



Government of Montenegro  
Directorate for Anti-Corruption Initiative



*Montenegro*

# **Survey of the capacity and integrity of the state administration sector in Montenegro**

December 2010



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# Survey report

## Survey of the capacity and integrity of the state administration sector in Montenegro

Prepared for: Directorate for Anti-Corruption Initiative and UNDP  
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## PREFACE

Ipsos Puls agency has conducted a survey of the capacity and integrity of the state administration sector in Montenegro. The survey was conducted for the UNDP Office in Montenegro and the Directorate for Anti-Corruption Initiative. The survey comprised five segments:

- General population survey - 1155 respondents, representative sample of the general population of Montenegro over 18 years of age
- Survey of business entities - 201 respondents
- Survey of representatives of non-governmental organizations - 42 respondents
- Survey of civil servants - 200 respondents
- In-depth interviews with state administration senior management - 6 interviews

Field survey was carried out from the beginning of May through the end of July 2010.

This report presents findings of all five surveys.





# 1 GENERAL POPULATION

## METHODOLOGY

### Data collection

- Face-to-face interviews on a representative sample
- Interviews taking place in respondents' homes

### Sample

Sample size is 1155 respondents.

Target population consisted of citizens aged 18 and over.

Sample frame is based on the census of population, vital statistics and data on migrations, as well as on census estimates for 2006.

The sample is random, three-phased and stratified, meaning that respondents are selected on the sample through a three-phase selection procedure:

- Polling place territory (around 200 households) is selected with probability proportional to size – PPS. Therefore, the first step is a random choice of polling place territories out of which respondents will be selected.
- Household is chosen by method of random walk from a given address (simulation of SPSWoR sampling scheme). In other words, the second phase is the selection of households from previously chosen polling place territories. In each of the chosen polling place territories, one address is randomly chosen as the starting point from which all other households will be selected using a precisely defined set of rules.
- Household member is chosen from Kish tables (simulation of SPSWoR sampling scheme). The last step is the selection of the respondent from the chosen household. Kish tables are tables for the selection of respondents that take into account two pieces of information: the number of adult female persons in the household and the total number of adult persons in the household. Using these two pieces of information, the table will provide an algorithm showing which person to select as the respondent (for example, in case there is one adult woman and three adult persons, a younger male person must be selected).

There were 10 respondents per primary sample point, meaning that 10 interviews were conducted per each chosen polling place territory.

Stratification of the sample was based on:

- type of settlement – urban/rural
- Montenegro regions.

Three regions were taken into consideration (south, centre and north) and two aforementioned types of settlement; when these parameters were merged, six strata were obtained (south urban, south rural, centre-urban, centre-rural, north urban and north rural). Allocation of respondents by strata was proportional to size of each stratum, meaning that the proportion of respondents in each stratum sample corresponded to the proportion of adult population from the given sample in the overall adult population of Montenegro.



**Figure of regions.** Overview of regions used to define the sample for the general population survey.



Post stratification (weighting) was based on gender, age, type of settlement and regions, meaning that deviations of the sample from the aforementioned parameters of the population were adjusted by specific weighting factors that gave underrepresented groups a bigger significance and overrepresented groups a lesser significance compared to the population, resulting in data that would be obtained had all parameters been as they are in the Montenegro population.

- On a sample of 1155 respondents, 95% confidence interval for incidence of 50% is +/- 3.25%.

Fieldwork control was applied to 12% of the sample, logic and consistency control in 100% of cases.

## SUMMARY OF FINDINGS

Half the respondents used state administration services in the past 12 months. Their reasons for using state administration services include general administrative needs (endorsements, certificates and so on), administrative requirements related to personal documents (identification cards and passports) and various certificates regarding one's health. The most frequently used state administration body was the Ministry of Interior Affairs and Public Administration, followed by municipal and other local government bodies and health care institutions.

Citizens of Montenegro who used state administration services say that state administration bodies satisfy the needs of their users moderately.

Availability of state administration bodies and civil servants on average does not seem to be a pronounced problem for public service users. However, one in three people had to travel to another place the last time they needed to use services by a state administration body. The majority of citizens nevertheless find these services available or at least sometimes available. Some users experienced the problem of public services being unavailable. For example, one in two public service users say that obtaining documents issued by the public administration is at least partially difficult whereas one in five say it is difficult to obtain them.

On average, Montenegrin citizens show moderate trust in the state administration as a whole, giving it a school rating of 3.4. Individual pillars of government do not differ significantly when it comes to citizens' trust in them. However, the President of Montenegro enjoys the biggest support, followed by the Government of Montenegro and the Parliament, whereas the judiciary is relatively the worst off. When it comes to trust in institutions, sectors and bodies of state administration, citizens gave best ratings to the education system, followed by the health care system and the pension system. Although the President and the Parliament of Montenegro do not belong to the state administration sector, they were included alongside state administration institutions as answer options because of their importance.

Montenegrin citizens more often than not say that employment opportunities and career advancements in state administration bodies depend on prospective applicants' family and

friendship relations or political party affiliation then on their level of education, expertise, experience and previous work performance. The situation as seen by Montenegrin citizens is dissonant with their expectations regarding the criteria that should govern the functioning of state administration institutions. Citizens expect the main selection criteria to be applicants' level of education, expertise, experience and work performance.

Survey results indicate that trust in state administration bodies is partially undermined. It still exists when it comes to expertise and respect of law, although such actions are not necessarily always related to the public interest. Results are, however, poorer for the use of feedback from users, continuing development in order to improve quality and rational use of resources in line with available financial means.

Montenegrin citizen gave an average rating of 6.0 on a 10-point scale to the work quality in state administration bodies. The biggest number of citizens who used state administration services in the past year gave positive ratings to the quality of education system, followed by the health care, pension system and the army, whereas negative ratings were given to the customs administration, welfare system and tax administration.

When talking about negative characteristics in the work of state administration bodies and institutions, Montenegrin citizens noticed their dependence on political influences as well as their inconsistent and uneven implementation of law only after they had noticed weaknesses in their work. Montenegrin citizens think that state administration is most heavily burdened by poor work organization, insufficient funds and corruption. When evaluating the transparency of services provided by state administration, Montenegrin citizens more often than not find the services provided by state administration bodies as non-transparent. For example, the proportion of citizens holding the view that files and documents under the jurisdiction of state administration are not available for review to every citizen is 48%, whereas 47% of people hold the view that revenues of state-owned companies are not spent transparently and in line with the law.

Survey results show 11% of Montenegrins to consider corruption very much widespread in state administration bodies. A further 31% consider it to be mostly widespread, and 29% to be neither non-widespread nor widespread. When citing spontaneously the reasons for widespread

corruption, respondents primarily cite low salaries. Comparing the level of corruption today and three years ago, the vast majority of Montenegrin citizens believe corruption is less widespread today or has remained on the same level as three years ago. The most common forms of corruption are getting a job «through a connection» and receiving a small token of gratitude for doing somebody a favour.

Results of this survey show 28% of people committed a corruptive act in order to get a better medical treatment, 16% to get a job or to secure a job for somebody close to them and 13% to avoid paying a traffic ticket. Nearly 6% of people interviewed mention they were demanded bribes by civil servants and employees. As regards offering bribes to civil servants and employees, nearly 7% of people interviewed gave an affirmative answer. Most of them offered bribes in health care institutions or to police officers regarding a traffic violation.

Respondents made an assessment as to how widespread corruption is in different sectors and institutions in Montenegro. People see corruption as most widespread in police (47%), health care (46%), customs administration (44%), judiciary (42%) and tax administration (42%). The President, pension system, welfare system, education system and army are among institutions seen as the least corrupted.

The Police directorate is slightly more often than other institutions seen as an important element in the fight against corruption, that is, people slightly less often consider the role of the Police directorate as merely formal and not real. In other surveyed institutions, this proportion is somewhat worse but still positive, indicating that people overall tend to believe their existence is not merely pro forma. However, there is room for significant improvement and activities for raising people's awareness regarding this element of perception.

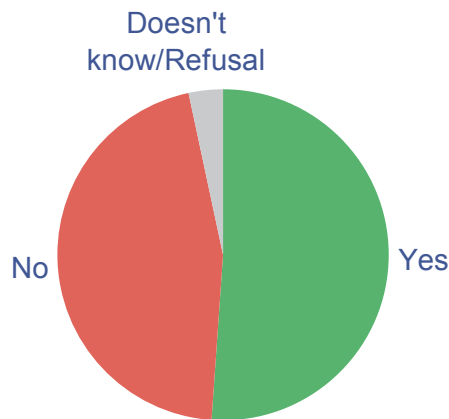
Finally, people's estimate regarding political parties' influence over aforementioned institutions is pronouncedly sceptical. Only a quarter of people believe that state administration institutions are not influenced by political parties, while nearly half of them cite the issue of political influence over state administration institutions.

## A AVAILABILITY OF STATE ADMINISTRATION SERVICES

At the beginning of an interview, a list of fifty different state administration bodies was shown to respondents: ministries, secretariats, institutions, administrations, agencies and local self-government bodies. After that, respondents were asked if they had used a service by any of these bodies in the past 12 months. Half the respondents (51%) used the services of state administration bodies in the past 12 months. People with higher levels of education and higher income more often than people with lower income used these services. When it comes to regional differences, South stands out as the region in which state administration services were used more often than elsewhere.

**Figure 1** (A1) In the past 12 months, did you use services of some of the following state administration bodies?

Basis: Overall target population



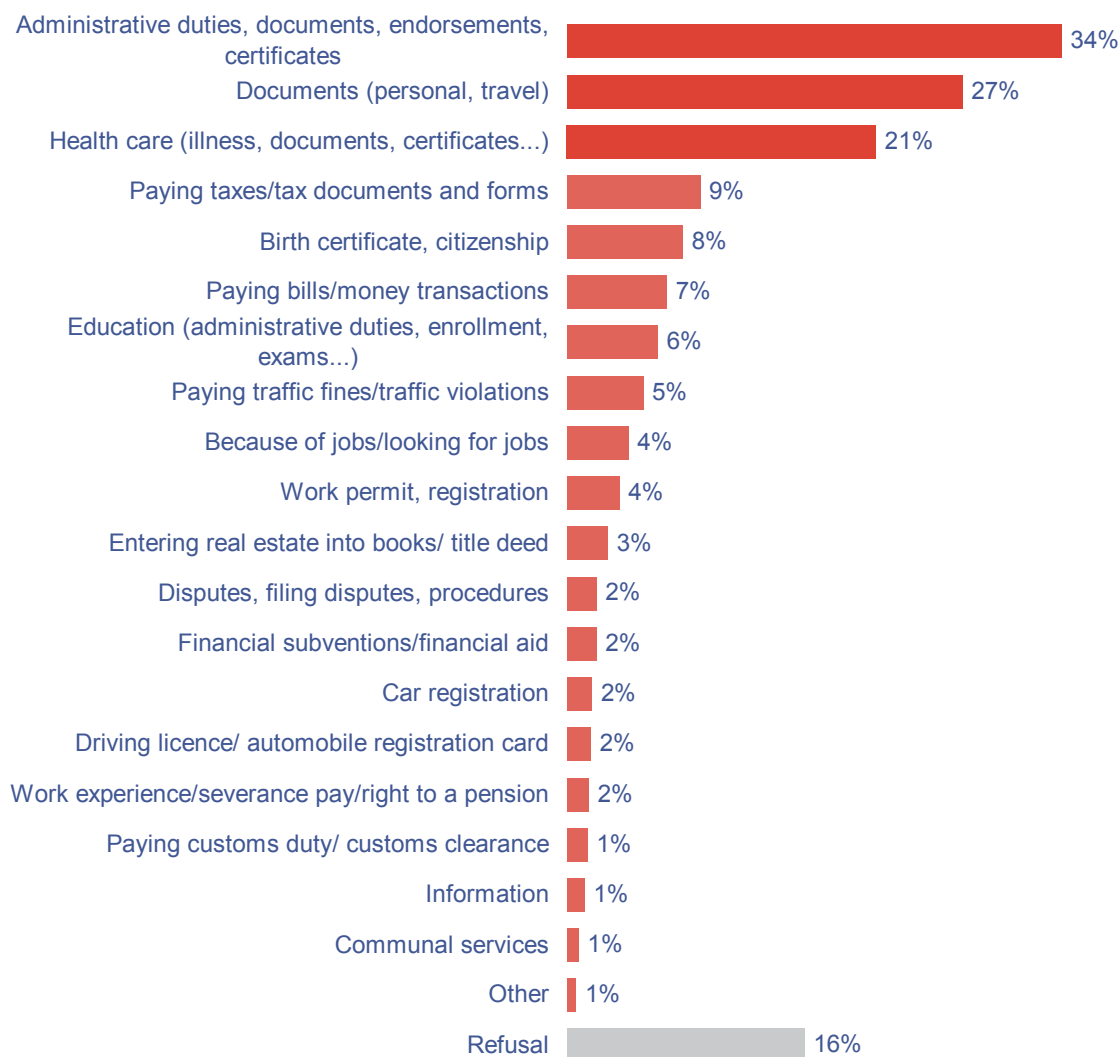
**Table 1** (A1) In the past 12 months, did you use services of some of the following state administration bodies? – by demography

	Total	Education			Income per household member			Region		
		Elementary and below	High school	2-year and 4-year college	Up to 100€	101 - 200€	More than 200€	South	Centre	North
N	1155	365	589	201	325	386	228	242	513	399
%										
Yes	51	44	51	64	39	53	64	67	50	42
No	46	52	46	33	58	45	35	28	47	55
Don't know	3	5	3	3	2	2	2	5	3	3

One in three citizens of Montenegro (34%) who sought the services of state administration bodies in the past 12 months came because of general administrative needs (endorsements, certificates and so on). Other frequently mentioned reasons include administrative requirements related to personal documents, most often to a personal identification card and passport that were mentioned by 27% of people, and reasons related to the health care system, such as obtaining documents and certificates regarding one's health. Less frequently mentioned reasons include obligations related to tax documents, regulation of citizenship, payment of bills and other financial transactions, obligations related to employment or education, obligations related to real estate transactions, and other reasons.

**Figure 2.** (A2) What are the most common reasons for your visit to state administration bodies in the past 12 months?

Multiple answers; Basis: People who used services of state administration bodies in the past 12 months (51% of target population)

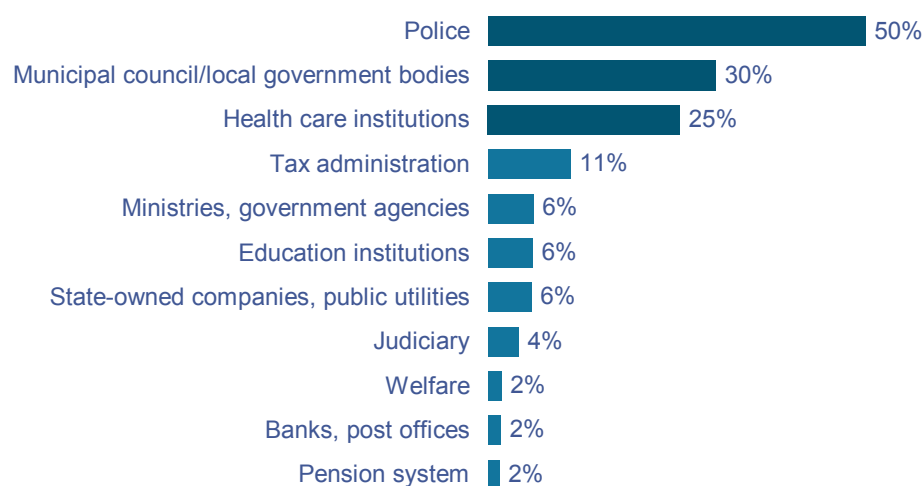


In doing these activities, Montenegrin citizens most often sought the services of the Ministry of Interior Affairs and Public Administration (50%, respondents in their answers as a rule call the Ministry of Interior Affairs and Public Administration the police), followed by municipal and other local government bodies (30%) and health care institutions (25%). Nearly 11% of people also

sought the services of the Tax administration, while ministries and government agencies, education system and state-owned companies were mentioned by 6% of people each. Nearly 4% of people had contact with the judicial system, and the welfare system, the pension system and banks/post offices were mentioned marginally – most likely in relation to payment for the state administration services.

**Figure 3 (A2)** State administration body visited on that occasion.

Multiple answers; Basis: People who used services of state administration bodies in the past 12 months (51% of target population)

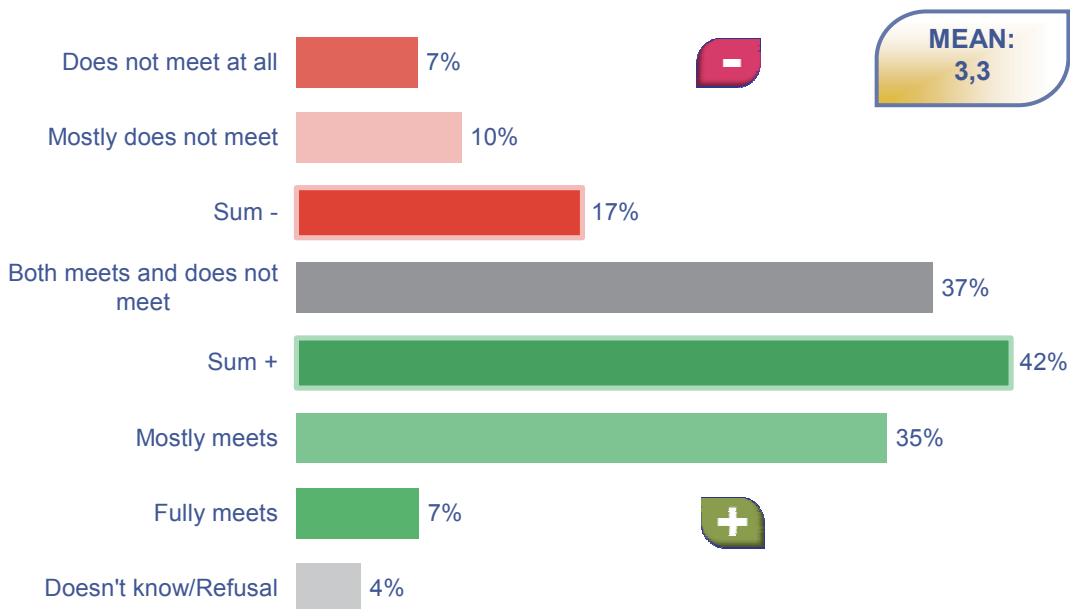




Respondents believe that state administration bodies moderately satisfy the needs of their users. The vast majority of people who used services of state administration bodies gave them a neutral rating (37%) or expressed a positive view regarding satisfaction of users' needs (35%). Only 7% of people consider that state administration bodies fully satisfy needs of their users, and an equal percentage consider that users' needs were not satisfied at all. Overall, on a 5-point scale, users of services of state administration bodies evaluated the services with an average rating of 3.3.

**Figure 4** (A3) To what extent do you consider that work of state administration bodies meets the needs of users of their services?

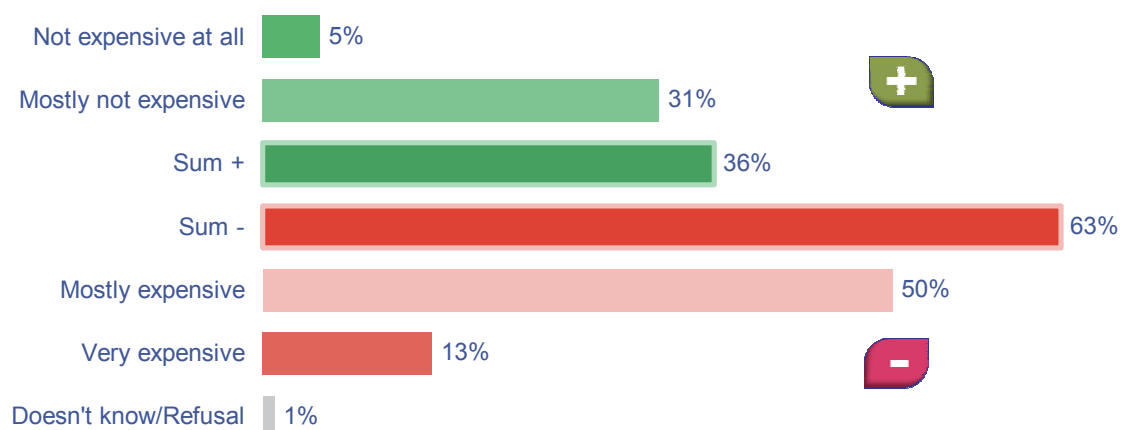
Basis: People who used services of state administration bodies in the past 12 months (51% of target population)



As regards charging for services by state administration bodies, the vast majority of people consider their services mostly expensive (50%) or very expensive (13%). On the other hand, 36% of people consider them mostly not expensive or not expensive at all. Interestingly, different views regarding this issue do not correspond with different household income. Pensioners slightly more often than others consider public services more expensive.

**Figure 5 (A4)** Having in mind prices charged by state administration bodies for their services, to what extent do you consider their services expensive?

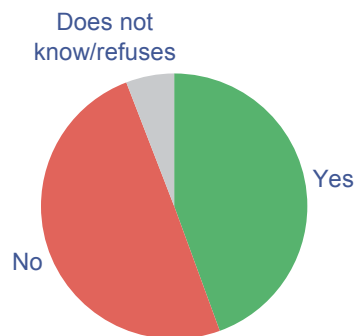
Basis: People who used services of state administration bodies in the past 12 months (51% of target population)



As regards the price-quality ratio, users of state administration services are divided in their views. Nearly 50% of them believe the price is too high for the quality delivered, whereas 44% of them believe the price corresponds with the quality. Given a very general nature of this question, respondents' answers should be taken as an estimate of the overall situation because the price and the level of quality differ depending on the specific type of service delivered.

**Figure 6** (A5) Do you believe prices charged by state administration bodies for their services correspond with the quality of service delivered?

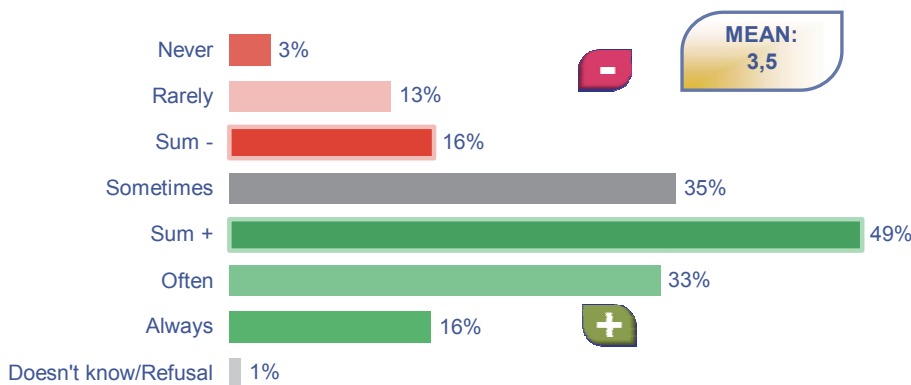
Basis: People who used services of state administration bodies in the past 12 months (51% of target population)



Availability of state administration bodies and their employees does not seem to represent a major problem to the people of Montenegro who used the services of state administration bodies in the past 12 months. The majority of them consider state administration bodies and their employees available (49%) or sometimes available (33%). For 16% of respondents availability of state administration bodies and their employees was a significant problem.

**Figure 7** (A6) In your experience, were state administration bodies and their employees available to you upon your request in the past 12 months?

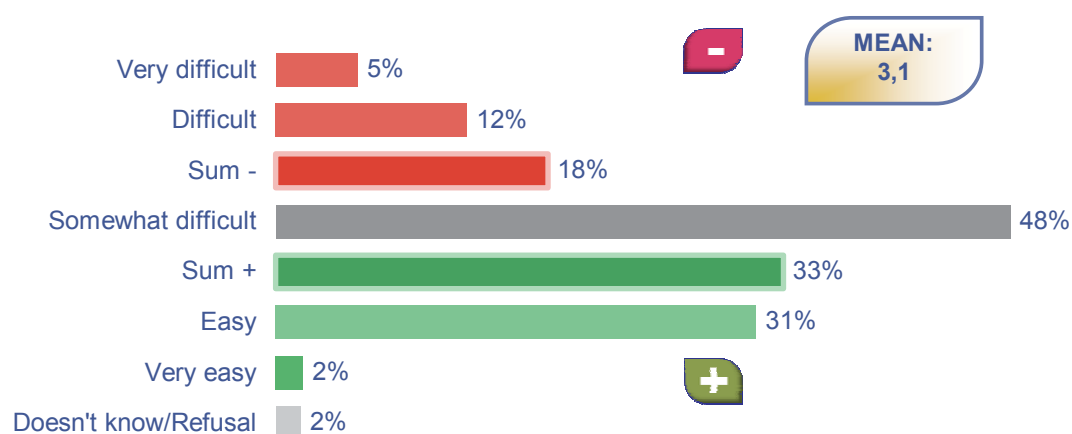
Basis: People who used services of state administration bodies in the past 12 months (51% of target population)



For the vast majority of service users it was to an extent difficult (48%) to obtain information and documents under the jurisdiction of state administration bodies that were related to their requests. 12% of people interviewed cited it was difficult to obtain them, and a further 5% cited it was very difficult. 31% of people interviewed cited it was easy to obtain the needed information and documents, and only 2% cited it was very easy.

**Figure 8 (A7)** In your experience, how difficult or easy was it to obtain information/documents from state administration bodies, related to your requests?

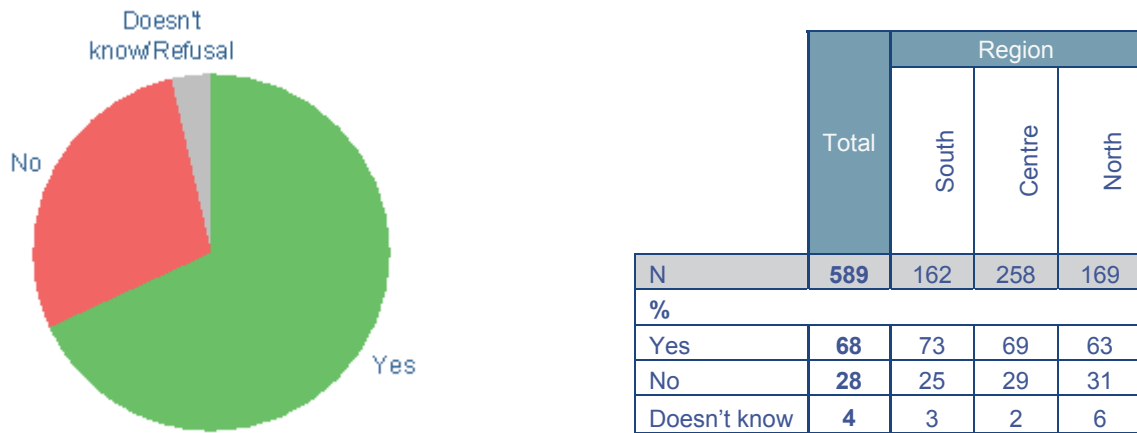
Basis: People who used services of state administration bodies in the past 12 months (51% of target population)



According to survey results, more than two thirds of people who used the services of state administration bodies in the past 12 months easily found their way around counter services. In the north region there is a somewhat bigger percentage of people who had problems with that.

**Figure 9 and Table 2 (A8)** Overall, do you easily find your way when dealing with counter services of state administration bodies – in the municipal council, courts, police, state-owned companies, secretariats, ministries... – overall and by region

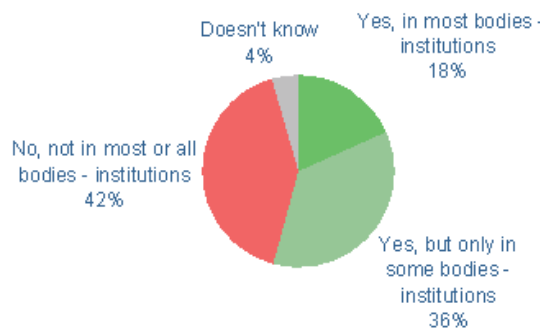
Basis: People who used services of state administration bodies in the past 12 months (51% of target population)



Awareness of the need for simplification of administrative procedures during counter visits is relatively high. A large majority of people who sought state administration services, 46% of them, are of opinion that in most cases there is not a “one-stop-shop” offering services for all areas of need. On the other hand, 36% are of opinion such “one-stop-shops” offering a multitude of services exist in some of the institutions, whereas a further 18% are of opinion all institutions have such places.

**Figure 10 (A9)** Is there a ‘one-stop-shop’ in institutions – state administration bodies where a person can get services for all areas of need, without going from one counter to another or from one door to another?

Basis: People who used services of state administration bodies in the past 12 months (51% of target population)



The last time they needed a service of a state administration body, 31% of people had to travel to another place in the country. People with lower income (44%) and people living in region South (43%) had such a need more often than others did.

**Figure 11** (A10) The last time you needed a service by a state administration body or institutions, did you have to travel to another place in the country?

Basis: People who used services of state administration bodies in the past 12 months (51% of target population)



**Table 3** (A10) The last time you needed a service by a state administration body or institutions, did you have to travel to another place in the country? – by demography

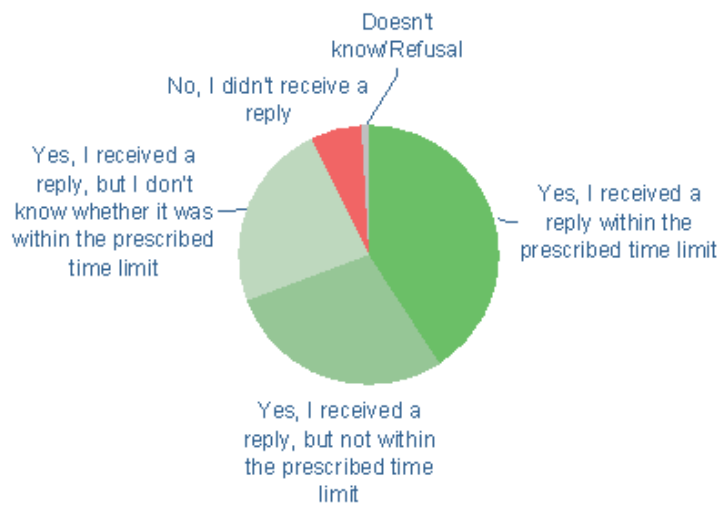
Basis: People who used services of state administration bodies in the past 12 months (51% of target population)

	Total	Income by household member			Region		
		Up to 100€	101 - 200€	More than 200€	South	Centre	North
N	589	128	204	145	162	258	169
%							
Yes	31	44	23	32	43	23	33
No	68	56	75	68	57	77	64
Doesn't know	1		2				2

41% of users of state administration services received replies to their inquiries on time, and 28% after the prescribed time limit. In addition, 24% of people do not know whether they received a reply within or after the prescribed time limit. Nearly 6% of service users who contacted state administration bodies in the past 12 months did not receive a reply at all, probably also because for some of the inquiries the prescribed time limit has not yet run out.

**Figure 12 (A11)** The last time you used state administration services, did you get a reply to your inquiry or request for a service within prescribed time limit?

Basis: People who used services of state administration bodies in the past 12 months (51% of target population)

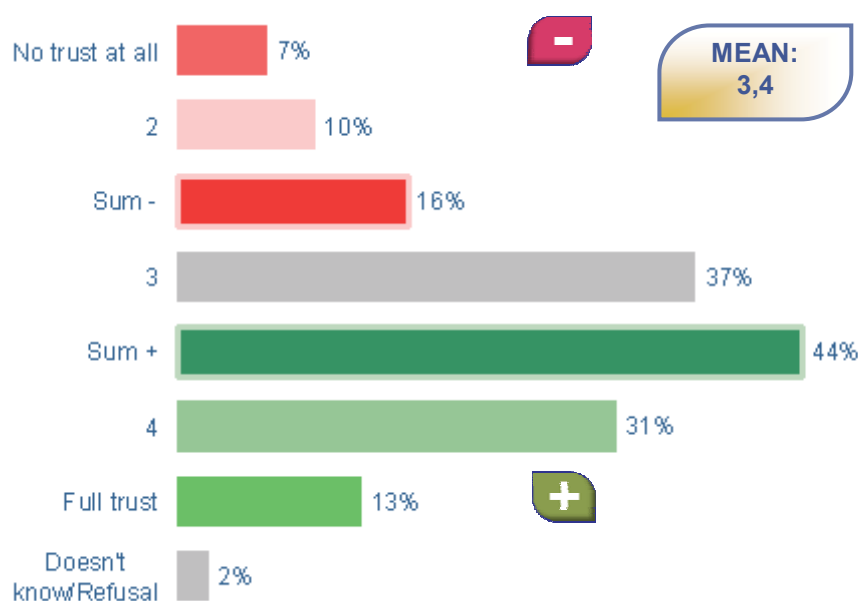


## B TRUST IN STATE ADMINISTRATION INSTITUTIONS

Montenegrin people on balance show moderate trust in the state administration, giving it a school rating of 3.4. In other words, the vast majority of people or more than two thirds of them opted for a neutral answer regarding trust (37%) or expressed moderate trust in state administration institutions (31%). Overall 16% of people expressed mistrust in the state administration, including people with moderate mistrust (10%) as well as those with a more radical view who expressed no trust at all (7%). On the other hand, 13% of people of Montenegro fully trust state administration institutions.

**Figure 13** (B1) Overall, how much do you trust the state administration?

Basis: Total target population

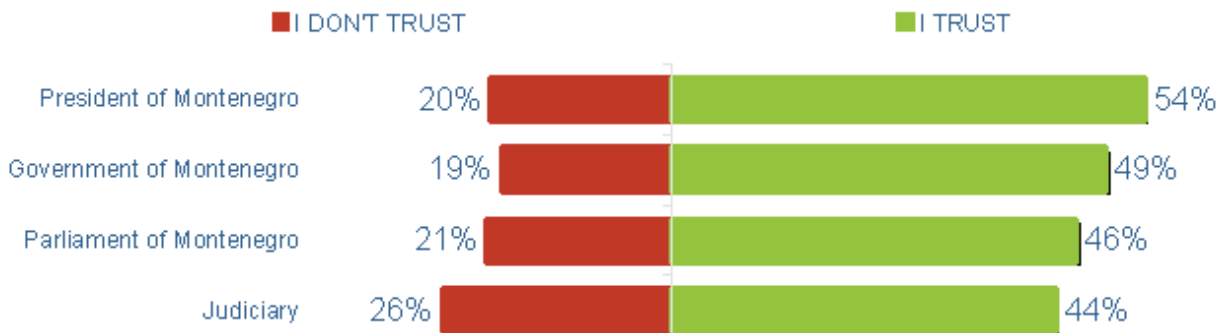




As regards trust in the pillars of government of Montenegro, Montenegrin citizens on balance hold an equal view of all pillars. However, the President of Montenegro (54%) enjoys the biggest trust, followed by the Government of Montenegro with the support of 49% of people and the Parliament with the support of 46% of people. The judiciary is the worst off with the support of 44% of people, whereas 26% expressed mistrust in it.

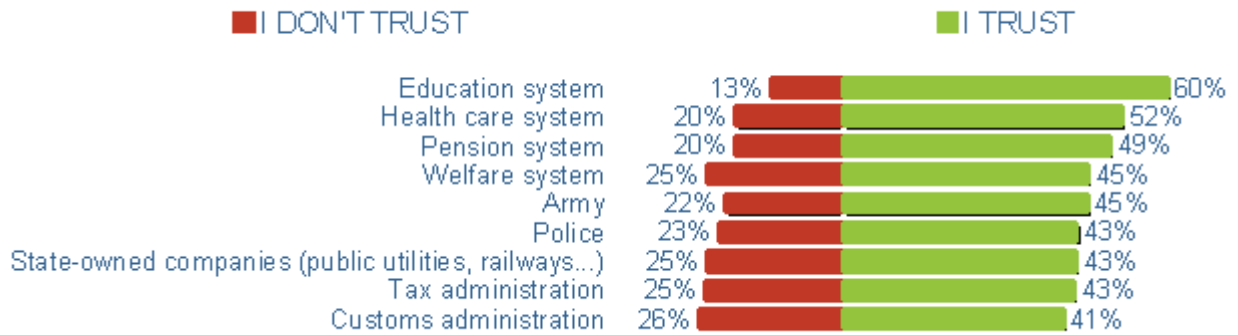
**Figure 14 (B2)** How much do you trust government authorities?

Basis: Total target population



When it comes to trust in institutions, sectors and bodies of state administration, people on balance gave the best rating to the education system that enjoys the trust of 60% of people. Education system is followed by the health care and the pension system that enjoy the trust of 52% and 49% of people respectively. Although respondents perceive the health care as corrupted (as will be mentioned later in the report), it is also perceived positively because of the importance of health care in people’s lives, the system of health care insurance which covers the majority of population and probably also because of people’s perceptions that the health care system functions relatively well given overall unfavourable conditions. All other state administration systems – welfare, army, police, state-owned companies, Tax administration and Customs administration – enjoy the trust of 41-45% of people. Among them, on the other hand, Customs administration, Tax administration, state-owned companies and welfare system enjoy a somewhat more pronounced mistrust, while army and police enjoy a less pronounced trust, although differences are not significant.

**Figure 15 (B3)** How much do you trust individual institutions, sectors and state administration bodies?  
Basis: Total target population



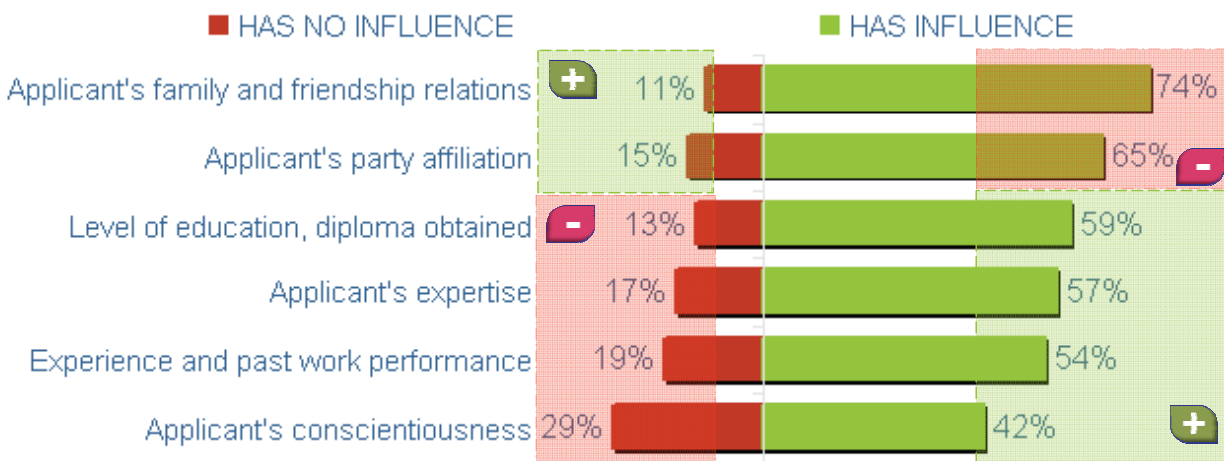
## C EMPLOYEES IN STATE ADMINISTRATION INSTITUTIONS

This chapter presents results of the survey related to the perception of employment and advancement in the state administration.

Montenegrin people perceive that applicants' family and friendship relations (74% of people) or political party affiliations (65% of people) play the major role in the process for employment in the state administration. These negative influences received top mentions over the level of education, expertise, experience and previous work performance (54-59%).

**Figure 16 (C1)** In your opinion, what are the criteria for the employment of people in the state administration on the national and local level in Montenegro? For each of the criteria mentioned, please state how much it affects advancement in the state administration.

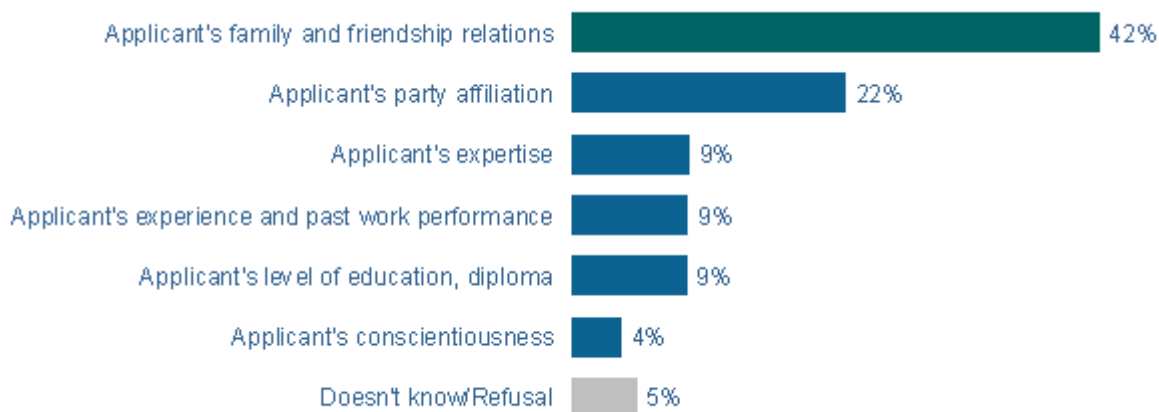
Basis: Total target population



Conscientiousness as a trait of applicants seeking employment in the state administration is the least represented criteria in the selection process.

**Figure 17 (C2)** What is the most common criterion for getting a job in the state administration?

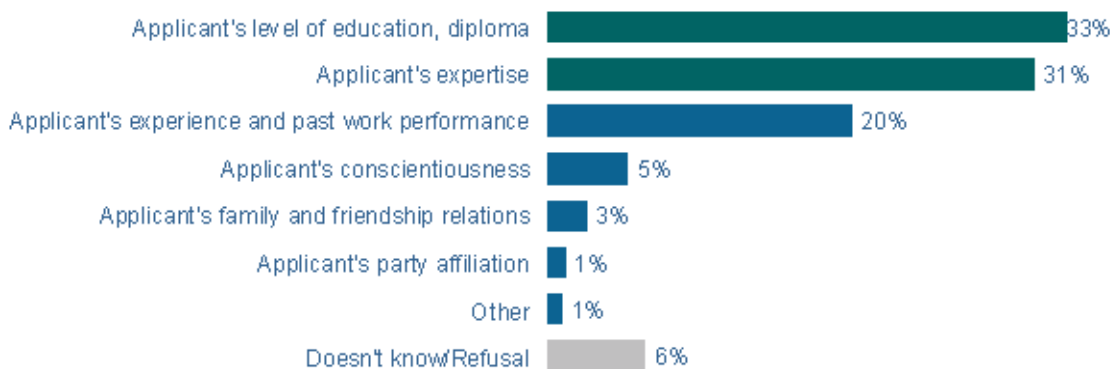
Basis: Total target population



The situation as seen by Montenegrin people is dissonant with their expectations regarding the criteria that should govern the functioning of state administration institutions. People, for example, expect the main selection criteria to be the level of education, expertise, experience and previous work performance. There is a high level of consensus about that with more than 80% of people who believe one of these three principles should be the most important in the selection process for the employment in the state administration, as well as for the functioning of human resources in the state administration in general.

**Figure 18 (C3)** In your opinion, which criterion should be the most important one in order for the state administration to work in the interest of people?

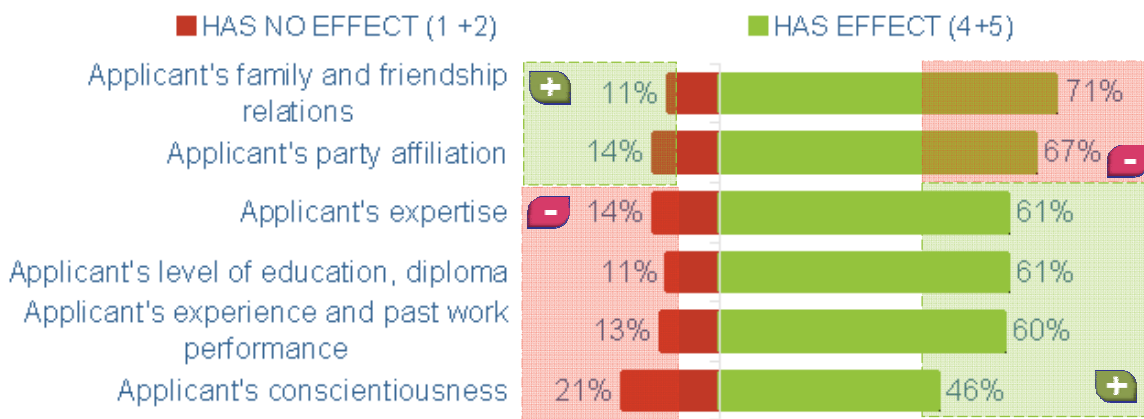
Basis: Total target population



People’s views on advancement in the state administration reflect previously mentioned views. Nepotism, clientelism and political influences are perceived as pronounced in everyday practice whereas people expect an employee’s level of education, expertise and experience to be decisive factors. They expect climbing up the hierarchy to be based on the merits.

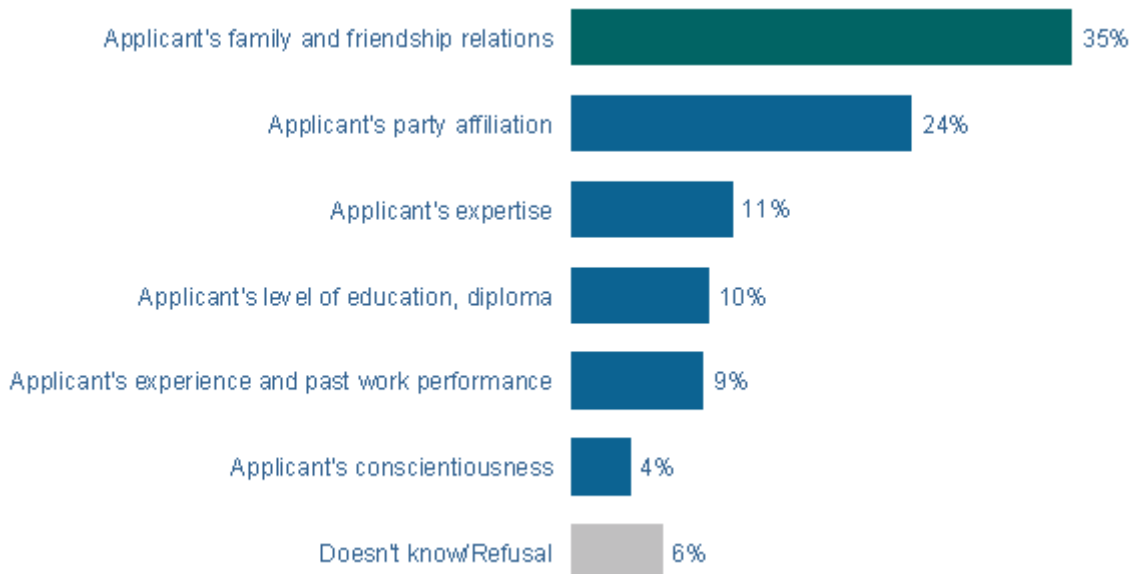
**Figure 19 (C4)** What are the criteria for advancement in the state administration on the national and local level?

Basis: Total target population



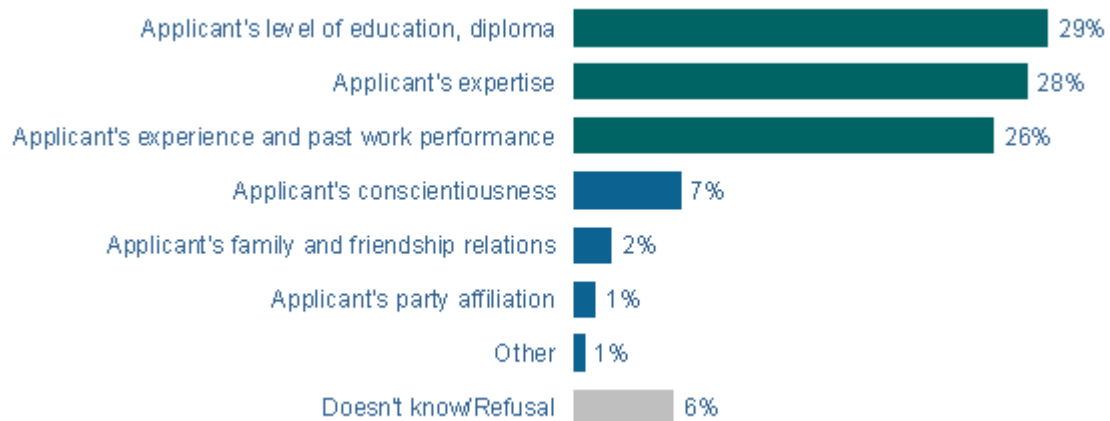
**Figure 20 (C5)** What is the most common criterion in our country for advancement in the state administration?

Basis: Total target population



**Figure 21 (C6)** And which criterion should, in your opinion, be the most important one for advancement in order for the state administration to work in the interest of people?

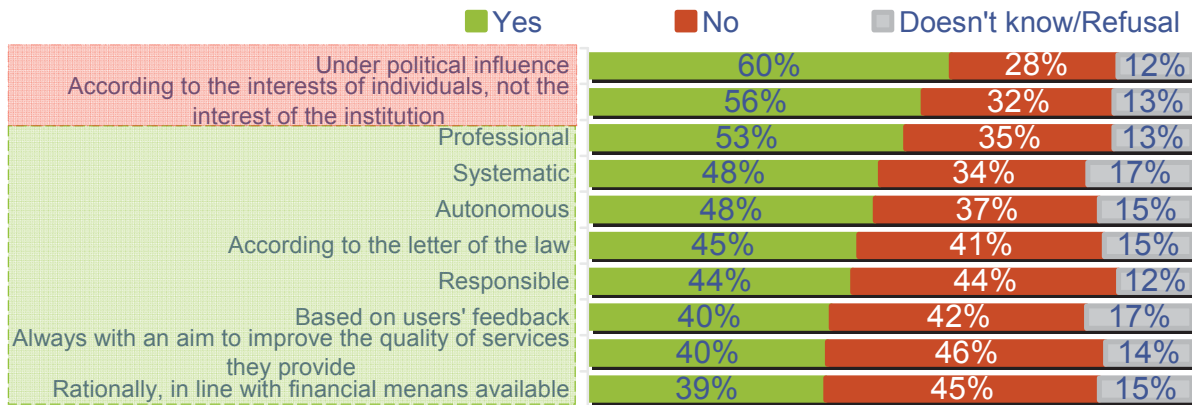
Basis: Total target population



Talking about state administration institutions in general and evaluating the way they are managed, Montenegrin people have again emphasized political influences and nepotism. At the same time, the proportion of people who believe state administration institutions function professionally, systematic, autonomous and according to law is bigger than the proportion of people who think otherwise. These results indicate the trust in state administration bodies is not completely undermined. It still exists when it comes to expertise and respect of law, although this is not necessarily always related to the public interest. The ration is, however, negative when it comes to the use of feedback from users, continued development aimed at improving the quality of services and rational use of resources in line with available financial means. These are the critical points in the public perception and deserve attention.

**Figure 22 (C7)** What is the management of state administration institutions like? How did they organize decision-making processes regarding their work, resources etc.?

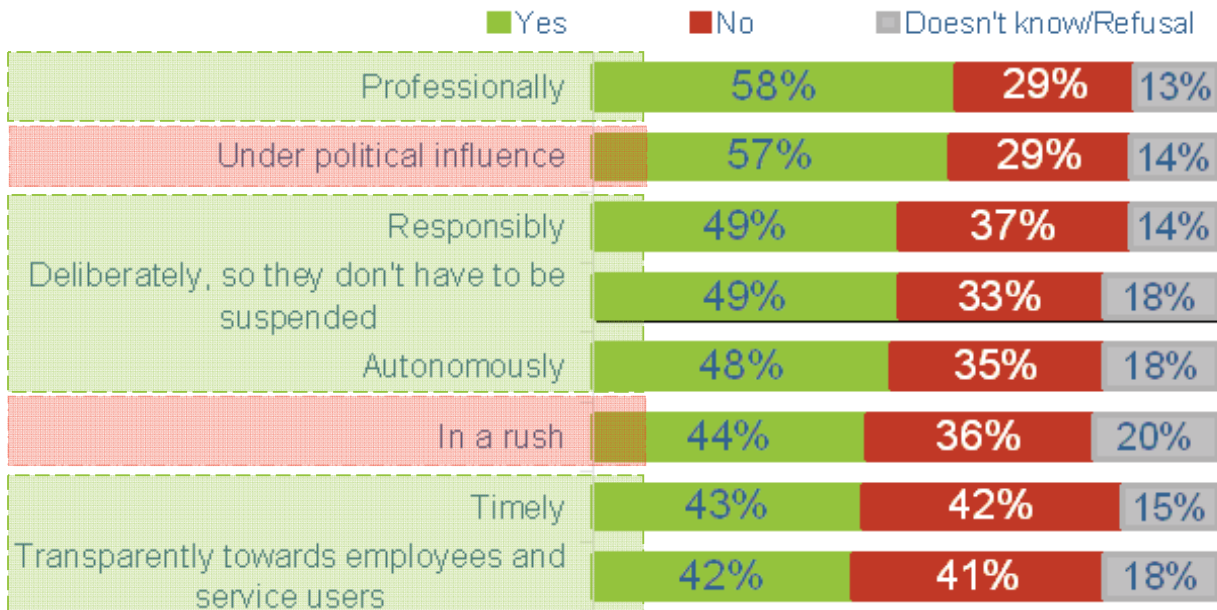
Basis: Total target population



When evaluating the decision-making process in the state administration, people will on average emphasize negative political influence, but will not deny their expertise. In line with that, 58% of people believe that decisions are made professionally, 57% that they are made under the political influence, 49% that they are made responsibly, 49% that they are made deliberately, and 48% that they are made autonomously. People are slightly more critically minded when it comes to timeliness and transparency of decisions.

**Figure 23 (C8)** How do institutions make decisions related to their functioning?

Basis: Total target population



When thinking about ethical standards of state administration employees, the vast majority of Montenegrin citizens (42%) do not want to make generalizations and say there are conscientious and not so conscientious employees. If we disregard citizens with neutral views, among the remaining citizens a slightly higher number of them consider ethical standards of state administration employees to be mainly high or very high than to be more or less low.

**Figure 24** (C9) In your opinion, how high is the awareness of ethical standards of state administration employees?  
Basis: Total target population

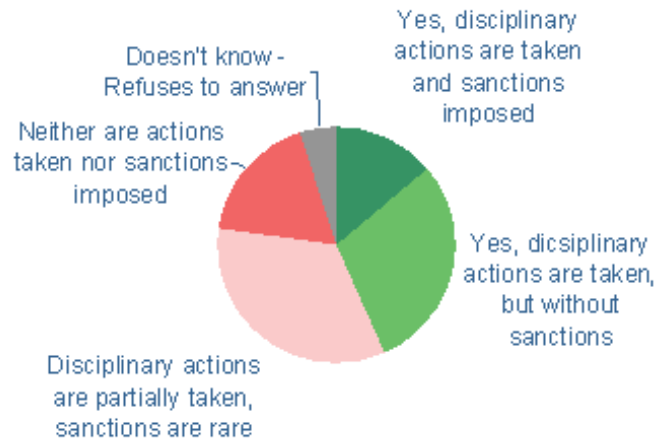


18% of people believe no disciplinary actions are taken against employees in state administration institutions at all so in cases of negligence they do not bear any sanctions. 34% of people believe employee disciplinary actions are only partially implemented and rarely result in sanctions. A further 29% of them believe such disciplinary actions are taken but do not result in any sanctions. Overall, 80% of Montenegrin people hold the view that employees responsible for negligence in the work of state administration bodies are not sanctioned at all or those sanctions are rare and in most cases symbolic. On the other hand, 14% of people hold the view that state administration bodies function mostly or fully flawlessly as regards this issue.



**Figure 25** (C10) In case of breach of ethics by a state administration employee, do you think disciplinary actions are taken and sanctions imposed on such employees?

Basis: Total target population

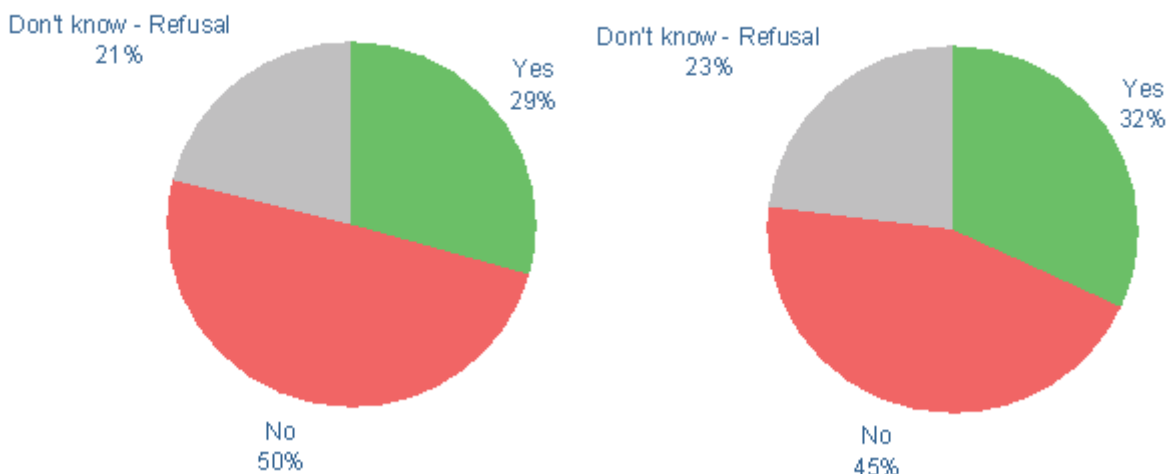


Slightly over a quarter (29%) of Montenegrin citizens believe a system of performance appraisal of each civil servant and employee exists, 21% say they do not know whether such a system exists or not, and one in two or 50% believe that, according to their knowledge, such a system has not been implemented in the state administration bodies. A similar percentage of people feel the same about the principle that quality job performance will be adequately rewarded. The majority of them, 45%, believe this principle is not implemented in state administration bodies, whereas a lesser proportion, 32%, believe this principle is implemented.

**Figure 26** (C11) In your opinion, is there a system of performance appraisal of each civil servant and employee?

**Figure 27** (C12) In your opinion, does harder work and quality job performance in the state administration institution/body result in adequate rewarding - bigger salary in line with better work performance?

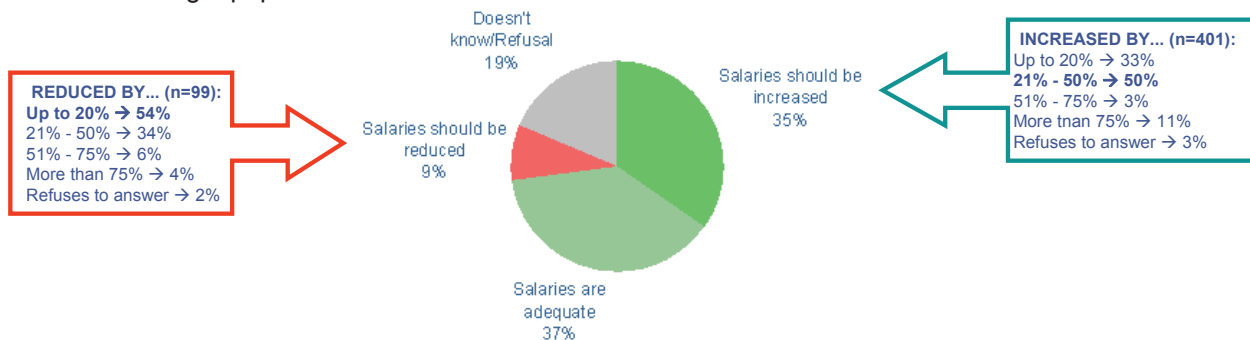
Basis: Total target population



Nearly one in three Montenegrin citizens think that salaries of civil servants and employees should be increased while 37% think they are adequate. On the other hand, 9% of people interviewed think that salaries of civil servants and employees should be reduced.

**Figure 28** (C13) Do you think salaries of civil servants and employees are satisfactory high?

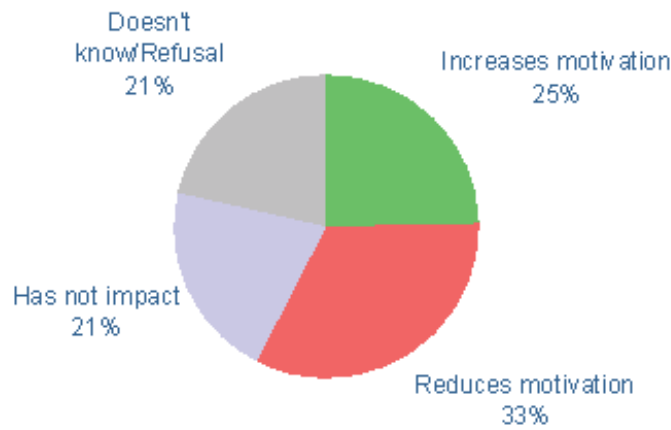
Basis: Total target population



Montenegrin citizens are divided in their views about the impact of the existing salary determination system on the civil servants' motivation. The proportion of people who think the existing salary determination system has no impact on the level of civil servants' motivation is 21%, 25% think it has a positive impact and the biggest proportion, 33%, think it has the opposite impact than desired and leads to a reduced motivation in civil servants and employees.

**Figure 29** (C14) In your opinion, what impact does the existing salary determination system in the state administration have on civil servants and employees' motivation?

Basis: Total target population



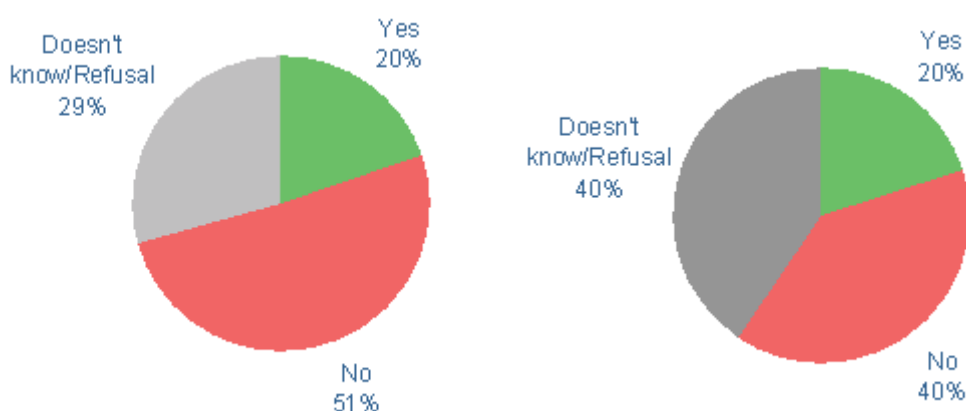
## D BUDGET SPENDING AND PUBLIC PROCUREMENTS

One in two citizens of Montenegro considers budget processes non-transparent. Nearly 20% consider them transparent while 29% have no clear or definite opinion about them. People with lower education less often evaluated this element of state administration indicating this issue, due to its complexity, is not entirely in their focus of interest. The proportion of people unfamiliar with the subject matter additionally increases when it comes to abiding by deadlines defined by the budget law. One in two people of low education and overall 40% of people of Montenegro did not evaluate that element of state administration. It is a fairly technical process that is, quite expectedly, less known to ordinary citizens. Nevertheless, among the answers of people who made their assessments, twice as many people believe prescribed periods are not respected (40% compared to 20% of people). It should be taken into consideration that respecting prescribed periods can be objectively verified, but from the public opinion perspective, people are currently prone to believe that prescribed periods are not respected in budget spending.

**Figure 30** (D1) In your opinion, are budget processes in the state administration transparent, i.e., is information about budget spending and budget processes publicly available and easily accessible to people?

**Figure 31** (D2) In your opinion, are budget processes taking place within periods prescribed by the budget law?

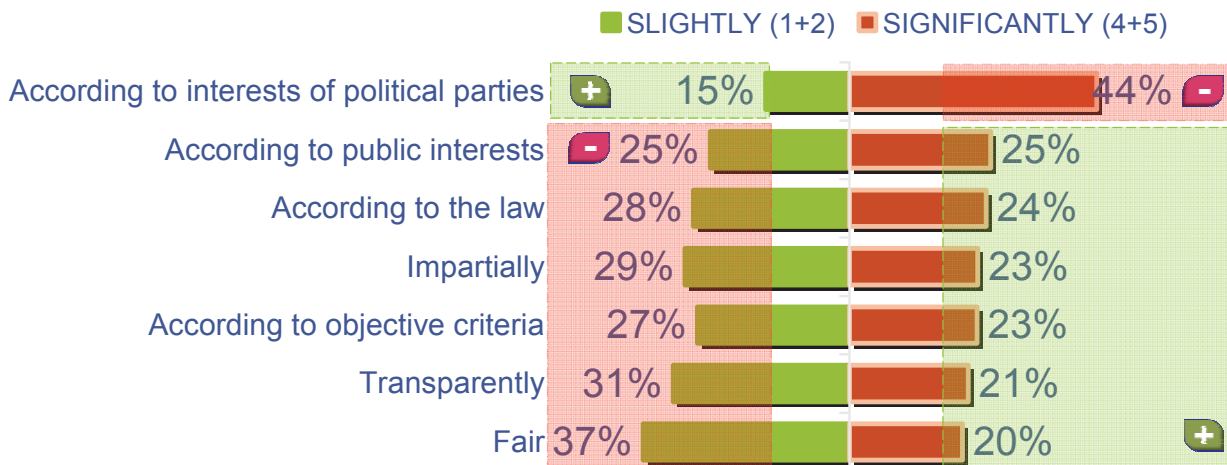
Basis: Total target population



As regards public procurement, Montenegrin citizens most often cite it is under political influence, i.e. under the influence of political parties. Such a principle of management of public procurement is cited by 44% of people while a far lesser proportion, 25%, believe public procurement is carried out with respect for the public interest. Among the main drawbacks of public procurement processes, people most often cite lack of integrity (37%), transparency (31%), impartiality (29%) and legitimacy (28%) as well as lack of objective criteria for conducting public procurement (27%).

**Figure 32** (D3) To what extent are public procurements carried out in the following way?

Basis: Total target population

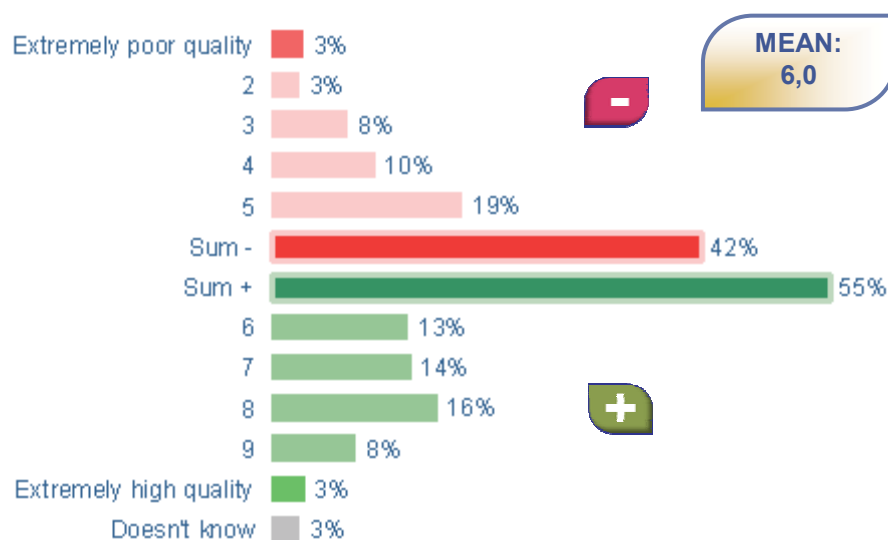


## E QUALITY OF SERVICE IN THE STATE ADMINISTRATION

Respondents evaluated work quality in the state administration on a 10-point scale where higher ratings mean higher quality. The average rating given by respondents is roughly in the middle of the scale – 6.0. The youngest and the oldest respondents gave somewhat higher ratings, whereas middle-aged respondents were more critically oriented. Respondents with lower education and lower income also gave more favourable ratings, yet differences are not pronounced and fall in the range +/- 0.3 points.

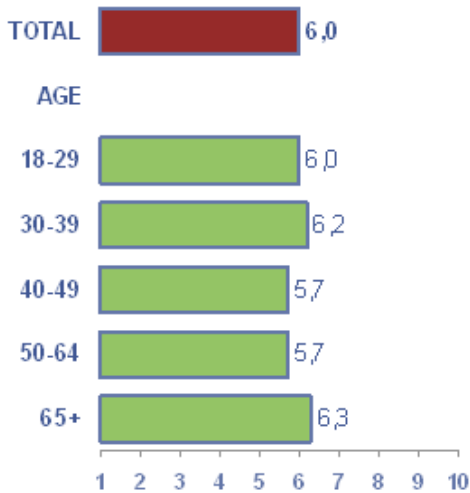
**Figure 33** (E1) In general, how would you evaluate work quality in the state administration, i.e. in all of state administration institutions?

Basis: Total target population



**Figure 34** (E1) In general, how would you evaluate work quality in the state administration, i.e. in all of state administration institutions? – by age

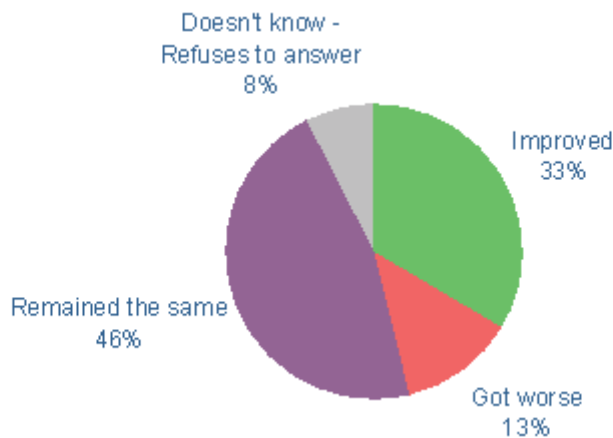
Basis: Total target population



Comparing the views on service quality in state administration bodies now and three years ago, the vast majority of those people who used services of state administration institutions in the past three years (93% of them), think the quality of services in the state administration has remained the same (46%). However, one in three citizens of Montenegro (33%) think there has been improvement in the past three years, whereas a significantly lesser number of people think the quality worsened (13%).

**Figure 35** (E2) Would you say the quality of services provided by the state administration has improved, got worse or remained the same compared to three years ago?

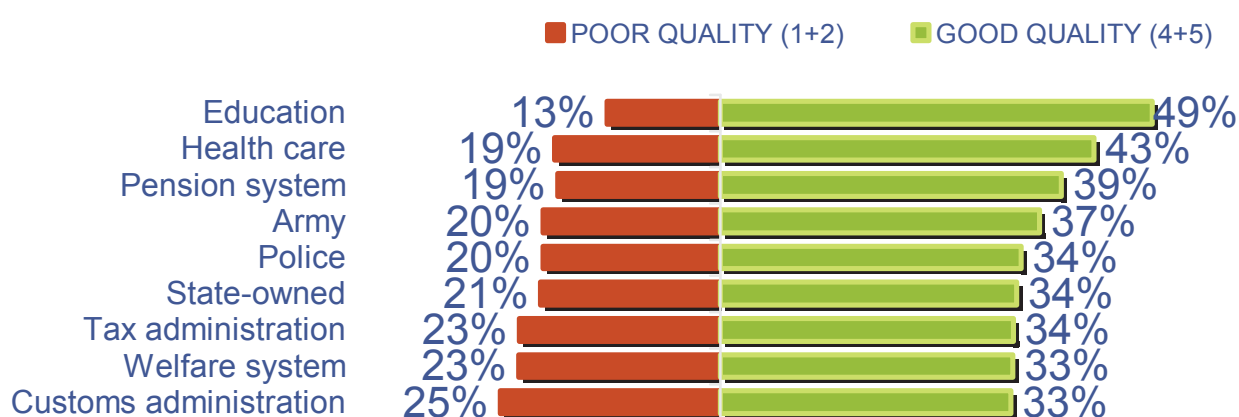
Basis: Respondents who used services of state administration institutions in the past 3 years (n=1074)



The biggest proportion of people who used services of some state administration institutions in the past 12 months gave positive ratings to the quality of education system (49%), followed by the health care (43%), pension system (39%) and the army (37%). Negative ratings were given to the customs administration (25%), welfare system (23%) and tax administration (also 23%).

**Figure 36** (E2b) How would you evaluate work quality in the following sectors, institutions and state administration bodies?

