



## **ANNUAL RESEARCH ON CORRUPTION 2013**

### **Corruption risk in judicial system and business sector**

#### **Analytical report**



This study is supported by the American people via American Agency for International Development, or through its Good Governance Program in Montenegro. Opinions expressed in this study are opinions of authors and do not necessarily express standpoints of USAID and the USA Government.



This analytical review is based on findings from the third, in the series of longitudinal researches, which East West Management Institute conducts in Montenegro, in cooperation with CEDEM. During 2011 and 2012, researches were conducted with the aim to identify the key indicators, on which basis were measured proportions of corruption in several key areas of social and economic life. Essential idea of the research was using of the same methodology and instruments for implementation of the research and comparing of final values, widening of knowledge in specific aspects, on specific problems related to corruption that are the subject of our interest.

### Design of research

Firstly, one of the key characteristics is that the research is designed so that the goals of the research are achieved by complementary implementation of quantitative access and access of a good quality. Quantitative part of the research is based on the instrument (questionnaire) with the overall number of 236 items. The sample that was used in the research represents double stratified “multi-stage random sample”, representative for all adults of Montenegro, with the overall number of 1505 respondents. Such design of the sample provides the standard error of measure  $\pm 2.5\%$  for 95% incidence issues and 95% of confidence interval. When it comes to the part on quality of the research, design of the research envisages achieved half-structured interviews with judges, entrepreneurs and lawyers who dealt with the problem of corruption thematically, through several open issues. The second essential characteristic of design is the longitudinal type of the research, precisely the study of trend, which means that we have used the same design of the sample for the third year in a row (thus, it is not the panel). In this manner we enabled the review of all key fields and indicators from the aspect of trends. Otherwise, it has been provided considering if and to which extent we have positive and/or negative trends in defined areas of interest, or any stable values through the time. The third key characteristic of the research is the affirmation of wider social and cultural and historic interpretative frame, by which problems identified in the research are address at the higher level. In this manner, “deeper” and largely usable information and recommendations are provided for decision makers and the interested ones that are directed towards fight against corruption essentially, and not only as appearance through prosaic and dysfunctional institutionalized measures of fight and prevention. Set of several related and key social and cultural presumptions was made for this part of analysis, which can be justified by research findings and which represent the key address for problems of corruption in Montenegrin society, and which finally go “behind”



the terrain of everyday policy. Consequently, reading of the report and using of results of the very research, to our opinion, has to be deciphered for improving the fight against corruption in Montenegro in essential manner.

### **Confidence in institutions and experience with institutions**

As in previous researches, citizens have the highest level of confidence in religion. We measure more than solid level of confidence even when it comes to systems of education and health, and when it comes to the President of Montenegro.<sup>1</sup> On the other hand, we measure the lowest level of confidence when it comes to political parties and larger enterprises.

### **Experience with administration**

When it comes to permissions of construction, the trend is slightly negative in a view of estimation of experience in procedures of issuing construction permissions. In terms of reasons of dissatisfaction in communication with administration, according to opinion of citizens the key reasons are slowness/negligence/lack of care. However, in this regards, percent of dissatisfaction with lack of qualifications/unprofessionalism/irresponsibility is significantly higher, but much less in relation with corruption and political discrimination. When it comes to tenders, received values were not far from the level we measured last year. The third, in terms of work of inspection bodies, the key novelty is precomposition of reasons for which citizens are unsatisfied. Namely, this time, the key factor of dissatisfaction is the manner in which inspectors behave, while remarks on corruption are at the same level as last year.

### **Perception and experiences with corruption**

Firstly, in terms of experiences with corruption, small number of citizens had this experience (almost 5%). Out of those who had experience with corruption, the largest number of citizens emphasized that they dealt with this type of experience in communication with bodies of local self government, and while adopting the right to retirement and/or compensations from the country. We identified that predictors of experience with corruption are mostly negative, as follows: the north, older Montenegrin citizens, while two positive predictors: seaside and employed in private sector. When it comes to perception of corruption, the overall perception of corruption is at slightly higher level in comparison with the last year. This trend is linear for all institutions that were the subject of the research of

---

<sup>1</sup> NOTE: Data were collected before presidential elections.



perception of corruption. Identifying the predictors of perception of corruption we have realized that the most important are structural (conceptual) predictors. Precisely, we have determined:

- The higher confidence in institutions, the lower level of corruption
- The higher confidence in media, the lower perception of corruption
- The higher level of experience with institutions, the lower level of perception of corruption
- The higher level of experience with corruption, the higher level of perception of corruption.

This year's research confirmed the same findings from the previous researches, with small changes and remarks. That could be expected because samples we identified are in its nature structural and significant and it could not be expected to change for a year. Thus, we again emphasize major samples of corruption with some remarks.

## **Judiciary**

### **A CONFIDENCE IN COURT SYSTEM**

- Judges still feel that the confidence in court system is unstable, and in that regards there is no significant progress in comparison with the last year.
- According to their opinion, it is important to work on strengthening of openness and efficiency of court system.
- Openness implies paying more attention on informing citizens in good manner, and educating them on court proceeding, that court decisions are available, transparent and that detailed argument are provided. .
- Efficiency implies resolving organizational and technical problems in court proceedings, which should lead to stronger court system people will believe in.

### **B INTERNAL POTENTIAL FOR FIGHT AGAINST CORRUPTION**

- Representatives of court system see eventual existence of corruptive behavior in their lines, with great dissatisfaction. They make great effort for severe sanctioning of revealed cases and for more active access to resolving of potential cases because they perceive such behavior as damaging for themselves and for the confidence of citizens in profession. Such standpoint is continuing and this year it represents important internal potential for the fight against corruption.



- On the other hand, representatives of court system have tendency not to consider this problem as the one of the most important in judiciary, which indicates on the need to reduce this problem.

#### **C DIRECT EXPERIENCES WITH CORRUPTIVE BEHAVIOR**

- Unlike previous year, none of the interviewed representatives of judiciary system reported they had direct experience with the attempt of corruptive behavior, which can indicate on reducing of this matter or on increased alert.

#### **D MEDIA**

- Poor relations of representatives of court system are continuing. Even this year, they believe that media violate presumption of innocence and make pressure on judge to make decision which has been already made in public opinion. Solution is seen in the dialogue with representatives of media and strengthening of PR services of courts who would work on improving of informing of citizens in more intensive communication with representatives of media, in accordance with rules of court proceeding.

### **BUSINESS**

#### **A EXPERIENCE WITH CORRUPTIVE ACTIVITIES**

- Almost all representatives of business report they had direct experience with corruptive activities, whether they participated in these activities or they were present. This indicates that the trend of reducing of such behavior does not exist.

#### **B REASONS FOR CORRUPTIVE BEHAVIOR**

- It is concerning that representatives of business sector adopt corruptive behavior as the “manner in which everybody work” and on which should be adapted if someone wants success of its own business. According to their dominant assessment, situation is not improving, but is getting worse.
- As one of the most important reasons for corruptive behavior, representatives of business see so called business barriers, which produces public administration at the republic and local level, in purpose or inattentively.



## **C REGIONAL DIFFERENCES**

- There are no regional or some other important differences when it comes to experience of representatives of business sector in terms of corruption, which says that this matter is generally present.

## **D TENDERS AND PUBLIC PROCUREMENT**

- Even this year, representatives of business sector expressed almost undivided standpoint that majority of tenders organized in Montenegro are “arranged”. Thus, they were open to speak about the manners in which this “arranging” is organized.
- So called shopping method is especially controversial, which, according to their opinion, is almost without exemption in accordance with these informal rules.