

Montenegro

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Capital: Podgorica
Population: 0.6 million
GNI/capita, PPP: US\$13,700

Source: The data above are drawn from the The World Bank's *World Development Indicators 2013*.

Nations in Transit Ratings and Averaged Scores

	Montenegro									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	3.50	3.25	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25
Civil Society	2.75	2.50	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75
Independent Media Governance*	3.25	3.25	3.25	3.50	3.75	3.75	4.00	4.25	4.25	4.25
National Democratic Governance	4.00	n/a								
Local Democratic Governance	n/a	4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25
Judicial Framework and Independence	n/a	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Corruption	4.25	4.25	4.25	4.25	4.00	4.25	4.00	4.00	4.00	4.00
Democracy Score	5.25	5.25	5.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00
	3.83	3.79	3.89	3.93	3.79	3.79	3.79	3.82	3.82	3.82

* Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

EXECUTIVE SUMMARY

In June 2012, the European Union (EU) officially invited Montenegro to begin accession negotiations thanks to continued progress on key reforms, especially regarding rule of law. The talks began that month. Early parliamentary elections followed in October. The long-ruling Democratic Party of Socialists (DPS) and its allies won with a simple majority. DPS leader Milo Đukanović was subsequently elected to a seventh term as prime minister in December and formed a governing coalition with several parties representing ethnic minorities.

National Democratic Governance. In June, Montenegro officially began EU accession negotiations, and numerous working groups were formed in 2012 to facilitate the process. In its October progress report, the European Commission praised Montenegro on key EU reforms but urged further gains in anticorruption and the prosecution of organized crime. Amendments to the rules for calling a parliamentary inquiry were introduced, but further legislative improvements are needed to improve parliamentary oversight. Meanwhile, the struggle between coalition partners for dominance over state institutions continued as the DPS succeeded in installing its representatives in several high-level posts in government. In the first half of 2012, rising electricity prices sparked protests that escalated into ultimately unsuccessful calls for the prime minister's resignation. *Montenegro's rating for national democratic governance remains unchanged at 4.25.*

Electoral Process. In October 2012, Montenegro held early parliamentary elections and local elections in three municipalities. In the national vote, the long-dominant DPS and its allies won with 46 percent, but fell short of an absolute majority for the first time in 10 years. Nevertheless, it formed a coalition with several smaller parties representing ethnic minorities. International observers deemed the election competitive and fair while noting some irregularities, including out-of-date electoral rolls and the misuse of public resources by the DPS. They called for improvements to the voter registration system and oversight of state resources to raise public confidence in the electoral process. Meanwhile, recent amendments to strengthen the Law on Financing of Political Parties have been ineffective, especially in imposing obligatory financial reporting. *Montenegro's rating for electoral process remains at 3.25.*

Civil Society. Montenegro has a diverse civil society with influential nongovernmental organizations (NGOs) that nevertheless struggle to be a strong presence in some parts of the country, as well as on certain issues. Cooperation between the government and NGOs has been improving, and the leadership continued to

work on this area in 2012 with various legislative efforts. However, cooperation remains insufficient. Implementation of the new Law on NGOs enhanced internal democratic structures within NGOs and began a registration process to identify which NGOs are actually active. Financing remains the biggest challenge for civil society, as most small NGOs rely on public funding, which fell in 2012 due to various government missteps and oversights. *Montenegro's rating for civil society remains unchanged at 2.75.*

Independent Media. While freedom of the press is legally protected in Montenegro, journalists face harassment and threats, and several reporters were attacked in 2012. The ruling parties favor certain outlets they consider sympathetic, usually through advertising purchases. The public broadcasting service RTCG is becoming more open to a range of viewpoints, and the parliamentary election coverage was generally fair. Reporting in print media, on the other hand, is often sensationalistic and irresponsible in how it handles publication of private information such as medical and financial records. Between March and May, various media established three self-regulatory bodies after years of failed attempts to establish such an organization to improve reporting standards. Online media are proliferating as internet use rises, though editorial boards often fail to curate comments sections to remove hate speech and discriminatory or defamatory language. *Montenegro's rating for independent media remains unchanged at 4.25.*

