.2, we see that in France, local authorities (municipal councils) have the possibility to determine the remuneration, but only within a maximum limit which is defined at the national level. In Cyprus, any change of this nature in the municipal budget needs the approval of the Ministry of Finance and the Ministry of Interior. In federal states like Austria, Belgium and Switzerland, these questions are addressed at the regional level (Member States),

but under a minimum common obligation of transparency, as in the case of Switzerland: the remuneration has to be published, so that the citizens are properly informed.

33. Among the countries which are bound to Article 7.2, in Norway the Local Government Act gives the right for local officials and employees to be compensated for their expenses (transport, etc...) when they exercise their duty, the precise modalities being defined by the municipal councils. By and large, a comparable system exists also in Lithuania. In Bulgaria, Latvia and Georgia, a maximum of remuneration or allowances (depending also on the size of the municipality) is set at the national level; then, within this limit local assemblies, are free to decide about the levels and the modalities of such remunerations and allowances. Slovenia also declares that the local authorities have the right to determine their own remuneration policies, without giving further explanations. The same can be said about Kosovo, which is not full member of the Council of Europe.

2.5 The question of the identity of status of local and central state employees

34. The question of the survey "Do the local government employees have the same civil service or other status similar or identical to the central government employees?" gave rather contrasted results, since there is not only the question of "status", but also of practical conditions which might be offered to the local employees, in comparison with what is offered to their colleagues of the central State.

35. In the NALAS survey, four countries not having ratified Article 7.2 nevertheless declared that they give the same status to local government and central government employees: Cyprus, Kosovo, Montenegro and Romania. The idea to have the same status in such a decentralized country as Switzerland does not really make sense, and it is practically far from being the case. In the Czech Republic, the status of civil servants at local and national levels are determined by different laws and the status of central government employees is comparatively more stringent.

36. Conversely, we found in the NALAS survey some examples of countries having ratified Article 7.2, but which nevertheless do not provide the same status for local government and central government employees. This is for instance the case of Latvia, where some differences happen to be equated in various laws, like the Law on Remuneration of Officers and Employees of State and Local Government Authorities. In Republika Srpska of Bosnia and Herzegovina, there are two separate laws: one for central government employees and one for local government employees. In Norway, the statuses are much similar, but differences remain in working hours, pension schemes, etc. As for France, the country has three different statuses for civil servants: one for the state administration, one for the "territorial" (local and regional) administration and one for the public hospitals.

37. As the analysis of the replies to the survey show, it is thus not only a question of unique or similar status for all, but also of practical alignment of the conditions under which both central government and local government employees' work.

3 The status of mayors and municipal councillors

3.1 The type of positions of the mayor and the councillor

38. The survey showed that the position of mayor is full time in most of the countries (28 countries, or 84.84%). It is a part-time position in only one country (3.03%) - Ireland, while it is a volunteer position in 3 countries (9.09%), France, Luxembourg and San Marino.

Mayors

Full time: Albania, Andorra, Austria, Belgium, Bosnia and Herzegovina (RS), Bulgaria, Cyprus, Czech Republic, Finland, Georgia, Italy, Kosovo, Latvia, Lithuania, Malta, North Macedonia, Republic of Moldova, Montenegro, Portugal, Netherlands, Norway, Romania, Russian Federation, Slovakia, Slovenia, Sweden, Switzerland, and Turkey

Part-time: Ireland

Volunteer: France, Luxembourg and San Marino

Councillors

Full time: Bosnia and Herzegovina (RS), Lithuania, Netherlands, Russia Federation, (Portugal)

Part-time: Albania, Andorra, Austria, Belgium, Cyprus, Czech Republic, Finland, Ireland, Italy, Latvia, North Macedonia, Republic of Moldova, Romania, Slovakia, Switzerland, and Turkey (Portugal)

Volunteer: Bulgaria, Croatia, France, Georgia, Kosovo, Malta, Luxembourg, Montenegro, Norway, San Marino, Slovenia, Sweden

Source: Responses to the NALAS's Survey; Authors' calculations.

39. Except for Portugal, which has both full-time and part-time local councillors, the position of local Councillor in the countries surveyed is a part-time position in 16 countries (50%), volunteer in 12 countries (37.5%), while it is a full-time position in only four countries (12,5%), Lithuania, Netherlands, Russia and Bosnia and Herzegovina (RS).

3.2 Expected working hours of mayors and councillors

40. In the majority of countries (22 countries, or 66.7%), mayors are expected to work over nine hours per day. In eight countries (24.2%) they are expected to work 4-8 hours per day, while only in Malta and San Marino (3%) it is expected to be 0-4 hours per day. One country (France) did not respond to this question.



Figure 2. The type of the position of the mayor (including Portugal) and the councillor (excluding Portugal)

41.In most countries (21 countries, or 65.6%), Councillors are expected to work 0-4 hours per day. In six countries (18.8%) they are expected to work 4-8 hours per day, while only in three counties (Ireland, Lithuania

and Russia Federation) it is over nine hours per day. Two countries (Belgium and France) did not respond to this question.



Figure 3. Expected working hours of mayors (including Portugal) and Councillors (excluding Portugal)

Source: Responses to the NALAS's Survey; Authors' calculations.

