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A survey of parliamentary salaries and allowances

Preliminary analysis

September 2013

About this research

It is important for parliaments, researchers and the public to have access to accurate comparative data on parliamentary salaries and allowances. By making this information available, parliaments help the public to understand how and why salaries and allowances are determined, and demonstrate their commitment to transparency. Furthermore, parliaments are able to compare themselves with their peers, and strengthen their own procedures in the light of good practices.

The IPU aims to be a source of accurate, factual information about parliaments. The IPU last published data on parliamentary salaries and allowances in 2000, in its PARLINE database¹ and a detailed analysis in the study on *The Parliamentary Mandate*².

As part of the overall renewal of PARLINE, the IPU sent out a Survey on Parliamentary Salaries and Allowances to all parliaments in late January 2013. The intention is to update the data in PARLINE and to publish a full analysis of the latest data by mid-2014.

About this preliminary analysis

As at 18 September 2013, 138 chambers from 104 parliaments had responded to our survey. This corresponds to approximately 55% of countries with a functioning parliament. A higher percentage of responses is needed to be able to present an authoritative, comprehensive analysis and dataset. A list of parliaments that have responded is included in the Annex.

This preliminary analysis is based on responses from 96 parliaments received by 20 May 2013. The purpose of this report is to present the initial findings and to show the potential value of this data. It is intended to encourage parliaments that have not yet contributed data to respond to the questionnaire, so their institution can be included in the analysis.

IPU kindly requests all parliaments that have not yet responded to the questionnaire to do so by **31 October 2013**.

The questionnaire is available in English, French and Spanish at www.ipu.org/parline (scroll down to the bottom of the page). For more information, please contact Hiroko Yamaguchi (postbox@ipu.org, +41 22 919 41 50).

¹ PARLINE database on national parliaments www.ipu.org/parline

² Marc van der Hulst (2000), *The Parliamentary Mandate* www.ipu.org/english/books.htm#Mandate

Basic salaries and allowances at a glance

These figures are based on data received from 128 parliamentary chambers in 96 countries as of 20 May 2013.

PPP \$62,075	The average parliamentary salary (in PPP dollars) in 2012
PPP \$48,971	The median parliamentary salary (in PPP dollars) in 2012
76.4%	The percentage of the parliaments in which parliamentarians can exercise other remunerated work
23.2%	The percentage of parliaments where parliamentary salaries have decreased since 2008
15.9%	The percentage of the parliamentary budget allotted to parliamentary salaries
12.8%	The percentage of the parliamentary budget allotted to parliamentary allowances
58.0%	The percentage of parliaments that have the power to determine salaries
54.8%	The percentage of parliaments where salaries are determined in reference to an external scale (for example, the Civil Service scale)
61.5%	The percentage of parliaments that have the power to determine allowances
41.1%	The percentage of parliaments that publish salaries on their website
24.2%	The percentage of parliaments that publish details of allowances on their website
	The percentage of parliaments that provide:
46.8%	- personal staff to work directly for individual parliamentarians
65.6%	- office at parliament
16.7%	- constituency office
35.4%	- housing

Introduction

Background

Parliamentary salaries and allowances vary greatly among parliaments. Parliamentarians have not always been paid. The original purpose of parliamentary remuneration was to compensate members for the costs incurred in parliamentary work³. Some form of payment can be traced back to the 13th Century in the United Kingdom, long before members of the UK House of Commons started to receive a regular salary in 1911⁴. As parliamentarians were usually from wealthy backgrounds, parliamentary sessions were less frequent and parliamentary work was less demanding, symbolic compensation may have been sufficient at the outset. However, from the end of the nineteenth century it gradually became indispensable to remunerate parliamentarians properly for the work they carried out. This reflected the democratisation of political recruitment, so that parliament would be accessible to everyone, regardless of their personal means. The growing demands of parliamentary life and the increased frequency and duration of sessions contributed to this trend. Moreover, the fact that “a growing number of occupations were being declared incompatible with a parliamentary mandate accelerated this development”⁵.

Nowadays, nearly all parliaments provide parliamentarians with salaries and/or allowances, mainly for three reasons. First and foremost, a correct salary should make it possible for every citizen to have access to parliament, so that Parliament may include citizens from all social classes. Secondly, parliamentary allowances are intended to provide enough financial resources for parliamentarians to carry out their complex and demanding work. Finally, the system of salaries and allowances is intended to protect parliamentarians from succumbing to bribery, thus curbing corruption.