Basis: Total target population

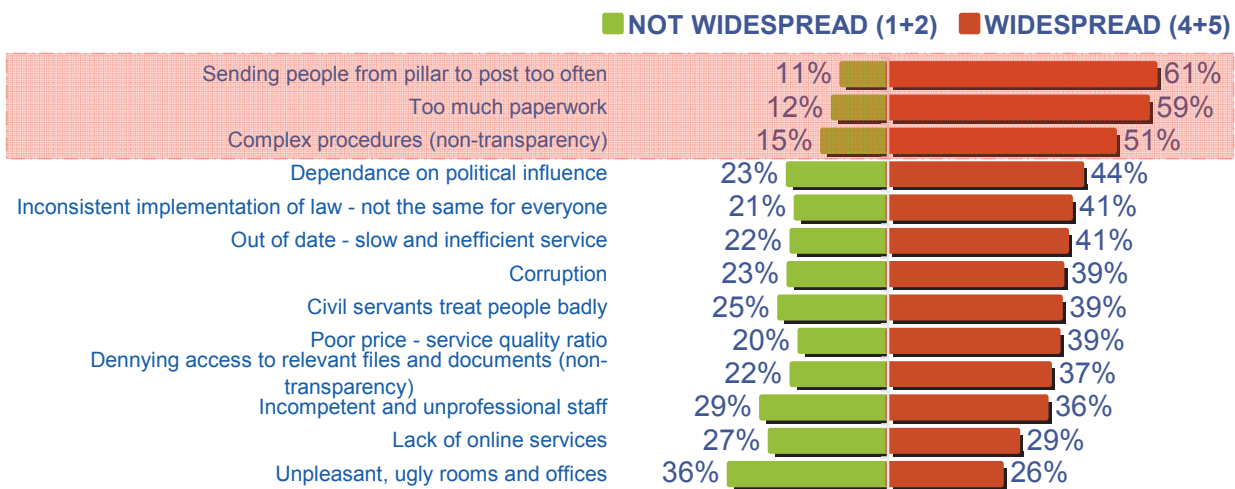




As regards negative characteristics of the work of state administration bodies and institutions, Montenegrin citizens most often cite various bureaucratic obstacles in the form of “sending people from pillar to post too often” (61%), "too much paperwork" (59%) and "complex procedures" (51%). Dependence on political influences (44%), inconsistent and uneven implementation of law (41%) and other characteristics are noticed less often than administrative weaknesses.

**Figure 37** (E3) How widespread are the following phenomena in state administration bodies and institutions?

Basis: Total target population



The following problems are relatively less often mentioned as important. Lack of online services, i.e. inability to obtain the whole service or part of it by remotely connecting to another computer is cited as a major drawback by 29% of people. People also relatively less often cite unpleasant and ugly rooms and offices in state administration bodies. However, 26% of people had objections related to that.

Similar proportions to the ones just described are found in respondents answers regarding three most important problems in the functioning of the state administration. Too much paperwork heads the list (41%), followed by long and tiresome administrative procedures (40%) and lack of promptness resulting in slow and inefficient solutions to users' problems (33%). Corruption as one of the most important problems is cited by 29% of people. Unacceptable treatment of customers by civil servants is cited by 27% of people. Political influence, although considered as a fairly regular occurrence in the functioning of state administration institutions, is somewhat less often cited as one of the three prevailing problems. It was cited by 17% of interviewed people.

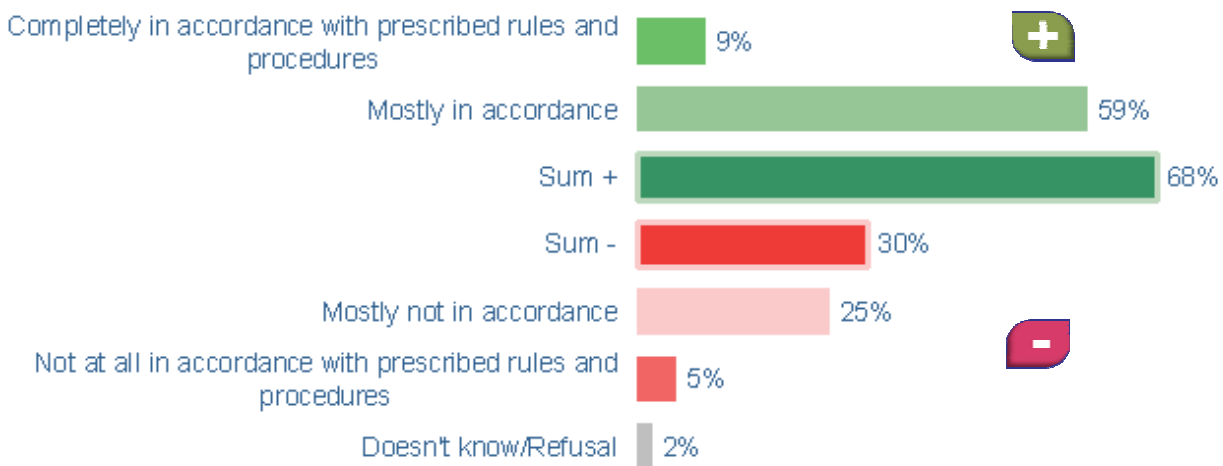
**Figure 38 (E4)** Please, carefully read the following list and chose three problems you consider the most important in these institutions and bodies.

Multiple answers; Basis: Total target population



Although they cite different problems regarding the functioning of state administration institutions, the vast majority of people, 68%, think that civil servants and employees mostly or completely perform their jobs in accordance with prescribed rules and procedures. A significantly lower proportion, 30%, think that rules and procedures in state administration are not obeyed to a greater or lesser degree.

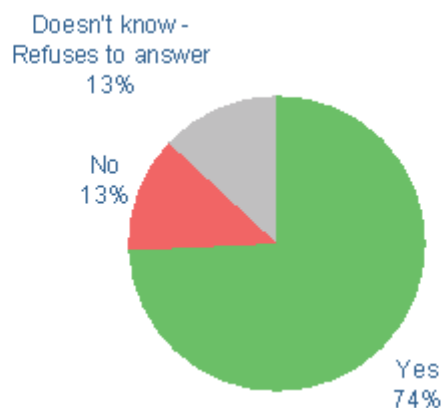
**Figure 39** (E5) To what extent do you think civil servants perform their jobs in accordance with prescribed rules and procedures?



People were also asked if they saw room for improvement of the quality of services provided by the state administration. The vast majority, nearly three quarters, believe significant improvement in quality is possible. Positive views and openness to possibilities for change are more pronounced in people with higher education than in people with lower education.

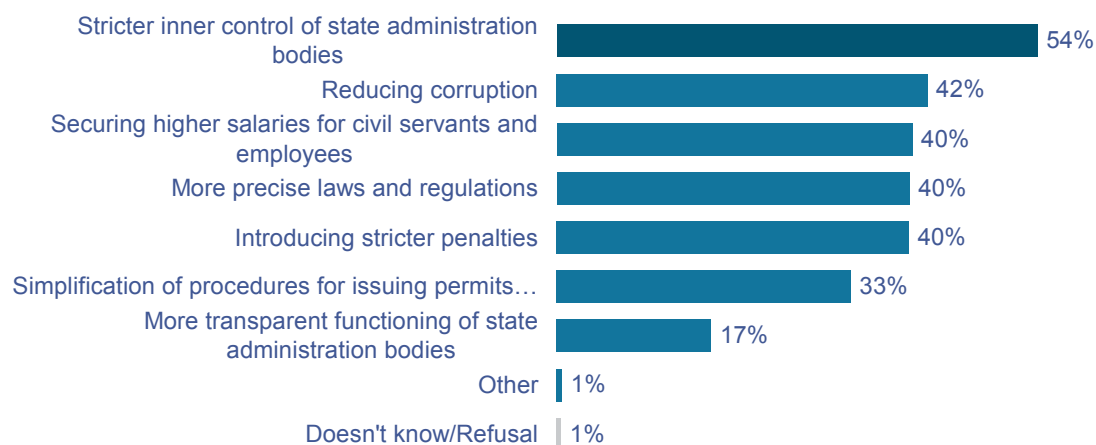
**Figure 40** (E6) Do you believe work quality of state administration bodies can improve significantly?

Basis: Total target population



According to the majority of Montenegrin people (54%), the most adequate way of improving the functioning of the state administration is by introducing strict internal controls. Other frequently mentioned measures include reducing corruption (42%), higher salaries for civil servants and employees (40%), adopting more precise laws and regulations (40%) and introduction of stricter penalties (40%). One third of people see simplification of procedures as an adequate measure as well, particularly from the point of view of service users. Transparency in the work of state administration bodies is relatively rarely cited as an optimal way to improve service quality; it was mentioned by 17% of people. Quality in this case is more related to functional improvements than to better transparency.

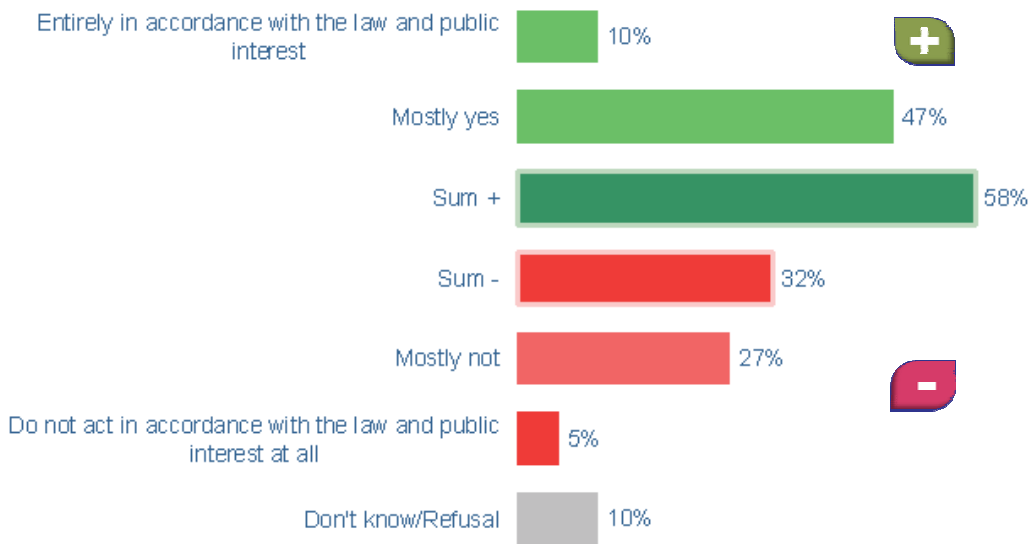
**Figure 41 (E7)** In your opinion, what are the ways to improve work quality in state administration bodies?  
Multiple answers; Basis: Respondents who believe work quality in state administration bodies can be improved (74% of target population)



Given that stricter inner control is widely considered as an adequate way of improving service quality, it is interesting to find out how people perceive state inspection authorities. Results show that people express mostly positive views about them. Nearly 58% of people think that inspection authorities mostly or entirely act in accordance with the law and public interest. On the other hand, nearly one third of people or 32% of them mention these inspection authorities act illegally and contrary to public interest.

**Figure 42** (E8) To what extent do you believe inspection bodies act in accordance with the law and public interest?

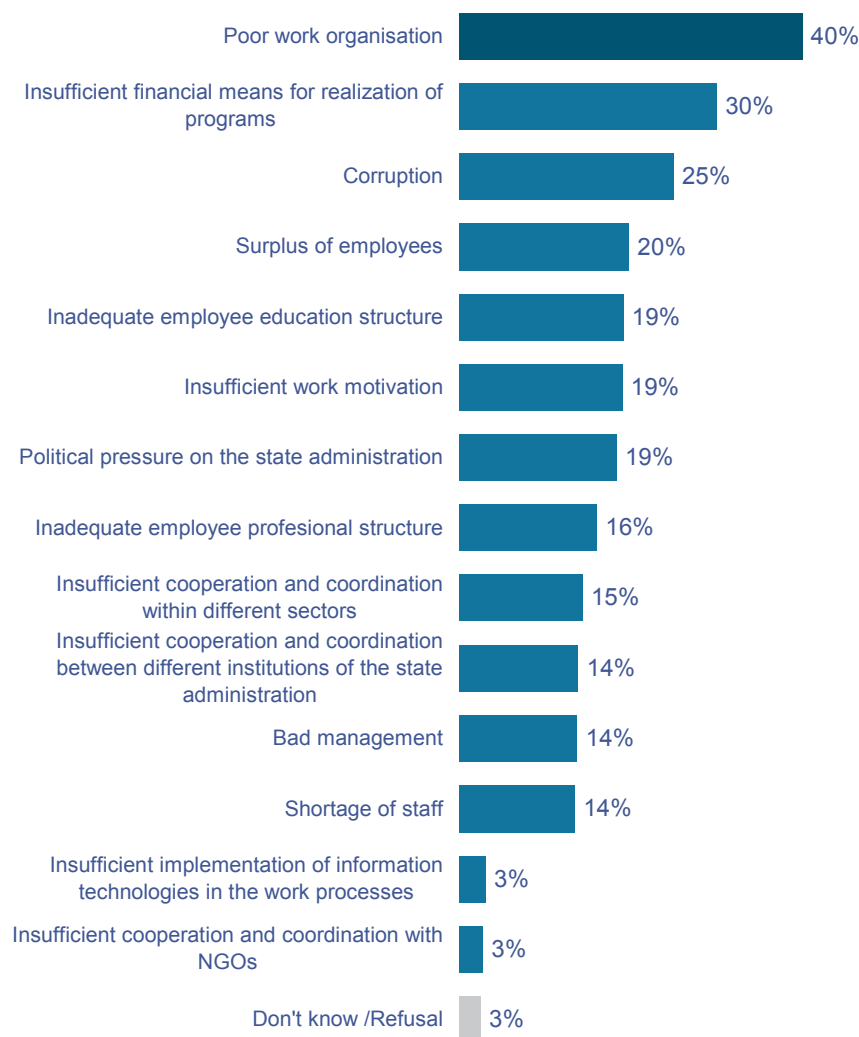
Basis: Total target population



At the end of the part of the interview related to the quality of services delivered by state administration bodies, people were asked about aspects that burden the work of state administration bodies the most. The biggest proportion of people cited poor work organization (40%), followed by insufficient funds (30%) and corruption (25%). Other problems are also observed, but there are fewer consensuses about them as to whether they represent major obstacles to better functioning of state institutions.

**Figure 43 (E9)** In your opinion, which of the following aspects are the main obstacles for better functioning of the state administration?

Multiple answers; Basis: Total target population



Answers to these questions indicate that in minds of Montenegrin people, compared to other problems cited, lack of information technologies and lack of cooperation with non-governmental organizations are not perceived as aspects representing serious obstacles for the functioning of the state administration; only 3% of respondents mentioned each respectively.

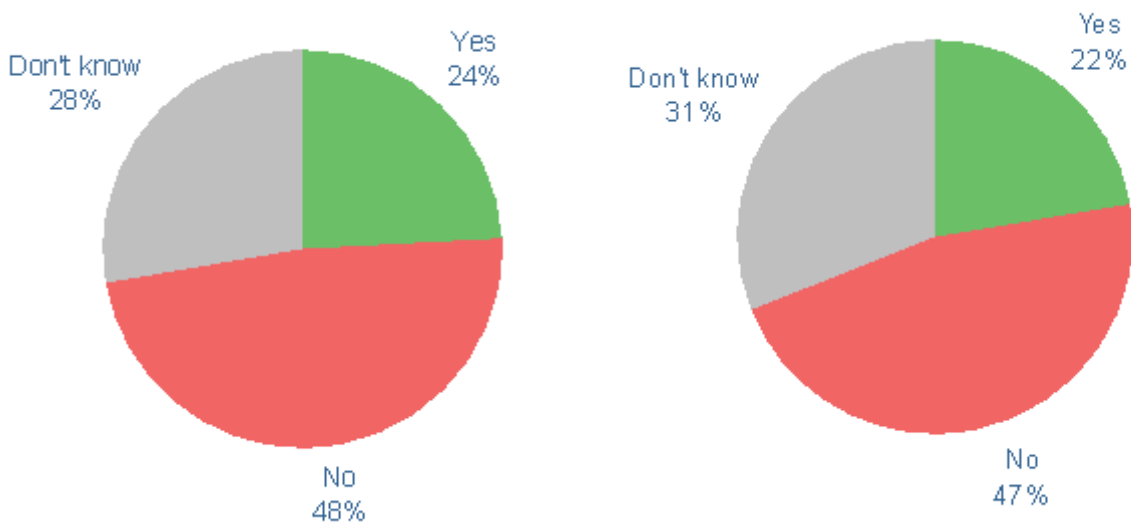
## F TRANSPARENCY OF STATE ADMINISTRATION SERVICES AND ACCESS TO STATE ADMINISTRATION FUNDS

As regards transparency of services delivered by the state administration, more people consider them non-transparent than transparent. For example, 48% of people hold a view that not all citizens can gain access to files and documents under the jurisdiction of state administration, whereas only 24% believe everybody can gain access. Furthermore, 47% of people believe revenues of state-owned companies are not spent transparently and in accordance with the law, while 22% believes the opposite. Nearly a quarter of respondents, mostly those with lower education and lower household incomes, did not make an evaluation.

**Figure 44** (F1a) In your opinion, can every citizen gain access to state administration files and documents?

**Figure 45** (F2) In your opinion, are revenues of state-owned companies spent transparently and in accordance with the law?

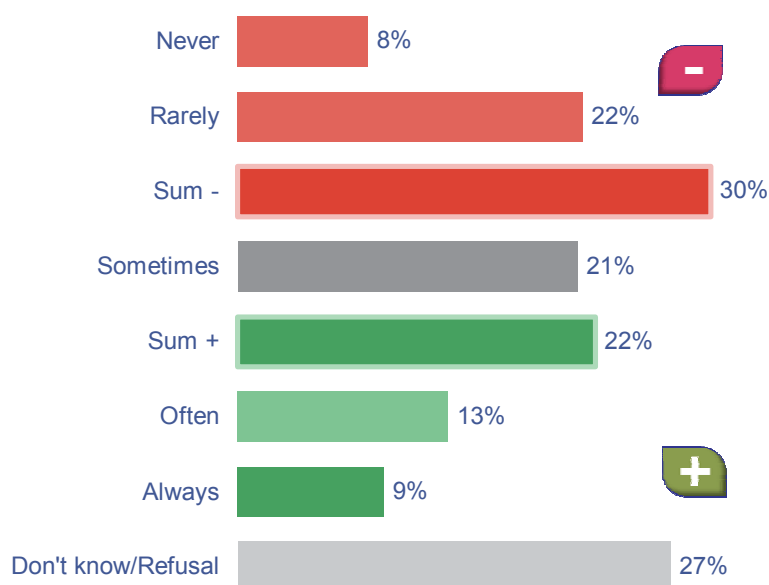
Basis: Total target population



An even higher proportion of respondents (36%) were not able to make evaluations regarding adoptions of urban plans. Of those who did, a larger proportion believes adoptions of urban plans were not carried out transparently and in accordance with the law (37%), while a smaller proportion believes everything was in accordance with the law (27%). The public opinion sees as quite problematic also the procedure of issuing construction permits. Nearly 8% of people expressed a radical view that construction permits are never issued according to defined rules and procedures, and a further 20% that it happens very seldom. The procedure is seen as mostly legal and clearly defined by 22% of respondents.

**Figure 46** (F4) In your opinion, are construction permits issued in accordance with the law and previously defined procedures?

Basis: Total target population

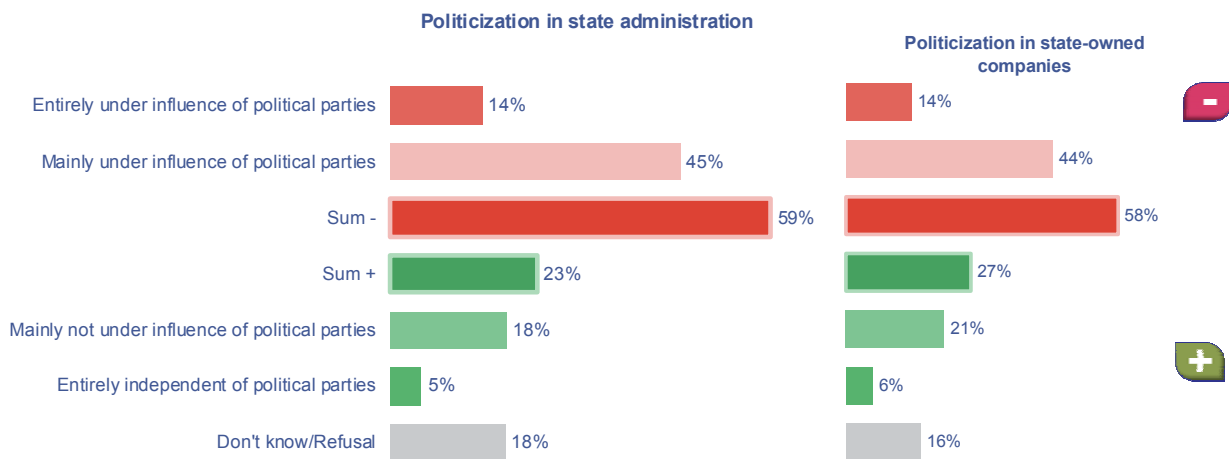




As mentioned earlier in chapters regarding overall assessment of work quality in the state administration, people cite the problem of politicization of state administration. Nearly 59% of people consider state administration significantly politicized and under the influence of political parties, while 23% of people would not agree with that mostly or entirely. Views on politicization in state-owned companies are very similar - 58% of people consider politicization exists in state-owned companies and 27% it does not.

**Figure 47** (F5-F6) In your opinion, how widespread is politicization in state administration and state-owned companies?

Basis: Total target population



## G CORRUPTION

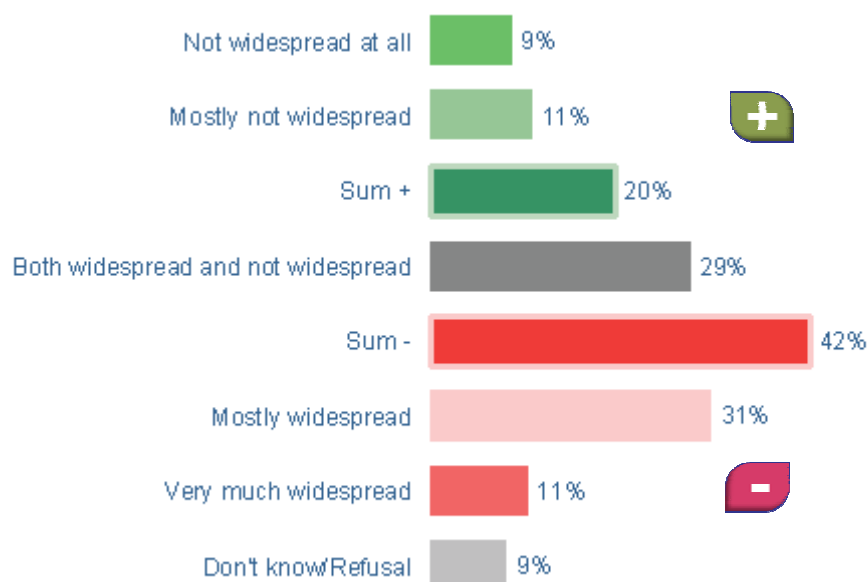
Introduction: This chapter is about social and personal dimensions of corruption. Before this set of questions, corruption was defined to respondents as "every form of abuse of power for personal or collective gain, either in public or private sector".

### Social perspective

Research results show that 11% of Montenegrin people believe corruption is very much widespread in state administration bodies. Further 31% of people believe corruption is mostly widespread, and 29% have neutral views about it. On the other side, 20% of people believe corruption is not present in the state administration at all, or it is mostly not widespread. People with lower education and lower incomes believe corruption is widespread below average, and people from the region South it is widespread above average.

**Figure 48** (G1) Would you say that corruption in the state administration in Montenegro is...

Basis: Total target population

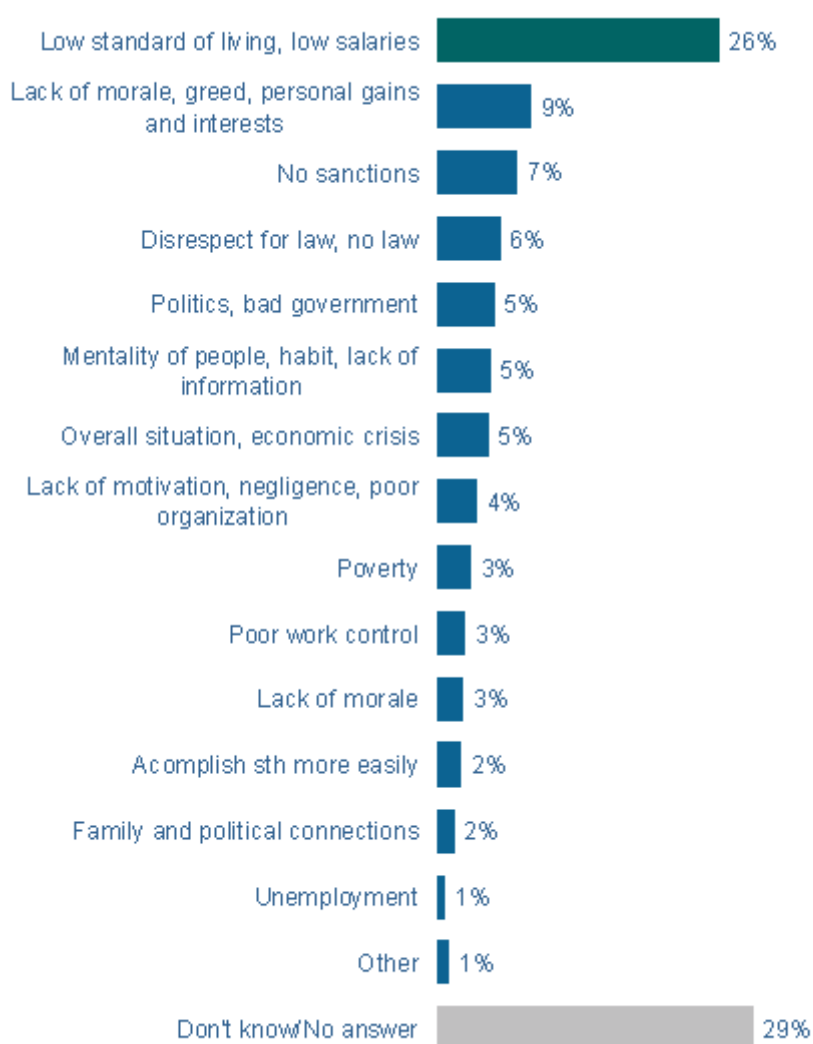


When spontaneously mentioning reasons for widespread corruption, respondents mentioned primarily low salaries (26%). Other reasons are less frequently mentioned and include personal

weakness of employees in the form of lack of morale, greed and personal gains, absence of sanctions and adequate rules, political influences, flaws in work organization and control, but also the mentality of people who have certain expectations that treat corruption as an acceptable form of behaviour.

**Figure 49 (G2)** In your opinion, what are the main reasons for widespread corruption in state administration? – ALL GIVEN ANSWERS

Basis: Respondents who believe corruption is at least somewhat widespread in state administration (91% of target population)

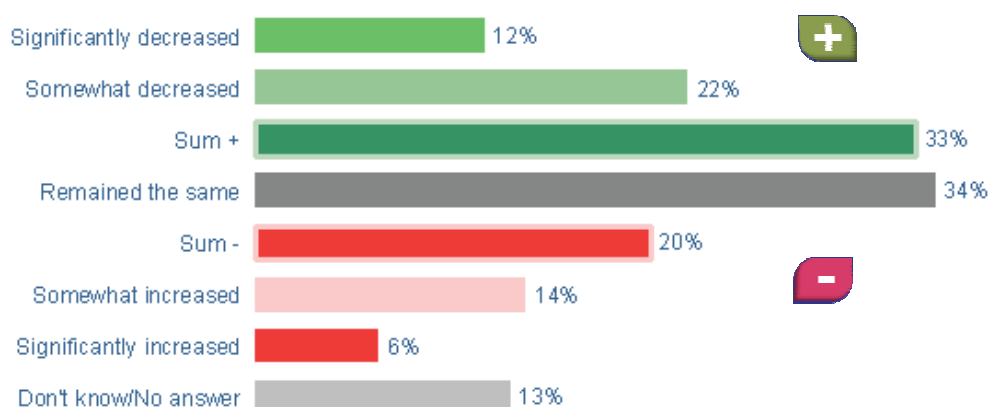


Comparing the level of corruption today and three years ago, Montenegrin citizens predominantly believe corruption is less widespread now (33%) or at the same level as three years ago (34%).

Nevertheless, 20% of people feel the level of corruption has lately somewhat or significantly increased.

**Figure 50** (G3) Compared to 3 years ago, would you say the level of corruption in the state administration in has...

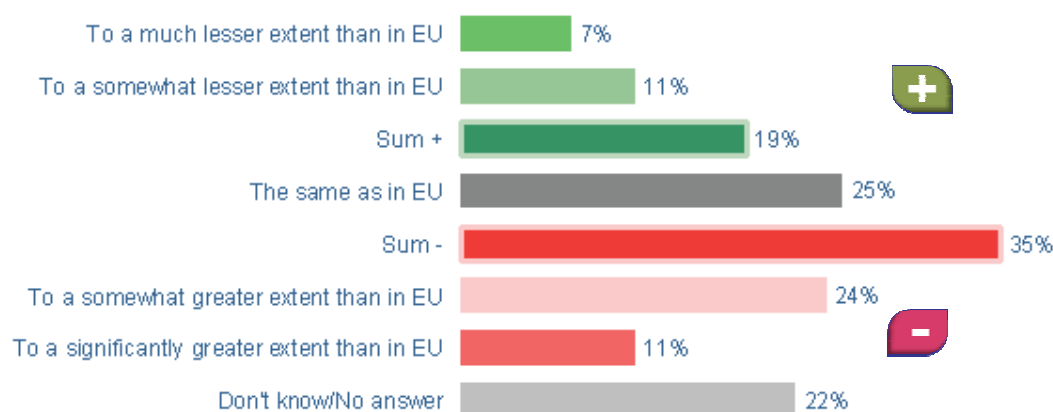
Basis: Total target population



Comparing the level of corruption in Montenegro with the level of corruption in the European Union, Montenegrin citizens most often say it is more widespread in Montenegro than in the European Union member states (35%). One in four people (25%) feel the level of corruption to be the same as in the EU, while 19% feel corruption to be less widespread in Montenegro than in EU countries.

**Figure 51** (G4) In your opinion, how widespread is corruption in Montenegro compared to EU member states?

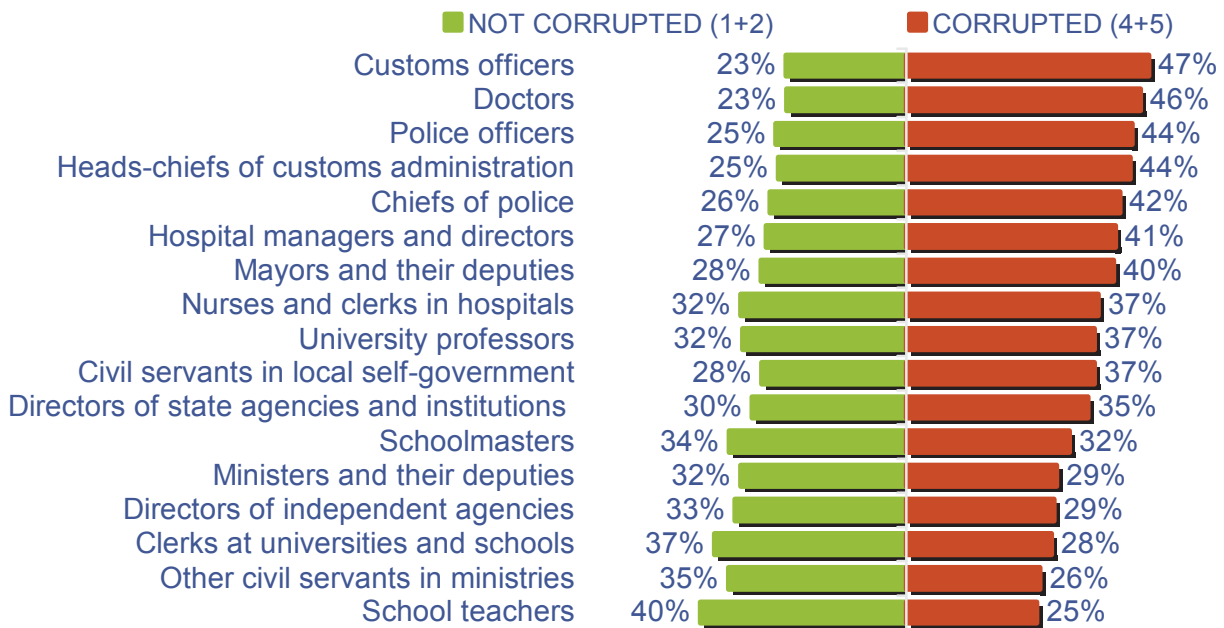
Basis: Total target population



Respondents were also asked to assess how corrupted civil servants from different state administration bodies and positions in hierarchy are. Among the most corrupted civil servants are customs officers (47%) and their chiefs (44%), doctors (46%) and hospital managers (41%), police officers (44%) and their chiefs (42%), and others. Civil servants working in the school system and teachers are less often perceived as corrupted than schoolmasters or university professors. The same goes for nurses compared to doctors and health care institutions managers. Among political officials, corruption is more often associated with members of town and local government than with ministers and their deputies.

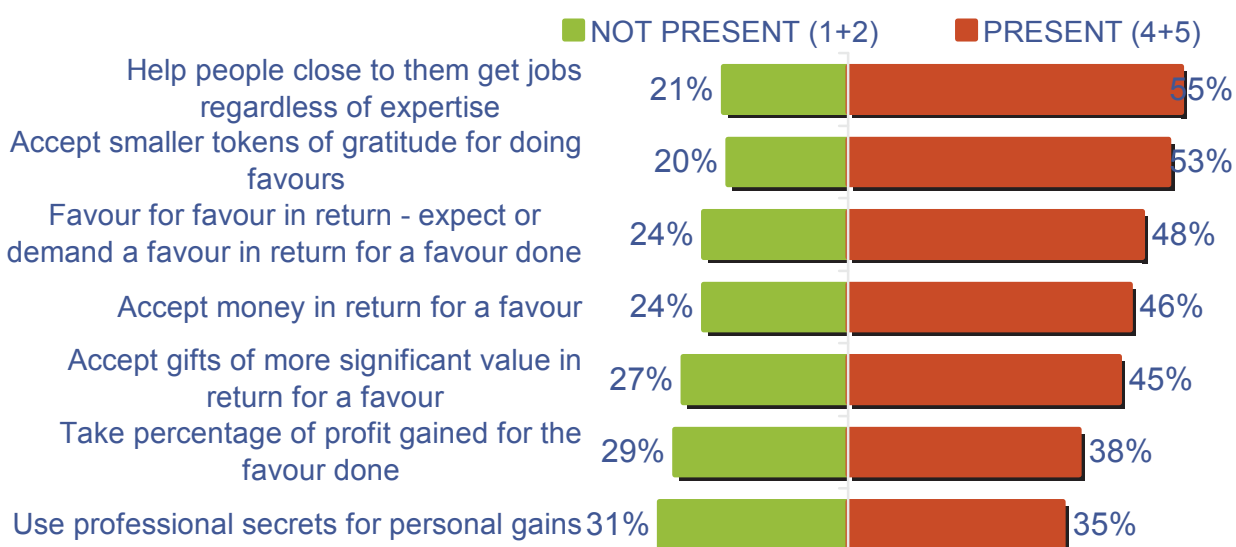
**Figure 52** (G5) How corrupted are civil servants?

Basis: Total target population



As the most common forms of corruption, people cite employment "through a connection" (55%) and receiving a small token of gratitude for doing somebody a favour (53%). Sometimes doing a favour carries an obligation to return a favour, as cited by 48% of people; 46% of them say the token of gratitude is money, 45% say it is a gift of more significant value, and 38% say it is illegal commission for the job done. Nearly 35% of people believe employees in state administration bodies abuse the information they should keep as a professional secret and use it for private gains.

**Figure 53 (G6)** How much is each of the following forms of behaviour present in civil servants' behaviour?  
Basis: Total target population



## Personal perspective

Respondents were asked if they would be ready to give “any sort of bribe, use family and friendship connections or political party affiliation or do a favour in exchange for a favour in order to solve a problem more easily or get a specific service” either for themselves or a family member in several different situations, ranging from medical services and avoiding paying traffic fines to solving a housing issue.

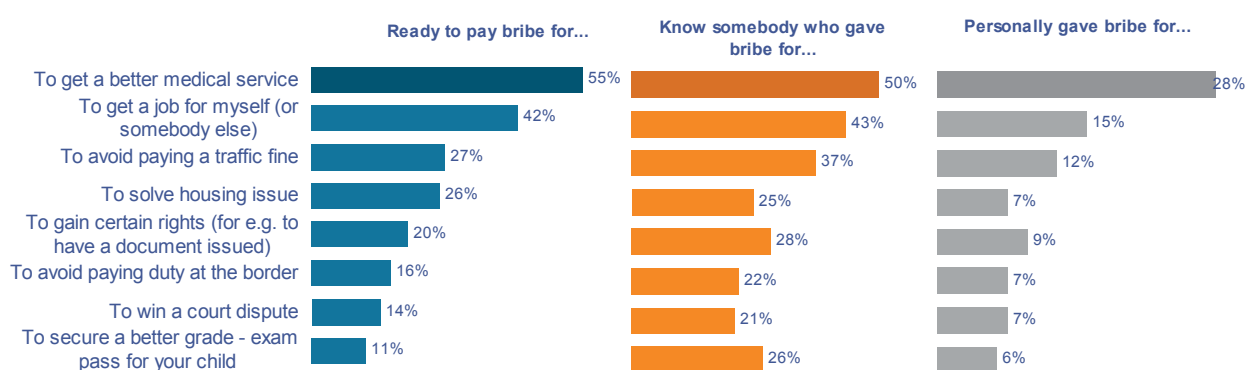
Results show the majority of Montenegrins are ready to resort to bribery and corruption when it comes to getting a better medical service. Nearly 55% of people hold this view, indicating radical attitudes toward social norms in case of poor health. Several other critical life situations are connected with readiness to give bribes, for example, finding a job, mentioned by 42% of respondents. To solve a housing problem, another of key issues, 27% of people would be ready to give bribes or resort to some other form of corruption, and the same proportion of people would be ready to give bribes in order to avoid traffic fines. Other findings also indicate avoiding paying traffic fines is a prominent form of corruption, not just in terms of being perceived as such but also in terms of people’s behaviour. On the other hand, the smallest proportion of people, 11%, showed readiness to give a bribe or use a connection in order that their child would get a better rating at school or pass an exam at a university.

As regards how many people personally know or recognize perpetrators of the aforementioned corruptive acts, the situation is roughly the same as previously described. One in two people say they know a person who gave bribe money in exchange for better medical services for himself/herself or somebody close. Nearly 43% of people know a person who gave bribe money or used a connection in order to secure a job for himself/herself or somebody close. Nearly 37% of people know a person who bribed police officers or in some other ways avoided paying a traffic fine.

Respondents’ answers to the question if they personally gave a bribe or engaged in some other corruptive act always have to be taken with a grain of salt. Their answers do not have to be true because they may fear for anonymity of their answers and because it is socially desirable to deny personal involvement in corruptive activities. In other words, an estimate based on survey results can be to a certain extent an underestimate, yet the deviation of this error can only be speculated.

**Figure 54** (G7) Would you be ready to give any sort of bribe, use family and friendship connections or party affiliation or do a favour in exchange for a favour in order to solve your problem or a problem of a family member or obtain a service more easily in one of the following situations  
 (G8) Do you know personally anyone who gave any sort of bribe, used family and friendship connections or party affiliation or did a favour in exchange for a favour in order to solve his/her problem or a problem of a family member or obtain a service more easily in one of the following situations  
 (G9) Did you personally give any sort of bribe, use family and friendship connections or party affiliation or do a favour in exchange for a favour in order to solve your problem or a problem of a family member or obtain a service more easily in one of the following situations

Basis: Total target population

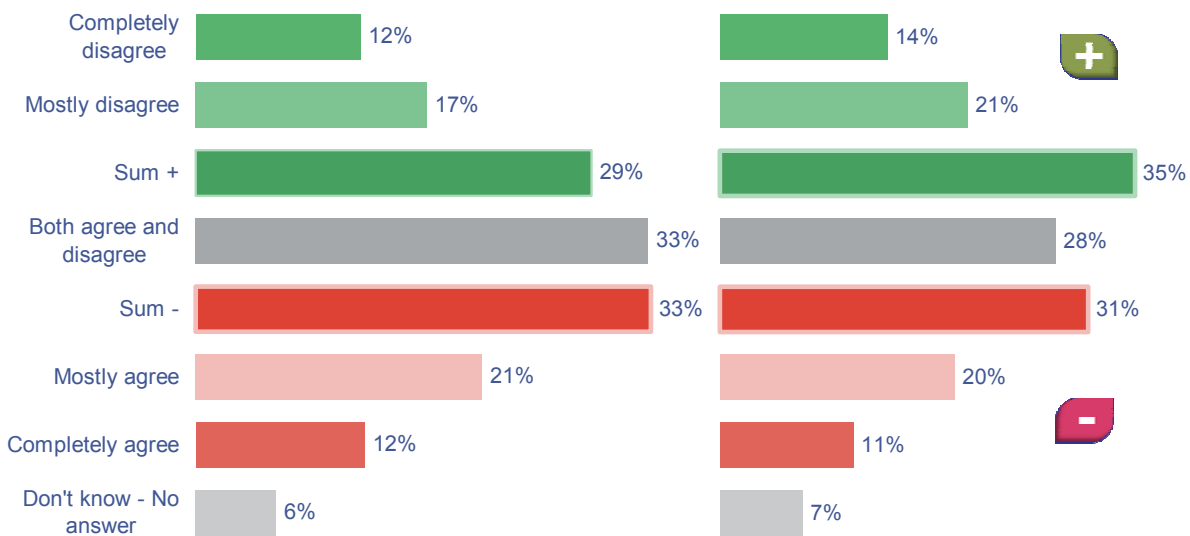




Taking this into consideration, survey results show 28% of people admitting to have resorted to corruptive activities in order to get better medical services, 16% in order to get a job for themselves or a close person and 13% in order to avoid paying a traffic fine. Other forms of corruptive behaviour are less represented.

Perception of own mentality Montenegrin citizens describe in answers to questions how common their fellow citizens believe it is to make some “additional payments” to civil servants and officials in state administration bodies and if they know in advance how much money approximately they would have to pay. One in three people (33%) believe such behaviour is common, and roughly the same proportion (31%) say the amount of money for such costs is known in advance. In other words, one-third of people agree that corruption in Montenegro is seen as a phenomenon that people live with and get by.

**Figure 55** (G10) To what extent do you agree with the following statements. Please rate on a scale of 1 to 5, where 1 means you completely disagree and 5 you completely agree.  
 (G10.1) It is common for people in this country to make “additional payments” to civil servants and officials in state administration  
 (G10.2) Montenegrin citizens know in advance how much this “additional payment” to civil servants and officials in state administration costs  
 Basis: Total target population

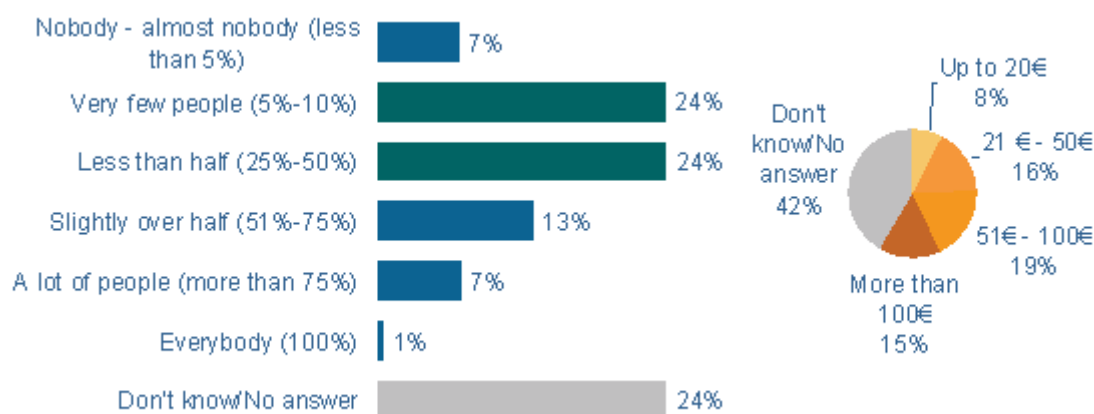


Nearly 21% of people also believe, assessing how widespread corruption was in overall population, that in the past 12 months it encompasses more than half of population. Amounts of money exchanged in such transactions vary and range from those relatively small (20-50 euros) to those over one hundred euros.

**Figure 56** (G11) In your opinion, how many citizens of Montenegro who used the services of state administration, gave bribes to someone from the state administration in the past 12 months?

**Figure 57** (G12) And what do you think is the average amount of bribe money people give to civil servants?

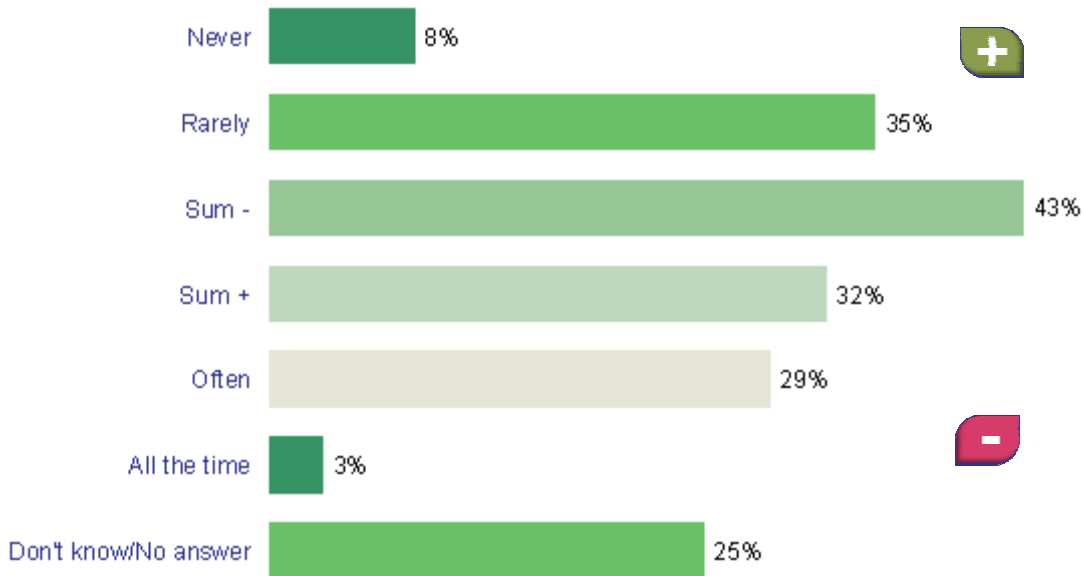
Basis: Total target population



Perception as to the extent to which civil servants and employees use their positions to illegally offer services is described in respondents' answers to the following question. Nearly 8% of respondents believe such illegal activities never happen and 35% believe they happen very rarely. On the other hand, 29% of people believe they happen very often, and only 3% that they represent a regular occurrence.

**Figure 58 (G13)** In your assessment, how often civil servants offer citizens to perform some service in their favour in exchange for an illegal payment or other favour?

Basis: Total target population



People often have a perception their fellow citizens accept corruptive offers by civil servants and employees. Nearly 44% of them say they believe the majority or all citizens will accept such offers.

Nearly 6% of respondents say they were asked by civil servants and employees to give bribes. Half of them did not want to specify what type of situation it was, whereas in the case of the other half bribes were asked in health care institutions and police. The areas of services obtained in such a way include health care, traffic violations, customs, welfare and other. A proportion of respondents agreed to give bribes, others refused. Insignificant number of people reported these cases through official channels. Among the reasons for not reporting, people mention fear of negative consequences and revenge, fear that their matter in question would never be solved, lack of trust that any sanctions would be imposed as well as their perception about competent bodies being corrupted as well. It should be mentioned here that the number of answers was very small and therefore it is not possible to make reliable generalizations.

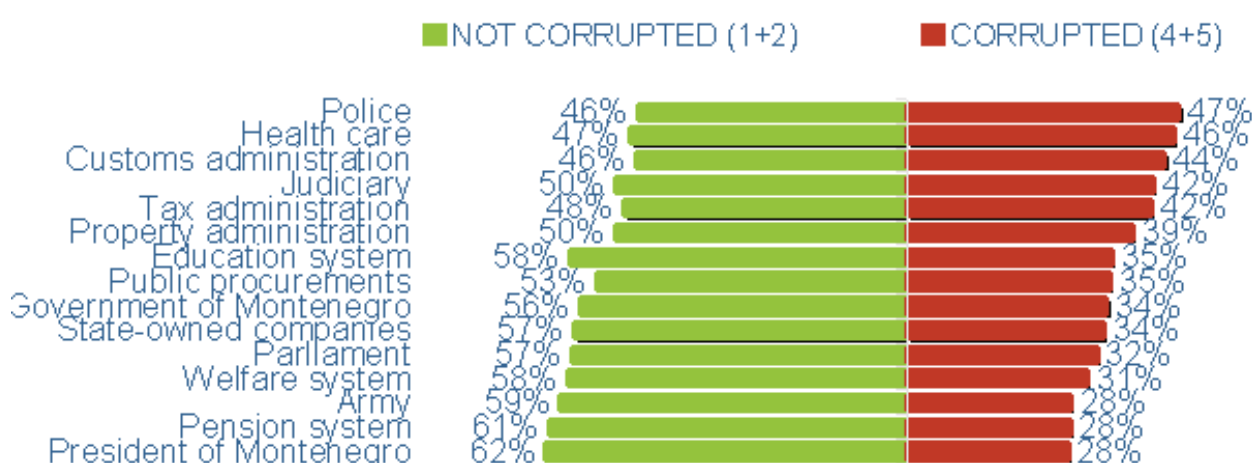
When it comes to offering bribes to civil servants and employees on the part of citizens, 7% of respondents answered this question affirmatively. Most of them offered bribes in health care institutions and police in connection with a traffic violation. The vast majority say their offer was accepted. Again, the number of respondents was very small which makes does not allow for reliable generalizations and quantification.

As regards obtaining a service through a connection, 13% of respondents answered affirmative. Health care institutions are the primary place for realizing this type of services, followed by the police and municipal/local administrative services. The reasons, besides health-related ones, primarily include issuing various documents and permits.

Respondents also assessed the level of corruption in different sectors and institutions in Montenegro. They perceive corruption to be most widespread in the police (47%), health care (46%), customs administration (44%), judiciary (42%) and tax administration (42%). Among institutions perceived as least corrupted are the President, pension system, welfare system, education system and the army.

**Figure 59** (G29) In your opinion, how widespread is corruption in the following sectors and institutions in Montenegro?

Basis: Total target population



Next, respondents were asked to choose three sectors for which they believe spreading of corruption would have the biggest negative consequences on the development of Montenegro society. Judging by their responses, these three sectors are health care (41%), judiciary (39%) and police (31%).

Persons with no experience with corruption but believing it is present in certain sectors of the society, form their views mostly on the experience of people they know or meet (30%) or on media writing (21%). Media writing has somewhat higher influence on the views of older than middle-aged people do.

As regards corruption related to “higher” social classes and the social elite, 34% of citizens made no specific assessment. The proportion of citizens who believe such type of corruption exists and those who believe it does not is roughly the same - 18% and 19% respectively. Citizens who observed such occurrences mention as examples the Government, ministers and similar highly ranked political officials, bribery and giving large projects to acquaintances, issuing of construction permits, irregularities in customs matters and similar illegal and suspicious activities. The biggest proportion of citizens, 68%, believe such corruptive activities are not reported because of fear of negative consequences or revenge, fear that their matter would not be solved or lack of trust in competent bodies to process cases and prosecute officials responsible for them.

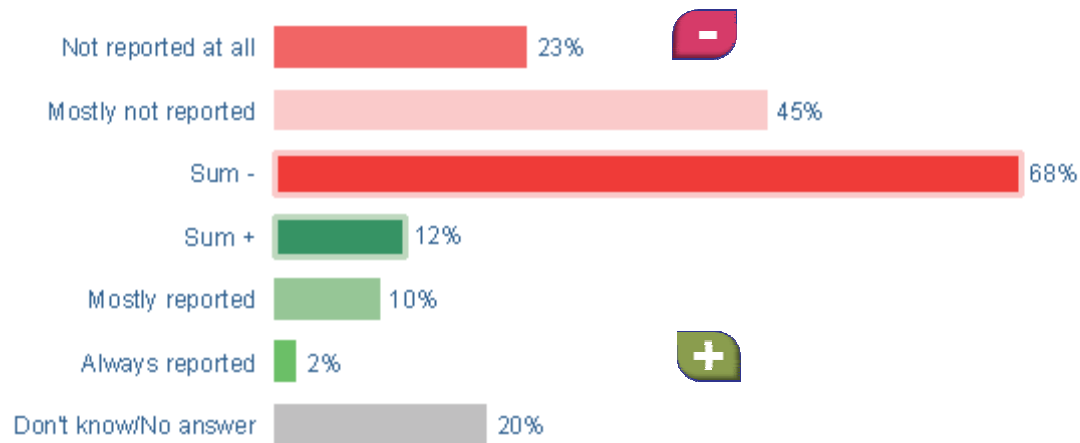
**Figure 60** (G31) How widespread is corruption among the «higher classes» in Montenegro?

Basis: Total target population



**Figure 61** (G32) To what extent are cases of corruption in the state administration reported?

Basis: Total target population



Citizens believe that ensuring security, i.e. protection from possible negative consequences for reporting corruptive cases to competent authorities would encourage people to report corruption. While doing so, those who report should be guaranteed anonymity, i.e. their identity should be kept as strictly confidential. Among other ways to stimulate people to report corruption, respondents mentioned the need for systematic awareness-raising, stricter regulations, fair judiciary and public announcements about prosecuted perpetrators, personnel and political changes and increasing trust in government institutions in general.

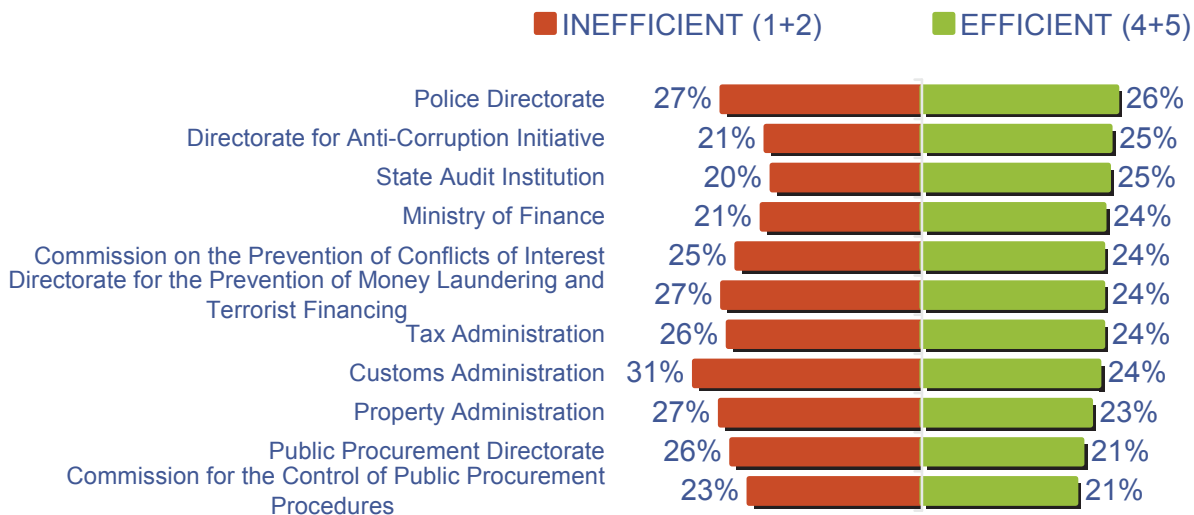
## H FIGHT AGAINST CORRUPTION

### Efficiency in the fight against corruption

When assessing the efficiency of institutions in the fight against corruption, Montenegrin citizens on average make no significant distinctions between different institutions with regard to efficiency in the fight against corruption. Between 21% and 25% of citizens assessed all surveyed institutions as efficient. A more significant indicator is the number of citizens who see particular institutions as inefficient in the fight against corruption. Customs Administration heads the list among such institutions, with 31% of people assessing it as inefficient. It is followed by the Police Directorate, Property Administration and the Directorate for the Prevention of Money Laundering and Terrorist Financing, with 27% of people assessing them as inefficient. These institutions, in the public perception, represent critical points.

**Figure 62** (H1) On a scale of 1 to 5, please rate the efficiency of the following institutions in the fight against corruption?

Basis: Total target population



Citizens with lower education and lower income more often consider these institutions as efficient in the fight against corruption.

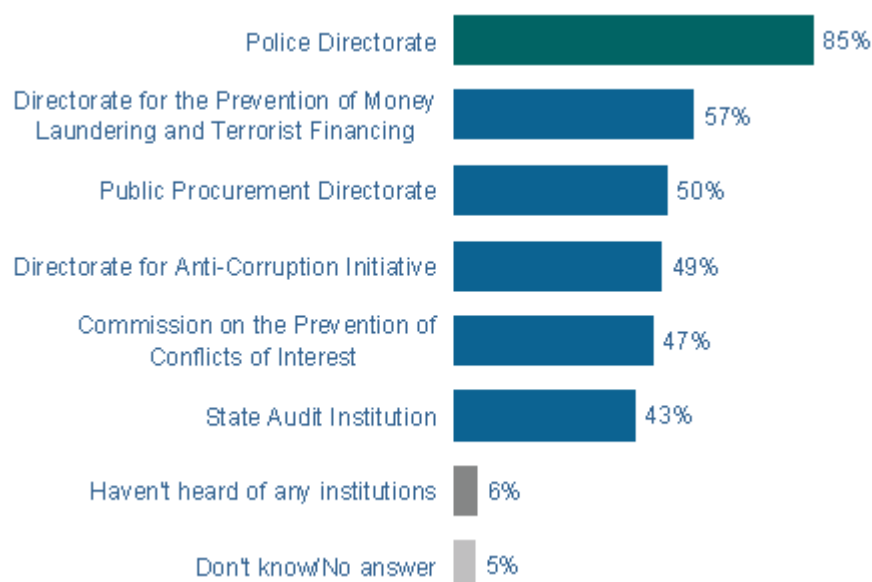
The best and most effective ways to fight corruption, according to the surveyed citizens, include increased internal control (12%), stricter rules and sanctions (10%), adequate regulations (9%) and salary increase for civil servants and employees (10%). Nearly 30% of citizens did not mention any ways to fight corruption, i.e. do not know which method or action would be the best.

### Institutions in charge of the fight against corruption

As regards institutions in charge of the fight against corruption, citizens are best familiar with the Police Directorate (85%). Other institutions are known to about half of citizens - 57% are familiar with the Directorate for the Prevention of Money Laundering and Terrorist Financing, 50% with the Public Procurement Directorate, 49% with the Directorate for Anti-Corruption Initiative, 47% with the Commission on the Prevention of Conflicts of Interest and 43% with the State Audit Institution. Nearly 6% of citizens have never heard of any of the institutions from the list.

**Figure 63** (H3) Which of these institutions have you heard of?

Multiple answers; Basis: Total target population

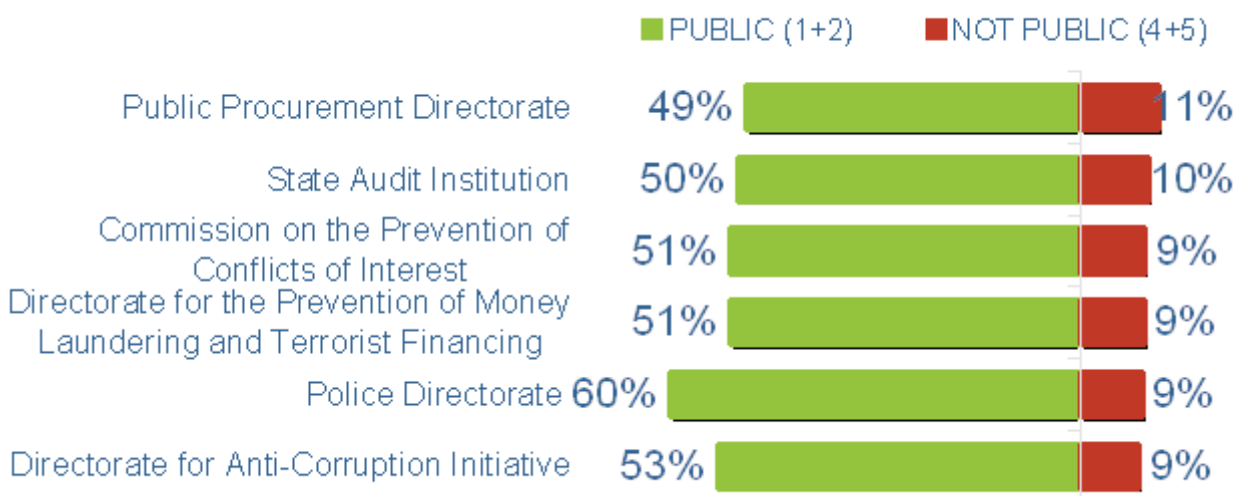




The majority of citizens, nearly half of them, consider the activities of these institutions to be sufficiently public and transparent. This is somewhat truer for the Police Directorate, although other institutions do not lag far behind. Between 9% and 11% of citizens consider their activities to be non-transparent.

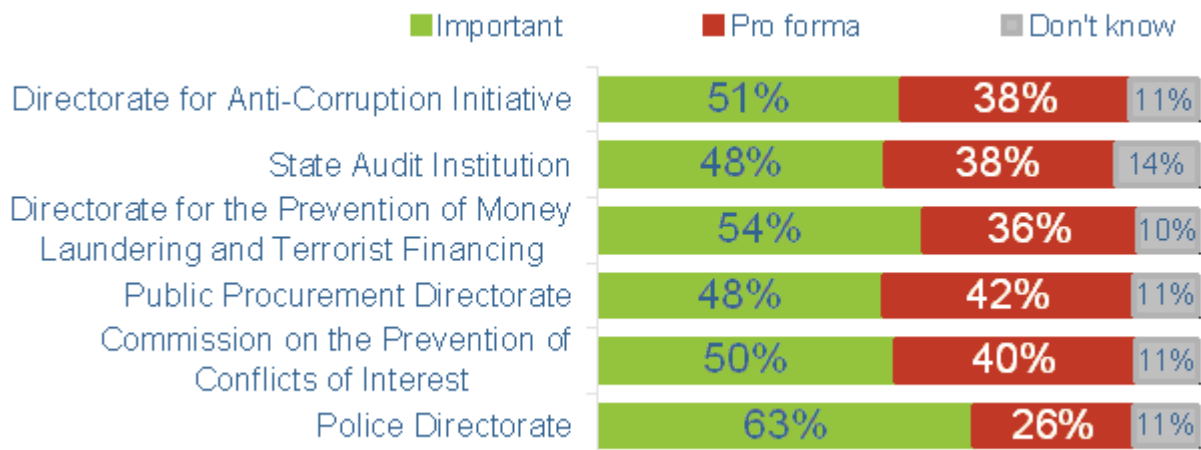
**Figure 64** (H4) In your opinion, how transparent (public) are activities of each of these institutions in the fight against corruption?

Basis: Total target population



Police Directorate is slightly more often than other institutions seen as important in the fight against corruption, i.e. citizens somewhat less often consider its role as merely pro forma. Other surveyed institutions have a slightly less favourable important-non-important ratio, but it is nevertheless positive and an indication that citizens consider their existence more than just figurative. All of these institutions, however, have plenty of room for improvement in this aspect and activities aimed at raising people's awareness.

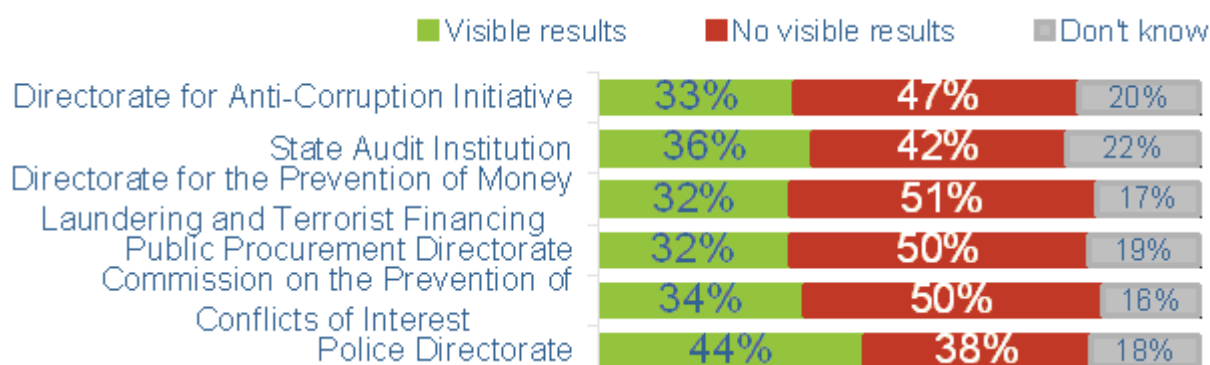
**Figure 65 (H5)** Do you consider it an important element of the anti-corruption system in Montenegro?  
Basis: Total target population



Montenegrin citizens are on average more restrained in assessing visible results in the fight against corruption. A larger proportion of citizens are not aware of any results. The same goes for activities of the Police Directorate that is not an exception in this regard, although relatively the highest number of citizens will also say they have noticed concrete results of police activities.

**Figure 66 (H6)** Are there any visible results of the activities these institutions have undertaken in the fight against corruption?

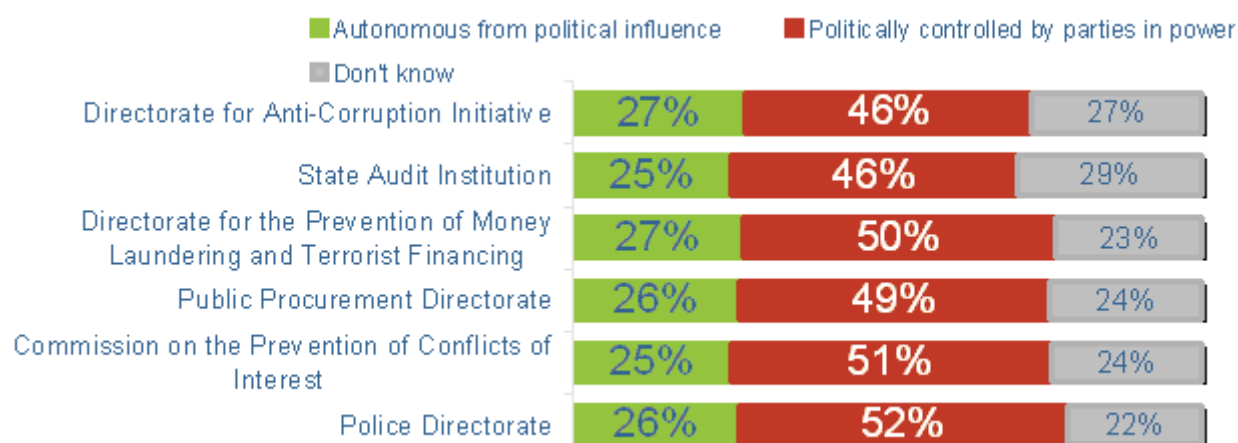
Basis: Total target population



H7. Citizens are very sceptical in their assessment of the influence of political parties on these institutions. Only one quarter of citizens consider these institutions politically autonomous, whereas half of citizens consider them as being under certain political influence.

**Figure 67 (H7)** Are the following institutions politically autonomous?

Basis: Total target population



In conclusion, a relatively largest proportion of Montenegrin citizen are aware of the activities of the Police Directorate in the fight against corruption while awareness of other institutions can be improved. Police Directorate is slightly more often than other institutions seen as efficient and important in the fight against corruption, yet citizens are more refrained in their assessment when it comes to achieving visible results and political autonomy. Citizens have noticed the activities of these institutions in the fight against corruption, but are sceptical towards them because they see influence by political parties as an obstacle to a more efficient fight against corruption.

## 2 CIVIL SERVANTS

### METHODOLOGY

Data were collected using a face-to-face survey on an appropriate sample of civil servants from various institutions. The sample size is 200 persons. The survey was carried out from June to the end of July 2010.

The survey was started by sending notification letters to the target institutions, written by the UNDP Montenegro office and the Directorate for Anti-Corruption Initiative. The institutions were later contacted by telephone by the Ipsos Puls agency to arrange the time for the interviews. At the arranged time, the interviewers of the Ipsos Puls agency arrived in the institution's offices and individually interviewed the civil servants.

## SUMMARY OF FINDINGS

A great majority of the civil servants and employees think that the functioning of state administration bodies largely or completely meets the requirements of the users. Their opinion regarding the possibility for the customers to obtain the information and documents related to their applications to state administration bodies is positive. Two thirds of the respondents think that citizens can accomplish that easily and without any great difficulties. Those among the respondents whose institutions have a customer service in place predominantly believe that citizens easily find their way around during their visits.

The civil servants and employees on average believe that most citizens trust the state administration. A prevailing opinion is that citizens tend to have more trust in the state administration body in which they are employed than in the state administration in general.

As regards employment in the civil service, the majority of the employees believe that applicants' academic qualifications (diplomas) play a crucial role in employment. The civil servants and employees also consider applicants' experience, previous performance, professional skills and accountability as important. Opinions differ as to the impact of family and friendship connections, and every second of the interviewed civil servants and employees deems applicants' party affiliation to have no significant influence.

In the opinion of the civil servants and employees, applicants' professional skills should be a key criterion for employment. The majority of the civil servants consider these skills to be more important than the formal educational degree or previous experience and work results. The accountability of applicants is very rarely considered as the most important in this respect.

The majority of the employees are of the opinion that an increased and improved job commitment in state administration is not adequately rewarded by a salary increase in tune with the improved work performance. Most of them agree that the compensation system currently in place is unsatisfactory as it results in a decrease of motivation of civil servants and employees. It is their unanimous opinion that civil servant salaries should be increased, but they disagree as to the appropriate amount of the increase.

Every second of the civil servants and employees considers that budget processes within state administration are transparent and that the related data are public and easily accessible. The assessment of transparency is even more positive when it comes to the spending of funds within the state administration institution in which they are employed. The civil servants also believe that the system of the control of budget spending is generally well functioning. Examples of budget spending for purposes other than designated include travel expenses, car purchases, investments into unnecessary equipment, e.g. furniture, and infrastructure building, but also purposeless employment in state administration bodies.

The civil servants and employees gave a relatively positive general assessment of the work quality in state administration bodies. On a scale of 1 to 10, where a higher rating represents better quality, the average rating given was 7.3. A parallel assessment of the work quality in their institutions is even more favourable. The average rating given was 8.7, due to a marked increase in the share of those who consider the work quality "extremely high" and gave it the highest rating. Putting the work quality in state administration bodies into a time perspective, the majority of the civil servants and employees consider it to have improved over the past three years.

Of the adverse trends in the work of state administration bodies, the most often mentioned were "a lot of paperwork", "being sent from pillar to post" and "complicated procedures". A relatively significant remark made by the employees was that the rooms and offices in which they work every day were unpleasant or ugly. However, the share of the employees considering these negative trends and processes as non-existent in the work of state administration bodies is higher. The most important ones arise from the suboptimal organisation of formal procedures that are ultimately inappropriate for the users.

When choosing among the proposed factors the ones representing the greatest impediments to the work of state administration, most of the civil servants and employees (58% of the respondents) agreed that the main such factor was insufficient funding available to them for the implementation of activities within their competence. There is no prevailing agreement about other factors, and the most often mentioned were "low work motivation" (34%), "poor work

organisation" (22%), insufficient intra-agency cooperation and coordination (21%) and "lack of staff" (17%).

Assessing the scale of corruption in Montenegro, the civil servants and employees predominantly agreed that it was mostly not widely spread. This opinion was expressed by 49% of them, that is, by every second respondent. The employees perceiving the scale of corruption in state administration most often mentioned economic factors and lack of motivation as its causes, adding nepotism, particular interests and internal control weaknesses. Most of the civil servants and employees are of the opinion that the level of corruption has recently decreased.

In the opinion of the interviewed civil servants and employees, not a large number of Montenegrin citizens have paid bribes to state administration employees. 32% believe that none or almost none of them has done that, 22% believe that only a small number of the citizens, approximately between 5% and 10%, have paid bribes. More drastic estimates are only marginal. Most of the civil servants and employees hold that state administration employees never or rarely approach citizens offering to complete a transaction they are interested in, falling within their competence, in exchange for a bribe.

In response to a direct question about whether they have personally reported a corruption case, 7% of the respondents answered positively. 66% or two thirds of the interviewed civil servants and employees said that they were ready to report a corruption case should they have any information in that regard.

