



Centar za građansko obrazovanje
Centre for Civic Education

HOW MUCH AND TO WHOM DO THE CITIZENS IN MONTENEGRO PAY FOR ADVERTISING?

February 2013



Introduction

The project “*How much and to whom do the citizens of Montenegro pay for advertising*” is part of the sub-programme Media and Democracy of the Centre for Civic Education and it aims to raise awareness about the ways in which the taxpayers’ money is being spent by public institutions, and increase their accountability in this regard. The specific objective of the project is to examine the relations between public institutions and the Parliament and various media in Montenegro, based on the allocation of service contracts, as well as to see if any changes occurred in this area compared to 2011.

Centre for Civic Education (CCE) collected the data between 11 January and 19 February 2013, making use of the provisions of the Law on Free Access to Information. The data refer to all media, PR agencies, polling agencies and production companies that the Government of Montenegro and its bodies, as well as the Parliament, engaged during 2011 on the basis of several types of service contracts.

In the course of data analysis, the research team took into consideration the type of contract, as well as the total amounts paid for media services by each institution included in the study. **It should be stressed that this study only covers one part of public funds that is spent on the media, PR agencies, agencies for public opinion research and production companies within various arrangements, it only examines the amounts allocated by central bodies of the Government and the Parliament of Montenegro.**

Most importantly, the study leaves out the spending by local authorities, which is a sizeable portion of these funds. This subject will be covered separately in a forthcoming study about spending patterns of local governments. Other channels through which the taxpayers’ money can be directed to the media are expenditures by state-owned companies. For the purposes of this study, CCE sent requests or information to five public companies which are known to spend large amounts on advertisements. Two companies we contacted delivered complete data, one company provided partial information, while the other two companies did not respond at all. In the report, the data for public enterprises are presented in a separate entry and analysed independently from the information on ministries and other governmental bodies.

Organisational scheme of the new administration in Montenegro includes **60** bodies (57 under the previous Government), which are covered by the present study as follows:

17 ministries:

- Ministry of Justice
- Ministry of Interior
- Ministry of Defence
- Ministry of Finance
- Ministry of Foreign Affairs and European Integration
- Ministry of Education and Sports
- Ministry of Culture
- Ministry of Economy

- Ministry of Transport and Maritime Affairs
- Ministry of Sustainable Development and Tourism
- Ministry of Agriculture and Rural Development
- Ministry of Health
- Ministry for Human and Minority Rights
- Ministry for Information Society and Telecommunication
- Ministry of Labour and Social Welfare
- Ministry of Science
- Ministry without portfolio

Two agencies:

- Tobacco Agency
- Environmental Protection Agency

Five directorates:

- Directorate of Public Works
- Transport Directorate
- Railway Directorate
- Directorate for Development of Small and Medium Enterprises
- National Security Authority

21 departments:

- Department of Public Revenues
- Real Estate Department
- Customs Authority
- Maritime Safety Department
- Port Authority
- Veterinary Authority
- Directorate for Anti-Corruption Initiative
- Directorate for the Prevention of Money Laundering
- Forest Authority
- Water Authority
- Human Resources Management Authority
- Police Directorate
- Agency for the Protection of Competition
- Directorate for Lottery Games
- Phyto-sanitary Directorate
- Property Authority
- Directorate for Youth and Sports
- Department for the Protection of Cultural Property
- Department for Care of Refugees
- Public Procurement Directorate
- Directorate for Inspections



Three secretariats:

- General Secretariat of the Government of Montenegro
- Secretariat for Legislation
- Secretariat for Development Projects

Six bureaus:

- Statistical Office of Montenegro
- Institute of Hydrometeorology and Seismology
- Bureau for Education
- Institute for Execution of Criminal Sanctions
- Metrology Department
- Intellectual Property Department

and six remaining bodies:

- Cabinet of the President of the Government
- Cabinet of the Vice-President of the Government for political system, internal affairs and foreign policy
- Cabinet of the Vice-President of the Government for economic policy and financial system
- Cabinet of the Vice President of the Government Igor Lukšić
- Cabinet of the Vice-President of the Government Rafet Husović
- State Archive

The project also included the Parliament of Montenegro, in order to compare the patterns of spending in this area between the legislative and executive branches.

Summary of findings

Overall, Montenegrin public institutions proved not to be overly responsive. Many of them exceeded the legal limit of 15 days to provide the response. The information our team received was often incomplete and required repeated requests and inquiries, including direct communication with the institution in question, which means that the whole process took a full **40 days** to complete, until February 19th 2013. Also, there have been examples of contradictory responses, as in the case of one decision which refused our request for information but provided the required data in the justification of the refusal. It would appear that even after years of implementing the Law on Free Access to Information and repeated trainings for public servants in its provisions, it is still possible to encounter conflicting interpretations of the Law. Moreover, the cost of the procedure, i.e. of obtaining the response to our request for information, varied tremendously from one institution to another, and in some cases came up to five euros for only a handful of photocopies. Nevertheless, by the end of the research period the CCE team had collected all necessary information from all bodies and institutions included in the study.

According to the data collected, in the course of 2012, the Parliament, the Government and its related bodies spent altogether **€ 852,059** on the services of media, PR agencies, agencies for public opinion research and production companies. This is **€ 980,801 less than the amount spent last year when, according to the information received by CCE, the same institutions spent a total of € 1,832,860.**

Of the overall amount, **€ 43,202** went to radio-television broadcasters (in the previous year the amount was € 143,937), which is less than half the amount spent on printed media (**€ 118,824**, € 251,294 in 2011). Another **€ 50,486** was spent on online media and agencies (€ 91,181 in 2011), while **€ 128,424** went to production houses and marketing agencies (previous year: € 252,503) and **€ 506,990** to international and regional media (previous year: € 1,080,000). Payments to other media not listed above amounted to **€ 1,990** (€ 2,065 in 2011). Institutions under consideration in this study did not hire any polling services in 2012, compared to 2011 when € 11,880 was spent for this purpose.