Research for the 2012 *Global Parliamentary Report* show that parliamentarians consider the lack of resources available to them to be the biggest obstacle they face to being effective⁶. This suggests that the level of parliamentary allowances may have a significant impact on the effectiveness of parliament as an institution.

Although there have been several surveys of parliamentary salaries and allowances, most of them are regional or national in scope. Few global surveys have been available. The previous IPU data on parliamentary salaries and allowances were collected in 2000 for an IPU publication, *The Parliamentary Mandate*, and a part of the data have been included IPU's PARLINE database.

About the survey

The survey tried to identify the basic means that parliamentarians receive for their day-to-day work. It did not seek to collect an exhaustive list of allowances but instead focused on fundamental services that help parliamentarians to carry out their job, such as personal staff and offices in the capital city and in their constituency. The survey asked about:

- basic salaries (in gross amount before tax) per parliamentarian per year in the year 2012.
- basic allowances, defined as “allowances that are automatically paid to all parliamentarians”. Basic allowances are often received in advance as a lump sum at a flat rate, and are not intended to be reimbursement for expenses. Examples of basic

³ The Parliamentary Mandate, p.28

⁴ Members' pay, pensions and allowances, House of Commons Information Office, Factsheet M5 Members Series, Revised May 2009 <http://www.parliament.uk/documents/commons-information-office/fymp/m05.pdf>

⁵ The Parliamentary Mandate, p.28

⁶ Global Parliamentary Report (2012), IPU and UNDP, p113 www.ipu.org/gpr

allowances might be a “representation allowance”, “supplemental allowance”, “end-of-year allowance”, etc.

The survey also asked whether salaries and allowances are published on parliament’s website, and how salaries and allowances are determined. Making such information available to the general public will certainly enhance parliamentary transparency and accountability. The IPU intends to monitor the evolution in the percentage in coming years.

By 18 September 2013, 138 parliamentary chambers from 104 parliaments had responded to the survey. Over 72 per cent of parliaments in Asia and 68 per cent from Europe submitted data. Over 46 per cent of parliaments in the Pacific and 44 per cent from Arab States responded while the response rate from Sub-Sahara Africa was just below 40 per cent.

Due to the limited sample size, this preliminary report does not present a detailed analysis based on region or structure of parliaments (comparison of unicameral parliaments and lower chambers with upper chambers). Such detail will be provided in the full analysis.

The figures were provided by parliaments in local currency and converted to ‘Purchasing Power Parity’ (PPP) dollars⁷ using World Bank conversion tables. According to the World Bank, “Using PPPs instead of market exchange rates to convert currencies makes it possible to compare the output of economies and the welfare of their inhabitants in real terms (that is, controlling for differences in price levels).”⁸

The sample size used for this report is indicated in each section. The sample size for the analysis varies due mainly to three reasons: (1) PPP conversion factors were not available for certain countries, (2) some questions were not relevant depending on preceding answers and (3) additional information needed to finalize the data had not been received in time for this preliminary analysis.

Notes on research challenges

Each parliament has its own system of salary and allowances. This makes the simple numerical comparison very difficult. For example, it is not possible to give a clear response to a simple question such as, “What was the total of basic annual salary and allowances received in 2012?”.

Basic salary

The way that the ‘basic salary’ is understood can be very different from one country to the other. 13 of the 121 chambers responded that there are no basic salaries and only allowances are paid to parliamentarians. The allowances paid in Canada (both chambers), Morocco (lower chamber), Malaysia (both) and Sudan (both) seem to be an equivalent of the basic salaries in other countries. Meanwhile, in some countries – Liechtenstein, Slovenia (upper) and United Kingdom (upper) – parliamentarians work on a part-time basis, thus members of these parliaments/chambers do not receive basic salaries equivalent to their counterparts working full-time in other parliaments.

Attendance allowance

The total amount of attendance allowances depends on various factors. It may be calculated per session, per day, or for each meeting. Are they received by all members or only parliamentarians

⁷ The figures were provided by parliaments in local currency and converted to PPP dollars using World Bank conversion tables (<http://data.worldbank.org/indicator/PA.NUS.PRVT.PP>). The 2011 PPP conversion factor was applied for all countries except for Iraq and Sudan to which 2010 were applied. PPP rate of Spain was used for Andorra and that of Switzerland was used for Liechtenstein as proxies. For more information on purchasing power parities, see <http://go.worldbank.org/A3R6KFYSR0>

⁸ Source: <http://icp.worldbank.org/>

who attended? For the entire duration of the ordinary session or the days when parliament actually sits?