Spontaneously indicating the best and most effective ways to fight corruption, the interviewed civil servants and employees mentioned a wide range of methods and actions, but failed to reach an agreement on the optimal way of doing it. The proposals included the public condemnation of offenders, a salary increase for civil servant and employees, improved law enforcement, increased internal control and better penal policy, citizen education, etc.



## S GENERAL INFORMATION ON THE CIVIL SERVANTS

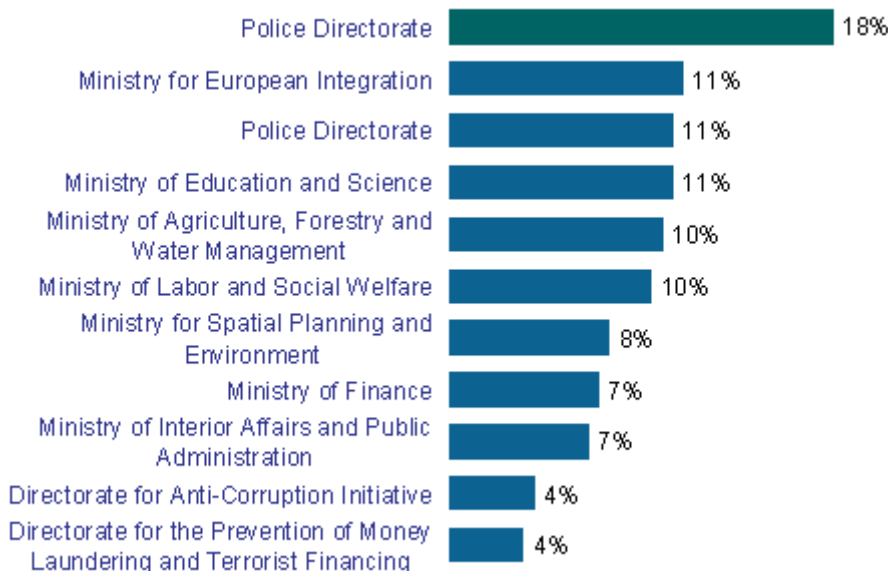
This survey presents the responses of the civil servants of various characteristics. Their structure will therefore be first considered.

The survey was carried out in a wide range of state institutions. The civil servants and employees in the Police Directorate are somewhat more represented in the sample (18%), while the rest are from the Ministry for European Integration, Ministry of Education and Science, Tax Administration, Ministry of Agriculture, Forestry and Water Management, Ministry of Labour and Social Welfare, Ministry for Spatial Planning and Environment, Ministry of Finance, Ministry of Internal Affairs and Public Administration, Directorate for Anti-Corruption Initiative and Directorate of the Prevention of Money Laundering and Terrorist Financing.

The average length of employment in state administration of the respondents included in the survey is 10 years; as expected, 15 years is the average employment length for those over 46 years old and 5 years for those under 30 years old.

**Figure 68** (S2) Which state administration body are you currently employed with?

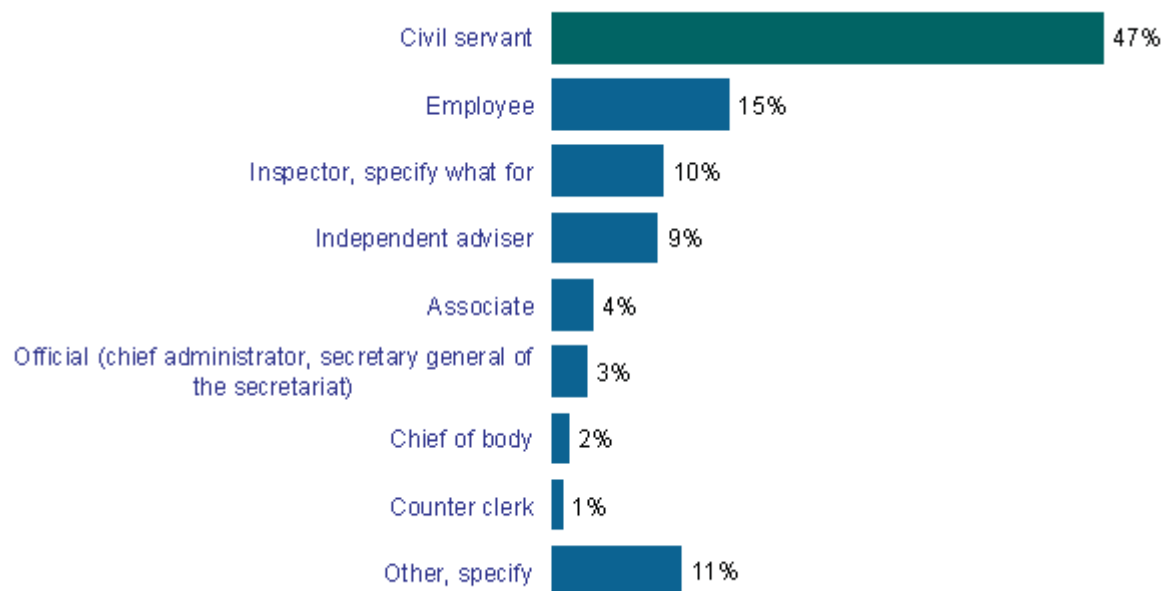
Base: Total target population



Approximately half of the respondents included in this survey are civil servants (approximately 48%, including customer service officers, accounting for 1% of the total sample), 15% of the respondents are employees and 10% are inspectors. Staff members, officials and senior management, as well as several trainees, independent and senior advisors and others are represented in a smaller number.

**Figure 69** (S3) Which position do you hold in state administration?

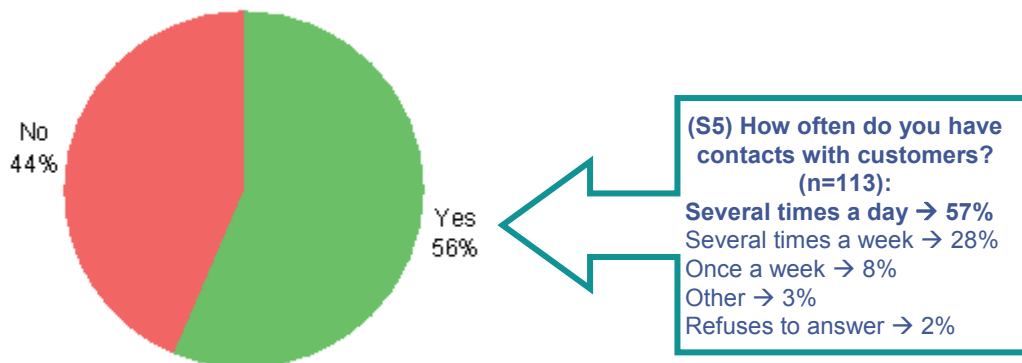
Base: Total target population.



Slightly over a half of the interviewed civil servants and employees, about 56% of them, have a job which involves contacting customers. Most of them contact customers on a daily basis, at least once, or several times a day, while the rest of them are in contact with customers only several times a week or more rarely.

**Figure 70 (S4)** Does your job involve working with customers?

Base: Total target population.

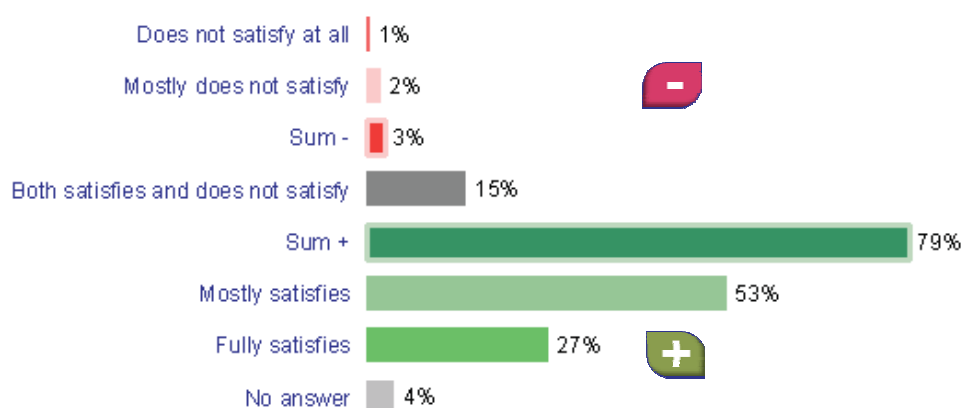


## A ACCESS TO STATE ADMINISTRATION SERVICES

A great majority of the civil servants and employees, about 80% of them, believe that the functioning of state administration bodies largely or completely meets the requirements of the users. A typical response is that the requirements of the users are largely met (53%). Very few of the civil servants and employees, only 3% of the respondents, are of the opinion that state administration bodies function in such a way as to fail to meet the needs of the users.

**Figure 71 (A3)** In your opinion, to what extent does the functioning of state administration bodies meet the requirements of the service users?

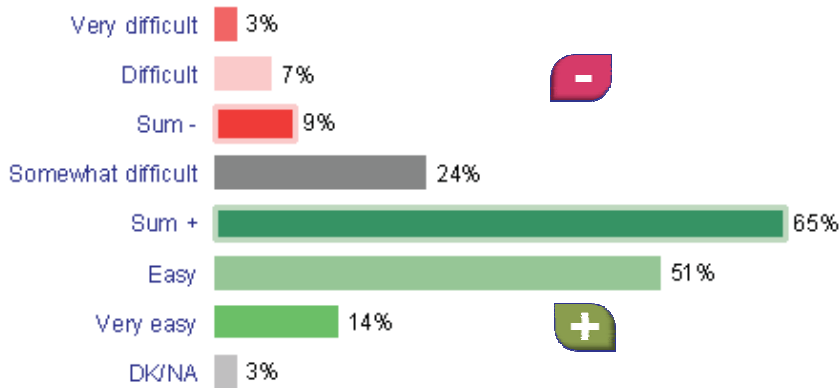
Base: Total target population



Most of the civil servants and employees also expressed a positive opinion as regards the possibility for the customers to obtain the information and documents related to their applications to state administration bodies. Two thirds of the respondents think that citizens can accomplish that easily and without any great difficulties, and one fourth of them state that this involves a certain degree of difficulty. Approximately every tenth of the civil servants and employees stated that customers encountered major difficulties when requesting the required information or documents from state administration bodies.

**Figure 72 (A7)** According to your experience, how difficult/easy was it to obtain information/documents related to your application from the competent state administration bodies and services?

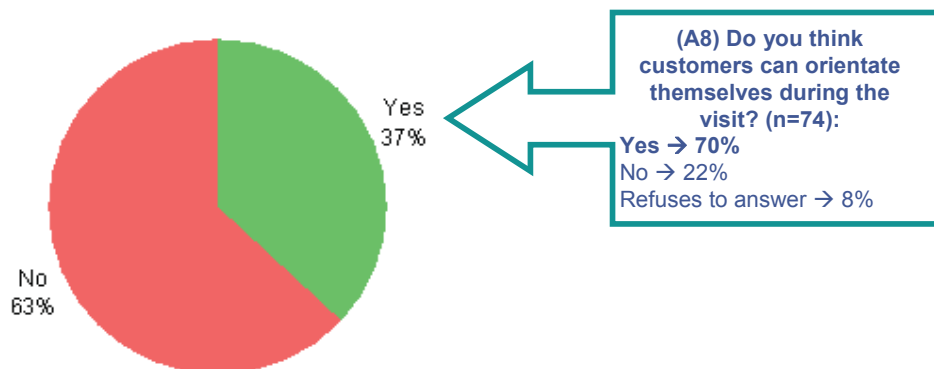
Base: Total target population



Approximately 37% of the interviewed civil servants and employees work in an institution that has a customer service in place. The prevailing opinion among them is that citizens easily find their way around when they visit the customer service. However, about 22% of the employees in state administration bodies having a customer service in place expressed a contrary opinion, stating that customers encountered some problems finding their way around when seeking assistance from a customer service in their institution.

**Figure 73 (A7a)** Does your institution have a customer service in place?

Base: Total target population



About 37% of the interviewed civil servants and employees stated that there was no "one-stop-shop" in their institution where citizens applying to state administration bodies could finish the whole business without being "sent from pillar to post".

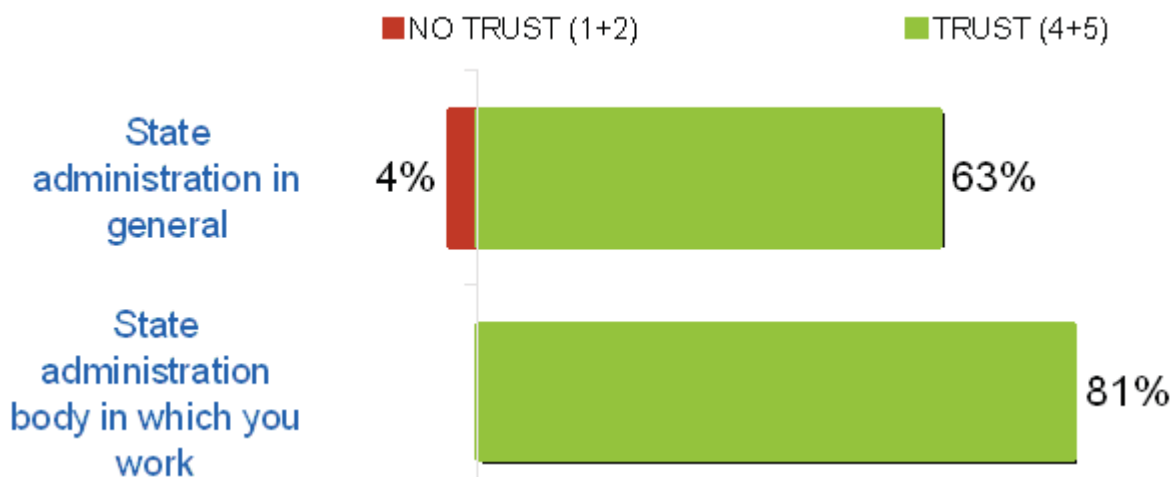
## B TRUST IN STATE ADMINISTRATION

The civil servants and employees assessed the level of citizen trust in state administration in general and in the state administration body in which they work in particular. Regarding both instances, the respondents typically answered that that citizens generally trusted both state administration in general and the institutions in which they worked.

However, it should be pointed out that the civil servants and employees are slightly more often of the opinion that the level of citizen trust in the state administration body in which they work is higher than the level of their trust in state administration in general. About 18% of the respondents were of the opinion that citizens completely trusted state administration in general, while 33% of them believed that citizens completely trusted the institution in which they worked.

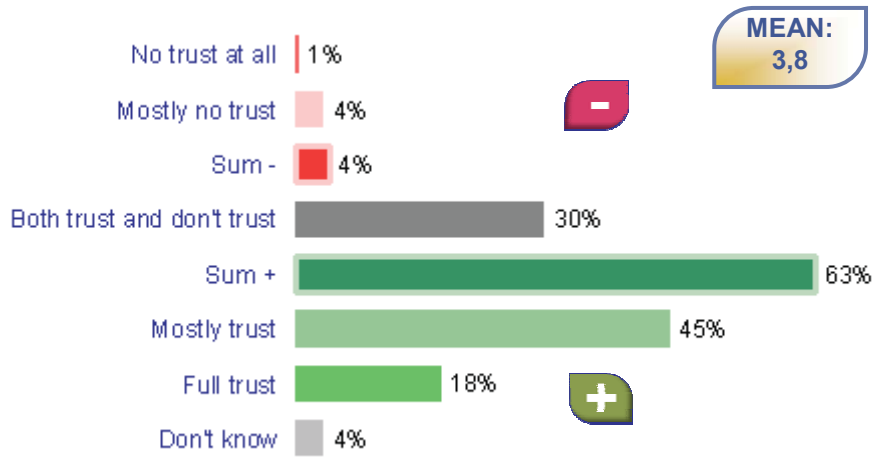
**Figure 74** (B1) In your opinion, what level of trust do citizens have in state administration in general and in the state administration body in which you work?

Base: Total target population



**Figure 75 (B1)** What level of trust do you have in the state administration in general?

Base: Total target population

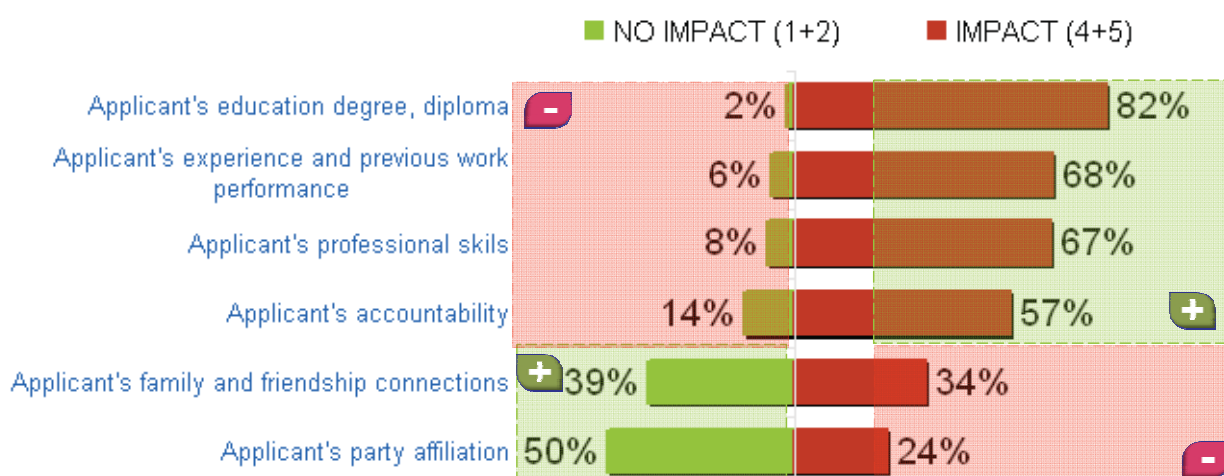


## C CIVIL SERVANTS AND EMPLOYEES

The civil servants and employees predominantly believe that applicants' academic qualifications (diplomas) play a crucial role in employment. The civil servants and employees also consider applicants' experience, previous results, professional skills and accountability as important employment criteria. Opinions vary as to the impact of applicants' family and friendship connections. Approximately 34% of the respondents believe that this factor has influence on employment, and 39% believe that it does not have any influence. As regards applicants' party affiliation, every second of the interviewed civil servants and employees thinks that this factor has no significant influence, but every fourth stated that it has some influence.

**Figure 76** (C1) In your opinion, what are the criteria for employment in state administration on the national and local levels in our country? What is the impact of each of these criteria on employment in state administration in our country?

Base: Total target population



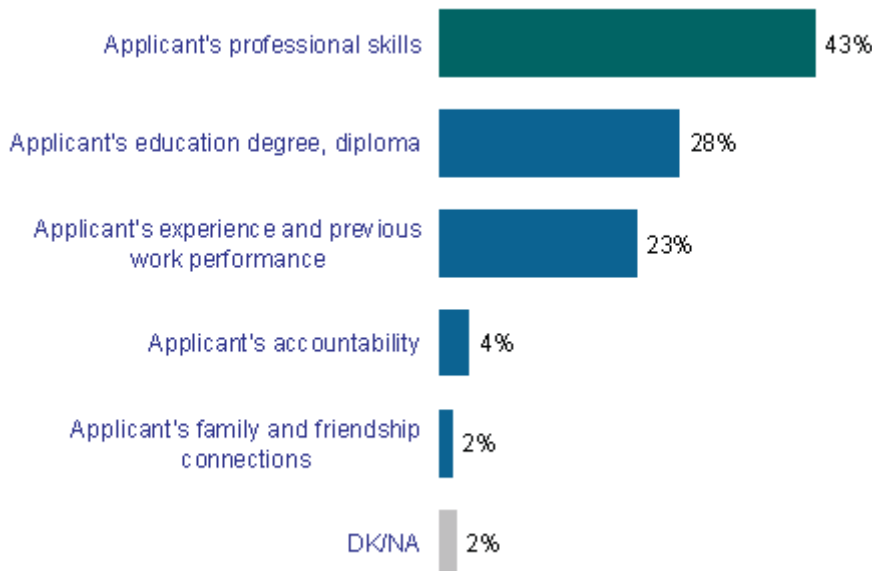
Asked to choose only one criterion which is most frequently relied on in employment, the majority of the interviewed civil servants and employees, 33%, opted for applicants' academic qualifications, 24% opted for family and friendship connections, 20% chose applicants' professional skills and 13% experience. The accountability of applicants and their party affiliations are in the opinion of the civil servants and employees not significant selection criteria in employment.



In the opinion of the civil servants and employees, professional skills should be a key criterion for employment. The majority of the civil servants consider these skills to be more important than the formal educational degree or previous experience and work results. The accountability of applicants is very rarely considered as the most important in this respect.

**Figure 77 (C3)** In your opinion, which criterion should be the most important in order for state administration services to function in the interest of citizens?

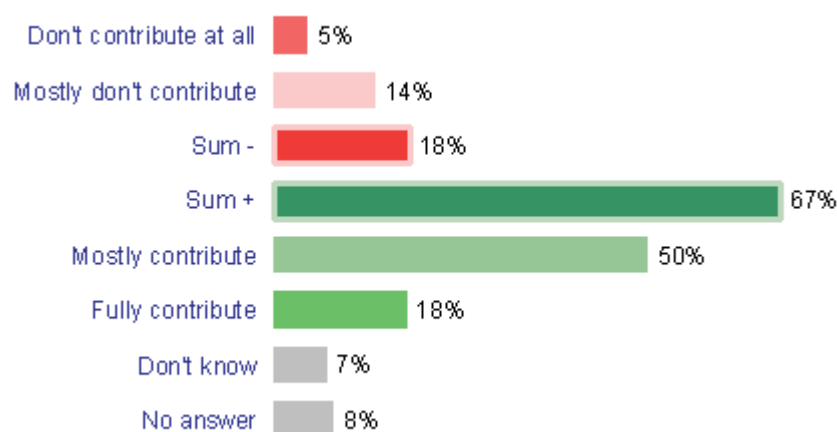
Base: Total target population



When asked to what extent, in their opinion, the activities of the Human Resource Management Agency contribute to a better functioning of state administration in Montenegro, the majority of the interviewed civil servants and employees said that these activities mainly (50%) or fully (18%) contribute to the quality of work of state administration services. In contrast, approximately 14% of the respondents believe that the activities of the Human Resource Management Agency mainly do not contribute to a better functioning of the Montenegrin state administration, and 5% think that these activities do not contribute at all.

**Figure 78 (C3b)** In your opinion, to what extent do the activities of the Human Resource Management Agency contribute to a better functioning of state administration in Montenegro?

Base: Total target population

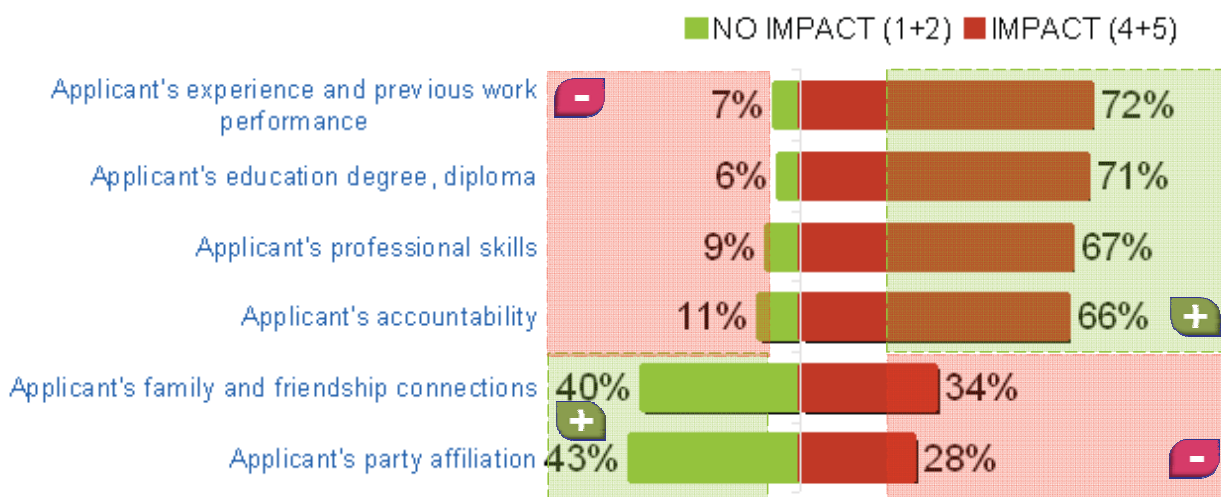


The majority of the civil servants and employees, 59%, believe that political parties have no significant influence on the Human Resource Management Agency, that is, that the Agency operates independently. Approximately 12% of the civil servants and employees disagree with this statement, and almost 30% of them cannot make an assessment or did not express an opinion in this respect.

The majority of the civil servants and employees consider experience and work results, formal educational degrees, professional skills and accountability to be the decisive criteria for the advancement in civil service. Very few of them believe that decisions on the advancement of an individual in civil service are made without regard to any of these criteria. However, opinions differ as to applicants' family and friendship connections or party affiliation. 34% of the interviewed civil servants and employees believe that family and other connections play a role in making a decision on advancement, whereas 40% are of the contrary opinion. 28% of them believe applicants' party affiliation to be important, while a much larger percentage, 43%, thinks it is of no importance.

**Figure 79 (C4)** In your opinion, what are the criteria for the advancement in state administration on the national and local levels in our country?

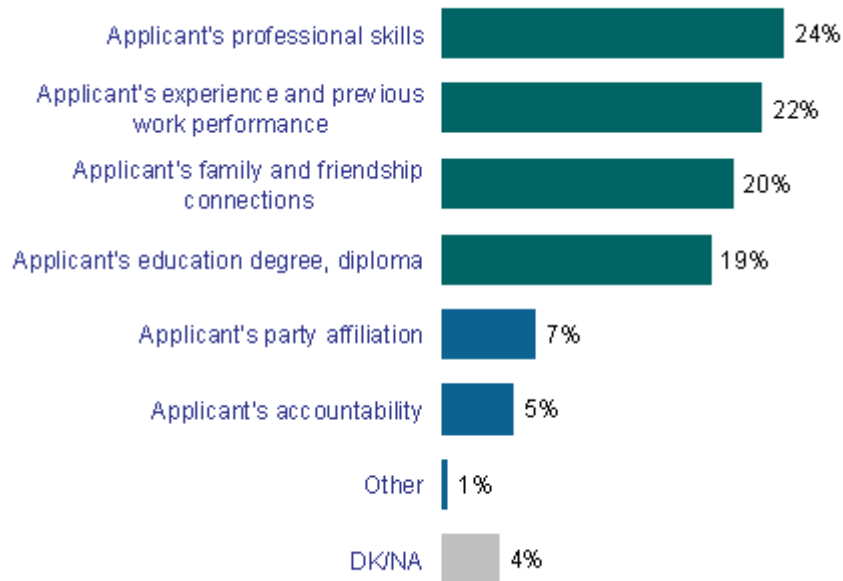
Base: Total target population



When choosing only one criterion they believe to be the most important for advancement, most of the civil servants and employees opted for professional skills (24%), experience and work results (22%) and academic qualifications (19%), but also for family and friendship connections (20%). The party affiliation criterion was mentioned only by 7% of the respondents, and accountability only by 5%. In other words, the civil servants and employees on average believe that the political criterion is of little importance, but they also think that applicants' accountability is rarely considered when deciding who is to advance in the state administration hierarchy.

**Figure 80 (C5)** Which criterion is most often used in our country when it comes to the advancement in state administration?

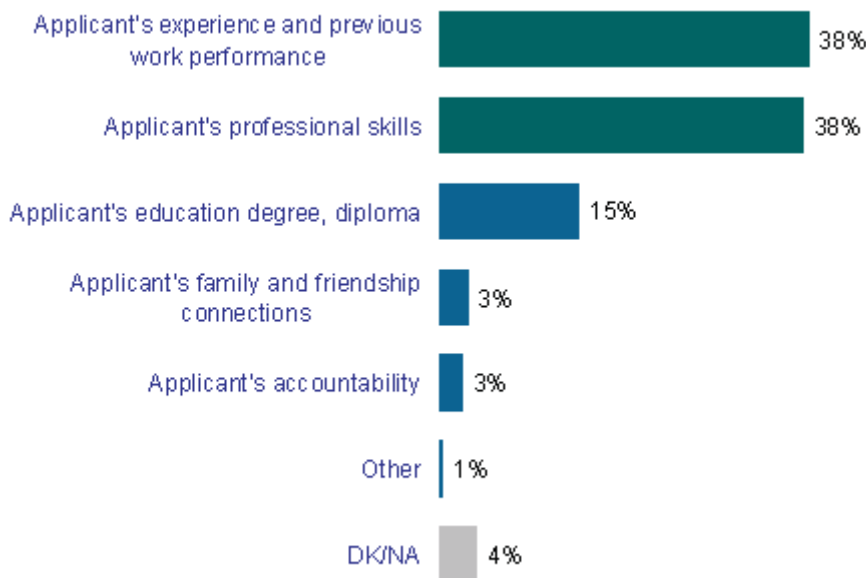
Base: Total target population



When deciding on the criteria that should be decisive for the advancement in civil service, the majority of the civil servants and employees assigned equal importance to experience and work results (38%) and professional skills (38%) of applicants. A slightly lesser percentage of them (15%) opted for academic qualifications as the most important criterion, while the criterion of family and friendship connections were only marginally mentioned, by 3% of the respondents, and the criterion related to the accountability of applicants by 3% of them.

**Figure 81** (C6) In your opinion, which should be the most important criterion for advancement in order for state administration services to function in the interest of citizens?

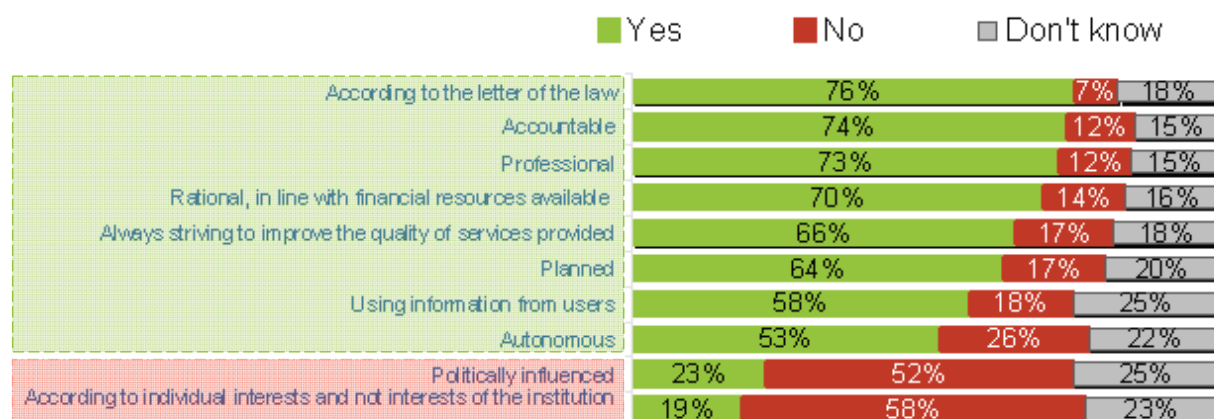
Base: Total target population



When assessing the management in state administration institutions, the civil servants and employees on average agreed that it was according to the letter of the law (76%), accountable (74%), competent (73%), rational, in keeping with the available finances (70%), constantly focused on service quality improvement (66%), dependent on the feedback received by state administration bodies from the users (58%) and autonomous (53%). The civil servants and employees themselves have a positive opinion about the management in state administration bodies, so that while a small percentage of them (23%) did mention political influence and favouring the particular interests of individuals and groups, most of them (19%) disagreed with such views.

**Figure 82 (C7)** What is your opinion of the management in state administration institutions? What do you think of their operations management, resources management, etc?

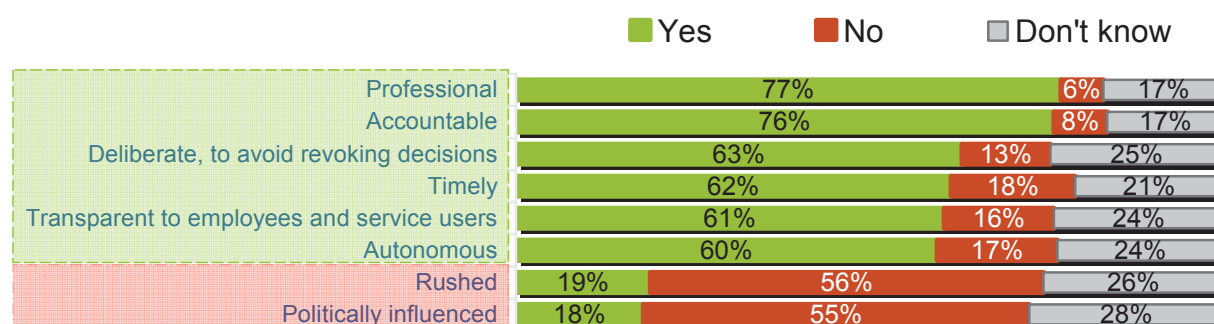
Base: Total target population



The majority of the civil servants and employees believe that the decision-making in state administration bodies is predominantly competent (77%) and accountable, as well as prudent (63%), timely (62%), transparent towards the employees and users (61%) and autonomous (60%). Only a small percentage of the civil servants and employees stated that the decision-making was impulsive (19%) or exposed to political influence (18%).

**Figure 83 (C8)** What is your opinion of the decision-making in state administration institutions as regards their functioning?

Base: Total target population



The majority of the civil servants and employees are of the opinion that the ethical awareness of the employees of state administration institutions is mostly or very well developed (46%), and only a slightly smaller percentage of them (41%) stated that there were both conscientious and unconscientious employees. Only few of the civil servants and employees (about 8%) believe that the ethical awareness of the employees in state administration institutions is underdeveloped.

**Figure 84** (C9) What is your opinion of the awareness of ethical standards among the employees of state administration institutions?

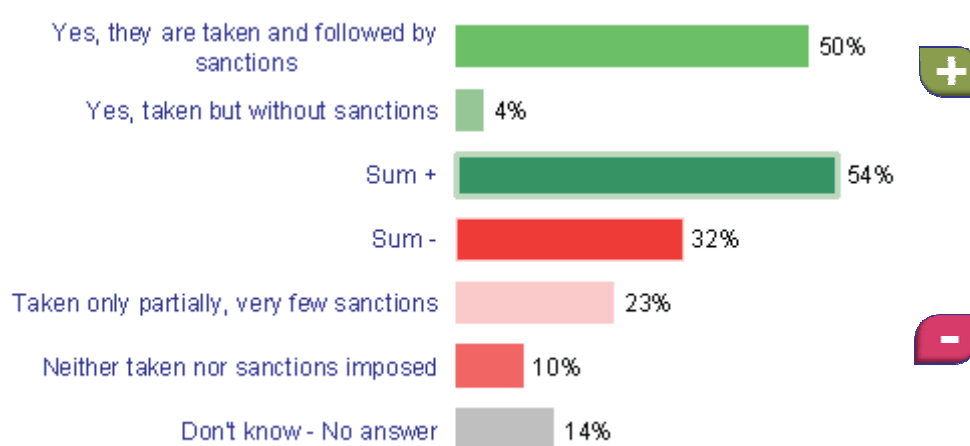
Base: Total target population



Every second of the civil servants and employees believes that a breach of ethical principles results in disciplinary actions and sanctions (50%), whereas a small percentage (4%) claim that disciplinary actions are taken, but are not followed by any sanctions. An approximate 25% of the civil servants and employees took a more critical view, stating that disciplinary actions are taken only partially and that sanctions for offenders are rare, while 10% of them claimed that such actions were not taken at all in the case of a breach of ethical principles.

**Figure 85 (C10)** In your opinion, are disciplinary actions and sanctions taken against the employees of state administration institutions who have committed a breach of ethics?

Base: Total target population



Approximately every second of the civil servants and employees, 52%, stated that there was no exact work performance record for each civil servant. In contrast, 32% stated that such a system existed. An approximate 16% of the respondents were unable to give/ incapable of providing an assessment.

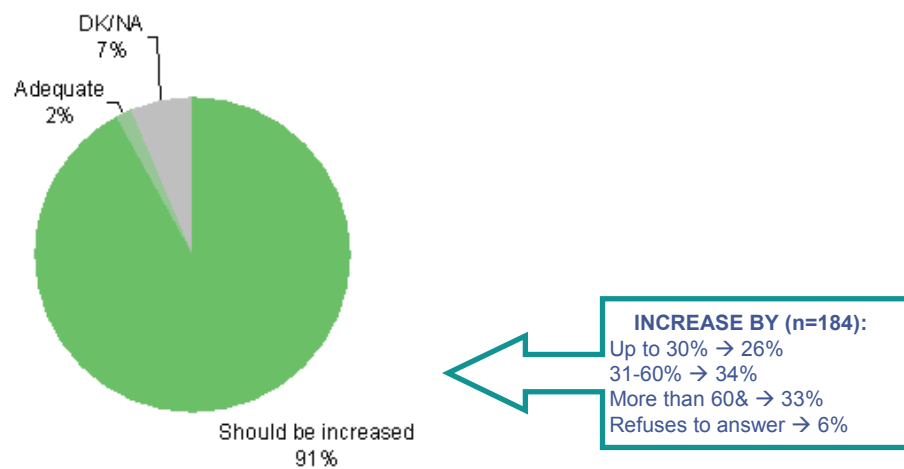
In the opinion of the majority of the civil servants and employees, (65%), an increased and improved job commitment in the state administration is not adequately rewarded, that is, does not result in a salary increase in tune with the increased work performance. In contrast, 20% of the respondents disagree, claiming that the employees who have increased work performance are adequately rewarded, by a salary increase for example.



It is the unanimous opinion of the civil servants and employees that civil servant salaries should be increased. Over 90% of the respondents are of this opinion, while only 2% stated that the current salary amount was adequate. The agreement is somewhat lower regarding the adequate amount of the increase. An equal percentage of them consider the adequate increase to be 30% relative to the current level, that is, between 30% and 60% or 60% over the current salary amount.

**Figure 86** (C13) In your opinion, is the level of civil servant salaries adequate?

Base: Total target population

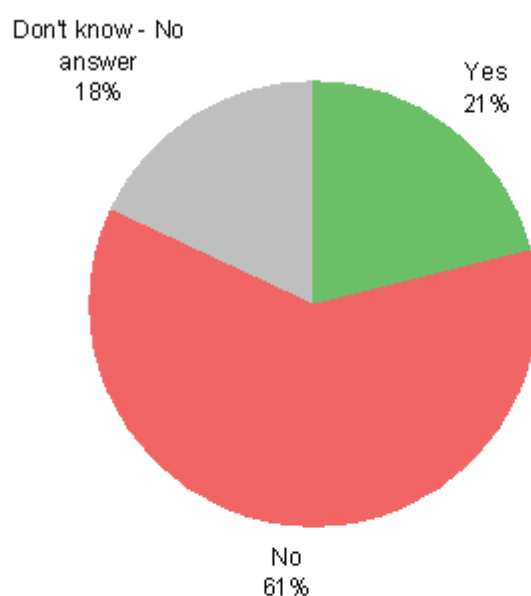


The majority of the civil servants and employees, 51% of them, consider the compensation system currently in place to be inadequate, as it results in a decrease of motivation of civil servants and employees. This opinion is especially prevalent among younger respondents. Approximately 20% of them believe that the compensation system has no significant influence on employee motivation, while 22% think that it has a positive influence and results in an increase in motivation.

The civil servants and employees on average negatively assess the general satisfaction of state administration employees. About 61% of them believe that civil service employees are not satisfied, 21% believe that they are satisfied, and about 18% are unable to give an assessment.

**Figure 87** (C15) In your opinion, are state administration employees generally satisfied?

Base: Total target population



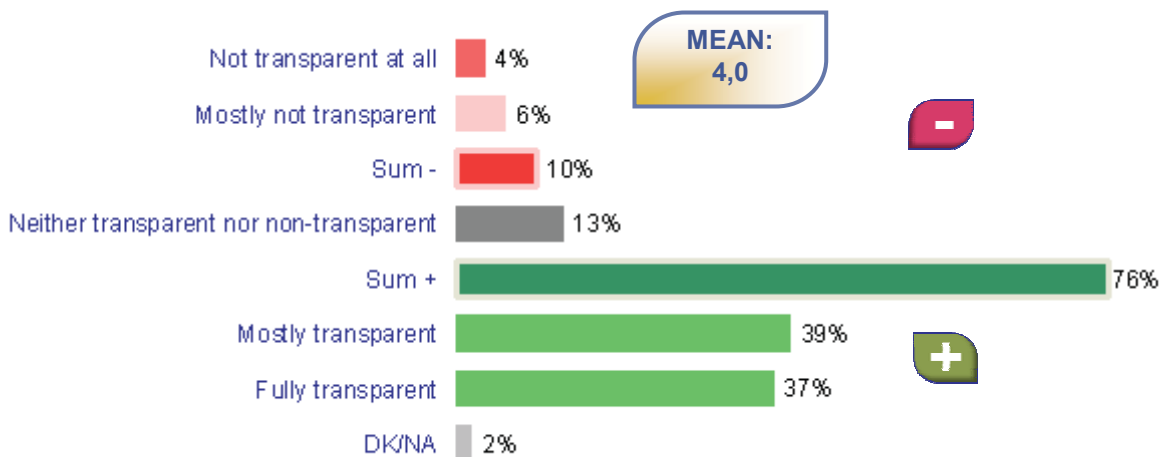
## D BUDGET SPENDING AND PUBLIC PROCUREMENT

Every second of the civil servants and employees, or 50% of them, believes that budget processes in the state administration are transparent and that the related data are public and easily accessible. In contrast, every sixth of the respondents (15%) considers these processes to be non-transparent, while one third of them (35%) did not respond.

The assessment of the transparency of budget processes is even more positive regarding the transparency of budget spending in the state administration institution in which the respondents work. 37% of them consider budget spending to be completely transparent, and 39% believe it is for the most part transparent, which indicates that approximately three fourths of civil service employees have no major objections in this regard. Approximately every tenth of the interviewed civil servants and employees made such objections.

**Figure 88** (D2a) With regard to your institution - state administration body, to what extent do you consider budget spending to be transparent (public)?

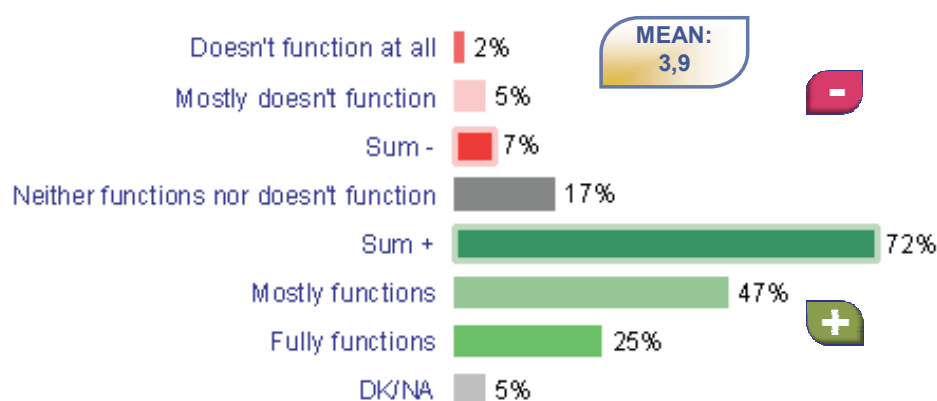
Base: Total target population



The respondents are of a similar opinion when assessing the functioning of the control of budget spending in the state administration in general. Almost three fourths of them (72%) believe that it is mainly or fully functional, while about 7% think that there are some difficulties in its functioning.

**Figure 89** (D2c) What is your opinion of the functioning of the control of budget spending in the state administration in general?

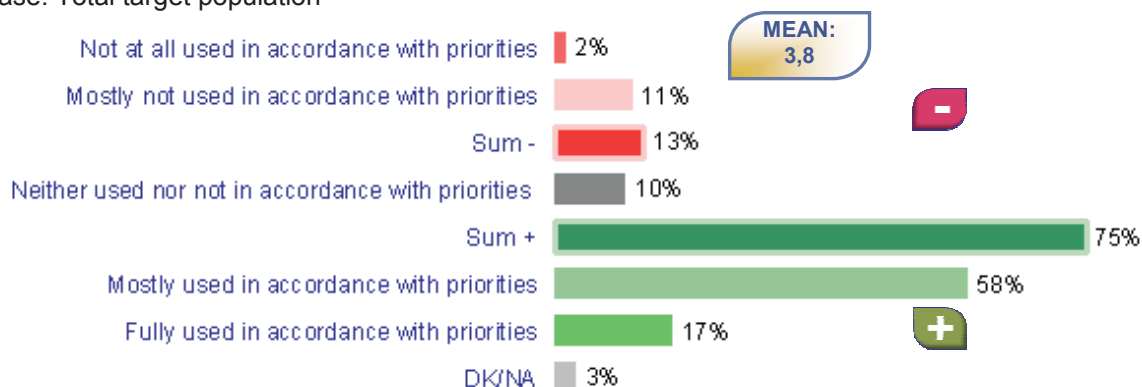
Base: Total target population



Most of the interviewed civil servants have a positive opinion of budget spending in accordance with the established priorities. Three fourths of them believe that budget spending is mainly or completely in accordance with the priorities, while about 13% of the respondents are of an opposite opinion. While, generally speaking, the prevailing opinion is positive, there is still room for improvement, as only a small share of the civil servants (17%) declared that budget spending was completely in accordance with the priorities.

**Figure 90** (D2d) In your opinion, to what extent is budget spending in state administration institutions and bodies in accordance with the priorities?

Base: Total target population

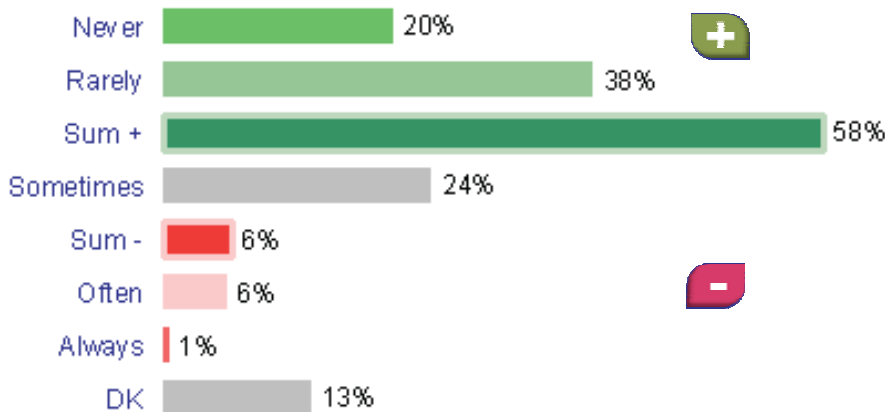


Examples of budget spending for purposes other than designated include travel expenses, car purchases, investments into unnecessary equipment, e.g. furniture, and infrastructure building, but also purposeless employment in state administration bodies. A few respondents mentioned the "Natura 2000" project. It should be noted that only a small number of those who believe that budget spending is not in accordance with the priorities mentioned specific examples, while over 80% of them gave no examples.

About 6% of the civil servants and employees think that opportunities for abuse are created often or all the time. Every fourth of the respondents (24%) believes that such opportunities are sometimes created, 38% believe that they are created rarely and 20% that they are never created. In other words, almost one third of the respondents believe that opportunities for abuse are created at least sometimes in the discharge of duties, mostly due to the organisation of work and procedures. Examples include abuse of office, procedural non-compliance, lack of control, the activities related to travel and working group organisation, the overly centralised system and non-transparency. The majority of those who believe that abuse is possible, about three fourths of them, failed to mention a specific example.

**Figure 91 (D2f)** To what extent do you consider the work organisation or procedures in state administration institutions-bodies to be conducive to abuse?

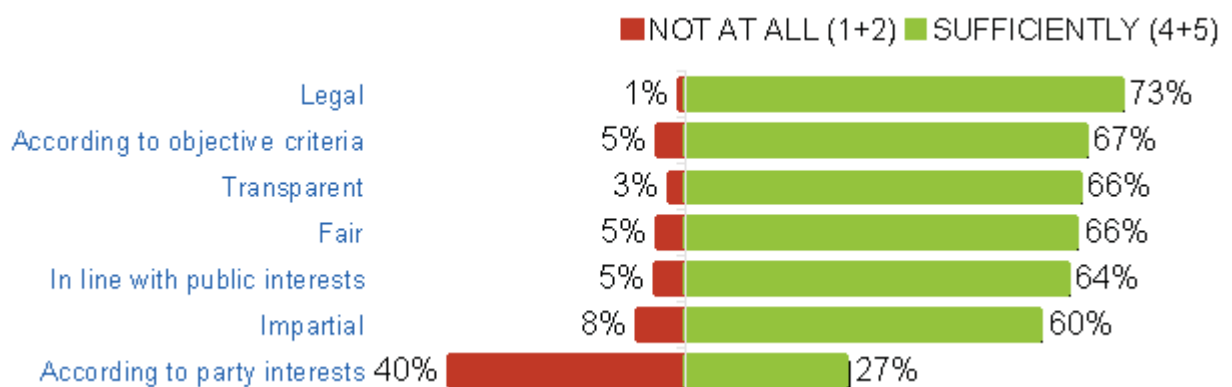
Base: Total target population



To conclude, the interviewed civil servants and employees described the public procurement process giving responses that for the most part reflected positive opinions. This process is considered to be legal (73%), carried out according to objective criteria (67%), transparent (66%), fair (66%), in line with public interests (64%) and impartial (60%). Only a minority of them, about 27% of the respondents, agree with the statement that the public procurement process is carried out according to party interests, while 40% of them mainly or predominantly disagree with this statement.

**Figure 92 (D3)** In your opinion, to what extent is the public procurement process carried out in one of the following ways?

Base: Total target population

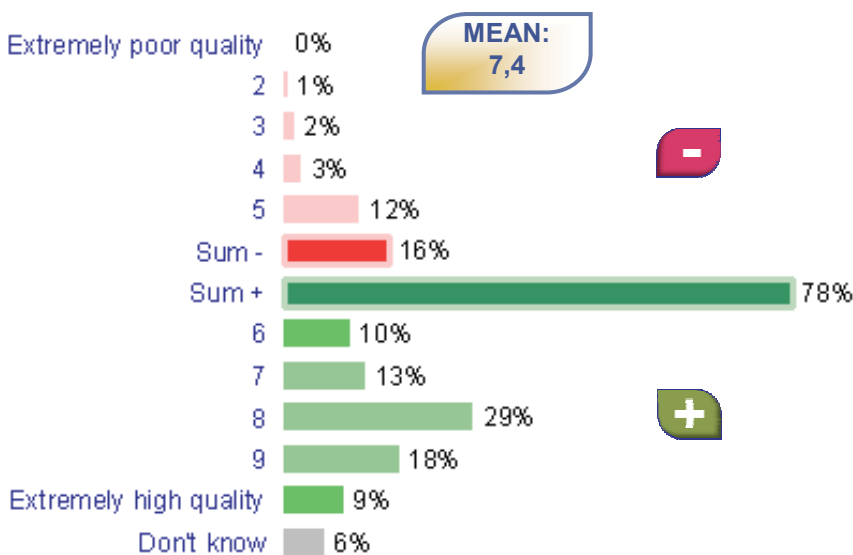


## E SERVICE QUALITY IN STATE ADMINISTRATION

E1. The civil servants and employees give a positive assessment of the work of state administration bodies in general. On a scale of 1 to 10, where a higher rating represents better quality, the average rating is 7.3. According to the survey findings, 9% gave the highest rating, considering the quality to be "extremely high", while the largest share of the respondents opted for a good rating of "8". There are fewer of those who have a generally critical opinion of the work of state government bodies. A rating of "5" or lower was given by a total of 16% of the interviewed civil servants and government employees.

**Figure 93** (E1) What is your general assessment of the work quality of state administration and all its institutions?

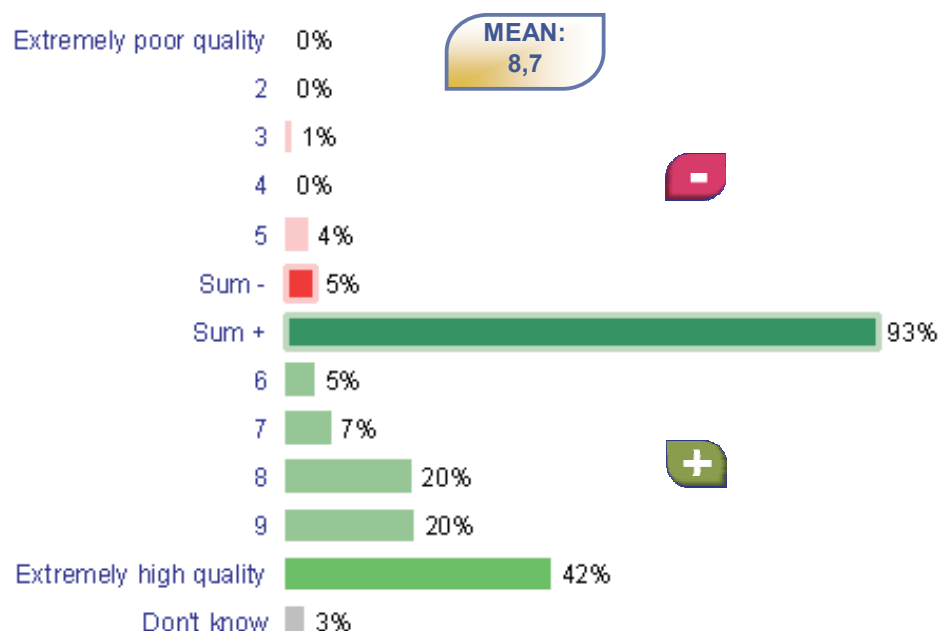
Base: Total target population



A parallel assessment of the work quality in their institutions is even more favourable. The average quality rating given was 8.7, due to a marked increase in the share of those who consider the work quality "extremely high" and gave it the highest rating (42%). In contrast, about 5% of the self-critical ones assigned a rating of "5" or lower. These findings show that the civil servants consider the quality of work to be slightly lower when taking into account the overall state administration system than when considering the institution in which they are employed.

**Figure 94 (E1a)** What is your general assessment of the work quality of the body or institution in which you are employed?

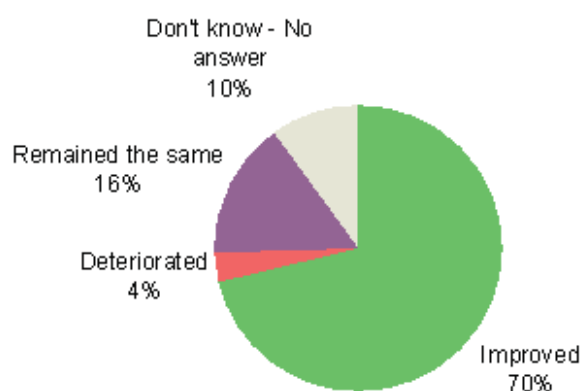
Base: Total target population



Putting the work quality in state administration bodies into a time perspective, the majority of the civil servants and employees (70%) consider it to have improved over the previous three years. About 16% of them believe that the quality level has remained the same, and only 4% believe that it has deteriorated in the mentioned period.

**Figure 95 (E2)** In your opinion, has the service quality in state administration improved, deteriorated, or has it remained unchanged, over the last three years?

Base: Total target population

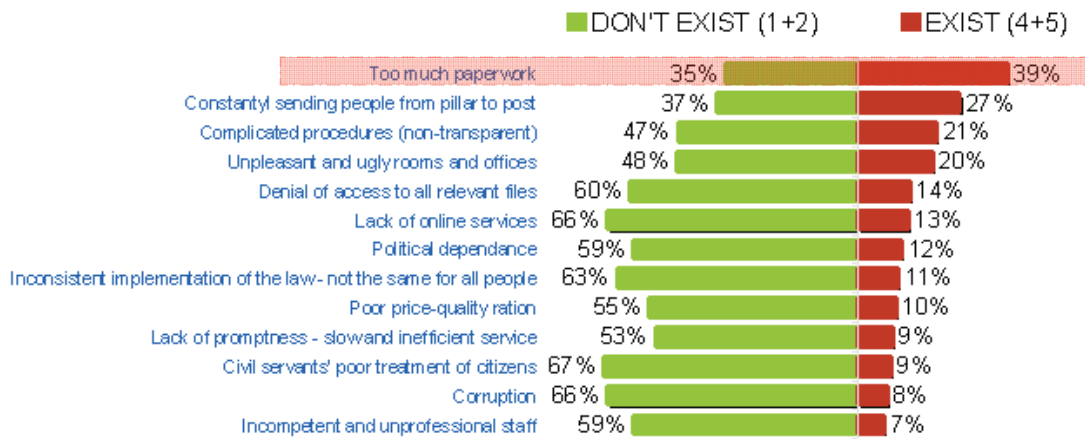




Of the adverse trends in the work of state administration bodies, the most often mentioned is "a lot of paperwork" (39%). Also mentioned are two similar characteristics related to the organisation of the procedures: "being sent from pillar to post" (27%) and "complicated procedures (non-transparency)" (21%). 20% of the employees, or every fifth of them, remarked that the rooms and offices in which they worked every day were unpleasant or ugly.

**Figure 96 (E3)** In your opinion, to what extent do the following trends exist in the work of the state administration in general?

Base: Total target population

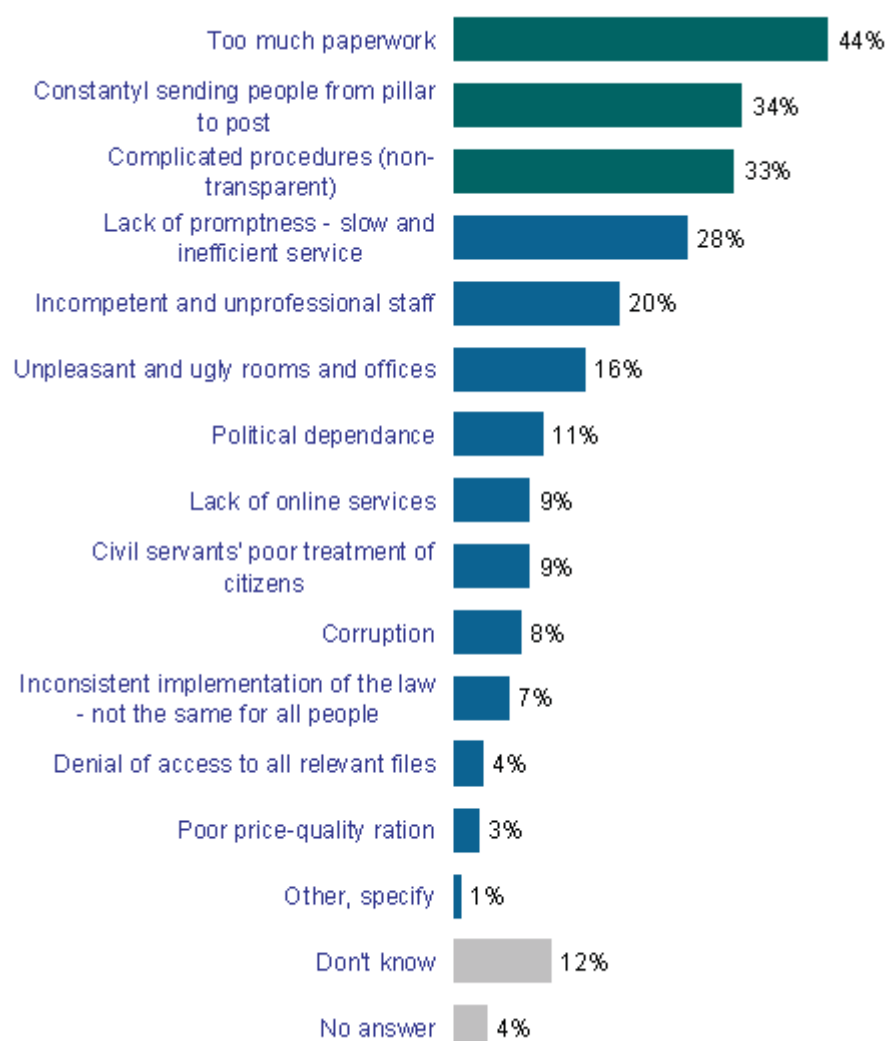


However, the share of the employees believing these negative trends processes as non-existent in the work of state administration bodies is higher. On average, the smallest number of them agree that customers receive poor treatment from civil servants (67% disagree), that corruption is present (66% disagree), or that laws are enforced inconsistently or not equally against all citizens (63% disagree).

When choosing only three problems they consider the most important, the interviewed civil servants and employees again emphasised those relating to the difficulties arising from the suboptimal organisation of formal procedures which are ultimately inappropriate for the users. "A lot of paperwork" is again mentioned as the most important problem by 44% of the respondents, followed by "being sent from pillar to post", mentioned by 34% of the respondents, and "complicated procedures", mentioned by 33% of them. A relatively large share of the respondents (28%) mentioned slow procedures, that is, slow and inefficient service, as well as "incompetent and unprofessional staff" (20%).

**Figure 97 (E5)** Please read the list carefully and choose the three problems you consider to be the most important in those institutions and bodies.

Multiple replies; Base: Total target population

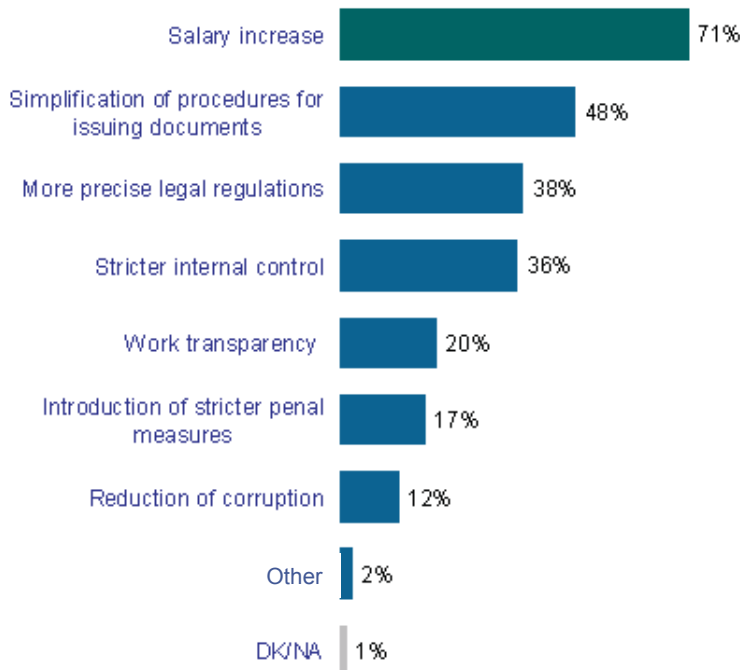


After they have analysed various problems and difficulties, the respondents were asked if they, as state administration employees, believed that the work of these bodies could be significantly improved or not. A large majority of the respondents, 84% of them, replied positively, whereas about 11% of them, or every tenth respondent, said that they were more sceptical and that significant improvements could not be made.

When choosing among the several proposed ways to improve the work of state administration, the employees (71%) most often opted for a salary increase; it should be taken into account, however, that there is subjectivity in that reply. The other often-mentioned ways were very varied, including the simplification of procedures for the customers who apply to the state administration for documents, permits, certificates, etc. (48%), a more precise legal regulation of the scope of activities and period for their execution (28%) and stricter internal control (26%). On the other hand, the respondents on average consider work transparency, the introduction of stricter penal measures and reduction of corruption among civil servants and employees as having a lower priority than the previously mentioned measures.

**Figure 98** (E8) In your opinion, what is the best way to improve the work quality of state administration bodies?

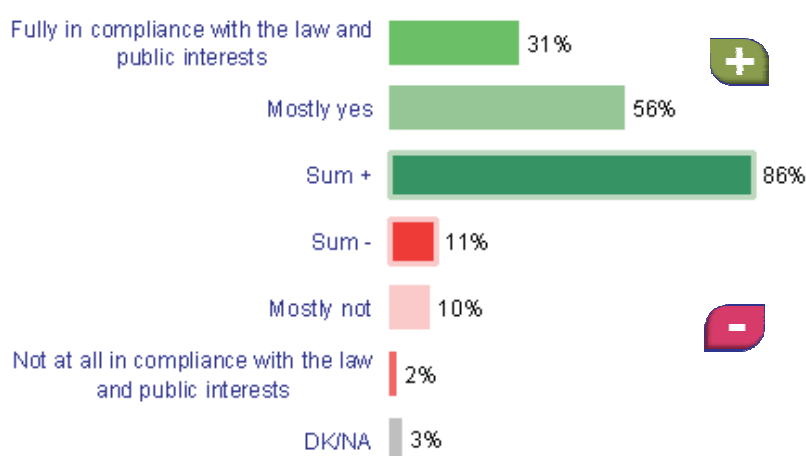
Multiple replies; Base: Those considering that the work of state administration bodies can be improved (84% of the target population)



A large majority of the civil servants and employees believe that the work of inspection authorities is in compliance with law and in the public interest. More precisely, 56% of them mainly agreed and 31% fully agreed with this. A considerably smaller percentage, about 11% of the employees, stated that they had some doubts regarding the legality of work and compliance with the public interest of the state inspection authorities.

**Figure 99** (E9) In your opinion, to what extent is the work of state inspection authorities in compliance with law and the public interest?

Base: Total target population



When choosing among the proposed factors the ones representing the greatest impediments to the work of the state administration, most civil servants and employees (58% of the respondents) agreed that the main such factor was insufficient funding available to them for the implementation of activities within their competence. There is no prevailing agreement on other factors, and the most often mentioned were "low work motivation" (34%), "poor work organisation" (22%), insufficient intra-agency cooperation (21%) and "lack of staff" (17%).

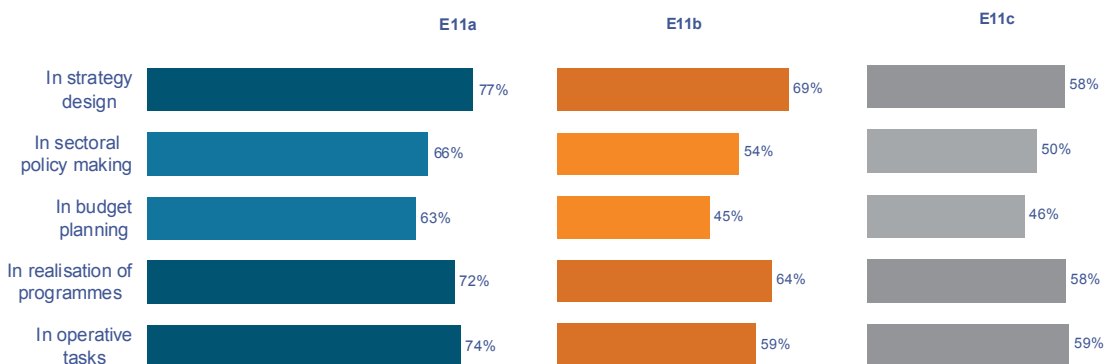
Approximately between two thirds and three fourths of the civil servants and employees agreed that there was a mode of cooperation and exchange of information between the body they were employed with and other state administration bodies. There are certain differences, depending on the area of cooperation. Specifically, 77% of the respondents think that such a mode of cooperation exists in strategy creation, 74% claim that it exists in operational activities and 72% believe that it exists in the realisation of programmes. Slightly fewer of them believe that it exists in the sectoral policy making (66%) and budget planning (63%, with a considerable percentage of those who did not respond to this question (about 26%)).

There are fewer positive replies regarding the existence of cooperation and exchange of information between state administration bodies and the NGO sector, and the share of the respondents unable to give an assessment of this area was higher. However, such cooperation is believed to exist primarily in strategy creation and the realisation of programmes, existing in the smallest degree in planning the state administration budget.

There are even fewer positive responses regarding the existence of such cooperation with the corporate sector, and the number of those who refrained from offering an assessment increased. However, slightly over a half of the employees believe that there is such cooperation with the corporate sector. Budget and sectoral policy planning were again mentioned as the areas in which such cooperation mode is believed to exist in a smaller degree.

**Figure 100** (E11) Is there a mode of cooperation and exchange of information between your institution and other state administration institutions/bodies (a), between your institution, a state administration body and the NGO sector (b) and between your institution, a state administration body and the corporate sector (c)? – Replies with "YES"

Base: Total target population



The majority of the civil servants and employees do not consider the separation and isolation of the bodies within the institution they are employed with to exist as a problem 68% of them are of such opinion, while 16% have an opposite opinion, the percentage of those who did not provide an assessment being the same.

## F TRANSPARENCY OF SERVICES IN STATE ADMINISTRATION AND ACCESS TO STATE ADMINISTRATION FUNDS

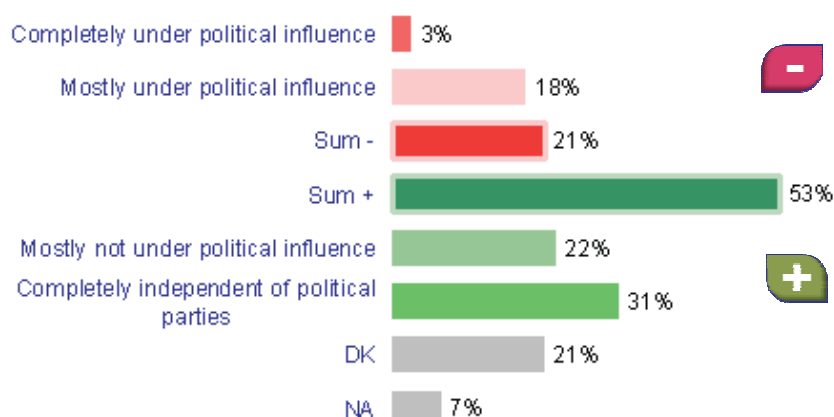
In the opinion of every second of the civil servants and employees (52%) citizens can upon request obtain the files and documents kept by state administration bodies. However, almost one fourth of them said that citizens were unable to do that.

The respondents were asked whether the funds in public corporations are spent in a transparent manner and in compliance with law; however, the majority of them - almost every second respondent - gave no response to this question. The percentage of those, among the remaining respondents, who believe that the operation of public corporations is transparent and legal is higher (33%) than the percentage of those who believe the opposite (16%).

The majority of the interviewed civil servants and employees believe that politicization does not exist at all (31%) or mostly (22%). About 18% of them think that such trends are mainly present, and only 3% that they are fully present. In assessing politicization in their own institutions, the employees stated that it existed even less. Almost every second of them holds that politicization does not exist at all in the institution in which he/she is employed.

**Figure 101** (F5a) In your opinion, what is the extent of politicization in state administration?

Base: Total target population



Those who believe that politicization exists in their institutions, about 11% of all the interviewed civil servants and employees, mentioned staff-related irregularities in connection with party affiliation and corruption in the judicial system as some instances of it. Most did not give a specific example of politicization in response to this question.

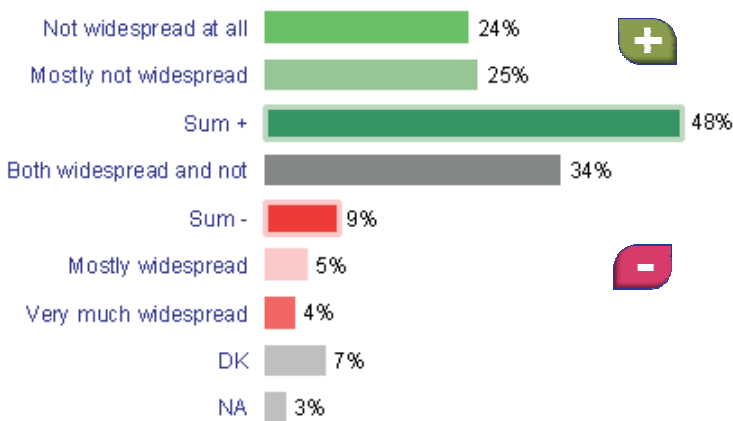


## G CORRUPTION

In assessing the scale of corruption in Montenegro, most of the civil servants and employees (49%, every second respondent) agreed that it was mostly not widespread. Almost one third are indecisive as to the scale of corruption, while only 9% of them believe that it is mostly or very much widespread in state administration bodies. The civil servants and employees with a medium education level as a rule tend to believe that corruption is not widespread in state administration bodies in Montenegro, but those with a higher education level believe that it is.