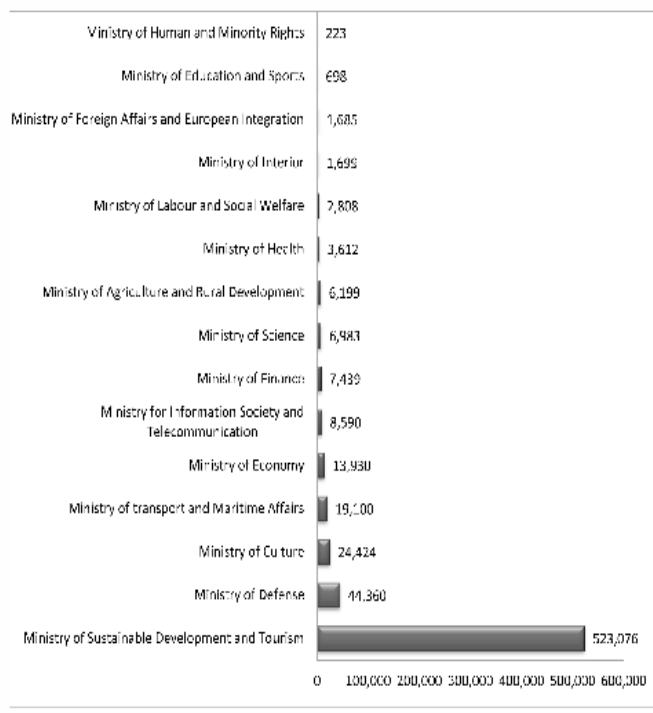
In 2012 the Parliament of Montenegro spent **€ 63,345**, i.e. € 16,116 less than in the previous year (€ 79,461). The government institutions spent **€ 788,714**, which is **€ 964,685** less than in 2011 (€ 1,753,399).

As far as the **Government** bodies are concerned, the biggest spender, like in the previous year, was the Ministry of Tourism and Sustainable Development, which accounted for nearly two-thirds of the total amount spent on media services this year: **€ 523,076**, or **€ 712 714** less than in 2011 (€ 1,235,790). The lowest amount was spent by the Ministry of Human and Minority Rights, i.e. **€ 223**, far below the previous year's amount of **€ 31,129**.

The research showed that Montenegrin public institutions had become more frugal in 2012. Nevertheless, there are still differences in their treatment of different media. The criteria for selection of the media for advertising purposes are neither clear nor consistent, nor do they correspond to independent estimates of the public trust in the media, their popularity or prices.



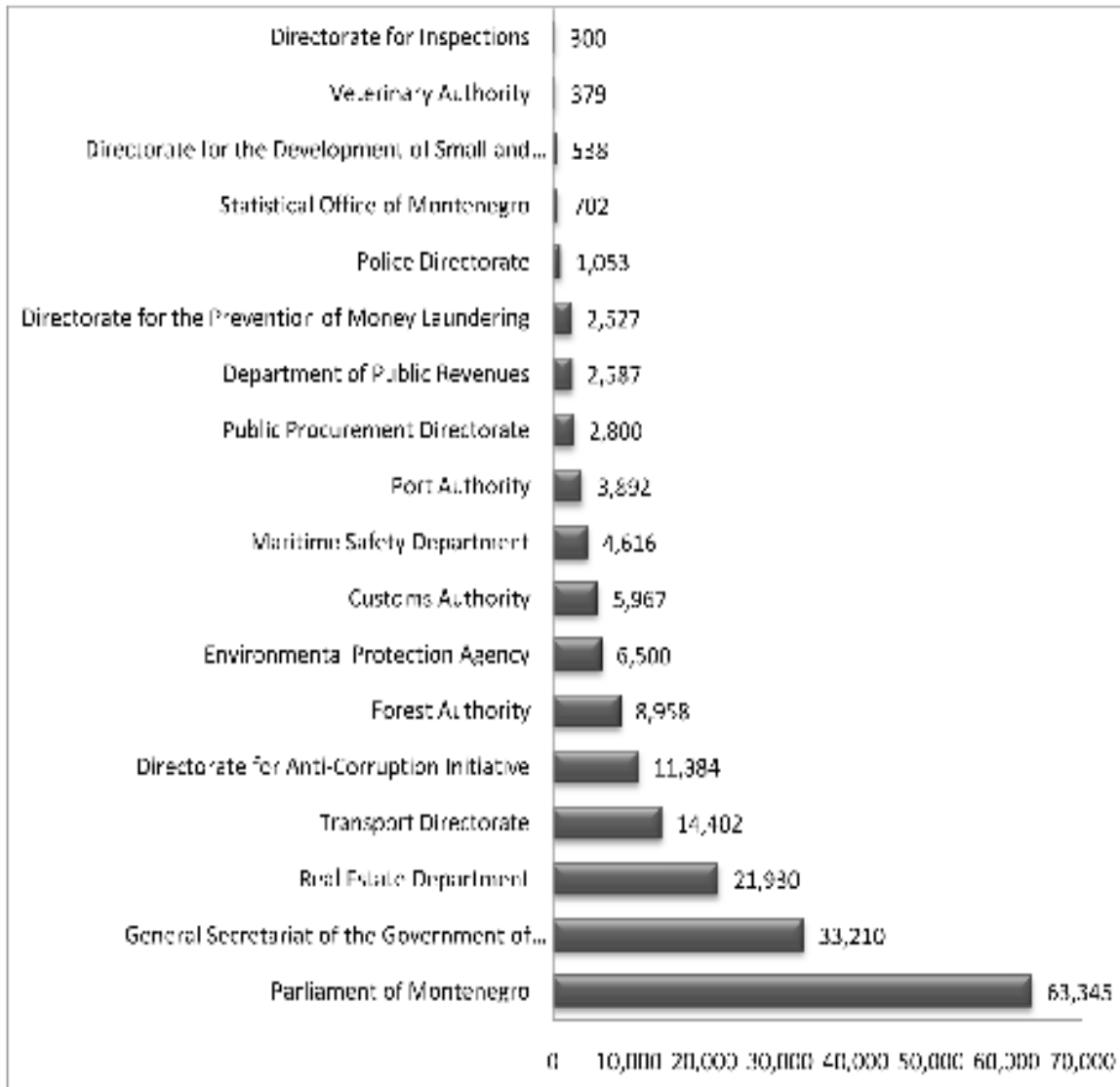
Among the ministries, as already mentioned, the biggest spender is the Ministry of Tourism and Sustainable Development, with € 523,076 in 2012. The next in line is the Ministry of Defence, which paid € 44,360 for media services this year (€55,627 in 2011). Ministry of Culture spent € 24,424 on the media this year, which is € 45,190 less than in 2011. It should be noted that nearly half of this amount (€ 10,000) was used to co-finance the monthly magazine “Agora”, published by the daily newspaper “Pobjeda”. Significant sums for advertising were also spent by the Ministry of Transport and Maritime Affairs (€ 19,100, compared to € 40,249 in 2011), and Ministry of Economy (€ 13,930, € 36,397 in 2011). Other ministries spent between € 223 and € 8,590. The least amount for media services was allocated by the Ministries of Education and Sports (€ 698), which had spent a similarly low amount for these purposes last year (€ 2,100), and the Ministry of Human and Minority rights, which spent only € 223, € 30,000 less than in 2011. One ministry which increased its budget for advertising this year was the Ministry of Agriculture and Rural Development, which spent € 6,199 compared to the previous year’s € 2,516. The only ministry which according to the data received by CCE did not spend a single cent for media services was the Ministry of Justice.



