

## **Analysis on Linking Magistrates' Remuneration to Their Performance and Work**

The opinions, assessments, findings, and suggestions expressed in this analysis represent solely the perspective of the authors and should in no way be interpreted as reflecting the views of the project partners.

The purpose of this analysis is not to prove or determine the necessary number of magistrates in the Bulgarian judicial system, nor to argue whether their remuneration should generally be increased or decreased. Rather, it focuses on whether magistrates' remuneration and promotions should be tied to their work performance, particularly when their actions directly harm Bulgarian taxpayers through financial losses or undermine democracy at local and national levels through detrimental cases and decisions. We will not assess the effectiveness of anti-corruption measures among magistrates but will examine whether the current remuneration and career progression system meets the ethical and professional standards expected by society. Our view is that magistrates' remuneration should be linked to their performance, and those failing to meet minimum ethical and professional standards should be dismissed. This would enhance democratic transparency, positively impacting the business climate and direct investments in the country.

Bulgaria is among the most frequently convicted countries in Europe for violating fundamental human rights, according to statistics from the European Court of Human Rights (ECHR) in Strasbourg. Since joining the Council of Europe in 1992 and recognizing the ECHR's jurisdiction, Bulgaria has been convicted in 663 cases over 29 years (up to 2021, the latest complete ECHR data). In more than one-third of these—approximately 220 cases—the violations concern the right to liberty and security under Article 5 of the European Convention on Human Rights. These are core democratic principles that every EU member state is obliged to uphold. According to the ECHR's 2020 annual report, Bulgaria was convicted in 24 new cases that year alone, with compensation payments exceeding €1.5 million (ECHR Annual Report 2020). These funds are drawn from the state budget—i.e., taxpayers' pockets—raising questions about the accountability of the magistrates involved.

Corruption and incompetence in the judicial system further complicate the situation. According to Transparency International's Corruption Perceptions Index 2023, Bulgaria scores 45/100, ranking 67th out of 180 countries—the lowest in the EU. This high level of perceived corruption in the public sector, including the judiciary, causes serious harm to individuals, businesses, and the investment climate, as we will explore in subsequent sections.

The conclusion of this analysis is that magistrates' remuneration and career advancement should reflect adherence to fundamental human rights principles, such as the right to liberty and security. When the state is ordered to pay compensation from taxpayers' funds due to the actions of judges and prosecutors, those magistrates should face sanctions. This would make them more cautious, as they currently bear no personal responsibility, and existing oversight mechanisms—like the Inspectorate to the Supreme Judicial Council (SJC)—are ineffective. Practice shows that, in most cases, magistrates are not penalized for serious errors or violations. According to a 2023 report by the Center for the Study of Democracy (CSD), only 19% of Bulgarians trust the courts, one of the lowest levels in the EU (CSD, Corruption Monitoring System 2023). We believe this lack of accountability stems from the absence of clear, objective evaluation criteria, with decisions often relying on subjective, “blurred” judgment.

We do not deny the benefits of a fair judicial process or the immeasurable value of justice for every citizen—benefits that are difficult to quantify. However, we argue that when the state is ordered to pay due to the actions of magistrates representing it, those individuals should be reprimanded and, if necessary, removed to prevent further harm to society and the economy.

As an example, consider the actions of former Burgas Deputy District Prosecutor Angel Georgiev, caught accepting a bribe in 2014 alongside lawyer Marin Stefanov (later acquitted by the court). Georgiev oversaw the high-profile “Graniti” case, which lasted over 10 years and cost taxpayers a significant amount before being terminated. Bulgaria was ordered to pay one of the affected parties, Galin Kostov, BGN 134,000 (ECHR, *Kostov v. Bulgaria*, 2019). The case, supervised by Prosecutor Georgiev and Judge Zaharin Zahariev of the Burgas District Court, detained defendants without evidence for over two years. Galin Kostov was among them. The ECHR noted that “non-material harm constitutes a serious violation of an individual’s personality and dignity, manifesting in negative experiences. Compensation should reflect the plaintiff’s character, how they experienced the events, and the impact on them, including their environment, professional activities, and loved ones.”