**Figure 102** (G1) in your opinion, is corruption widespread in the state administration in Montenegro?

Base: Total target population

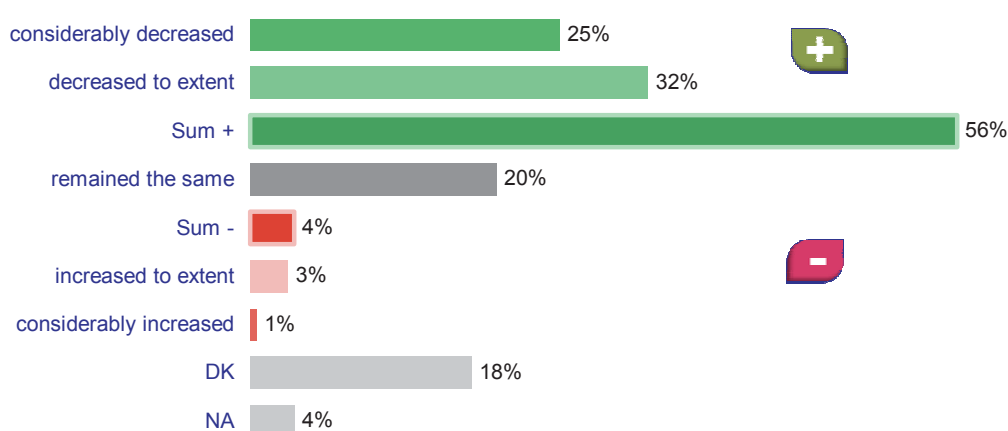


The civil servants and employees noting the corruption in the state administration as widespread most often mentioned economic factors as its causes (low salaries and income, poor living standards and uncertain economic conditions) and lack of motivation, adding nepotism, particular interests and internal control weaknesses. The majority of the civil servants and employees, almost two thirds of them, failed to provide a specific cause for the corruption being widespread.

Most of the civil servants and employees consider the corruption level to have recently decreased. About 25% of them think that it has considerably decreased and 32% that it has decreased at least to some extent. Approximately 4%, however, declared that the corruption level increased, 20% see no major changes, considering the corruption level to have stayed more or less the same as three years ago.

**Figure 103** (G3) In your opinion, has the level of corruption in the state administration in Montenegro changed relative to the past 3 years?

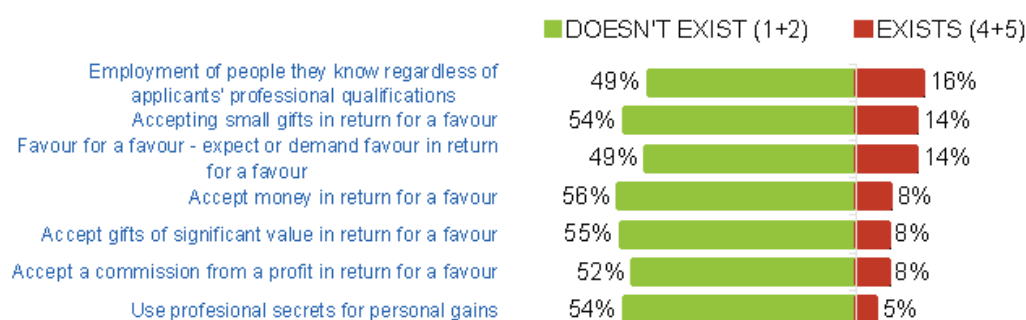
Base: Total target population



In response to the question about the various forms of corruption in the state institutions in Montenegro, the majority of the civil servants and employees said that none of the proposed forms existed in a significant degree. Some of the more prominent forms include employment regardless of applicants' professional qualifications (16%), accepting small gifts (14%), and expecting "return favours" (14%).

**Figure 104** (G6) In your opinion, to what extent does each of the following forms behaviour exist in state administration institutions and bodies in Montenegro?

Base: Total target population



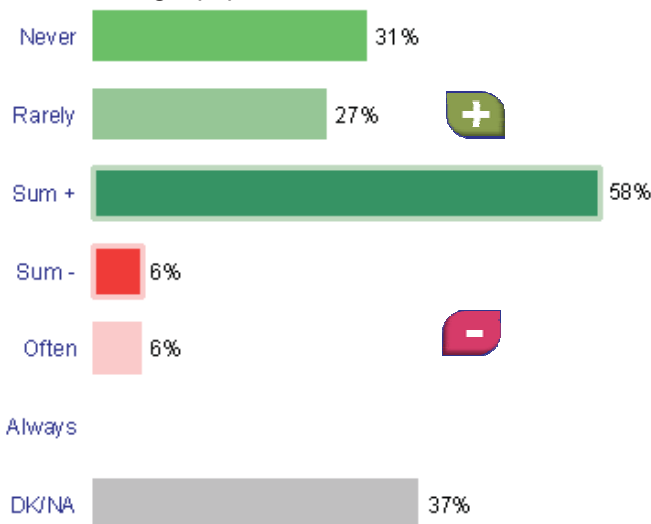
In the opinion of the interviewed civil servants and employees, not a large number of Montenegrin citizens have paid bribes to state administration employees. About 32% of them believe that none or almost none of them has done that, 22% believe only a small number of the citizens, approximately between 5% and 10%, have paid bribes. More drastic estimates are only marginal. Most of the civil servants and employees (40%) did not provide an assessment of the inclination towards corruption of their fellow citizens.

The respondents provided varied assessments of the amounts of money given, so that no generalisation is possible as it would not adequately reflect the given responses.

Most of the civil servants and employees hold that state administration employees never (31%) or rarely (27%) approach citizens offering to complete a transaction they are interested in, falling within their competence, in exchange for an illicit compensation or related arrangement. Only 6% of the civil servants and employees believe that this happens often, and 37% did not respond to this question.

**Figure 105** (G13) According to your assessment, how often do state administration employees approach citizens offering to complete a transaction they are interested in exchange for illicit compensation or related arrangement?

Base: Total target population

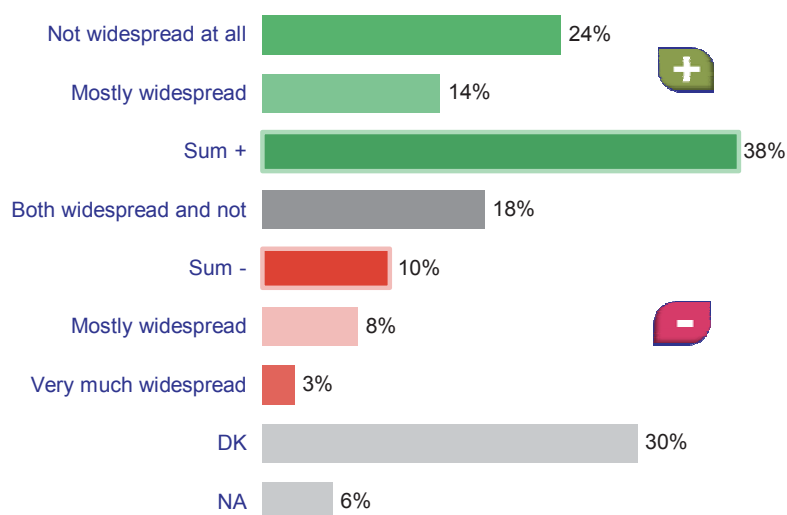


About 18% of the interviewed civil servants and employees believe that, in such situations, when citizens are invited by civil servants and employees to pay a bribe, citizens will often or always accept such offers. About 23% of them believe that citizens will mostly refuse such offers. A large number of the respondents, 52% or every second of them, did not want to respond to this question.

When speaking of the scale of corruption at higher levels, most of the civil servants and employees refrained from expressing an opinion (about 36%). Those who expressed their opinion predominantly believe that such form of corruption is not widespread (38%), while 10% believe that it is. Among the rare specific examples mentioned were possible irregularities relating to tenders.

**Figure 106** (G31) In your opinion, to what extent is the "higher level" corruption present in Montenegro?

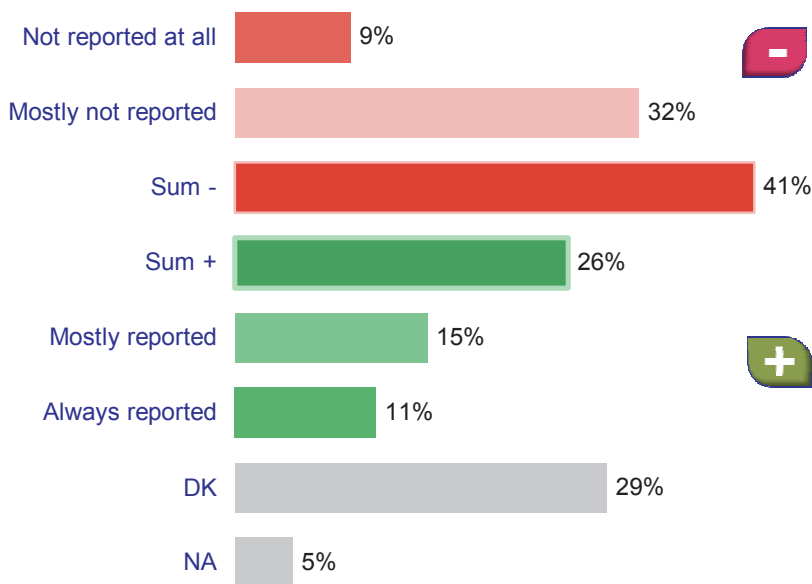
Base: Total target population



A large number of the civil servants and employees believe that the cases of corruption in the state administration are generally not reported or not reported at all (41%). As the reasons for this most of them mentioned fear of adverse consequences or retaliation, and fear that they would not complete their business. In contrast, 26% of the employees think that such cases are mostly reported. Almost one third of the respondents (29%) did not respond to this question.

**Figure 107** (G32) To what extent are the cases of corruption in state administration reported?

Base: Total target population



The civil servants and employees believe that they themselves and citizens would be encouraged to report corruption primarily by ensuring the anonymity, discretion and secrecy of the act, then by rewards and incentives, legal and regulatory protection, raising citizen awareness in general, a general improvement in the functioning of the judicial system and the rule of law, etc.

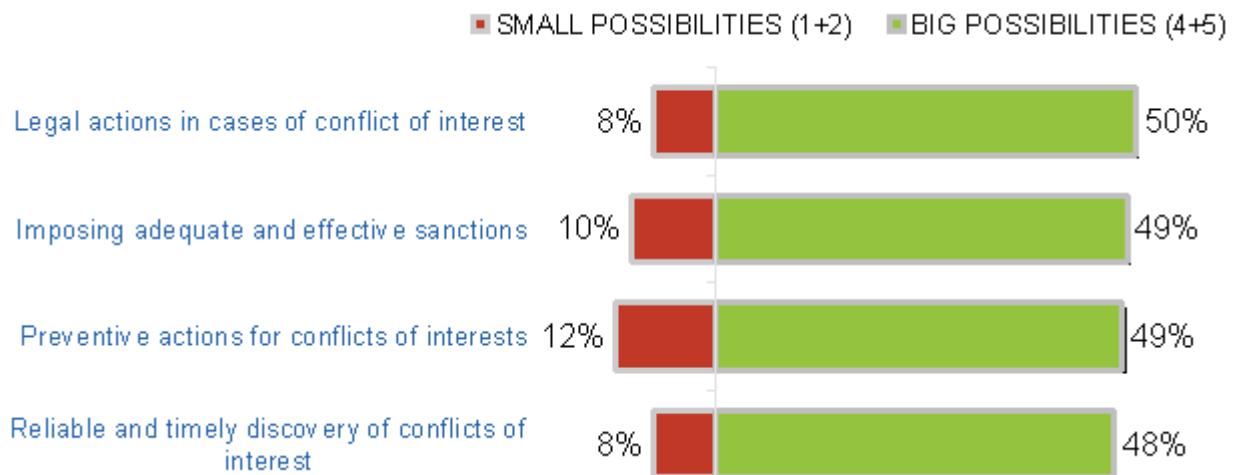
In response to a direct question about whether they have personally reported a corruption case, 7% of the respondents answered positively. 66% or two thirds of the interviewed civil servants and employees said that they were ready to report a corruption case should they have any information in that regard. They would do that primarily out of moral obligation, conscience, the need to act properly and fulfil their civil duty. They also mentioned professional and legal obligations and other factors.

A small number of the civil servants and employees think that the conflict of interest exists in a larger degree than other forms of corruption (6%), 41% believe that it does exist, but not in such a degree as other forms of corruption, and 35% think that it exists only in a minor degree.

When considering various ways to prevent the conflict of interest, including preventive actions, reliable and timely discovery of the conflict, legal actions and imposing adequate and effective sanctions, most of the respondents expressed an equal level of possibility.

**Figure 108** (G37) What are the practical possibilities for the prevention of the conflict of interest?

Base: Total target population

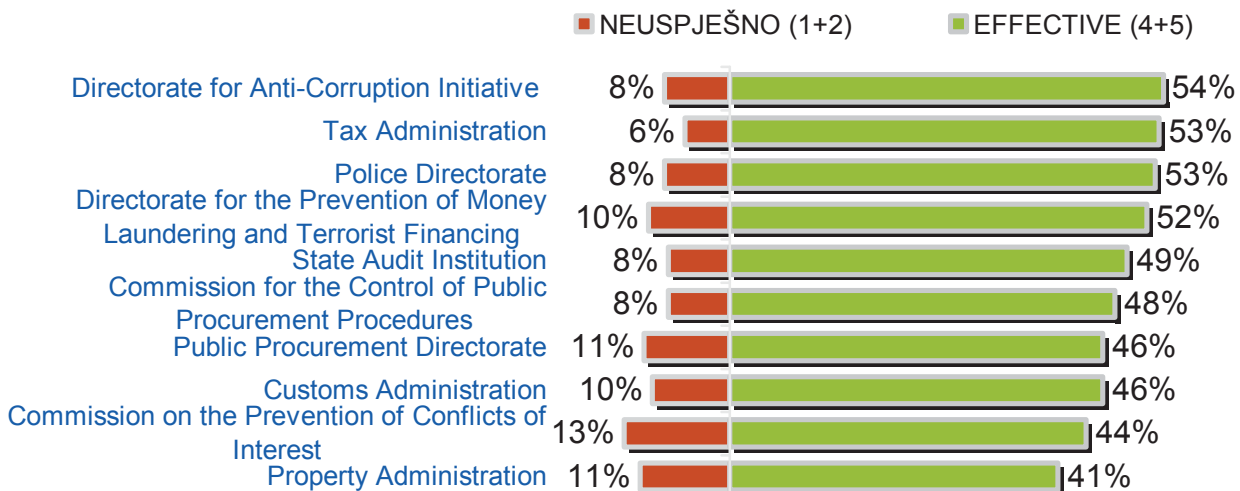


## H FIGHT AGAINST CORRUPTION

When assessing the efficiency of some institutions in the fight against corruption, the majority of the civil servants and employees agreed on the efficiency of the Directorate for Anti-Corruption Initiative (54%), Tax Administration (53%), Police Directorate (53%) and the Directorate for the Prevention of Money Laundering and Terrorist Financing (52%). There was less agreement on the efficiency of the Public Procurement Directorate (46%), Customs Administration (46%), Commission for the Prevention of Conflicts of Interest (44%) and Property Administration (41%).

**Figure 109** (H1) On a scale of 1 to 5, please rate the efficiency of the following institutions in the fight against corruption.

Base: Total target population



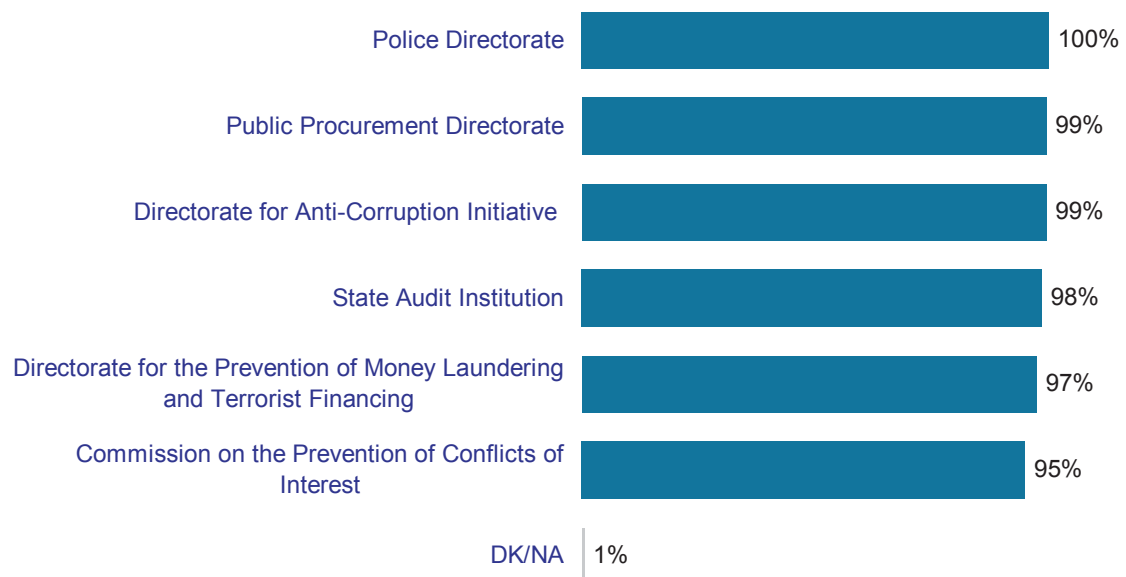
Spontaneously indicating the best and most effective ways to fight corruption, the interviewed civil servants and employees mentioned a wide range of methods and actions, but failed to reach an agreement on the optimal way of doing it. The proposals included the public condemnation of offenders, a salary increase for civil servants and employees, improved law enforcement, increased internal control and better penal policy, citizen education, etc.

The civil servants and employees are familiar with all the institutions mentioned in the survey that are involved in anti-corruption activities. About two thirds of them consider the activities of these institutions to be mostly or completely public and transparent. The interviewed civil servants and

employees, on average, consider all these institutions as important, assigning the largest importance to the Police Directorate, Directorate for the Prevention of Money Laundering and Terrorist Financing and Directorate for Anti-Corruption Initiative. They are also aware of the results of their activities, primarily those of the Police Directorate and Directorate for Anti-Corruption Initiative, although a considerable number of the respondents refrained from responding to this question. Even more of them refrained from responding to the question about the assessment of the political autonomy of these institutions.

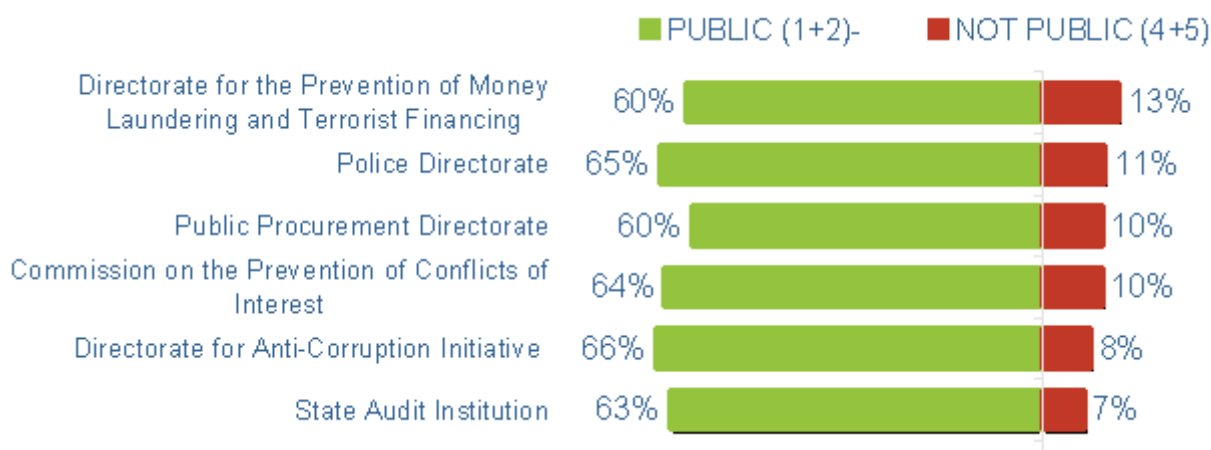
**Figure 110** (H3) Which of these institutions have you heard of?

Multiple replies; Base: Total target population





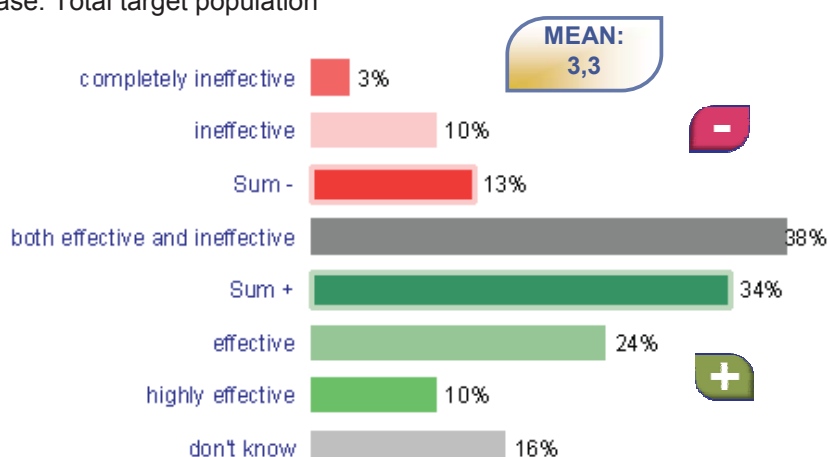
**Figure 111** (H4) In your opinion, how transparent (public) are activities of each of these institutions in the fight against corruption?



When assessing the cooperation between the public sector and nongovernmental organisations in the fight against corruption, the civil servants and employees tend to believe that it is good or average, rather than expressing a negative opinion saying that it is poor. About 34% consider the cooperation to be successful, 38% believe that it is equally successful and unsuccessful, while about 13% state that it is unsuccessful.

**Figure 112** (H21) How would you assess the cooperation between the public sector and the NGOs in the fight against corruption in the state administration?

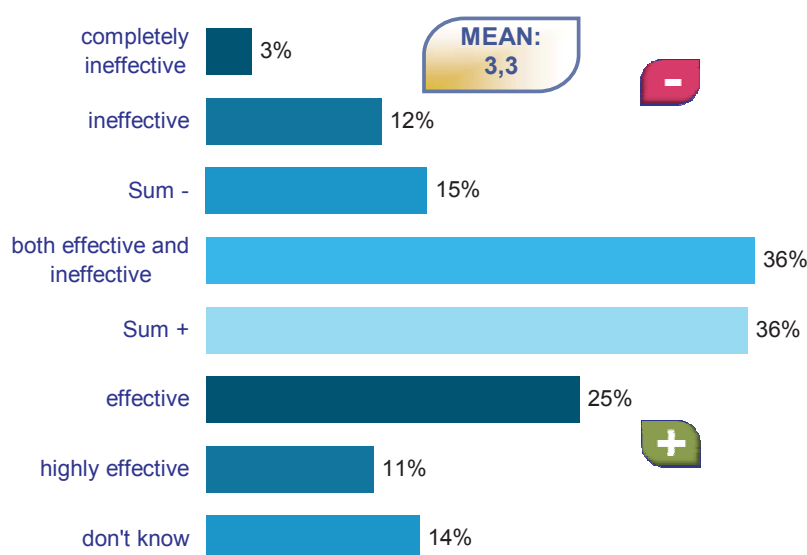
Base: Total target population



When assessing the cooperation between the public sector and the media in the fight against corruption, the respondents' responses were approximately equal to the previously stated assessment of the cooperation with the NGO. About 36% of the respondents think it is successful, 36% believe that it is equally successful and unsuccessful, and 15% think that it is unsuccessful.

**Figure 113** (H23) How would you assess the cooperation between the state administration and the media in the fight against corruption in the state administration?

Base: Total target population



## 3 NON-GOVERNMENTAL ORGANIZATIONS

### METHODOLOGY

Altogether 42 representatives of different non-governmental organizations participated in the survey. The survey was carried out from June to end of July 2010.

Data were collected using face-to-face interviews.

Prior to face-to-face interviews, non-governmental institutions were contacted by telephone by the Ipsos Puls agency to arrange the time for the interviews. At the arranged time, the interviewers of the Ipsos Puls agency carried face-to-face interviews with respondents.

## SUMMARY OF FINDINGS

One in two NGOs participating in the survey used services of a state administration body in the past 12 months, most often because of administrative and operational needs of the NGO, but also through cooperation with state administration bodies on various projects and investments.

State administration bodies and their employees were mostly available to NGO representatives when they needed their services, although more than just few hold the opinion that state administration bodies and their employees are “somewhat difficult” to get to.

As regards trust, NGO representatives expressed moderate trust in the state administration as a whole. The average rating given was 3.3, which is very similar to the average rating given by other citizens. When assessing basic pillars of government, NGO representatives showed relatively more trust in the Government and President than in the Parliament of Montenegro or the judiciary. Of other institutions, relatively more trust was shown in the education system, state-owned companies, health care, police and Tax administration, and relatively less trust in the army, pension and welfare system and the Customs directorate.

As regards employment in the civil service, NGO representatives say family and friendship connections and the formal educational degree play a role in getting a job, as well as political influence, whereas their criteria include primarily expertise, experience and previous performance. Advancement in the civil service again depends primarily on family and friendship connections of civil servants and employees. NGO representatives have different expectations. They would like to see a system of advancement in the workplace based primarily on applicant’s experience, previous work performance and professional skills.

When assessing the management of state administration bodies, NGO representatives agree that management is professional, but to a certain extent under political influence or particular individual interests instead of public interest. The smallest number of NGO representatives believes state administration bodies are managed rationally in line with available financial resources and based on user feedback.

A large number of NGO representatives have positive views about the decision-making process within state administration bodies, seeing it as professional, autonomous, accountable and timely, but here again political influence is mentioned as a negative side to it. Lack of transparency and accountability are most often mentioned as the negative sides to it.

Very few NGO representatives think that, in case of breach of ethical principles by state administration employees, adequate disciplinary actions are taken and sanctions imposed. They tend to believe that while disciplinary actions may be taken, they are not followed by serious sanctions, or that they are taken only partially.

Transparency of budget spending in state administration bodies is assessed as mostly moderate, with a roughly equal proportion of NGO representatives who consider budget spending transparent and those who think otherwise. As regards the system of controls of budget spending, NGO representatives mostly give it a neutral ranking or believe it is well functioning. The prevailing view is that budgeted financial means are spent through state administration bodies mostly in line with priorities, with some of rare complaints being that some means should be re-directed toward NGOs, citizens in need and similar.

Commenting on the process of allocating financial means to NGOs via state administration institutions, NGO representatives largely agree it is in line with the law, but a significant number of them will also mention that this process is biased or in line with party interests.

Assessing the work quality in state administration bodies and institutions on a scale of 1 to 10, where a higher rating represents better quality, NGO representatives gave the average rating of 6.1. The majority of them consider the work quality to have improved over the past three years, although some also consider it to have remained on the same level.

NGO representatives believe the work quality in state administration bodies can be significantly improved, first by adopting more detailed regulations, increasing internal controls and ensuring higher salaries for civil servants and employees. In their opinion, factors representing the greatest impediments to the work of state administration are insufficient funds and poor work organization, as well as insufficient intra-agency cooperation and corruption.

NGO representatives consider current laws and regulations provide positive conditions for the development of the non-governmental sector, at the same time remarking that not all NGOs are treated the same, i.e. that the same rules do not apply to all.

Assessing the level of cooperation between state administration institutions and non-governmental organizations on a 5-point scale, NGO representatives on average gave it a rating of 3.3., saying this cooperation is on a moderate or moderately good level. Financial problems are the most often cited problem in this cooperation.

NGO representatives are aware of corruption in state administration bodies, but predominantly consider it moderately widespread. Comparing the level of corruption now and three years ago, a large majority of NGO representatives are of opinion that the level of corruption has somewhat decreased, but the overall level of corruption is slightly higher than in the EU member states.

Only a smaller proportion of NGO representatives have personally reported a corruption case, with nearly two thirds mentioning they were ready to report a corruption case should they have any information about it. The majority say they would do it because of ethical reasons and feeling of duty.

The interviewed NGO representatives most often give neutral rating to the efficiency of state institutions in the fight against corruption, with more representatives giving moderately positive ratings than those who believe the fight against corruption in state administration institutions is inefficient. The best and most effective ways to fight corruption in the state administration, as seen by NGO representatives, are improved law enforcement, increased internal control and higher penalties as well as public condemnation of offenders.

NGO representatives are largely familiar with the institutions in charge of the fight against corruption. They consider their activities transparent, primarily the activities of the Police Directorate that is considered the most important factor in the fight against corruption, although the importance of other institutions is also recognized. However, NGO representatives are divided

in their views as to whether institutions in charge of the fight against corruption are autonomous in their activities or under political influence.

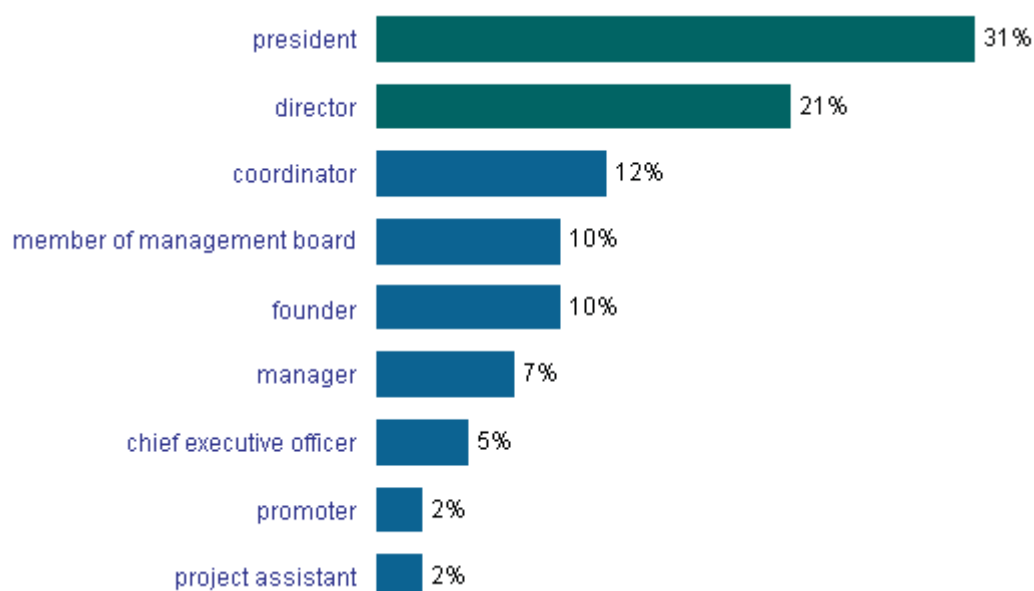
Assessing overall anti-corruption activities of the NGO sector in Montenegro targeted at the state administration, NGO representatives mostly gave it a neutral ranking. Assessing the cooperation between the NGO and the public sector in the fight against corruption, NGO representatives are restrained giving it a neutral or moderately negative ranking. NGOs cooperation with the media regarding the fight against corruption was assessed as only slightly better.

## S GENERAL INFORMATION ON NGOs AND CONDITIONS FOR THEIR ACTIVITIES

The majority of NGO representatives participating in this survey were at the head of their organization, acting as presidents or directors of their respective organization. The majority of these non-governmental organizations are active in the fields of humanitarian aid and health care, human rights protection, youth issues, education, research and community building.

**Figure 114** (S2) What is your position in the organization?

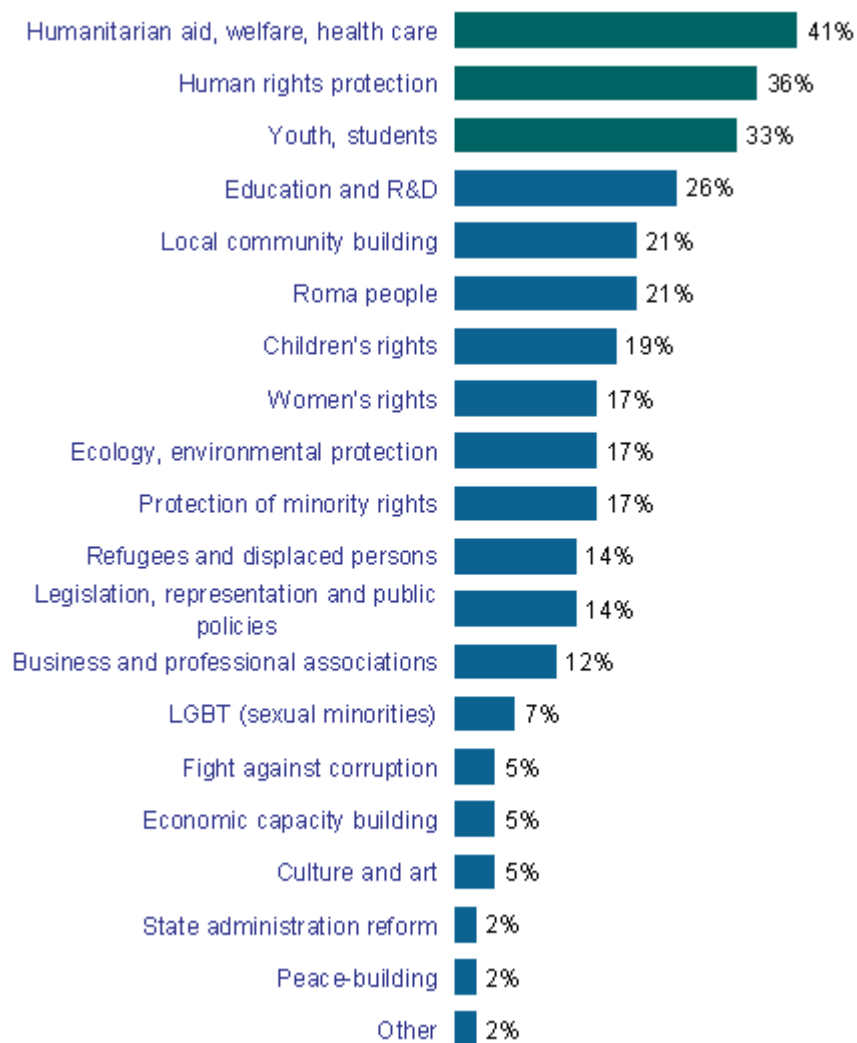
Basis: Total target population





**Figure 115 (S3)** What are the fields of your organization's activities?

Multiple answers; Basis: Total target population

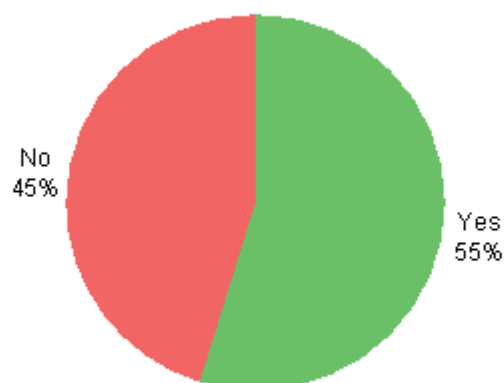


## A ACCESS TO STATE ADMINISTRATION SERVICES

Nearly one in two NGO representatives or 55% of them cite their organization used the services of state administration bodies in the past 12 months. The most frequent reasons for contact with state administration bodies were issuing documents and permits related to the organization's various administrative and operational needs, including work and education as well as concrete cooperation with the state administration bodies on specific projects and investments. Most often, their contact was with municipal administration bodies followed by the Ministry of Labour, courts, welfare services, Ministry of Education and other institutions.

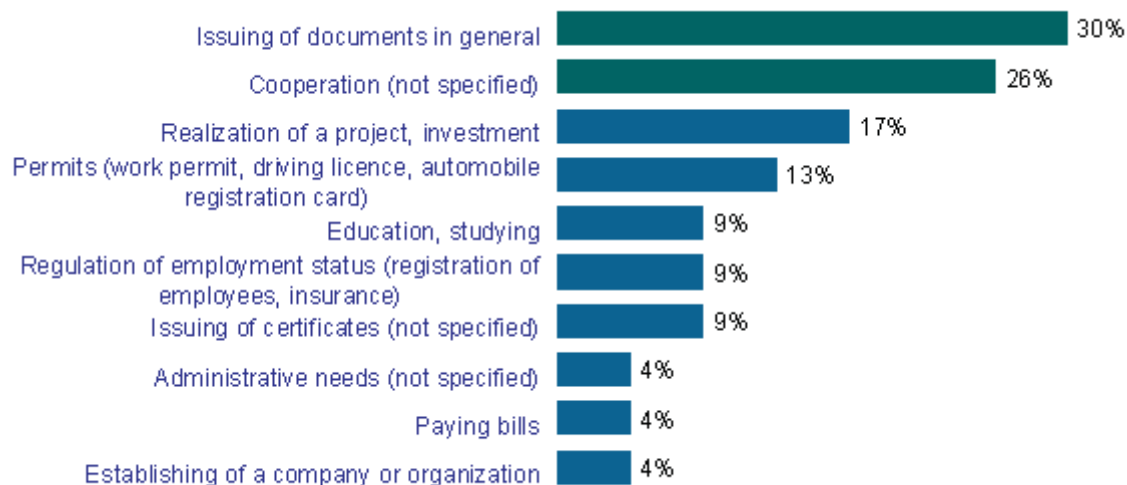
**Figure 116 (A1)** In the past 12 months, did you use services of any of the following state administration bodies?

Basis: Total target population



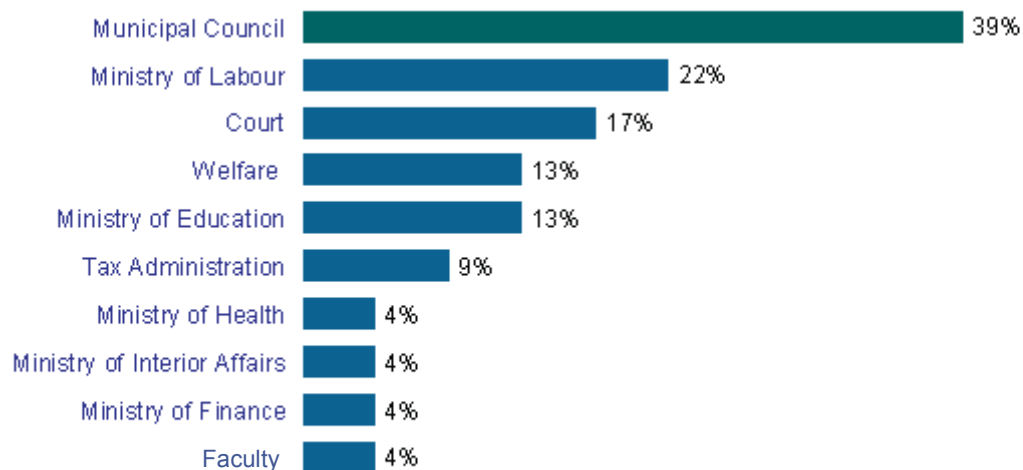
**Figure 117 (A2)** What were the most frequent reasons for visiting state administration bodies in the past 12 months?

Multiple answers; Basis: People who used state administration services (55% of target population)



**Figure 118 (A2)** Which state administration body did you go to?

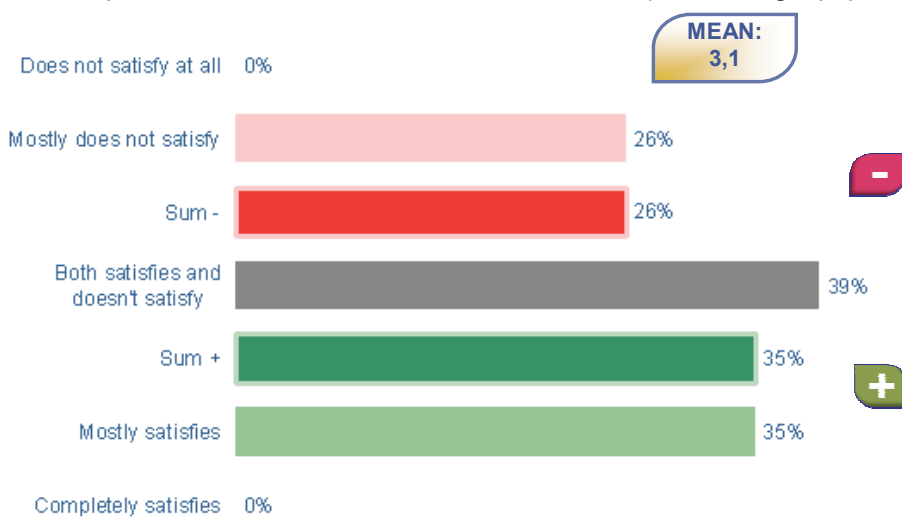
Multiple answers; Basis: People who used state administration services (55% of target population)



The interview continued with the assessment of the work quality of state administration bodies. NGO representatives are not unanimous as to whether state administration bodies satisfy users' needs. The proportion of representatives who think they satisfy users' needs, those who have a neutral view and those who think they do not satisfy users' needs is roughly the same.

**Figure 119 (A3)** In your opinion, to what extent does the functioning of state administration bodies meet the requirements of the service users?

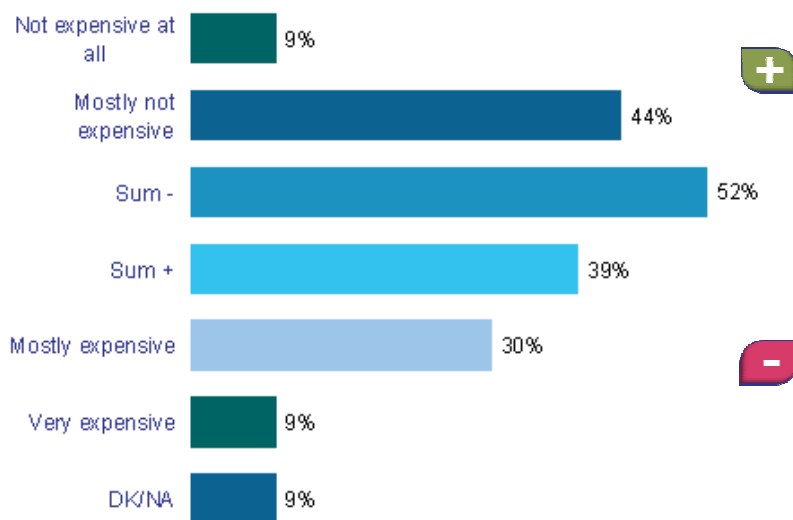
Basis: People who used services of state administration (55% of target population)



NGO representatives are also divided in their views on the prices state administration bodies charge for their services, but more inclined towards the view that they are not too expensive. They are equally divided in the opinion whether the price charged is adequate to the quality of the service provided.

**Figure 120** (A4) Having in mind prices state administration bodies charge for services provided to citizens, to what extent do you consider their services expensive?

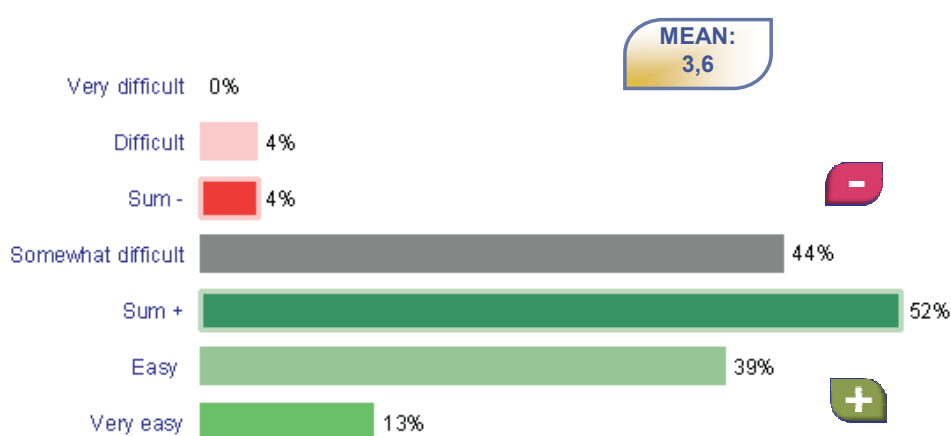
Basis: People who used services of state administration (55% of target population)



As regards availability, state administration bodies and their employees were mostly available to NGO representatives when they needed their services. Furthermore, NGO representatives had no major problems to obtain information and documents they asked for and do not believe there is problem with obtaining needed information or documents in general, although some of them have a view that it is “somewhat difficult” to obtain information and documents.

**Figure 121 (A7)** In your experience, how difficult/easy was it to obtain information/documents related to your application from the competent state administration bodies and services?

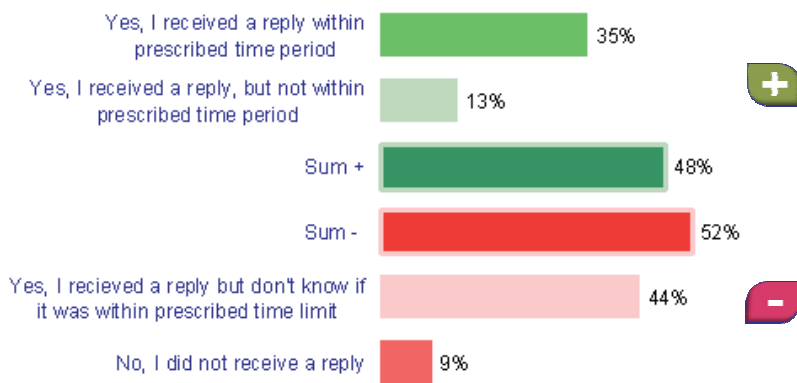
Basis: People who used services of state administration (55% of target population)



As regards responding to users' requests, the experiences of NGO representatives who filed a request with a state administration differ. A large majority received a reply, yet a significant number of them do not know whether their reply was received within or outside the prescribed time limit. A proportion of respondents received a reply within prescribed time limit, some others outside.

**Figure 122 (A11)** The last time you used state administration services, did you get a reply to your request for information or service within prescribed time limit?

Basis: People who used services of state administration (55% of target population)

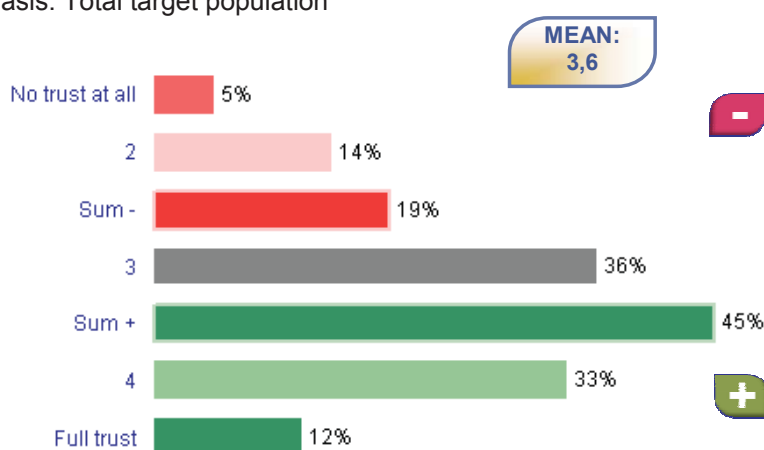


## B TRUST IN STATE ADMINISTRATION

Interviewed NGO representatives expressed moderate trust in state administration as a whole. The average rating is 3.3 on a 5-point scale and is very similar to the rating given to the state administration by other citizens. The number of negative ratings is slightly smaller than the number of neutral or positive, but because of a small number of respondents, it is not possible to make a reliable generalization.

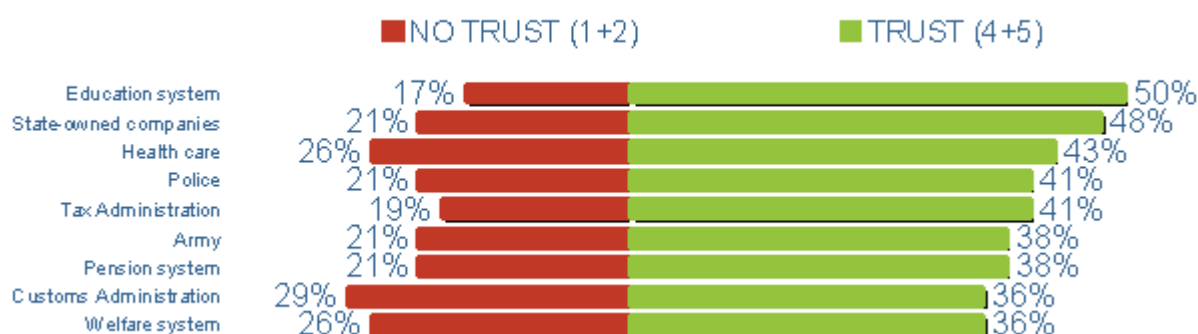
**Figure 123** (B1) How much trust do you have in state administration in general

Basis: Total target population



**Figure 124** (B3) How much trust do you have in the following state administration institutions, sectors and bodies?

Basis: Total target population

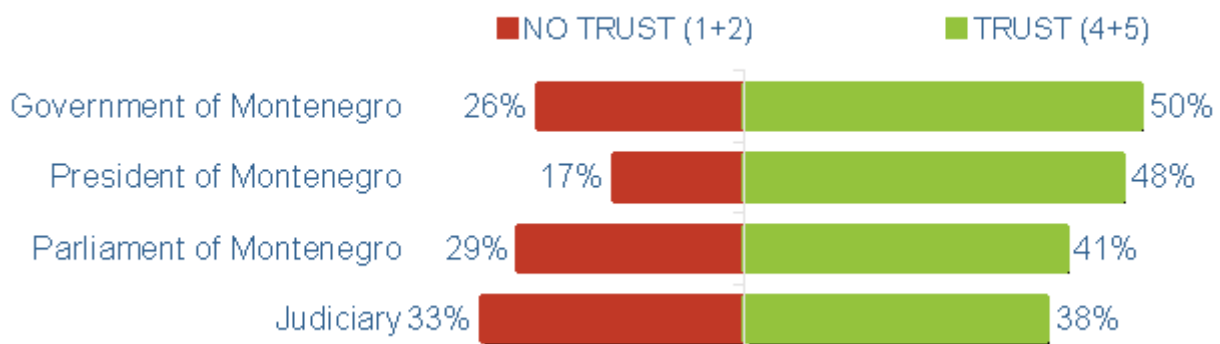




As regards trust in basic government pillars, NGO representatives showed relatively more trust in the Government and President of Montenegro than in the Parliament or the judiciary. Of other institutions, more trust was shown in education, state-owned companies, health care, police and tax administration, and relatively less in the army, pension and welfare systems and customs administration.

**Figure 125** (B2) How much trust do you have in the following government bodies?

Basis: Total target population

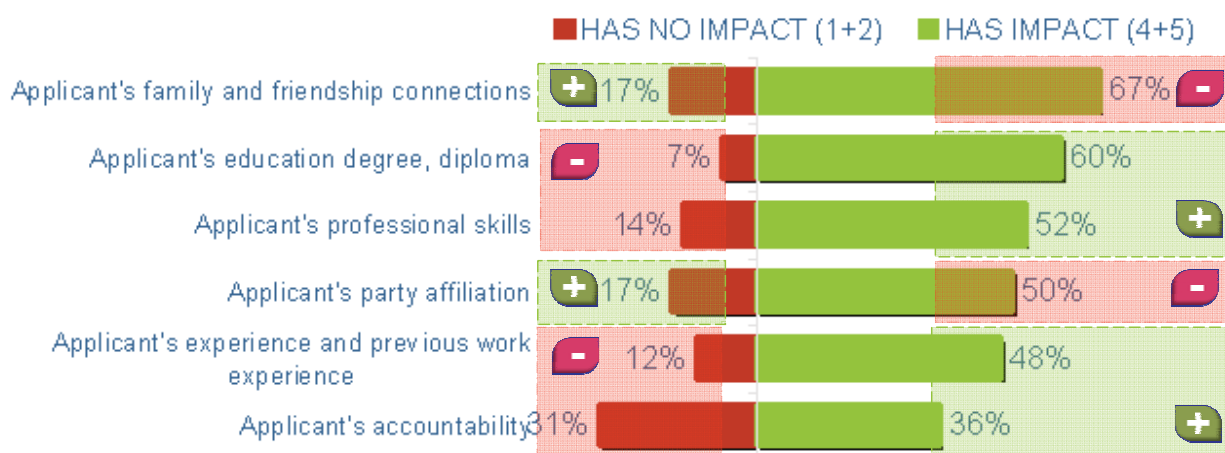


## C EMPLOYEES IN STATE ADMINISTRATION INSTITUTIONS

As regards employment in the civil service, NGO representatives say family and friendship connections and the formal educational degree play an important role in getting a job, whereas in their opinion expertise, experience and previous performance are less important. Applicants' party affiliation is likewise an important employment criterion and was mentioned by half the respondents. Accountability is seen as less important than the previous criteria. On the other hand, NGO representatives give priority to professional skills, experience, previous work performance and formal educational degree, which is rather different from what they see as the current state of affairs. NGO representatives say they would not like to see applicants' family and friendship connections having impact on employment in state administration.

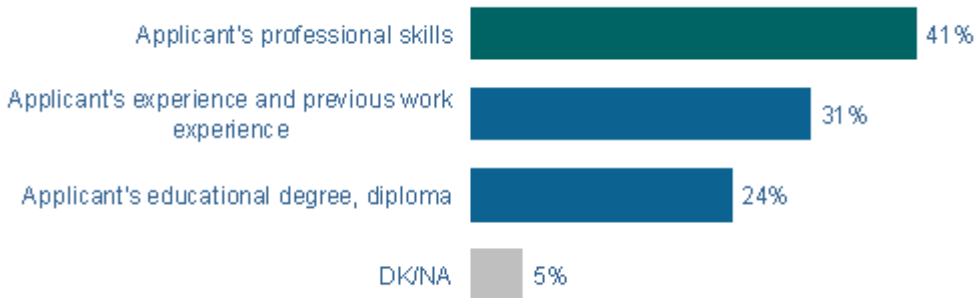
**Figure 126 (C1)** In your opinion, what are the criteria for employment in state administration on the national and local levels in our country?

Basis: Total target population



**Figure 127 (C3)** In your opinion, which criterion should be the most important in order for state administration services to function in the interest of citizens?

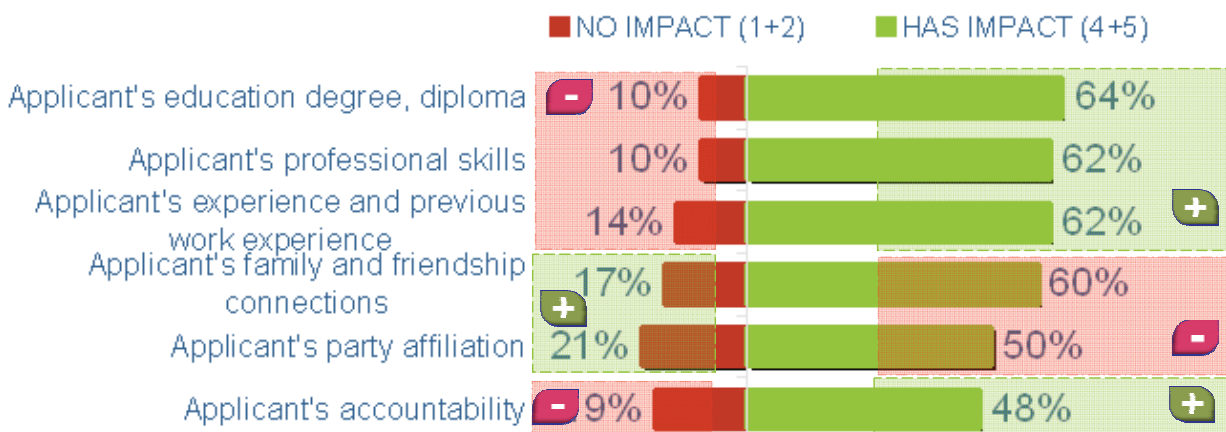
Basis: Total target population



When asked about the criteria for advancement in the state administration, NGO representatives think all of the previously mentioned criteria are taken into consideration, but the criteria most often taken into consideration are the applicant's family and friendship connections. NGO representatives have different expectations and would like to see a system of advancement in the workplace based primarily on applicant's experience, previous work performance and professional skills.

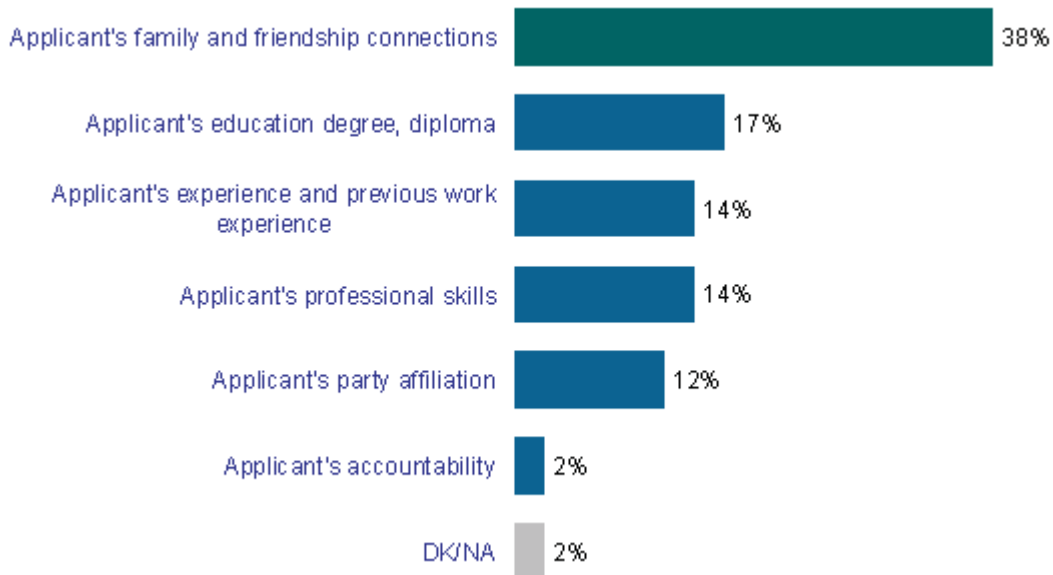
**Figure 128 (C4)** In your opinion, what are the criteria for advancement in the state administration bodies on the national and local levels in our country? For each criterion, please state how much it affects one's advancement in state administration?

Basis: Total target population



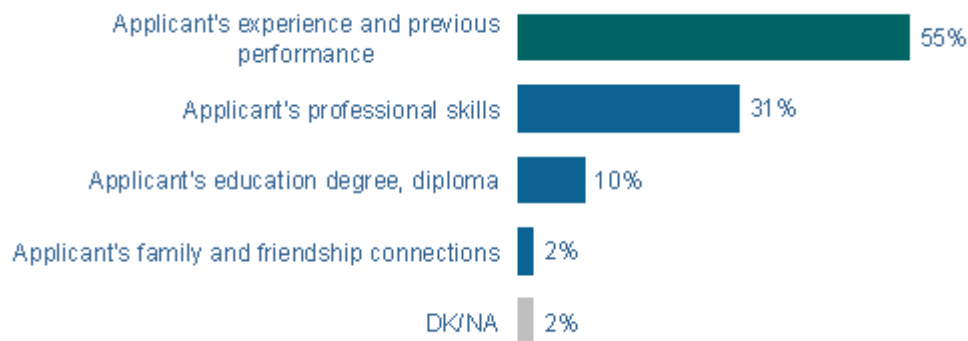
**Figure 129 (C5)** Which criterion is the most common in our country for advancement in the state administration?

Basis: Total target population



**Figure 130 (C6)** In your opinion, which criterion for advancement should be the most important in order for state administration services to function in the interest of citizens?

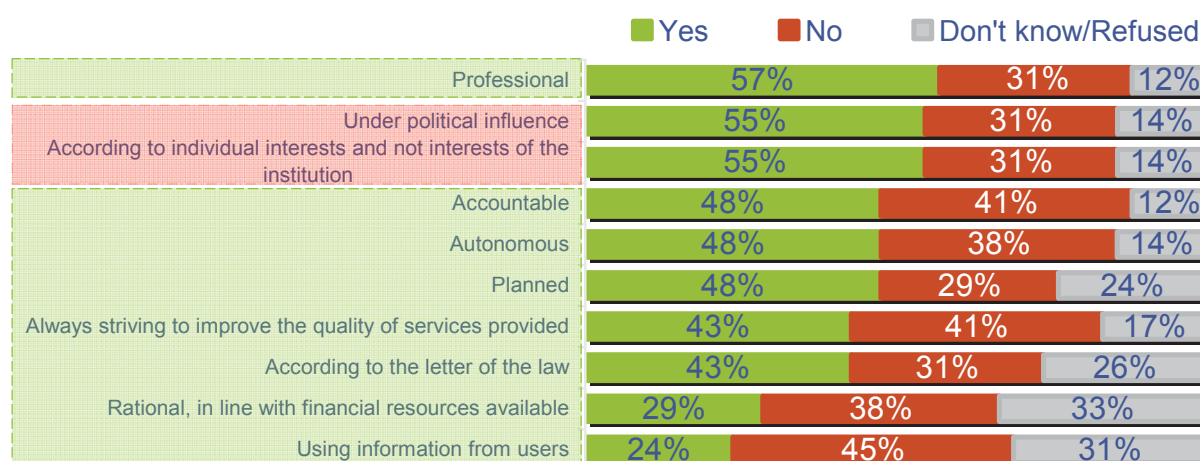
Basis: Total target population



When assessing the management of state administration bodies, NGO representatives agree that management is professional, but to a certain extent under political influence or particular individual interests instead of public interest. The smallest number of NGO representatives believes state administration bodies are managed rationally in line with available financial resources and based on users' feedback, remarks that should be taken into account.

**Figure 131** (C7) What is your opinion of the management in state administration institutions? What do you think of their operations management, resources management, etc?

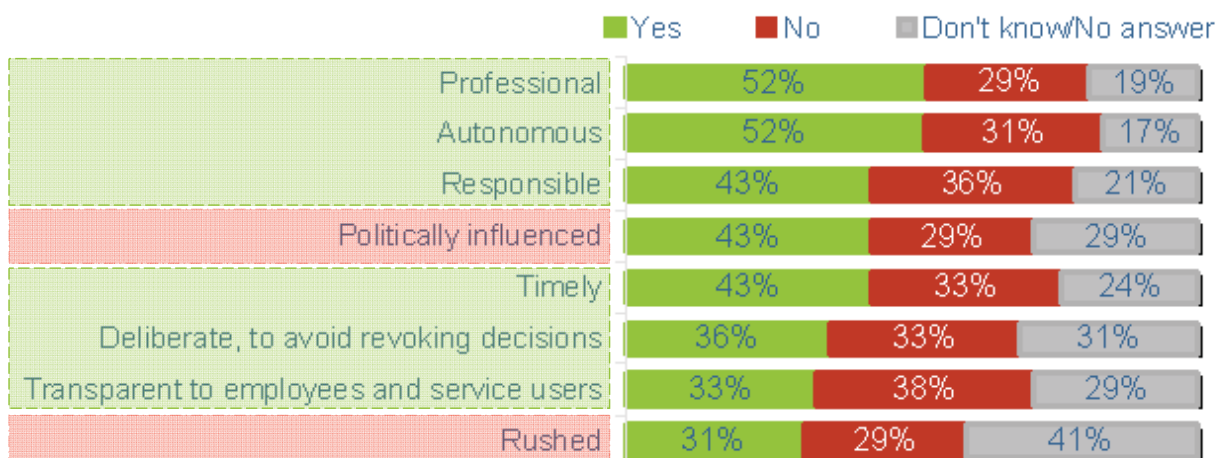
Basis: Total target population



A large number of NGO representatives have positive views about the decision-making process within state administration bodies, seeing it as professional, autonomous, accountable and timely, but here again political influence is mentioned as a negative side to it. Lack of transparency and accountability are the most often mentioned negative sides to decision-making processes.

**Figure 132** (C8) What is your opinion of the decision-making in state administration institutions as regards their functioning?

Basis: Total target population



The vast majority of NGO representatives believe the ethical awareness of civil servants and employees is sometimes well developed and sometimes not, holding it a rather individual phenomena. There is a roughly equal proportion of those who those who believe the ethical awareness of civil servants and employees is well developed and those who believe it is not, indicating divided opinions.

**Figure 133** (C9) What is your opinion of the awareness of ethical standards among the employees of state administration institutions?

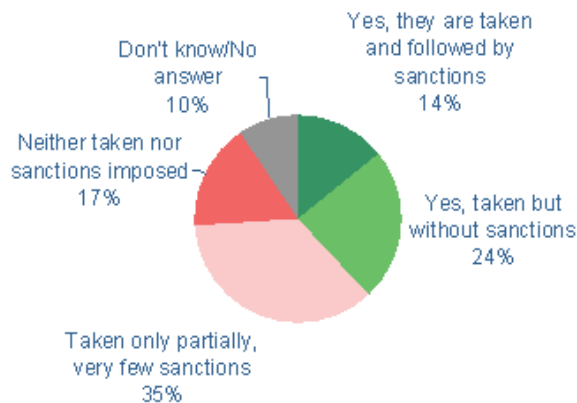
Basis: Total target population



Very few NGO representatives think that, in case of a breach of ethical principles by state administration employees, adequate disciplinary actions are taken and sanctions imposed. They tend to believe that while disciplinary actions might be taken, they are not followed by serious sanctions, or are taken only partially.

**Figure 134** (C10) In your opinion, are disciplinary actions and sanctions taken against the employees of state administration institutions who have committed a breach of ethics?

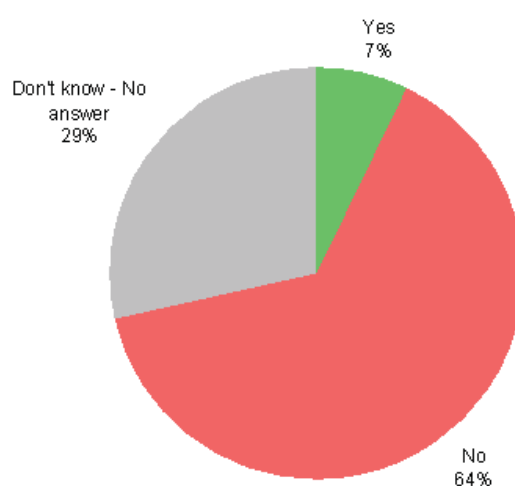
Basis: Total target population



NGO representatives largely do not believe that a system of exact performance appraisal for every civil servant and employee exists. They are more often of opinion that quality work performance in the state administration is not adequately rewarded. The majority think that civil servants and employees' salaries should be increased. There is, however, disagreement as to whether the current salary determination and incentives system affects civil servants and employees' motivation and if so, in what way. The majority believe civil servants and employees are in general not satisfied, but a significant number of respondents was not able to make an assessment.

**Figure 135** (C11) In your opinion, is there a system of exact performance appraisal for every civil servant and employee?

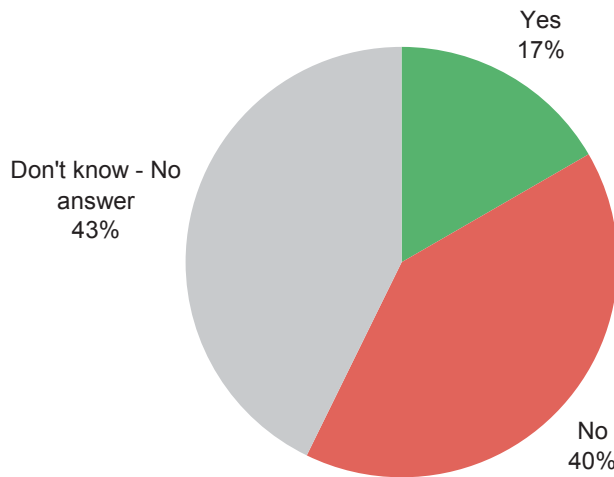
Basis: Total target population





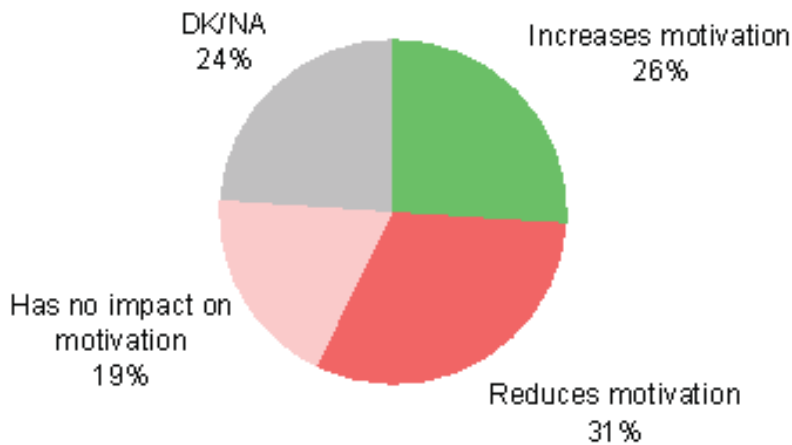
**Figure 136** (C12) Does increased work performance in public administration institution/body in your opinion results in adequate compensations – higher salary based on performance?

Basis: Total target population



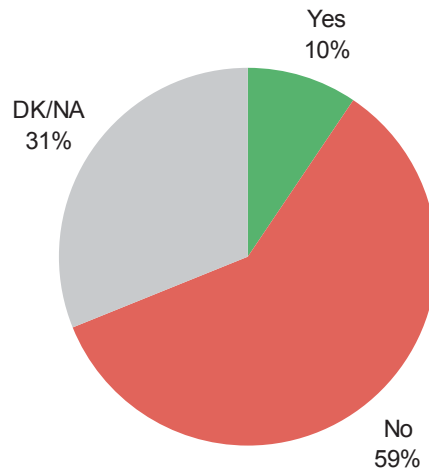
**Figure 137** (C14) In your opinion, in what way the current salary determination system in state administration affects civil servants and employees' motivation?

Basis: Total target population



**Figure 138** (C15) In your opinion, are state administration employees generally satisfied?

Basis: Total target population

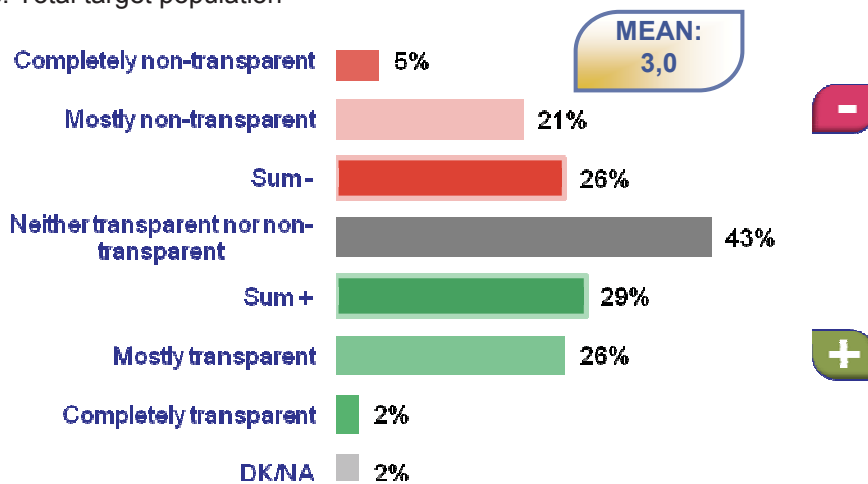


## D BUDGET SPENDING AND PUBLIC PROCUREMENT REALIZATION

NGO representatives' opinions are divided on whether budget processes in state administration are transparent or not i.e., whether all the information relating to these processes is available to the public. Some believe they are, others believe the opposite, whereas one quarter was not able to make an estimate. Transparency of budget spending in state administration bodies is mostly estimated as moderate, with a fairly equal number of those who believe it is transparent and those who believe the opposite.

**Figure 139** (D2b) When speaking of state administration, how transparent i.e. public is budget spending?

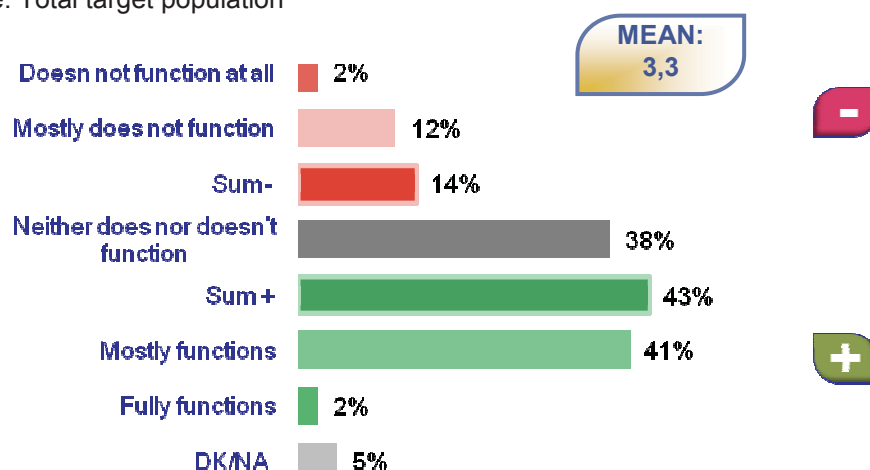
Base: Total target population



When asked about the functioning of the system for the control of budget spending, NGO representatives tend to give neutral assessments or express belief that the system mostly functions properly. Most believe that in state administration bodies budget is mainly spent according to priorities. When this is not the case, respondents mostly mention insufficient transfer of funds to NGOs or welfare cases, education or health care system and the like.

