



THE FIRST YEAR OF THE GOVERNMENT OF MONTENEGRO UNDER SCRUTINY:

From a reform momentum
to a political detour?



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INTRODUCTION

This document offers the Center for Democratic Transition's (CDT) fourth analysis of the 44th Montenegrin Government's performance, from the perspective of the areas that we have been engaged in for over 20 years. We are concluding this cycle by publishing a document that provides an overview of the government's work during the first year in office, following previous analyses of the PM-designate's keynote address, the government's performance during the first 100 days, and an overview of its work during the first nine months.

Following major political shifts that took place in 2020, Montenegro received its third administration in early October last year. It was a coalition government centered on the Europe Now Movement (PES), the Democrats, and two coalitions of Albanian national parties, with the backing of the coalition For the Future of Montenegro (ZBCG), former Democratic Front (DF).

The conclusions of the intergovernmental conference, with EU states granting final benchmarks in chapters 23 and 24 — which allow Montenegro to move to the next stage of the accession process and close the negotiation chapters — are without a doubt the most outstanding accomplishment of the coalition government during this period, despite the shortcomings of some legal provisions, the lack of transparency in the drafting process, the resurgence of prior bad practices, and the misuse of resources to gain an edge in elections.

It is also important to acknowledge the government's political success in reaching a consensus around the implementation of population census in 2023, which satisfied all parties and was crucial in alleviating tensions that were about to escalate into deeper social clashes. Judging by the initial statements, most social actors do not question the validity of census findings.

Following a promising start, there were increasingly evident political moves made by the government and coalition authority that were not regarded as reflecting European or democratic values by the relevant domestic and international instances, which will almost certainly have a negative impact on the dynamic of our European path going forward. The government erred in its political judgment by assuming that all would be forgiven because of IBAR.

The 44th Government was reshuffled at the end of July 2024 in response to pressure coming from the former Democratic Front. This alliance formally entered the government, as did the Bosniak Party, which had been in the opposition ranks up until that point. This gave the ruling coalition a two-thirds majority in the Montenegrin Parliament.

The government's reconstruction was executed in a non-transparent manner, with disregard for democratic norms and principles as well as parliamentary procedures. It serves as a blatant example of unethical political trade-offs and partitocracy.

We obtained a government with the highest number of ministries in Europe (32). Despite Prime Minister Spajic's bold statements that Montenegro would be the Switzerland of the Balkans and the Singapore of Europe, we ended up with a sizeable government with artificially tailored departments that resembles those in countries such as Serbia and Belarus. The political concept that underpins the revamped government is far less like administration in a civic state, and more like one in post-Dayton Bosnia and Herzegovina that was tailored along ethnic and entrepreneurial lines.

The way the government was established, the number of ministers and their qualifications, the way departments were formed and divided, and the fact that it did not formally alter its program after the reshuffle, all make it abundantly evident that one of the key promises cited in the PM-designate's keynote speech — the introduction of a meritocratic system — was an empty one.

Regretfully, instead of being a beneficial factor, getting the IBAR and substantial parliamentary support for the new majority turned out to be a negative turning point in the government's functioning.

After basking in the glory of receiving IBAR, the coalition administration and the government made a number of really questionable decisions. It is evident that the government does not want an inclusive society given how non-transparent the legislative process is in both the parliament and the government. Even the key laws governing the Europe Now 2 program were adopted in an insufficiently transparent manner.

The process of targeting the NGO sector was set in motion, as well as a pressure campaign against individuals who opposed the adoption of the law on foreign agents, which was denounced by all the relevant local and international democratic actors. Although several members of the administration have spoken out against this act, the fact remains that one deputy prime minister maintains an active role in this pressure campaign.

The start of the dual citizenship law adoption process, which the EU has once again openly voiced its concerns about, could destabilize the society, and, consequently, thwart the European integration process.

These and other political moves, such as the systemic misuse of public funds during the Podgorica local elections, call for vigilance and tighter oversight of government activities. It remains to be seen which course the Montenegrin government decides to take.

We remain open to public debate on the findings of our analysis and welcome all well-intentioned criticism and suggestions.

CDT team

DEMOCRATIZATION OF SOCIETY:

Inclusivity, transparency within government and activity of NGOs under threat; electoral reform is stagnant, political control over public media remains

Finding good practices in the area of democratization of society in the activities of the 44th government was a difficult challenge for our research team to undertake. This section summarizes the key aspects of its actions in this area.