Basic allowances

What is included in basic allowances also varies. Many parliaments provide parliamentarians with personal staff or office at parliament. While most of them cover the cost under Parliament’s budget, a handful of parliaments such as Switzerland and the United States, provide funds for staff and office accommodation directly to parliamentarians as a part of their basic allowances. To facilitate international comparison, these parliaments were excluded from the analysis of allowances.

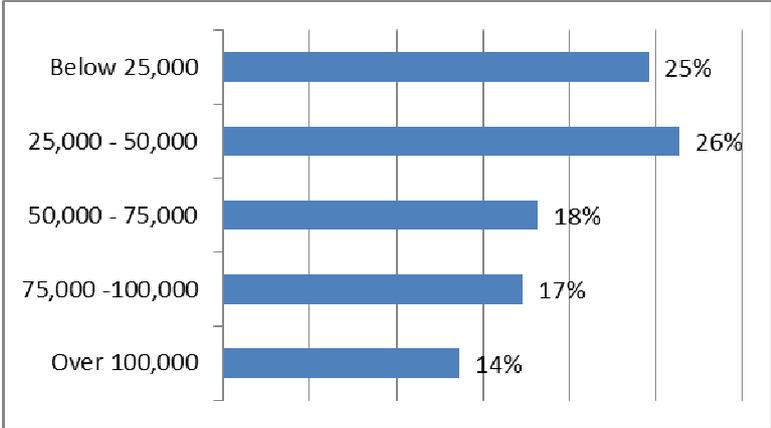
Preliminary findings

Basic salaries

The average basic salary in 2012 was of 62,075 PPP dollars per year per parliamentarian, for 110 chambers for which comparative data are available. The average has been calculated by dividing the total amount of annual salaries by a total by the number of parliaments/chambers. The median basic salary was 48,971 PPP dollars (Iceland).

Over a half of parliamentarians were paid less than 50,000 PPP dollars per year. There are huge disparities, of course: 25 per cent received below 25,000 PPP dollars while 14 per cent were paid over 100,000 PPP dollars.

Graphic 1: Distribution of parliamentary salaries by chamber in PPP dollars in 2012



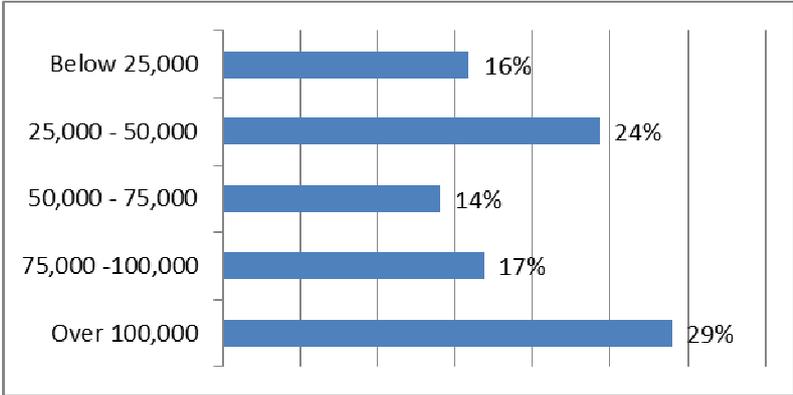
Parliamentarians in 97 of the 127 chambers (76.4%) which provided data for the survey can have other remunerated employment outside parliament and in 57 of the 97 chambers (58.8%), members are required to declare income from other employment to parliament. Some parliaments where members cannot hold other jobs responded that exceptions may be made for teaching posts. Several parliaments reported that the members’ employment needs to be authorized by Parliament. Interestingly, the average salary of parliamentarians who are allowed to exercise other remunerated work was higher than the overall average: 105,003 PPP dollars against 62,075 PPP dollars.

Parliamentary salaries and basic allowances

Out of the 107 chambers where comparable data are available, only 24 did not provide basic allowances.

The average amount of the combined salary and basic allowances for these chambers was 81,207 PPP dollars. 29 per cent provide combined salary and basic allowances of more than 100,000 PPP dollars per year, compared to 14 per cent who received over 100,000 PPP dollars from the basic salaries alone. 16 per cent receive below 25,000 PPP dollars.

