



Centar za građansko obrazovanje
Centre for Civic Education

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

April, 2012.



Introduction

The project “*How much and whom do citizens in Montenegro pay for advertising*” was established within the programme of the Centre for Civic Education *Medija and Democracy* and it aims to raise awareness on the expenditures from the Budget of Montenegro. The specific objective of the project is to point out the relations that governmental institutions and the Parliament have towards media in Montenegro as far as service contracts signed by them concerns.

In this regard, the Centre for Civic Education (CCE) has been collecting data from the end of January to the end of March in accordance with the Law on Free Access to Information. Data refer to all media, PR agencies, public opinion research agencies and production companies that the Government of Montenegro and its bodies, as well as the Parliament, engaged during 2011 on the basis of services contract, technical service or any other service contract. Moreover, the process of data collecting and processing included the amount paid to these entities by the Government and Parliament of Montenegro during 2011 and the type of services covered by these contracts.

In Montenegro, according to the new organization, the state administration consists of **57** bodies which were addressed by the project:

16 ministries and 1 ministry without portfolio:

- Ministry of Justice
- Ministry of Interior
- Ministry of Defense
- Ministry of Finance
- Ministry of Foreign Affairs and European Integration
- Ministry of Education and Sport
- 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 Telecommunications
- Ministry of Labour and Social Welfare
- Ministry of Science
- Ministry without portfolio

2 Agencies:

- Agency for Tobacco
- Environment Protection Agency

6 Directorates:

- Directorate of Public Works
- Directorate of Transport
- Directorate for Railways
- Public Procurement Directorate
- Directorate for the Development of Small and Medium Enterprises
- Directorate for the protection of classified information

17 administrative bodies:

- Tax administration
- Property Agency
- Customs administration
- Maritime Safety Department
- Port authority
- Veterinary administration
- Directorate for Anti-corruption initiative
- Administration for prevention of money laundering
- Directorate of Forestry
- Directorate for Water
- Directorate for Human resources
- Police directorate
- Administration for protection of competition
- Administration for Games of Chance
- Phytosanitary administration
- Property administration
- Directorate for youth and sport

2 Secretariats:

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

9 institutes:

- Bureau of Statistics
- Hydrological and meteorological Service
- Seismological observatory
- Agency for international scientific, educational, cultural and technical cooperation
- Bureau for Education services
- Institute for execution of criminal services
- Bureau of Metrology



- Bureau for the care of refugees
- Intellectual property office

and 4 additional bodies:

- Office of the Prime Minister,
- Office of the Deputy Prime Minister for political system, foreign and domestic policy
- Office of the Deputy Prime Minister for economic policy and financial system,
- State archive

The project includes also the Parliament, in order to see the ratio of these costs in both legislative and executive power.

The aforementioned bodies haven't been providing requested information at the same time nor the quality of the information has been the same. This has significantly affected the length of the survey and of data processing.

Findings of the project

Generally, the institutions proved themselves to be rather easy going, given the fact that a great amount of them violated the 8 days deadline established by Law and often provided incomplete information. This required additional requests and communication by CCE. In the end, information were collected from all institutions.