The 44th Government meets only 61.4% of the baseline criteria of openness and transparency, according to the Regional Openness Index, an instrument that our organization and our regional partners have been using to gauge the level of transparency for over a decade. This makes it third-ranked in the region, trailing the Government of North Macedonia and the Council of Ministers of Bosnia and Herzegovina, but ahead of the Government of Serbia.

As time went on, the government saw less and less of a need to include key social stakeholders, and instead employed a number of strategies to steer clear of public debates on laws and other decisions it made. The government's economic initiative Europe Now 2 and laws that were essential to gaining IBAR, such as the Law on Population Census, the General Law on Education, and other major provisions, were adopted in the absence of a high-quality public debate.

The promise that media conferences would be held following each government session was broken once the sessions became closed to the public. In fact, this would not have even been feasible, since as many as 61 government sessions were held remotely. The prime minister only granted a few interviews to the selected media prior to the Podgorica local election campaign, but he did address questions from journalists on multiple occasions. Since the start of the mandate, the government has convened 19 official press conferences with no regularity or clear procedures as to who will address the public and after which session.

The Law on Free Access to Information was designed to increase transparency and openness, and yet, even after one year, the government was either unable or unwilling to adopt amendments.

The Committee for Comprehensive Electoral Reform produced no results in its first ten months of operation, and during this time, it failed to present the Assembly with any legal proposals within its purview.

The Committee is currently not set up in line with the rules, given that the decision on its establishment envisions it operating on a parity basis, with seven members from the parliamentary majority and seven from the parliamentary opposition. Since the parity was disrupted once the Bosniak Party shifted from the opposition ranks and into the government, the Committee's makeup does not align with the decision, and its meetings cannot produce decisions that would be legitimate. Additionally, two members of the Committee are no longer MPs as they assumed government posts. The Montenegrin Parliament is disregarding these crucial facts for reasons known to them.

The Committee established a working group in July 2024 to draft a new Law on the Financing of Political Entities and Election Campaigns. It produced no tangible results in the four months of its operation.

Unfortunately, electoral reform remains subject to the same partisan calculations as before, which makes this Assembly convocation no different to previous ones. The public narrative calls for the necessity of electoral reform, but in reality, everything else takes precedence over this vital step in the improvement in democratic processes.

The relationships and actions demonstrated by institutions from different branches of government did not exactly contribute to the establishment of the checks and balances system that our Constitution calls for.

Even four years after major political shifts, the Law on Parliament and the Law on Government, which the current government's representatives fervently supported and pledged to pass back when they were in the opposition ranks, have not been adopted. These laws are essential for proper implementation of the law and the Constitution as they provide adequate balances of power.

Instead, we were offered numerous excuses for failing to meet the deadlines set by the Government of Montenegro's Medium-Term Work Program 2024-2027, which envisaged the proposal for the Law on the Government to be passed in the second quarter of 2024. Meanwhile, the adoption of the Law on Parliament was announced yet again. At the end of last year, the Speaker announced that he would submit the law proposal by the end of March this year, and his office announced in May that the legal team was producing a draft text that would be presented to the Speaker's Cabinet. Of course, this has not happened yet.

When the PM-designate opted not to present his government's work program before Montenegrin MPs in order to "rationalize time" a year ago, we assumed it was due to Mr. Spajic's political inexperience.

However, over the past year, we have come to understand that this was not an isolated incident, but an announcement of the kind of treatment Montenegrin MPs would be receiving from the government, in coordination with the Parliament Speaker.

Thus, for the first time, we witnessed a prime minister not showing up for the pre-scheduled prime minister's question time, where he is expected to respond to questions from delegates elected by citizens. During Spajic's mandate, PMQ was cancelled or rescheduled as many as four times. Another new practice was introduced: the prime minister now uploads the answers to MPs' questions on the website in lieu of holding a PMQ.

Ministers and the prime minister also took a similar approach toward the majority of control hearings, which were virtually nonexistent in 2024 due to the parliamentary majority's refusal to schedule control hearings, or ongoing delays brought on by the alleged prior engagements of members of government.

The parliamentary majority and parliament leaders were also not immune to non-transparent conduct, as new practices were introduced, such as sending MPs an SMS alerting them that the planned session would not be held.