	Mayor			Councillor				
Country	Full time	Part time	Volunteer	Hours/day	Full time	Part time	Volunteer	Hours/day
Albania	Х			4-8			Х	0-4
Andorra	Х			Over 9		Х		4-8
Austria	Х			Over 9		Х		4-8
Bosnia and Herzegovina (RS)	Х			Over 9	x			4-8
Belgium	Х			4-8		Х		/
Bulgaria	Х			Over 9			х	0-4
Croatia	Х			Over 9			x	0-4
Cyprus	Х			Over 9		Х		0-4
Czech Republic	Х			4-8		х		0-4
Finland	Х			4-8		Х		0-4
France			Х	/			х	/
Georgia	Х			4-8			х	4-8
Ireland		Х		Over 9		Х		Over 9
Italy	Х			Over 9		Х		0-4
Kosovo	Х			4-8			x	4-8
Latvia	Х			Over 9		Х		0-4
Lithuania	Х			Over 9	х			Over 9
Luxembourg			Х	4-8				0-4
North Macedonia	Х			Over 9		x		0-4
Malta	Х			0-4			Х	0-4
Rep. Moldova	Х			Over 9		x		0-4
Montenegro	Х			Over 9			х	0-4
Netherlands	Х			Over 9	х			4-8
Norway	Х			Over 9			х	0-4
Portugal	Х			Over 9	х	Х		4-8 and Over 9
Romania	Х			4-8		х		0-4

Table 1. Comparison of mayor's versus councillor's position in each country

Russian	Х		Over 9	х			Over 9
Fed.							
San Marino		Х	0-4			х	0-4
Slovakia	Х		Over 9		x		0-4
Slovenia	Х		Over 9			х	0-4
Sweden	Х		Over 9			х	0-4
Switzerland	Х		Over 9		x		0-4
Turkey	Х		Over 9		х		0-4

3.3 Possibility to fulfil more than one mandate

42. In 21 countries (65.63%) it is possible to fulfil more than one mandate, while in 12 countries (36.36%) that is not possible.

Yes	Payment and conditions	No
Albania	Mayors are always members of the Regional Council within the same region. Municipal Councillors may be elected members of the Regional Council. However, mayors and councillors that are members of the Regional Council, do not receive any form of remuneration, except for the case when they are elected members of the Presidency of the Regional Council;	Cyprus Finland Georgia Italy Ireland
Andorra	The limit is 2 mandates.	Latvia
Austria	Yes, but there is an upper limit.	Lithuania
Belgium	Yes, in certain circumstances	Moldova
Bosnia and Herzegovina (RS)	The mandate of the president of the municipal/city Assembly can be established on full-time base or on volunteer base. Financial compensation for full-time base is already explained and there is no compensation for the president if he/she is volunteer, no matter which mandate is in question.	Netherlands Portugal Russian Fed. Turkey
Bulgaria	They keep on receiving salaries and remunerations	
Croatia	If someone is representative in municipal and regional assembly at the same time he/she has the right to be remunerated from both institutions for costs related to particular institution.	
Czech Republic	They can receive remuneration from more than one function - it depends on statutory regulation.	
France	The main rules on the limitation of the cumulation of electoral mandates and elective functions were laid down by Organic Law No. 2000-294 of 5 April 2000 on incompatibilities between electoral mandates (which deals with the situation of national parliamentarians) and the Law n ° 2000-295 of April 5, 2000 on the limitation of the cumulation of the electoral mandates and the elective functions and their conditions of exercise (which relates to the incompatibilities applicable to the local elected officials, the representatives to the European Parliament and the incompatibilities between local executive functions). This regime applicable to national parliamentarians must be distinguished from the regime applicable to local elected representatives both in the nature of the incompatibilities and in mechanisms designed to put an end to situations of incompatibility. Since the law n ° 2003 - 327 of April 11, 2003 relating to the election of the regional councillors and representatives to the European Parliament as well as public aid for political parties, the system of the incompatibilities applicable to the European parliamentarians has been aligned with that of the national parliamentarians, except as regards the modalities for the cessation of the incompatibilities. Circular NOR / FPPA / 9610003 / C of 12 January 1996 of the Ministry of Public Service, State Reform and Decentralization Law No. 2011-412 of 14 April 2011 (a minister cannot collect more than 2757 € under its local mandates).	

Kosovo	1
Luxembourg	The plurality of mandates is not excluded in principle, but there are certain incompatibilities (one can for example cumulate the mandate of parliamentarian with that of mayor, but not that of member of the Government)
North Macedonia	They will not receive financial compensation.
Malta	No.
Montenegro	Financial compensation does not depend of number of mandates.
Norway	For example, a person can hold office both in a municipal and a county Council.
Romania	/
San Marino	Article 34 of Law 127/2013 provides that in the State Budget there is an annual fund in a chapter of dedicated expenditure, intended for related expenses: (i) emoluments for the service provided by the Council President (ii) emoluments for the service provided by the Secretary of the Council; and (iii) attendance tokens of the Council President, the Secretary of the Council and the members of the Executive. The amount of emoluments and attendance fees is indicated in the Budget Law.
Slovakia	Receive - it does not violate the law, but some rewards may be waived or rejected, but this does not happen in practice very often
Slovenia	
Sweden	/
Switzerland	One may be Mayor locally, and member of the cantonal or national parliament.

4 Forms and levels of financial compensation

4.1 Forms of remuneration

43. Local elected officials receive some form of remuneration in all surveyed countries.

44. The most common form of remuneration for mayors are regular salaries, applied in 26 of the surveyed countries (81% of the sample), with the exception of France, Luxemburg, Norway, San Marino, Malta and Romania. In the latter six countries, Mayors receive allowances, which appear to be a very common form of remuneration just as well. Overall, 24 of the countries surveyed confirm they adopt allowances as a form of remuneration for mayors, while in 18 countries salaries are complemented by allowances. In Finland, Georgia, Latvia, Slovenia and Switzerland, all different forms of remuneration for Mayors are applied, including performance related pay (payments by results, commission, payment by output or similar).