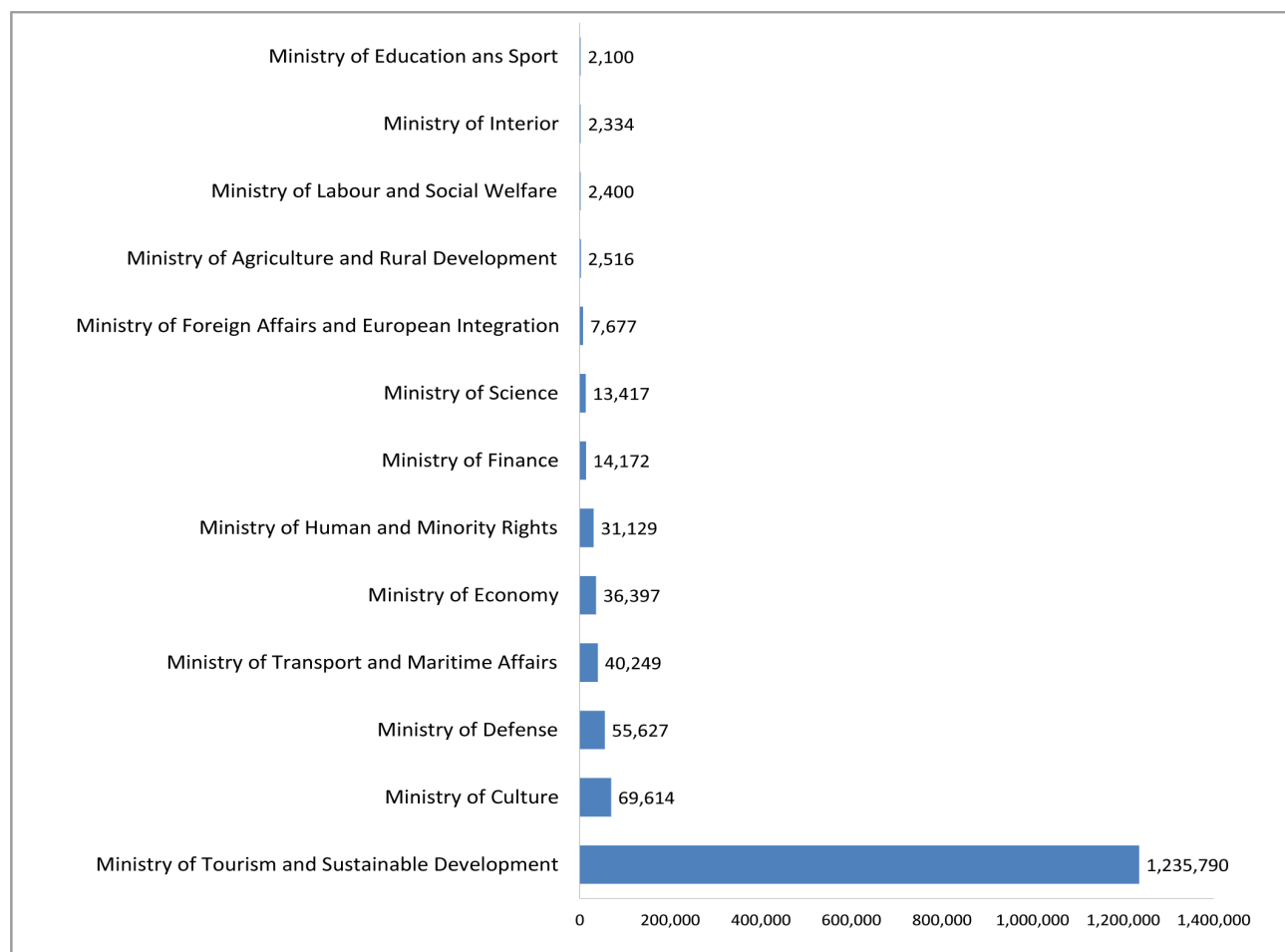
During 2011, these institutions spent € **1,830,344.83**. According to the Law on free access to information, CCE collected data concerning all media, agencies for public relations, agencies for research on public opinion and production companies that the Government of Montenegro and its bodies, as well as the Parliament, engaged during 2011. Of the afore mentioned amount, € **79,461.18** were spent by the Parliament and € **1,750,883.65** by the executive bodies. Among the organs of the executive power, most of the funds were spent by the Ministry of Tourism and Sustainable Development (€ **1,235,789.73**) and the minimum by the Public Procurement (€ **200**)

This study showed that these institutions don't have the same relations towards all media and that criteria for choosing the media for advertizing are not clear, if we take also into account public opinion polls on the trust of citizens towards media.