There were also concerted attempts to undermine the parliament's oversight function. Based on an arbitrary interpretation of the Rules of Procedure and its amendments, the parliamentary majority came to the conclusion that the control hearing could only be held once during the regular session, at the request of one-third of the committee members from the parliamentary opposition, as well as once at the request of the MPs of the majority.

. The agenda of parliament sessions is another example of non-transparency, specifically the misuse of agenda-altering. The Speaker of the parliament would use the opportunity to add items to the agenda without warning or prior notice, as he did with the Resolution on Genocide in the Jasenovac, Dachau, and Mauthausen camp systems, in order to avert a public debate on the proposed laws; on one occasion, a session was scheduled, with a notice that the agenda would be revealed at the start of the session.

Nevertheless, the Montenegrin Parliament meets 88.14% of the parameters for administrative openness, as measured by the Regional Openness Index, meaning that the majority of the requested documents get published, despite the obvious omissions and arbitrary interpretation of the rules and Rules of Procedure.

During the observation period, the prime minister and several other ministers gave interviews on rare occasions and only to the carefully hand-picked media. However, there was a greater level of media presence throughout the pre-election campaign period for local elections in which the executive branch played an active role.

Although the government adopted new media laws in the first year of its operation, the issue of disinformation still remains unaddressed by the updated legislation. Therefore, once more, rather than catching up to modern countries and harmonizing with EU policies, such as the Digital Services Act (DSA) and Digital Markets Act (DMA), we ended up with politicians battling over who will have control over the national broadcaster and legislation that was tailored to interests of political parties.

The legal amendments to the section that covers the Public Service and the election of its general director sparked a lot of criticism as it was decided out of nowhere that instead of the requisite ten years of work experience, only five would be required from now on. The prime minister even claimed at one point that the EU had a hand in these amendments, a claim the EU refuted. Critics argued that this clause was altered to allow Mr. Boris Raonic to be re-elected as RTCG director, in what was yet another controversial process met with strong objections and checks performed by competent authorities. The belief that the governing majority must have political hold over the Public Service still persists.

It was also interesting to observe a political party introducing its very own fact-checking account. Daily and without presenting sufficient evidence, this party's X account "PES against fake news" targets those media that express criticism in their coverage of government operations. The situation is even more serious given that the prime minister and high-ranking party and state officials affiliated with his party repost content from this account on a daily basis.

It was reasonable to anticipate that ties between the executive branch and non-governmental organizations would become stronger after the 44th Government was rebuilt and established the Ministry of Regional and Investment Development and Cooperation with Non-Governmental Organizations.

Instead, announcements came about the introduction of legislation on agents of foreign influence, which is already in effect in Georgia, Kyrgyzstan, Russia, and other autocratic nations. The ZBCG coalition, which has two deputy prime ministers and three ministers in the cabinet, presented the said proposal that constitutes one of the most severe attacks against the civil sector thus far.

Immediately following the announcement, a campaign was initiated to discredit the NGO sector in Montenegro, with plenty of disinformation and manipulation, even though other parties that constitute government alongside ZBCG have voiced their opposition to this initiative. NGOs are branded as “parapolitical organizations” and “foreign agencies” and are unjustly accused of financial non-transparency and tax evasion. They are also called for to have the same status as political parties and public officials. Deputy Prime Minister Zogovic was the most vocal critic of NGOs that opposed the plan, claiming that “all the rabbits were chased out of the bushes” by putting forward of this law.

Relevant international institutions and organizations condemned similar legal “proposals” in other countries. In a recent resolution, the European Parliament urged that the Georgian Law on the Transparency of Foreign Influence be repealed, echoing the EU’s frequent condemnations of such attempts. According to the resolution, such a law is a means of violating freedom of expression and media censorship and stifling critical voices in civil society and the NGO sector. It is also underlined that this jeopardizes Georgia’s aspirations to join the EU, damages its standing abroad, and impedes the nation’s Euro-Atlantic integration. Ultimately, the passing of this act suspended financial assistance to Georgia and halted the country’s EU accession process.

FOREIGN AND SECURITY POLICY:

An important step forward in the EU integration process, satisfactory fulfillment of NATO obligations, strained relations with neighbors

The 44th Government of Montenegro's greatest accomplishment in the first year of its mandate was receiving a positive report on the fulfillment of interim benchmarks (IBAR) and final benchmarks in chapters 23 and 24. This marks the first official move forward in the European integration process after four full years of stalemate following the opening of the last remaining negotiation chapter back in June 2020. Montenegro was given a chance to advance in negotiations and implement additional reforms, but there is a risk that the administration might avoid putting real reforms into effect and thus stall the actual progress.