Graphic 2: Distribution of parliamentary salaries and basic allowances by chamber in PPP dollars in 2012



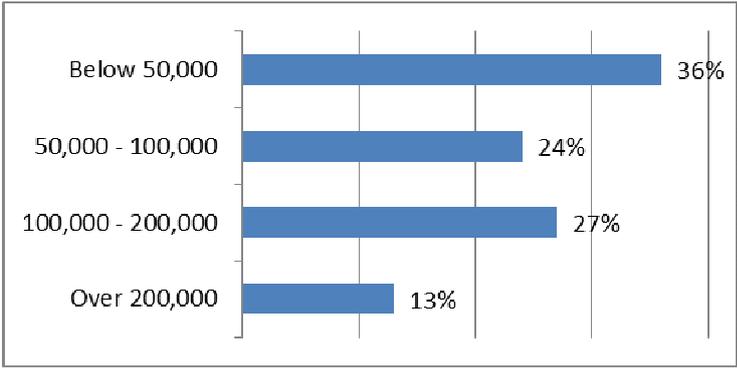
The amounts of basic allowances are particularly difficult to compare. Many parliaments answered that they could not provide the amount per parliamentarian per year since some of the basic allowances are paid by year while others are paid by month or according to the number of parliamentary sessions or sitting days (yet they are not attendance allowances...). In addition, some members who live far from parliament also receive an allowance for transport as a part of basic allowances and the amount depends on the distance of their residence from the capital (or the seat of parliament).

Speaker’s salaries

Just as for the salaries of parliamentarians, there are huge disparities for those of the presiding officers. In most countries, the salaries of the Speaker/President were higher than those of other members. However, in some parliaments where the Vice-President of the country is also the Senate President, no additional salary is paid (as these posts are paid under the Executive budget). In Belize, the presiding officers of both chambers received smaller salaries and allowances than other parliamentarians. This may be due to the fact that they may be designated from outside parliament (and become members of parliament by virtue of holding the office of Speaker).

The average amount of the Speaker’s salaries in 2012 was 104,639 PPP dollars per year for 92 chambers for which comparative data are available. There again, there were huge disparities: 36 per cent received below 50,000 PPP dollars, while 13 per cent received over 200,000 PPP dollars.

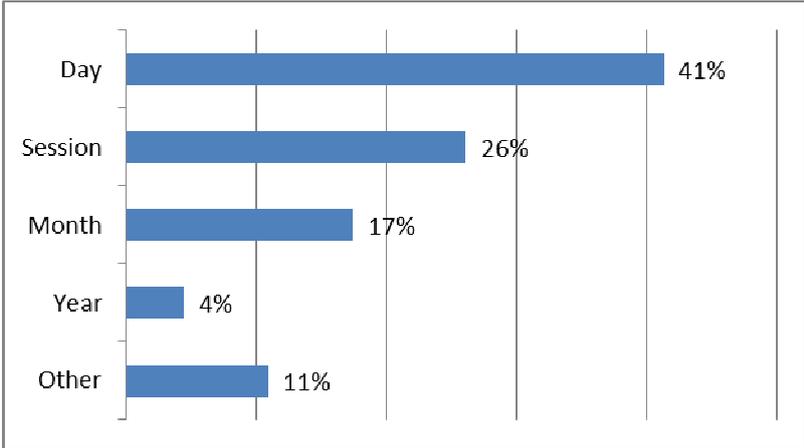
Graphic 3: Distribution of Speaker’s salaries by chamber in PPP dollars in 2012



Attendance allowances

In all, 46 of 125 parliamentary chambers answered that they provided attendance allowances to parliamentarians. 19 (41%) paid the allowances by day, 12 (26%) by parliamentary sessions, and eight (17%) by month. Elsewhere, attendance allowances were paid to a fraction of members, such as the Speaker, Deputy Speakers and Committee chairpersons; or members who live far from parliament, to cover their travel cost.

Graphic 4: Distribution of attendance allowances by period of time and chamber



Services provided to parliamentarians

In addition to the basic allowances, 65.6 per cent of parliaments provide parliamentarians with an office in parliament. 46.8 per cent provide the means to employ personal staff to work directly for individual parliamentarians. A smaller percentage of parliaments provide an office in constituency and housing.