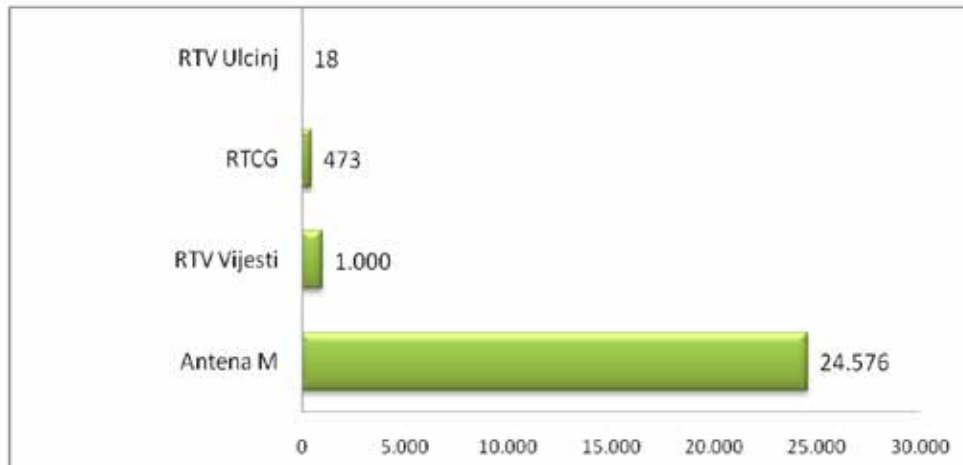
As far the other public authorities (agencies, directorates, secretariats, cabinets, departments, bureaux), the highest amount was spent by the General Secretariat of the Government of Montenegro, i.e. € 33,210 (€ 39,161.80 in 2011). The next in line is the Real Estate Department with € 21,930, which is 5% less than the amount spent in the previous year (€ 50,921). The Directorate for Transport came third with € 14,402 for media services (in the previous year this sum amounted to € 18,785). It is followed by the Directorate for Anti-Corruption Initiative (€ 11,384), which spent nearly four times less money in 2012 than in 2011 (€ 40,554), and the Forest Authority with € 8,958 (previous year € 27,598). Other public bodies spent € 300 and € 6,500 for these purposes. The institutions that spent least on the media were the Veterinary Authority (€ 379) and the recently established Directorate for Inspections (€ 300). Significant savings are recorded within the Agency for Environmental Protection which only spent € 6,500 compared to the previous year’s € 19,555. Other institutions, such as the Directorate for the Prevention

How much and to whom do the citizens pay for advertising?