The government was faced with a major challenge at the outset of the mandate: to unblock the judiciary by appointing the most senior judicial officials and meeting as many as 31 of the 82 interim benchmarks in chapters 23 and 24 in order to launch the halted integration process. They were also met with unprecedented support from the European Commission (EC), which was prompted by geopolitical circumstances, with a clear perspective of getting final benchmarks for chapters 23 and 24 and consequently closing the chapters that are contingent on advancements in the rule of law.

Despite considerable parliamentary support and a compromise with the opposition, the election of major judicial office holders was marred by non-transparent political deals in which interests of politicians took precedence over candidate results and biographies. Efforts are currently underway to elect the president of the Supreme Court, a post filled by an acting head ever since 2020.

In addition, the strategies for combating corruption and judicial reform were adopted, as well as a number of legislation governing justice, corruption, and the media. However, the process was criticized for its hastiness, lack of consultation, and openness, while domestic and foreign experts, such as the Venice Commission, emphasized the need for further harmonization of laws with EU standards.

The EC maintained an exceptionally benevolent approach to the very end, often lowering the bar in compliance with the pre-established criteria and overlooking the process's many flaws. The meeting of final benchmarks will undoubtedly be contingent on whether these shortcomings get remedied.

However, what is concerning is the impression that the momentum was lost after receiving the IBAR, and that that some other priorities are now topping the agenda.

Just one day after receiving the positive IBAR, the Resolution on Genocide in Jasenovac and the Dachau and Mauthausen camps was passed, causing a strain in relations with Croatia, as well as the cancellation of visit by President of the European Council (EC) Charles Michel and triggered warnings about the importance of keeping Montenegro in its EU tracks.

The former Democratic Front parties then took the lead in an effort to change the Montenegrin citizenship law. This initiative, which can only be considered as electoral engineering, might lead to significant abuses of the right of residency and drastic changes in the voter structure by allowing dual citizenship with Serbia and other countries. More or less firmly, representatives of the government's minority parties distanced themselves from this plan. Apart from stressing that "as a candidate country, Montenegro should refrain from any measure that could threaten the country's strategic path to the EU or the security of the EU, including the use of prerogatives for granting citizenship," the European Commission explicitly required Montenegro to "keep it fully informed of its intentions" before making a decision.

Another step that will undoubtedly halt European integration, as it did in Georgia, is the initiative of a part of the ruling majority to pass legislation designating NGOs as foreign agents, modelled after laws that are in place in Russia and other authoritarian regimes.

This clearly indicates that the focus has been shifted from the reform goals that are essential to moving forward on the European path, like strengthening the rule of law, combating corruption, and promoting human rights. Since any step in the opposite direction could undermine Montenegro's further progress towards EU membership, the EC has already stated on multiple occasions that unwavering commitment to these issues is needed.

In its first year of operation, the government also endorsed the Reform Agenda for gaining access to the Growth Plan for the Western Balkans, an EU instrument that, for the first time, mandates the fulfillment of specific requirements and execution of reforms before the receipt of EU funding. Although this is significant with regards to employing incentives to spur economic growth, the reform agenda and the suggested measures demonstrate that the emphasis is placed on the economy, with the rule of law taking a back seat.

Credible membership in the NATO alliance is one of the 44th Government's priorities, as Prime Minister Spajic stated in his keynote address.

The government's principal constituents – PES, the Democrats, and the For the Future of Montenegro coalition (former DF) were not involved in the process of Montenegro joining NATO back in 2017, due to the fact that they were either opposed or neutral to the idea, or that they did not exist as a political entity at the time.

This did not prevent the government from committing to full cooperation with the Alliance in the first year, while adhering to the established policies and obligations of membership, particularly in terms of military aid to Ukraine.

The National Security Agency (ANB), the Intelligence and Security Directorate (OBD) and partner services coordinated their intelligence as part of their cooperation with NATO. Retaining long-term staff in both agencies was undoubtedly a positive indication of institutional continuity.

Montenegro sets aside 2% of its GDP for the military, with a requirement to spend the entire annual sum in line with military budget plan. The Ministry of Defense continued to equip and modernize the Army, which is crucial for meeting NATO requirements.

The government has not publicly disclosed the quantity or form of military aid sent to Ukraine in 2024.