By far, the Ministry of Tourism and Sustainable Development had the biggest expenditure (€ **1,235,789.73**), followed by the Ministry of Culture (€ **69,614.32**). It must be pointed out that the Ministry of Culture spent a great amount of its funds on the basis of projects submitted to the Ministry. The

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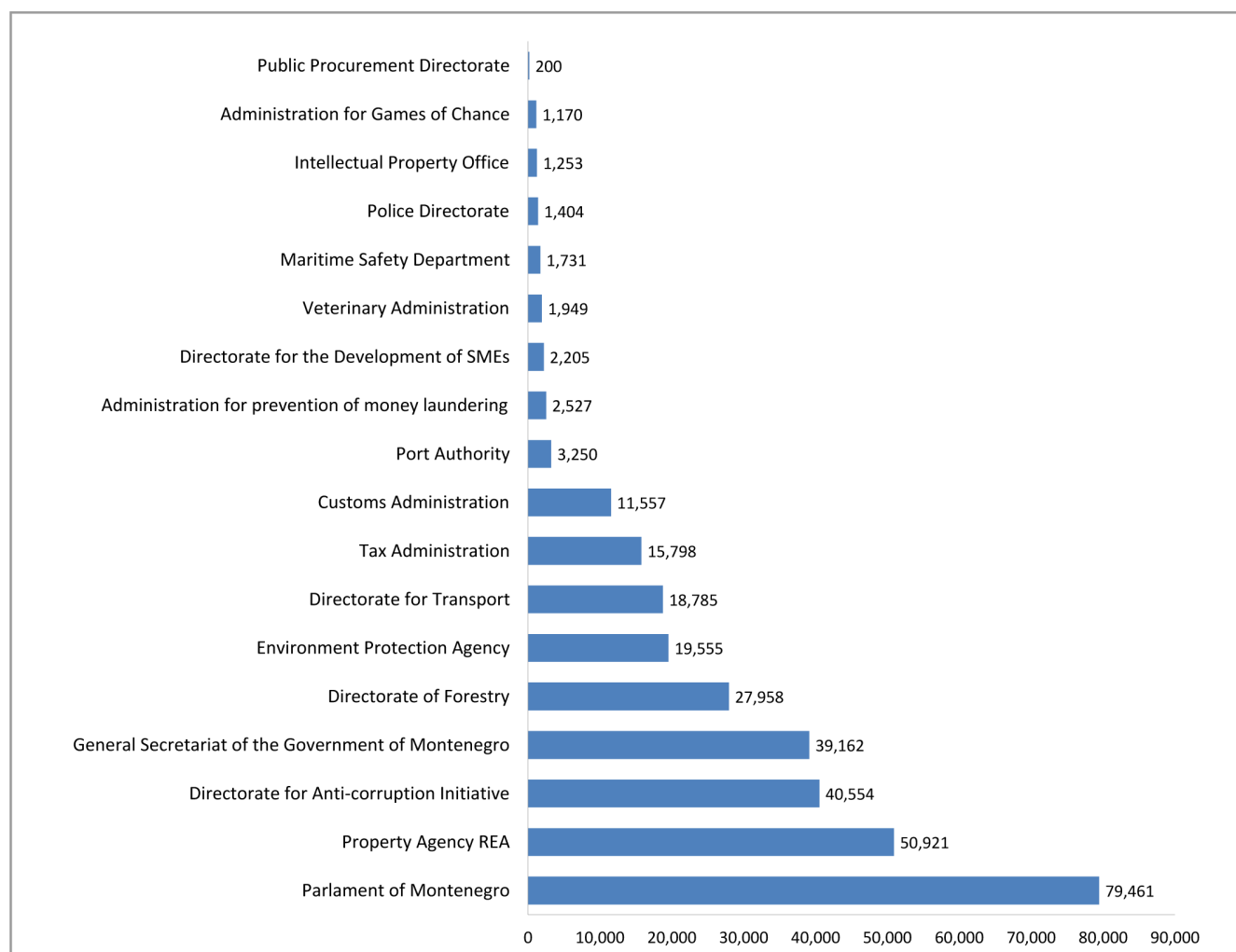
Ministry of Defense spent in the amount of € **55,627.22**. It is followed by the Ministry of Transport and Maritime Affairs (€ **40,249.15**), the Ministry of Economy (€ **36,396.54**), the Ministry of Human and Minority rights (€ **31,128.89**). The other ministries spent among € **2,100** and € **14,200**. Ministries which spent less for advertising on media are the Ministry of Interior (€ **2,333.58**) and the Ministry of Education and Sport (€ **2,100**).