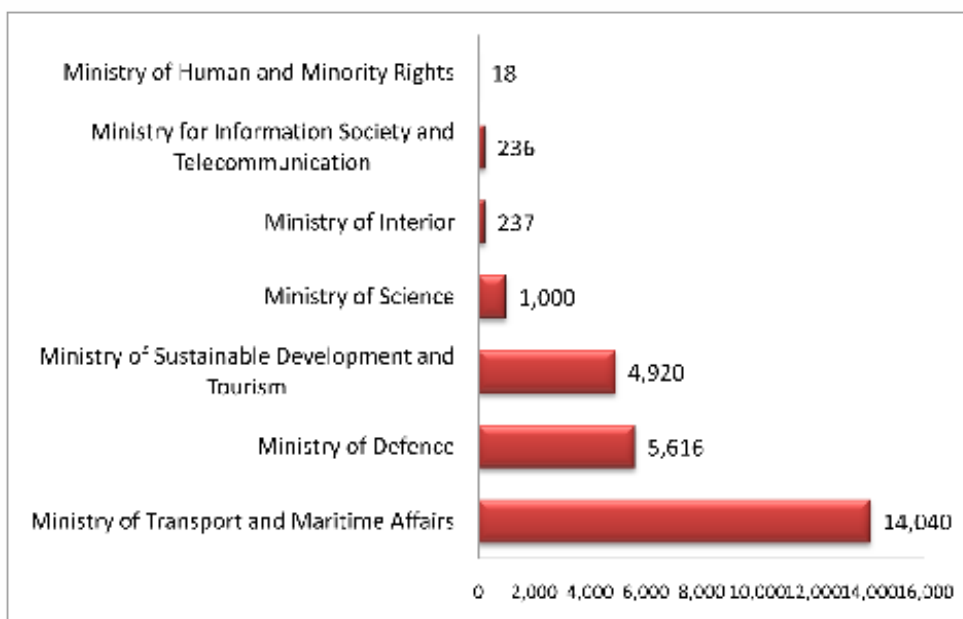
of Money Laundering, spent nearly identical amounts in these two years. Overall, based on the responses to our requests for information from public authorities, 20 out of 43 Government bodies we contacted (excluding ministries) that did not have any expenditure for this purpose.



The Parliament of Montenegro spent a total of € 63,345 which is € 16,116 less than in the previous year (€ 79,461). The largest portion of this sum - € 48,000 - was paid to the agency „M.A.M.A“, which deals with press-clippings and provides audio-video services. The second biggest supplier was company „Globex“, with € 4,505 for Internet broadcasting of the Parliament meetings and maintenance of the relevant software. **The Parliament of Montenegro is discussed separately in this report in order to compare the expenses of the legislative and executive branches, but in the charts and tables it is included among other other state institutions, whereas the data for ministries is displayed separately.**

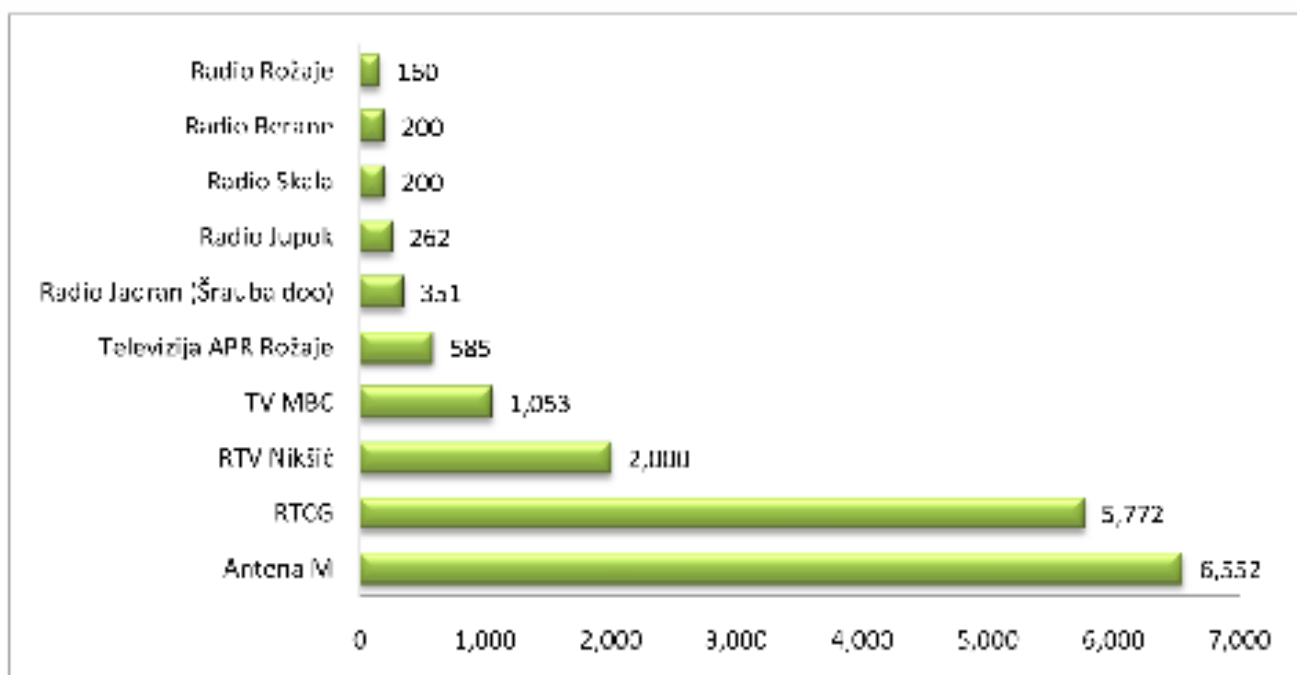
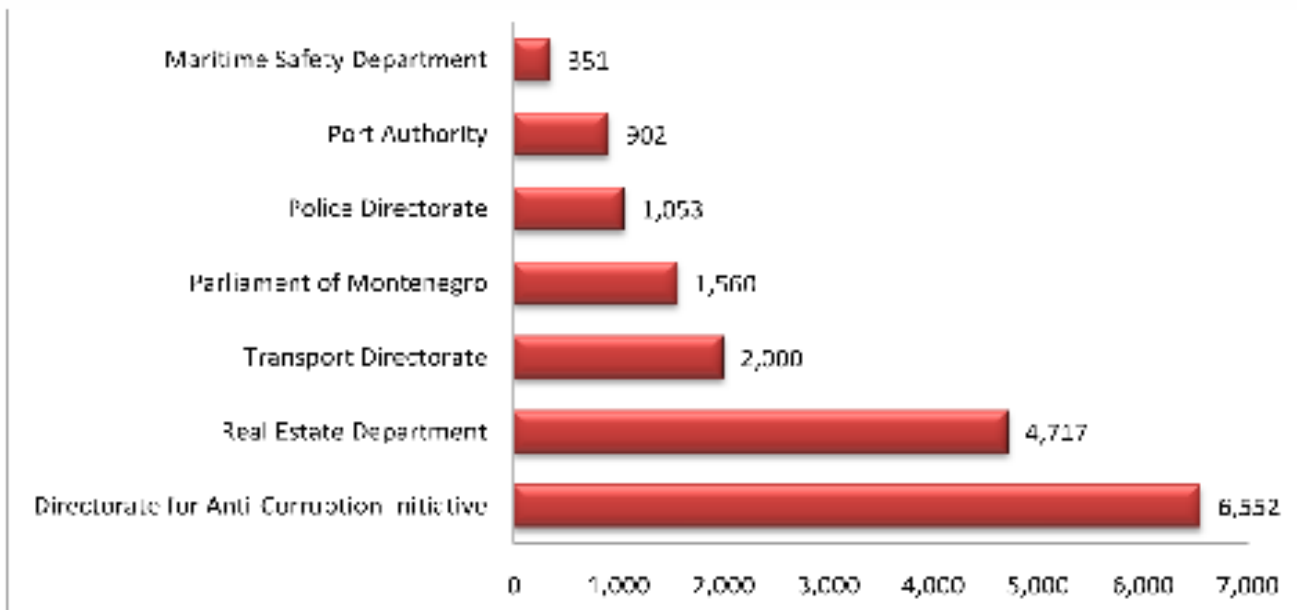