Figure 4: Forms of remuneration of Mayors



Source: Responses to the NALAS's Survey; Authors' calculations.

45.As far as councillors are concerned, salaries are less common form for their remuneration. Councillors receive salaries in about one third of the surveyed (in 11) countries: Albania, Andorra, Austria, Bosnia and Herzegovina (RS), Czech Republic, Ireland, Latvia, Netherlands, Russian Federation, Slovakia and Switzerland. Councillors more commonly receive allowances (in 75% of surveyed countries). In Austria, Finland, Georgia, Italy, Latvia, Luxembourg, Russian Federation, Slovakia and Switzerland, it is reported that councillors receive a pay on performance basis. Only in Cyprus and Montenegro are councillors not entitled to any form of remuneration.





Source: Responses to the NALAS's Survey; Authors' calculations.

46.Table 3 below summarizes the responses for the forms of compensation of local authorities in the surveyed countries. It appears that only in Latvia and Switzerland both mayors and councillors benefit from all forms of remuneration. There are many similarities in the forms of compensation chosen by countries for the remuneration of local authorities, despite the size of the country, size of the economy or status of relationship with the EU.

		Mayor			Councilors			
Country	Salary	Allowance	Performance related pay	Salary	Allowance	Performance related pay		
Albania	Yes	No	No	Yes	No	No		
Andorra	Yes	No	No	Yes	No	No		
Austria	Yes	Yes	No	Yes	No	Yes		
Belgium	Yes	No	No	No	Yes	No		
BiH, Republic of Srpska	Yes	Yes	No	Yes	Yes	No		
Bulgaria	Yes	Yes	No Answer	No	Yes	No		
Croatia	Yes	Yes	No	No	Yes	No		
Cyprus	Yes	No	No	No	No	No		
Czech Republic	Yes	Yes	No	Yes	Yes	No		
Finland	Yes	Yes	Yes	No	Yes	Yes		
France	No	Yes	No	No	Yes	No		
Georgia	Yes	Yes	Yes	No	Yes	Yes		
Ireland	Yes	No Answer	No Answer	Yes	Yes	No		
Italy	Yes	Yes	No	No	No	Yes		
Kosovo	Yes	Yes	No	No	Yes	No		
Latvia	Yes	Yes	Yes	Yes	Yes	Yes		
Lithuania	Yes	No Answer	No Answer	No	Yes	No Answer		
Luxembourg	No	Yes	No	No	No	Yes		
North Macedonia	Yes	Yes	No	No	Yes	No Answer		
Malta	No	Yes	No	No	Yes	No		
Rep. Moldova	Yes	No	Yes	No	Yes	No		
Montenegro	Yes	Yes	No	No	No	No		
The Netherlands	Yes	Yes	No	Yes	Yes	No		
Norway	No	Yes	No	No	Yes	No		
Portugal	No Answer	No Answer	No Answer	No Answer	No Answer	No Answer		
Romania	No	Yes	No	No	Yes	No Answer		
Russian Fed.	Yes	No	Yes	Yes	No	Yes		
San Marino	No	Yes	No	No	Yes	No		
Slovakia	Yes	Yes	No Answer	Yes	Yes	Yes		
Slovenia	Yes	Yes	Yes	No	Yes	No		
Sweden	Yes	Yes	No	No	Yes	No		
Switzerland	Yes	Yes	Yes	Yes	Yes	Yes		
Turkey	Yes	Yes	No	No	Yes	No		

Table 3: Summary of the responses for the forms of remuneration of local authorities

Source: Responses to the NALAS's Survey; Authors' calculations.

4.2 Levels of remuneration

4.2.1 Levels of remuneration for mayors

47.Salary: based on the survey responses, the level of an average monthly salary of mayors is presented in the chart below. The chart presents only the 22 countries which submitted an answer, and on the basis of which an average could be computed⁷. In eight countries, the salary is less than 2,000 € (in Albania, Bulgaria, Georgia, Kosovo, North Macedonia, Montenegro, Republic of Moldova and Romania) while in 5 countries

⁷ The simple average is computed for those countries that have provided the range of variation of salaries. When not expressed in Euro, the exchange rate of individual currencies and the euro, in the month of February 2018, is taken into consideration.

(Czech Republic, Italy, Ireland, Lithuania and Slovenia) the salaries are just above 2,000 €. In Turkey it is about 3,500 €; Slovakia it is almost 4,000 €, in Andorra and Sweden is between 5,000 and 6,000 €. In Norway and the Netherlands is between 7,000 and 8,600 €, while the highest range of 13,000 to 14,000 € is noted in Finland and Switzerland. However, the absolute values need to be viewed in light of differences in cost of living indices where Switzerland for instance ranks as one of the highest worldwide.





Source: Responses to the NALAS's Survey; Authors' calculations.

48. Allowance: compensation in the form of allowances takes different forms in each country, as shown in the table below. In several countries where mayors do not receive salaries, the level of allowances are much higher and it seems they substitute the salaries and represents the main form of compensation (such as Norway, as well as Italy, where the allowance is a sum of 1,600 € or Romania, where the allowance is in the range of 600 to 650 Euro). In some countries the allowance compensates mayors to reimburse subsistence costs when traveling abroad on official business trips, just like any other employee of the public sector (Kosovo, Latvia and North Macedonia) while in others it is a lump sum based on the size of the municipality.