When we look to the other state bodies (agencies, directorates, administrative bodies, secretariats and cabinets), the biggest expenditure is made by the Property Agency (Real estate) that spent € **50,921.30** for advertising. The Directorate for the Anti-corruption initiative is placed second with the amount of € **40,554.33**, followed by the General Secretariat of the Government of Montenegro (€ **39,161.80**). The Directorate for Forestry is placed fourth (€ **27,597.51**), then the Environment Protection Agency (€ **19,554.58**) and Directorate of Transport (€ **18,784.75**). Other state agencies spent from € **200** to € **16,000**. The smallest expenditure for advertising were made by the Administration for Games of Chance and (€ **1170**) and the Public Procurement Office (€ **200**).

It is interesting to notice that some ministries (Ministry of Law, Ministry of Health and Ministry for

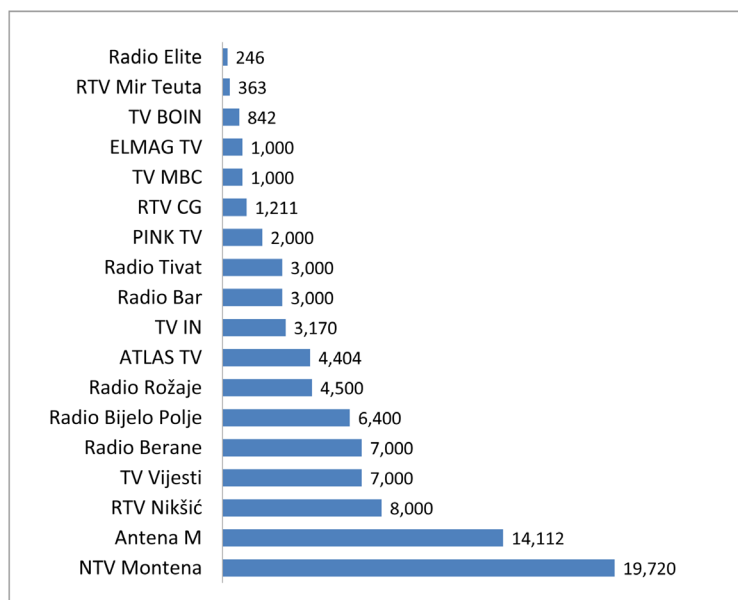
Information society and technology) and other state institutions didn't have costs on the basis of our request for free access to information and contracts that are delivered to us.



Legislative body -Parliament of Montenegro spent totally **€ 79,461.18**. Of that sum, the biggest amount have been allocated to M.A.M.A, a company that deals with press clipping and audio video services in the amount of **€ 42,406.06**, as well as to the company IN CO for costs concerning recording and distributing materials (**€ 12,299.94**).

The biggest amount of money for advertizing of activities of ministries on television and radio stations were given to the television Montena (23%), i.e. **€ 19,720** (of this amount, around **18,000 €** were given to NTV Montena by the Ministry of Transport and Maritime Affairs), to Radio Antena M no more than 16% (**€ 14,112**) (the majority of the amount given by the Ministry of Transport and Maritime affairs- **€ 11,700**), RTV Nikšić **€ 8,000**, while Television Vijesti and Radio Berane are placed fourth and fifth in the amount of **€ 7,000** each (most spent by the Ministry of Tourism and Sustainable Development, as