The public continues to question the level of trust in Montenegro's cooperation with NATO allies, given that a substantial role in the ruling majority has been given to former DF members, who have been harboring the evidently pro-Russian views all along. The DF leaders have not openly challenged Montenegro's membership in NATO, military assistance to Ukraine, or the easing of sanctions against Russia.

We believe that the domestic public and NATO partners will be keeping a close eye on the matter in the near future, given the political stance and sentiment that some members of the ruling coalition have towards the Alliance.

Over the years, Montenegro has been building a reputation of a country that cherishes solid ties with its neighbors. Demarcation agreements were signed with some of the neighboring countries, whereas an interim delimitation arrangement with Croatia over the Prevlaka issue has been in place for 20 years. Aside from sporadic miscommunications regarding certain issues, the 44th Government essentially inherited strong regional ties. Good neighborly relations are an important component of the EU accession process, and the government regrettably failed to sustain strong political ties that it inherited during its first year in office. Conflicting values and views within the very ruling coalition on certain issues from recent history resulted in the adoption of ambiguous decisions, causing a major straining of relations with Croatia.

Montenegrin government has demonstrated that it is prepared to engage in a balancing act when these matters are concerned, even if it goes against the ideals it proclaims, as evidenced by its vote in favor of the UN Resolution on Srebrenica after refusing to be a co-sponsor.

On June 28, Montenegrin Parliament enacted a Resolution on Genocide in Jasenovac in response to political pressure from the former DF. The Dachau and Mauthausen camps were added to the mix as part of a political stunt. The agenda of provoking and damaging ties with neighbors was furthered by congratulating the illegitimate Republika Srpska Day or the visit of its president, Milorad Dodik, without the official insignia of Bosnia and Herzegovina. Consequently, a protest note was sent to our country.

Croatia reacted sharply to the adoption of the Jasenovac Resolution. DF leaders Andrija Mandić and Milan Knežević and Deputy Prime Minister Aleksa Bčić were proclaimed *persona non grata* and banned from entering Croatia. The European Council President Charles Michel's anticipated visit following receipt of IBAR was canceled due to the resolution's voting. Relations with Croatia are especially important, as there are several pending issues between the two countries that could complicate Montenegro's position in the EU integration process going forward.

Another regional issue brought to surface the differing perspectives among the ruling majority. The Montenegrin delegation's "split" vote on the proposal for Kosovo's membership in the Council of Europe once again exposed the government's inconsistent regional strategy and increased the likelihood of dispute with this neighboring country as well, despite the coalition agreement's pledge to uphold prior international commitments. The Serbian president's long-standing intention to comment on internal political issues

in Montenegro with an undisguised desire to influence state decisions while disregarding the Montenegrin administration and its representatives was only reinforced by Vucic's recent visit to Tivat as part of the Brdo-Brijuni process initiative. This is only one example of how Serbia makes its position on Montenegro's state politics known by outlining President Vucic's "political favorites" in Montenegro's political landscape.

If we were to examine recent developments in this area objectively, we would be unlikely to conclude that relations between countries in the region had improved.

The government failed to complete the crucial task of filling the remaining posts in the diplomatic network during its first year in office. Some of the suggested candidates put forward by the executive branch were turned down by the President of Montenegro, whose duties include signing letters of credence and issuing decrees on the appointment of ambassadors.

Most of Montenegro's consular and diplomatic missions (20) are run by chargé d'affaires. Montenegro has resident ambassadors in eight countries only. We have been without a permanent representative to the United Nations for more than three years, and without an ambassador to NATO for over a year. Since Montenegro only has a limited number of embassies, so each one is important, and effective representation depends on ambassador nominations.

Although it has been used as an excuse, the duration of the receiving country's approval process is not the true cause of this delay. It is evident that the fundamental cause of Montenegrin diplomacy's blockade is a lack of consensus among most senior power-holders about the candidates, with politicians strongly endorsing candidates from their own parties. There is nothing that prevents the appointment of ambassadors from the ranks of career diplomats, given that, legally, the politically appointed ambassadors can only account for 30% of the diplomatic network.

RULE OF LAW:

Limited progress in the judiciary, lack of substantive reforms and ongoing political influence over the police and armed forces

In the first year of the government's work on the rule of law, the requirements necessary for obtaining IBAR and the final benchmarks for chapters 23 and 24 were met to the extent necessary. However, accomplishing this formal advancement in the European integration process is far from sufficient if we want institutions in this area to operate substantially better.