Local Democratic Governance. Local governments in Montenegro are generally underfunded, inefficient, and weak. In 2012, the government made no progress on decentralization, though some positive legislative changes were introduced to increase transparency at the local level. The State Audit Institution only conducts one audit per year in municipalities, allowing irregularities to slip through. A new municipality in northern Montenegro was formed during the year. Five municipalities held local elections. *Montenegro's rating for local democratic governance remains unchanged at 3.25.*

Judicial Framework and Independence. The government made some progress on judicial reform in 2012, but constitutional changes to ensure the independence, integrity, and accountability had not yet been adopted at year's end. As a result, judges and prosecutors are still not elected based on fair and transparent criteria. Independence is undermined by a highly centralized funding system, and disciplinary measures must be strengthened to enhance accountability. The case backlog fell 4 percent, but efficiency remains problematic in a bloated judiciary by European standards. Little progress was made on prosecuting ongoing war crimes cases in 2012. Public confidence in the judiciary fell to its lowest level in two years. With only modest progress made on judicial reforms in 2012, *Montenegro's rating for judicial framework and independence remains unchanged at 4.00.*

Corruption. Corruption continues to be a key challenge in Montenegro's democratization efforts. Graft and misconduct, as well as nepotism and patronage in government, remain widespread. In October, the EC noted that numerous supervisory institutions created to monitor and contain corruption lack independence and adequate staff and resources. The government has yet to establish a track record of prosecuting high-profile corruption cases. In a positive development, several pieces of legislation were strengthened regarding whistleblower protection, free access to information, the seizure and confiscation of property, and conflicts of interest. *Montenegro's rating for corruption remains at 5.00.*

Outlook for 2013. In 2013, the government's priorities will be economic policy, especially managing the deficit and public debt, tackling the fallout from mismanaged privatizations, and EU accession talks. Negotiations on the next chapters of EU reforms are expected to open with talks on two key chapters—Judiciary and Fundamental Rights (Chapter 24) and Justice, Freedom, and Security (Chapter 25). The pace and quality of this process will hinge on the government's commitment to advancing rule of law and democratic reforms in general, as the country still struggles with widespread corruption and weak institutions. Scheduled for April 2013, the presidential elections will be pivotal in shaping Montenegro's near-term political climate by demonstrating whether the opposition can consolidate its growing popularity after over 20 years of dominance by Prime Minister Đukanović's DPS.

MAIN REPORT

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25

Montenegro made steady progress towards European integration in 2012. Accession negotiations with the European Union (EU) began in June and the screening process for harmonizing the country's legislation with EU standards was ongoing in the second half of the year. However, domestic politics remained tense as political forces, even within the governing coalition, struggled for control over state institutions.

In accordance with instructions from the Council of European Union from December 2011,¹ the European Commission (EC) published a progress report on Montenegro in the spring, confirming the country's progress in strengthening the rule of law and fundamental rights, anticorruption, and organized crime.² With the green light from the EC, the European Council endorsed the opening of accession negotiations on 29 June 2012. By February, the government had set up a negotiation structure that incorporated representatives from various civil society organizations.

During the second half of 2012, Montenegrin and EU authorities screened Montenegro's legislation for compatibility with EU standards. The process integrated a new approach for improving laws regulating the judiciary and fundamental rights as well as justice, freedom, and security that focused on the rule of law and provided substantial guidance for ensuring the permanence of the reforms.³ Montenegrin authorities formed working groups to examine the remaining 18 areas subject to the screening process, which is expected to be completed in mid-2013. The conclusions of the EC's October Progress Report confirmed Montenegro's continued positive trajectory, but noted a lack of results in tackling high-level corruption and organized crime, despite the adoption of improved legislation in these areas.⁴ Although Montenegro made formal advancements towards EU membership in 2012, its bid for NATO membership at the Chicago Summit in May was unsuccessful. However, the heads of NATO member states and governments positively recognized the country's progress towards entry into the alliance.