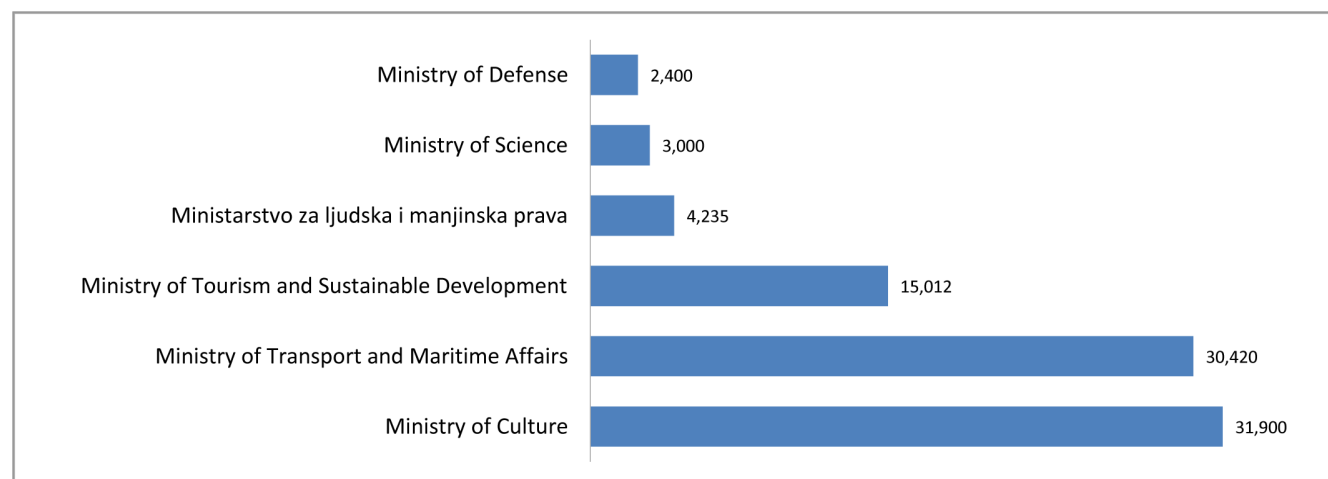
How much and to whom do the citizens in Montenegro pay for advertising?



far as TV Vijesti concerns). To RTCG ministries allocated 1,39% of expenditures, i.e. only **€ 1,211**.

In comparison, the Ministry of Culture is the one which allocated most money to TV and radio (36,68% or around **€ 32,000**) followed by the Ministry of Transport and Maritime Affairs (more than **€ 30,000**, respectively 