A crucial requirement for the functioning of a judicial system is the appointment of most senior judicial officers – judges of the Constitutional Court, members of the Judicial Council and the Supreme State Prosecutor. These appointments alone, however, do not mean that substantive judicial reforms will ensue given that Montenegro previously had these institutions in place, and yet, they were ineffective in stopping organized crime and corruption from becoming “deeply infiltrated into state structures, including the top of the judiciary.” Behind-the-scenes deals and political “trade-offs” in the election of the top-tier judicial office bearers call for a careful monitoring of whether the newly appointed officers will be able to shift the judicial system from serving power holders to one that serves justice and citizens. Additionally, election of head of the Supreme Court, which has been pending since the end of 2020, will serve as an indicator for the judiciary's willingness to be freed from politicians influencing their senior staffing.

The efforts of the Special State Prosecutor's Office (SDT) represent the only notable qualitative advancements made thus far in the areas of judiciary, fight against organized crime and corruption. This progress was initiated during the previous administration, and the 44th Government then effectively leveraged the SDT's results, which had a significant impact on getting a favorable IBAR. However, it appears that the time when everyone could take credit for SDT's achievements is coming to an end, and improvements in other critical areas are urgently required.

The necessary changes are not clearly outlined out in the newly adopted judicial reform and anti-corruption strategies, which were developed hastily and with little ambition or a clear vision.

The strategy and legislation governing the judiciary fail to address the accumulating difficulties in the judicial system, leaving major concerns unresolved and with no clear path for necessary reforms.

A year is a relatively short time frame for infrastructure-related projects, but there has not been any notable improvement of working conditions required for judicial institutions' operations. Courts and prosecutors' offices still operate in tight, subpar spaces, buried under heaps of records, with ceilings in some of them on the verge of collapsing. Unfortunately, most judicial professionals can only see modern courtrooms in movies, and even the Special State Prosecutor's Office's long-awaited relocation has taken far longer than expected.

A serious staffing shortage and an increasing backlog of cases are also afflicting the prosecution service and courts, particularly the Specialized Division of the High Court in Podgorica, which renders decisions on indictments brought by SDT. The judges of this division issued an open statement emphasizing that they are unable to handle the volume of cases assigned to them given the spatial constraints.

The newly-adopted anti-corruption law only introduced superficial improvements, with no substantive reforms to address the most pressing issues. According to the Venice Commission, other than in the area of whistleblowers, the new law remained fundamentally the same as the previous one, with a few adjustments throughout the text of the provisions. Only a few months after it entered into force, the Ministry of Justice began working on further amendments, while also announcing the drafting of a separate whistleblower law. The amendments to the law on seizure and confiscation of proceeds of crime were deemed insufficient, particularly by the civil sector. The Venice Commission clearly indicated that the law must be applied more effectively, which calls for adequate financial, technical, and human resources for the prosecution and courts. Even though the amendments have somewhat improved the regulation of asset recovery in criminal proceedings, the long-promised reform that would introduce civil forfeiture has not yet been implemented.

The fight for dominance between the ruling parties, PES and Democrats, is what characterized the security sector throughout the first year of the government's operation. As a result, a number of commendable actions that boosted the technical capabilities and equipment levels of the Armed Forces of Montenegro (VCG) and the Police Administration (UP) took a back seat. The prime minister's pledge that professionalism would be the sole criterion in this sector and that the previous practices will be done away with was nothing more than an appealing political narrative. For the fourth year in a row, deputy directors were not selected through public calls, keeping Police Administration in what is essentially an acting head status, as the tenure of Police Director Brdjanin has been subject to multiple judicial rulings. All of this clearly indicates the government's determination to go against the law and assign people to highest-ranking posts in the Police Administration based on political suitability rather than merit, ability, or professional competence.

The fact that the Interior Minister filed a legal action against his own government over the unlawful appointment of the Acting Director of Police is arguably the best illustration of these relations.

The adopted amendments to the Law on Internal Affairs impose discriminatory conditions for promoting police officers and political control over the recruiting process. The law has been amended to give the minister more authority, and the Human Resources Management Authority is no longer involved in the recruiting and special promotion procedures. The minister now has the authority to form commissions and outline the criteria they would adhere to. Additionally, the new provisions allow for "extraordinary promotion" within the police service, which eliminates the requirement for launching public calls or additional knowledge and ability testing.