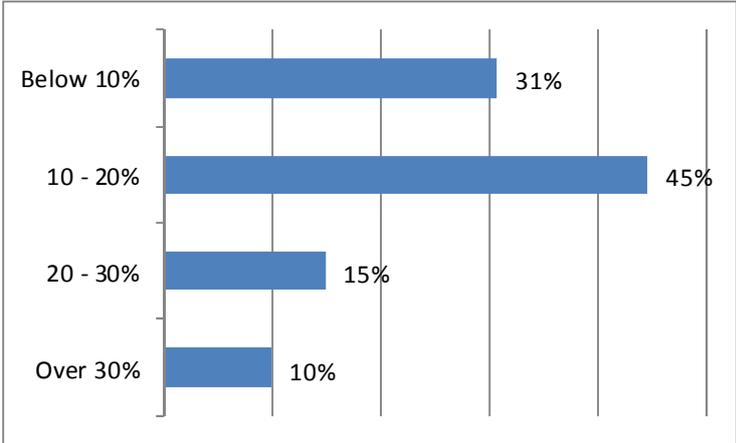
	Office in Parliament	Staff	Office in Constituency	Housing
Yes	65.6%	46.8%	16.7%	35.4%
No	34.4%	53.2%	83.3%	64.6%

Percentage of parliament’s budget allotted to parliamentary salaries and allowances

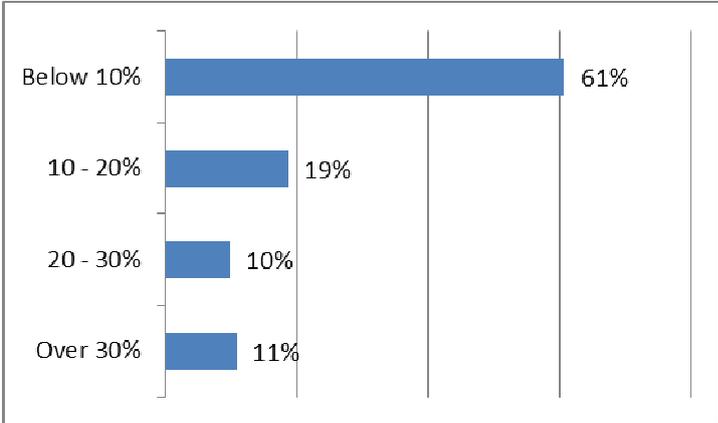
The percentages of parliament’s budget allotted to parliamentary salaries and allowances were not available for certain chambers which do not have separate budget lines for salaries and allowances. 101 chambers provided the percentage for the salaries and 102 did for the allowances.

Among the 101 chambers, an average of 15.9 per cent of the budget was allotted to parliamentary salaries. 45 chambers (45 percent) allotted between 10 and 20 per cent. The percentages varied between 0.51 and 66.55; with 12 parliaments allotted below 5 per cent.

Graphic 5: Percentage of parliament’s budget allotted to parliamentary salaries



Graphic 6: Percentage of parliament’s budget allotted to allowances



An average of 12.8 per cent of the parliament’s budget was allotted to allowances. This is slightly lower than the average percentage of the budget allotted to salaries. Over 60 per cent of parliaments/chambers allotted less than 10 per cent of the total budget to allowances, compared to 31 per cent for salaries.

Who determines parliamentary salaries and allowances?

The survey tried to understand whether parliaments have the autonomy to set salaries and allowances on their own. 69 of the 119 chambers, or 58 per cent responded that it is parliament which determines parliamentary salaries. The percentage was slightly higher for the allowances: 75 of 122 parliaments, or 61.5%. Many parliaments responded that the salaries and allowances

are fixed by law, which is one way in which parliament can exercise its power to determine salaries. Elsewhere, the Government/Cabinet, the Ministry of Finance (Treasury) or the Head of State sets parliament's salaries and allowances.

However, this does not mean that parliaments – or, by extension, parliamentarians - frequently decide the actual amount of their own salary. 68 of 124 chambers (54.8%) responded that their parliamentary salaries are determined in reference to another salary scale. 31 of them (45.6%) are determined in reference to the Civil Service salary scale and 12 others (17.6%) are linked to the Ministerial salary. Three parliaments responded that there are independent bodies which set parliamentary salaries: the Pay Commission for the Bhutanese National Council; the Public Office Bearers Commission for both chambers of the Namibian Parliament and the Independent Parliamentary Standards Authority (IPSA) for the UK House of Commons.

