

Quick Response Request

Submitted by: Association of Municipalities of the Republic of Croatia

Date: February 2010

Subject: The regulation of salaries at local level.

Background: The Croatian parliament adopted a new Act on salaries in local and regional units, introducing such regulation for the first time. In order to make an informed opinion of this Act and to protect the interests of the municipalities of Croatia, the Association of Municipalities of the Republic of Croatia requested information from the region on the problem of salaries at local level.

1. Summary of Results*

Country/Entity	Does your country have a regulation (law, bylaw, decree, etc.) that regulates salaries in local units? If yes, when was it adopted?	Was the national association consulted during the process of development of regulation?	Who determines the amount of the salary of officials and other employees in local authority?	Is there a ceiling limit for single official's and servant's salary? How big is it?	Is there any limitation for the total amount of money for the servants' and officials' salaries in one local unit (ex. maximum percentage of the budget)?	Does the Act regulate the salaries in all local units in the same way, or does the law include some exceptions (e.g. for poor municipalities or those in underdeveloped regions)?
Kosovo	Law on the Salaries of Civil Servants is in procedure	Yes, one member of the Association of Kosovo Municipalities has participated in the working groups	Municipal Authorities, set the salaries through the Head of Personnel	Yes there is a top limit for civil servants in the Municipality, it is the coefficient 9.5 (339.90 €)	Yes, it is issued the Circular from the Ministry of Economy and Finance, which defines the number of civil servants, total budget for salaries of each Municipality.	Salaries are equal for all civil servants working in the municipalities of Kosovo.

Moldova	1. The law on salaries from 2002; 2. The law on salaries in the budgetary sector from 2005;	No	The law establishes the bottom and top limits of the salaries.	Yes	No	No exceptions. The Acts regulate the salaries in all local units in the same way.
Montenegro	No separate law that regulates salaries in local units. The Law on salaries on state civil servants and employees regulates salaries on the state level.	No	The Head of the local administrative bodies and the Mayor	There is no top limit for single official's and servant's salary.	No	In the same way for all municipalities.
Republic of Srpska	The law was passed in 2005	No	Salaries of civil servants are regulated by a Regulation on Salaries, which is adopted by each municipality, based on a Collective Agreement.	The salaries are limited by the criteria (population, size of the municipality ...).	No limit.	The law regulates wages for all municipalities in the same way
Romania	Law for harmonising salaries in all public sector, December 2009	Yes.	It is established in the law, according with the number of population from the city, village etc.	The average salary for a manager is around 1000 Euro.	No, there is none.	The same law, the same way, no exceptions.
Slovenia	The Law on public servants. Adopted in 2002	Yes.	It was the agreement between the government and the union of public sectors.	The Law establishes the grades for every public function and the salary for every grade.	No	In the same way.

* For more details please follow the links in the table or see the detailed information in the next chapter.

2. Detailed/Analytical Information

Generally, in all countries of the NALAS members that have responded to this request, the salaries at the local level are regulated by law or by other normative act, but usually this is not a separate law addressing only for the salaries at the local level. The salaries of the local officials and staff are more commonly regulated by the law on salaries in the public sector or by the law on salaries of public servants. In addition, there is usually more than one law regulating the salaries at local level. In Moldova, for example, there are at least 7 normative acts enacted at central level which refer to the salaries in the local units.

The associations of Romania, Kosovo and Slovenia, have been consulted during the adoption of the appropriate laws regulating the salaries at local level, while this has not been the case for the other associations (from Moldova, Montenegro and Republika Srpska).

There are various schemes for determining the salaries of the local servants. In Romania, as well as in the Republic of Moldova, the salaries are established in the law, in accordance with the population from the city or village. There are also coefficients for increasing the salaries depending on the work experience and qualification. In Kosovo, municipal authorities set the salaries through the Head of Personnel, commensurate to titles and salaries approved by the Directorate of Administration of Civil Service within the Ministry of Public Administration. In Moldova the law establishes the bottom and top limits of the salaries. There are tables and formulas for calculation of the salaries of every category of public servant and auxiliary staff members. The mayor can determine the salary in between these top and bottom limits. Similarly, in Montenegro, the Head of the local administrative bodies brings the act on job classification and determines the salary grades (coefficients) for calculation of earnings of employees. The Mayor decides on the labour price (cijena rada). So, the amount of the salary is obtained by multiplying coefficient and labour price.

Regarding the ceiling limits on salaries, it can be mentioned that generally the salaries in the local units are determined by different criteria and formulas (population, size of municipality, etc.). In some places there are concrete limitations regarding the ceiling limit per single salary and total amount of money in the local unit for salaries (Kosovo), while in others (Republika Srpska) there is no such limit in the budget, but the ministry gives recommendations and, if it is unrealistic, the Ministry will not give approval of the planned budget. So, salaries are under the control of the Ministry.

In most of the countries the salaries are regulated in the same way in all municipalities, with no exceptions. In some cases, the salaries depend on the size of the municipalities and population (Moldova, Republika Srpska).