

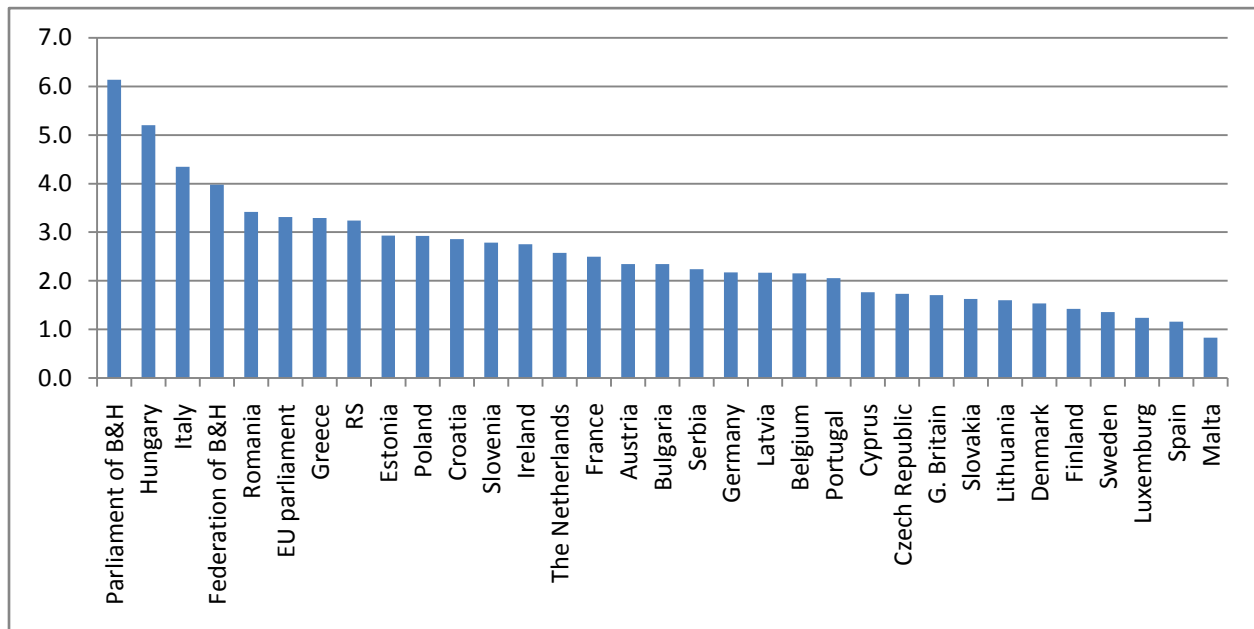
## Wages of MPs and Delegates in the B&H Parliament Unmatched in Europe

*MPs and delegates in the Parliamentary Assembly of B&H monthly earn more than six average wages in B&H, which is the highest ratio in Europe. In time when we are facing unavoidable need to decrease spending on wages in public sector at all levels in B&H, is it possible that MPs and delegates are going to manage not to apply this process only to themselves?*

**MPs and delegates in the Parliamentary Assembly of B&H (PAB&H) are best paid in Europe, when we compare their wage to an average wage in the country.** Only on the basis of wage and monthly fee their income amounts to more than 5000 BAM, which is more than 6 average wages in B&H. On a graph below, it can be seen that this ratio was the highest in B&H among 30 European countries analyzed. In these countries, an MP in a national parliament received 2.3 average wages in their country.

One has to know that MPs and delegates in the PAB&H, besides their wage and fee, have the right to additional allowances, so their total monthly nett income often goes beyond 6000, and reaches 7000 BAM.

**Number of average wages consisted in a single wage of an MP in a parliament\***



*\*Data for parliaments of FB&H, RS and EU included.*

Wages of MPs and delegates in parliaments of RS and FB&H are also among the highest in Europe, if we measure these according to the same principle. An MP in the Parliament of the Federation of B&H takes fourth place with an average wage and fee income amounting to four average wages in the Federation of B&H, while MPs in RS take eighth position with having their monthly income equal to 3.2 average wages in RS. If we look only nominal amounts, MPs in the Parliament of Italy have the biggest wages in

Europe, who, as estimated, receive 13.500 BAM on monthly basis. However, an average wage in Italy amounts to 3.115 BAM, so their relative ratio is 4.3:1 (less than in B&H). Even besides that, monthly earnings of Italian MPs are often at the center of media attention not only in Italy, while currently being under great public pressure for their reduction.

These international data, therefore, prove that financial motive for politicians to become members of the national parliament is biggest in B&H. It is obvious that here we have a radical disharmony of parliamentarians' income with the living standard in B&H: an MP can earn for one month as much as a worker can for six months in B&H. Extremely high unemployment rate has to be added to this.

After analyzing the budget of PAB&H for 2013, it can be seen that

the planned costs increased by 2% in comparison to 2012, and that the major reduction was made in capital outlays, in order to maintain the balance of total expenditure. Out of total expenditure, 11.6 million BAM or 75% goes to wages and allowances of employees.

According to current framework, MPs in PAB&H determine their wages on their own. MPs have the discretion right to personally decide on the amount of coefficients applied to the base of their wage, the amount of monthly fee and other allowances belonging to total income of MPs and delegates in both Houses through the decisions of the Joint Administrative Commission of PAB&H. For this reason, the existing model of determining MPs' wages is not harmonized with wages of other employees in B&H institutions and is not sufficiently transparent. For example, MPs and delegates have the right to a "fee" paid monthly as an allowance for costs, even though it is not stated what these costs are nor is it mandatory to provide explanation of these costs. This fee does not represent anything else than a

#### ***Declarative dedication to saving***

*MPs and delegates of PAB&H have already demonstrated that they do not wish to waive their astronomical income. Namely, in May 2012, MPs adopted a conclusion ordering the harmonization of wages with law amendments regulating wages of employees in other B&H institutions, which implied the decrease of wages of MPs and delegates of 4.5%. Thereby, that session proved that MPs find the 4.5% wage decrease to be adequate. Namely, previous excuses were "we approve this, but other parties do not" or "the Constitution does not allow this". However, after doing this, it became obvious that MPs actually can change the amount of their wages.*

*We can also state an example from a session of the House of Representatives of PAB&H from June 21<sup>st</sup>, 2012, when an initiative proposed by an MP Semsudin Mehmedovic to adopt the conclusion for decreasing wages of MPs in PAB&H by 20%, along with allowances for engagement in ad hoc commissions and allowances for mobile phones costs. Out of 42 MPs in total, 22 voted Yes, but the initiative was rejected because none of MPs from RS voted for the initiative.*

hidden form of wage. Besides, MPs have the right to other allowances, such as allowance for travel costs, allowance for living separately from their family, etc.

For all stated above, we issue the following recommendations:

1. Wages of MPs and delegates in PAB&H have to be systematically harmonized with other B&H institutions, for example by regulating them with the existing Law on wages and allowances in B&H institutions.
2. Compliance of wage amount received by MPs and delegates with an average wage in B&H in ratio 3:1 should be ensured.
3. Hidden forms of wages such as monthly fee should be abolished.
4. Financial penalty or denying MPs and delegates the allowance for travel costs to MPs and delegates who are not present at sessions of the House of Representatives and House of Nations should be introduced.