Country	Allowance
Albania	Monthly allotment to compensate for fuel and automobile maintenance. The levels are defined by Decree of the Council of Ministers.
Bulgaria	Municipality over 100,000 inhabitants: 78 \in , Municipality from 50,001 to 100,000 inhabitants: 70 \in , Municipality from 10,001 to 50,000 inhabitants: 65 \in , Municipality up to 10,000 inhabitants: 60 \in
Czech Republic	Only travel allowances
Finland	1,000€
Georgia	1,200 litres of diesel, limitless coverage of mobile telephone communication expenses (Mayor of Tbilisi only)
Italy	1,600 €
Kosovo	It is regulated by the law and it depends on which state they go
Latvia	the same as any Latvian resident
Luxembourg	Indemnities fixed by the municipalities within a ceiling set at national level
North Macedonia	According the Law
Malta	It depends on the size of the locality
Montenegro	It is stated in the budget for Mayor Office and it is differ in each municipality

Netherlands	€381,03 The mayor receives a fixed allowance for the following costs: representation, literature, bureau costs, excursions, etc. The mayor cannot submit an invoice for these costs.
Romania	2,681 lei – 2,958 lei
San Marino	a) Emoluments for the service provided by the Council members: 1) Council with nine members € 4,150.00 (four thousand one hundred and fifty / 00) per year; 2) Councils with seven members € 3,000,00 (three thousand / 00) per year; b) Emoluments for the service provided by the Secretaries of the Council: 1) Councils with nine members € 1,700.00 (one thousand seven hundred / 00) per year; 2) Councils with seven members € 1,150.00 (one thousand five hundred and fifty / 00) per year; c) Amount of attendance fee for the Council President, the Secretary of the Council and the Members of the Council: € 55.00
Slovenia	200€
Switzerland	CHF 10,000
Turkey	Between 100 to 500 € according to the number of working days

49. Compensation based on performance. Only five countries surveyed described the level of additional compensation for mayors based on performance (payments by results, commission, payment by output etc.).

Country	Compensation based on Performance
Finland	500 €
Rep. Moldova	once a year, based on the local council decision, but no more than the amount of three monthly salaries
Russian Fed.	Monthly performance related pay
Slovenia	up to 150 €
Switzerland	CHF 5,000

Source: Responses to NALAS's Survey.

4.2.2 Levels of remuneration for councillors

50. Salary: no sufficient and comparable information was provided by the respondents for the levels of salaries of councillors. It is interesting to highlight the practice in Albania, where the councillor receives 10% of the salary of the mayor. In Ireland, the average salary of the councillor is 16,500€ annually, in the Netherlands from 4,600 to 9,600€ monthly, while in Switzerland it is 8,671€ monthly.

Country	Salaries Councillors
Albania	10% of the respective Mayor' salary, on average about 80€ per month
Andorra	 Municipality Canillo: 1,050 € (additional 300 € if president of some commission) - Municipality Encamp : 1,279,92 € (additional 237,02 € if president of some commission). Municipality d'Ordino : 1,228,78 € for those that participate in administration council and 892,14 € if minority - Municipality La Massana : 1,500 € Municipality Andorre la Vieille : 2,498 €
BiH, RS	For each municipality differently
Bulgaria	Remuneration – Based on different conditions
Czech Rep.	0 to 10 thousand CZK (from 0-394€) per month
Georgia	Only councillors holding positions in committees/commissions/fractions of the City Council get paid.
Ireland	16,565 € per year (1,380 € /month)

Latvia	Max net rate of salary to average monthly remuneration is 1,2
Netherlands	Min. 4,605.10 € – Max 9,818.34 € per month
Switzerland	8,671€ (10.000 CHF)

51. Allowances

Country	Allowances Councillors
Belgium	Attendance tokens
Cyprus	Travel allowances
Finland	1,000 €
Georgia	Diesel limits: Chairman – 500 litres, Deputy Chairmen – 400 litres, chairmen of different commissions/groups of the council – 350 litres; Mobile telephone communication expenses limits: Chairman – no limits; Deputy Chairmen – 150 GEL; chairmen of different commissions/groups of the council – 100 GEL, Other councillors – 40 GEL. Maximum limit for additional allowance for exercise of the duties for councillors is set at 2500 GEL per month.
Ireland	6,000 € but only for a few officeholders
Kosovo	250 € gross per month
Latvia	The same as any Latvian resident
Lithuania	Every municipality has its own order (sizes differ in municipalities)
North Macedonia	250 to 300 €
Netherlands	€350,54 Compensation of expenses
Rep. Moldova	Based on the fee per day of work established by local council
Romania	20 - 62 € (97 lei - 291 lei)
San Marino	Amount of attendance fee for the members of the council per attendance: 55 €
Slovakia	30 € per council member
Slovenia	200 €
Switzerland	4,335 € (CHF 5'000)
Turkey	30 € (per meeting held once a month)

Source: Responses to NALAS's Survey.

52. Compensation based on performance.

Country	Councillors performance-related pay
Andorra	Some municipal councillors get additional payments
Finland	500 €
Georgia	For the councillors who get remunerated: it is 60% of their monthly salary.
Italy	567 €
Kosovo	If they are member of the committees of municipal assemblies
Luxembourg	Fee for attendance
Russian Fed.	Monthly performance related pay
Slovakia	Approximately \in 30 for the position of chairman of the advisory body - commission,
Switzerland	4,335 € (5.000 CHF)

4.3 Financial compensation for loss of earnings⁸

53. Over half of the surveyed countries (19 out of 33) do not provide financial compensation for loss of earnings. Financial compensation for loss of earnings is provided in: Bulgaria, Belgium, Finland, France, Georgia, Latvia, Luxembourg, Republic of Moldova, Netherlands, Norway, Romania, Russian Federation, Sweden and Switzerland. No such compensation is provided in: Albania, Andorra, Austria, Bosnia and Herzegovina (RS), Croatia, Cyprus, Czech Republic, Ireland, Italy, Kosovo, Lithuania, North Macedonia, Malta, Montenegro, Portugal, San Marino, Slovakia, Slovenia and Turkey.