This goes against the government's previously expressed view that all police force appointments ought to be made on the basis of merit and free from undue political interference. Certain provisions run counter to the Law on Civil Servants and State

Employees, which ensures that jobs of civil servants/ state employees are available to everyone, under equal conditions.¹ The law was passed without the European Commission's feedback, and the public is rightly concerned that it may further politicize the hiring process by circumventing the principle of meritocracy that the government purports to uphold.

The Administrative Court also found that the government violated the law in the dismissal of NSA Chief Inspector Artan Kurti. When dismissing both Kurti and Brdjanin from high-profile security sector jobs, the administration had evidently turned to political and partisan considerations rather than professional ones.

It is also worth noting that the government's 2019 decision to build a military training ground for the Montenegrin Armed Forces at Sinjajevina remains in effect, despite the prime minister and Defense Minister Krapovic sticking to their earlier statements where they had opposed the idea, albeit without nullifying the previous government's decision. The pledge that a new site would be identified never materialized, and Montenegro does not have a military training facility of its own, making it challenging to conduct training and participate in and plan a number of joint NATO exercises.

The Montenegrin Army is overseen by the Defense and Security Council (SOB), which now serves as a "testing ground" for political tug-of-war. In the first year of the government's tenure, the security sector was primarily utilized as a bargaining chip by parties, as evidenced by the conflict between Montenegro's President and the Defense Minister over dismissal of the Chief of General Staff. The "conflict" between Minister Krapovic and Chief of General Staff Lazarevic has a severe impact on the Council's functioning and the credibility of the defense system. The public character of the "conflict" has undoubtedly weakened the security system once political parties started getting drawn into the dispute.

¹ <https://www.hraction.org/2024/09/16/izmjene-zakona-o-unutrasnjim-poslovima-omogucavaju-partijsko-zaposljavanje-diskriminaciju-i-korupciju/>

PUBLIC ADMINISTRATION REFORM:

Absence of meritocracy and recruitment based on party affiliation, partitocracy in public enterprises, sluggish digitization

The government's reshuffle has put an end to previous promises of streamlining and rationalizing public administration. Montenegro has the largest government to date, with a prime minister, seven deputy prime ministers, 25 ministries, a minister without a portfolio, and 54 state secretaries.²

The executive branch had a free reign in deciding on the number of portfolios, given that the Law on Government has not been adopted. This resulted in an unprecedented party trade-offs, with some departments being split up and allocated among the parties and others being tailor-made for parties and their representatives. The fact that Montenegro now has a Deputy Prime Minister for International Relations and a Deputy Prime Minister for Foreign and European Affairs further illustrates the absurdity of the situation, and it remains unclear how they divided up the responsibilities of handling international relations and foreign affairs. With this remodeling, Montenegro became one of the nations with the largest cabinet on our continent.

The government had been called out for continuing the party-affiliated hiring practice even before the government revamp took place. They officially announced that the public administration staff had been "counted" in February, but did not come out with these new figures before June. We do not have data on the size of public administration three months after the government was rebuilt, but one thing is certain: Montenegro's public administration has never been larger or more expensive.

The data indicates that, as of June of this year, there were 53,684 employees in the public administration, comprising 46,489 employees at the central level and 7,195 employees at the municipal level. Of course, these figures are not final, as there is no information on the number of people employed in state-owned and municipal companies, which is undoubtedly a substantial figure.

A record 678 million euros was allocated in the 2024 state budget for gross wages in public administration. The September budget review resulted in an increase of just over 20 million euros, so that a total of 698 million euros would be paid to public administration staff this year alone. In contrast, roughly 643 million euros and 542 million euros were allocated for public administration salaries in 2023 and 2022, respectively.

² The number of state secretaries as per Decision on ministries eligible to appoint state secretaries (Official gazette of Montenegro, No 71/2024).

The number of people employed under service contracts and contracts for temporary and occasional work, which in reality “facilitate” party-affiliated recruitment, is still not disclosed by the government. Costs associated with service contracts are rising by the year, and the budget review projects an extra 312,000 euros over the initial budget. Little over 21 million euros are planned for these contracts, which is 58% more than the amount allotted in 2022 and one-quarter more than in 2023.

Public enterprises are the backbone of Montenegrin partitocracy, and serve as safe havens for members of political parties. The number of people who work for government-owned companies is undetermined, but this is not the only “secret”; some public companies conceal other, more vital facts and data, such as executive director contracts.