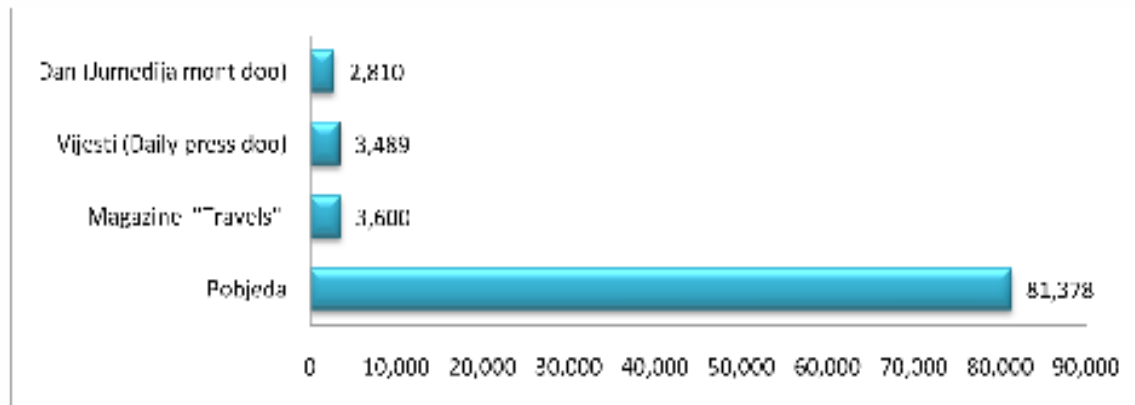
Radio “*Antena M*” received the largest amount of funding destined for advertising in television and radio channels - nearly 95% of the total expenditure by all ministries in this category. This amounts to € 24,576, of which more than a half (€ 14 000) came from the Ministry of Transport and Maritime Affairs. With this, “*Antena M*” received € 10,000 for advertisements of public authorities than in 2011. In the previous year as well, however, the largest share of payments came from the Ministry of Transport and Maritime Affairs (€ 11,700). Television “*Vijesti*” came a distant second, with € 1,000 paid for advertisements by the Ministry of Science, which is seven times less than in 2011 when TV *Vijesti* received €7,000 for media services to authorities. Radio Television Montenegro (RTCG) got a mere € 473: same as in the previous year, RTCG is at the bottom of the list of media chosen by ministries for advertising on TV and radio stations. According to the data received by CCE, NTV “*Montena*” did not receive a single cent from public authorities for advertising purposes this years, compared to the previous year when it was one of the top advertising venues for the ministries (Ministry of Transport and Maritime Affairs alone spent € 19,720 for advertisements in its programmes). Finally, radio “*Ulcinj*” received €18 for advertisements by the ministries.



How much and to whom do the citizens pay for advertising?

Comparing data, we can see that the Ministry of Transport and Maritime Affairs spent the largest amount of money on services by TVs and radio stations - € 14,404, or 53,88% of the total. It is followed by the Ministry of Defence, with 21,54% of total spending in this category (€ 5,616). Ministry of Tourism and Sustainable Development also spent € 4,920 for advertising on TVs and radio channels in 2012 (8,87%), followed by the Ministry of Science and Ministry of Interior. The least money in this category was spent by the Ministry of Human and Minority Rights: only € 18, or 0,07% of the total. As a reminder, in 2011, the largest amount for advertising in TV and radio channels, € 32 000 (36,68% of the total), was spent by the Ministry of Culture (this included also the sum on the basis of the competition for the co-financing of media). In the same year, Ministry of Transport and Maritime Affairs spent more than € 30 ,000, i.e. 35% for such services.