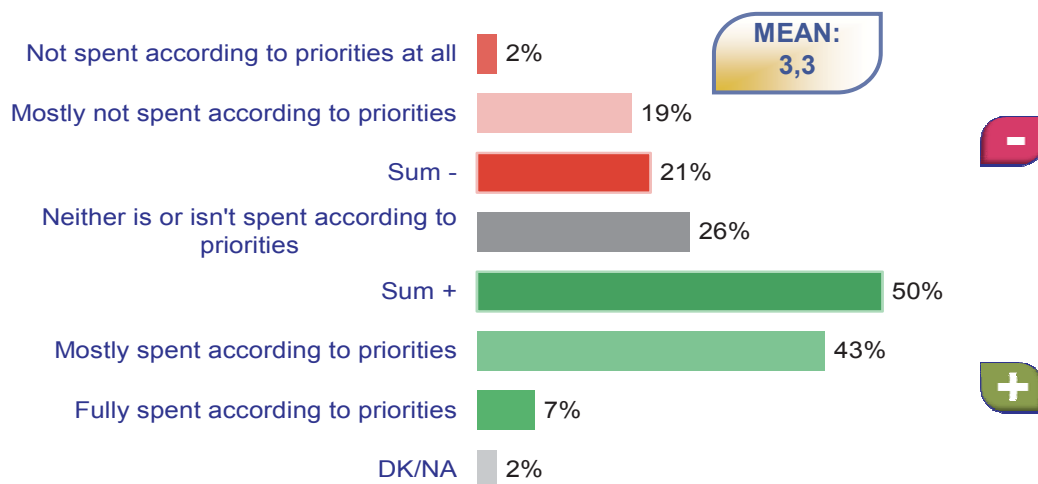
**Figure 140** (D2c) In your opinion, how well does the system of control of budget spending in state administration generally function?

Base: Total target population



**Figure 141** (D2d) In your opinion, to what extent is budget spent according to priorities in state administration institutions and bodies?

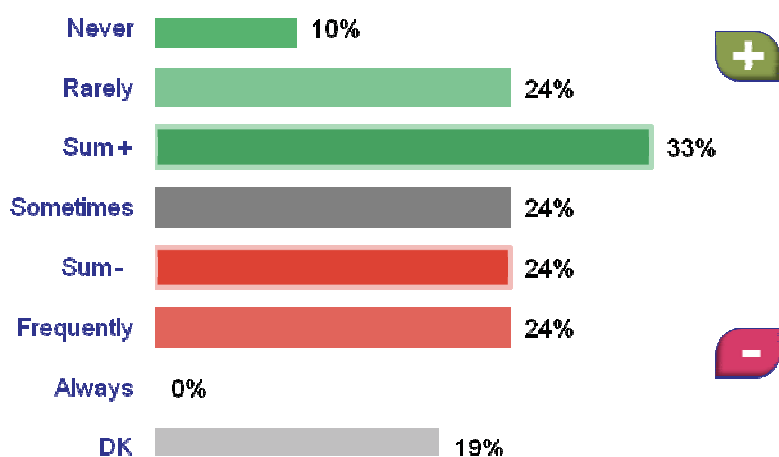
Base: Total target population



Some NGO representatives believe that work organization and procedures in the state administration sometimes or repeatedly create opportunities for abuse. This mostly refers to non-transparent procedures and insufficient control, but also to general lack of systematic solutions, a centralized system, conflict of interest, abuse of office and the like.

**Figure 142** (D2f) When speaking of state administration institutions – bodies, in your opinion, to what extent do work organization or procedures create opportunity for abuse?

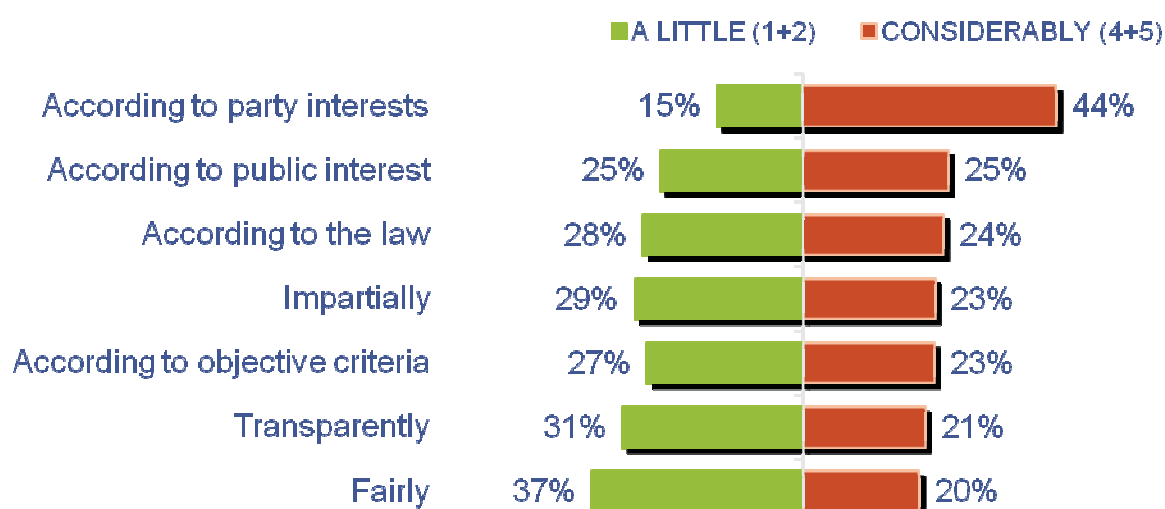
Base: Total target population



Commenting on the process of allocating funds to NGOs, a process under the jurisdiction of state administration institutions, NGO representatives mostly agree that it is legal, but many add that it is conducted according to party interest. The most prominent complaints refer to the process as unfair or non-transparent, and not conducted according to objective criteria, but these opinions are not dominant and there are disagreements among respondents on this topic.

**Figure 143** (D3) In your opinion, to what extent is the process of fund allocation to NGOs in state administration institutions conducted in the following ways:

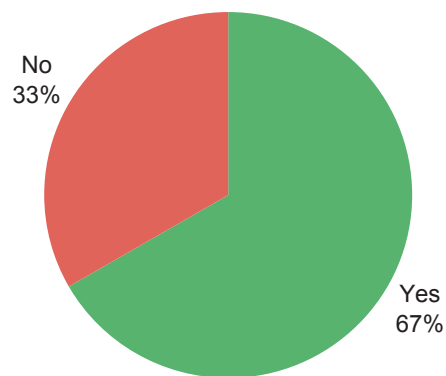
Base: Total target population



Most NGO representatives included in the sample i.e. their organizations, participated in competitions at some of the state administration institutions, and most of those who did apply have been allocated funds at least once.

**Figure 144** (D3a) Has your NGO participated in a competition for the allocation of funds at a state administration institution, to finance various types of projects?

Base: Total target population

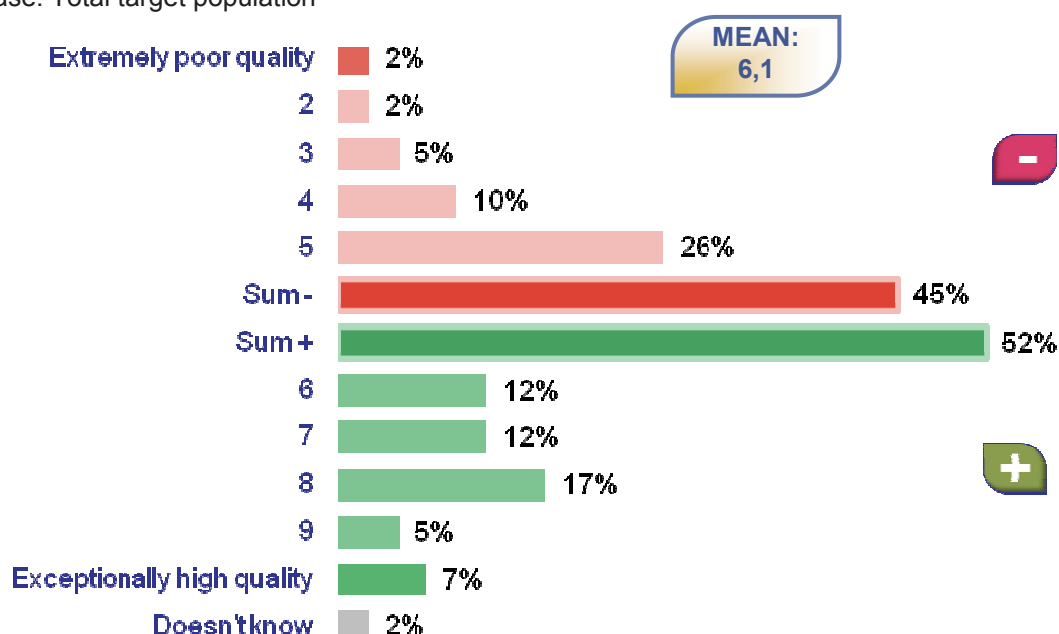


## E SERVICE QUALITY IN STATE ADMINISTRATION

In evaluating work quality in state bodies and institutions, on a scale of 1 to 10, where a higher score denotes a higher degree of quality, NGO representatives give the average score of 6,1. Most believe the level of service quality has increased in the past three years, although many believe there have been no significant changes in this period.

**Figure 145 (E1)** How would you generally assess the quality of performance of the state administration i.e. all its institutions?

Base: Total target population

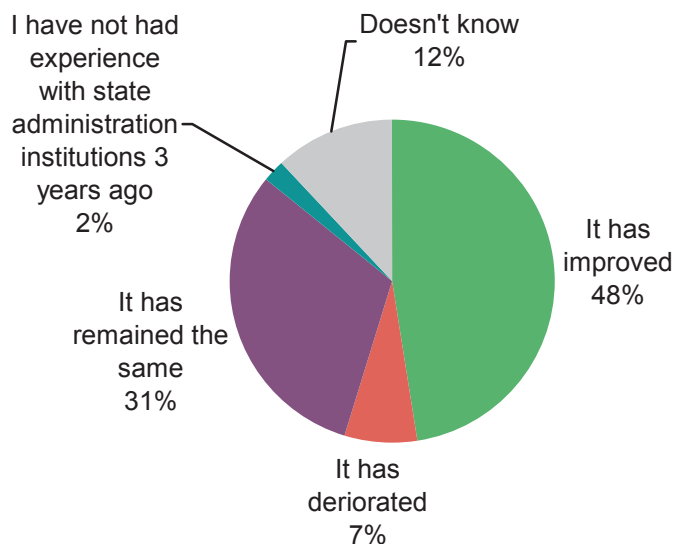


NGO representatives who have had contact with the Montenegro government, parliament or judiciary do not give uniform assessments of their work quality. A considerable number of respondents chose not to give an assessment, whereas there is a fairly equal number of those who believe the work of these institutions is good and those who believe the opposite. When speaking of other institutions whose services NGO representatives used, they are most satisfied with the education and health care system, police and custom services.



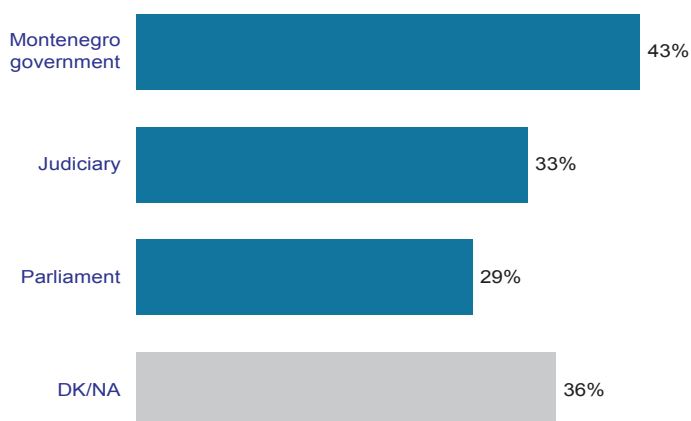
**Figure 146 (E2)** In your opinion, has the level of service quality in state administration increased, decreased or remained unchanged, in comparison to the situation 3 years ago?

Base: Total target population



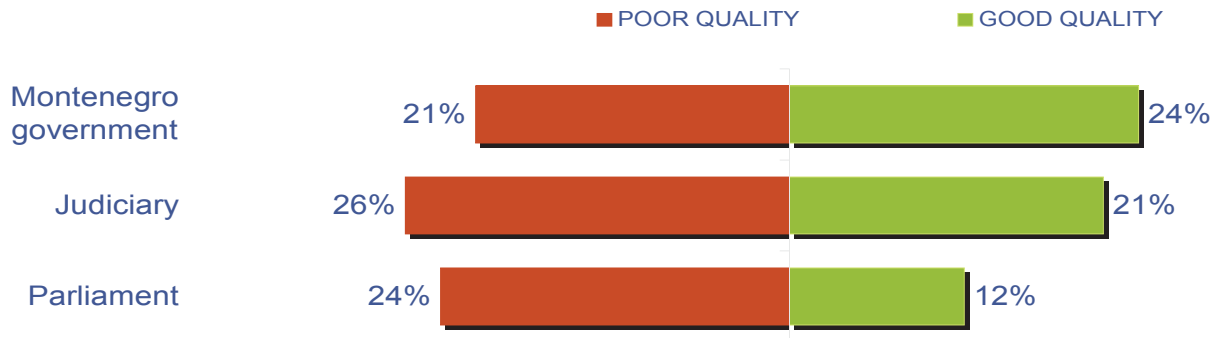
**Figure 147 (E2a)** Which of the following public authorities and state administration bodies has your organization had contact with in the past 12 months?

Multiple answers; Base: Total target population



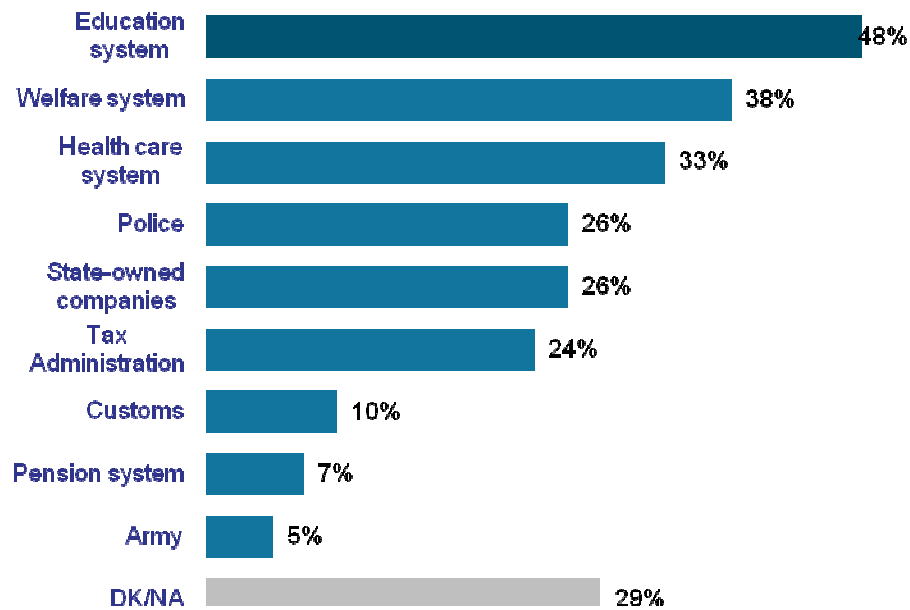
**Figure 148 (E2b)** How would you evaluate the performance of the following public authorities:

Base: Total target population



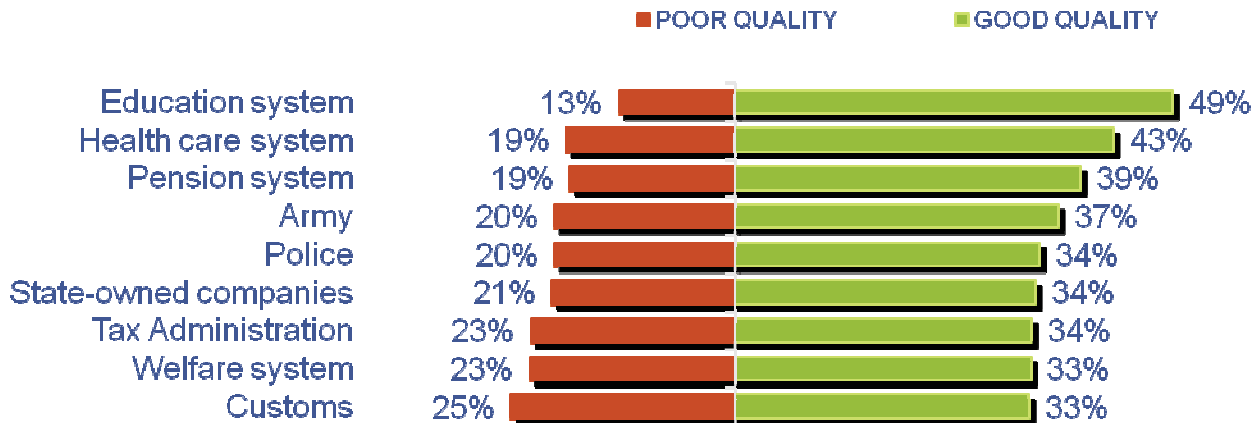
**Figure 149 (E2c)** Which of the following sectors i.e. state administration institutions and bodies have you had contact with in the past 12 months?

Multiple answers; Base: Total target population



**Figure 150** (E2d) How would you evaluate the work quality of the following sectors i.e. state administration institutions and bodies?

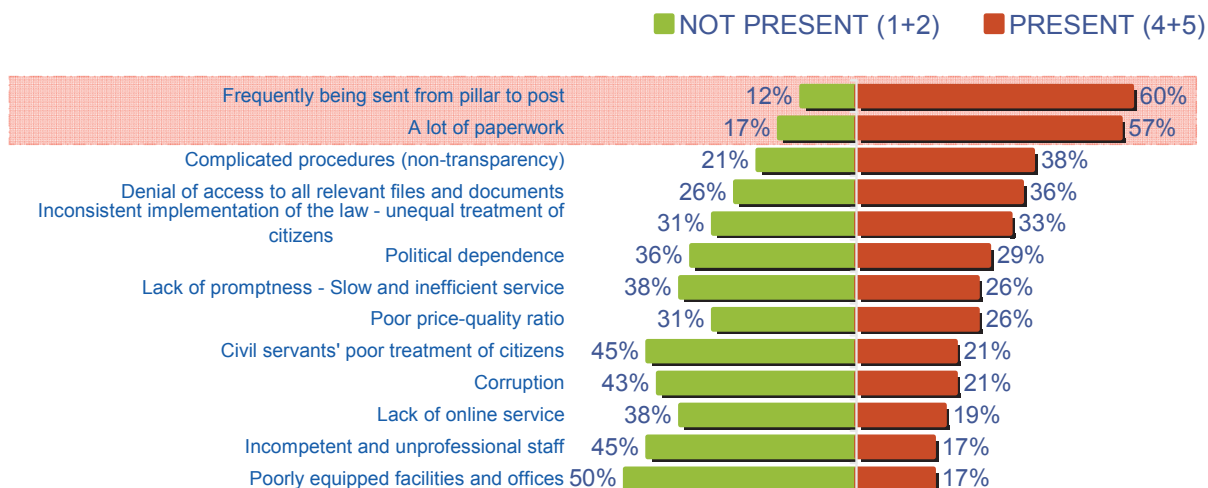
Base: Total target population



When speaking of certain negativities in the functioning of state administration bodies, NGO representatives most frequently mention bureaucratic problems, like "being sent from pillar to post" and too much paperwork. Least mentioned are poorly equipped facilities and offices, impolite clerks or incompetent and unprofessional staff.

**Figure 151** (E3) In your opinion, to what degree are the following negativities present in state administration institutions and bodies?

Base: Total target population



NGO representatives are extremely uniform in their attitude that there is considerable room for improvement in the functioning of state authorities. The primary concern would be providing more precise legal solutions for regulating procedures, stricter internal control and pay increase for civil servants.

**Figure 152 (E8)** In your opinion, how could work quality of state administration bodies be increased?

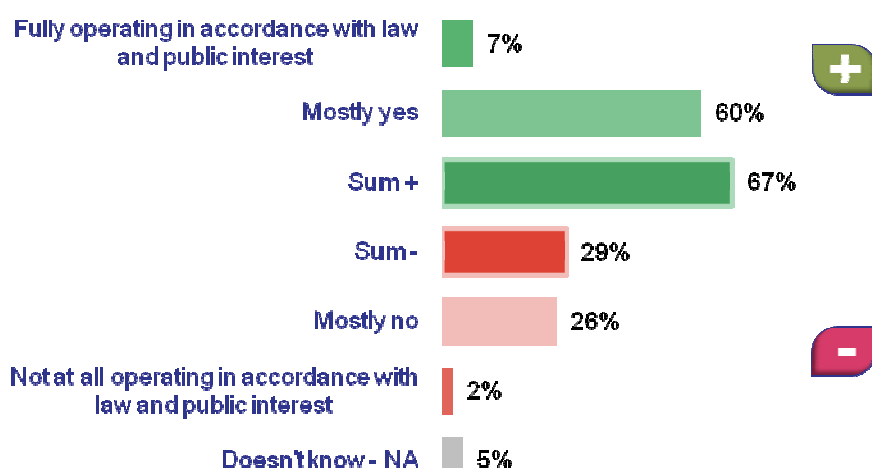
Multiple answers; Base: Those who believe the work of state administration bodies can be improved (93% of the target population)



NGO representatives believe that inspection authorities at state administration bodies are operating in accordance with the law and public interest, although there is a minority of those with opposite opinions.

**Figure 153** (E9) In your opinion, to what degree do inspection authorities at state administration bodies operate in accordance with the law and public interest?

Base: Total target population



NGO representatives believe that the biggest hindrance to the functioning of state administration bodies are the lack of funds and poor work organization, as well as insufficient co-ordination within different services and corruption. Inadequate educational and professional structure of employees is a relatively lesser problem.

**Figure 154** (E10) In your opinion, which of the listed aspects hinder the work and functioning of state administration the most?

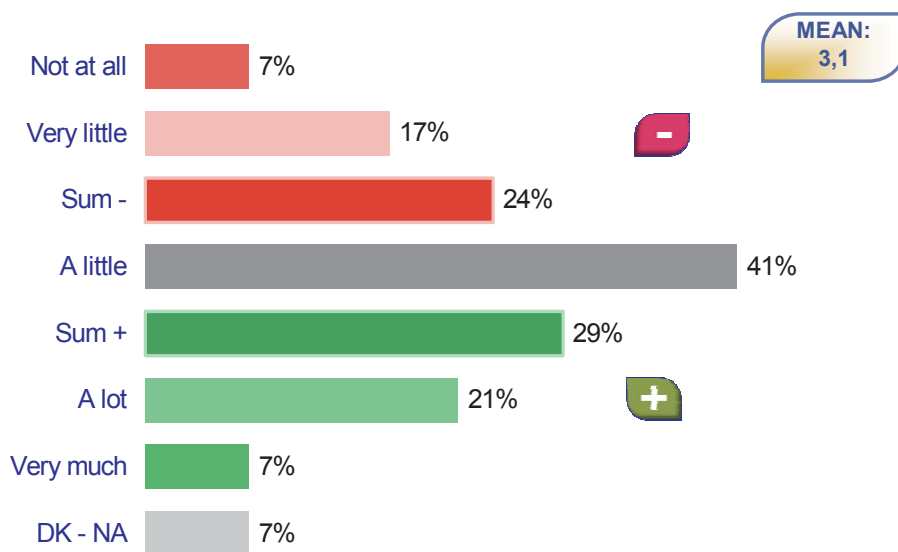
Multiple answers; Base: Total target population



NGO representatives most frequently mention that the Montenegro government encourages the development of the nongovernmental sector only a "little", even though scores "very little" or "not at all" are relatively rare. Among the respondents there are somewhat more of those who believe the government gives "a lot" or "very much" encouragement to the development of the nongovernmental sector.

**Figure 155** (E11) To what extent does the state administration in Montenegro encourage development in the nongovernmental sector?

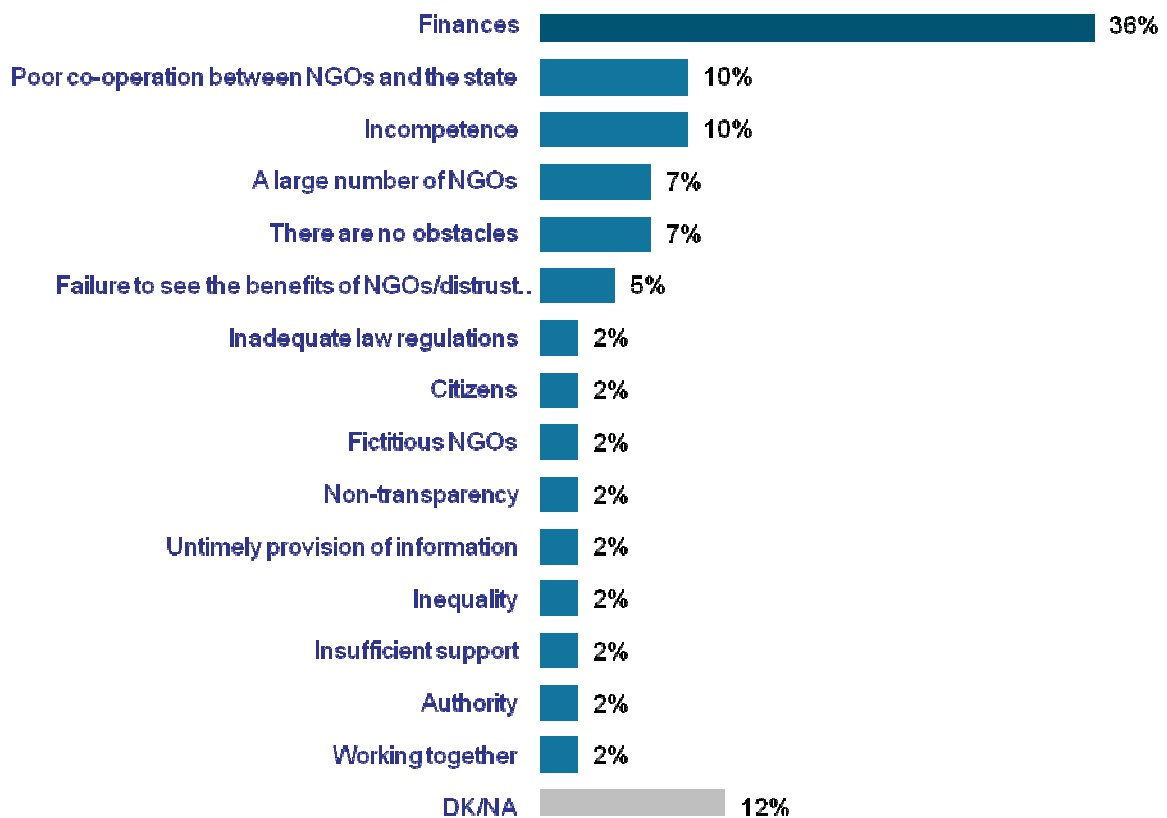
Base: Total target population



When speaking of the biggest obstacles affecting the development of the nongovernmental sector in Montenegro, NGO representatives mostly mention financial conditions, but many others, as well. For example, poor co-operation between NGOs and the state, incompetent personnel, a large number of NGOs, public sector's distrust and failure to recognize possible benefits, inadequate law regulations and the like.

**Figure 156** (E14) In your opinion, what is the biggest obstacle to the development of the nongovernmental sector in Montenegro?

Multiple answers; Base: Total target population

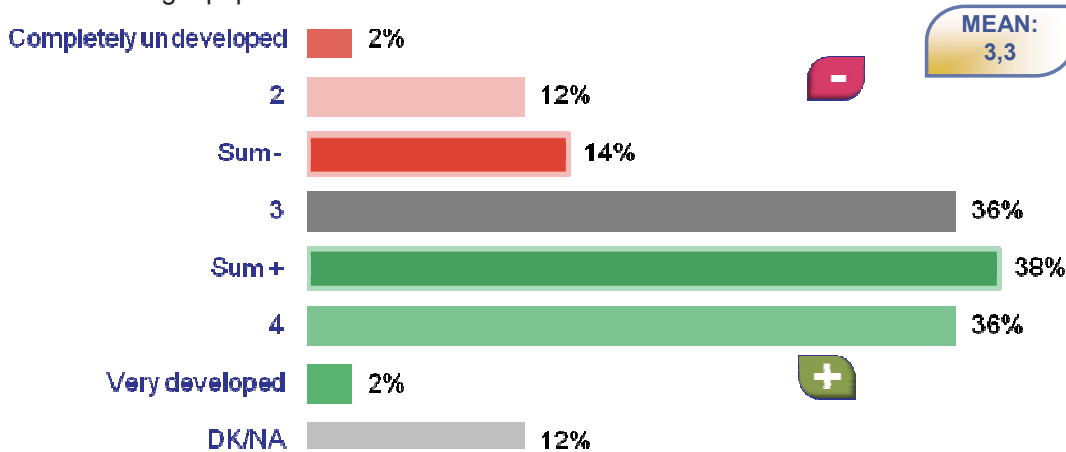




In evaluating the development of the level of trust between state institutions and nongovernmental organizations, on a scale of 1 to 5, NGO representatives on average give the score of 3,3 i.e. evaluate co-operation as mediocre or moderately good.

**Figure 157** (E15) How would you evaluate the level of co-operation between state administration and nongovernmental organizations?

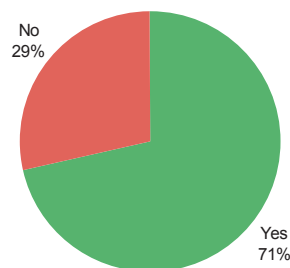
Base: Total target population



Among the nongovernmental organizations included in the survey, which have in some way co-operated with state administration bodies, over one half have signed an official document of co-operation. Half of the organizations participated in commissions, boards or other bodies formed by the state administration. A smaller number were previously included in some aspect of evaluation of functioning of the Montenegro state administration.

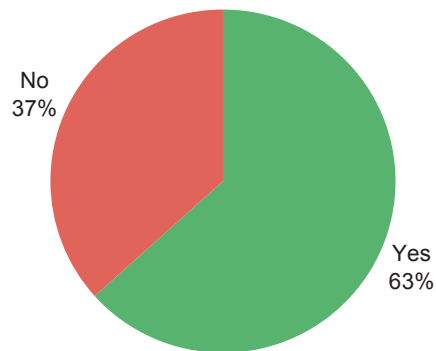
**Figure 158** (E16) Has your NGO in any way co-operated with state administration institutions?

Base: Total target population



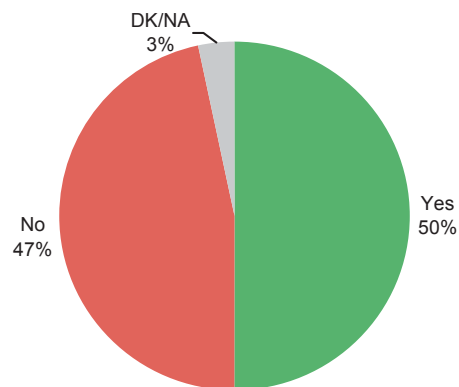
**Figure 159** (E17) Have you signed a special document of co-operation/communication with a state administration body?

Base: The respondents whose NGO has in some way co-operated with the state administration (71% of the target population)



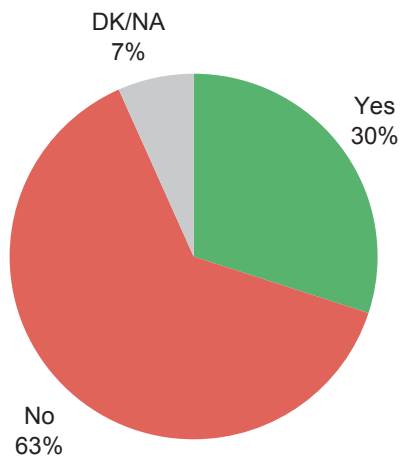
**Figure 160** (E18) Has your organization ever been involved in a commission, board or other body formed by the state administration, as a full member, observer or in any other capacity?

Base: The respondents whose NGO has in some way co-operated with the state administration (71% of the target population)



**Figure 161** (E19) Have you been in any way included in the evaluation of functioning of particular Montenegro state administration institutions?

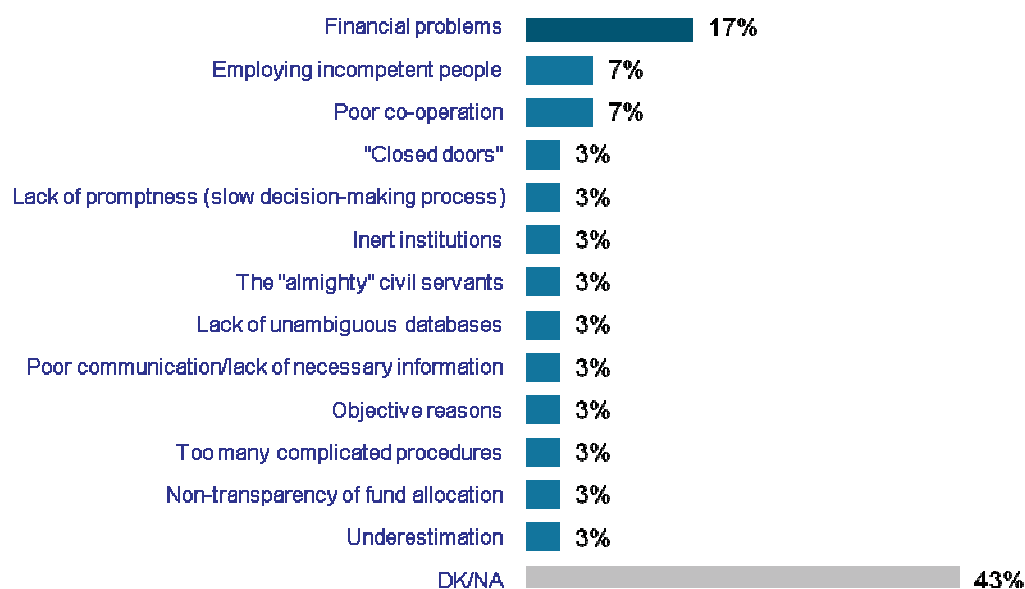
Base: The respondents whose NGO has in some way co-operated with the state administration (71% of the target population)



Among the biggest problems with respect to co-operation with state institutions, NGO representatives mostly mention financial problems. There are also other problems, like unprofessional personnel, poor co-operation and "closed doors", lack of promptness, inert institutions and the like.

**Figure 162** (E20) What are the problems most frequently facing your organization when co-operating with state administration institutions?

Multiple answers; Base: The respondents whose NGO has in some way co-operated with the state administration (71% of the target population)

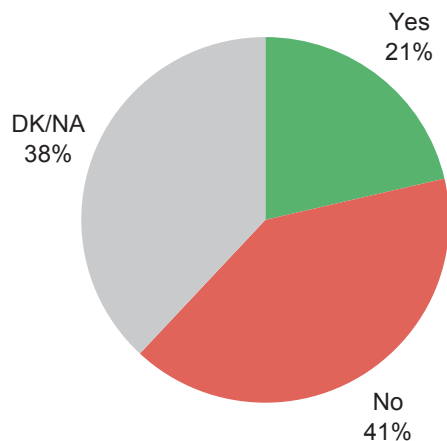


## F TRANSPARENCY OF STATE ADMINISTRATION SERVICES AND ACCESS TO STATE ADMINISTRATION FUNDS

In the opinion of NGO representatives, which is not particularly uniform and many refrained from making an estimate, citizens are not always able to gain access to state administration files and documents upon request.

**Figure 163** (F1a) In your opinion, is every citizen able to gain access to state administration files and documents upon request?

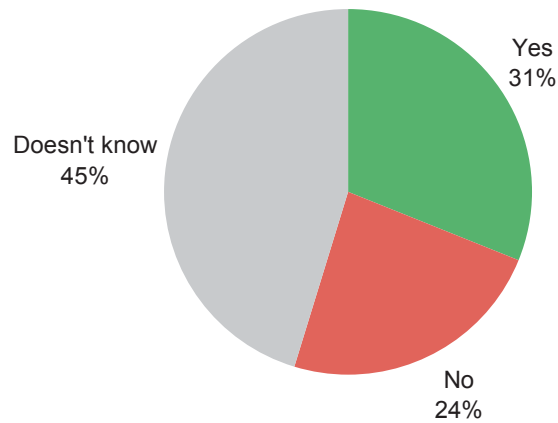
Base: Total target population



Almost one in two representatives failed to estimate whether state-owned companies' revenues are distributed transparently and in accordance with the law. Among the respondents who did answer, there are those who believe revenue spending is transparent, and those who believe the opposite. Opinions are similar when it comes to evaluation of transparency and legal adoption of urban plans.

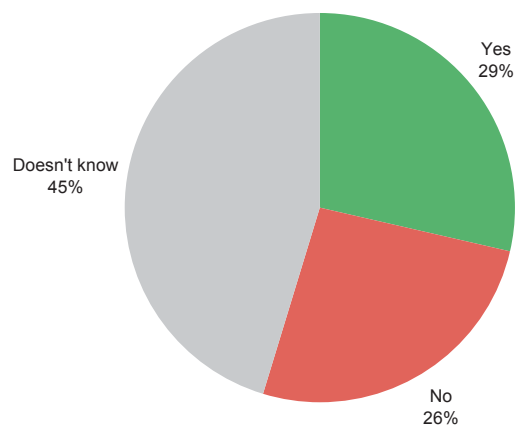
**Figure 164** (F2) In your opinion, are state-owned companies' revenues spent transparently and in accordance with the law?

Base: Total target population



**Figure 165** (F3) In your opinion, is adoption of urban plan conducted transparently and in accordance with the law?

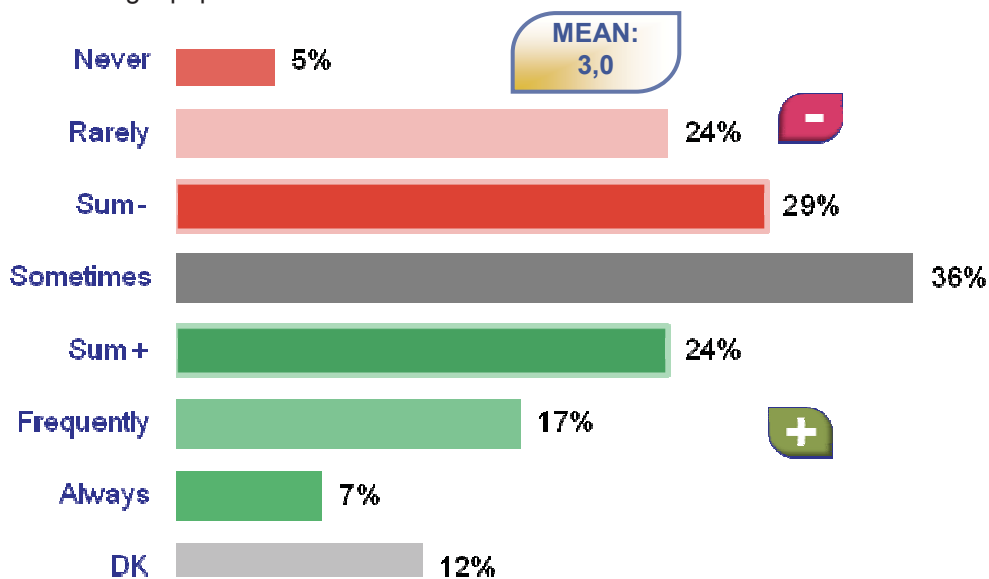
Base: Total target population



NGO representatives observe that construction permits are not always issued according to legal and established procedures. Most of them mention the controversial investments at cape Zavala.

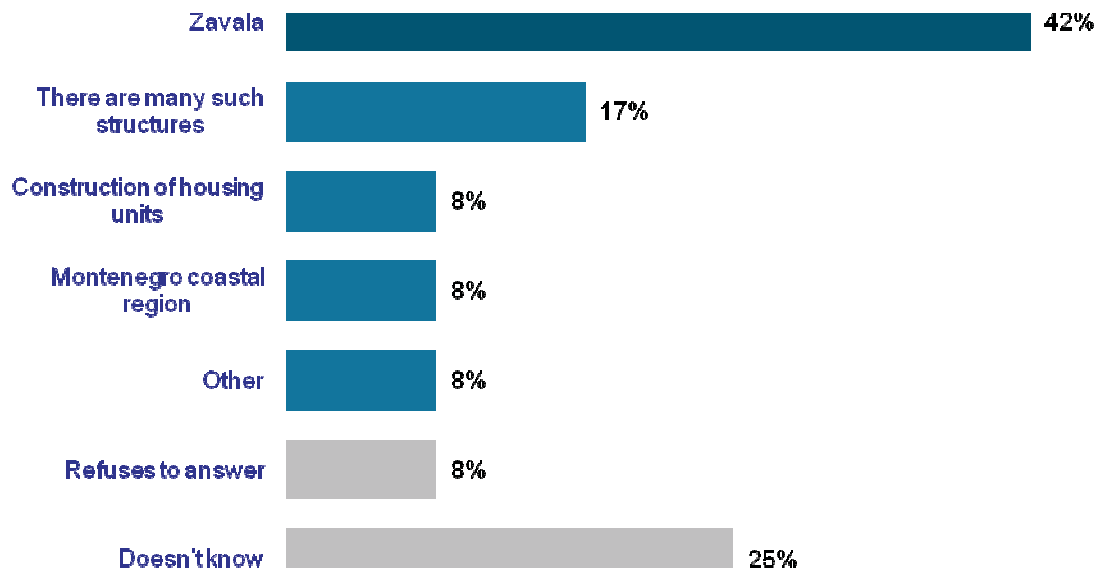
**Figure 166** (F4) In your opinion, is issuing of construction permits always conducted in accordance with the law and established procedures?

Base: Total target population



**Figure 167** (F4a) Can you give an example of a case where obtaining a construction permit was not conducted legally and according to established procedures?

Multiple answers; Base: Those who believe obtaining construction permits is not conducted in accordance with the law and established procedures (29% of the target population)

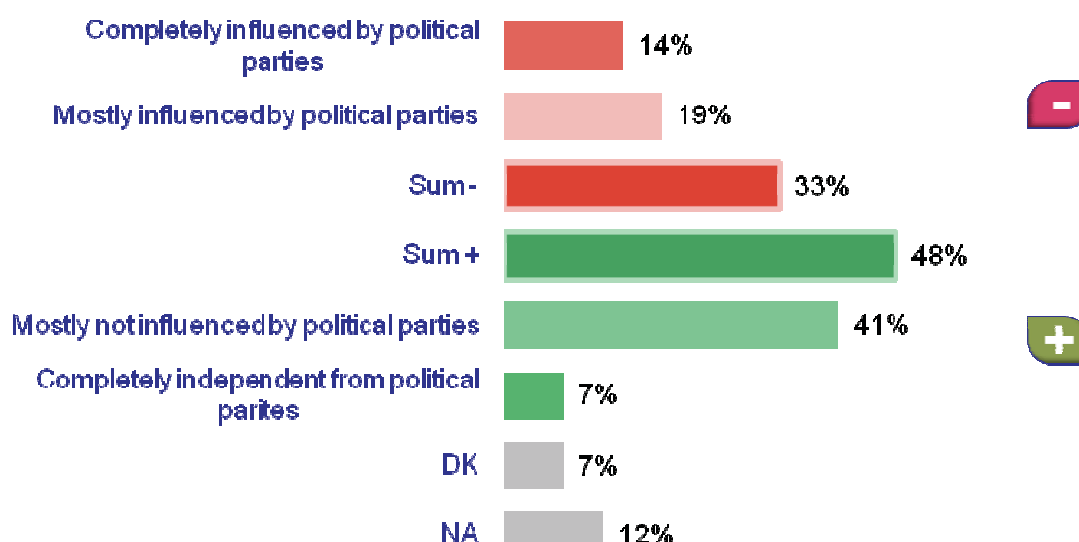




Although there are those who believe the opposite, NGO representatives more frequently agree that politicization is mostly not present in state administration bodies and state-owned companies.

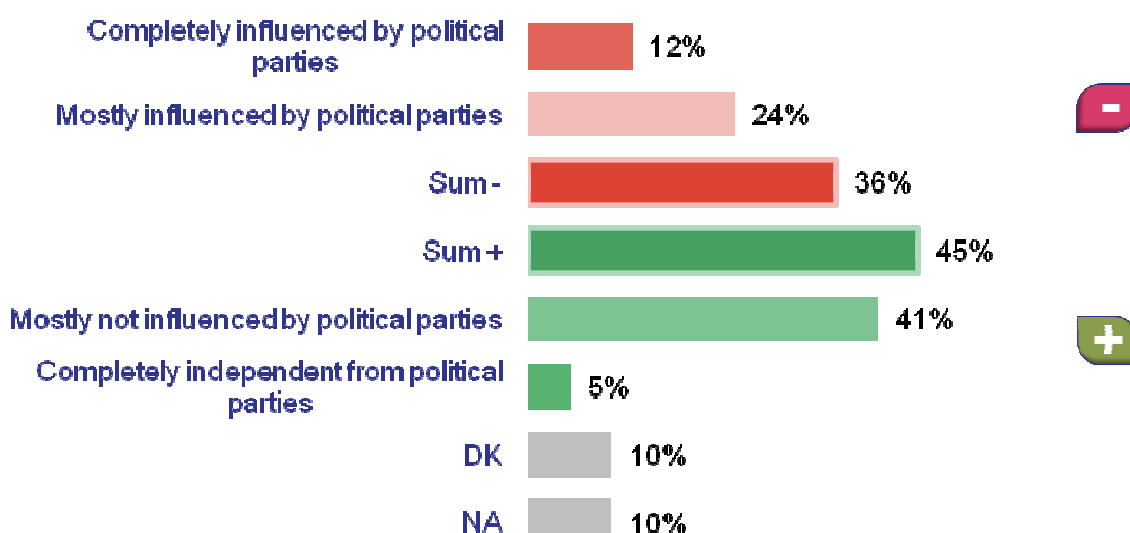
**Figure 168** (F5) In your opinion, to what extent is politicization present in state administration?

Base: Total target population



**Figure 169** (F6) In your opinion, to what extent is politicization present in state-owned companies?

Base: Total target population

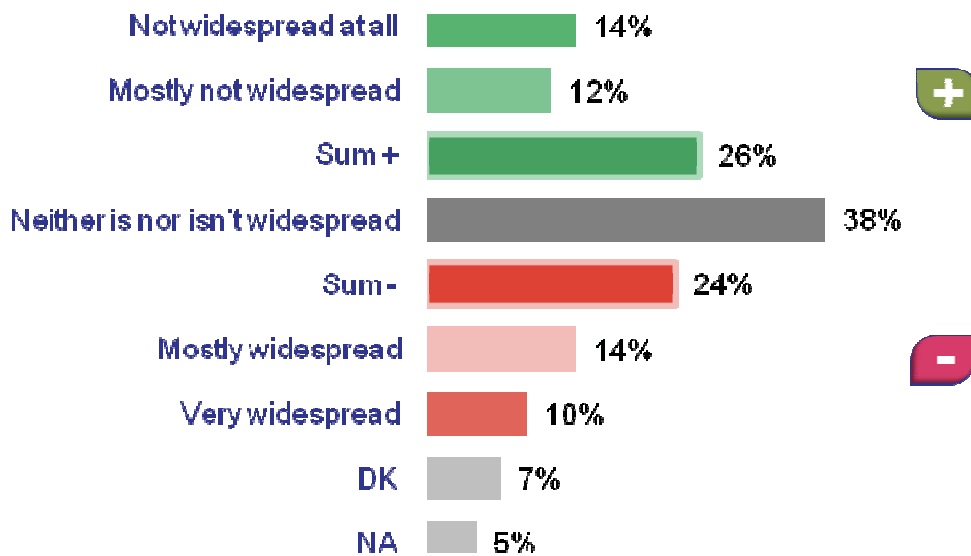


## G CORRUPTION

Most NGO representatives observe that corruption does exist in state administration bodies, but they do believe it is moderately widespread. As reasons for its existence representatives mention low salaries and low standard of living, insufficient motivation of civil servants and employees, citizens' insufficient awareness and mentality, nepotism, non-transparency and other.

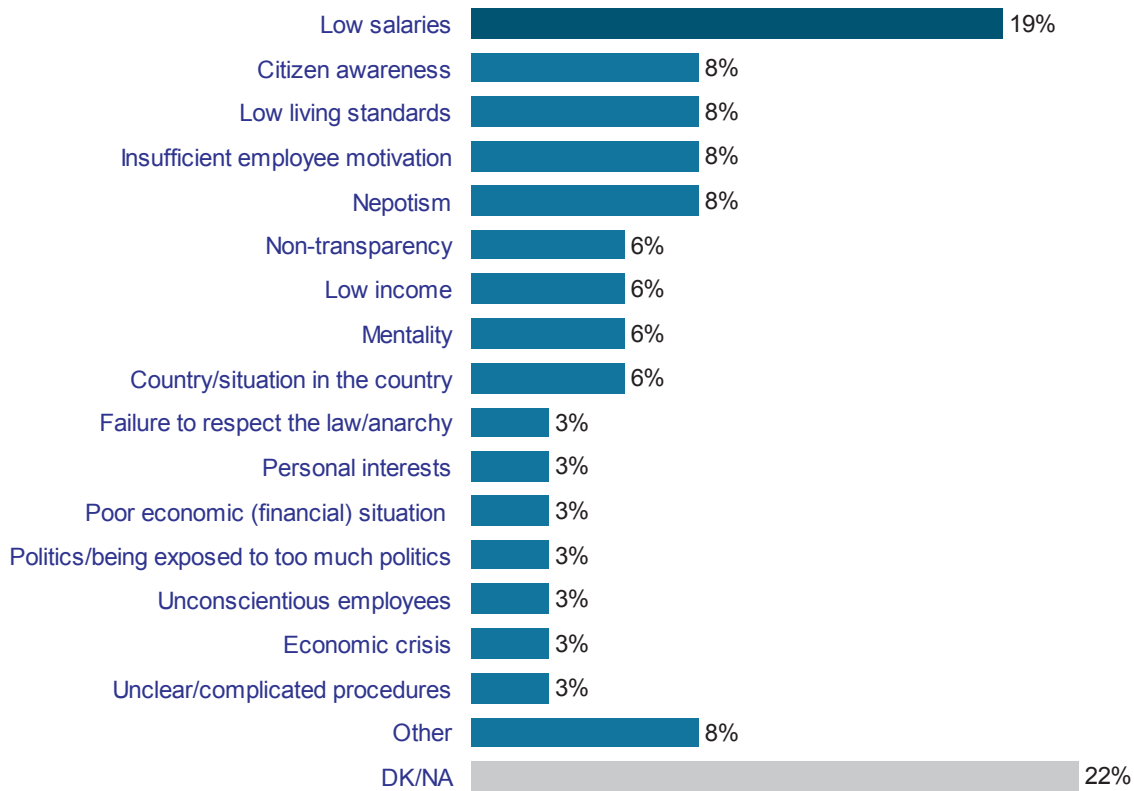
**Figure 170** (G1) In your opinion, corruption in Montenegro state administration is...

Base: Total target population



**Figure 171** (G2) In your opinion, what are the main reasons for widespread corruption in state administration?

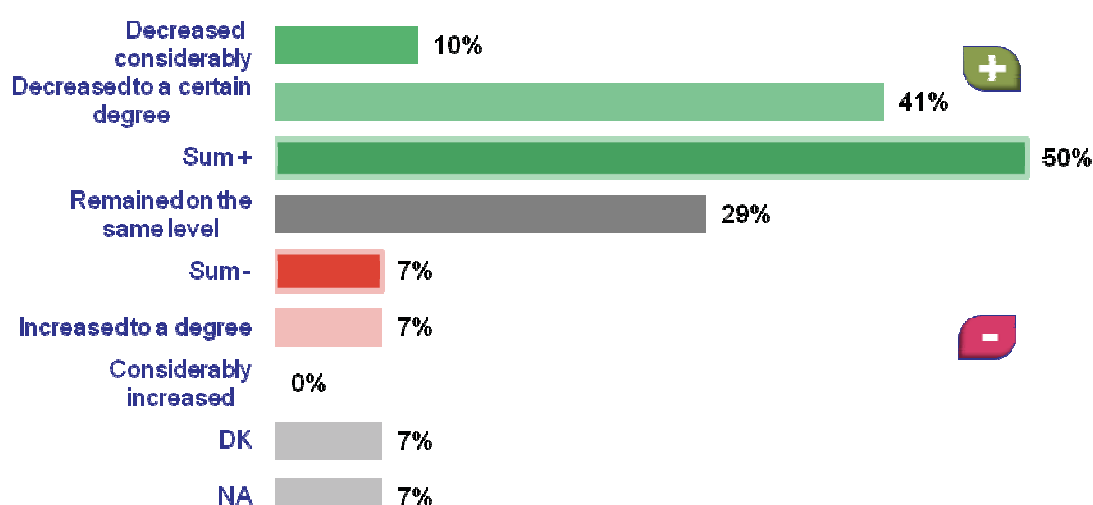
Multiple answers; Base: Those who believe corruption is to an at least some extent present in state administration (86% of the target population)



When comparing the level of corruption today and three years ago, most NGO representatives believe it has decreased to a certain degree, although there are those who believe there have been no significant changes in the past three years. Respondents believe that the total level of corruption in Montenegro is higher in comparison to EU members.

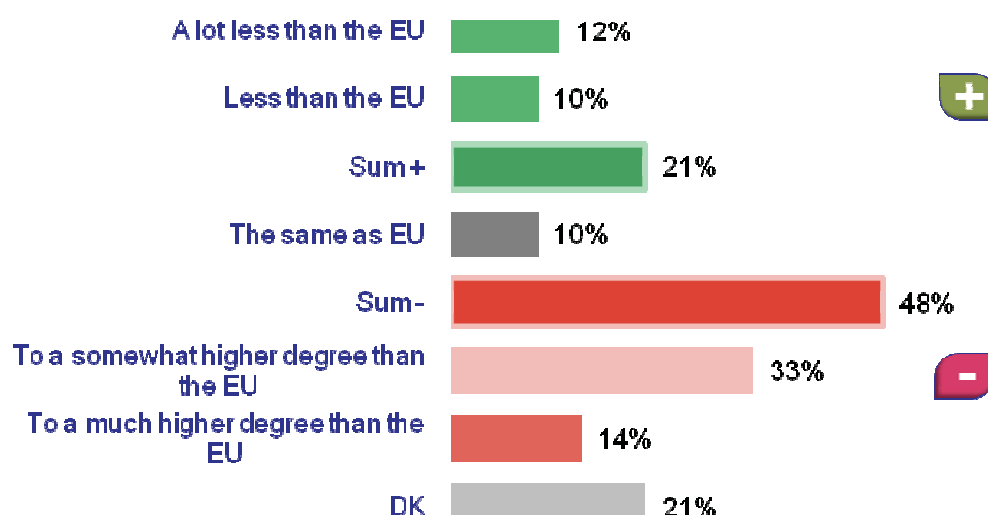
**Figure 172 (G3)** In the past three years, has the level of corruption in Montenegro state administration...

Base: Total target population



**Figure 173 (G4)** In your opinion, to what degree is corruption present in Montenegro, in comparison to EU members?

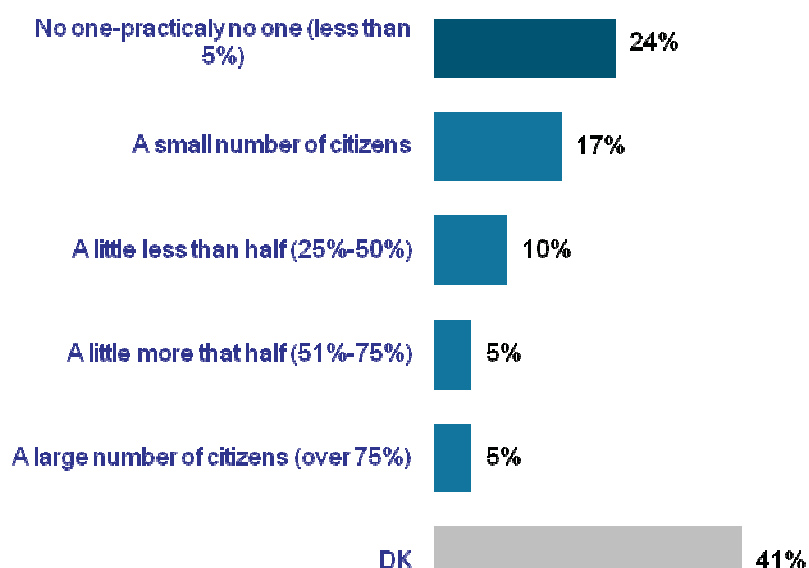
Base: Total target population



According to NGO representatives, Montenegro citizens' involvement in corrupt activities, in terms of offering bribes in state administration, is around 5 – 10% i.e. a relatively small number of citizens. Estimates are similar when it comes to NGOs' involvement in such corrupt activities.

**Figure 174** (G11) In your opinion, how many Montenegro citizens who have co-operated with state administration have bribed someone in the past 12 months?

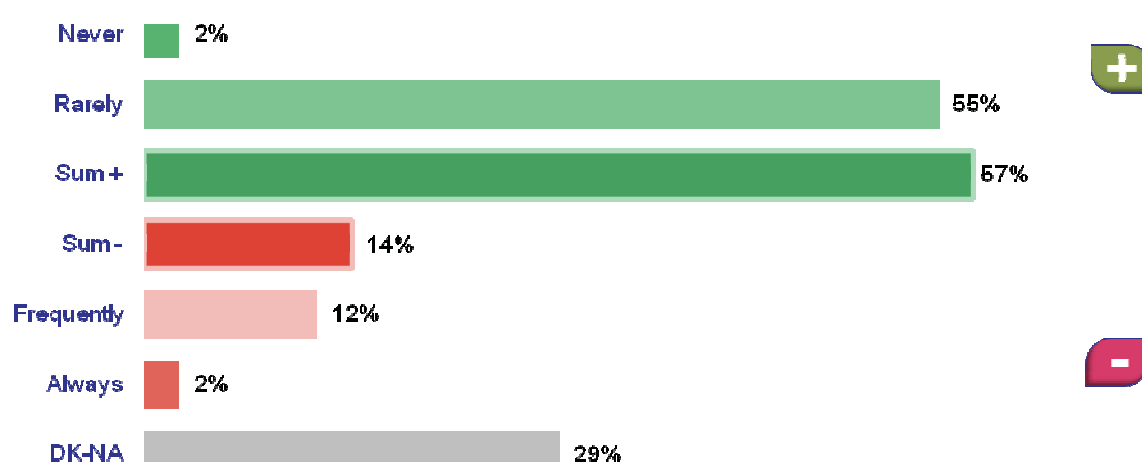
Base: Total target population



At the same time, NGO representatives mostly believe that civil servants rarely ask citizens for illegal compensations or make illegal deals in order to resolve a case in their favour. There are more of those respondents who believe citizens rarely accept such offers, as opposed to those who believe most or all citizens accept them.

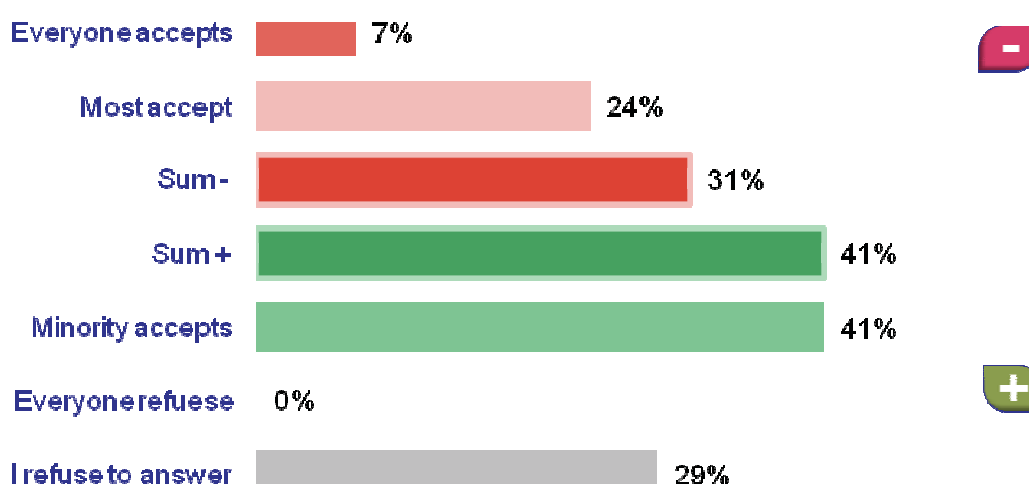
**Figure 175** (G13) In your opinion, how often do civil servants ask citizens to give illegal compensations or make illegal deals to resolve a case in their favour?

Base: Total target population



**Figure 176** (G14) In your opinion, what is the most common reaction citizens have when offered by civil servants to resolve a case in their favour, in exchange for illegal compensations or deals?

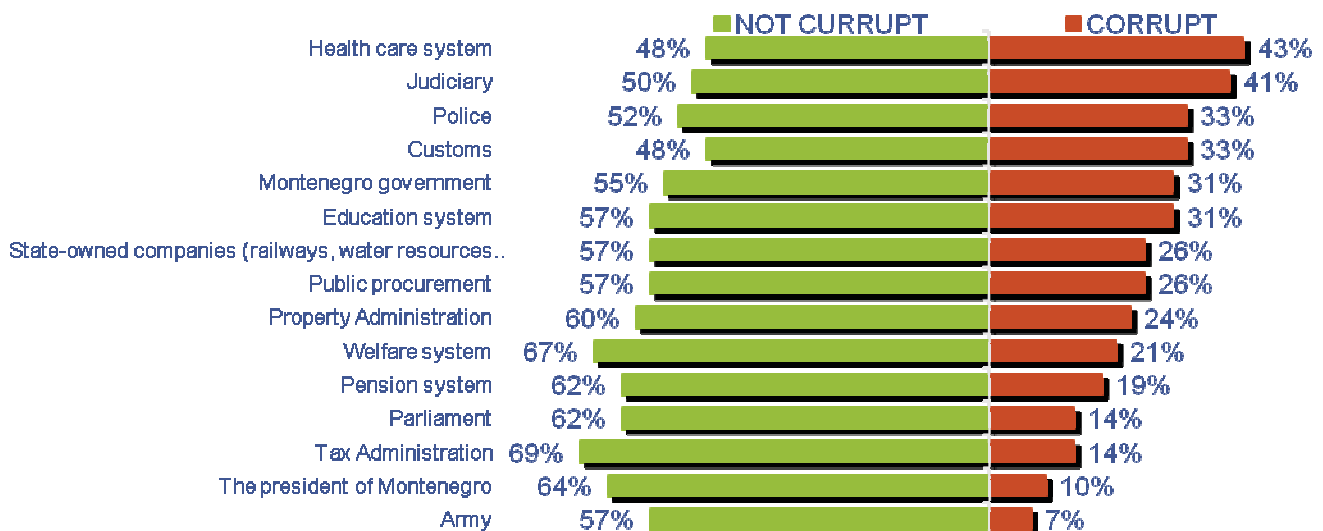
Base: Total target population



When estimating the degree of corruption in various state institutions, among those with higher degree NGO representatives most frequently mention the health care system and the judiciary, whereas those with lower degrees of corruption are the Tax Administration, social security system, the President's office and the Parliament. It is important to explain that, while the health care system is perceived as corrupt, citizens are at the same time satisfied with the quality of service it provides. First of all, corruption is only one of the aspects of functioning in any system, whereas the overall quality of service is a much broader concept. Secondly, as mentioned with the general population, perception of the health care system and the services it provides is determined by certain particularities that play a prominent role in citizens' awareness, regardless of corruption. More specifically, the nature of services provided by the health care system and their immense value to individuals and society; the fact that the health care system covers almost the entire population, and that there is a clear awareness of the poor financial situation and the system which, despite all that, somehow manages to function.

**Figure 177** (G28) In your opinion, to what degree is corruption present in the following sectors and institutions in Montenegro?

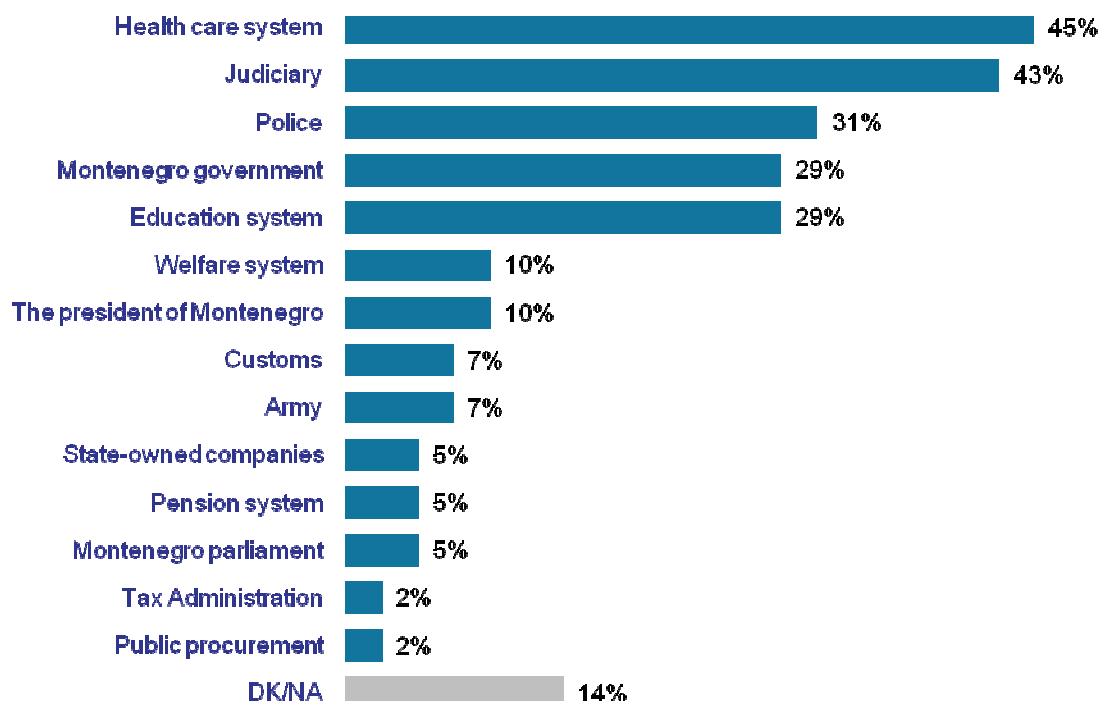
Base: Total target population



NGO representatives believe that the most dangerous consequences to the development of Montenegrin society are caused by corruption in the health care system and judiciary, as well as the police, government and the education system.

**Figure 178** (G29) In which sectors are corruption consequences most dangerous to society development in Montenegro?

Multiple answers; Base: Total target population

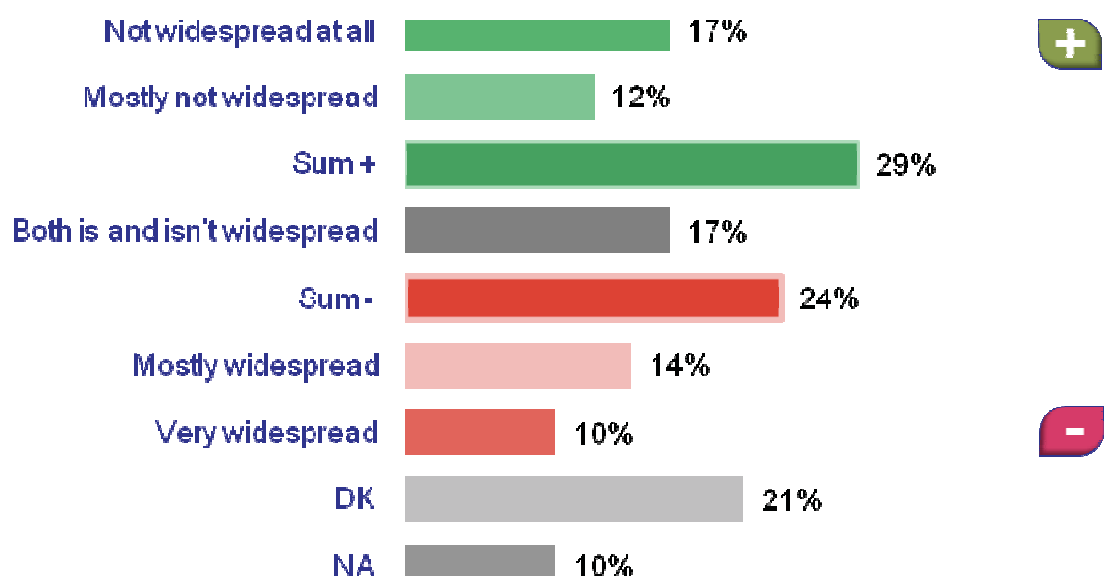




Commenting on the so-called "higher level" corruption, NGO representatives have different attitudes, but the prevalent is the one stating corruption is not widely spread. Those who believe it is, give examples of acquittals for perpetrators of particular criminal offences, enactment of legal acts benefitting certain individuals, privatization and issuing of construction permits.

**Figure 179** (G31) In your opinion, to what degree is "higher level" corruption present in Montenegro?

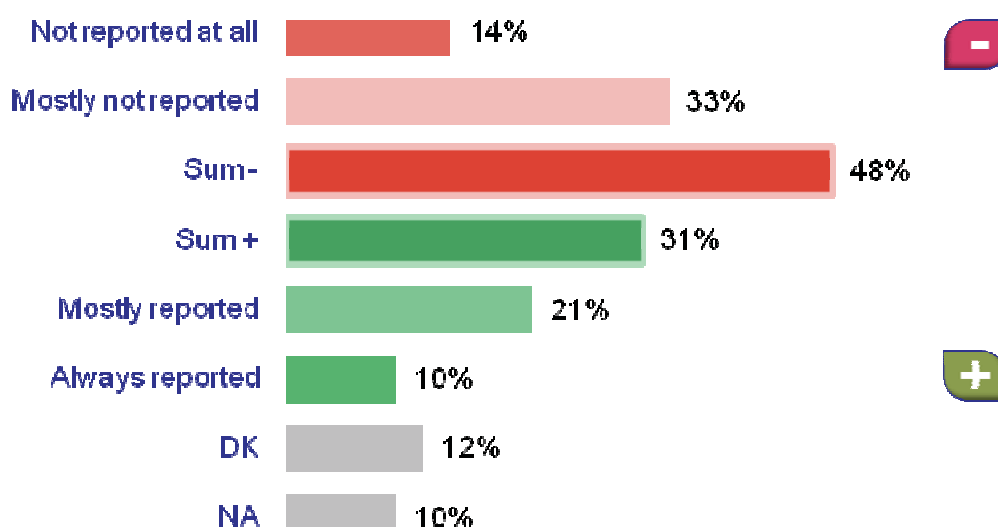
Base: Total target population



Most NGO representatives believe corruption in state administration is almost never reported. The primary reasons are fear of possible negative consequences, fear of retaliation or a case being left unprocessed, as well as intense corruption of competent authority, which would probably make reports ineffective. NGO representatives believe ensuring greater security and anonymity, along with other mentioned measures, would help citizens and state administration employees feel encouraged to more frequently report corruption they encounter.

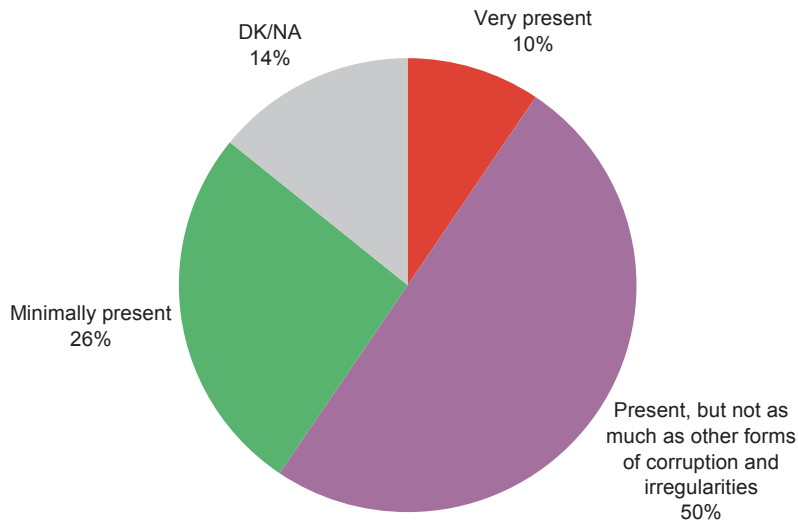
**Figure 180** (G32) How often is corruption in state administration reported?