During 2012, the government pushed through several reforms that were recommended for the country's continued progress towards EU accession. In December, the government began reforming the public sector with the adoption of legislation in accordance with the Action Plan for Implementation of the Law on Civil Servants and State Employees that will come into force in January 2013.⁵ Acting upon recommendations from the European Union, the government drafted a document on Optimization of the Size and Structure of Public Administration and submitted it to the EC for review. The parliament took steps towards harmonizing

legislation on access to information with international standards by adopting a new law on free access to information in July. The parliament also approved draft amendments to the laws on classified information and protection of personal data that will introduce bilateral agreements with the country's neighbor for enhancing regional information security.⁶ Some members of parliament pushed for the adoption of another set of amendments to the Law on Classified Information granting members of parliamentary inquiry committees access to classified data.

Montenegro began actively participating in the Open Government Partnership by adopting an action plan for its implementation in April that was drafted with input from prominent civil society organizations. Although a number of the plan's activities have yet to commence, the government successfully launched a platform allowing citizens to submit e-petitions in October, boasting that the option would improve direct communication between state institutions and citizens.⁷ However, civil society groups criticized the threshold of 6,000 signatures required for the e-petitions as excessive, especially considering Montenegro's relatively small number of internet users.⁸

While the country's international relations developed positively in 2012, domestic politics remained contentious with political parties, even within the coalition, struggling for control over state institutions. The Democratic Party of Socialists (DPS) attempted to uproot the presence of the Social Democratic Party (SDP) by placing its representatives in several high positions in the government, despite their lack of relevant professional experience. In March, Minister of Defense Boro Vučinić from the DPS was appointed the new head of the National Security Agency and was replaced by the former Montenegrin ambassador to France and telecommunications specialist Milica Pejanović-Đurišić, also a member of the DPS.⁹ The controversy surrounding the attempts to appoint the former director of the customs administration and DPS member Božidar Vuksanović as director of police in late 2011 was finally resolved in July when a new law on interior affairs changed the requirements for the position to fit his background.¹⁰ The Administrative Court twice annulled the decision to appoint Vuksanović based the fact that he had no prior experience in the police department. After the adoption of the new requirements, Vuksanović was finally appointed. The DPS believe the police should remain an independent body, whereas the SDP would like to see it return under the aegis of the Ministry of Interior, which is headed by one of their own officials, the vice president of the SDP, Ivan Brajović.

Tensions between the opposition and the parliamentary majority spiked early in the year when a parliamentary inquiry committee, headed by the opposition MP Andrija Mandić,¹¹ was tasked with investigating allegations of corruption concerning the privatization of the country's national telecommunications company, Telekom Montenegro.¹² The inquiry was called after the US Security and Exchange Commission alleged in December 2011 that the former executives of Hungary's Magyar Telekom company had paid more than €7 million in bribes to Montenegrin officials and their relatives in order to acquire the Telekom Montenegro in 2005.¹³ The committee undertook a thorough investigation of former heads of the telecom

company and current and former government officials, including former prime minister and long-time head of the ruling DPS, Milo Đukanović. However, the committee failed to submit a report of its conclusions to the parliament by the October deadline because its members could not reach a consensus. Members of the opposition suspected Đukanović and his relatives of criminal liability,¹⁴ which the ruling majority denied. In July, the parliament adopted a law setting new rules for the establishment and functioning of parliamentary inquiries and strengthening their role as an oversight tool.¹⁵ Previously, provisions for launching inquiries were regulated by the constitution and rarely applied due to a lack of political will.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.50	3.25	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25

Montenegro has had a multiparty political system since 1990, with one dominant party, the DPS, holding power for 23 consecutive years. The 2007 Constitution and the 2011 Law on the Election of Representatives and Councilors guarantee universal suffrage, with votes cast by secret ballot under a proportional system. Under the current election legislation, passed in September 2011 after a four-year delay, parliamentary seats are awarded based on candidates' order on electoral lists. Women must comprise 30 percent of the candidate lists.¹⁶