Country	Comment
Bulgaria	Municipal councillors are granted unpaid leave from their basic job for the time needed to perform their obligations. For the performance of their duties they gain monthly remuneration. The councillors and the mayors as compulsorily insured against unemployment are entitled to unemployment cash benefits. Upon termination of the employment relationship, the Mayors and the Chairpersons of the Municipal Councils are entitled to a cash compensation for any unused paid annual leave.
Finland	Getting a deputy, babysitter etc.
France	Compensation for any loss of salary, salary or income, justified by the elected official and limited to the equivalent of 18 days, by elected and for the duration of the mandate. It is of the same nature as the official allowance and is therefore submitted to CSG and CRDS.
Georgia	If the local public official was laid off by the decision of the employer, then they may receive financial compensation for loss of earnings.
Latvia	Remuneration of elected deputies could be regarded as compensation.
Luxembourg	"Political leave": - for employees: reimbursement to the employer of remuneration for a certain number of hours per week (varies with the size of the municipality) – for self-employed persons and persons without occupation: Fixed amount Management of the system by the Ministry of the Interior, payment by a central fund (municipal expenditure fund)

^{8 &}quot;Loss of earnings" is understood to refer to an individual losing part of their regular earnings due to their additional duties as an elected representative.

Netherlands	Mayor: compensation for double living arrangements, compensation of moving costs, regulation of pension, indemnification recall of urgent reasons, travel allowance between house and work, allowance for missions, security costs in case of a threat, in case of structural functional limitation. Municipal Executive members: travel allowance, compensation of moving costs, security costs in case of a threat, in case of structural functional limitation.
Norway	The Local Government Act states that compensation is paid for loss of Income and expenses incurred as a result of the holding of the office up to a prescribed sum per day, laid down by the municipal council or county council itself. Different rates shall be laid down for specified and unspecified losses.
Rep. Moldova	At the finalisation of mandate and in case of death.
Romania	Yes, every city hall offers a guaranteed minimum income to people who have no source of income.
Russian Fed.	Municipal officers have guarantees in accordance with the Russian labour legislation in case of liquidation of a municipal authority or job cuts
Switzerland	Salary of municipal councillor Job is meant to compensate a 10-20% employment

4.4 The right to claim expenses incurred in the exercise of office

54. Only in Belgium, Cyprus, Malta and Bosnia and Herzegovina (RS), local elected representatives cannot claim reimbursement for their expenses incurred in the exercise of office. In other countries there are varying reimbursement rules starting from telephone expenses only to a wider scope.



Figure 8. Status of application of the right to claim coverage for expenses

Country	Right to claim coverage for expenses
Albania	Accommodation, transport, telephone, meals, etc., as per rules set by the Council of
Albania	Ministers and the Municipal Council.
Andorra	Accommodation, transport, tolls (official tolls), meals, etc.
Austria	Business trips
BiH, (RS)	N/A
Bulgaria	Travel and other expenses incurred by the Municipal Councillor in connection with his work on the council are covered by the municipal budget and are regulated in the Rules of Organisation and Activity for the Council, its Committees and the interaction with the municipal administration, adopted by the Municipal Council. Mayors can be seconded and thus get payment of travel, per diem and accommodation expenses under Bulgarian law.
Croatia	Costs related to the execution of the duty
Cyprus	Generally, no, except in cases of travelling abroad.
Czech Rep.	Just travel allowances such as accommodation, flight/train/bus tickets, per diem etc.)
Finland	Travel and accommodation costs, training and education cost
France	Reimbursements of expenses are limited to 7 specific cases: • reimbursement of the expenses necessitated by the execution of a special mandate, or mission expenses, • reimbursement of the travel expenses of the members of the municipal council, • the Reimbursement of travel expenses for members of EPCI councils or committees, • reimbursement of expenses for assistance to elected municipal and inter-municipal officials, • reimbursement of exceptional aid and personal expenses incurred personally by elected officials, • the granting of representation costs to mayors, and • the reimbursement of travel expenses for elected representatives from the county and regional councils.
Georgia	Travel, accommodation, per diem (during travel), telephone use costs, fuel. (Training and education costs of public officials may also be borne by municipality).
Ireland	The expenses are complex but in addition to the allowance indicated in Question 20 above councillors may also claim under certain conditions: (i) approximately 6,000 € per year for attending local meetings and for office expenses (ii) 600 per annum mobile phone allowance *for meetings other than local meetings, and under certain conditions, councillors may claim: (iii) 0.59 per km mileage rate (iv) 33.61 per day subsistence rate or 125 for an overnight rate (v) up to 600 per annum for mobile telephone
Italy	Only telephone expenses
Kosovo	travel and accommodation costs, telephone use costs, training & education
KUSUVU	Travel and accommodation costs, telephone use costs, training & education and some
Latvia	other according to local regulations.
Lithuania	Travel and accommodation costs, telephone use cost, training and etc.
Luxembourg	Travel and subsistence expenses
North Macedonia	They have a right to claim travel and accommodation costs, daily allowance when they travel, telephone costs.
Montenegro	Travel and accommodation costs, telephone use costs, training & education
Netherlands	The principle of integrity is very important here. Only necessary costs can be claimed.
Norway	The Local Government Act states that any person holding municipal or county office is entitled to allowances for transport, subsistence and overnight accommodation with respect to travel in connection with the office. However, this should be in accordance with further rules laid down by the council itself, as well as for compensation for loss of Income and expenses incurred as a result of holding an office. The right to cover the costs for training and education is not specifically mentioned, but nevertheless there is an established tradition for covering some specific training, e.g. the training of elected councillors, offered by the Norwegian Association of Local and Regional Authorities (KS).
Portugal	Travel and accommodation costs, telephone use costs
Rep. Moldova	travel and accommodation, telephone use costs.