Parliamentary salaries and allowances on parliament's website

51 of 124 chambers (41.1%) publish the amount of parliamentary salaries, and 55 (44.4%) publish information about allowances. 30 chambers (24.2%) also publish the amount of allowances received by each member.

Parliamentary salaries since 2008

In 29 of 125 parliaments, or 23.2%, parliamentary salaries or allowances have been reduced since 2008. This may be a consequence of the global economic crisis. 19 chambers in this category (65.5%) determine parliamentary salaries and 17 (58.6%) publish information on salaries and allowances on their website.

Next steps

The IPU intends to present a full analysis of the survey on parliamentary salaries and allowances in 2014. The analysis will include the comparison of salaries of unicameral parliaments and lower chambers of parliament with upper chambers; comparison of the percentage of parliament's budget allotted for salaries and allowances according to regions or other groupings such as OECD countries. Meanwhile, the full dataset will be published in the PARLINE database.

We will be able to do this only if we receive more data from parliaments. Please check if your parliaments/chambers have already responded (see list in the annex). If not, please do respond to our survey by 31 October 2013. Don't be the last to submit the data! We thank you very much in advance for your kind cooperation.

September 2013, Resource Centre, Inter-Parliamentary Union

Annex

List of parliaments/chambers that have contributed to the survey

As of 18 September 2013

For unicameral parliaments, only the country names are listed. For bicameral parliaments, the chambers that have provided data are indicated by (lower), (upper) or (both).

If your parliament/chamber is not listed, please send us the response by 31 October 2013.

- | | |
|-------------------------------|---------------------|
| 1. Algeria (both) | 25. Djibouti |
| 2. Andorra | 26. Ecuador |
| 3. Antigua and Barbuda (both) | 27. Estonia |
| 4. Argentina (upper) | 28. Ethiopia (both) |
| 5. Australia (upper) | 29. Finland |
| 6. Austria (both) | 30. France (both) |
| 7. Bangladesh | 31. Germany (both) |
| 8. Belgium (both) | 32. Greece |
| 9. Belize (both) | 33. Grenada (both) |
| 10. Bhutan (upper) | 34. Guyana |
| 11. Bolivia (both) | 35. Hungary |
| 12. Burkina Faso (lower) | 36. Iceland |
| 13. Burundi (lower) | 37. India (both) |
| 14. Cambodia (upper) | 38. Indonesia |
| 15. Cameroon (lower) | 39. Iraq |
| 16. Canada (both) | 40. Ireland (both) |
| 17. Chad | 41. Israel |
| 18. Chile (lower) | 42. Italy (both) |
| 19. Colombia (both) | 43. Jamaica (both) |
| 20. Costa Rica | 44. Japan (both) |
| 21. Croatia | 45. Kenya (lower) |
| 22. Cyprus | 46. Latvia |
| 23. Czech Republic (both) | 47. Lebanon |
| 24. Denmark | 48. Lesotho (lower) |

49. Liechtenstein
50. Lithuania
51. Madagascar (lower)
52. Malaysia (both)
53. Maldives
54. Malta
55. Marshall Islands
56. Mexico (both)
57. Monaco
58. Mongolia
59. Montenegro
60. Morocco (lower)
61. Myanmar (both)
62. Namibia (both)
63. Nauru
64. Nepal
65. Netherlands (both)
66. New Zealand
67. Nicaragua
68. Norway
69. Oman (lower)
70. Pakistan (upper)
71. Peru
72. Poland (both)
73. Portugal
74. Republic of Korea
75. Romania (both)
76. Rwanda (upper)
77. Saint Vincent and the Grenadines
78. Sao Tome and Principe
79. Saudi Arabia
80. Senegal
81. Serbia
82. Seychelles
83. Singapore
84. Slovenia (both)
85. Solomon Islands
86. Somalia
87. Spain (both)
88. Sri Lanka
89. Sudan (both)
90. Sweden
91. Switzerland (both)
92. Thailand (both)
93. The Former Yugoslav Republic of Macedonia
94. Tonga
95. Trinidad and Tobago (both)
96. Turkey
97. Uganda
98. Ukraine
99. United Kingdom (both)
100. United Republic of Tanzania
101. United States (both)
102. Uruguay (both)
103. Viet Nam
104. Zambia