35%). Less than a half of this amount was spent for advertising on television and radio stations by the Ministry of Tourism and Sustainable Development

(around 17%), followed by the Ministry for Human and Minority Right and the Ministry of Science. The smallest amount of money was spent by the Ministry of Defense, i.e. **€ 2,400** or **2,75%**.

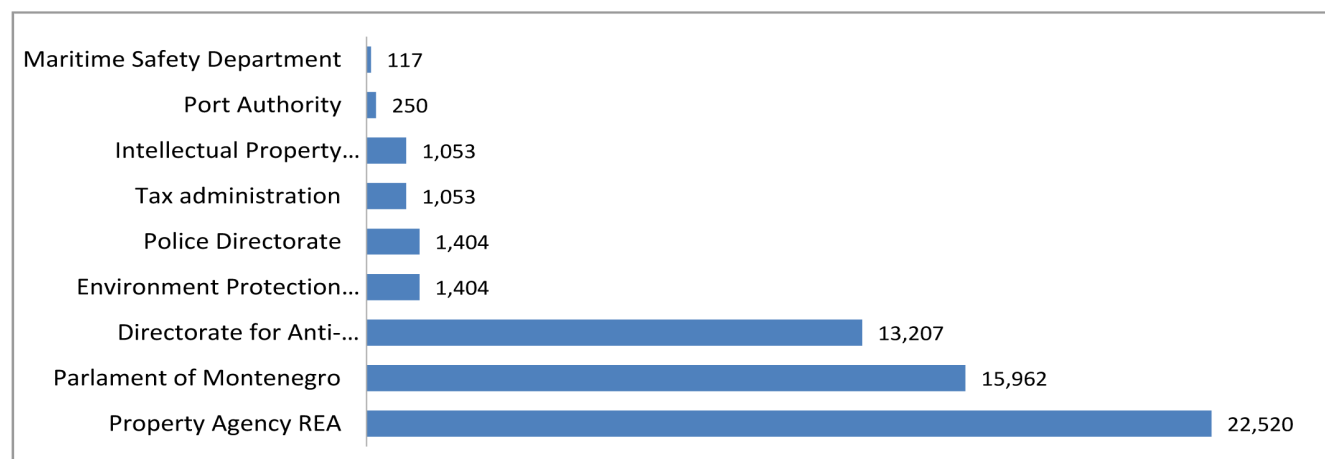
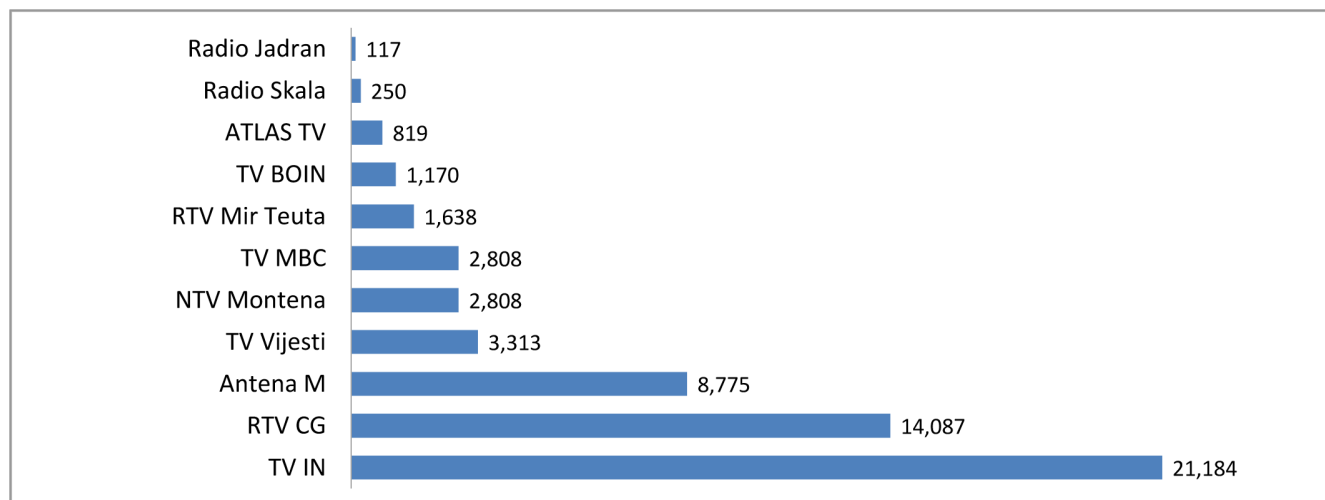