The Law on Political Parties makes it fairly easy for parties to register, requiring just 200 voter signatures. Judicial officials, civil servants charged with protecting human rights and freedoms, and police and military personnel may not establish a political party. Amendments to the Law on Political Party Financing took force in January 2012, but the legislation remains insufficient, especially as regards financial reporting.¹⁷

On 14 October 2012, Montenegro held early parliamentary elections—pushed up from spring 2013 so the government could begin EU accession talks with a fresh mandate. Early local elections were held in three municipalities: Nikšić, Budva and Kotor. (Two municipalities held regular local elections in April). Voters could choose among 13 parliamentary lists, with a total of 841 candidates, 264 of whom were women. Eight of these lists made it into the 81-seat parliament. Voter turnout was 69.6 percent.

The DPS and its allies—the SDP and Liberal Party (LPCG)—won with a simple majority of 46 percent, or 39 seats. The opposition Democratic Front, comprising the reform-minded Movement for Changes and NOVA, took 20 seats, followed by the Socialist People's Party with 9, Positive Montenegro with 7, and the Bosniak Party (BS) with 3. The Croat Citizens' Initiative (HGI) and two Albanian parties won 1 seat each. In order to form a government, the main ruling parties were forced to form a coalition with BS and HGI.

The polls were monitored by the OSCE Office for Democratic Institutions for Human Rights (OSCE/ODIHR), the OSCE Parliamentary Assembly (OSCE

PA), and the Parliamentary Assembly of the Council of Europe (PACE), as well as more than 1,200 local observers working at over 90 percent of polling stations. In a joint statement, the international observation mission said the elections “took place in a peaceful and pluralistic environment with respect for fundamental rights and further consolidating the conduct of democratic elections in line with OSCE commitments and CoE standards.”¹⁸ However, it noted several shortcomings, including weak campaign finance oversight and misuse of public resources.

Problems with updates to the electoral roll and voter registration were also reported, including the prevalence of ballots apparently cast by deceased (“ghost”) voters.¹⁹ The ministries of interior and information dismissed these concerns, but the international observation mission called for a better voter registration system to accurately identify deceased voters and protect personal data. It noted that the public still lacks confidence in the integrity of voter lists.

The 2012 campaign season was among the shortest ever, and the tone of campaigning was intensely negative. National identity issues dominated, as the ruling parties sought to avoid discussion of the government’s work and the serious problems facing the citizenry, including 19 percent unemployment. Media covered the candidates closely, and the public broadcaster RTCG held a series of candidate debates. Political advertising on RTCG was free, while private television charged and produced additional campaign coverage.

Despite the existence of 4–6 effective political parties in Montenegro, the DPS remains overwhelming dominant. Its leader, Milo Đukanović, has held the presidency once and was elected to a seventh term as prime minister on 4 December 2012. While the DPS lost an absolute majority in the elections, it managed to form a governing coalition with several parties representing ethnic minorities.²⁰

The DPS’s longstanding dominance has become self-perpetuating, as the party controls all state institutions with large staffs, allowing it to exert pressure in the preelection period by offering or threatening job security in exchange for loyalty in the elections.²¹ The ruling party routinely abuses public resources to promote itself and denigrate opponents while promising various permits, business licenses, and patronage positions during elections. Montenegro’s next presidential election is scheduled for spring 2013, when the opposition will try to capitalize on its growing support.²²

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.75	2.50	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75

The laws on nongovernmental organizations (NGOs) and trade union representativeness, as well as related legislation, provide a solid framework for the independent registration and operation of these groups. Most Montenegrin NGOs are small, with underdeveloped organizational structures and insufficient human

resources. However, at the national level there is a small but influential core of well-established NGOs working on human rights, good governance, European integration and the needs of marginalized groups. These larger organizations rely on foreign funds, mostly from the EU, whereas the smaller groups depend on inconsistent and often insufficient public funding. There are two main national trade unions in Montenegro.