Romania	For traveling, mayors receive as per diem an amount already set. For example they receive per day, for the meal the amount of 17 lei, which means less than 4 € and for the accommodation the amount of 45 lei, which means 10 €. Regarding the transportation expense, this is settled by law based on the formula 7,5 litres of fuel/ 100 km on the shortest route. Mayors can travel also by plane, in economy class to distances exceeding 300 km. The telephone use costs are also settled.
San Marino	Reimbursements of expenses incurred for each trip are recognized
Slovakia	Travel costs, telecommunication services
Slovenia	Travel expenses, Accommodation expenses and Per diem while on the business trip
Switzerland	salary per hour
Turkey	travel and partly accommodation costs, training & education

4.5 Social welfare protection

55.All surveyed countries appear to provide some form of social welfare protection for mayors, with the exception of Luxembourg and San Marino where it is reported that no form of social welfare is provided. The most common form of social welfare protection provided for mayors result to be: social security for pensions (84.84%), and health benefits (72.72%), paid leave for holidays (60.6%), followed by travel insurance and unemployment benefits (51.51%, respectively). All forms of protection result to be provided only in seven countries: Bosnia and Herzegovina (RS), Finland, Lithuania, North Macedonia, Montenegro, Portugal and Switzerland. Bulgaria, Republic of Moldova, Romania and Slovenia also provide all forms of protection with the exception of travel insurance or unemployment benefits. The basic protection for pensions and health insurance contributions are paid in all countries except Georgia, Ireland, Luxembourg and San Marino. It appears that Kosovo, Latvia and Norway, while not providing health insurance, are providing pensions, offer paid leave for holidays and travel insurance for mayors.



Figure 9. Social welfare protection for Mayors

Figure 10 Social Welfare Protection to Mayors



Source: Responses to NALAS's Survey; Authors' calculations.

56. The table below summarizes the Survey responses about social welfare protection provided to Mayors.

Countries	Pensions	Health insurance	Unemployment benefits	Holidays	Travel insurance
Albania	Yes	Yes	No	Yes	No
Andorra	Yes	Yes	No	No	Yes
Austria	Yes	Yes	No	No	Yes
Belgium	Yes	Yes	Yes	Yes	No
BiH, Republic of Srpska	Yes	Yes	Yes	Yes	Yes
Bulgaria	Yes	Yes	Yes	Yes	No
Croatia	Yes	Yes	No	No	Yes
Cyprus	Yes	Yes	No	No	No
Czech Republic	Yes	Yes	Yes	Yes	No
Finland	Yes	Yes	Yes	Yes	Yes
France	Yes	Yes	Yes	No	No
Georgia	No	No	No	Yes	No
Ireland	No	No	No	No	Yes
Italy	Yes	Yes	No	Yes	No
Kosovo	Yes	No	No	Yes	Yes
Latvia	Yes	No	No	Yes	Yes
Lithuania	Yes	Yes	Yes	Yes	Yes
Luxembourg	No	No	No	No	No
North Macedonia	Yes i	Yes	Yes	Yes	Yes
Malta	No	Yes	No	No	Yes
Montenegro	Yes	Yes	Yes	Yes	Yes
Netherlands	Yes	No	Yes	No	No
Norway	Yes	No	Yes	No	Yes
Portugal	Yes	Yes	Yes	Yes	Yes
Rep. Moldova	Yes	Yes	Yes	Yes	No
Romania	Yes	Yes	Yes	Yes	No
Russian Fed.	Yes	No	No	Yes	No
San Marino	No	No	No	No	No

Slovakia	Yes	Yes	Yes	Yes	No
Slovenia	Yes	Yes	No	Yes	Yes
Sweden	Yes	Yes	No	No	Yes
Switzerland	Yes	Yes	Yes	Yes	Yes
Turkey	Yes	Yes	Yes	No	No
Summary: Yes	28	24	17	20	17
Summary: No	5	9	16	13	16

57. The table below summarizes the survey responses on social welfare protection provided to Councillors. Social welfare protection is strongly correlated with the type of the position and remuneration of councillors. Excluding Portugal, in 28 of the other 32 surveyed countries this is a part time or voluntary position, and in 24 countries it is remunerated through allowances. Furthermore, the way in which protection is provided is defined by national legislation, whereas in most cases, pensions and health contributions are defined as a percentage of the gross salary.

Figure 11 Social Welfare Protection to Councillors



Source: Responses to NALAS's Survey; Authors' calculations.

58. It is reported that only in Lithuania, Portugal and Bosnia and Herzegovina (RS) councillors receive all types of social welfare protection. This should come as no surprise as the position of councillor is a full-time job in these countries. Also in the Netherlands and in Russian Federation, the position of councillors is a full-time job, but interestingly, it is reported they benefit only from pension contributions. The paid leave for vacation is defined by national legislation as well, but there are also countries where this is not a legal obligation such as Albania, Bulgaria, Republic of Moldova and Romania.