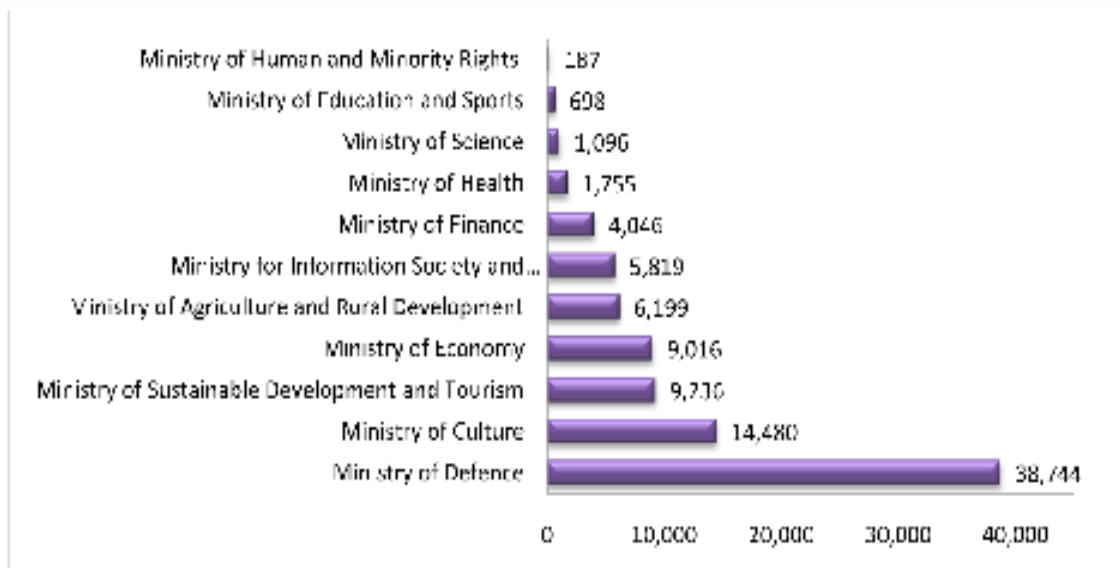




It is interesting to note that the Ministry Sustainable Development and Tourism paid € 400,000 in 2012 to the world-wide TV station CNN (previous year: € 500,000) and € 100,000 to the TV station BBC as part of the campaign to promote tourism in Montenegro.

As for the other state institutions, the highest amount of money was spent by the Directorate for the Anti-Corruption Initiative, i.e. € 6,552 (entire sum paid to radio „Antena M“). The second largest amount comes from the Real Estate Department: € 4,717. Nearly € 3,500 of it was allocated to RTCG, but the total amount is € 17,803 less than in the previous year (€ 22,520). After that come the Directorate for Transport, the Police Directorate, the Port Authority and the Maritime Safety Department, which spent the least on TV and radio advertising. Of the money paid by this group of public institution for advertising services in electronic media, the largest amount went to “Antena M” (€ 6,552), followed by RTCG (€ 5,772) and RTV “Nikšić” (€ 2,000). It should be stressed that these funds were far below the amount spent in the previous year, when the largest commission went to TV IN (around € 22,000), followed by to RTCG (€ 14,087) and radio „Antena M“ (€ 8 875).

The study also analysed the contracts with printed media, online media and news agencies. Among the printed media, daily newspaper “Pobjeda” was by far the biggest beneficiary of the advertising activities of the ministries, receiving altogether € 81,378, or 89,16% of all money allocated by the ministries

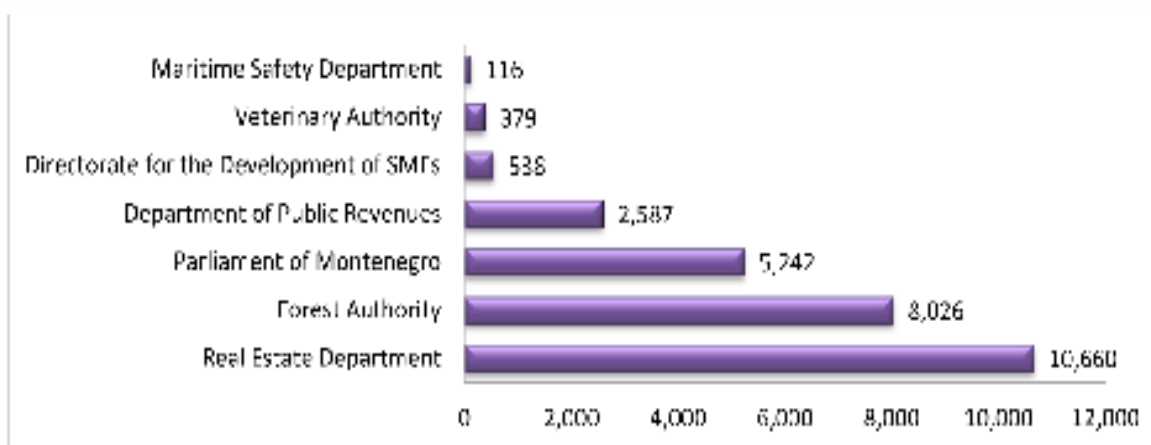


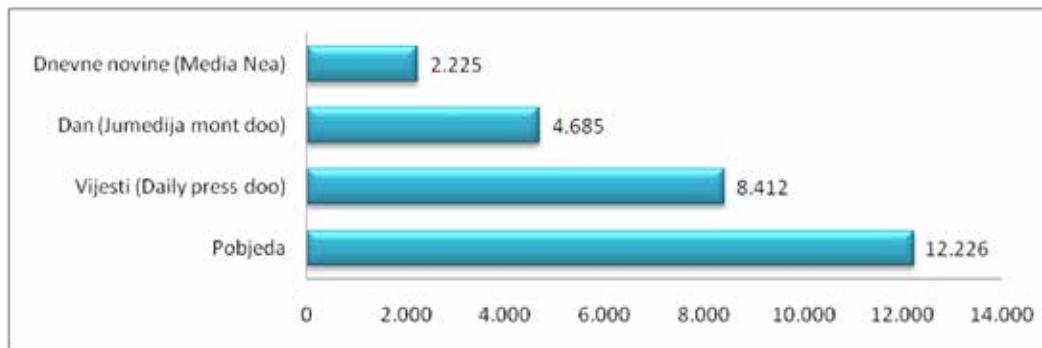
in this category, although this was still € 46,870 less than this daily received in 2011. Daily “*Vijesti*” got € 3,489 or 3,82% (€ 6,429 less than in 2011) and daily “*Dan*” € 2,810 (a little over 3%, and € 4,609 less than in 2011). Together, the two biggest dailies in the country got less than the monthly magazine “*Travels*”, published by the Youth Association of Montenegro, which got € 3,600 for advertisements from the Ministry of Tourism and Sustainable Development. According to the data available for CCE, other newspapers such as „*Dnevne novine*“ or „*Blic Crna Gora*“ did not receive any contracts from the ministries.