Base: Total target population



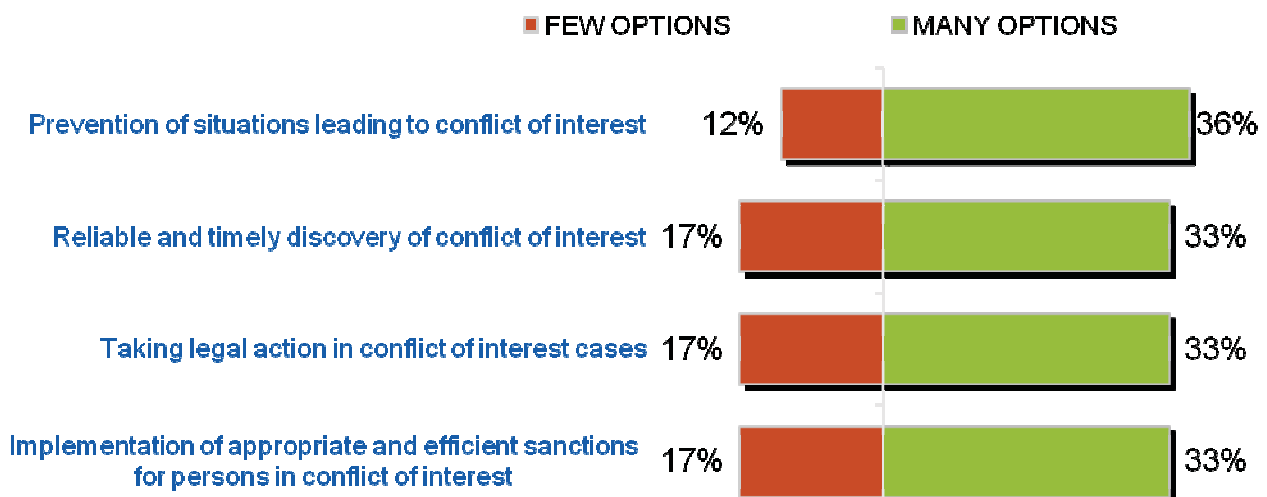
When referring to conflict of interest i.e. its presence in the state administration of Montenegro, NGO representatives mostly believe it is present, but not as much as other forms of corruption and irregularities.

**Figure 181 (G35)** In your opinion, to what degree is conflict of interest present in the state administration of Montenegro?



**Figure 182 (G37)** In practice, what are the options for fighting conflict of interest?

Base: Total target population

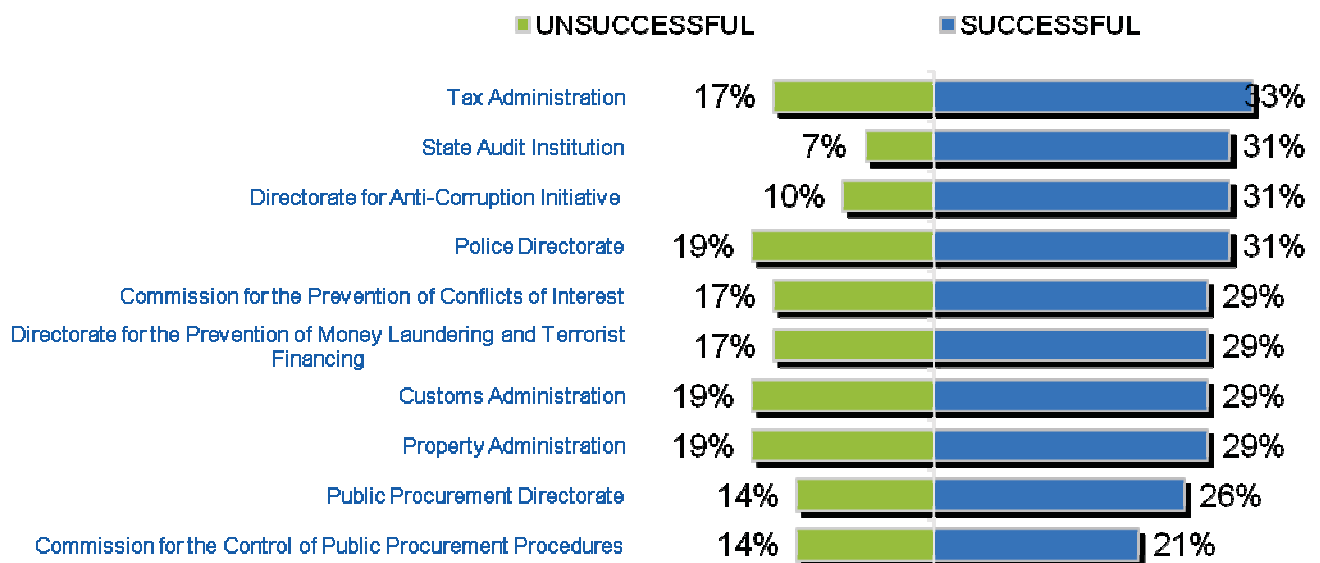


## H FIGHTING CORRUPTION

NGOs included in the survey most frequently give a neutral assessment of the success rate particular state institutions have had in fighting corruption, with a slightly larger number of those who give moderately positive scores, than those who believe the fight against corruption in state administration institutions has been unsuccessful. Scores among institutions do not differ significantly i.e. a small number of respondents does not allow for reliable generalizations.

**Figure 183** (H1) On a scale of 1 to 5, please rate the success of the following institutions in fighting corruption:

Base: Total target population



Among the best and most efficient methods and measures for fighting corruption in state administration, NGO representatives mention law enforcement, higher degree of control and stricter penalties, as well as public condemnation of those caught in corrupt activities. NGO representatives express a somewhat higher degree of agreement when it comes to penalties as the most effective measure in fighting corruption.

**Figure 184 (H2)** In your opinion, what is the best method for fighting corruption in state administration?

Base: Total target population



**Figure 185 (H2a)** In your opinion, what are the most efficient measures for fighting corruption?

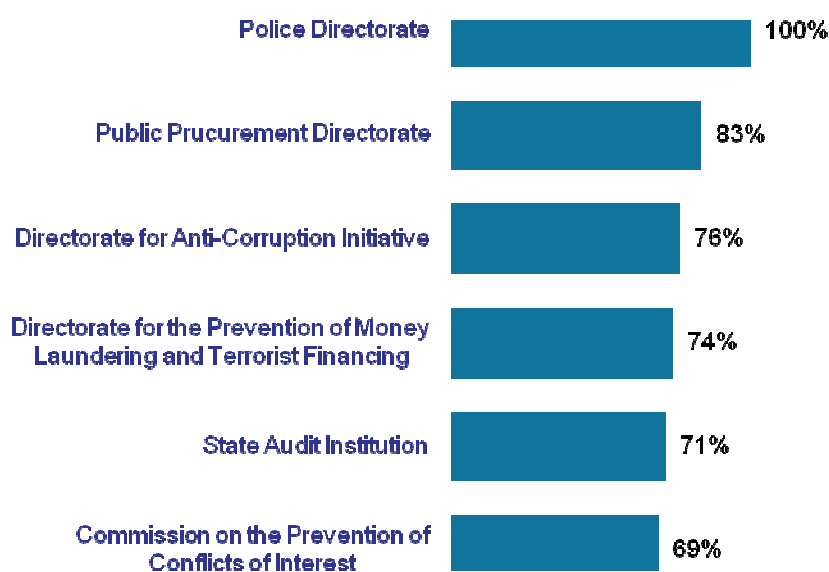
Multiple answers; Base: Total target population



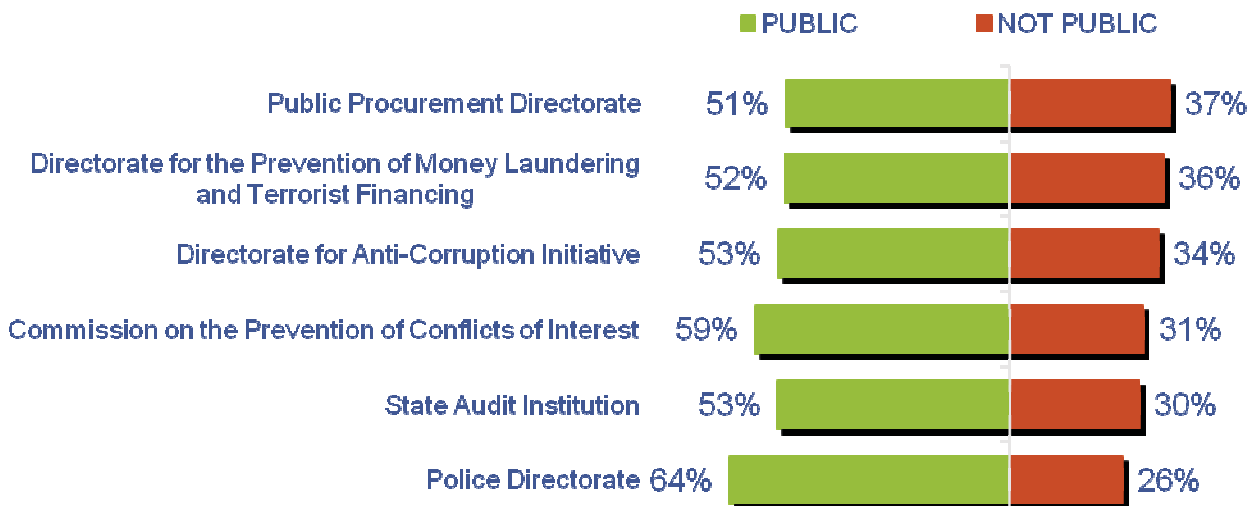
NGO representatives are mostly acquainted with state administration institutions in charge of fighting corruption. The smallest number – 2/3, mentions the Commission for the Prevention of Conflicts of Interest. Activities of these institutions in fighting corruption are considered by most as transparent, especially the Police Directorate, which is perceived as the relatively most important element, although relevance is also recognized in other institutions within the anti-corruption system. Respondents are slightly more sceptical with respect to visibility of results accomplished by the Public Procurement Directorate, State Audit Institution and the Commission on the Prevention of Conflicts of Interest. NGO representatives have different opinions on whether or not institutions within the anti-corruption system are politically influenced, or independent.

**Figure 186** (H3) Which institutions have you heard of?

Multiple answers; Base: Total target population



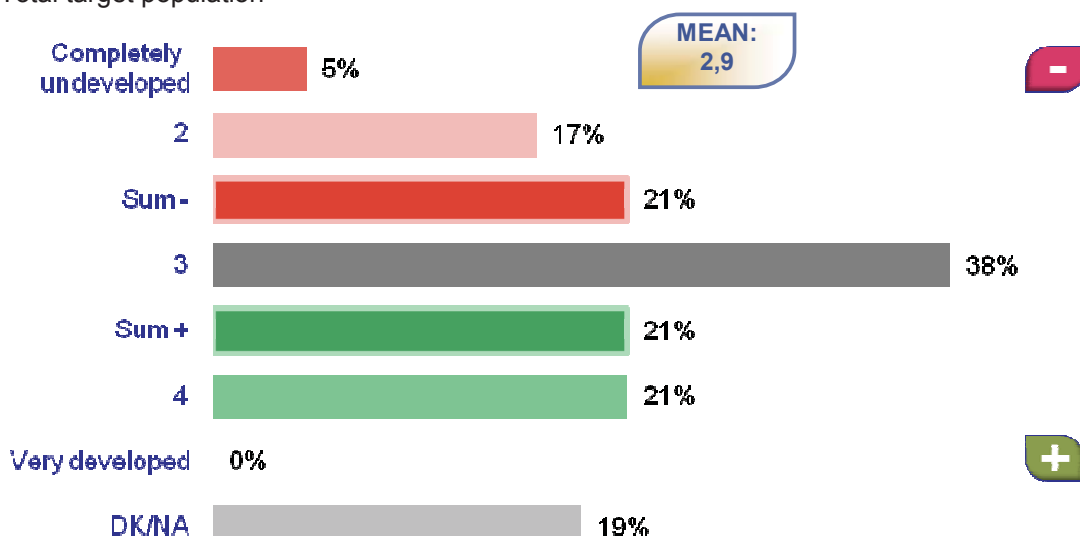
**Figure 187** (H4) In your opinion, how transparent i.e. public are institutions' activities in fighting corruption?



When evaluating the overall anti-corruption activity in the NGO sector in Montenegro, focused on state administration, NGO representatives mostly give a neutral score, whereas there is a fairly equal number of those who believe that activity is developed and those who believe it is not. Extreme attitudes are rare in this respect.

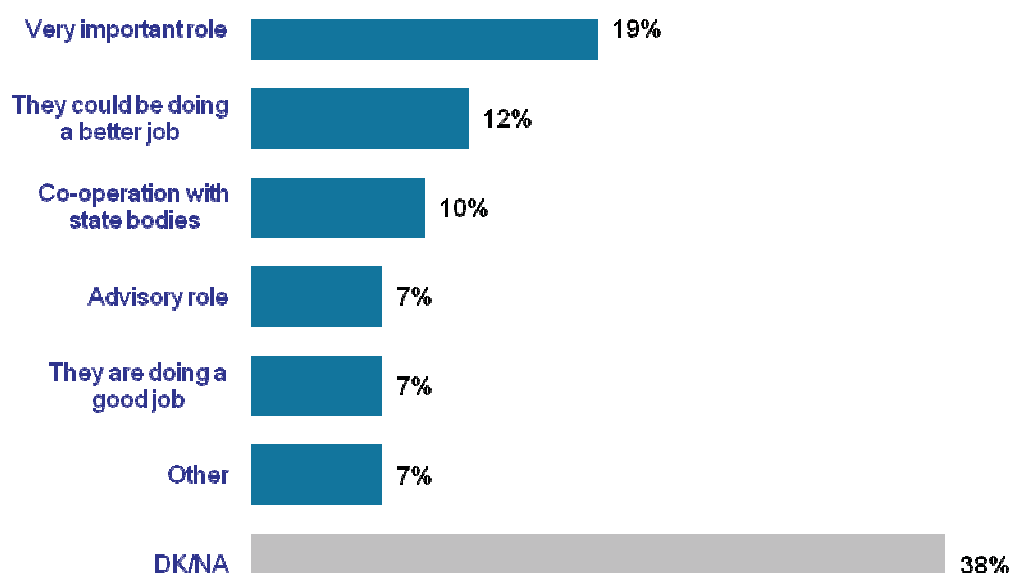
**Figure 188** (H17) How would you evaluate the overall anti-corruption activity of the NGO sector in Montenegro, focused on state administration?

Base: Total target population



A large number of NGO representatives included in the survey failed to give an evaluation on NGOs' involvement in fighting corruption in the state administration. Those who did answer say NGOs' role is very important, that nongovernmental organizations could do an even better job, and mention co-operation with state bodies, and the advisory role NGOs could have for these bodies. When asked about the most important anti-corruption activities focused on state administration and initiated by NGOs, NGO representatives give several different answers: (e.g. MANS – the Network for Affirmation of NGO Sector), but most failed to give any answer. As crucial allies in the co-operation between NGOs and the public sector, NGO representatives mention state institutions in general, police, judiciary, citizens and a wide set of other instances.

**Figure 189** (H18) What is your perception of NGOs' role in fighting corruption in state administration?

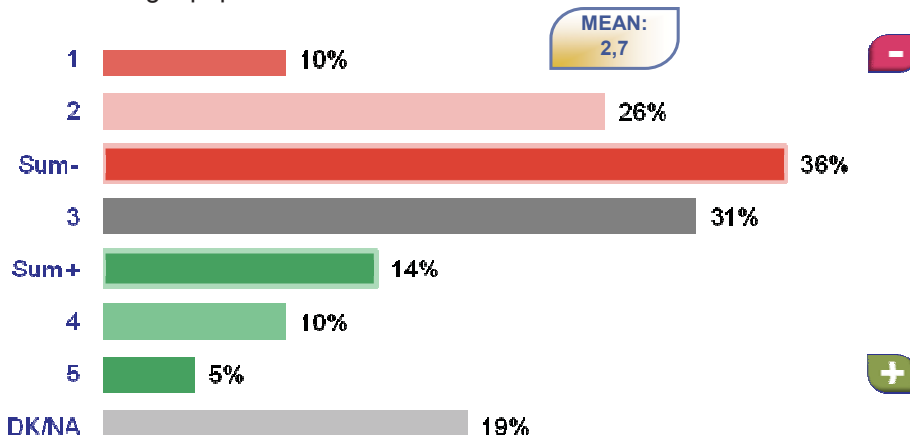




When assessing the general co-operation between NGOs and the public sector in fighting corruption, NGO representatives give neutral or moderately negative scores. The average score is 2,7. Reasons given for poor co-operation include lack of co-operation on the part of the public sector, lack of visible results and transparency, and the like.

**Figure 190** (H21) What is your evaluation of the co-operation between NGOs and the public sector in fighting corruption?

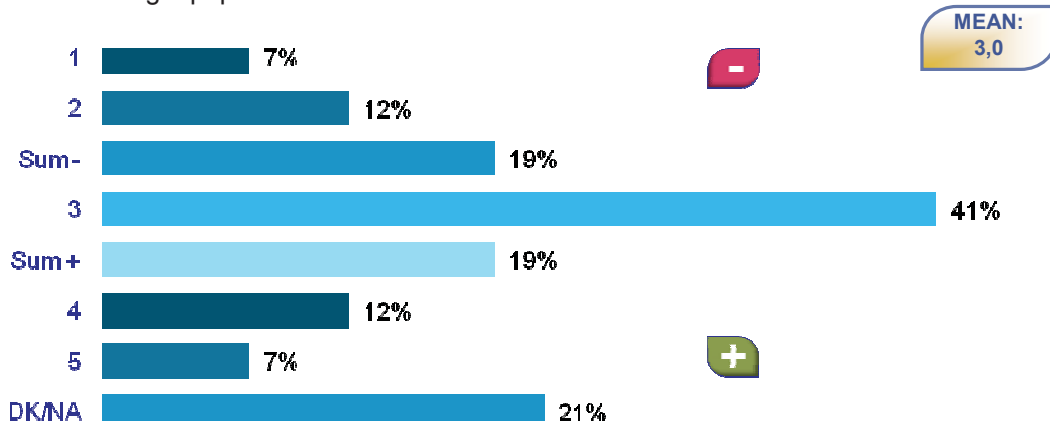
Base: Total target population



Co-operation between the NGO sector and the media in fighting corruption has only slightly more favourable scores – NGO representatives on average give the medium score of 3,0. There is a fairly equal number of those who believe co-operation is well-developed and those who believe the opposite.

**Figure 191** (H23) What is your evaluation of the co-operation between NGOs and the media in fighting corruption in the public sector?

Base: Total target population



## 4 THE BUSINESS SECTOR

### METHODOLOGY

The quantitative survey was conducted by means of face-to-face interviews, from June to the end of July 2010, on a sample of 201 companies in Montenegro.

Companies were contacted via telephone by Ipsos Puls agency, in order to set the time of interview. At the scheduled time Ipsos Puls interviewers conducted the survey in direct contact with the respondent – company representative.

#### Sample structure

Primarily private companies participated in the survey (93%), with the maximum of 10 employees (45%) and annual revenue of 50.000 € (30%).

**Table 4. Demographics - Companies**

		f	%
<b>Total</b>		<b>201</b>	<b>100%</b>
Geographic distribution:	Centre	100	50%
	South	51	25%
	North	50	25%
Companies' business activities:	Production (agriculture, industry, construction)	65	32%
	Commerce (retail and/or wholesale)	68	34%
	Service industry (transport, telecommunications, catering industry...)	68	34%
Number of employees:	10 employees maximum	90	45%
	11 to 49 employees	70	35%
	50 to 249 employees	30	15%
	Over 250 employees	11	5%
Company ownership status	Private company	187	93%
	Mixed ownership - predominantly domestic private capital	4	2%
	Mixed ownership – predominantly foreign capital	4	2%
	Other, what	5	2%
	DK/NA	1	0%
Annual revenue	50,000€ maximum	60	30%
	100,000€ maximum	30	15%
	100,000 to 1 mil €	28	14%
	Over 1 mil €	20	10%
	NA	63	31%

Respondents were (are) mostly company owners (41%), male (67%), middle-aged (56%), with secondary education (47%).

**Table 5. Demographics - Respondents**

		f	%
<b>Total</b>		<b>201</b>	<b>100%</b>
Position in the company	Director	49	24%
	Assistant director	37	18%
	Head of legal or financial department	20	10%
	Owner, co-owner	83	41%
	Chairman of the board	8	4%
	DK/NA	4	2%
Gender	Male	134	67%
	Female	67	33%
Respondents' age	Up to 30y	48	24%
	30-49y	110	56%
	50y and older	39	20%
Education	Did not graduate from high school, but is a licensed tradesman	1	0%
	Graduated from high school	95	47%
	Did not graduate from college	17	8%
	Graduated from a two-year college	24	12%
	Graduated from college	60	30%
	DK/NA	4	2%

## RESULT SUMMARY

### Approach to state administration services

- Half of companies included in the survey used services provided by particular state administration bodies (institutions) in the past 12 months.
- The most common reason for visiting particular state administration bodies (institutions) was paying taxes (35%); more than 20% of companies have in the past 12 months visited state institutions to obtain different documents and permits. Thus, the most frequently visited institutions were municipalities and Tax Administration (32%).
- Half of the companies are satisfied with the functioning of state administration bodies (companies that have had experiences with these bodies in the past 12 months), but almost two thirds find the services they provide to be expensive.
- 62% of companies believe that institutions and state administration employees were, more or less, available to them in the past 12 months, whereas 59% of companies have experienced problems in obtaining information/documents.

### Trust in the state administration

- As many as 58% of companies trust the state administration in general (all of the institutions); when it comes to public authority, companies trust the President the most (70% trust the President completely or mostly), whereas judiciary is trusted the least (51% of companies).
- In general, it is safe to say that companies with higher revenues have less trust in state administration institutions, and that there is least trust in the judiciary i.e. institutions focused on making or controlling finances.

### Employees in state administration institutions

- Family relations and friendships are perceived as the currently most frequent criterion for employment (44%) and advancement (38%) in state administration, whereas the most frequent criterion should be the *competence of applicants* (i.e. their performance general).

### Organization of state administration

- Smaller companies, as opposed to larger ones, have a more positive perception of the functioning of state administration and the decision-making processes affecting it. On the other hand, the South region shows a more sceptical i.e. negative attitude, stressing the political influence in institutions' functioning and decision making.
- Basically, most companies believe that there are employees in state administration institutions with no awareness of ethic standards (43%) i.e. that undeveloped awareness is prevalent (20%).
- Only 26% of companies believe that employees face disciplinary actions, in case of breach of ethics in state administration institutions.
- 28% of companies believe that the current pay system affects the level of motivation in civil servants, a more extensive and better involvement in state administration institutions are not adequately rewarded (46%).
- It is the opinion of 37% of companies that civil servants' salaries should be increased, whereas only 9% do not agree.
- Only 27% of companies believe that state administration employees are generally satisfied.

### Budget spending and public procurement realization

- Over half of companies see the budget processes in state administration as NON-transparent – mostly companies with over 250 employees.
- Companies believe that political interests have affected the formation of legal provisions relating to public procurement processes.
- Only 16% of companies included in the survey have participated in a public competition at a state administration institution/body – 69% won the competition, whereas 34% lost because it was not really public procurement (due to the influence of friendships and family relations).

#### Quality of services provided by state administration

- 45% of companies evaluate work quality in state administration as (exceptionally) good, whereas 21% say it is poor. In addition, most companies (54%) believe that work quality of state administration has improved in the past three years.
- In general, complicated procedures – too much "legwork" and paperwork, are seen as a very frequent problem in state administration institutions and bodies.
- As many as 83% of companies believe that improvements can be made in the quality of work in state administration bodies. Most companies (58%) suggest that this could be accomplished by applying stricter internal control of state administration bodies' work.
- Insufficient funds and poor work organization are seen by most companies (44%) as the biggest obstacles in the functioning of state administration.
- Most companies (73%) believe that social circumstances in Montenegro are not favourable for business development. More than half of companies claim that NOT ALL companies get the same treatment and that the same rules do NOT apply to everyone – mostly because of political influences (13% of companies) and nepotism (11%).
- Half of respondents mention the lack of funds as the biggest obstacle for development and growth of companies in Montenegro.

#### State administration service transparency and access to state administration resources

- Only 26% of companies believe that the spending of state-owned companies' revenues is transparent and in accordance with the law, whereas one third of companies feel the same when it comes to adopting urban plans.
- When it comes to obtaining construction permits, 21% of companies believe it is rarely or never done legally and according to established procedures.
- Almost half of companies believe that state administration institutions i.e. state-owned companies are politically influenced (more frequently companies with the annual revenue over 1 million €);

## Corruption

- 33% of companies believe corruption in state administration is very or mostly widespread – mainly (51%) due to citizens' low living standard (low salaries, the crisis, unemployment etc.).
- Only 15% of companies see the current level of corruption in state administration as higher than 3 years ago, whereas 43% believe it has decreased.
- Companies mostly observe the following in civil servants: employing persons close to them, regardless of competence (44%) and accepting smaller gifts in exchange for certain services (47%), in comparison to some other types of behaviour.
- 13% of companies believe that more than half of companies have bribed someone in the state administration in the past 12 months; 33% believe that there are no more than 10% of companies that resorted to bribery.
- 25% of companies believe that civil servants frequently offer companies to resolve a case in their favour, in exchange for compensation.
- 41% of respondents say that most (if not all) companies would accept civil servants' offer to resolve a case in their favour, in exchange for compensation.
- The President of Montenegro has been evaluated as completely or mostly NON-corrupt by 62% of respondents. All other institutions gave lower scores.
- According to 42% of companies, corruption in the judiciary has the most dangerous consequences for the development of society.
- Only 1% (i.e. 2 companies) report having experiences with corruption in state administration institutions. Others base their opinions on experiences of others and information in the media.
- 21% of companies believe corruption has considerably or mostly spread to the "higher" level.
- 61% of companies believe corruption in state administration is usually not reported, primarily for *fear of negative consequences or retaliation* (54%).
- In order to encourage citizens and state administration employees to report corruption, companies believe it is necessary to provide protection i.e. security to persons who do report it (22%), as well as stricter and more efficient laws (judiciary) – 13%.



- Only 6% of respondents have personally reported corruption in state administration, whereas more than one third say they would report corruption if they encountered it. Companies that would not report corruption give as the main reason their belief that reporting would have no effect i.e. that it would not accomplish anything (40%).
- Most companies (53%) believe that there is conflict of interest in state administration, but to a lesser degree than other forms of corruption and irregularities.

#### Fighting corruption

- Generally, the findings lead to the conclusion that companies have most trust in the Police Directorate when it comes to fighting corruption, and believe this institution has had most success in this domain (as opposed to other institutions battling this problem).
- Repressive measures – various penalties, are mentioned by 21% of companies as the best method for fighting corruption in state administration. Companies generally believe that there is a need for better, more consistent implementation of laws and especially penalties (that exist on paper, but are not applied).
- At least 50% of companies believe that all mentioned institutions are conducting a transparent i.e. public fight against corruption, especially in the Police Directorate (61%).
- 77% of companies believe that the Police Directorate is an important part of the anti-corruption system; for all other institutions the numbers are somewhere between 55% and 60%.
- Approximately one third of companies believe that all mentioned institutions are not politically independent i.e. that they are politically controlled by the parties in power – particularly the Police Directorate, for which 41% of companies believe is not politically independent.

## A APPROACH TO STATE ADMINISTRATION SERVICES

### Using the services of state administration bodies

Half of the companies included in the survey have used services provided by particular state administration bodies (institutions) in the past 12 months. These are largely companies from the North region; the probability of a company using services provided by particular state administration bodies (institutions) increases with the number of its employees.

**Figure 192. Using services provided by state administration bodies in the past 12 months; N=201**

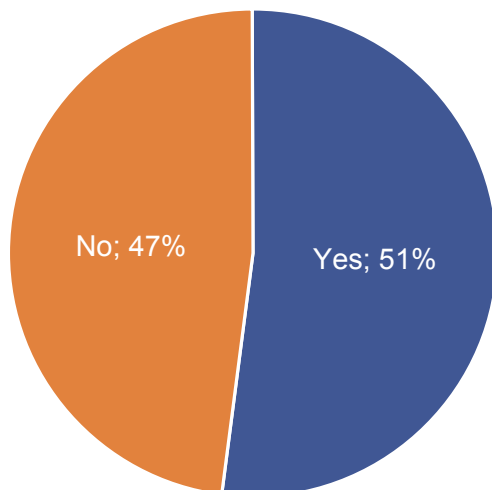
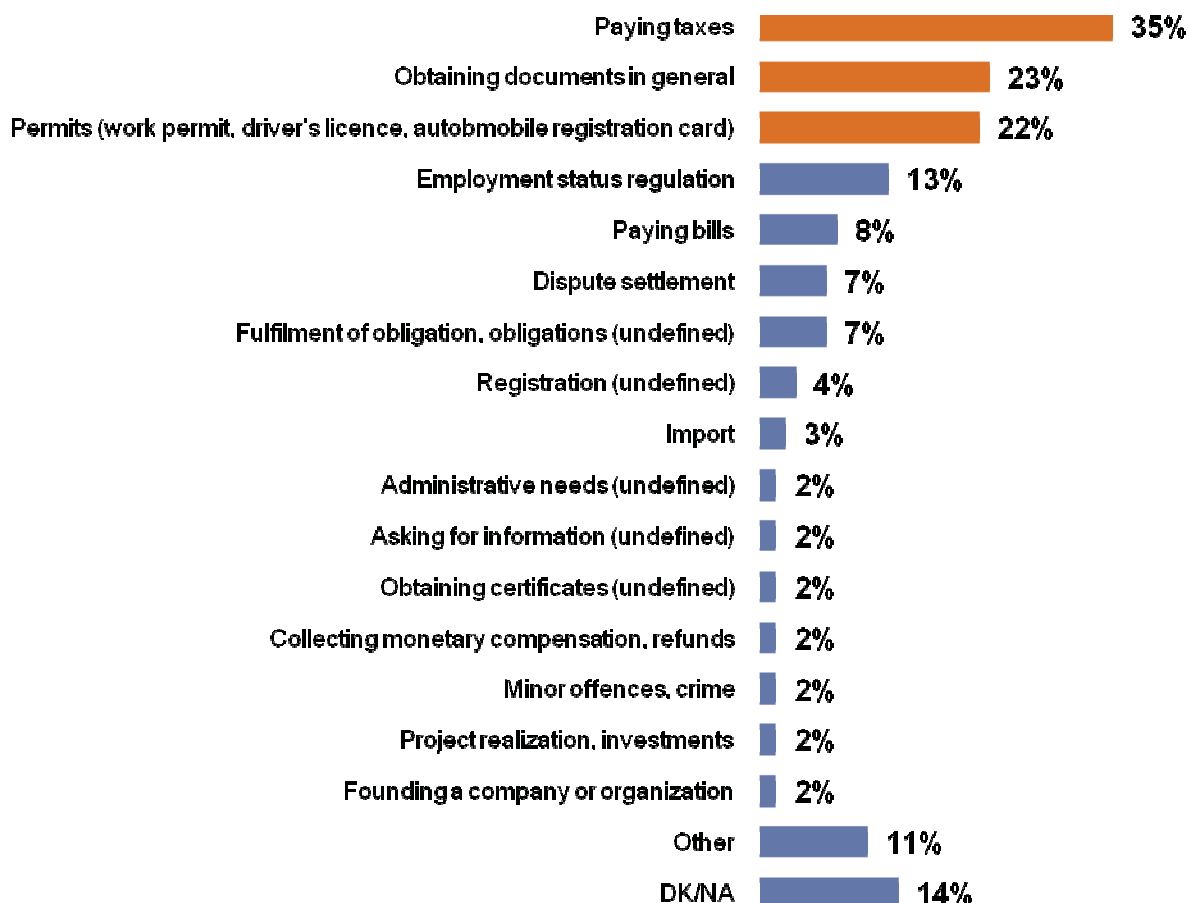


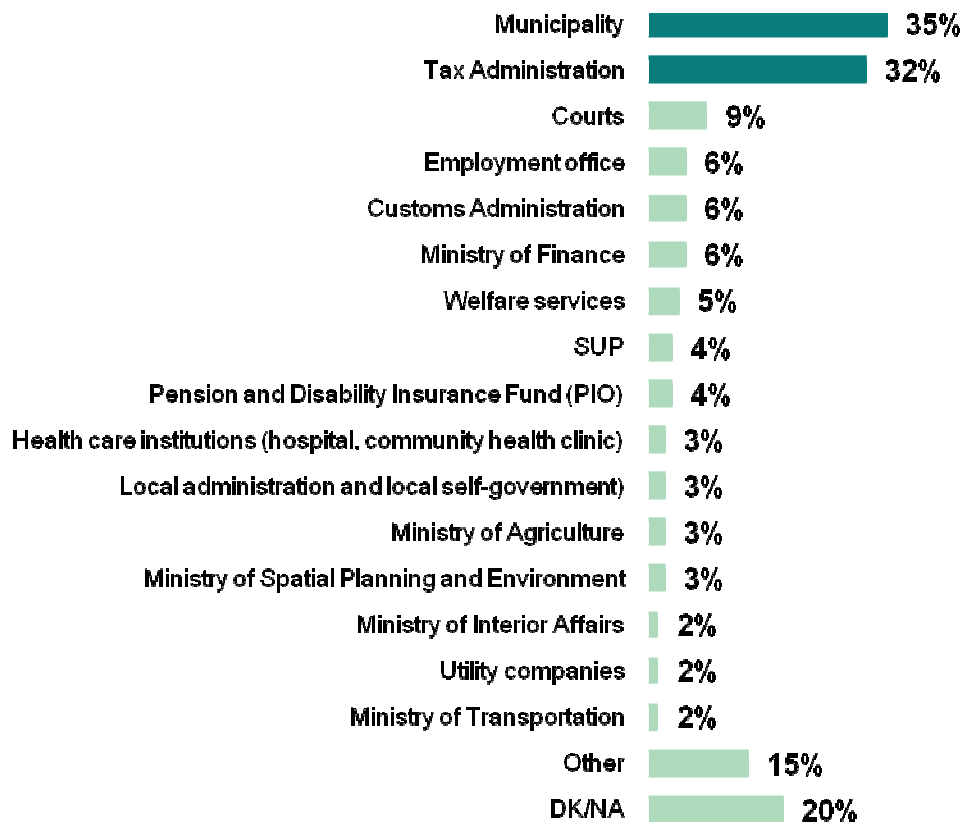
Figure 193. Reasons for visiting state administration bodies; N=102



The most frequent reason for visiting particular state administration bodies (institutions) is paying taxes (35%); more than 20% of companies have visited state institutions in the past 12 months for the purpose of obtaining papers and various types of permits. Companies in the service industry most frequently visited state institutions to obtain permits (35%), in comparison to companies in other types of business.

Most frequently visited institutions are municipalities (35%) and the Tax Administration (32%).

Figure 194. Visited state administration body; N=102



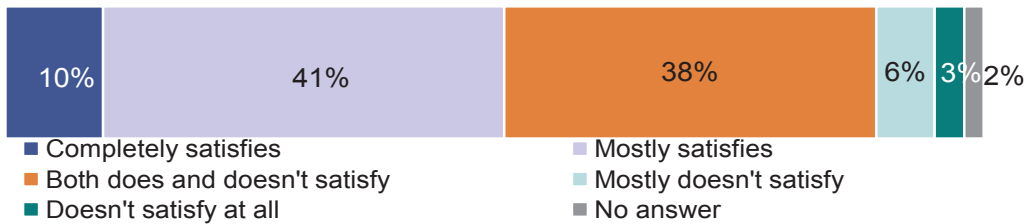
Experiences with state administration bodies

Some of the following questions were directed only to respondents/companies who have used the services of particular state administration bodies in the past 12 months.

Only 9% of companies believe that the functioning of state administration bodies (mostly of fully) does NOT satisfy users' needs. Half of respondents believe that the functioning of state administration bodies is at a satisfactory level.

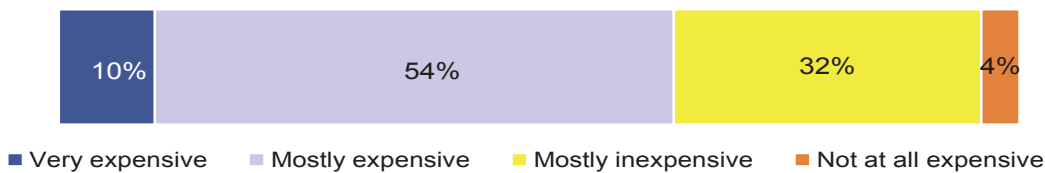
The largest companies (with more than 450 employees and annual revenue over 1 million €) to a lesser degree find the functioning of state administration bodies satisfactory.

**Figure 195. Functioning of state administration bodies satisfies users' needs; N=102**



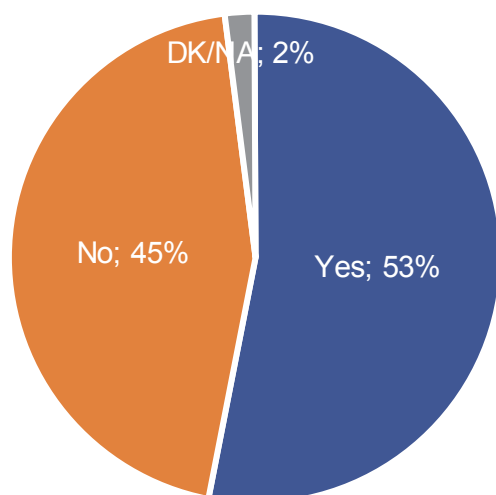
Services provided by state administration bodies are considered (very or mostly) expensive by almost 2/3 of companies, whereas only 4% believe they are not at all expensive.

**Figure 196. Legal entities' price estimate on services provided by state administration bodies; N=102**



Over half of companies believe that prices for services provided by state administration bodies to legal entities match the quality or services. Companies with higher annual revenues to a lesser degree believe that prices of services match their quality and v.v.

**Figure 197. Prices of services provided by state administration bodies match their quality...;N=102**



When asked whether the state administration bodies and employees were available on company request in the past 12 months, 62% of companies give positive answers (always or frequently). On the other hand, 5% of companies have had negative experiences.

**Figure 198. Availability of state administration bodies/employees on company request; N=102**



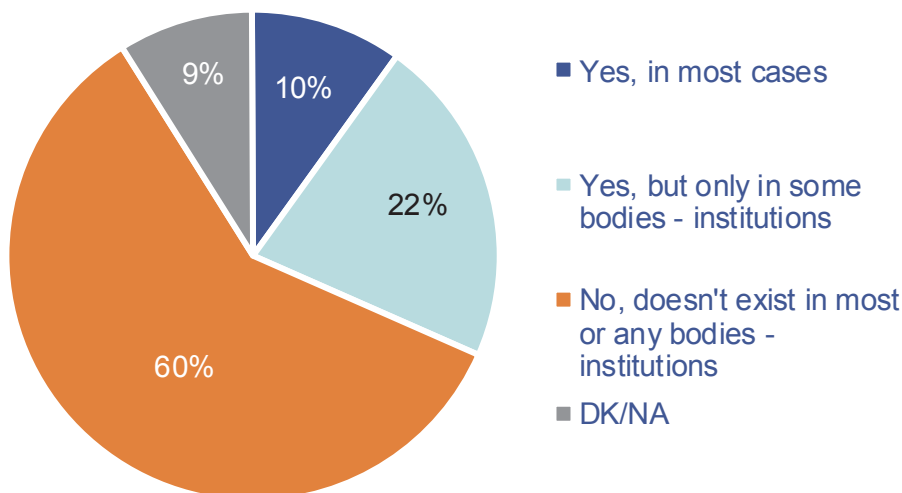
59% of companies have experienced problems in obtaining information/papers from competent authorities and state administration services, with respect to their companies' requests. The largest companies (with over 250 employees) have had most problems getting information/papers.

**Figure 199. Obtaining information/papers from competent authorities and state administration services; N=102**



Two thirds of companies have problems in taking care of their business in one place i.e. they believe that it is impossible for legal entities to avoid being sent from pillar to post, from counter to counter, when co-operating with state institutions. The North region and companies with the largest number of employees (more than 250) largely share this opinion.

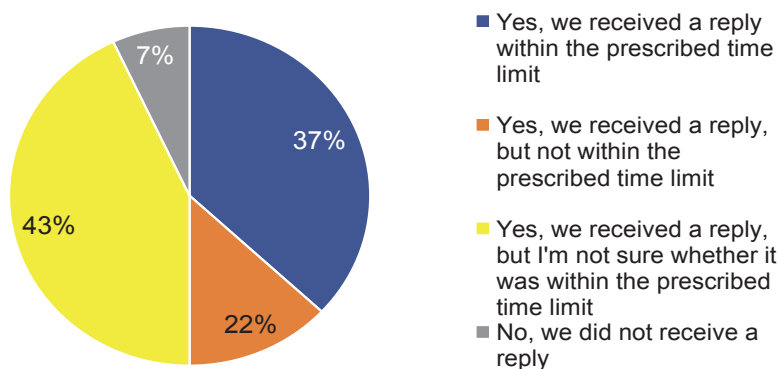
**Figure 200. Existence of a single location in state administration bodies, where all business can be taken care of at once; N=102**



Only 7% of companies received no reply from state administration bodies to requests for certain information or services; 37% received a reply within the prescribed time limit, whereas 22% received a reply after that period.

Replies within the prescribed time limit were received to a lesser extent by the largest companies (with over 250 employees).

**Figure 201. Reply from state administration to queries; N=102**

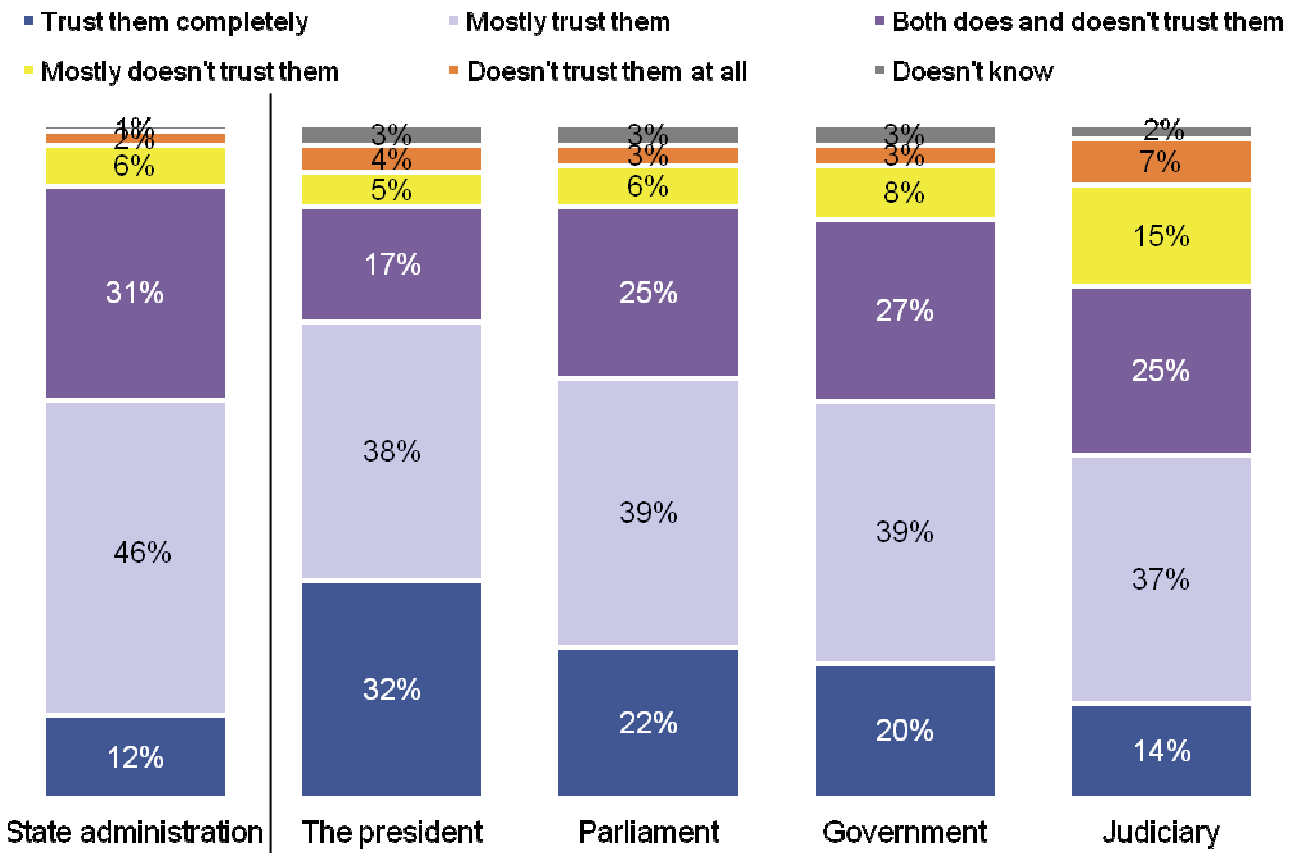




## B TRUST IN STATE ADMINISTRATION INSTITUTIONS

8% of respondents mostly or completely distrust state administration in general (all its institutions), whereas 58% trust it. Lower level of trust is generally expressed by companies with the maximum annual revenue of 100.000€.

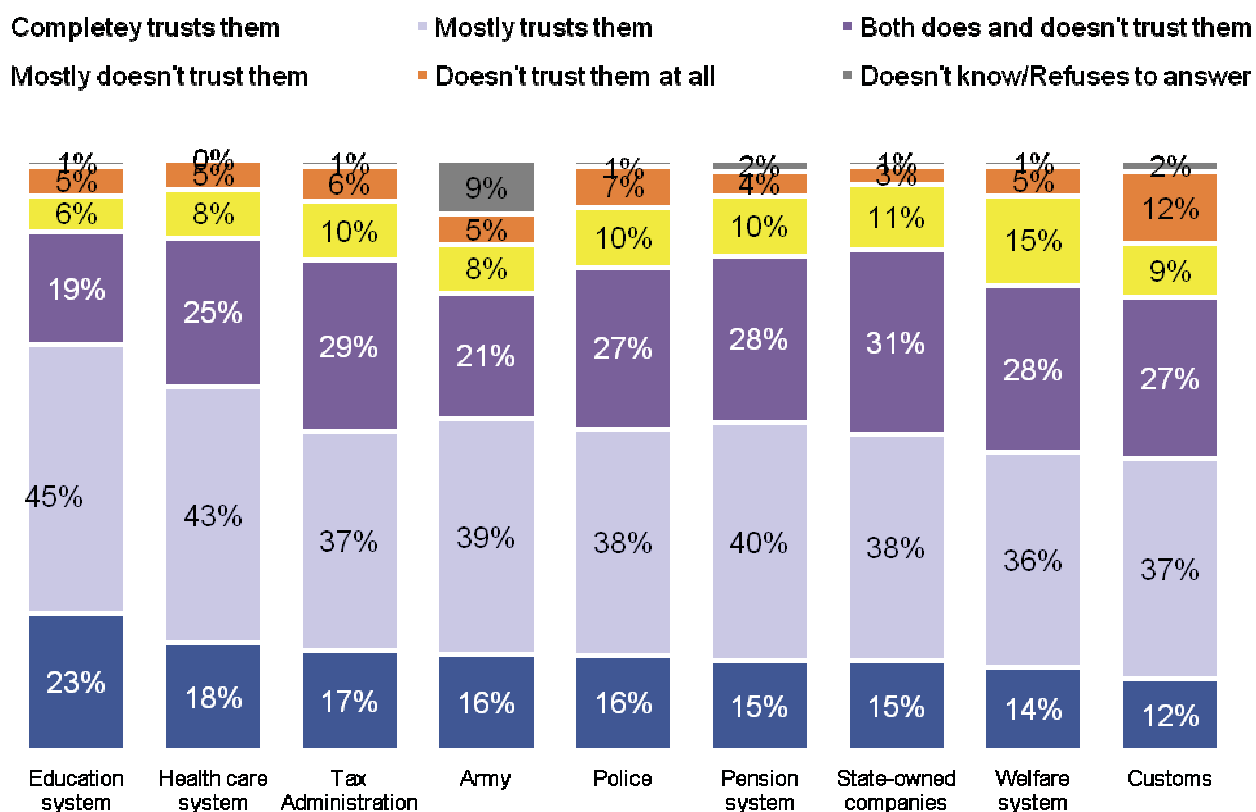
Figure 202. Trust in state administration in general and its institutions; N=201



Among public authorities (the president, parliament, government and judiciary) companies have most trust in the president (70% completely or mostly trust the president), whereas the judiciary is least trusted (51% of companies). The Montenegro president is trusted mostly by companies with 50 to 250 employees, as opposed to companies with more i.e. less employees.

Large companies (with over 250 employees and annual revenue of over 1 million €) trust the parliament, government and the judiciary less, in comparison to smaller companies.

Figure 203. Trust in state administration institutions, sectors and bodies; N=201



Among all other state institutions, sectors and bodies, the education system is trusted the most (over two thirds of companies), whereas customs are least trusted – 21% of companies mostly or completely distrust the Customs Administration.

Companies with the highest annual revenue (over 1 million €) show less trust in comparison to companies with lower revenues, when it comes to: education, army, social and pension system, whereas companies with the lowest number of employees (10 maximum) show the highest level of trust in the education system.

In general, it is safe to conclude that the largest companies i.e. companies with the highest revenue have less trust in state administration institutions, and the lowest degree of trust in the judiciary and institutions focused on making or controlling finances.

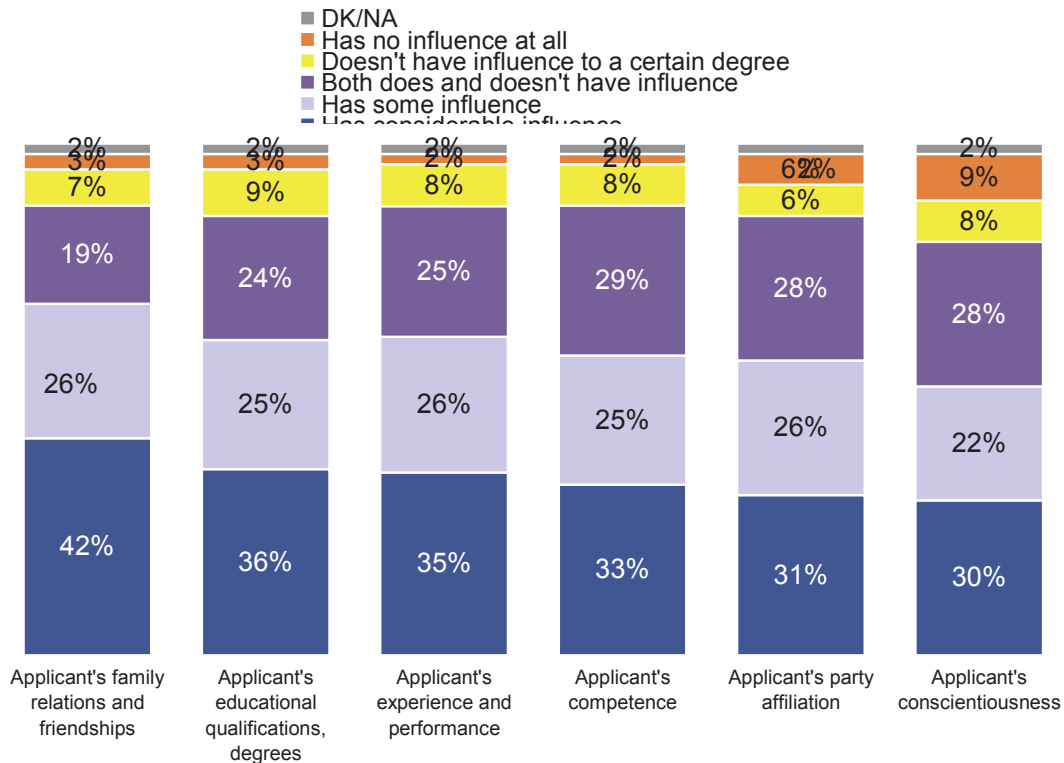
## C EMPLOYEES IN STATE ADMINISTRATION INSTITUTIONS

### Criteria influencing employment and advancement in state administration

Family relations and friendships mostly influence the employment process in state administration – two thirds of companies believe that they influence the process to a lesser or larger degree. It is, however, encouraging that party affiliation is seen as a less crucial factor for employment (57%), i.e. its influence is on the same level as education, work experience, competence and applicant's conscientiousness.

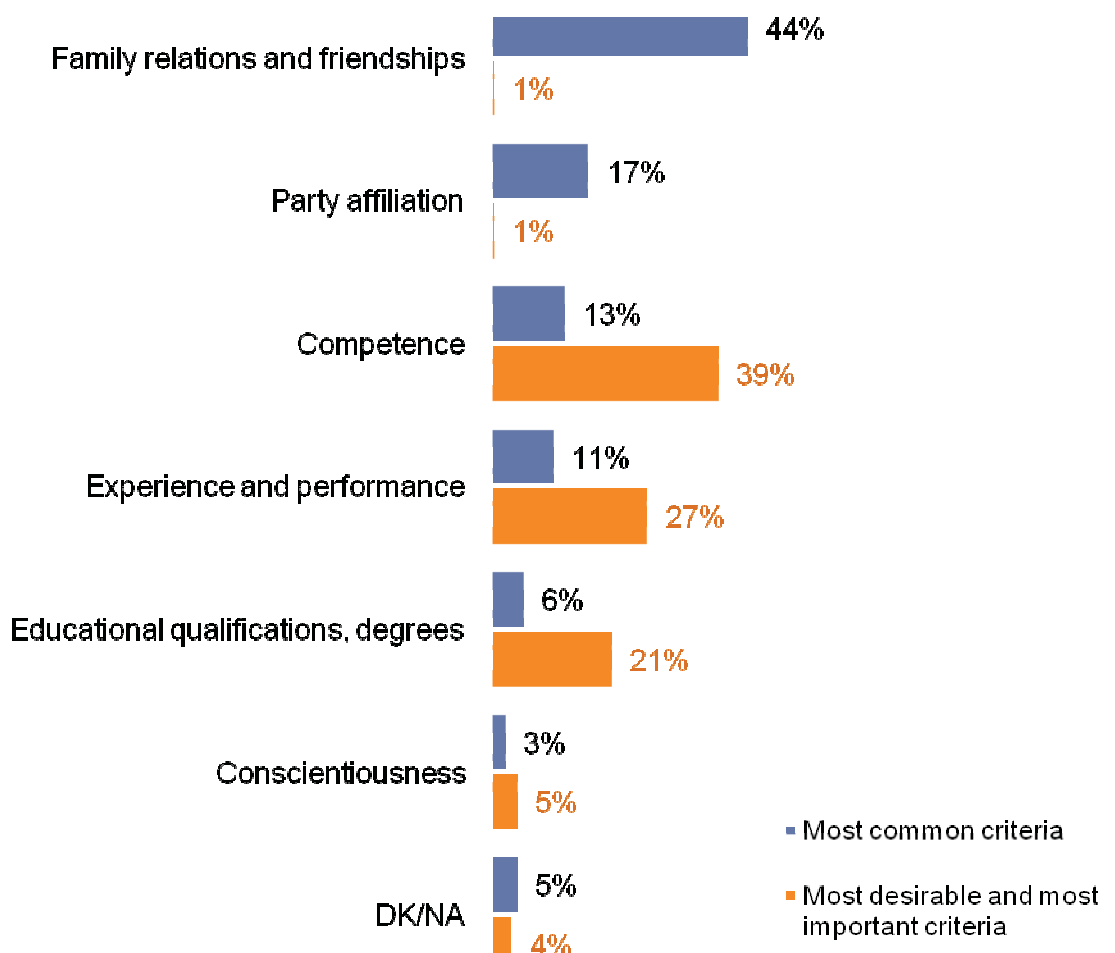
The higher a company's annual revenue, the more frequently it believes in a smaller influence of competence, experience and previous performance on applicant's chances of getting a job in the state administration.

**Figure 204. Influence of particular criteria on employment in state administration; N=201**



Family relations and friendships of applicants were rated as currently the most common criteria for employment in state administration (44%), whereas the respondents feel that the most common criterion should be applicant's competence (i.e. work-related characteristics in general). In the Podgorica region respondents to a lesser degree see applicant's family relations and friendships as the most common criteria for employment in state administration, whereas most of the largest companies (with over 250 employees) believe that the most important criteria should be competence and education.

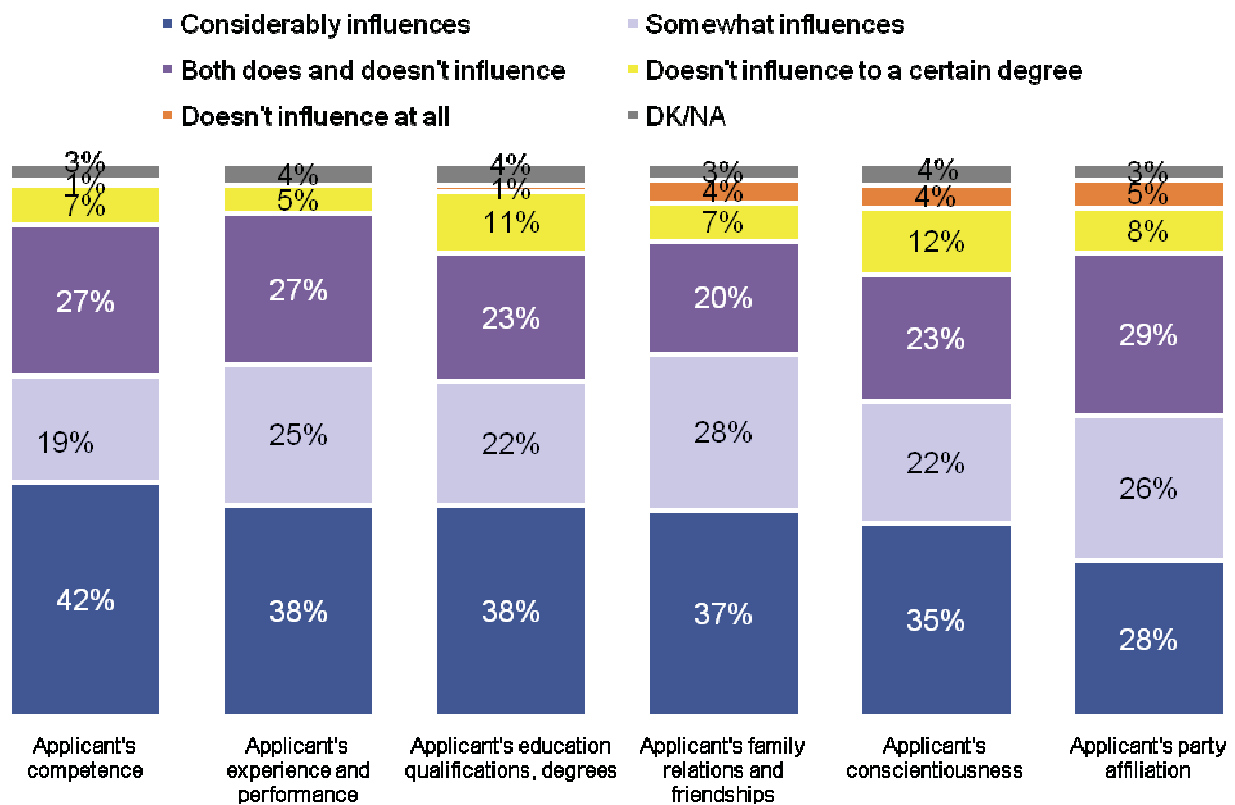
**Figure 205. Comparison of currently most common and most desirable criteria for employment in state administration; N=201**



When it comes to advancement, on the other hand, not one of the mentioned criteria stands out in terms of any particular influence; however, applicant's conscientiousness (16% of companies) and party affiliation (13%) are believed to have little or no influence on advancement in state institutions.

The higher a company's annual revenue and number of employees, the higher the number of those who believe competence, experience and work results have a smaller influence on advancement in state administration.

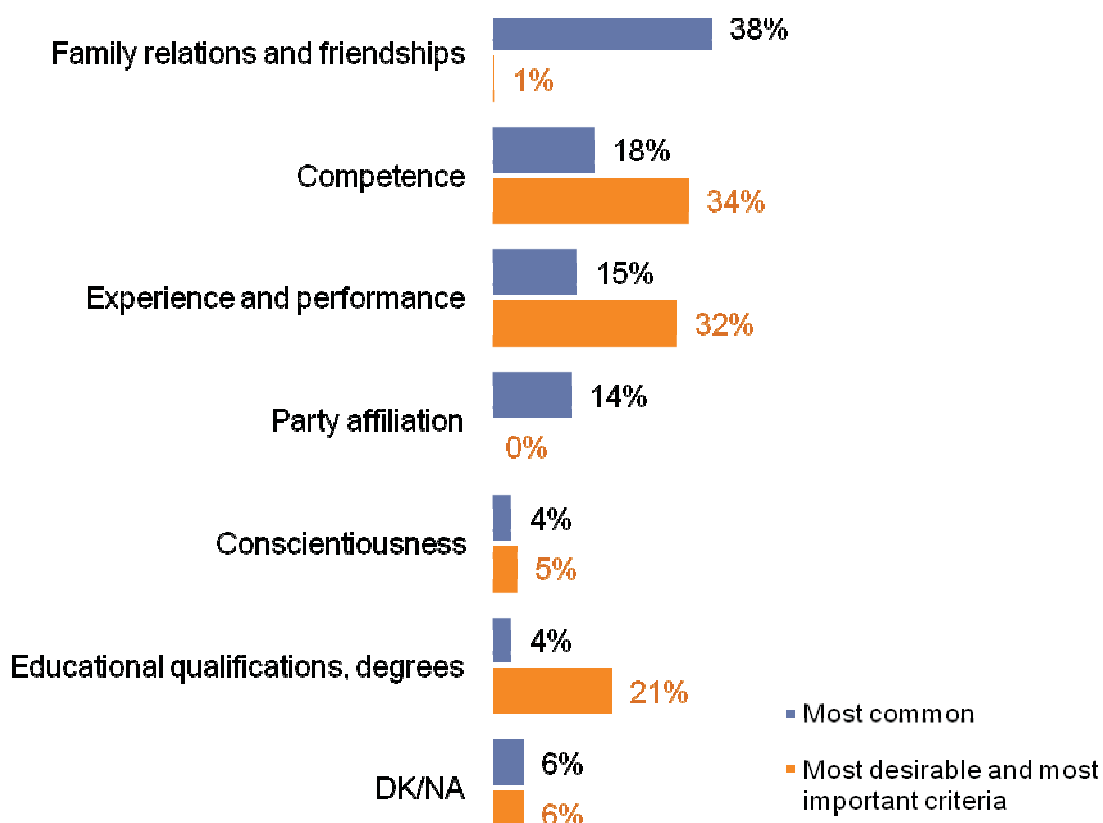
**Figure 206. Influence of particular criteria on advancement in state administration; N=201**



Identical to employment, applicant's family relations and friendships are rated as currently the most common criteria for advancement in state administration (38%), whereas the most common criteria should be competence, experience and performance.

Respondents in the North region and companies with annual revenues from 0,1 to 1 million € mostly believe that applicant's family relations and friendships are the most common criteria for employment in state administration, whereas the smallest companies (10 employees maximum) largely believe that the most important criteria should be competence and experience/performance.

**Figure 207. Comparison of the currently most common and most desirable criteria for advancement in state administration; N=201**



## Organization in state administration

Companies believe that the organization within state administration institutions is professional (57%), responsible (52%) and done according to the letter of the law, but also politically influenced (50%); there is a smaller number of those who believe the functioning of state administration is based on feedback from users and focused on improving service quality (42%).

Generally, the smallest companies (10 employees maximum) and those with the lowest annual revenues have a more positive opinion of the functioning of the state administration institutions – they largely believe it is: focused on improving quality, based on feedback from users, rational, according to the letter of the law, professional, autonomous and systematic. Companies in the Coastal region largely believe the functioning of state administration is influenced by politics and individual interest.

When it comes to decisions affecting their functioning, state administration institutions make professional (60%) and responsible decisions (57%).

The higher the number of employees, the less companies believe that decisions affecting the functioning of the state administration are made transparently, systematically, autonomously or that they are rushed. Companies in the South region to a lesser extent believe decisions are made professionally i.e. they largely believe that the decision-making process is rushed, systematic and politically influenced.

This leads to the conclusion that smaller companies have a more positive perception of organization in state administration institutions, as well as their decision-making processes that affect their functioning, as opposed to larger companies. On the other hand, the South region shows more scepticism i.e. a more negative attitude, emphasising political influence to organization and decision making in institutions.

Figure 208. Organization in state administration institutions; N=201

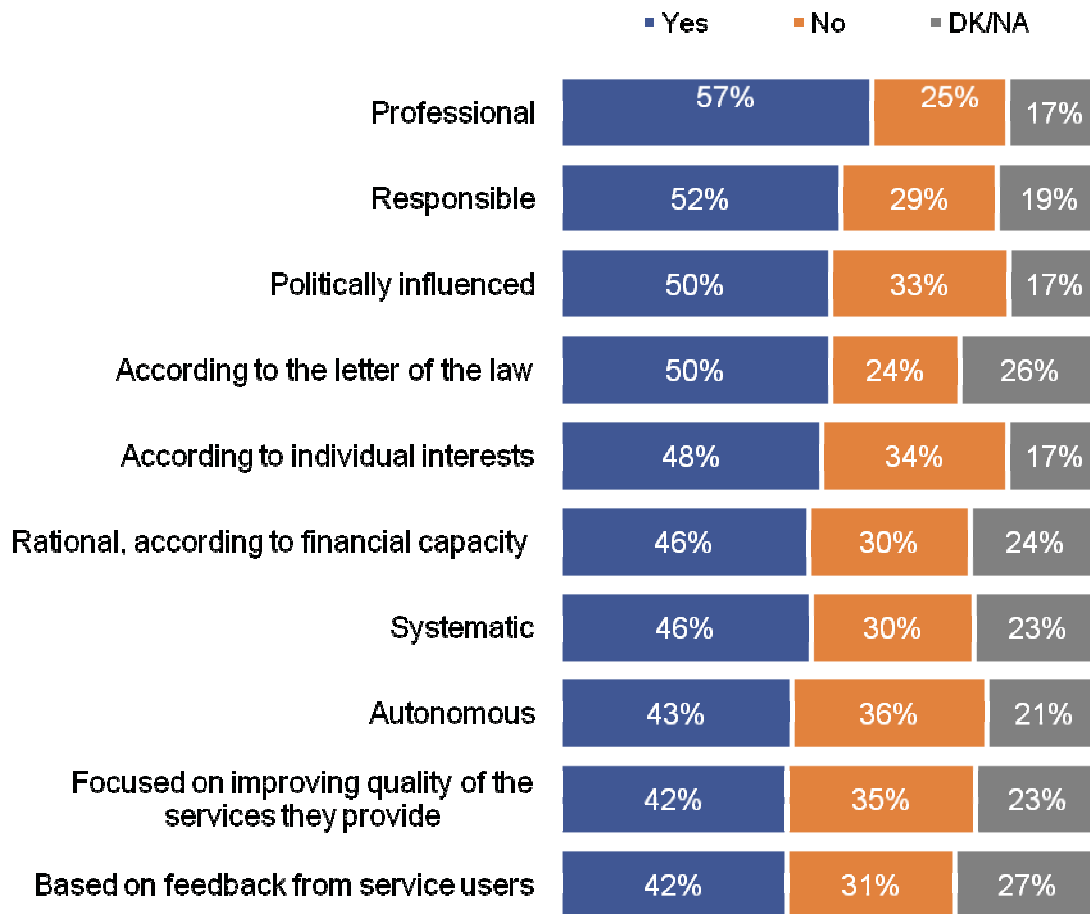
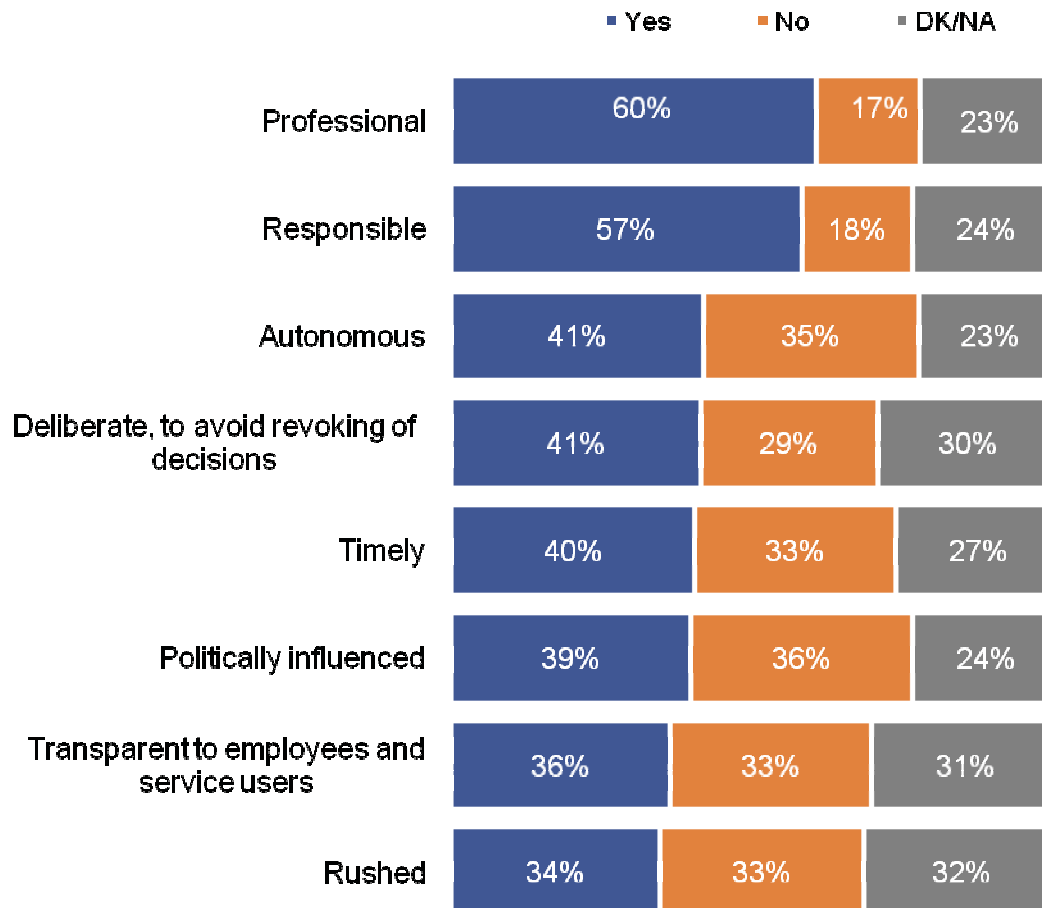


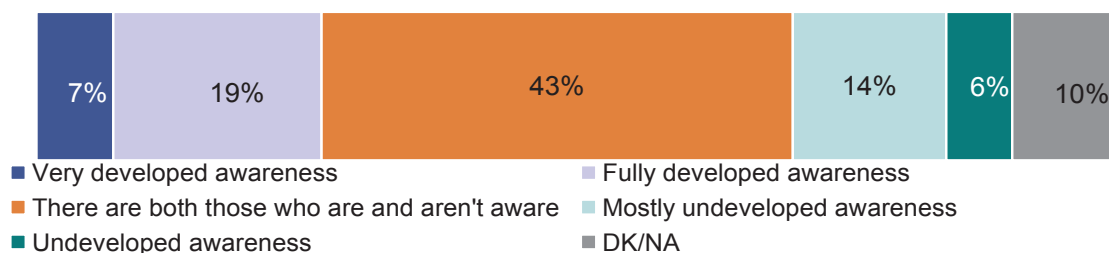


Figure 209. Decision making in state administration, affecting its functioning; N=201



Companies basically believe that in state administration institutions there are employees who lack awareness of ethical standards (43%) i.e. that awareness has not developed (20%) among employees in state administration institutions.

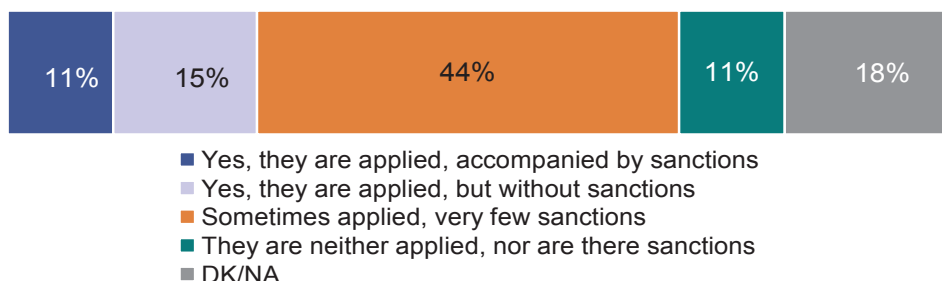
**Figure 210. Awareness of ethical standards in state administration institutions employees; N=201**



Only 26% of companies believe disciplinary actions are taken against employees in state administration institutions, in case of breach of ethics; 44% believe they are applied only sometimes and with very few sanctions, whereas 11% believe they are not applied at all.