In its October report, the EC noted progress on freedom of association and assembly, and improved cooperation between public administration and civil society. NGOs participate in several government advisory bodies and the Open Government Initiative. In February, a government decree on conducting public debates took force. It gave CSOs an explicit, participative role in debates on draft legislation and strategic documents. Also in February, a separate decree establishing procedures for cooperation between public administration and NGOs took force. As a result, 38 members of NGOs were appointed in transparent and competitive selection processes to 30 working groups in the first nine months of 2012. The government also formed a joint working group with NGOs to draft the 2013–15 Strategy for Development of the NGO sector, a process led by the Ministry of Interior.

However, cooperation between state institutions and civil society is uneven, often hinging on the leadership in the respective ministries. The Centre for Development of NGOs (CRNVO), which monitored implementation of the decrees, noted that only 3 out of 16 ministries have published lists of the legislation open for consultations with NGOs, which generally have limited access to information and documents. The CRNVO also noted that only 15 out of 51 state bodies have published on their websites the contact details of NGO liaison officers who were formally appointed in 2006.²³

While the state's Council for Cooperation between the Government and NGOs met twice in 2012 to discuss problems implementing related legislation and reports, former Prime Minister Lukšić held fewer consultations with leading civic groups than in 2011. In fact, the most visible communication between the political leadership and an NGO in 2012 was a confrontation between Lukšić and MANS, a high-profile anti-corruption watchdog that co-organized the aforementioned protests. As a result, the government began describing MANS as political and, during the campaign season, as “part of the opposition.”

By mid-August 2012, registered NGOs were required to align their internal statutes with the 2011 Law on NGOs in order to enhance internal democratic governance. This process also helped clarify the number of active NGOs in Montenegro because groups were forced to re-register with the government. While the Ministry of Interior was still processing registrations at year's end, the final figure will probably be around 2,000, well below the 6,500 previously registered NGOs, most of which exist only on paper.

Financing—and especially access to public funds—remained a key problem for civil society in 2012. Throughout the year, the government discussed implementation of public funding provisions in the Law on NGOs through the creation of a single,

centralized government fund. Bylaws establishing application criteria for NGOs wishing to receive money from the centralized fund were still under discussion at year's end. Meanwhile, the parliamentary committee responsible for NGO financing did not publish a call for proposals—as a result, €200,000 in earmarked funds went undistributed during the year.²⁴ Lottery distributions remained the primary public funding source for NGOs in 2012, despite the fact that these funds dropped from €4.5 million in 2010 and 2011 to €2.4 million in 2012.²⁵

According to a November poll, public confidence in NGOs is improving. Most citizens have confidence in NGOs, with the number of those with a negative opinion down since a 2008 survey.²⁶

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.25	3.25	3.25	3.50	3.75	3.75	4.00	4.25	4.25	4.25

The constitution and other legislation harmonized with European standards guarantee freedom of the press, and libel was decriminalized in July 2011. In practice, however, journalists face frequent harassment and even physical attacks. Olivera Lakić, a reporter for the daily *Vijesti*, was assaulted in March 2012 after nearly a year of threats following her exposé on collusion between public officials and a company allegedly engaged in the production of counterfeit cigarettes.²⁷ On 20 June 2012, a man was sentenced to nine months in prison for the attack, but Lakić remained under police protection. Two journalists from the dailies *Dan* and *Vijesti* were also attacked during the election campaign.²⁸

Montenegro has 14 local public broadcasting services, a national public broadcasting television service (RTCG), and 40 private radio stations. There are 3 local and 30 private television stations.²⁹ Additionally, there are 5 daily newspapers, one news agency, and several online news portals. Given Montenegro's relatively small population, media penetration is high. *Vijesti* is the country's largest media conglomerate with a daily newspaper, online news portal, and radio and television stations.

Media owned or financially supported by the state serve as mouthpieces for the ruling parties. Consequently, the government supports these media, in addition to several private outlets considered friendly, by buying advertising. NGOs have called for the establishment of objective criteria for spending public money in the media.³⁰

The media environment is generally immature, and professional standards are still underdeveloped. While the public broadcaster has become more open to a range of opinions and viewpoints, private media are influenced by their owners' corporate interests, politics, and audiences. Reporting is increasingly sensational. Dailies such as state-owned *Pobjeda* publish medical, financial, and other personal data and defame private citizens.³¹ In a positive development, three self-regulatory bodies for journalists were formed in 2012 after years of failed attempts despite EU

requirements. They are the Media Council for Self-regulation, the Self-regulatory Council for Local and Periodical Press, and the Press Council.³²

During the election campaign a Parliamentary Board of 10 legislators from various political parties was established to monitor media reporting, but it had little authority.³³ As the public broadcaster, the RTCG had to give equal airtime to the candidates, but in general the debates, interviews, and other election coverage on private television were superior.