Ministry of Defence spent the largest amount of all ministries on the printed media: € 38,744, all of which was paid to the daily “*Pobjeda*”, just like in 2011, although the amount for the previous year was much larger (€ 53,227). The second in line was the Ministry of Culture, with € 14,480 (€ 31,502 last year), nearly all of which were also spent on the services of “*Pobjeda*“. Ministry of Tourism and Sustainable Development spent only € 9,236 this year on the printed media, compared to € 58,789, while the Ministry of Economy also cut its budget by half, from € 20,337 to € 9,016. The Ministry for Human and Minority Rights spent the least in this category – while in 2011 its budget for the printed media amounted to € 13,830, in 2012 it only spent € 187, or 0,21% of the total amount spent by all ministries.

Of the rest of the public institutions, the largest amount of advertisement funding for the printed media came from the Real Estate Department (38,70% or € 10, 660). In contrast to the previous year, when the overall sum of €18,884 was spent entirely on advertisements in the daily “*Pobjeda*”, in 2012 the money was more equally split between “*Pobjeda*” (€4,580) and “*Vijesti*” (€ 3,200), with only € 2,88 for “*Dan*”. Forest Authority spent altogether € 8,026 on the printed media (29,13%), followed by the Department of Public Revenues, the Directorate for Development of SMEs, Veterinary Authority and the Maritime Safety Department, which is the one that spent the least on advertising in printed media (€ 116). Most of it, as in the case of ministries, was spent on “*Pobjeda*” (44,38%, or € 12,226), followed by “*Vijesti*” (30,54%, or € 8,124) and “*Dan*” € 4,685. For “*Pobjeda*” this was a huge drop from the € 61,121 it received in 2011, but both “*Dan*” and “*Vijesti*” increased their share of advertisement funds (in 2011 “*Vijesti*” got € 5,824 and “*Dan*” € 2,252). „*Dnevne novine*“ also received € 2,225, most of it coming from the Parliament of Montenegro.

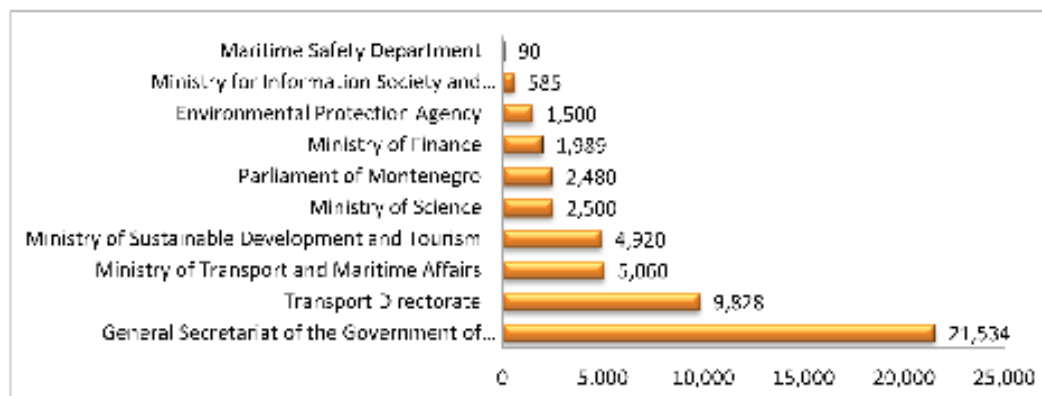
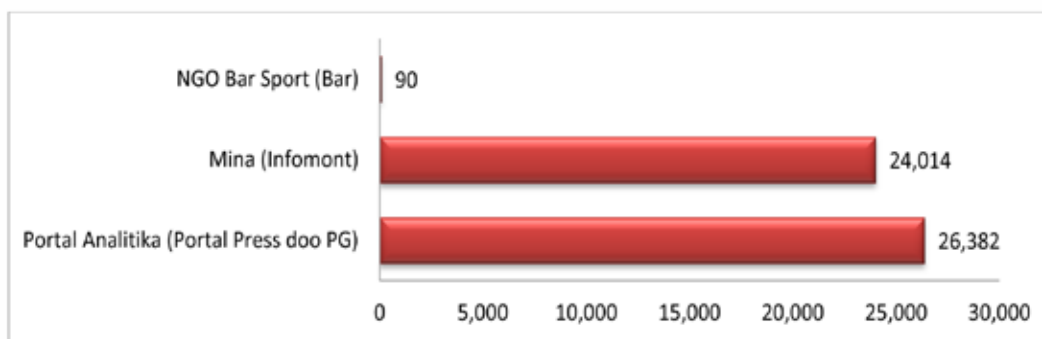
As in the case of ministries, the only newspaper that did not receive any money was „*Blic Crna Gora*“.