Among other things, the Ministry of Finance’s July publication, *Analysis of the Institutional and Regulatory Framework for the Operation of Public Enterprises and Companies in Majority State Ownership*, cites the need to strengthen oversight of the company’s operations, professionalize managing and supervisory boards, and enhance corporate governance in businesses. The process of developing the Law on the Management of State-Owned Enterprises was initiated by the Ministry of Finance. According to the ministry’s website, the legal prescribing of clear ownership functions of the state or municipality, along with the associated goals, will immediately aid in the development of the fundamental corporate governance principles of accountability, efficiency, and transparency.

After a year in office, we can conclude that the bold promises of introducing meritocracy have not materialized. Instead of rewarding specific skills, merits, and achievements, this government’s meritocracy has been limited to letting the ruling parties pick and place their members in the public sector, thus creating the appearance of political stability and unity.

Major developments in the digitization of public administration were announced by the government. This year, the relevant ministry established the Register of State Bodies and Institutions (<https://organi.gov.me/>). Work is already underway to develop a “centralized one-stop-shop” for e-government and there are plans to create a new open data portal by the end of this year. It was also announced that the Ministry of Public Administration will oversee the development of Montenegro’s first artificial intelligence strategy.

The draft law on information security, which calls for the creation of the Cyber Security Agency, has been submitted to the parliament.

However, the intention to establish the National Academy for Public Administration, as indicated in the prime minister’s keynote address, was never brought up during the first year of incumbency. It remains to be unclear when Montenegrin PayPal users would be able to accept payments through this platform.

EUROPE NOW 2:

Partially fulfilled promises with substantial fiscal risks and uncertain sustainability of the pension system

The Europe Now 2 (ES2) Program, which the government had long announced and promoted during the pre-election campaign, has now been put into action. Prior to the election of the 44th Government, the prime minister had stated that “the minimum salary will be 700 euros, and the average salary will be 1,000 euros, with seven-hour work days” within one year of the government’s election.

High expectations were fueled by announced initiatives to improve the citizens’ standard of living. However, the implementation of the measures has left a “bitter taste”, as the administration has not been consistent in fulfilling its promises. The administration led the process in a non-transparent manner, and measures that would be included in the ES2 program remained undisclosed for months. Consequently, this stoked suspicion among a portion of the public and generated speculations about the way the government’s objectives could be achieved. Montenegrin President Jakov Milatovic harshly criticized both the measures and the manner in which they were carried out, particularly in the part regarding the future functioning of the Pension and Disability Insurance Fund (PIO).

One of the administration’s pre-election promises was fulfilled when it increased the minimum pension to 450 euros. However, instead of the 700 euros guaranteed for all citizens, the minimum wage was raised to 800 euros for those with a university degree and 600 euros for those with secondary school as their highest education attainment level. The 1,000-euro average monthly income and the 25% hike advertised by the “calculator” on the PES website prior to the government’s formation were not achieved. Salaries surpassing 800 euros would rise by an average of 6-7% as a result of government measures, which is far less than the 25% raise announced. So far, the promise of seven-hour workdays has not been fulfilled.

In addition, a public debate has emerged over the future status of the pension fund, as the government’s measures resulted in an administrative increase in salaries by eliminating employer pension payments and reducing employee pension contributions. In essence, the government “played around” with the amount of the gross salary by reducing it and “spilling over” the portion that would otherwise go to the Pension and Disability Insurance Fund and into the employee’s net salary. The government will strive to make up for the hundreds of millions of euros missing from the pension fund by compensatory measures such as raising VAT on specific activities, introducing new excise taxes, etc. These measures were executed by enacting legal provisions without them first undergoing an effective public discussion, leaving the impression that they were carried out without the necessary analysis and consideration of potential negative outcomes.

The unviability of such policies and their detrimental long-term effects on the financial and economic systems have already been brought out by some economists. Furthermore, according to the European Commission’s remarks on the Economic Reforms Program (2024–2026), the risks associated with carrying out the government’s plan merit an in-depth analysis. According to the Commission, increasing the minimum wage and decreasing pension contributions could pose a serious risk to Montenegro’s fiscal stability, as doing so necessitates a large increase in indirect taxes to make up for shortfall in the budget.³

³ <https://www.vijesti.me/vijesti/ekonomija/726197/evropa-sad-2-ugrozava-drzavne-finansije-evropska-komisija-upozorila-vladu-na-rizike-u-sprovođenju-ekonomskog-programa>