Countries	Pensions	Health insurance	Holidays	Travel insurance	Unemployment benefits
Albania	No	No	No	No	No
Andorra	Yes	Yes	No	Yes	No
Austria	No	Yes	No	No	No
Belgium	No	No	No	No	No
BiH, Republic of Srpska	Yes	Yes	Yes	Yes	Yes
Bulgaria	Yes	Yes	No	No	Yes
Croatia	No	No	No	Yes	No
Cyprus	No	No	No	No	No
Czech Republic	Yes	Yes	Yes	No	Yes
Finland	Yes	Yes	No	Yes	No
France	Yes	Yes	No	No	Yes
Georgia	No	No	Yes	No	No

Ireland	No	No	No	Yes	No
Italy	No	No	No	No	No
Kosovo	Yes	Yes	Yes	Yes	No
Latvia	No	No	No	Yes	No
Lithuania	Yes	Yes	Yes	Yes	Yes
Luxembourg	No	No	No	No	No
North Macedonia	No	No	No	Yes	No
Malta	No	Yes	No	Yes	No
Montenegro	No	No	No	No	No
Netherlands	Yes	No	No	No	Yes
Norway	No	No	No	No	Yes
Portugal	Yes	Yes	Yes	Yes	Yes
Rep. Moldova	Yes	Yes	Yes	No	Yes
Romania	Yes	Yes	Yes	No	Yes
Russian Fed.	Yes	No	Yes	No	No
San Marino	No	No	No	No	No
Slovakia	Yes	Yes	Yes	No	Yes
Slovenia	No	No	No	No	No
Sweden	No	No	No	No	No
Switzerland	No	Yes	No	Yes	No
Turkey	No	No	No	No	No
Summary: Yes	14	14	10	12	11
Summary: No	19	19	23	21	22

59. As expected, councillors are provided with less social welfare protection than mayors. Only in Lithuania, Portugal and Republic of Srpska of Bosnia and Herzegovina, councillors are provided with all forms of protection. This should come as no surprise as the position of councillor is a full-time job in these countries. Besides these three cases, the basic form of pension contributions is provided only in Bulgaria, Finland, France, Kosovo, Republic of Moldova and Romania. While not providing pension contributions, Ireland, Malta and Switzerland provide health insurance. Interestingly, while not providing pensions, Croatia, Ireland, Latvia, North Macedonia, Malta and Switzerland seem to provide travel insurance. In ten countries it is reported that councillors do not benefit from any form of social welfare protection. This group of countries includes both small and large sized countries, with half of them being members of the EU.

60. In Bulgaria, France, Ireland, Kosovo and Romania, the legislation provides for additional benefits, varying from free travel in the municipal transport system, coverage in cases of diseases, cash benefits for education and research and a retirement gratuity.

4.6 Level of remuneration of the mayor of the capital city

61. The level of an average monthly salary of mayors of capital cities in surveyed countries is presented in the chart below. The chart presents only the 23 countries which provided a concrete quantified answer or countries for which it was possible to simulate the remuneration upon the provided data. In Moldova and Malta⁹, the salary is way below 1000€. In ten countries, composed of both EU and non-EU member countries, the remuneration of the mayor of the capital city falls in the range of 1,000-3,000 Euros. Whereas in only five of the surveyed countries it is higher than 5,000 Euros per month, with Finland and Norway marking the highest levels of 11-14,000 Euros per month. The graph is straightforward in that it shows that, except for

⁹ Malta represents a unique case as it is the only one of the surveyed countries where mayors are reported to have a full-time position but are expected to work only 0-4 hours per day, without a salary but just allowances.

Malta, capital city mayors in EU countries receive higher remuneration than their counterparts in in non-EU countries and countries that have recently joined the EU.



62.Nevertheless, a look at comparisons with other baselines or benchmarks reveals huge disparities and gaps in the financial treatment of mayors within and across the surveyed countries. The table below provides the comparison of the capital city mayoral salary with four benchmarks: a) the national minimum wage; b) the national average wage; c) the wage of a minister; and d) the wage of a senior manager in a private company. The results of the comparison are sorted from smallest to largest value for each of the four benchmarks.

63.Malta is the only EU country where the capital city mayor receives a monthly allowance of approximately 600 € which is less than all benchmarks analysed. In other words, Malta is the only of the 22 countries that have responded to the question, where Mayors receive a remuneration that is below the national approximate minimum wage. In France, Italy and Luxembourg, it appears that mayors receive a salary that is two to three times higher than the respective average minimum salaries. In Portugal, mayors receive a salary approximately 6.9 times more than the national average minimum wage. In Croatia, Ireland, North Macedonia, Montenegro and Romania, mayors' salaries are about six times higher than respective national minimal wages. In Albania, Bulgaria, Latvia, Lithuania and the Republic of Moldova, mayors' remuneration is between 7-10 times higher than the national minimal salaries. In Georgia the mayors' wage is 16 times (15.961%) higher than the out-dated and not particularly used legal minimum wage of only 20 GEL or approximately eight Euros per month.¹⁰ On average mayors earn between two and ten times more than citizens earning national minimum salaries, regardless of the size of the country and EU membership status.

64. While it is expected that capital city mayors would earn more than national minimum wages, such large gaps and disparities are smoothed out very much when comparisons are made with respect to national average wages reported in the Questionnaire. Here we notice that, except for Malta and Turkey, capital city mayors' remuneration is only 0.16 to 2.5 times higher than the reported national average wages. From the table it can be noted that the gaps and disparities are larger for non-EU countries rather than EU member countries when compared to the national average salaries.

¹⁰ It is reported that the minimum level wage legislation in Georgia is outdated and that in reality this level of remuneration is not used at all.

65. In France, Italy, Sweden and Luxembourg, capital city mayors earn only 30-45% of the monthly pay of a minister. This might be an indication of the substantial gaps in the remuneration schemes between national and local elected or appointed officials in such countries. In all other 14 countries, the gap between the salary of the mayor of the capital city and a minister is small. In fact, it results that, capital city mayors, earn almost the same amount as a minister, regardless of EU membership status, size of the country or size of the economy.