Internet use is increasing. Fifty-five percent of households had internet access in 2012,³⁴ compared to 44.1 percent in 2011.³⁵ Online media are becoming more important as a result. The online portals Vijesti, Analitika, and Café del Montenegro are among the most popular nationally. Moreover, social media increasingly influence public opinion because they are considered to be inclusive and more transparent than traditional outlets. At the same time, social media risk becoming channels for hate speech and discrimination, especially when anonymous comments are directed at marginalized groups or individuals, particularly from the LGBT (lesbian, gay, bisexual, transgender) community. This is also an issue in legacy media, but editorial boards have refused to accept responsibility for the content of comment sections despite regional and European legal precedent that media must curate comments, which have become an integral part of reporting published online.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25

The constitution and 2003 Law on Local Government define the foundations of the local government system. Local government comprises 21 municipalities, including the capital city of Podgorica, two city municipalities, and the historic royal capital of Cetinje.

Bigger municipalities such as Podgorica have significantly larger budgets than their smaller counterparts. To increase funding for poorer municipalities, an Equalization Fund was created, distributing more than €16 million to 13 municipalities in the first nine months of 2012. However, most cities and towns continue to struggle amid the global economic downturn, weak investment, poor financial management, and bad governance. Legislative changes in 2010 stipulating that 70 percent of concessions income should go to local instead of national budgets did not benefit local governments as expected. While some coastal municipalities benefited from revenue from tourism and related investment, in 2012 most municipalities, including Podgorica, were in the red at year's end.

During the year, municipalities were invited to sign a financial restructuring agreement in which the government agreed to co-fund the retirement of surplus workforce. The few municipalities that signed the agreement significantly reduced

employee numbers, which, in the medium term, is expected to trim employment budgets and increase productivity in local administrations. In its October report, the EC said local governments need to be streamlined.

Local parliaments are largely inactive, perform little oversight, and most lack their own premises—some even meet in hotels or restaurants. The state-level government calls decentralization a priority, but related policy changes haven't followed. Nevertheless, some progress was made on local self-governance in 2012. In June, the state-level government adopted an analysis of the functioning of local self-government and, a month later, approved legislative changes including a requirement that local governments publish all contracts with individuals and legal entities on their websites. While implementation is thus far weak, these changes represent a stride to improve local governance and transparency.

Informal settlements—houses built by private citizens on municipal and state lands without legal permission—remain an important concern for local government, and a related draft law was under parliamentary review at year's end. According to some estimates, informal settlements comprise one-third of all construction in Montenegro. Changes to the Law on State Property in 2009 require local governments to gain the permission of the Ministry of Finance before selling their own property, sometimes causing conflicts such as the ongoing dispute between the ministry and the mayor of Podgorica.

The State Audit Institution lacks the capacity to perform thorough and regular audits of local governments and local enterprises. As a result, many irregularities slip through. In a 2012 audit of Bar, a coastal municipality, the institution found violations of the Law on Public Procurement, significant arrears on taxes and civil servant salaries, bookkeeping and accounting problems, and omissions in municipal asset records.

Following the introduction of the 2011 Law on Territorial Organization, a referendum was held in 2012 for a new municipality in Petnjica, a remote part of northern Montenegro, with an ethnic Bosniak (Bosnian Muslim) majority. Despite a low turnout, most voters supported the new municipality, and, on the eve of the October elections, the government backed the initiative—the first attempt to use the new legislation to add municipalities.