The monthly salary of a district prosecutor until 2015 was approximately BGN 2,150 (Lex.bg, 2015). In this light, Georgiev’s actions in the “Graniti” case cost taxpayers the equivalent of 63 monthly salaries, or over five years of maintenance—for just one case. Georgiev was also involved in other controversial cases resulting in ECHR convictions, yet in 2021, he was awarded for “good performance” by then-Prosecutor General Ivan Geshev and continues to work as a rank-and-file prosecutor. The issue for taxpayers is not only the size of his remuneration but why he remains in the system at all, earning a salary after causing significant financial and reputational damage.

The harm from such magistrates' actions is multifaceted, affecting individuals, businesses, and direct investments in Bulgaria. Corruption and incompetence are not mere abstractions—they have tangible consequences, which we will examine:

**Harm to Individuals:** The “Graniti” case illustrates how wrongful arrests and prolonged detentions without evidence violate basic rights, causing emotional and material losses to victims. Galin Kostov, for instance, endured two years in detention, which destroyed his professional life and family relationships. Over 220 individuals have received ECHR compensation for similar violations of liberty and security in Bulgaria, with an average award of about €7,000 per case (ECHR Statistics, 2021). These personal tragedies directly result from the actions of unpunished magistrates.

**Harm to Businesses:** Corrupt or incompetent magistrates create an unpredictable legal environment that repels businesses. According to the World Bank’s Doing Business Report 2020, Bulgaria ranks 61st out of 190 countries for ease of doing business, with commercial dispute resolution averaging 564 days—far above the EU average of 400 days. Schemes like “The Eight Dwarfs,” exposed by the Anti-Corruption Fund in 2023, reveal how magistrates extort businesses through lawsuits and arrests to seize assets (ACF, The Eight Dwarfs Investigation). This destroys companies and erodes trust in the judiciary. A 2022 Bulgarian Chamber of Commerce and Industry (BCCI) survey found that 55% of businesses rate judicial independence as weak, negatively affecting their investment plans (BCCI, Business Environment 2022).

**Harm to Direct Investments:** Foreign investors avoid Bulgaria due to the lack of a predictable legal framework. According to the Bulgarian National Bank (BNB), foreign direct investment (FDI) dropped from 28% of GDP in 2008 (\$9 billion) to 2% in 2018 (\$1.13 billion) (BNB, FDI Statistics 2023). A 2023 OECD report identifies judicial corruption as a key factor in this decline, with firms like ČEZ Group exiting due to “systemic judicial issues” (OECD Economic Survey: Bulgaria 2023). Corruption costs Bulgaria about 22% of its GDP annually (Transparency International, 2018), deterring capital and stunting economic growth.

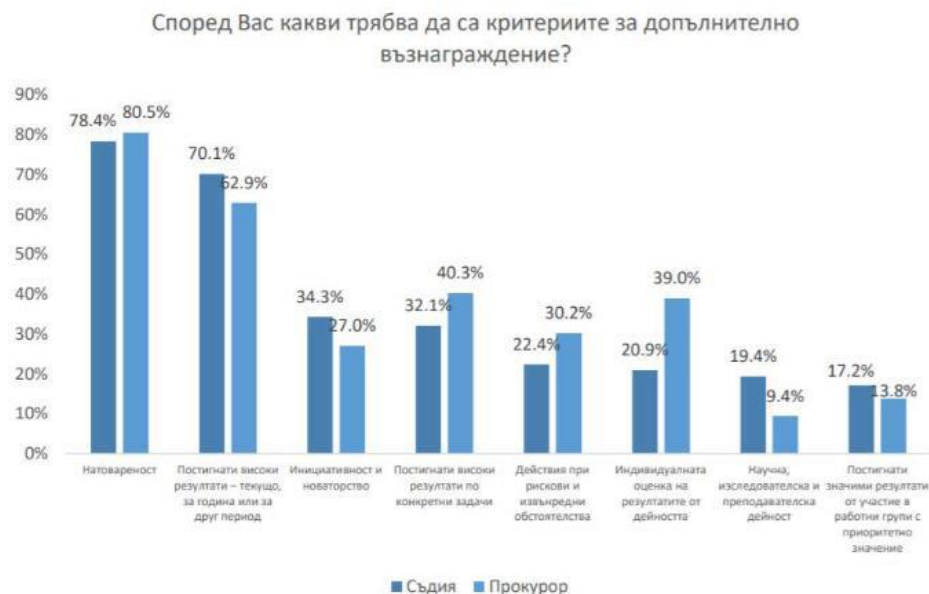
Beyond the national context, international bodies like the Venice Commission, the Council of Europe’s Committee of Ministers, the Consultative Council of European Judges (CCJE), and the European Network of Councils for the Judiciary (ENCJ) recommend clear, objective remuneration standards for magistrates as a guarantee of independence, efficiency, and accountability (Venice Commission, Opinion CDL-AD(2010)004). Yet, in Bulgaria, perceived judicial independence remains low—only 37% of citizens and 45% of businesses rate it as “relatively good or very good” (EU Justice Scoreboard 2020).