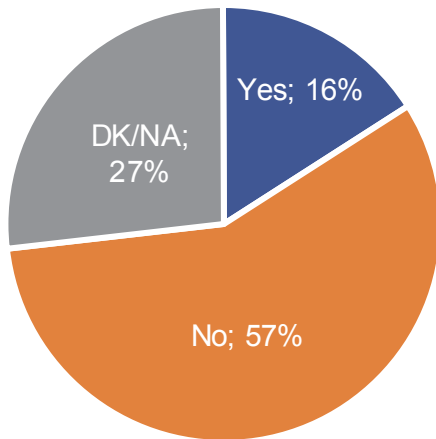
Companies in commercial activities mostly believe that certain disciplinary actions are taken against employees in state administration institutions, in case of breach of ethics.

**Figure 211. Disciplinary action (sanctions) taken against employees in state administration institutions, in case of breach of ethics; N=201**



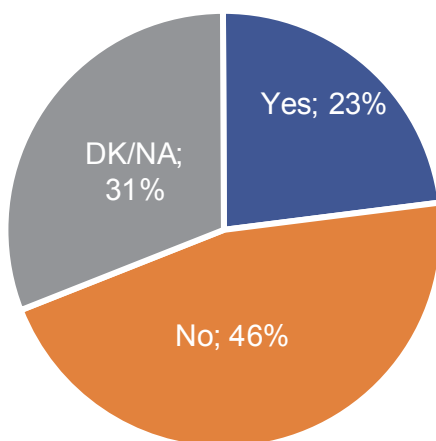
Almost 60% of respondents believe that there is no system for precise performance appraisal of each employee – largely companies with the lowest number of employees, 10 maximum (68%), and companies from the South region (76%).

**Figure 212. System for precise performance appraisal of each employee; N=201**



46% of companies feel that a more extensive and better involvement in state administration institutions does not result in adequate incentives – especially the companies in the South region (65%).

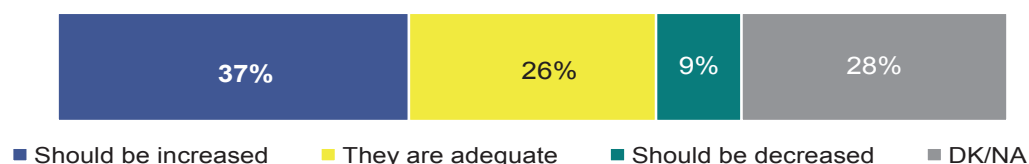
**Figure 213. More extensive and better involvement in state administration institutions results in adequate incentives; N=201**



37% of companies believe that state administration employees' salaries should be increased, whereas only 9% say they should be decreased.

Those who believe salaries should be increased propose an increase ranging from 10% and 30%. Those who believe they should be decreased, propose a decrease of 10% maximum.

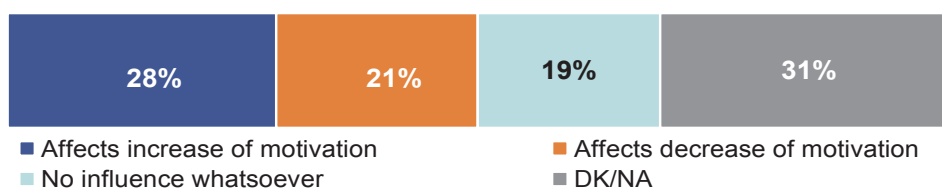
**Figure 214. State administration employees' salaries; N=201**



	INCREASE BY	DECREASE BY:
<b>N=</b>	<b>74</b>	<b>18</b>
1-10%	16%	39%
11-20%	26%	22%
21-30%	24%	11%
31-50%	19%	22%
Over 50%	15%	6%

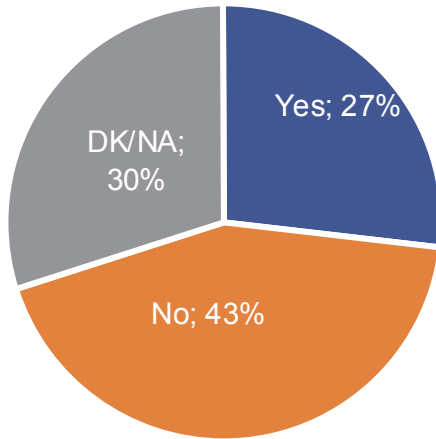
According to 28% of companies – mostly those with over 250 employees, the current pay system affects the motivation of state administration employees. 19% believe it has no effect whatsoever.

**Figure 215. Influence of current pay system to state administration employees' motivation; N=201**



Only 27% of companies believe that state administration employees are generally satisfied.

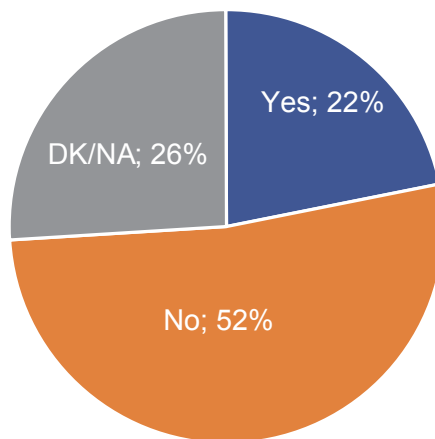
**Figure 216. State administration employees are generally satisfied; N=201**



## D BUDGET SPENDING AND PUBLIC PROCUREMENT REALIZATION

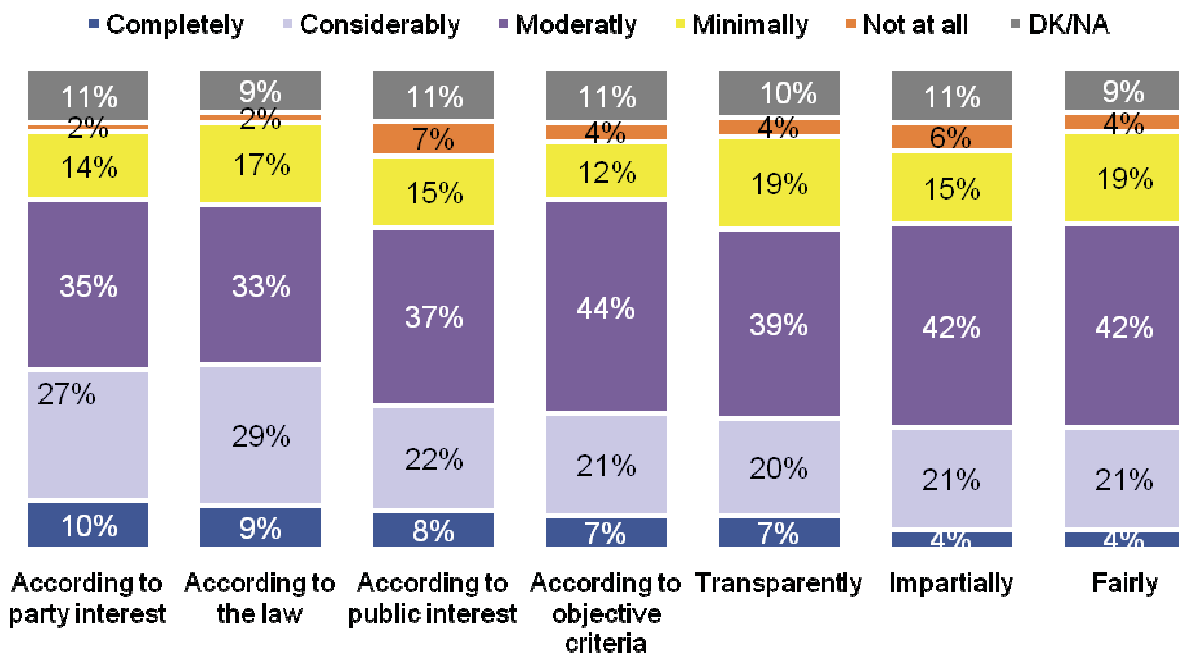
More than half of companies believe that budget processes in the state administration are NOT transparent i.e. are not public and easily accessible to citizens – mostly companies with over 250 employees.

**Figure 217. Transparency of budget processes in state administration; N=201**



Most companies believe that public competitions are conducted according to political interests (37%), but also in accordance with the law (38%), whereas 25% believe they are objective and another 25% that they are fair. The results lead to the conclusion that companies believe political interests have largely formed the legal provisions relating to public competition processes. Companies with over 250 employees to a lesser extent believe that public competition processes are fair, transparent and conducted according to objective criteria.

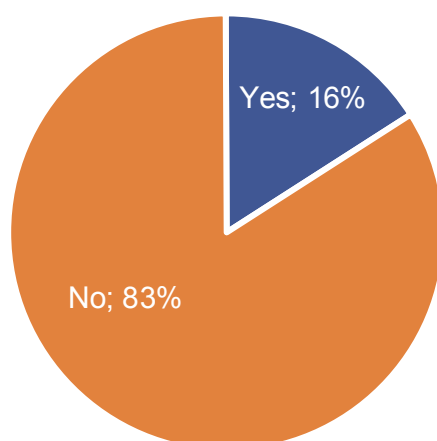
**Figure 218. Public competition processes; N=201**



Only 16% of companies included in the survey have participated in a public competition at a state administration institution/body. These are mostly manufacturing companies in the North region, with 50 or more employees and annual revenues over 1 million €.

Among companies which participated in public competitions, 69% have won a competition (mostly companies with over 250 employees), whereas 34% lost because it was not genuine public procurement, and the job was given to another company on the basis of family relations and friendships, or because of some other non-transparent factors.

**Figure 219. Participating in public competitions in state administration institutions; N=201**

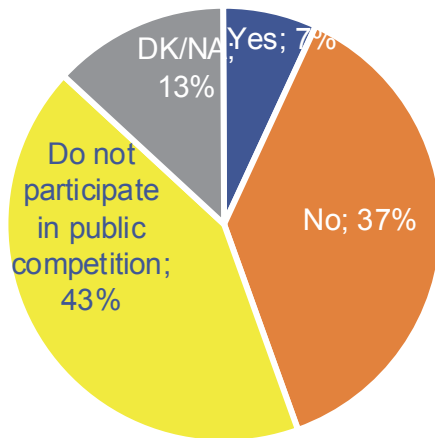


	Won a public competition	Lost a public competition, which was not a genuine competition after all (due to personal connections and other non-transparent factors)
<b>N=</b>	<b>35</b>	<b>35</b>
Yes	69%	34%
No	14%	34%
Not applicable to us – we don't frequently participate in public competitions		6%
DK/NA	17%	26%

7% of companies have at least once decided not to participate in a competition announced by the state administration, because they thought the winner was decided in advance.



**Figure 220. Not participating in a public competition because the winner was decided in advance; N=201**



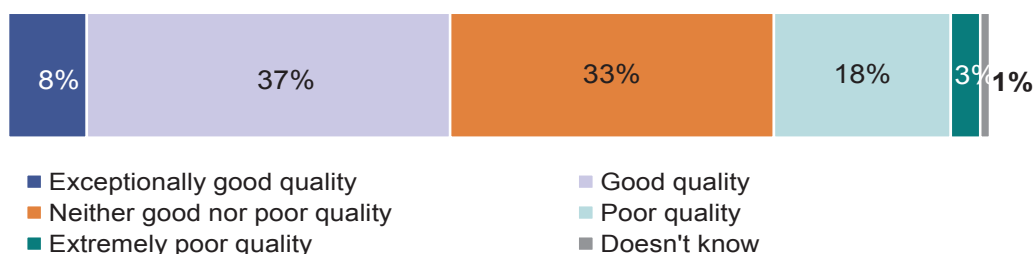
## E QUALITY OF SERVICES PROVIDED BY THE STATE ADMINISTRATION

### Service quality

45% of companies evaluate the quality of work in state administration as (exceptionally) good, whereas 21% see it as poor.

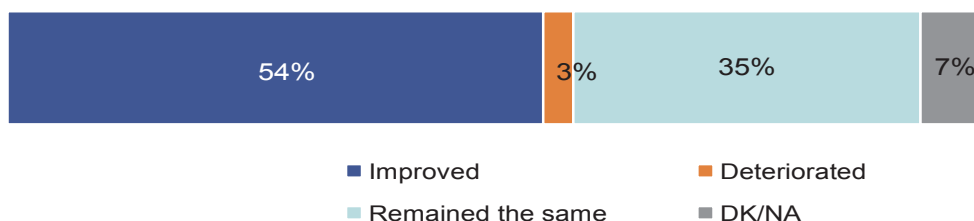
The quality of work in state administration is to a lesser extent seen as good by companies with annual revenues up to 1 million €.

**Figure 221. Evaluation of work quality in state administration; N=201**



According to the opinion of most companies (54%), work quality in state administration has improved in 3 years; however, this opinion is less shared by companies in the South region (33%), those in the service industry (44%) and those with over 250 employees (27%).

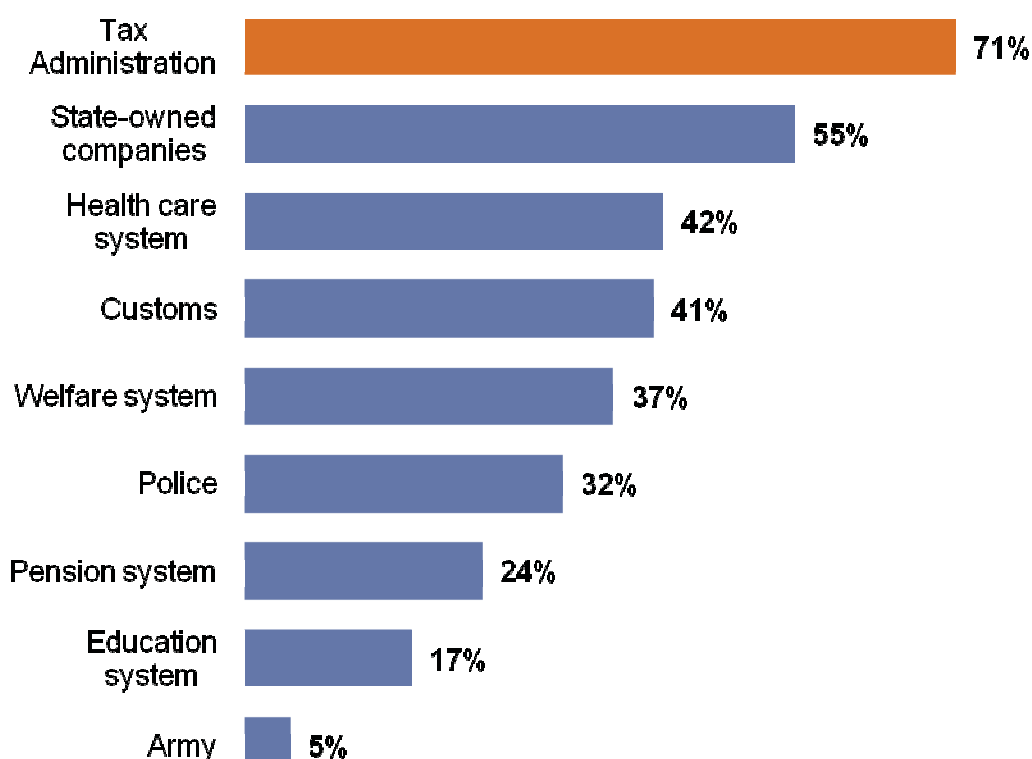
**Figure 222. Work quality in state administration in comparison to the situation 3 years ago; N=201**



Companies have had most contact with the Tax Administration in the past 12 months (71%), and the least with the army (5%).

In the past 12 months, companies with over 250 employees and those in the North region have had contact with most of the mentioned institutions, as opposed to other companies. The higher a company's number of employees and annual revenue, the higher the probability of contacting the pension system.

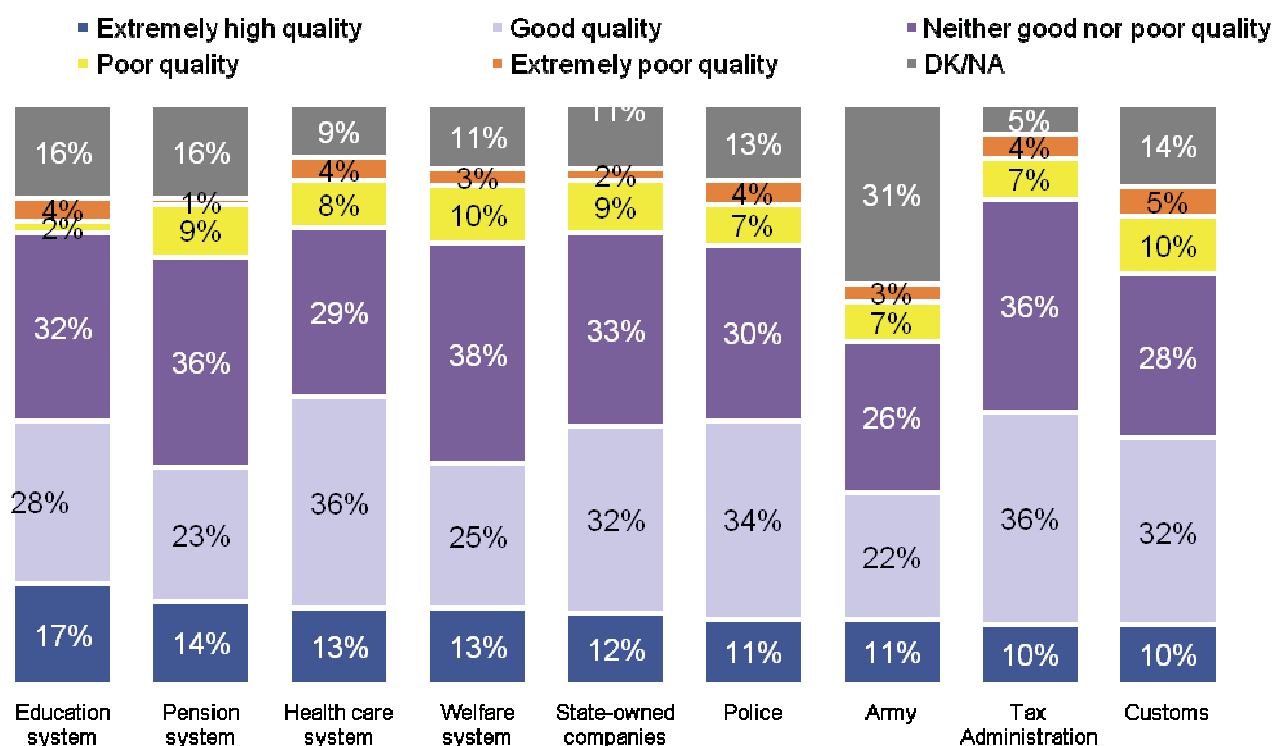
**Figure 223. Contacting state administration institutions and bodies in the past 12 months; N=201**



Over 30% of companies were not able to evaluate the work quality of the army (due to limited contacts with this particular institution). Evaluations of other institutions are basically on a par, with somewhat lower scores given to the pension and welfare systems.

Companies in the South region give lower scores to work quality of the army, customs, welfare and pension systems; companies with revenues exceeding 1 million € give lower scores to the army and state-owned companies, whereas companies with over 250 employees give better scores to the education system and customs.

Figure 224. Work quality evaluation in state administration institutions and bodies; N=201

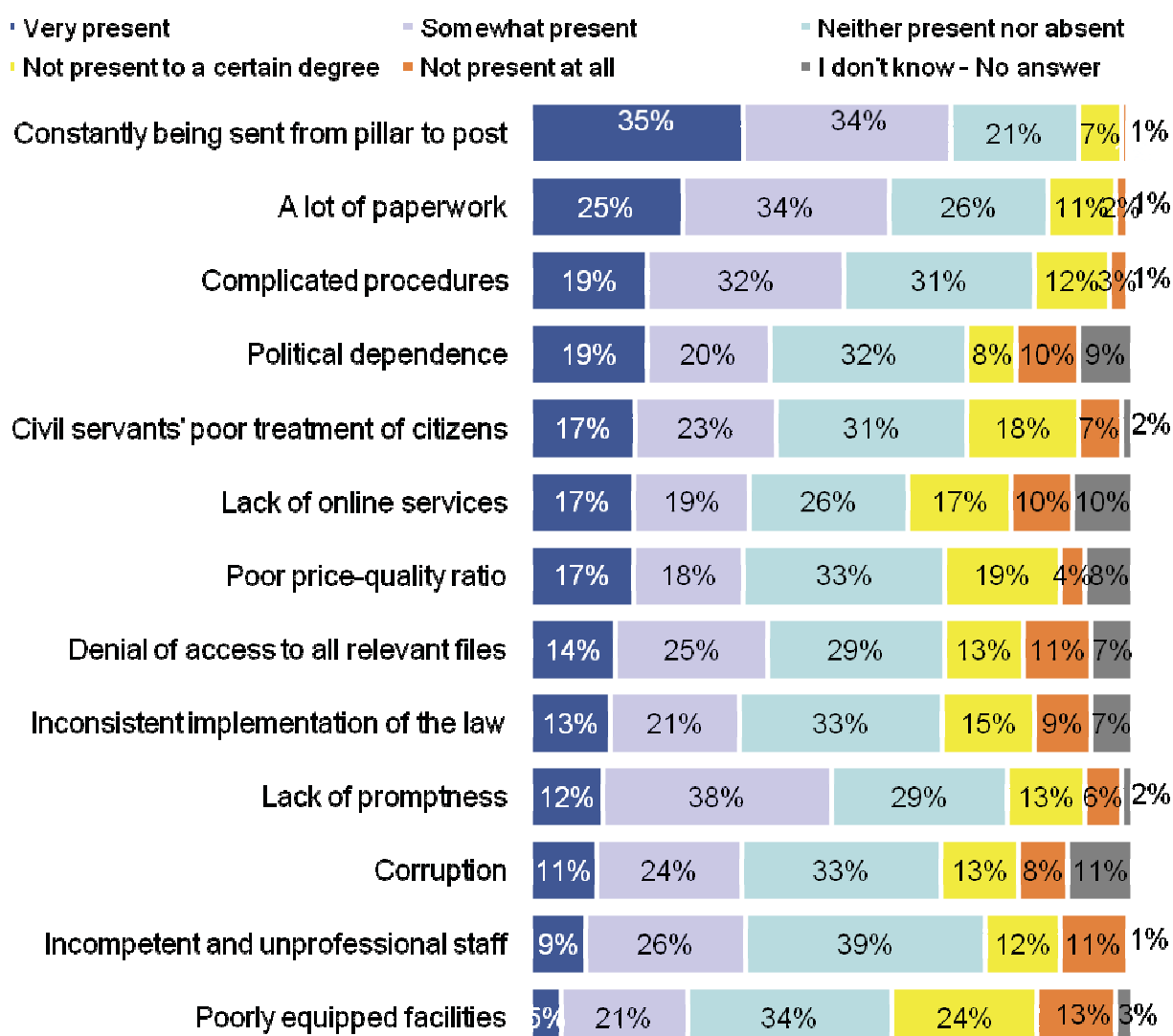


Among the mentioned phenomena, most companies stress that in state administration institutions and bodies there is (very often or somewhat present) the problem of being sent from pillar to post (69%). Poorly equipped facilities is a problem very or to a degree present – opinion shared by only 26% of companies.

Generally, companies believe that complicated procedure – too much "legwork" and paperwork, is very common when dealing with state administration institutions and bodies.

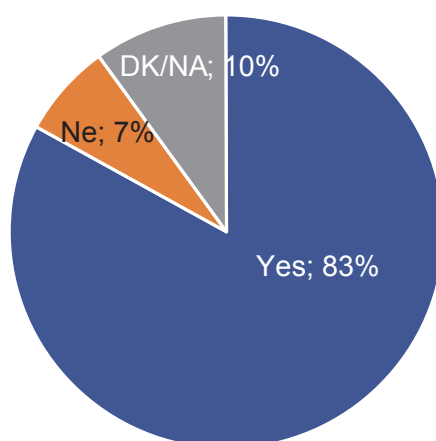
Companies with annual revenues exceeding 1 million € more frequently mention complex procedures, paperwork, no online service, lack of promptness and poor price-quality ratio.

Figure 225. Presence of certain phenomena in state administration institutions and bodies; N=201



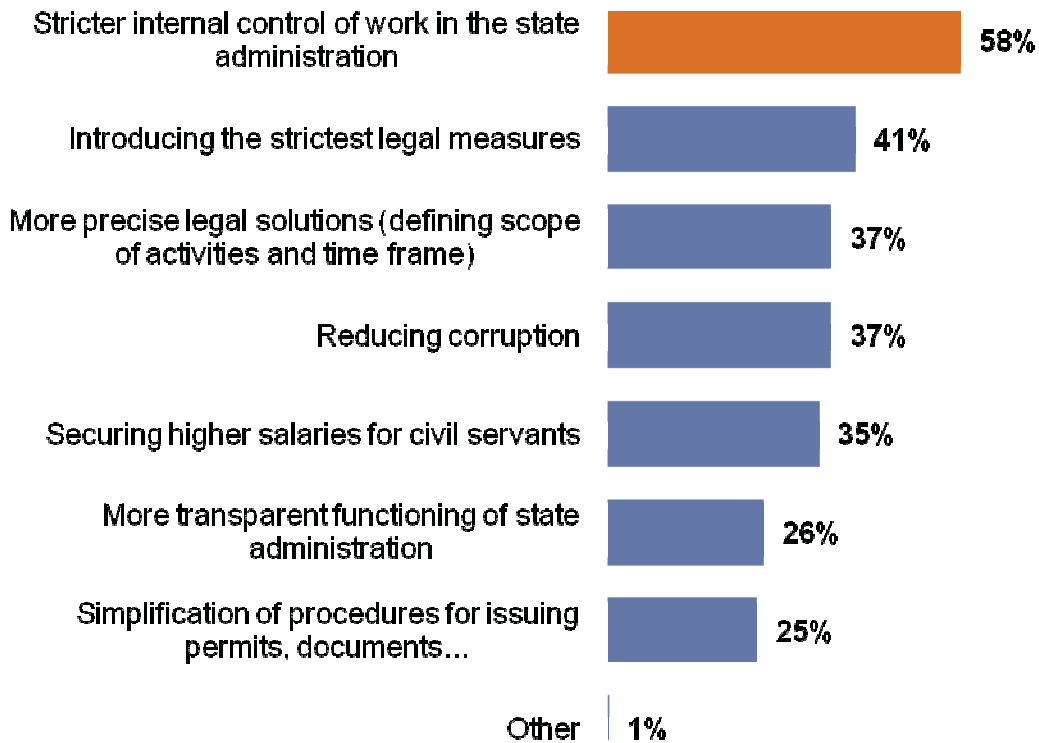
As many as 83% of companies believe that improvements can be achieved in the work quality of state administration bodies - mostly companies in the North and Coastal regions, as well as companies with over 250 employees.

**Figure 226. Possibility of significant improvement of work quality in state administration bodies; N=201**



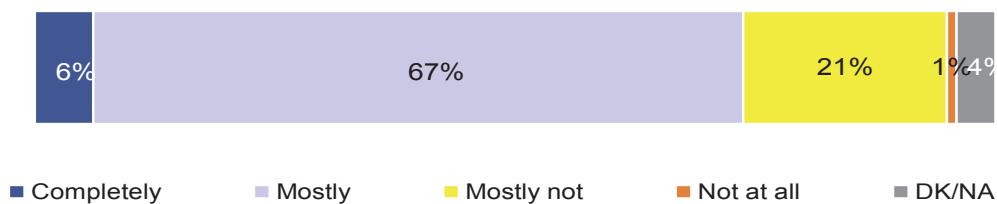
According to the opinion of the largest number of companies (58%), work quality in state administration bodies can be improved by applying stricter internal control of bodies' work. Increased work transparency and simplification of procedures, as means of improving work quality, were options chosen by only one quarter of respondents. Companies with the highest annual revenues (exceeding 1 million €) more frequently believe that work quality in state administration bodies can be improved by increased work transparency (56%) and simplified procedures (44%). On the other hand, companies with lower revenues (50.000 €, maximum) tend to choose introduction of stricter penalties (56%) and pay increase for civil servants (52%) as the best measure for improvement.

**Figure 227. Means of improving work quality in state administration bodies; N=167**



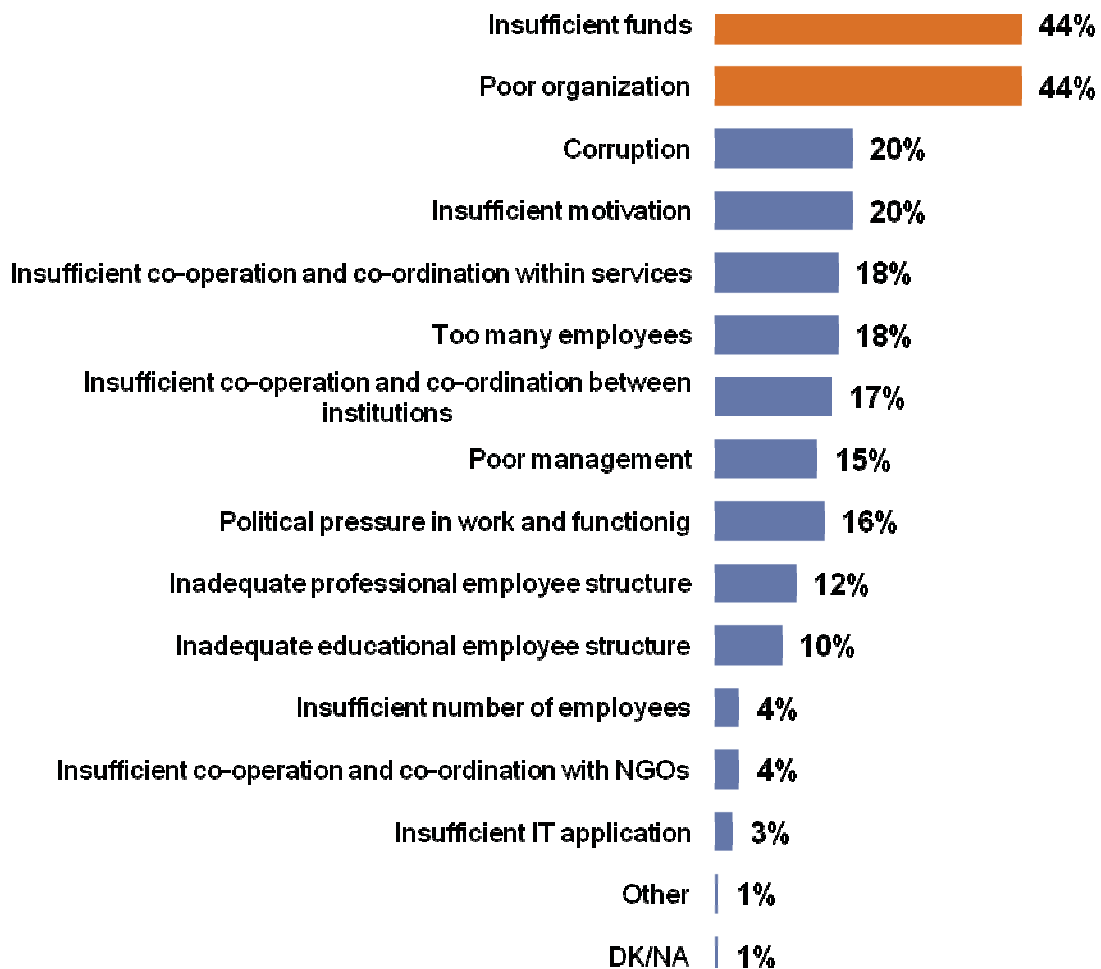
Almost three quarters of companies believe that the work of state administration inspection authorities is conducted in accordance with the law and public interest.

**Figure 228. Work of state administration inspection authorities in accordance with the law and public interest; N=201**



*Insufficient funds and poor organization* are aspects (among those offered) chosen by most companies (44%) as those hindering the work and functioning of the state administration the most. Companies in commercial activities more frequently emphasise *insufficient funds* (54%), whereas companies with over 250 employees mention *poor organization*.

**Figure 229. Aspects hindering the work and functioning of the state administration the most; N=201**

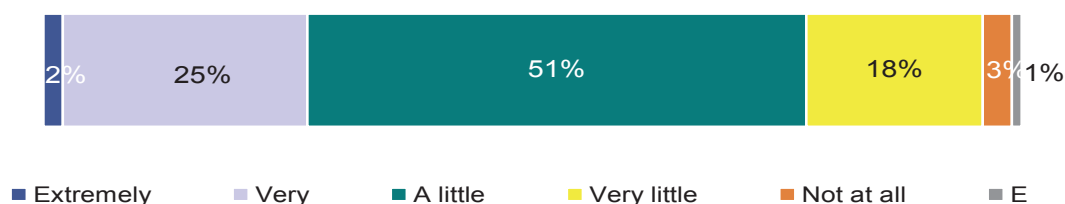




### Business development

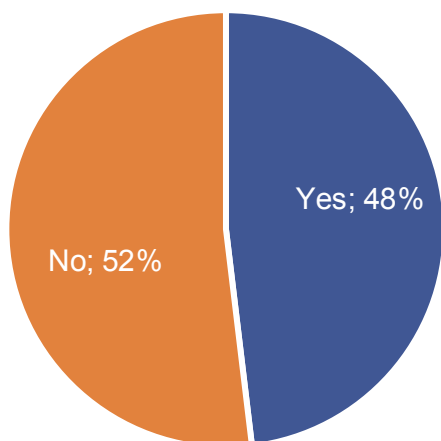
Most companies (73%) share the opinion that the social environment in Montenegro is not favourable for business development. The most prominent are those in the South region, with 90% negative opinions on this particular subject.

**Figure 230. Favourability of Montenegro social environment for business development; N=201**



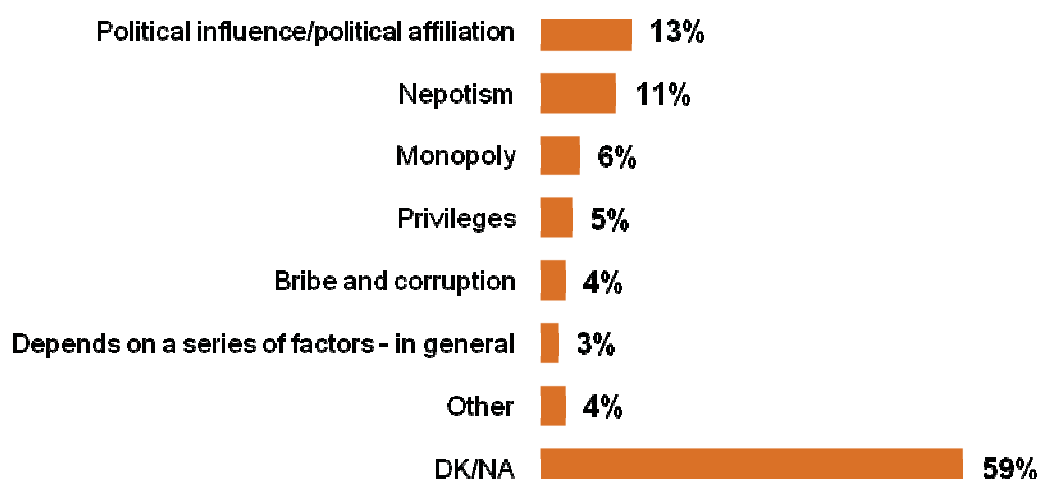
Over half of companies, and especially those with annual revenues between 0,1 and 1 million € (71%), believe that NOT all companies get the same treatment and that the same rules do NOT apply to all.

**Figure 231. Applying the same rules to all companies (same treatment); N=201**



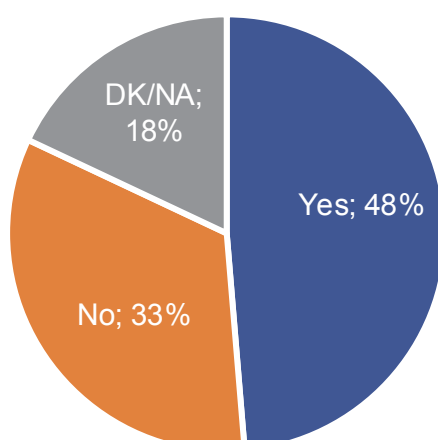
As reasons for NOT applying the same rules to all companies, respondents most frequently mention *political influence* (13%) and *nepotism* (11%), but 59% of companies failed to give any reason. The largest companies (with over 1 million € in annual revenues and over 250 employees) mostly emphasise *political influence*.

**Figure 232. Reasons for NOT applying the same rules to all companies; N=104**



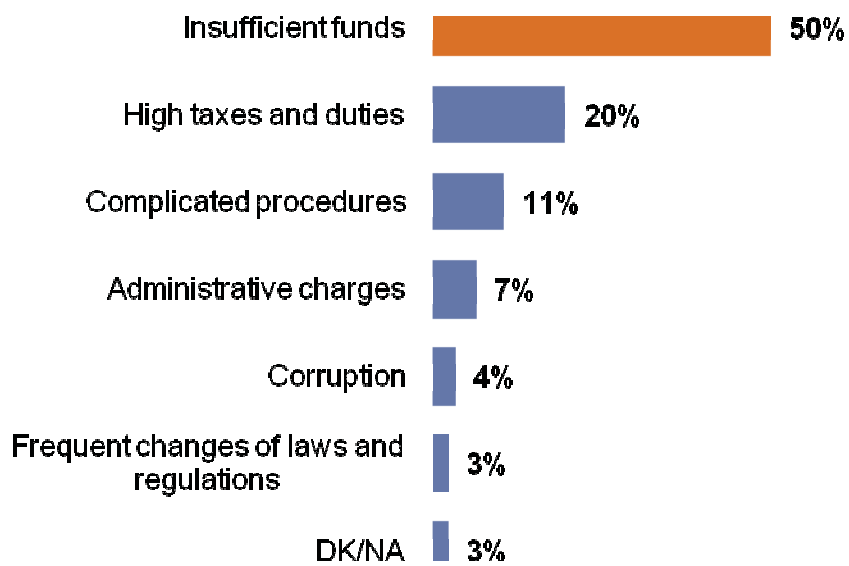
One third of respondents believe that the current laws/regulations do NOT provide positive conditions for business activity – these are mostly companies from the South region (51%), and to a lesser extent companies with over 250 employees (18%).

**Figure 233. Current laws/regulations create good conditions for business activities; N=201**



Half of respondents mention insufficient funds as the greatest obstacle for the development and growth of Montenegro companies – these are mostly companies from the North region (68%) and companies with the highest annual revenues (65%).

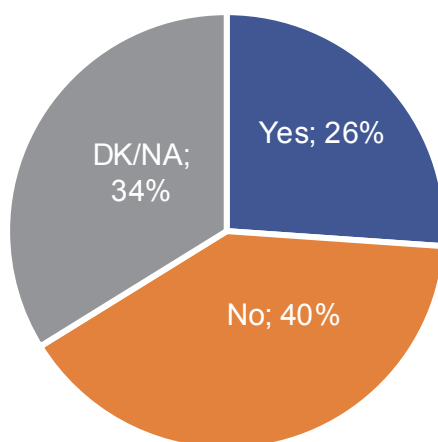
**Figure 234. Greatest obstacles for development and growth of Montenegro companies; N=201**



## F STATE ADMINISTRATION SERVICE TRANSPARENCY AND ACCESS TO STATE ADMINISTRATION FUNDS

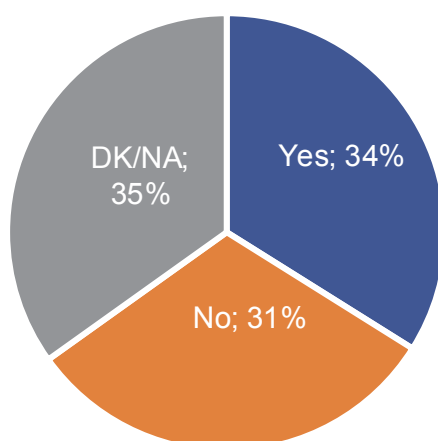
Only 26% of companies believe that spending of state-owned companies' revenues is transparent and in accordance with the law.

**Figure 235. Transparent and lawful spending of state-owned companies' revenues; N=201**



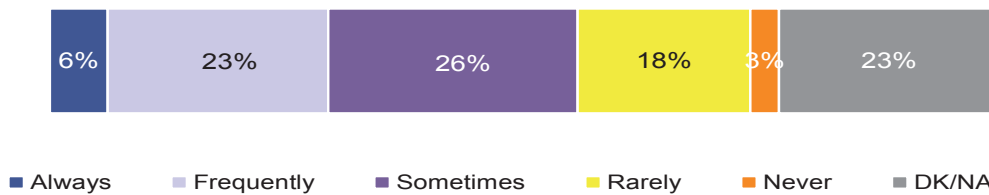
One third of companies believe that adoption of urban plans is conducted transparently and in accordance with the law – opinion shared by mostly companies in the service industry (44%), and to a lesser extent companies with over 250 employees (18%).

**Figure 236. Transparent and lawful adoption of urban plan; N=201**



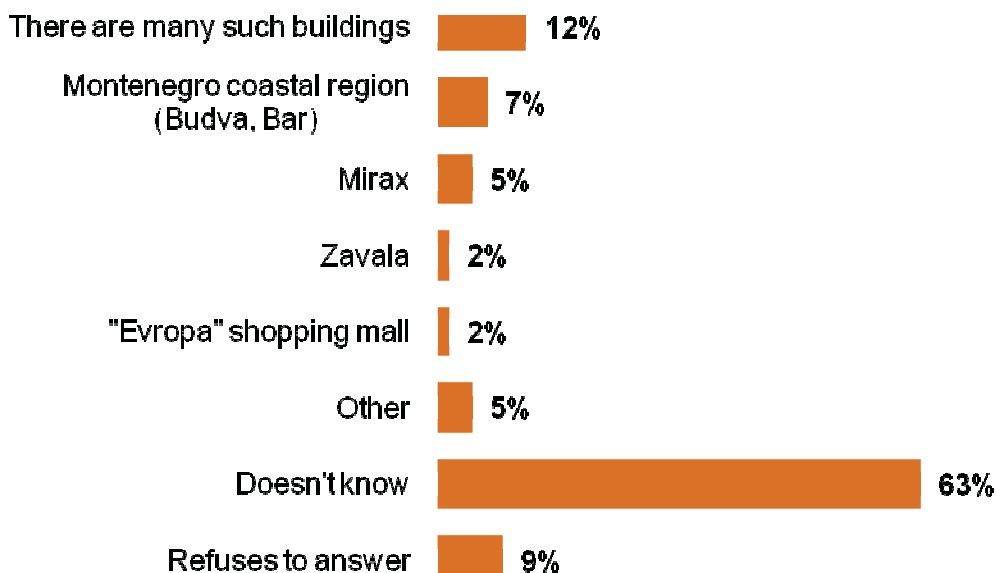
21% of companies believe that obtaining construction permits is rarely or never done legally and through established procedures – especially companies with the total annual revenue between 50.000€ and 100.000 €.

**Figure 237. Obtaining construction permits is always done legally and through established procedures; N=201**



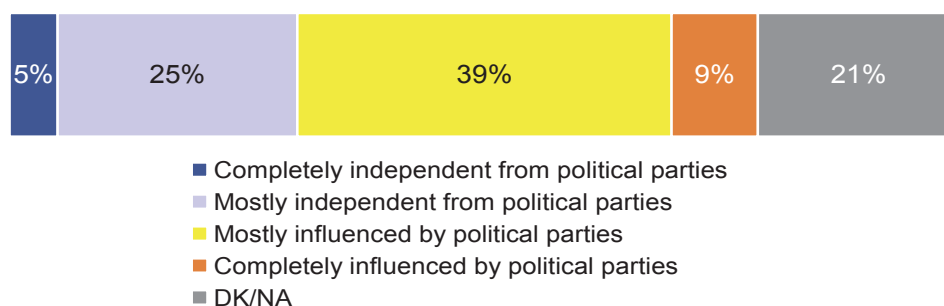
Almost three quarters of companies that believe obtaining construction permits is rarely or never done legally and through established procedures, were not able to provide a single example to corroborate their statement.

**Figure 238. Examples of construction permits not obtained legally and through established procedures; N=43**



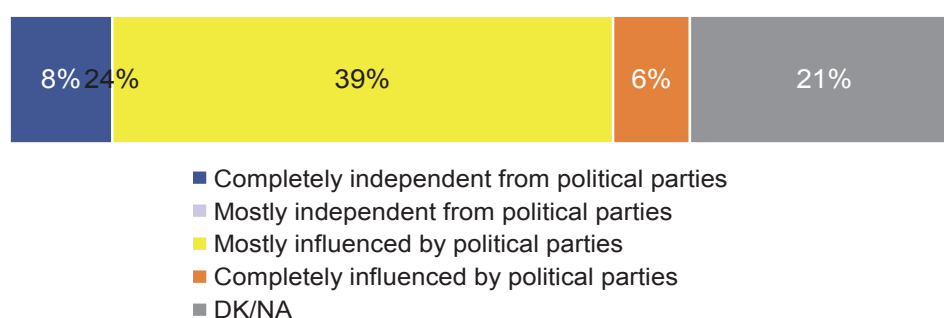
Almost half of companies believe that state administration institutions are influenced by politics (largely companies with annual revenues over 1 million €); 30%, on the other hand, believe institutions are completely or mostly independent.

**Figure 239. Presence of politics in state administration; N=201**



Identical to state institutions, most companies (45%) believe state-owned companies are influenced by politics (mostly companies with annual revenues over 1 million €); 32% believe institutions are completely or mostly independent.

**Figure 240. Presence of politics in state-owned companies; N=201**

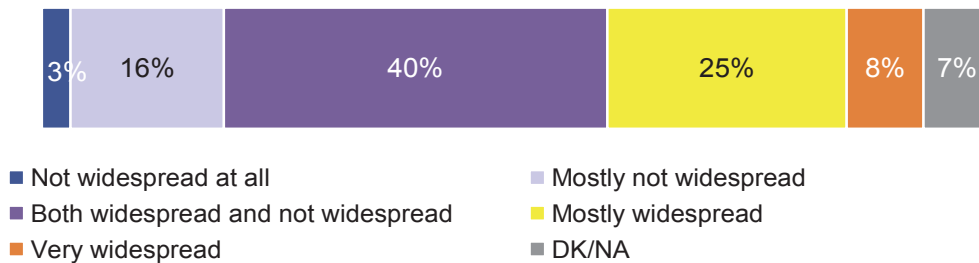


## G CORRUPTION

### Scale of corruption in state administration institutions

33% of companies believe that corruption is very or mostly widespread in state administration, 19% believe it is mostly or not at all widespread, whereas 40% believe it either is or isn't widespread. Companies with the number of employees ranging between 50 and 250 more frequently have a positive opinion i.e. they believe corruption is mostly or not at all widespread.

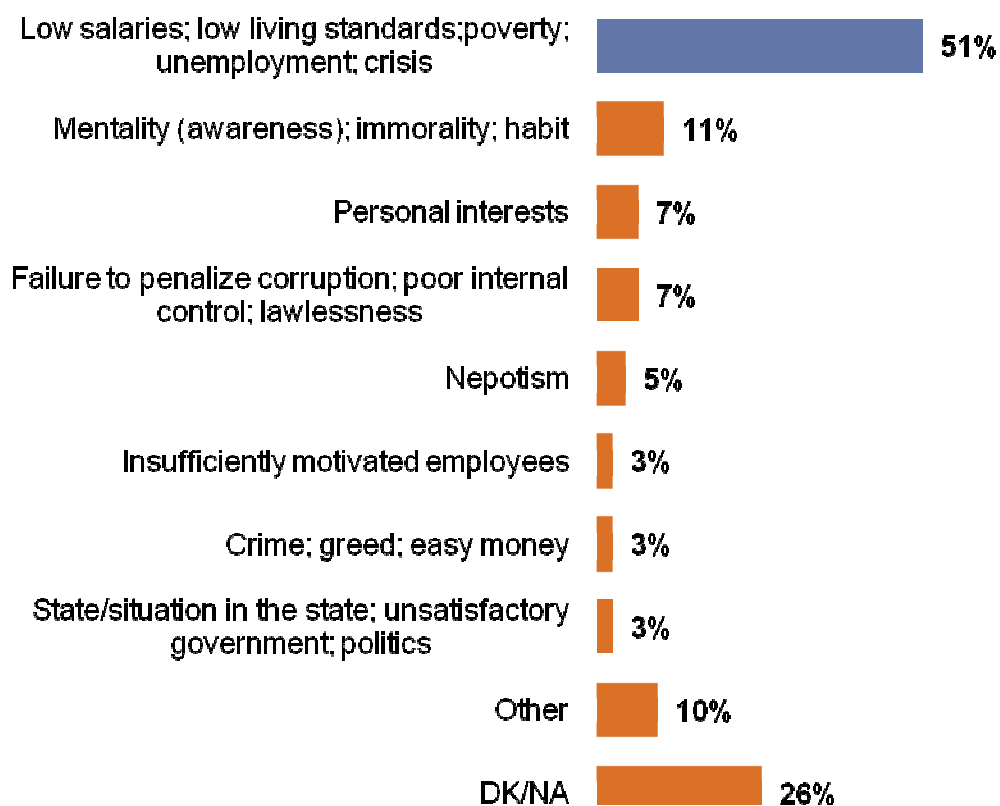
**Figure 241. Corruption in state administration; N=201**



Companies that believe corruption is spread to at least some degree (97% of all companies) mostly (51%) say that this is due to citizens' low living standards (low salaries, the crisis, unemployment and the like).

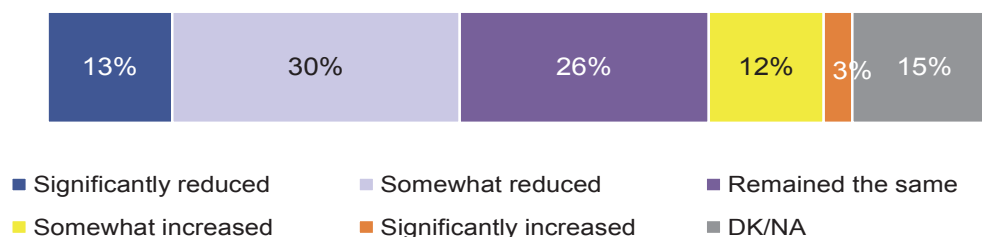
Companies with higher revenues (over 1 million €) to a lesser extent (40%) believe that low living standards are reasons for widespread corruption, whereas companies with the lowest annual revenues believe the opposite (61%).

**Figure 242. Reasons for widespread corruption in state administration; N=194**



Companies' comparison of the corruption level three years ago and in the present is very encouraging. Only 15% of companies believe the current level of corruption in the state administration has increased when compared to the past three years, whereas 43% believe it has decreased. Large companies (with over 250 employees and annual revenues of over 1 million €) are more sceptical i.e. more frequently tend to evaluate that corruption level has increased in the past three years.

**Figure 243. Corruption level in state administration in comparison to the past three years; N=201**

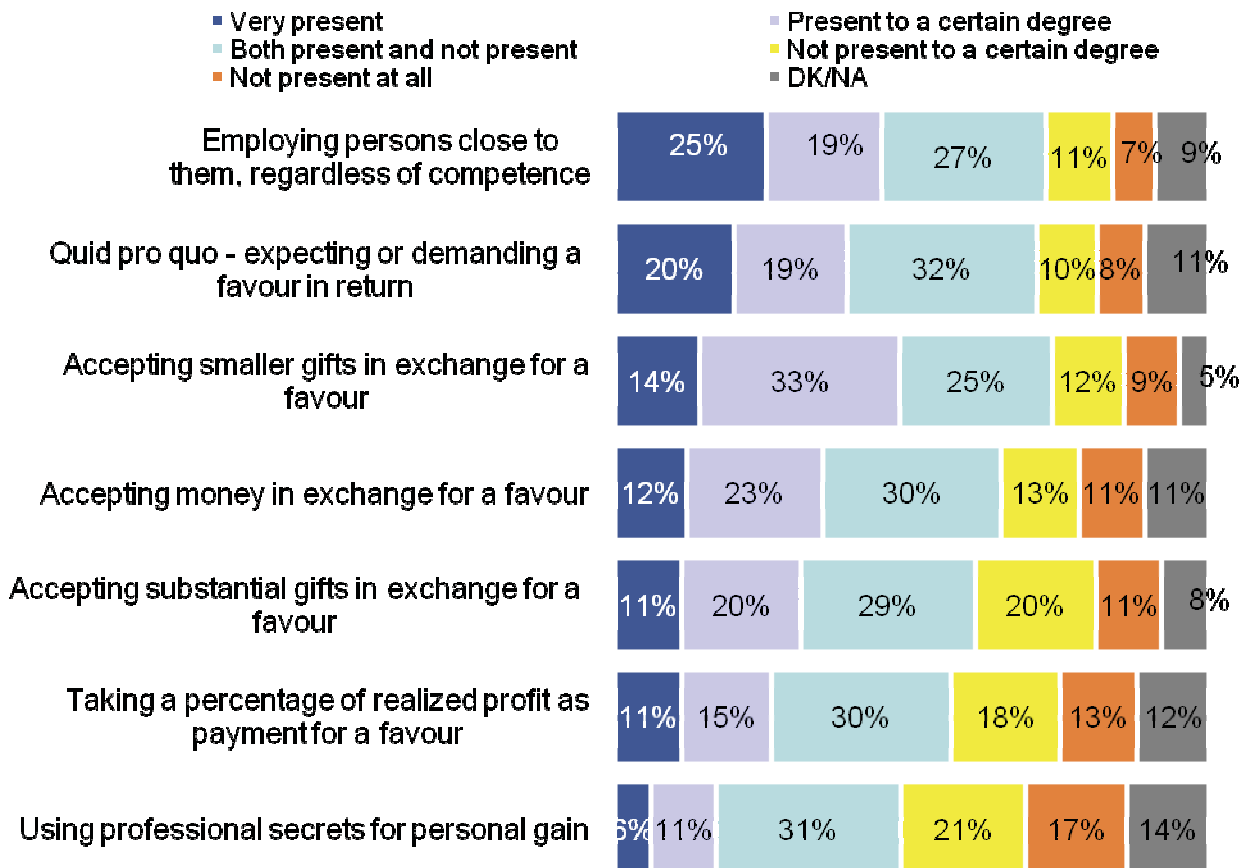




Companies to a greater extent notice the following in state administration employees: employing persons close to them, regardless of competence (44%) and accepting smaller gifts in exchange for favours (47%), in comparison to other similar behaviours. Employees least frequently use professional secrets for personal gain (opinion shared by only 17% of companies).

Companies in the North region to a lesser extent notice almost all of the mentioned negative behaviour patterns of state administration employees. Companies with annual revenues ranging from 0,1 to 1 million € more frequently believe that civil servants hire persons close to them and accept smaller gifts in exchange for a favour, whereas companies with revenues over 1 million € more frequently mention employees taking a percentage of realized profit as payment for favours.

**Figure 244. Presence of certain behaviours in civil servants; N=201**

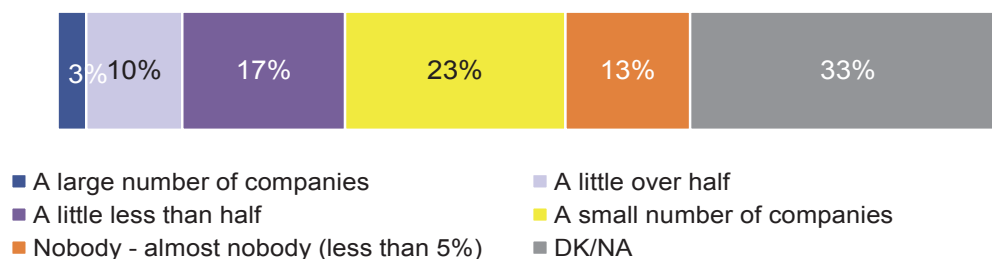


13% of companies believe that over half of all companies have in the past 12 months bribed someone in the state administration; 33% of companies believe that the share of companies which have resorted to bribery is not higher than 10%.

Companies with annual revenues from 0,1 to 1 million € disagree i.e. believe that the number of these companies is higher than 10%.

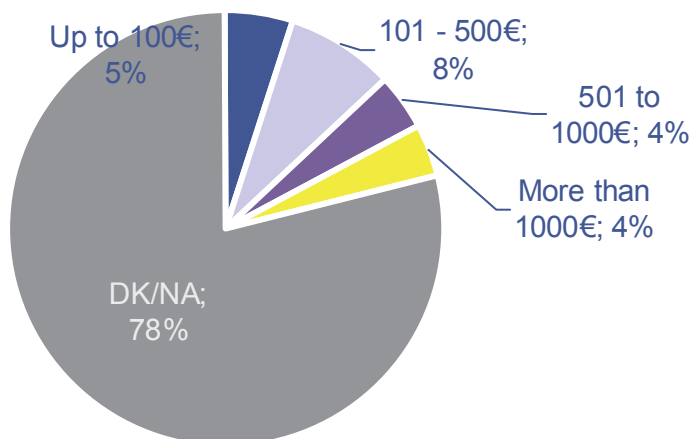
Note: most companies in the North region refused to answer this question.

**Figure 245. Estimate of the percentage of companies that have bribed someone in the state administration in the past 12 months; N=201**



Almost 80% of companies failed to estimate the average amount of bribes companies give to civil servants. Out of those who did answer, 17% believe bribes are not higher than 1.000€.

**Figure 246. Estimate of average bribe amount; N=201**

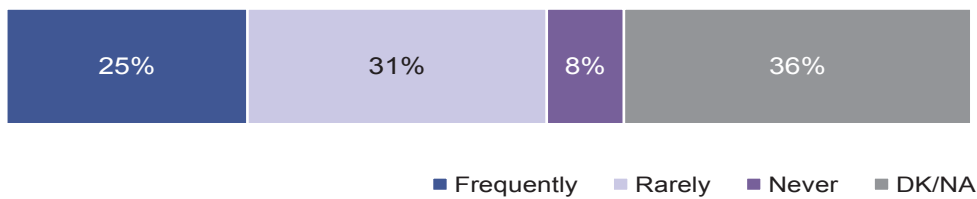


25% of companies believe that some state administration employees frequently offer companies to resolve a case in their favour, in exchange for illegal compensation or deal. Only 8% of companies believe that state administration employees do not do this.

Companies in the Central region and those with annual revenues ranging from 0,1 to 1 million € largely(36%) believe that state administration employees frequently offer companies convenient services in exchange for certain compensations.

Note: most companies in the North region refused to answer this question.

**Figure 247. Civil servants offering companies convenient services, in exchange for certain compensation; N=201**

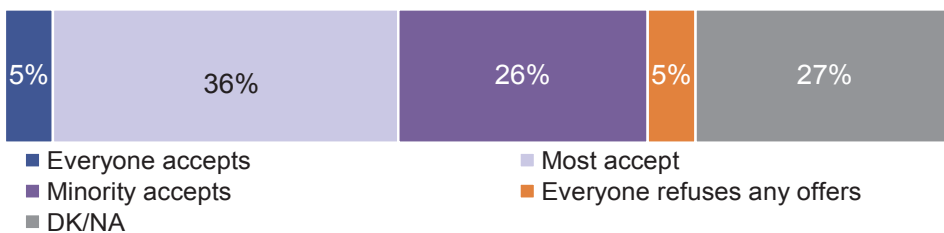


41% of companies believe that most (or even all) companies would accept civil a servant's offer to resolve a case in their favour, in exchange for illegal compensation or arrangement. Only 5% of respondents share the opinion that all companies refuse such offers.

Companies with over 250 employees and those with revenues up to 0,1 million €, to a lesser degree believe that most (all) companies accept such offers.

Note: most companies in the North region refused to answer this question.

**Figure 248. Companies' reactions to civil servants' offer of convenient favours in exchange for certain compensations; N=201**



The President of Montenegro was rated as completely or mostly non-corrupt by 62% of companies. All other institutions received poorer evaluations, especially the police, Property Administration and judiciary (only 30-33% evaluated them as mostly or completely non-corrupt).

Large companies (with over 250 employees and annual revenues exceeding 1 million €) largely suspect corruption in some institutions – judiciary, welfare system, public procurement, pension system; in addition to these, companies with highest revenues more frequently suspect corruption in the police, health care system and state-owned companies.

Companies in the North region to a lesser degree suspect corruption in the tax system, whereas those in the South region suspect corruption in the Property Administration.

**Figure 249. Presence of corruption in sectors and institutions; N=201**

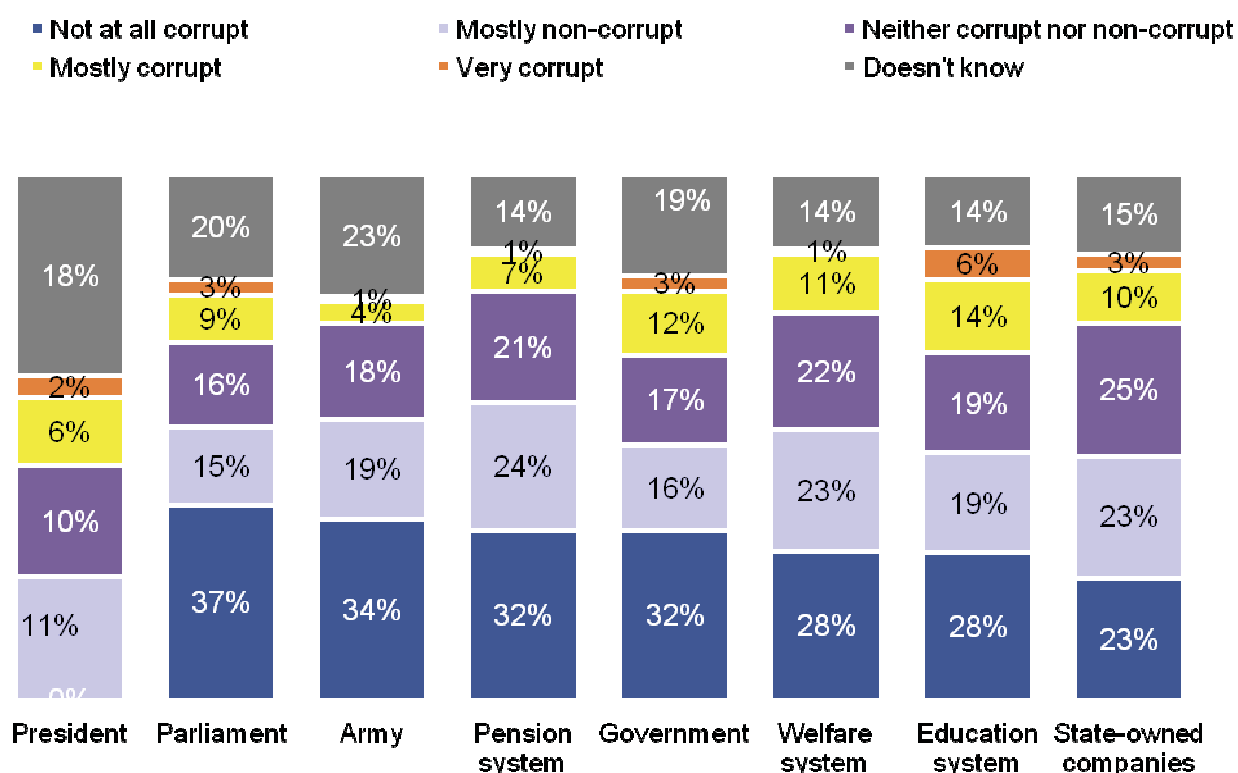
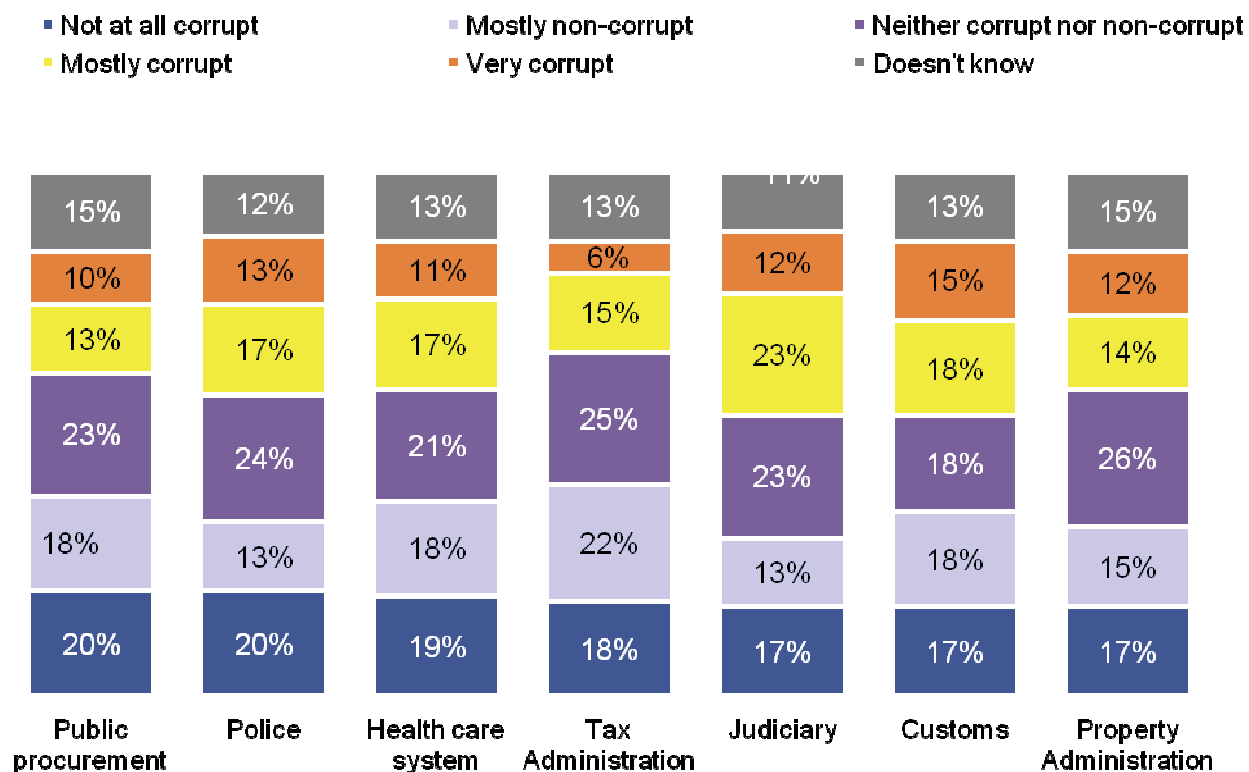
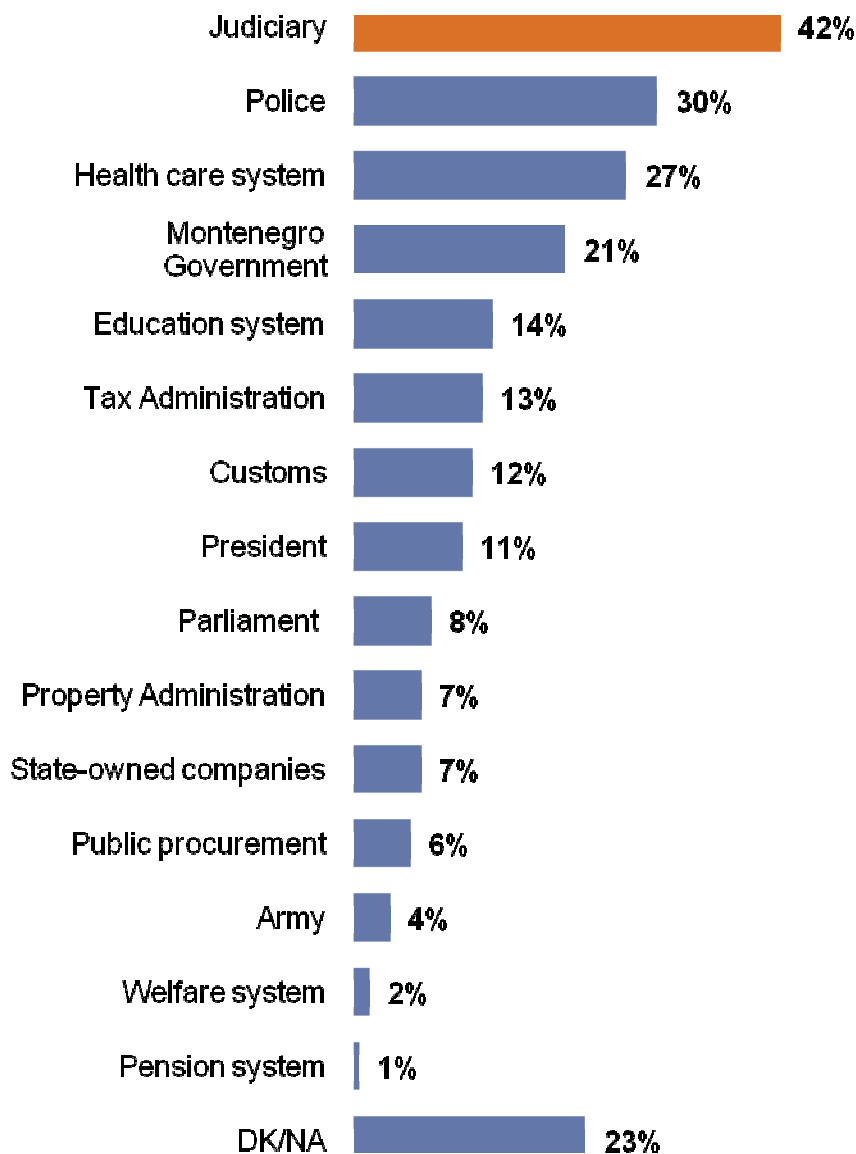


Figure 250. Presence of corruption in sectors and institutions; N=201 (continuation)



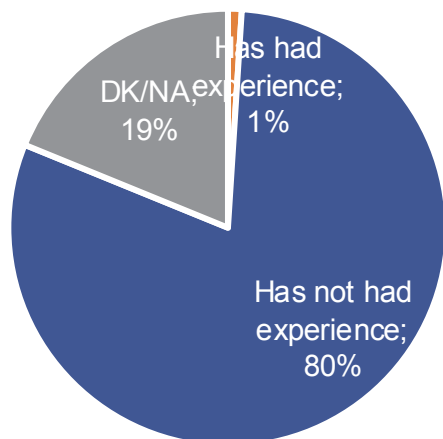
According to 42% of companies, corruption in the judiciary produces the most dangerous consequences for the development of society – opinion shared by mostly larger companies (with over 250 employees (73%) and revenues over 0,1 million € (55%)).

**Figure 251. Institutions in which the presence of corruption produces the most dangerous consequences for the development of society; N=201**



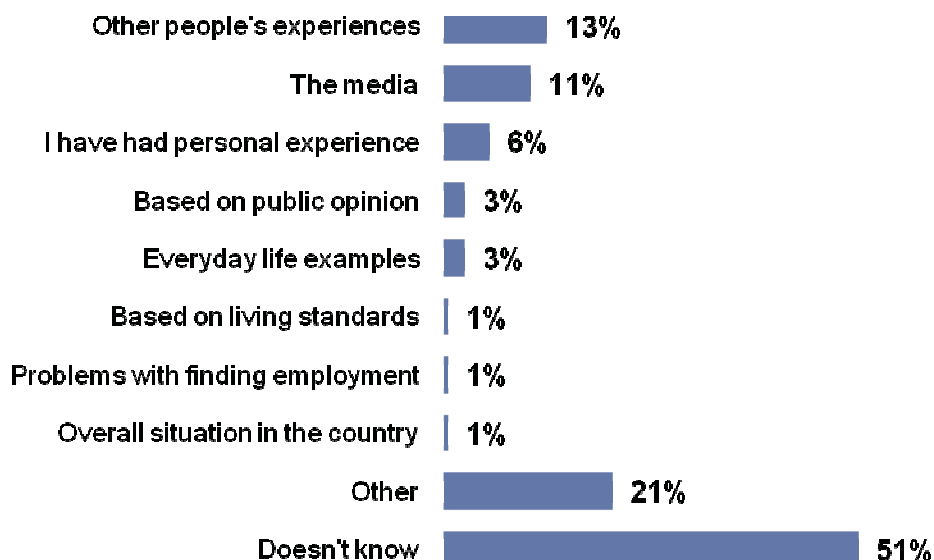
Only 1% (i.e. 2 companies) admitted having experience with corruption in state administration institutions – one company in public procurement, the other in judiciary.

**Figure 252. Companies' experience with corruption; N=201**



80% of companies have not had personal experience with corruption in state administration institutions, whereas they form their opinions on the experiences of others and information provided by the media. Half of the companies were unable to explain on what they based their opinions on corruption.