As at the national level, local elections are held according to a proportional system, with a municipality as a single electoral unit. In April 2012, regular elections were held for local parliaments in the municipalities of Herceg Novi and Tivat. Opposition parties accused the DPS of buying votes, and there were indeed reports of citizens approached to sell their votes in Herceg Novi. Following a police investigation, in June a Herceg Novi court convicted several suspects for “violation of the freedom of vote.”

Nikšić, Budva, and Kotor held local elections alongside the early parliamentary polls in October. In Tivat, the DPS-SDP government held onto power, as did NOVA, the Movement for Changes, and the Socialist Peoples' Party (SNP). A DPS-SDP government also held on in Budva. In Nikšić, Montenegro's second-largest city, a new coalition nearly formed between Positive Montenegro, the SNP,

and the Democratic Front. However, a local Positive Montenegro official voted for a DPS candidate over the joint candidate proposed by the three parties, and no coalition agreement had been reached by year's end. In Kotor, most votes (almost 33 percent) went to the DPS, followed by the SDP (11 percent).

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.25	4.25	4.25	4.25	4.00	4.25	4.00	4.00	4.00	4.00

Judicial appointments in Montenegro are permanent, and judges enjoy functional immunity under the constitution. The Supreme Court is the highest judicial authority, and parliament appoints its president. The current president is a former supreme state prosecutor, an appointment widely perceived as a conflict of interest.

Judges and presidents of courts are appointed and dismissed by the Judicial Council, comprising a president and nine members. The Supreme Court president also presides over the Judicial Council, comprising four judges, one ruling and one opposition parliamentarian, two prominent lawyers, and the minister of justice. Under the constitution, the state prosecutor is a unique and independent public authority charged with prosecuting criminal and other punishable acts. The state prosecutor and his or her deputies are parliamentary appointees.

In 2012, implementation continued on 2011 amendments to legislation on the courts and state prosecutor's office intended to enhance independence, impartiality, and professionalism. The Judicial Council and Prosecutorial Council adopted rules for procedure that outline their organization structure, among other issues, and the new councils were appointed in June and July, respectively. The first written tests for judges were also held during the year. However, judges are still not appointed in a fair and unbiased manner, and many lack adequate training before assuming the bench, according to the EC.³⁶ Montenegrin NGO Human Rights Action argues, meanwhile, that "Decisions on the appointment of judges are poorly reasoned, and do not include the Council's method of weighing different criteria or the explanation on why the Council appointed a certain candidate." It added that seven judges with inferior evaluation scores—relative to their competitors—have been appointed or promoted without explanation.³⁷

With no judicial budget to house judges, accommodation is funded on a case-by-case basis through loans from a government commission, deepening the dependence of the judiciary on the executive. Meanwhile, the entire judicial budget is centralized within the Supreme Court president's office, undermining the autonomy and accountability of basic, higher, and other courts.

Regarding accountability, some progress was made in 2012, with the rulings of the Administrative Court and Appellate Court made available to the public. Ethics and disciplinary commissions were also appointed. However, much work is to be done on monitoring corruption and conflict of interest in the judiciary

and strengthening the disciplinary system, according to the EC's October report.³⁸ Meanwhile, the Administrative Court, while long a pillar of the judiciary, is relatively weak regarding public administration. With many of its verdicts ignored by state bodies, citizens and companies often simply abandon complaints, to the detriment of rule of law.

The Constitutional Court has seven members appointed by a simple parliamentary majority. It lacks independence and is notorious for lengthy proceedings and delays in controversial judgments. The same can be said of the state prosecutor's office, which despite extraordinary media attention took months to file a request for information from the U.S. Department of Justice on corruption allegations in the Telekom privatization. Many observers considered the delay a deliberate obstruction of the investigation and parallel parliamentary inquiry, as DPS leader Đukanović is implicated in the case.