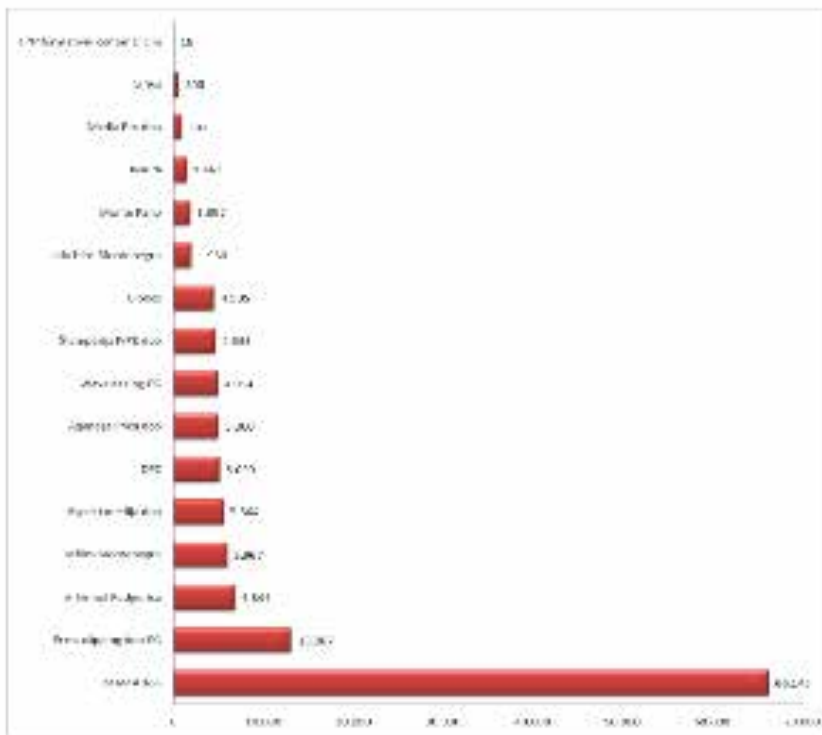
Among the online media, only the news portal “*Analitika*” received any money from public advertising. In 2012 it received € 26,382, approximately one third of which came from the Directorate for Transport (€ 9,828), followed by another € 5,060 from the Ministry of Transport and Maritime Affairs. Remarkably, the same institutions spent substantial amounts for advertising on the same news portal in 2011 (€ 20,329). According to CCE’s data, neither the news portal Vijesti nor CdM had any service contracts with public authorities.

News agency MINA also received € 24,014 for its services, € 21,534 of which came from the General Secretariat of the Government of Montenegro. The sum is a one-year subscription for MINA’s services, which extends to most government institutions and does not include advertising or specialised production. In 2011, MINA received € 31,374 from public authorities, € 28,712 of which from the General Secretariat of the Government of Montenegro.



Somewhat ironically, the institution that made the least use of online media and news agencies was the Ministry for Information Society and Telecommunications (€ 585), only ahead of the Maritime Safety Department (€ 90).

In 2012 government institutions also relied on the services of marketing agencies and production houses. The most active user was the Ministry of Culture, which paid € 9,994 (all of the money it spent in this category) to the agency “M.A.M.A.”. Second was the Real Estate Department with € 6,552, followed by the Customs Administration, which paid € 5,967 to the company “Mfilm Montenegro” for the production and post-production of HD-quality video and audio records of the activities carried out by Customs Administration.



The General Secretariat also spent € 5,386 for press clipping, while the Ministry of Human and Minority Rights only spent € 18 for such services. “Press clipping doo” also received a substantial sum (€ 13,067) from the Ministry of Tourism and Sustainable Development, Ministry of Labour and Social Welfare, Property Authority, Statistical Office and Directorate for Inspections.

As for the foreign media services, in addition to CNN and BBC which were contracted by the Ministry of Sustainable Development and Tourism, in 2012 General Secretariat of the Government of Montenegro also paid € 6,290 to the agency Beta from Belgrade for the provision of news services on the region.

According to the data available to ECE, no institution asked for a public opinion poll in 2012.

Even though public companies were not the specific focus of this study, we also analysed the spending patterns of a few state-owned enterprises in the field of media advertising. Using the provisions of the Law on Free Access to Information, we sent requests for information to Aerodrome Montenegro, Coastal Zone Management Agency, Agency for Electronic Communication and Postal Services, Montenegrin Elektroprenos (CGES) and EPCG. We received complete information only from the Coastal Zone Management Agency and Agency for Electronic Communication and Postal services, which have spent € 23,476 and € 21,234 respectively for advertising in different media. The largest beneficiary was online news portal “Analitika”, which received € 9,371 from these two agencies, followed by radio “Antena M” with € 6,669, and TV Vijesti with € 6,165. Power distribution company Elektroprivreda Crne Gore (EPCG) only provided data by category, without specifying the beneficiaries: it spent € 20,000 on the services of “Vijesti”, “Pobjeda”, “Dan” and “Dnevne novine”, and around € 30,000 on electronic media „Cafe del Montenegro“, „Analitika“ and on the portal and radio „Antena M“. It also paid € 13,000 paid to the agency “M.A.M.A.” for press-clipping.



Conclusions and remarks

- **Taxpayers must be able to monitor how their taxes are spent and evaluate the benefits they receive in return. Therefore, CCE again urges all institutions to make such information available on their websites.**
- **CCE welcomes the fact that the spending on media by public institutions has been reduced. According to the data collected by CCE for this study, spending on such services was reduced by €982,944 compared to the previous year. Nevertheless, the extent of cuts varies tremendously between the institutions.**
- **CCE regrets that there are still no clear and logical criteria that determine which media are chosen to advertise calls and activities of different institutions, as the current selection does not seem to correspond to independent measures of public trust, popularity or the media companies' pricing policies. As the Law on public procurement also applies to advertising services, it would be helpful to make such criteria explicit and ensure they are rigorously implemented.**
- **Public administration bodies ought to improve their responsiveness to the requests filed under the provisions of the Law on Free Access to Information, and observe the legal limits for delivery of information. At the moment, most institutions fail to demonstrate adequate commitment to fully comply with the law.**

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