



The Rule of Bonus Payment in Public Offices

Public officials' remuneration is regarded one of the most important aspects for the functioning of public offices both in Georgia and elsewhere in the World. Issues such as effective fight against corruption in public office, attracting qualified candidates to government jobs, keeping public servants motivated and ensuring high quality of work performed are all linked with remuneration. Accordingly, improvement of the pay system must become a priority for any public office reform.

Active discussion has been carried out on public officials' remuneration for the last few years. In particular, civil society and government representatives discussed transparency of public officials' reimbursement, functioning of public office on contractual or career model, the amount and frequency of bonuses to be paid and others. Although there were some positive steps in terms of transparency of remuneration system, other issues remain problematic and might hinder significantly development of public sector.

In Georgia, civil servants receive remuneration (salary) which includes wage, bonus and additional pay envisaged by the law. As it follows from the general meaning of the bonus and relevant international experience, it is a form of motivation for civil servants for individual achievements or outstanding performance. The legislation of Georgia, however, provides neither exact definition of the bonus nor the rules regulating it. Accordingly, lack of such rules raise possibility for rendering unreasoned decisions by civil servants.

According to the research implemented by GYLA, a majority of public institutions researched, including the Government Chancellery, the Parliament of Georgia and the Administration of the President, do not have an administrative legal act determining rules for payment of bonuses to their employees. Nevertheless, the public institutions

are not hesitant about intensively paying bonuses to their staff mostly on the basis of unilateral decisions of chiefs of the relevant institutions. Lack of pre-determined criteria renders it impossible to objectively assess the chiefs' decisions to issue bonuses to their employees and the amounts of bonuses issued. Accordingly, a number of important questions as to appropriateness of the bonuses paid remain unanswered. Under the current practice, bonuses are not used as a means of encouragement of public officials; instead, bonuses have become part of the public officials' salaries due to their permanent nature. Such practice undoubtedly contradicts both the general idea of the bonus system and the practices existing in the developed countries of the World.

International experience on bonus payment in public offices is quite similar. An overwhelming majority of developed countries does use various systems of bonuses but the award of bonuses is based on a regulatory legal framework and strictly in accordance with pre-determined criteria. Generally, the principle of bonus distribution is determined by the legal act of the supreme authority (for example the Parliament), according to which each administrative body sets targets for its employees or different units (department). In view of this, civil servants receive result oriented and performance related bonuses. Each decision is reasoned with a view to ensure transparency and fairness of the pay system.

Lack of clear regulations in Georgia increases the risk of using bonuses not in the form of incentives to motivate public servants but for the purpose of making corrupt transactions.

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