In general, efficiency is problematic. Montenegro has among the most first instance courts, judges, prosecutors, and administrative personnel per capita in Europe. The budget for the judiciary and prosecution in 2012 was €24.9 million, or 7.5 percent of GDP, most going to the salaries of judges and administrative staff, with little money left for infrastructure and equipment upgrades to improve efficiency.³⁹ In 2012, the case backlog fell roughly 4 percent but remains high. Public confidence in the judiciary is at its lowest level in two years, according to a September 2012 poll.⁴⁰

Four war crimes trials continued in 2012. In each case, only subordinates, not commanders, were indicted. In January, two former Yugoslav People's Army officers charged with crimes against prisoners-of-war and civilians at the Morinj detention camp in 1991–92 were acquitted in a retrial of a 2011 conviction. Four other defendants received 12 years in prison, but an appeals court overturned the verdict in July and ordered a retrial. In November, a court acquitted the defendants in a case regarding the deportation of Bosnian refugees in 1992, but the prosecution appealed.⁴¹ The so-called Kaluđerski Laz case involving the murder of 21 ethnic Albanians who fled to Montenegro during the 1998–99 conflict in Kosovo progressed in 2012 but, with the presiding judge retiring in October, a retrial is required under the Law on Criminal Procedure. The only war crimes trial that was concluded in 2012 was the so-called Bukovica case. In April, an appeals court ruled that the suspects could not be held criminally liable for inhumane treatment of Bosniaks in Bukovica in 1992–93 because the international legal instruments against "crimes against humanity" had not been ratified by the Federal Republic of Yugoslavia at the time. In several trials, the defense said judgments were rendered on insufficient evidence and often under political pressure. Many observers doubt the judiciary has the capacity to resolve these war crimes cases.

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.25	5.25	5.25	5.50	5.25	5.00	5.00	5.00	5.00	5.00

Graft and misconduct remain widespread in Montenegro. Police and supervisory bodies lack independence and are underfunded.⁴² Interagency cooperation, especially between the police and prosecution, is also inadequate.

Due to weak political will, there is a poor track record of investigations, prosecutions, and convictions in high-level corruption cases, despite significant financial investments from the EU, U.S., and state budget. There are ongoing investigations and indictments against the directors of public companies, judges, and police and custom officers, but final verdicts take too long to reach and rarely reinforce the public's trust in authorities' commitment to fight corruption. At least five high-level corruption cases during the year ended with financial settlements, including a case against the mayor of Ulcinj, Gzim Hajdinaga, and alleged drug lord Naser Keljmendi.

Nevertheless, some of the year's anticorruption efforts bore fruit. The legal framework has been strengthened, especially protections for whistleblowers. Scheduled to take force in 2013 after amendments in July 2012, the Law on Free Access to Information (FAI) will expand publicly available information to include the salaries of public officials, the contracts of state-owned companies, and various legislation and government documents. While data and personal privacy laws limit the scope of the FAI, the amendments reflect an understanding on the government's part that it serves the public interest to publish information that could reveal corruption, the misuse of public resources, or threats to public safety, health, and the environment.⁴³

In June, the Law on Custody of Seized and Confiscated Property was amended to define how seizures are managed, but there have been no relevant corruption cases thus far. Within the judiciary, the government has introduced various anticorruption efforts, from training on the implementation of the new Criminal Code and bolstering the administrative capacities of the Disciplinary Commission to pursuing complaints of judicial misconduct. Other pressing issues requiring attention include the introduction of effective mechanisms to evaluate data on the assets of prosecutors and judges.⁴⁴ Regulations must also be introduced to address the problem of nepotism within the judicial system.

Following the enforcement of March amendments to the Law on Conflict of Interest, 36 parliamentarians resigned from the boards of state-owned companies, and 16 stepped down from executive positions. The asset declarations of civil servants are still not being adequately reviewed because the Commission for the Prevention of the Conflict of Interest lacks both the investigative mandate and sufficient staff. In Montenegro, approximately 31 percent of the workforce is state-employed, and patronage is a concern—especially during elections—because most positions are advertised internally.⁴⁵

NGOs and other civic groups are very active and influential in raising awareness on corruption, proposing anti-corruption measures, and identifying problematic cases in spatial planning, public procurement, and education, a field several prominent NGOs say is prone to corruption and political entanglement, with little response by relevant authorities. Citizens perceive corruption as widespread but rarely report cases out of fear of reprisal.

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