66. The comparison with the wage of a senior manager in a private company is much more difficult given that such estimations are much rare and more subjective than the provisions on minimum and average wages or wages of ministers which are usually set down in legislation. Nevertheless, from the data reported in the questionnaire, it appears that capital city mayors in Bulgaria, France, Latvia, Luxembourg, Malta and the Republic of Moldova earn only a quarter or maximum two thirds of the monthly earnings of a senior manager in a private company. In Albania, Croatia, Finland, Italy, North Macedonia, Montenegro, Slovenia and Turkey, capital city mayors' monthly salaries are closer to the private sector's senior managers.

Capital City Mayor Salary over the National Minimum Wage		Capital City Mayor Salary over the National Average Wage		Capital City Mayor Salary over the Wage of a Minister		Capital City Mayor Salary over Wage of a Senior Manager in a Private Company	
Malta	75%	Malta	38%	Malta	24%	Malta	24%
France	231%	France	116%	Italy	30%	Rep.Moldova	32%
Italy	300%	Luxembourg	150%	France	34%	Latvia	40%
Luxembourg	300%	Sweden	178%	Luxembourg	40%	Romania	60%
Ireland	478%	Rep.Moldova	188%	Sweden	45%	Luxembourg	60%
Croatia	500%	Andorra	217%	Turkey	70%	France	62%
Andorra	504%	Italy	225%	Latvia	78%	Bulgaria	67%
Romania	520%	Norway	237%	Albania	80%	Turkey	70%
Slovenia	583%	Montenegro	239%	Andorra	83%	Finland	70%
North Macedonia	599%	Ireland	263%	Lithuania	88%	Slovenia	70%
Montenegro	622%	Finland	280%	Georgia	90%	Croatia	75%
Bulgaria	667%	North Macedonia	286%	Montenegro	92%	Albania	80%
Latvia	683%	Latvia	290%	Portugal	94%	Montenegro	80%
Portugal	687%	Romania	298%	Ireland	96%	Portugal	80%
Lithuania	692%	Croatia	300%	Finland	100%	Andorra	83%
Albania	727%	Lithuania	331%	North Macedonia	100%	Italy	90%
Rep.Moldova	950%	Bulgaria	333%	Croatia	100%	North Macedonia	100%
Finland	1000%	Slovenia	350%	Slovenia	100%	Sweden	Na
Turkey	1300%	Georgia	353%	Norway	100%	Lithuania	Na
Georgia	15960%	Albania	356%	Bulgaria	104%	Georgia	Na
		Portugal	431%	Rep.Moldova	112%	Ireland	Na
		Turkey	700%	Romania	124%	Norway	Na

67.Overall, based on the data reported in the questionnaire, on average,¹¹, capital city mayors in the surveyed countries monthly remuneration is 5-6 times higher than the minimum wage but only 2.6 times higher than the national average wage. On the other hand, it appears that their remuneration is substantially lower than the one received by their minister counterparts in the central government or managers in the private sector. On average, capital city mayors' remuneration constitutes 80% of a minister's salary, ranging from a minimum of 24% in Malta and 124% in Romania. Considering that capital city mayors remuneration is higher compared to their colleagues elected in smaller jurisdictions, it may be well possible that the differences with minimum or average salaries are much smaller and gaps compared to ministers' remuneration be larger.

5 Questionnaire respondents' opinion on the importance of financial compensation.

68. The figure below summarizes the opinions of the respondents to the questionnaire. 85% of the respondents agree that local elected representatives should be rewarded for their exercise in office. This should not come as a surprise since in 88% of the surveyed countries (excluding Portugal) being a mayor is a full-time position. Furthermore, 68% of the respondents agree that "financial compensation is necessary to get people involved in local politics", while 59% believes that "financial compensation is the best way to ensure that locally elected representatives act in the interest of their constituents". Finally, only 3% of the respondents believe that the financial compensation of local elected representatives is too high.



6 Conclusions and recommendations

69. The NALAS survey responses show that local and regional authorities in Council of Europe member States are moving towards remuneration models that compensate elected representatives in a relative way. Standards are not harmonised and any harmonisation should be discouraged. Remuneration must be both appropriate and adequate to requirements and demands of the role and of the individual. In this sense, greater assessment is needed on the satisfaction of remuneration for local and regional elected representatives, whereby we can arrive at an understanding what constitutes appropriate and adequate

¹¹ For the purposes of consistent average figures, outliers consisting of maximum and minimum values for each distribution have been eliminated from the sample.

within each member State, relative to the requirements and demands placed on representatives. In this, it is Congress monitoring reports have a constructive role to play.

70. The central idea of Article 7.2 should prevail: material conditions should not discourage people to take up or run for local elected positions. Inappropriate and inadequate levels of compensation can and do discourage many suitable candidates from running for elected office. Any deterioration in the quality of candidates is harmful to the overall quality of governance of local and regional authorities. Dissatisfaction in the levels of compensation can also harm the effectiveness of elected candidates and increase the risk of corruption and illegitimate practices.

71.Member States and, where applicable, regions should adapt legislation to better facilitate the growing importance of informality of local elected positions and better compensate for loss of earnings incurred. Pay scales and other forms of compensation need to be transparent, at all levels of government. Steps to ensure these are transparent and open to public scrutiny will reduce the risk of corruption and set an example for all levels of government to follow.

72.It is recommended the Congress prepares reports at regular intervals on the evolution of the situation regarding financial compensation of local and regional elected representatives in member States.

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