**Figure 253. Opinions of companies without experience with corruption were formed by...; N=198**



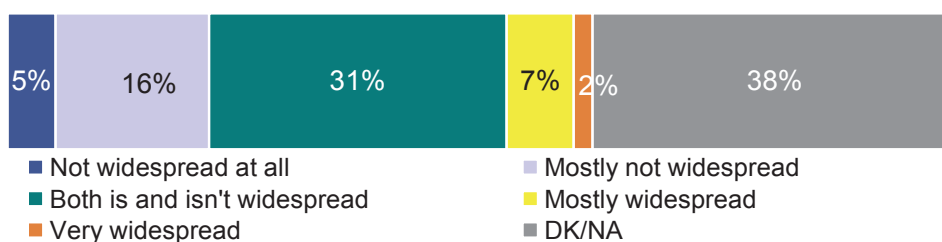
### Scale of corruption on "higher" level

21% of companies believe that corruption is also very or mostly widespread on a "higher" level (11% less than state administration institutions); 9% believe that it is "mostly widespread" or "mostly not widespread". Almost 40% of companies failed to give an answer to this particular question.

Companies with over 250 employees largely share a more negative opinion i.e. believe that corruption is mostly or very widespread on the "higher" level.

When asked to give examples of this type of corruption, most of the 18 companies (who said corruption is very or mostly widespread on the "higher" level) were not able/did not want to answer.

**Figure 254. Scale of corruption on "higher" level; N=201**



**Figure 255. Examples of "higher level" corruption**

	f	%
<b>Total</b>	<b>18</b>	<b>100%</b>
Building permits	2	11%
Privatization	1	6%
Sale of the Maestral hotel	1	6%
Illegal construction	1	6%
Arsenal shipyard	1	6%
Embezzlement of public funds	1	6%
Tenders	1	6%
DK/NO	11	61%

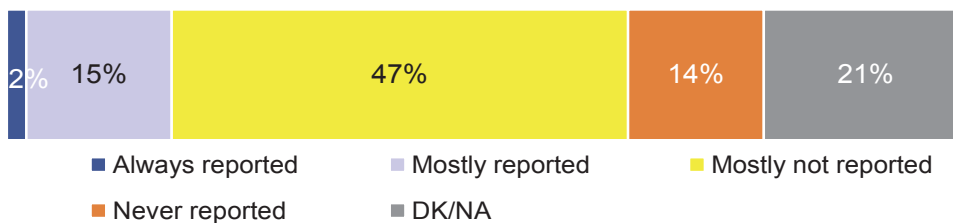


## Reporting corruption

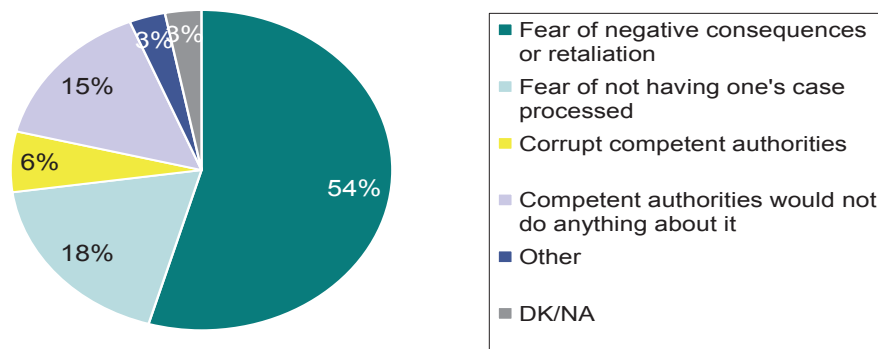
61% of companies share the opinion that corruption in the state administration is basically not reported, primarily for fear of *negative consequences or retaliation* (54%).

Because of *fear of negative consequences*, corruption in state administration is mostly not reported by companies employing 50-250 people (67%), companies with the lowest annual revenues (68%) and those with revenues ranging from 0,1 and 1 million € (75%).

**Figure 256. Reporting corruption in state administration; N=201**



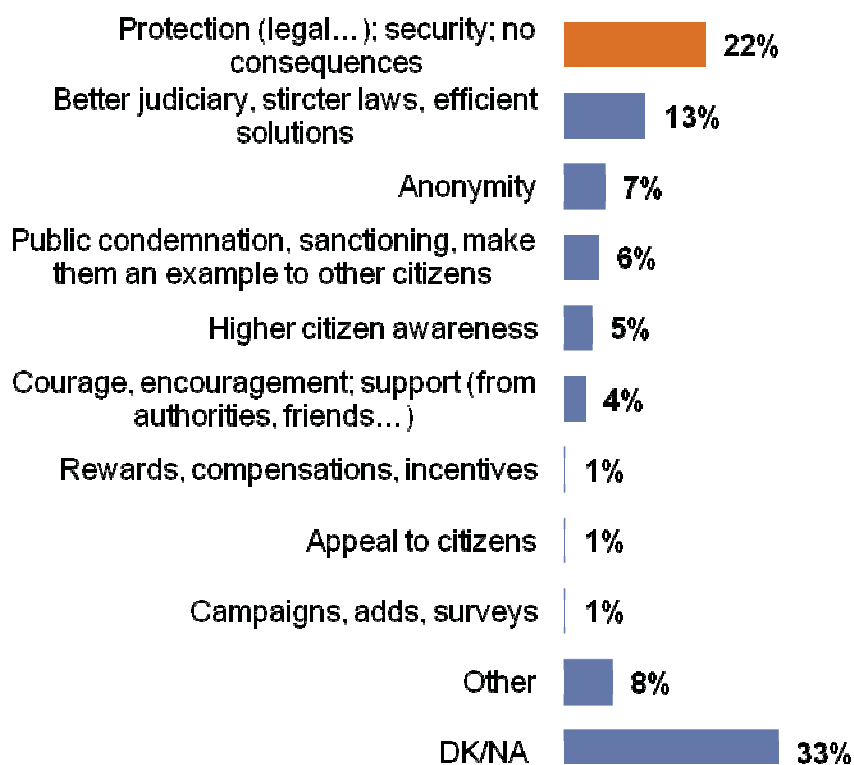
**Figure 257. Reasons for not reporting corruption in state administration; N=201**



To encourage citizens or state administration employees to report corruption, companies believe it is necessary to provide protection i.e. security to those persons (22%), as well as stricter and more efficient laws (judiciary) – 13%.

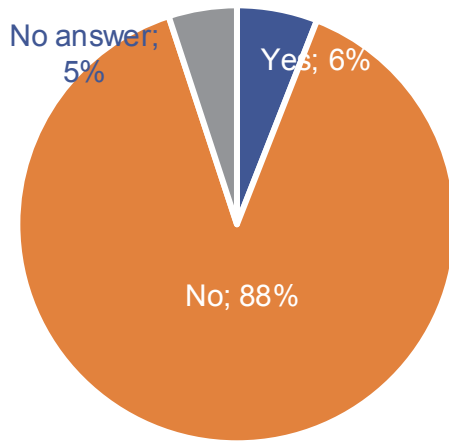
Higher degree of protection i.e. security as a prerequisite for increased reporting of corruption is mostly mentioned by companies with over 250 employees (45%).

**Figure 258. Measures necessary to encourage citizens/state administration employees to report corruption; N=201**



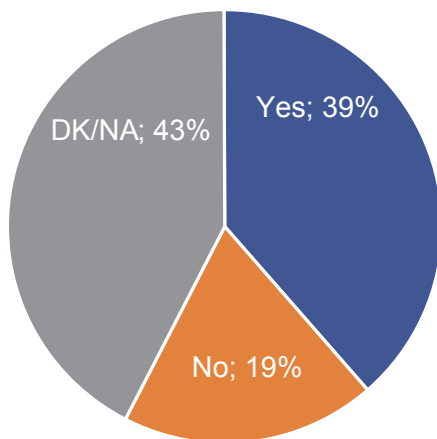
Only 6% of respondents have personally reported corruption in state administration, but more than one third say that, if faced with corruption, they would report it.

**Figure 259. Personally reported corruption; N=201**



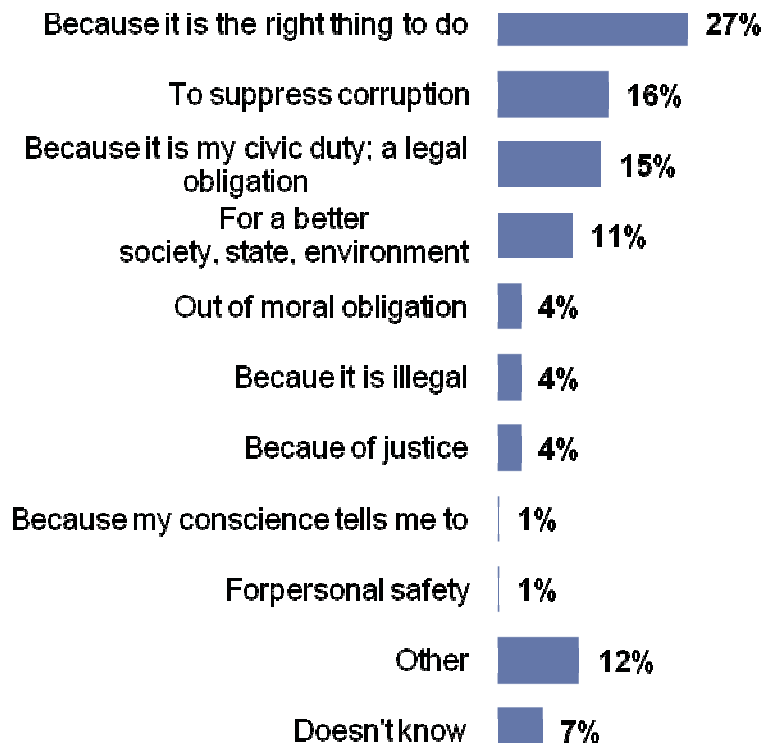
If faced with corruption, companies which would report it are most frequently those in the North region, and those with lowest (to 50.000 €) and highest annual revenues – over 1 million € (47%).

**Figure 260. Probability of reporting future cases of corruption; N=201**



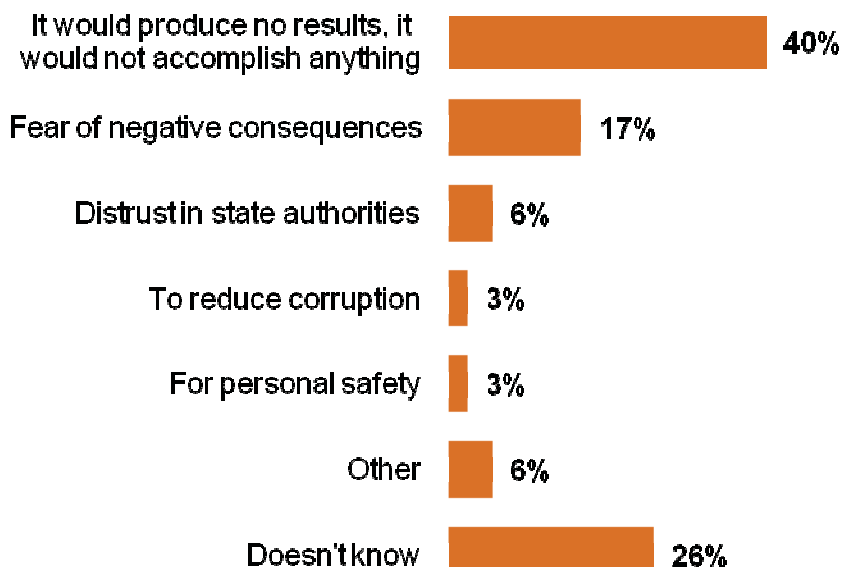
27% of companies would report corruption primarily because it is the right thing to do. Among companies, this is generally the most frequently mentioned reason (because it is the right thing to do, for prevention).

**Figure 261. Reasons for potentially reporting corruption in the future; N=73**



Companies which would not report corruption (40%) as the main reason for not doing so provide their belief that reporting would have no effect whatsoever i.e. that it would not accomplish anything. Some (17%) are also concerned about potentially negative consequences.

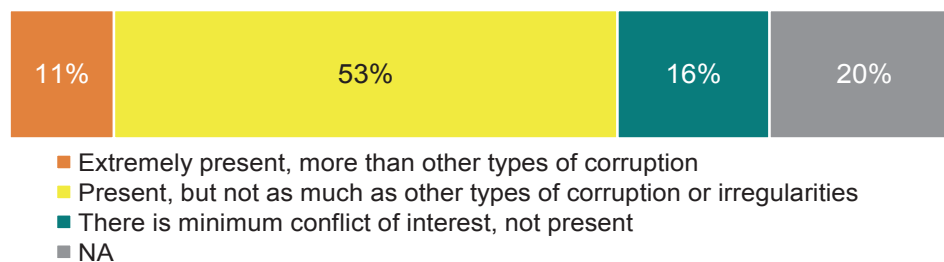
**Figure 262. Reasons for potentially NOT reporting corruption in the future; N=35**



## Conflict of interest

Most companies (53%) believe that conflict of interest exists in the state administration, but to a lesser degree than other types of corruption and irregularities.

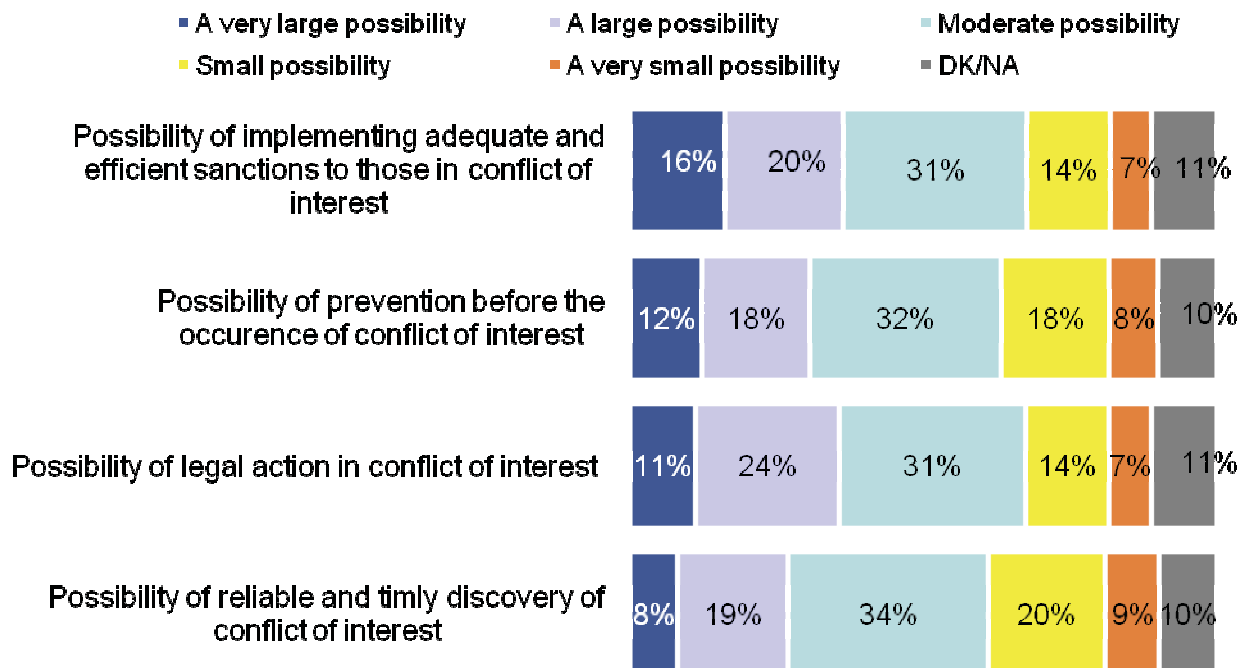
**Figure 263. Presence of conflict of interest in state administration; N=201**



There are fewest of those companies (27%) that believe there is a great possibility of reliable and timely discovery of conflicts of interest; they do, however, largely believe that there is a great possibility of applying legal measures (35%) and application of adequate and efficient sanctions (36%) in such situations.

Companies with lowest annual revenues (up to 50.000 €) to a somewhat higher degree believe there is a great possibility of legal action and a reliable and timely discovery of conflicts of interest. Companies in the North region largely believe in the existence of preventive actions and preventing the possibility of conflicts of interest emerging in the first place.

Figure 264. Possibility of fighting conflicts of interest; N=201



## H FIGHTING CORRUPTION

Evaluation of the institutions' success in fighting corruption is very low – companies have most trust in the Police Directorate's fight against corruption – 33%. Scores for other institutions are lower.

Companies with most employees (over 250) generally give the most negative scores to institutions' success in fighting corruption, especially when it comes to: *the Commission for the Control of Public Procurement Procedures, Public Procurement Directorate, Commission for the Prevention of Conflicts of Interest and the Directorate for Anti-corruption Initiative.*

**Figure 265. Institutions' success in fighting corruption; N=201**

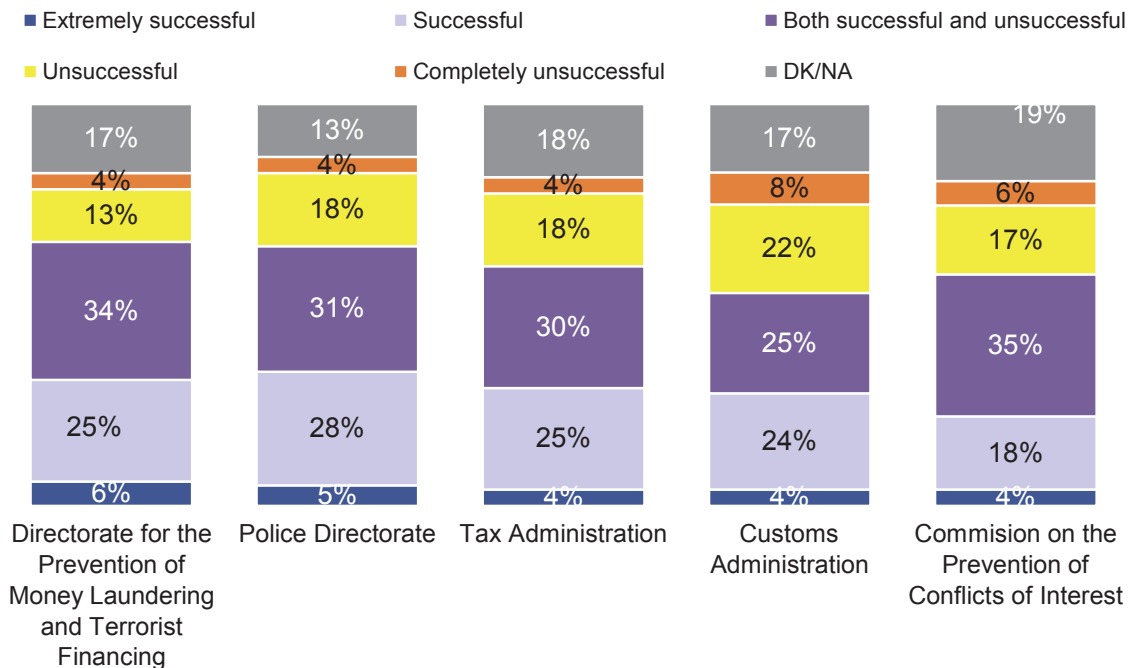
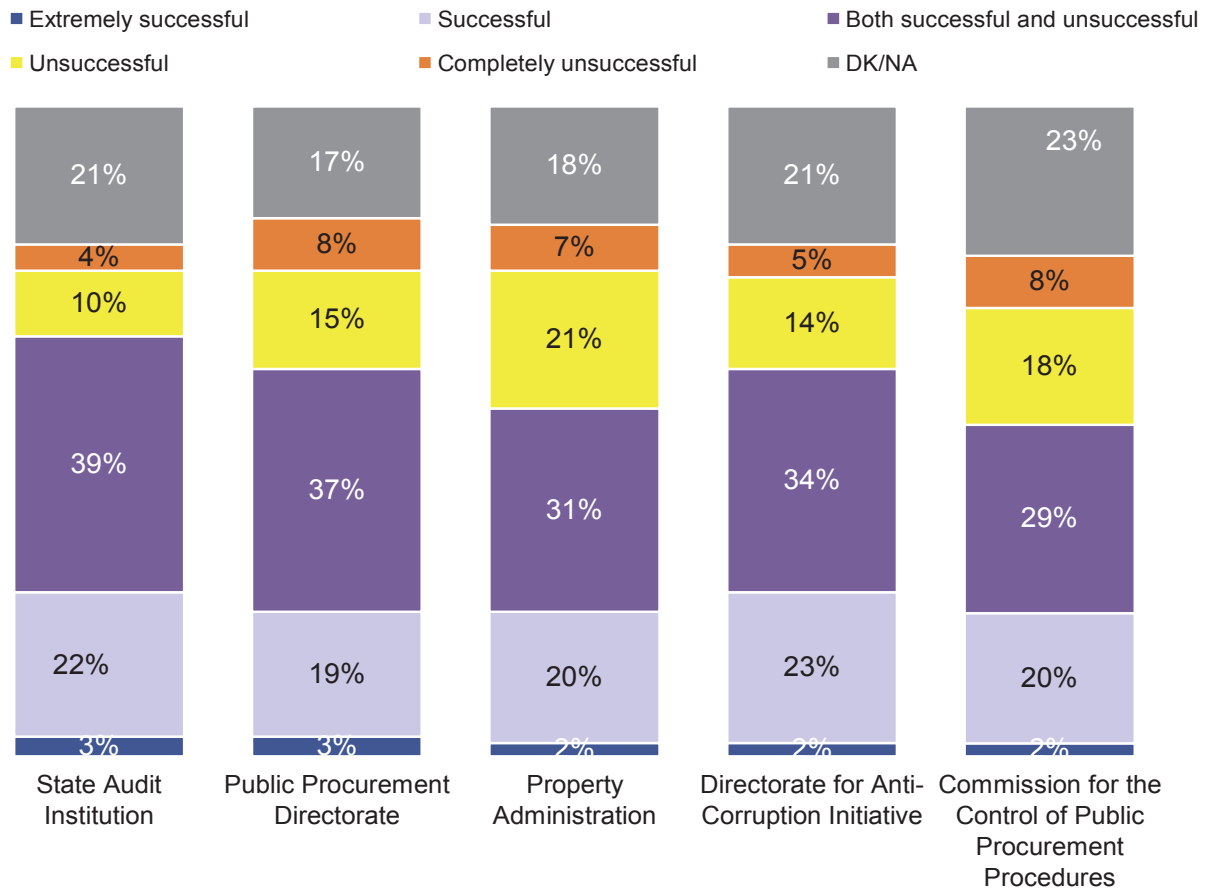


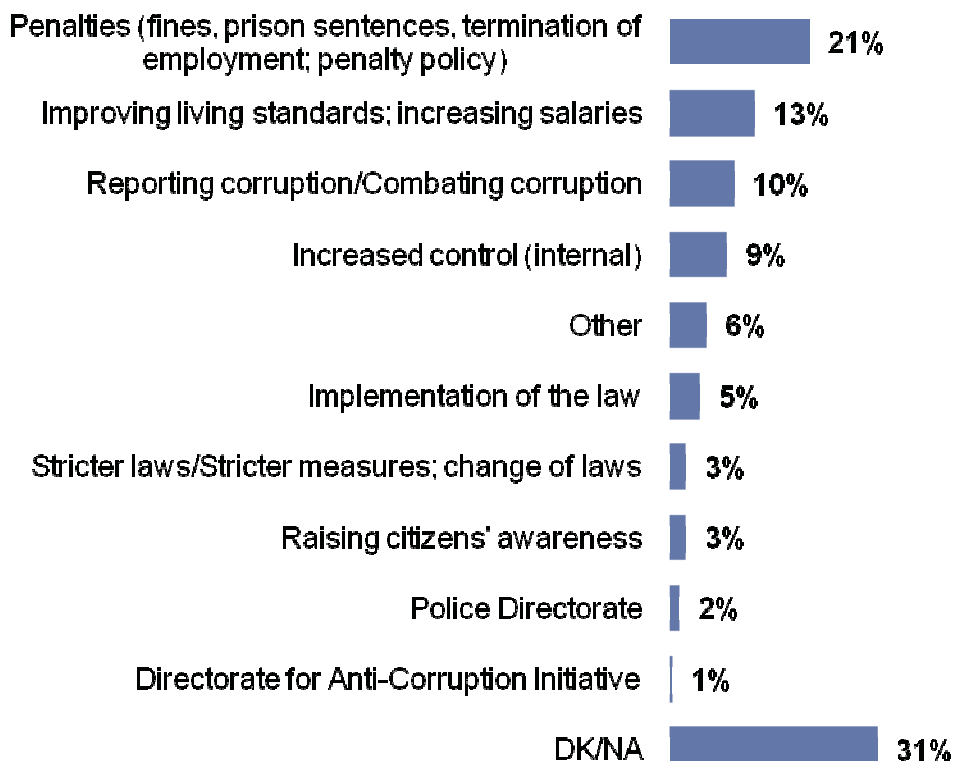


Figure 266. Institutions' success in fighting corruption; N=201 (continuation)



Repressive measures – various forms of penalties, are spontaneously mentioned by 21% of companies as the best means of fighting corruption in state administration.

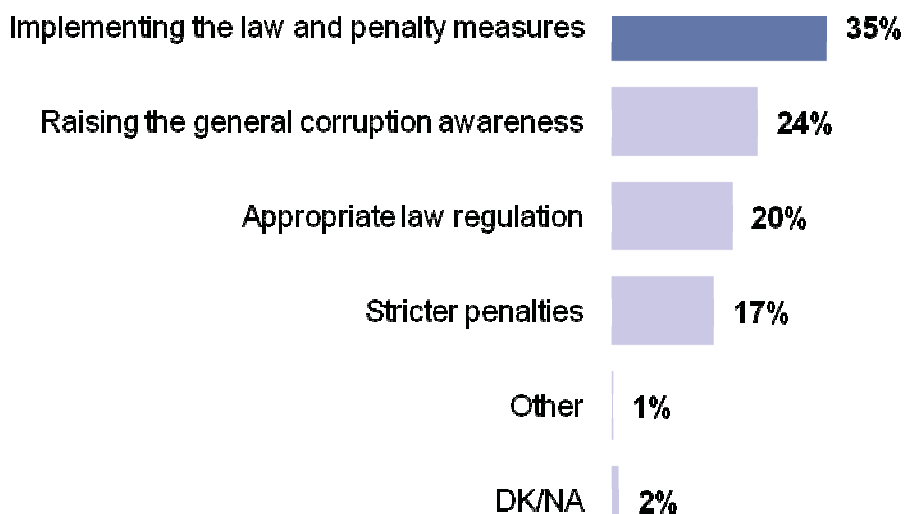
**Figure 267. Best means of fighting corruption in state administration; N=201** (spontaneous responses)



35% of companies believe that changing the law and implementing penalty measures are the most efficient solutions to fighting corruption in state administration – opinion especially shared by companies with annual revenues over 1 million € (60%).

Generally, it can be concluded that companies believe there is a need for better, more consistent implementation of the law, and especially penalties (which exist on paper, but are not applied).

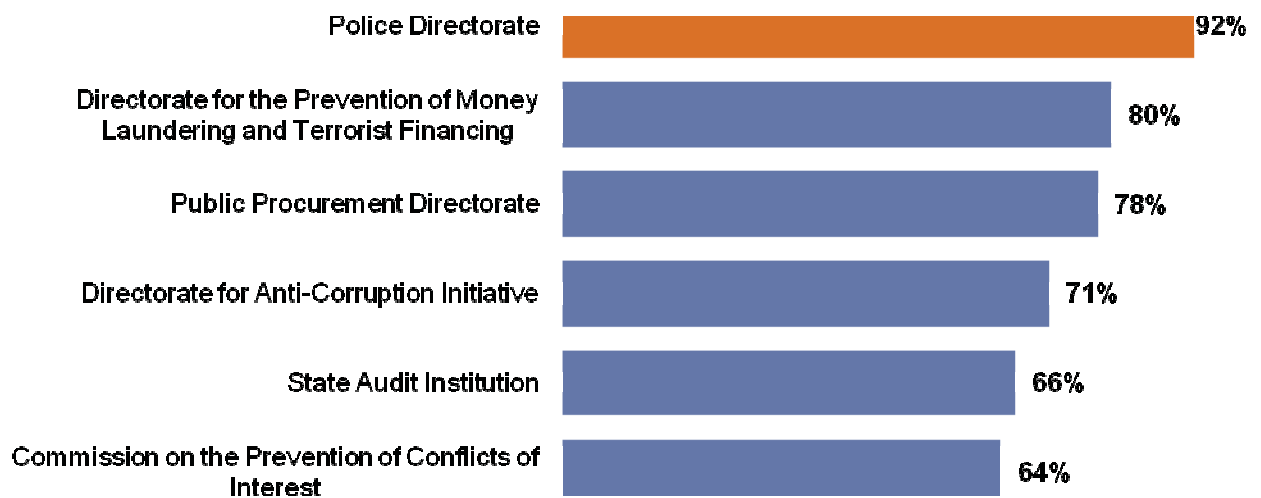
**Figure 268. Most efficient measure in fighting corruption in state administration; N=201 (answer options)**



Companies are most familiar with the Police Directorate (92%), whereas approximately two thirds of respondents have heard of the Commission for the Prevention of Conflicts of Interest.

Mentioned institutions, with the exception of the Police Directorate, are to a considerably lesser extent familiar to companies in the South region. The higher a company's revenue and number of employees is, the higher the awareness of mentioned institutions.

**Figure 269. Awareness of institutions; N=201**

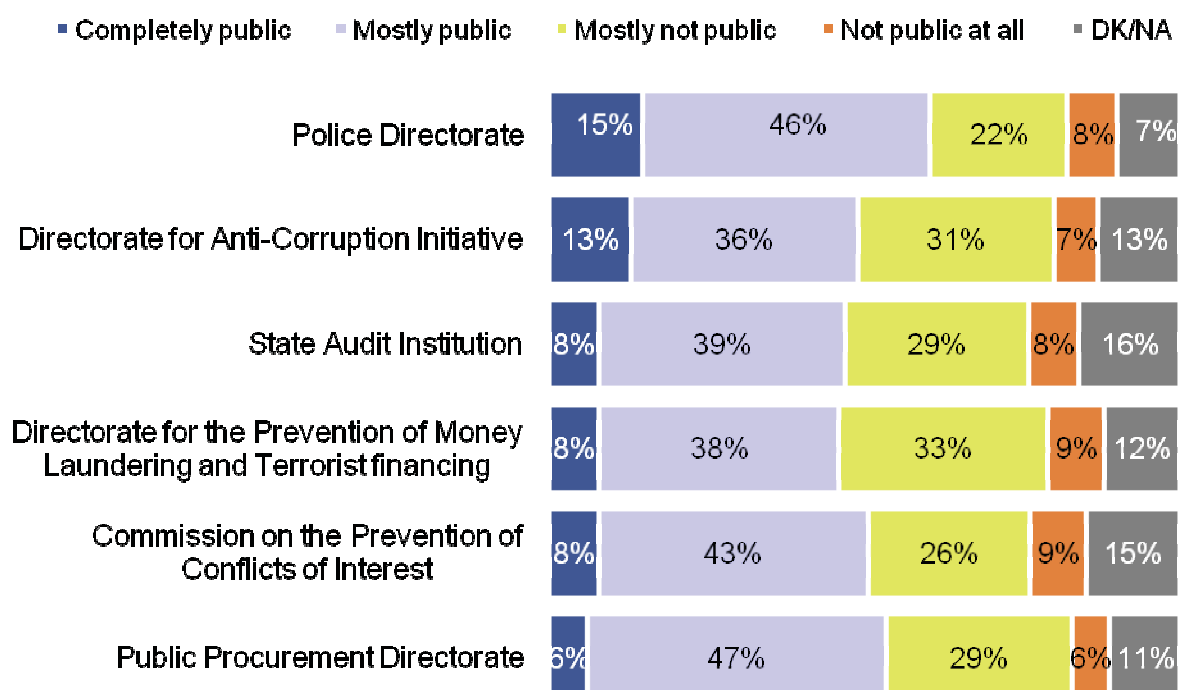


At least 50% of companies believe that mentioned institutions are fighting corruption transparently and publically, especially the Police Directorate (61%).

Companies with annual revenues ranging from 0,1 to 1 million € largely believe the same when it comes to the State Audit Institution, as opposed to companies with least employees (10, maximum).

Most companies from the North region believe the Police Directorate is fighting corruption transparently and publically.

**Figure 270. Transparency of institutions' activities in fighting corruption**

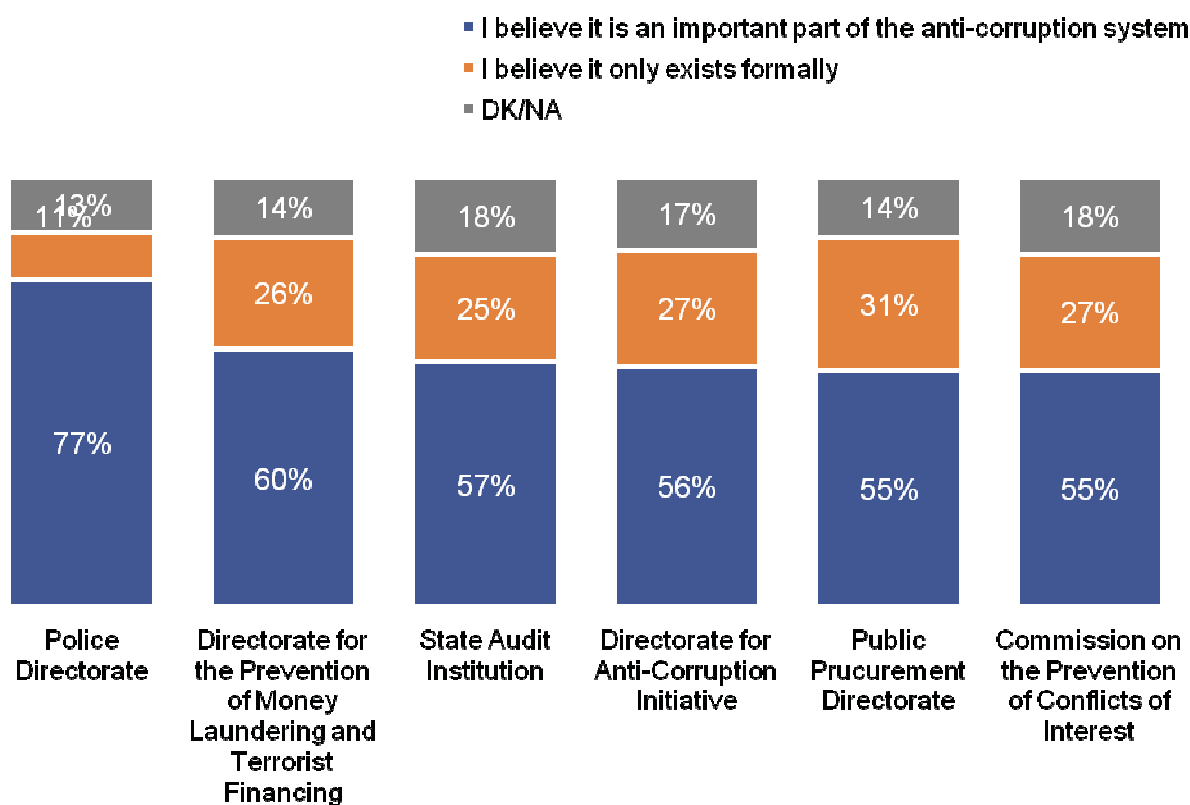


77% of companies believe the Police Directorate is an important part of the anti-corruption system; numbers for other institutions range from 55% to 60%.

Police Directorate is seen as an important part of the anti-corruption system mostly by companies with the highest annual revenues (over 1 million €), and companies with the largest number of employees (over 250), as well as companies from the South region.

The higher the number of company's employees, the lower the degree of its perception of the State Audit Institution and the Directorate for Anti-Corruption Initiative as important parts of the anti-corruption system.

**Figure 271. The role (importance) of institutions in anti-corruption system; N=201**

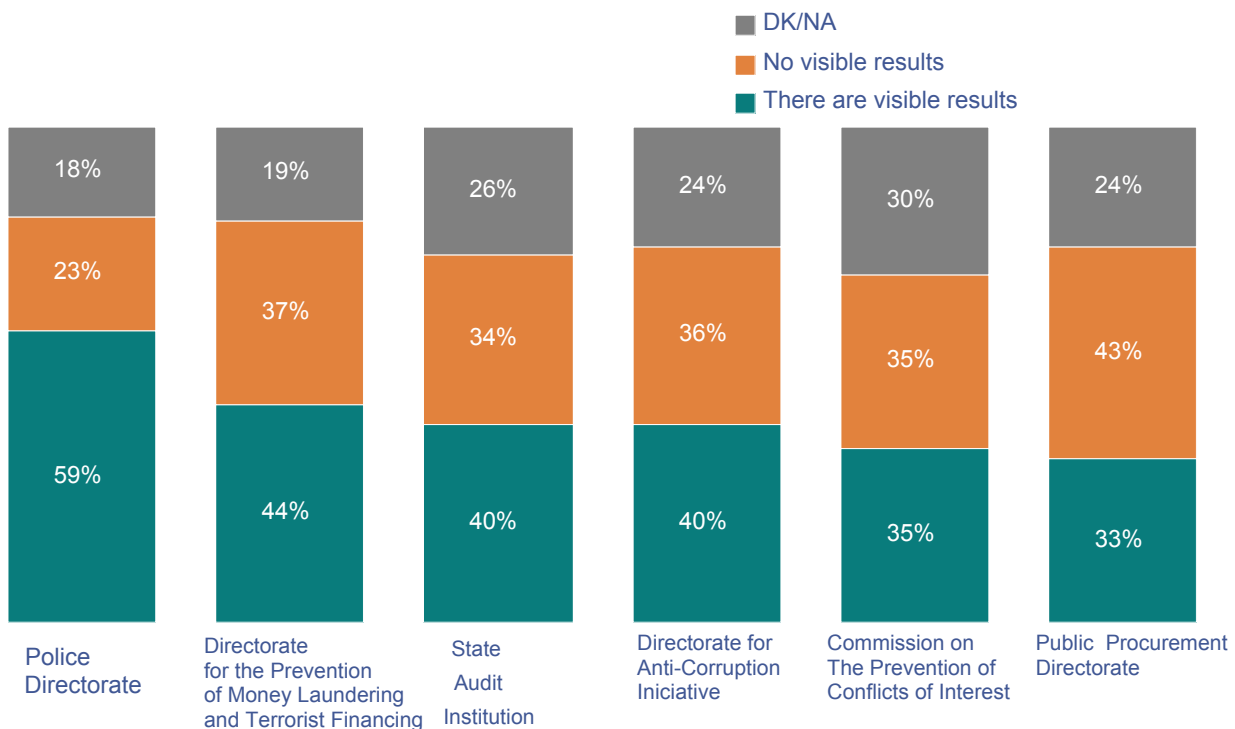


Most companies believe (59%) that the Police Directorate is producing visible results of their fight against corruption. Numbers for other institutions range from 33% (Public Procurement Directorate) to 44% (Directorate for the Prevention of Money-Laundering and Terrorist-Financing). When it comes to the Directorate for Anti-Corruption Initiative, 40% of respondents state that the institution produces visible results, while 36% believe the opposite.

The higher the number of company's employees and annual revenue, the lower their trust in the Public Procurement Directorate producing visible results in fighting corruption; lower evaluations with respect to result visibility for this particular directorate is present in companies in the Coastal region.

The same goes for the State Audit Institution – the higher the annual revenue, the lower the trust in visibility of this institution's results in fighting corruption; companies with the lowest number of employees have better opinions of the visibility of results on the fight against corruption.

**Figure 272. Visible results of institutions in fighting corruption; N=201**

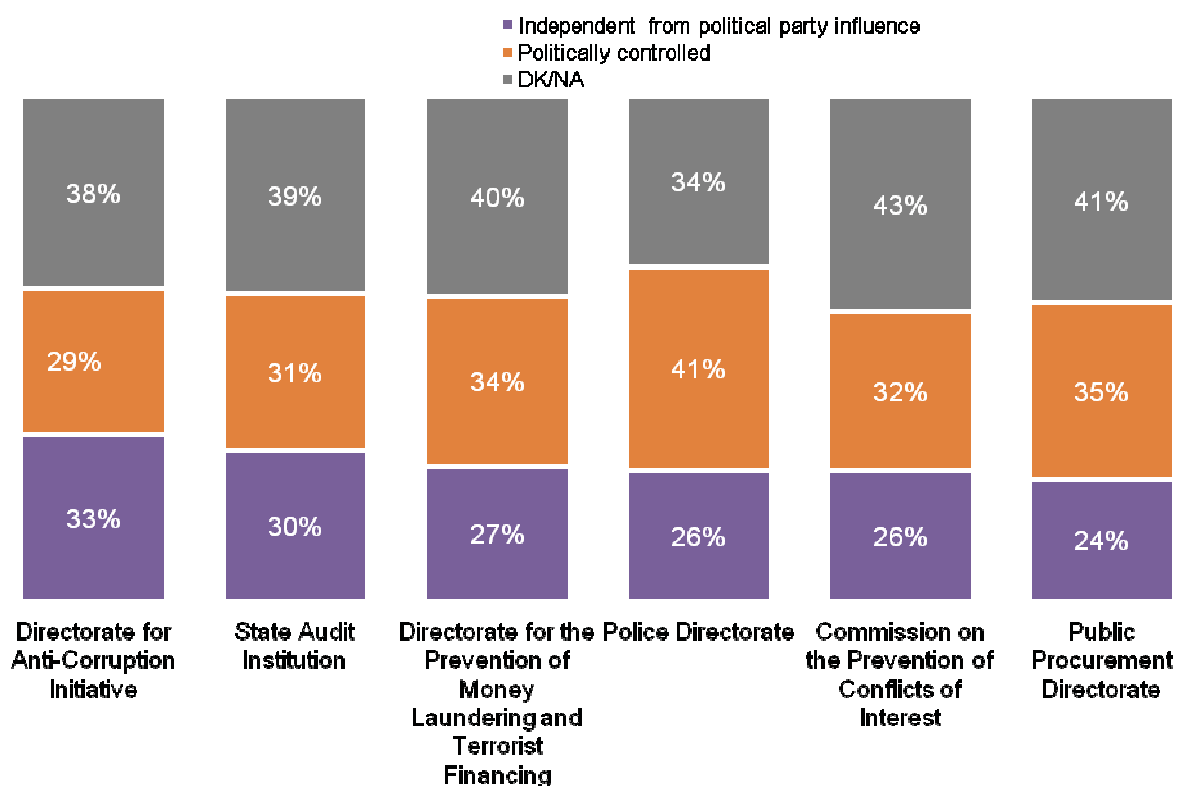


Approximately one third of companies believe all the mentioned institutions are not politically independent i.e. that they are politically controlled by parties in power – specifically the Police Directorate, which is by 41% of companies seen as not being politically independent. Although Police Directorate is not perceived as politically independent, it is, however, seen as the most important institution in the anti-corruption system, as most transparent, most successful in comparison to other institutions, and as producing most visible results in the anti-corruption system. There are two reasons for such findings. Firstly, the Police Directorate is the most familiar system; there are least of those who do not have a clear attitude when it come to this institution, and it was to be expected that the number of concrete answers relating to the Police Directorate would be higher, in comparison to other institutions less familiar to respondents. Secondly, in line with the higher degree of familiarity, there are also higher expectations from the Police Directorate, as well as following its work and registering positive (efficiency, transparency, results), but also negative features (political influence).

Mostly the largest companies (with over 250 employees and revenues exceeding 1 million €) and companies in the service industry believe that the Commission on the Prevention of Conflicts of Interest is politically controlled.



**Figure 273. Institutions' independence from political influences; N=201**



Generally, it may be concluded that companies trust the Police Directorate the most in fighting corruption, and that at the same time this institution produces the best results in this domain (as opposed to other institutions dealing with this problem).

## 5 STATE ADMINISTRATION SENIOR MANAGEMENT METHODOLOGY

Survey included 6 in-depth interviews as well, conducted in July 2010.

Six in-depth interviews were recorded in audio format. Using the audio recordings, transcripts were made and transformed into this report.

The basic goal of this method is to stimulate the in-depth interview, in order to examine the attitudes or values of respondents on a given problem or topic.

Results obtained on the basis of in-depth interviews provide analysts, advisors, scientists and others a better insight into the way of thinking of certain groups of people. In other words, while using the classical survey method we are trying to obtain opinions on a certain topic from a large number of people i.e. to find out which of the offered answers they prefer, in-depth interviews, in addition to obtaining this basic information, are used to find out why people have positive or negative attitudes towards a given topic.

## RESULT SUMMARY

Overall, the state administration in Montenegro has in the past few years experienced changes with positive effects to its functioning. Citizens' satisfaction and trust in state institutions have increased, numerous procedures have been facilitated and expedited (e.g. issuing of documents, shorter queues at counters), although there is still room for improvement.

However, state administration employees' satisfaction is still not high. Low salaries, inadequate work conditions and lack of an incentives system are a big obstacle preventing them to perform their jobs well, and considerably hindering the process of finding quality, competent personnel.

The Human Resource Management Agency has had a positive influence on the employment process in the entire country: greater independence, better applicant control, a quicker process of testing and selecting employees, whereas the criteria have been unified.

Online information on the functioning of state administration has caused the increase in its transparency in all segments.

Budget spending and public procurement realization are processes controlled by many institutions, thus considerably decreasing possibilities of fraud. Also, online access to information on budget and public procurement processes has had a positive influence to their transparency.

Work quality in state administration has experienced positive changes in the past few years, the most significant being the increased number of employees, which has made working with clients faster, and improvement of information technology. However, the mentioned problems which have a negative influence to state administration employees are also elements with the most negative influence to the state administration work quality.

Persons reporting corruption are well protected and face no negative consequences for doing so. The Police and the Directorate for Anti-Corruption Initiative are institutions most trusted when it comes to reporting corruption, whereas nongovernmental organizations, although perceived as an important element in fighting corruption, are not considered efficient enough.

Conflict of interest for civil servants is legally regulated. These laws are mostly observed, and possibilities of abuse of office are reduced to a minimum.

Politicization of the state administration is still present in Montenegro.

Although there have been visible significant changes in the fight against corruption in the past few years, this problem is still present in Montenegro and demands a prompt solution. Corruption is more frequently initiated by citizens.

For a more efficient fight against corruption it is necessary to raise citizens' awareness, and improve the implementation of legal measures accompanied by adequate penalties. State institutions in charge of the fight against corruption are perceived as especially successful, efficient and independent.

## ACCESS TO STATE ADMINISTRATION SERVICES AND TRUST IN THE STATE ADMINISTRATION

Generally, citizen satisfaction with services provided by the Montenegro state administration has lately been on the rise, although, there is still room for improvement.

Positive changes are mostly related to the more prompt and simplified procedures for obtaining documents and papers at the Ministry of Interior, as a result of centralisation i.e. providing different services in one place. These positive changes were also influenced by changes in business hours.

*To our knowledge, it all comes down to providing all services in one place, which is a good thing. Therefore, progress has already been made in comparison to the previous period, when citizens had to visit many different locations in order to obtain a document. Now it is all in one place.<respondent quote>*

There are, however, disadvantages that need to be attended to:

- although issuing all documents at the same location is perceived as a positive step, this change resulted in longer queues at counters
- delays caused by civil servants' workload, as well as technical conditions at work
- insufficiently informed citizens on the documentation and materials necessary for obtaining documents.

As possible solutions to mentioned disadvantages, respondents suggest the following:

- placing other services at the same location (e.g. services for issuing construction permits)
- automatization – e-government
- changing the regulations.

Opinions on citizen trust in state administration are divided. On the one hand, there are those who believe mentioned changes have affected not only citizen satisfaction, but trust in state institutions, as well.

Those who believe Montenegro citizens do not trust state institutions, corroborate their claim by the perception that civil servants do not perform their duties properly, thus not only diminishing the reputation of institutions they work in, but also influencing overall dissatisfaction with these very institutions.

Almost all respondents believe that citizens' trust in their institution is substantial, bearing in mind, that this is a subjective evaluation. Most respondents corroborate their claims by survey results demonstrating their clients' high degree of satisfaction. Here satisfaction primarily refers to employees in certain institutions, described as extremely kind and helpful. Only a small number of respondents believe there is citizen dissatisfaction.

*I believe it is because of a team of young people who are working very hard. If we say we are going to do something, we do it, and if there is something we cannot do, we don't say we are going to do it. The surveys show that there is a very high level of satisfaction, and we are glad to establish that. We do our best, our very best, by providing information, maintaining our image, our presence in the media, by further education and presentations.<respondent quote>*

## EVALUATION OF DIFFERENT STATE ADMINISTRATION SEGMENTS

### Civil servants

Employing civil servants in the state administration is regulated by law and is mostly perceived as fair, although there still are cases of nepotism.

Employment procedures in the state administration are regulated by law, but every institution determines its own criteria. Generally, applicants must fulfil certain legally required criteria in order to qualify for a job in the state administration institutions: competence, experience, passed state exam, foreign language proficiency and IT literacy.

*The Human Resource Management Agency* has made considerable improvements to employment process in the following ways:

- the process is now more prompt and simplified because everything is done in one place
- there is better control of applicants and tests
- higher degree of independent selection – considerably less nepotism
- standardized selection criteria.

*Now there is a different institution specialized precisely in human resources. If a person failed to make the cut, there is now way for them to get an appointment with you. So, if you were planning to hire someone on the basis of personal connections, they still have to pass all the tests, and then you can perhaps do something about it, but it is much more complicated than it used to be. Therefore, the institution was given authority by the government to perform these activities, and to test the applicants, to educate and so on.<respondent quote, Ministry for spatial planning and environment >*

Advancement in state administration is determined by employee's involvement, efficiency and knowledge. Incentives have not been frequent lately, mostly because of the current economic crisis. There are no noticeable differences between different institutions with respect to advancement and incentives, given the fact that the decision to put employee incentives on hold was a government decision and applies to all institutions.

Particular state institutions have systematic records and evaluations of all their employees, but this is not a practice adopted by most institutions, since there is no developed employee incentive and penalty system.

Civil servants' satisfaction is mostly determined by their income. The Montenegro state administration employees have typically low incomes, which is negatively reflected, causing frequent fluctuations. Low income is also the main reason of difficulties in finding adequate competent staff.

Besides income, state administration employees' satisfaction is influenced by other factors, as well:

- inadequate workspace
- poor technical equipment
- mobbing (in some cases)
- European business hours (9-17)
- lack of employee incentives system.

*Civil servants are most dissatisfied with their salaries. I also think they are not satisfied with the working hours that have been changed to the European nine-to-five system, completely forced and unnecessary. Employees are also dissatisfied with their workspace, a lot of people working in small spaces, you have like five people working in an office that is meant for two persons. They are dissatisfied with the incentives system, again, the budget being the biggest problem.*  
<respondent quote, the Directorate for Anti-Corruption Initiative>

In comparison to the business sector, the situation in the state administration is worse, primarily with respect to finances and work conditions. Respondents, however, do mention some advantages of working in state administration institutions, which are not found in the business sector:

- less intense work
- possibility of taking time off whenever
- investments in employees, to the extent allowed by funds.



There are certain aggravating factors when it comes to management and decision-making in state administration institutions:

- provisions disabling the independence and hindering the decision-making process
- insufficiently competent management, hired on political grounds
- poor communication and work distribution among employees.

Respondents believe that the decision-making process related to the functioning of state administration institutions is transparent, corroborated with the fact that all information is now available to citizens online, thus significantly decreasing the possibility of abuse. Also, the possibility of filing complaints in other institutions has had a positive effect on transparency.

Although there is generally some dissatisfaction with communication, all respondents are mostly satisfied with the level of team work within their institutions. However, the mentioned lack of competent management can sometimes be an obstacle to more successful team work.

*You know that in order to achieve team work, team members have to satisfy the bare minimum of quality standards. Personally, I dislike more when a team member doesn't know how to do something properly or isn't doing any work at all, than I would not having that person there in the first place. So, it's not implemented as much as it should be, and it's not going to change because we do not have the best people here. There are no fantastic experts and competent people able to join one of these teams. And to have a team, there must be team leaders. A team does not function on its own, it is a structure lead by someone, directed. We are lacking both, and I think that, even if we were to form teams, we do not have enough people. The only teams in management are basically task forces or commissions established ad hoc, for the purpose of particular tasks. I would be thrilled to have a team, but I do not have one.<respondent quote, Ministry of Health>*

Awareness of ethic standards at work has improved in the past few years, although still not completely satisfactory. Ethic standards are in some cases applied selectively, whereas their breach does not frequently result in sanctions.

## Budget spending and public procurement realization

As in the case of decision-making processes in the functioning of state administration, the budget process is perceived as transparent, primarily due to information available online, contrary to the findings of the general population, NGO and business sector surveys. In addition, the State Audit Institution, which is independent, submits annual reports stating all noticed irregularities. However, a smaller number of respondents doubt the complete transparency of the budget process, since the public only has access to final budget decisions, and not information on the criteria and priorities taken into account in the budget allocation process.

Numerous institutions, including the Ministry of Finance and the Public Procurement Directorate, disable abuse and manipulation of state budget funds. Work methods and procedures related to budget processes are regulated by law, thus enabling equal criteria and conditions for everyone, in turn facilitating and hastening the process.

Attitudes are similar with respect to the public procurement process. Lately there have been positive changes, with respect to this process being perceived as transparent, with minimum possibilities of fraud.

## Work quality

As with other aspects of the functioning of Montenegro state administration, work quality has also experienced changes for the better. Positive changes are most evident in the following aspects:

- increased kindness of employees
- hiring new staff, affecting efficiency and speed of performing duties
- computerization
- more prompt document issuing process.

However, regardless of positive changes, there are aspects in need of improvements, which are currently a negative influence on the state administration work quality. These are primarily:

- improving relations between staff and their superiors
- lack of incentives system, diminishing employee motivation
- unsatisfactory salaries
- lack of funds
- unequal work distribution
- insufficient number of experts.

*I would again like to mention that a superior's relation with their staff is very important. It is very important to evaluate a superior's work quality in terms of their relation to their staff, and to receive incentives for a job well done. A person's livelihood and work quality depends on it. You know that in order to do any job, one has to be properly motivated – without motive there is no energy, no will to work. <respondent quote, Directorate for the Prevention of Money-Laundering and Terrorist-Financing >*

Some of the possible means of improving mentioned disadvantages are: better employee education, elimination of inefficient employees, improving work conditions.

Co-operation and communication between various state administration institutions is mostly positive. Naturally, there are exceptions, i.e. there can be no generalisation of positive experiences of co-operation between institutions, which primarily depends on persons employed in given institutions.

Satisfaction refers to:

- respecting scheduled deadlines
- helpful staff
- prompt delivery of information.

Together with occasional problems with employees, co-operation dissatisfaction is sometimes caused by technical aspects negatively affecting deadlines.

In addition to other state institutions, co-operation with NGOs and the business sector is also important, and is also satisfactory. Co-operation is related to financing NGO projects, and having education workshops.

The level of satisfaction is also mostly high, when it comes to co-operation of different sectors within a single institution. There are, however, certain aspects with negative consequences to co-operation: competition among sector managers and physical separation (multiple locations), thus making co-operation and communication between different sectors more difficult.

## Protection of persons reporting corruption

Legal provisions relating to the protection of persons reporting corruption are mostly respected, more specifically, none of the respondents have heard of negative consequences of reporting corruption.

*If there is a number you can call and report certain corrupt activities, without identifying yourself, without saying who you are, then I think this is respected. If you had the option of reporting a corrupt activity that you were exposed to in any way, then I think it is respected, because you are then protected without having to state your identity, even at the risk of someone providing false information. <respondent quote, Directorate for the Prevention of Money-Laundering and Terrorist-Financing>*

The Police Directorate and the Anti-Corruption directorate are institutions the respondents would most likely report corruption to, whereas in case of corruption within their institution, they would turn to their superiors.

Nongovernmental organizations are not perceived as good institutions for reporting corruption to, given the fact that they do not have any legal or institutional authority, or the capacity to solve corruption-related problems. The only thing NGOs can do about corruption is alarm the public about cases of corruption, but they cannot solve them.

When speaking of reporting corruption to the media, respondents believe it would be an acceptable option only when corrupt activity has been confirmed i.e. when there is firm evidence, otherwise it may be counterproductive.



## Conflict of interest among civil servants

Provisions of the Civil Service Law, relating to conflicts of interest, are perceived as good and mostly obeyed. However, there are some suggestions for further significant improvements. These are, for example, adopting international standards to the law, and granting greater authority to particular institutions to investigate conflict of interest cases.

Preventive measures for preventing conflict of interest among civil servants:

- education
- clearly explaining consequences and sanctions in case of conflict of interest
- internal codes and procedures proscribing behaviour within a particular institution.

Sanctions related to conflict of interest are determined by the severity of the offence, and accordingly range from fines to employment termination.

The role of supervisory institutions in discovering conflicts of interest is legally regulated and very important. Another important participant are persons in charge of selecting and appointing members of certain commissions – their role is to investigate and exclude all possibilities of conflicts of interest.

Respondents have not had immediate experiences with conflict of interest within the institutions they work in, and were thus unable to answer to what extent sanctions are implemented in those situations.



## TRANSPARENCY OF STATE ADMINISTRATION SERVICES

Transparency of services provided by the state administration should relate to the following aspects of business activities:

- distribution and spending of funds
- annual business reports
- budget changes
- public procurement
- employment.

Respondents believe it is positive to have the option of every citizen gaining access upon request to state administration files and documents, regulated by the Law on Free Access to Information. However, it is questionable to what extent institutions actually abide by this law i.e. how accessible certain information is to citizens. In addition, citizens are not sufficiently acquainted with procedures necessary to gain access to documents and files, thus often making certain documents unavailable to them.

However, giving citizens access to documents opens possibility of abuse, thus making it necessary to take certain precautions to prevent such actions.

*There is a law on free access to information. There have been a lot of improvements, because there are documents that you can easily get access to now, that you would not even think of asking for 10 or 20 years ago. Naturally, sometimes people ask for access to certain information or document, but are not aware of the proper procedure, thus making them unavailable, and leaving people thinking they were denied access. However, if you submit a valid request, it must be granted. Therefore, there have been improvements.<respondent quote, Ministry of Health>*

Politicization of state administration institutions in Montenegro is present and manifested in appointing party members to most important positions within institutions. Opinions on this matter are divided. Some respondents believe appointing political party members to executive positions

is logical, whereas others believe it is a huge disadvantage, negatively affecting the functioning of the state administration.

*You can tell by the appointment of executives and the institution itself. It has become understood that these are positions meant for party members, and the worst of all is that it is preventing the sanctioning of negligence, or lack of knowledge or efficiency, as well as changes for the better, because these are, basically, untouchable people appointed for god knows what reason, with work being the last thing on their minds – whereas work is what we are here for. That is not the least bit stimulating.<respondent quote, Ministry of Health>*

*Politicization of the state administration must exist in any country in the world when it comes to appointing executives. It is inevitable, since there is a party in power forming the government, it is only natural that appointed ministers would be members of that party.<respondent quote, Anti-Corruption Initiative>*



## CORRUPTION

Although there have been positive changes recently, corruption still exists in the state administration of Montenegro. Respondents have never personally encountered corruption and believe it does not exist in the institution they work in.

Corruption is most present in activities involving direct contact with people, especially in inspection authorities.

Reasons for the existence of corruption in the state administration:

- civil servants' low salaries
- inadequate transition from the "old" social system to the "new"
- mentality of persons at certain positions
- capacity insufficiencies.

*You know how it is; there won't be corruption if you finish your work on time. Here, we demand cases be finished quickly, so if I were to keep a case unfinished for a month, two or three, I'd be sending out a clear message to the party involved that I am interested in making a deal. But, if I were to finish a case right away, issue a licence or a permit, it would not occur to anyone to resort to bribery.<respondent quote, Ministry for spatial planning and environment>*

Attitudes are not uniform with respect to changes related to corruption in Montenegro in the past three years. However, most respondents agree that there have been visible positive changes, influencing the decrease of corruption in the state administration, and evident in the following: formation of state bodies in charge of reducing corruption, adoption of action plans, media campaigns, new laws enabling certain measures against corruption (tapping and recording telephone conversations, following suspicious persons), greater transparency in the functioning of state administration, and education.

*Well, I guess it has decreased. I do not have complete insight and I do not contact or communicate with those persons, so I cannot say anything for sure, but just from observing I get*

*the feeling that the atmosphere has changed, leaving less room and options for those kinds of activities than earlier. I'm sure the activities, the formation of certain state bodies, their activities and police activities, the extensive media campaign, adoption of certain action plans and strategies have affected persons who might have found themselves on either side of a corrupt activity. I'm sure it discouraged them to try something like that. These are circumstances affecting people's awareness. And that is very important.<respondent quote, Directorate for the Prevention of Money Laundering and Terrorist Financing>*

Some respondents believe that corruption has been on the rise in the past three years, mentioning numerous cases of illegal construction, legalized later on.

Although corruption exists in both directions (state administration employees approaching citizens and v.v.), corrupt activities are more frequently initiated by citizens. The consequences state administration employees would face in case of initiating corruption are significantly more severe, which is why they are less prone to take part in such activities.

However, according to some respondents, when corrupt activities are initiated by citizens, it is often difficult to know the difference between corruption and gratitude for a service rendered - a custom typical for Montenegrin mentality, meaning there should be more specific definitions of what constitutes corruption, as opposed to gratitude.

Positive changes with respect to fighting corruption have encouraged Montenegrin citizens to report corrupt activities, providing them with various options of doing so anonymously.

Transparency and control of budget processes and distributing strategically important jobs have significantly reduced corruption, as well as the possibilities for abuse of office. Also, budget procedures and budget distribution are complex, thus disabling opportunities for corruption.

## FIGHTING CORRUPTION

Raising the level of general corruption awareness, enforcing laws and legal measures, as well as introducing stricter penalties (seizure of property) are perceived as the most efficient means of fighting corruption.

*Any type of awareness raising and definitely stricter penalties. The law may be this or that, interpreted in one way or another, but if people's awareness is raised, those on both ends of corrupt activities will at least be careful, and if penalties are stricter, it will definitely produce results and the desired effect.<respondent quote, Directorate for the Prevention of Money Laundering and Terrorist Financing>*

*I believe that the basic means for fighting corruption are implementation of laws and introduction more severe sanctions, the literal implementation of laws.<respondent quote, Directorate for Anti-Corruption Initiative>*

Directorate for Anti-Corruption Initiative is perceived as a very active institution in fighting corruption. This positive perception is related to:

- very good results
- independence and non-politicization of the institution
- implementation of international standards in fighting corruption.

The State Audit Institution is perceived similarly – as independent and performing its duties in a quality manner.

*I do believe they are doing quality work; now, I don't know whether they face some technical obstacles not relating to law. Overall, I feel like some other institutions are perhaps not doing their job completely, even if the State Audit Institution does everything it is supposed to do. From their statements in the media and their approach to their commitments, I gather they are doing their job.<respondent quote, Directorate for the Prevention of Money Laundering and Terrorist Financing>*

Other institutions as well - the Central Bank of Montenegro, Directorate for the Prevention of Money Laundering and Terrorist Financing, Public Procurement Directorate, Commission on the Prevention of Conflicts of Interest and the Police Directorate, are also perceived as extremely efficient and active in fighting corruption. These institutions are also typically independent, efficient and producing positive results.

Some NGOs can also be good partners to the state administration in fighting corruption, even though they tend to be too aggressive in some situations. Their most important role in fighting corruption is publishing corruption cases in the media and attracting the attention of the public.

Co-operation with media is perceived as decent and good, but there is, however, the opinion that on many occasions media were not used properly i.e. to the full extent.

## Recommendations

Synthesis of conducted surveys proposes recommendations for the following actions:

- **Simplification of services for users.** Too much paperwork, constantly sending people from pillar to post, complicated procedures and poor organization are the most common problems in the functioning of state administration, regardless of population type. Such a way of providing services decreases efficiency in the functioning of state administration. These aspects are a problem bigger than corruption itself. The priority is to analyze critical points in delivering various services to state administration users, detect bottlenecks and identify ways to eliminate them.
- **One-stop shop system.** One of the specific solutions to the problem of complicated services. The general population believes that such solutions do not exist in state administration institutions, and therefore users' problems must be solved by providing all services in one place wherever possible, and users should be informed about places where one-stop shop system already exists.
- **Service users and state administration employees should be encouraged to report corruption.** Two things should be done: a) anonymity of people who report corruption should be ensured because corruption will not be reported unless there is anonymity and a feeling of security, and b) realistic trust should be established that reporting corruption is useful, i.e. that reported cases will be investigated and processed, thus sending out a clear message that corruption is not worth it.
- **Communicate to the public the real criteria for employment and advancement in state administration institutions.** General population, business sector and non-governmental organizations believe that employment and advancement in state administration is based on family and friendship relations, as well as on party affiliation. On the other hand, state administration employees and senior management claim the criteria comprise level of education, expertise and experience, emphasizing an important role of the Human Resource Management Agency, which is in charge of human resource issues. Perceptions of service users and service providers (state administration institutions) regarding this important issue should be brought closer together. Users' trust in state administration institutions largely depends on the way users perceive civil servants in state administration institutions.
- **Conduct an analysis of state administration employees' satisfaction. 61% of civil servants say they are generally not satisfied.** Sources of satisfaction and dissatisfaction, factors that motivate employees and make them more satisfied, and factors that contribute to their dissatisfaction should be identified. There will be no progress in efficiency without satisfied state administration employees.
- **Develop employee incentive system in state administration institutions.** This is a specific step to be taken based on the previous recommendation. In most institutions such a system does not exist and the existing system for determining salaries is not motivating.

There is a need for a system that would transparently connect performance, engagement and expertise with income and motivate employees to perform their duties more devotedly.

- **Increase awareness of institutions in charge of the fight against corruption.** Other than the Police Directorate, institutions are not widely known to the general population and other users of state administration services, at least one third of adult citizens have never heard of them. Only 49% of citizens, 76% of NGO representative and 71% of company representatives have heard of the Directorate for Anti-Corruption Initiative.
- **Bring closer the perceptions of service users and state administration institutions regarding budget spending and public procurement.** Service users (citizens, business entities, non-governmental organizations) believe that budget processes in state administration are not transparent and do not respect legally defined time frames, whereas public procurements are strongly influenced by politics. On the other hand, service providers are of opposite opinion, there is transparency and everything functions properly, state administration senior management mention that everything is publicly available online. This discrepancy in the perception of budget spending and public procurements should be eliminated; service users should be made more familiar with ways to monitor these aspects of functioning of state administration institutions.
- **Bring closer the perceptions of service users and state administration institutions regarding the transparency of services and access to state administration funds.** Service users (citizens, business entities, NGOs) have objections (files and documents are not available for review, revenues are not spent transparently, there is politicization and illegal issuing of construction permits), state administration employees see a much smaller problem in that, senior management says there is Law on Free Access to Information. In order to improve service users' trust in service providers, their perceptions should be brought closer together, and service users should be informed about possibilities and ways of gaining access to files and documents.
- **Develop awareness about corruption as a problem.** Progress in the fight against corruption will not be possible without preventive education methods. Respondents in this survey are aware of that, mentioning this as one of the key aspects in the fight against corruption. Education about corruption and its consequences, as well as sanctions for corrupt activities, could have positive effects.
- **Stricter sanctions for corrupt activities.** Also mentioned as one of the main aspects that could reduce corruption in Montenegro. Respondents believe that exemplary sanctions could have positive repercussions.
- **Improvement of capacities of the state administration institutions as an anti-corruption measure.** A functional state administration providing efficient service to citizens will not motivate citizens and business entities to engage in corruption, they will get satisfactory service during regular procedures. This aspect was recognized and directly mentioned only by state administration senior management. Some of the steps that could be undertaken within given financial limits include more employees, higher level of employee expertise, better work conditions and computerization (digitalization).
- **Adequate law regulations as an anti-corruption measure.** Adoption and implementation of laws, clearer regulations and procedures are just some of the measures

for which there is a wider consensus that they would contribute to the fight against corruption.

- **Use of media.** Publishing corruption cases, informing citizens and other users of state administration services about their rights and how to exercise them, about possibilities to report corruption and so on. Given that better informing, raising the level of awareness, education and change of perception are frequently mentioned in this report, it is obvious that the media play an important role.
- **Influence of non-governmental organizations.** Two aspects were mentioned: direct co-operation with state administration institutions and co-operation with the media regarding publishing of corruption cases in the scope of interest of non-governmental organizations.
- **Proper positioning of (civil servants') standard of living and salaries.** It has been often mentioned that one of the main reasons for corruption in society is because of civil servants' low standard of living and low salaries, as well as the low salaries in general. Two things should be pointed out. First of all, it is not possible to influence these aspects directly in order to suppress corruption. Secondly, a relatively low standard of living and low salaries are as much a cause of corruption as they are a consequence of it. Corruption, loss of tax revenues and other damages stemming from corruption (slow and reduced investments, loss of a country's reputation, etc.) decrease the standard of living and increase poverty. It is important to raise awareness about that, otherwise there is a risk that the low standard of living and low salaries will become excuses for corruption, not just explanations of it, as well as that, because of poverty, in people's mentality corruption might become something necessary, indispensable. This could severely jeopardize all other efforts to suppress corruption.

## Comparative findings by segments – agreements in opinion

There are three findings with a high degree of agreement regarding all the segments included in the survey.

- **Reduced corruption compared to three years ago.** Likewise, the quality of services provided by state administration is perceived as better than three years ago. There has been progress and things are moving in the right direction. The optimum has not been reached yet, there is plenty of room for improvement, but the situation is better than it used to be. This is definitely the main positive finding of the whole survey.
- **Complexity of the system of providing services is a bigger problem than corruption.** People being constantly sent from pillar to post, complicated procedures, poor work organization, inability to obtain everything in the same place and too much paperwork were mentioned as bigger problems in the functioning of state administration bodies than corruption itself. Therefore, corruption needs to be correctly positioned, it represents a serious problem given its nature, even when occurring only sporadically, yet it is not the only and definitely not the biggest problem users of state administration services face. Capacity and other aspects of providing services call for a systematic approach and corruption is just one segment of it.
- **Poor position of state administration employees.** No adequate employee incentive programs, no motivation for better performance, better performance is not adequately rewarded, employees' satisfaction is low, salaries should be higher, these are the issues recognized by all segments. When poor work conditions, big fluctuations, often better conditions in the private sector and a shortage of staff connected with it are taken into consideration (issues mentioned by employees and senior management, i.e. segments with a better insight), it becomes evident that state administration employees represent a weak link in the chain and require systematic expert attention under given limitations. Otherwise, their state will affect their work performance, as well as the general mood and occurrence of corruption.



## Comparative findings by segments – disagreements in opinion

Findings regarding corruption without respondent agreement are as follows:

- **Level of corruption.** General population, business sector and to a lesser extent non-governmental organizations believe corruption is widespread in Montenegro. On the other hand, civil servants say that corruption is just a sporadic occurrence, state administration senior management say they had no direct experience with corruption and do not know of any specific cases of corruption, as well as that the legislative framework, control mechanisms and transparency eliminate possibilities for corruption. A similar pattern was present regarding employment and advancement in state administration institutions, budget spending and public procurement, service transparency and access to state administration funds: users (primarily business entities and citizens, followed by NGOs) have complaints and relatively negative attitudes, civil servants believe the situation has improved, state administration senior management say they have never heard of any cases of errors and oversight, everything is transparent, can be checked easily and there is a legislative framework and institutions governing these processes, and that the situation could not be any different, anyway. Clearly, service users largely speculate and project, on the basis of information gathered in the media and from other users, whereas service providers insist on actual facts.
- **Level of knowledge about institutions in charge of the fight against corruption.** Non-governmental organizations, business entities, and in particular general public, are not well acquainted with some of the institutions and do not have much information about them. Service providers (state institution employees and state administration senior management) have a significantly higher level of knowledge and insight into institutions in charge of the fight against corruption. For example, 49% of citizens, 76% of NGO representatives and 71% of company representatives are familiar with the Directorate for Anti-Corruption Initiative. What all segments have in common is the fact that the most familiar institution is the Police Directorate, which is considered to be the most transparent, producing most results and the most important of all institutions in charge of fighting corruption. Given the specific knowledge and experience of different groups, findings about the level of knowledge about these institutions were expected.
- **Perception of initiators of corruption.** General public, business entities, and to a lesser extent non-governmental organizations, are of opinion that the employees in state administration institutions initiate corruption (although that does not mean that employees are perceived as the only initiators of corruption), civil servants believe it is not often the case and state administration senior management as a rule do not believe that to be the case (they believe users of state administration services are the ones with a motive to initiate corruption), but they do not exclude that as a possibility. These findings were also expected and are similar to the first group, according to which service users see problems as very prominent, whereas service providers talk about negative occurrences and problems in the functioning of state administration with much more caution.

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