Understandably, ensuring judicial independence and public trust requires magistrates to be well-paid. According to an EU survey, 80% of Bulgarians believe there are no formal guarantees for judicial independence, and nearly the same percentage say the system's organization fails to ensure effective access to justice (EU Justice Scoreboard 2020). In the same survey, over 40% of respondents stated that high remuneration does not foster honest and impartial duty performance, while nearly 30% believe work quality is unrelated to salary size. This suggests that high pay alone is insufficient without accountability.

Thus, since remuneration does not guarantee impartiality and magistrates bear no personal responsibility for their actions, their future in the system should be tied to the negative outcomes of their work. Magistrates who harm taxpayers through cases leading to ECHR convictions should face sanctions—salary or bonus reductions for a first offense and dismissal for a persistent negative trend. This is standard practice in other professions where results determine pay and career progression.

Magistrates' privileges, such as immunity from personal liability, necessitate stricter accountability for how their work affects public perception of the courts and prosecution, as well as the financial costs of their actions. A magistrate caught—or strongly suspected of—accepting bribes, even through intermediaries, should have no place in the judicial system, as this undermines trust and democratic transparency.

At the request of the Bulgarian Institute for Legal Initiatives (BILI), a nationally representative sociological survey was conducted among Bulgarian magistrates regarding their views on remuneration in the system. Conducted by Global Metrics between July and September 2020, the study included 312 judges, 318 prosecutors, and 74 investigators. Data was collected via direct standardized interviews (BILI, Magistrates Remuneration Survey 2020).



Survey: “According to you, what should the criteria be for additional remuneration?”

Workload and achieved results—whether current, annual, or over another period—are the most important criteria for determining additional remuneration, according to Bulgarian magistrates in the BILI survey. Prosecutors emphasize results on specific tasks, individual performance evaluations, and work under extraordinary circumstances as key factors. In this vein, when a prosecutor brings serious charges without evidence and, alongside a judge, detains defendants for years awaiting proof (e.g., the “Graniti” case), this should lead to salary reductions or dismissal due to incompetence.

This analysis recommends linking magistrates’ remuneration to their performance, particularly when the state is convicted by the ECHR for human rights violations, regardless of the compensation amount. For a first offense, a magistrate’s salary should be reduced (e.g., by 20%); for a repeat offense, dismissal should follow. This approach would:

- Increase personal responsibility without compromising independence.
- Reduce taxpayer costs—e.g., over €1.5 million annually for ECHR judgments (ECHR Annual Report 2020).
- Eliminate incompetent and corrupt magistrates, boosting trust in the system.

In the long term, this would lead to a more effective judiciary, fewer ECHR cases, and a more attractive investment climate through a reliable legal environment.



"From left to right: Angel Georgiev, prosecutor; Lyubomir Petrov, Administrative Head of the Burgas Appellate Prosecution; Emil Hristov, former prosecutor at the Burgas Appellate Prosecution."

Angel Georgiev, dismissed as Burgas Deputy District Prosecutor after being arrested for bribery alongside lawyer Marin Stefanov. The “Graniti” case, repeatedly returned to court due to flaws in the indictment.

Regarding the investigators—Prosecutor Emil Hristov: “There is an investigation against him for a committed crime, which is why I seek his removal” (Nova TV, 2014). The court noted “widespread dissemination” of media and forum reports labeling Hristov a corrupt prosecutor who “shielded the mafia” in the Burgas region, undermining trust in him and his actions. His role as an appellate prosecutor becomes pointless if he inspires no confidence.

After their removal, both appealed, and the court reinstated Angel Georgiev and Emil Hristov as rank-and-file magistrates.

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