Furthermore, the Ministry of Tourism and Sustainable Development allocated € 500,000 to the global TV station CNN for a promotional campaign to attract tourism in Montenegro. For the same purpose € 580,000 were paid to the agency OMD MEDIA from Belgrade, which is in charge of promotional tourism marketing on regional television. However, CCE has not received any specification on the media or other providers to which money were further distributed nor any other information concerning links and relations among them.

As far as the other state institutions concerns, the biggest expenditure was done by the Property Agency-RAE in the amount of €22,520 (around €10,000 given only to RTCG) and by the Directorate for the Anti-Corruption initiative (€13,207). The Environmental Protection Agency is positioned as third, followed by the Police Directorate, the Tax Administration, Intellectual Property Office and the Port Au-



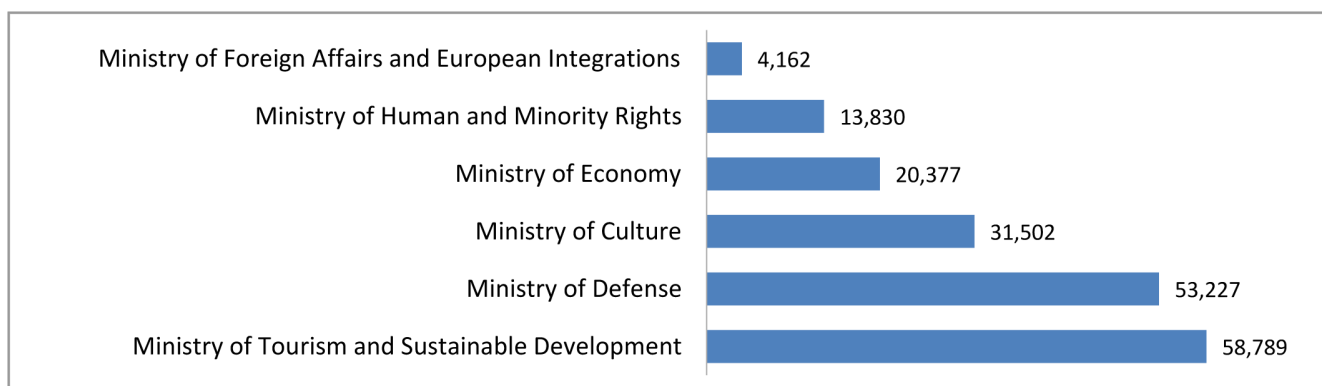
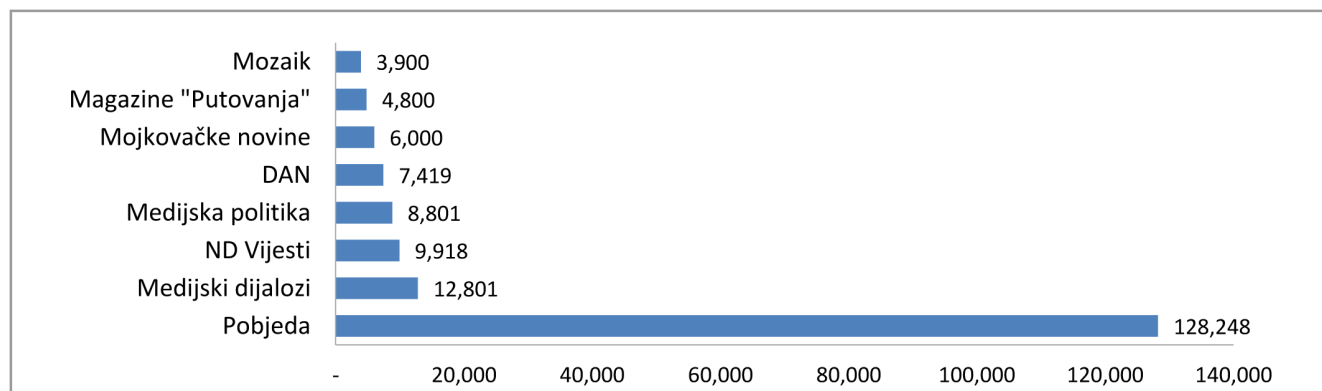
thority. The Maritime Safety Department is the least advertiser on radiotelevision programmes. Referring to media, the greatest amount of money was given by other state institutions to television IN (around €22,000), to RTCG € 14,087 and to Radio Antena M € 8,875.



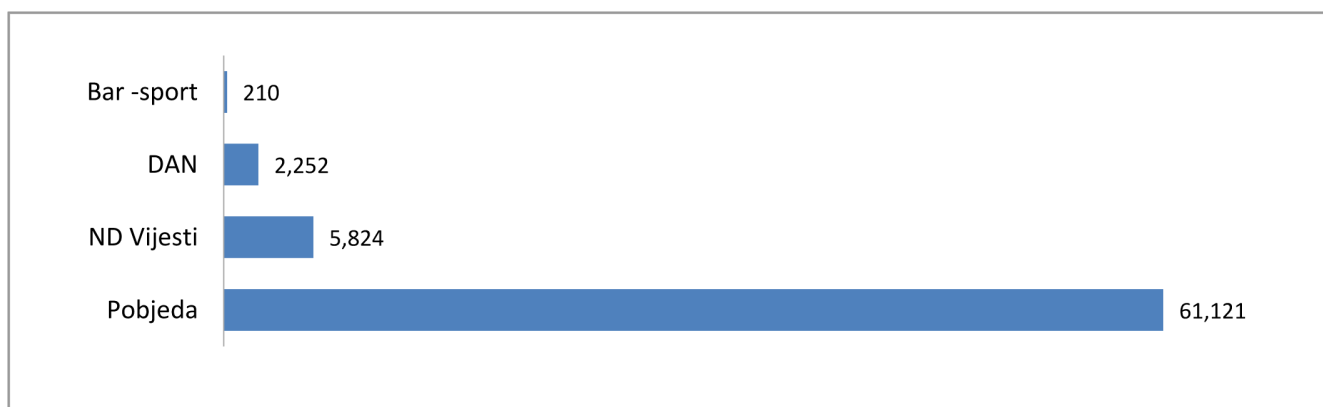
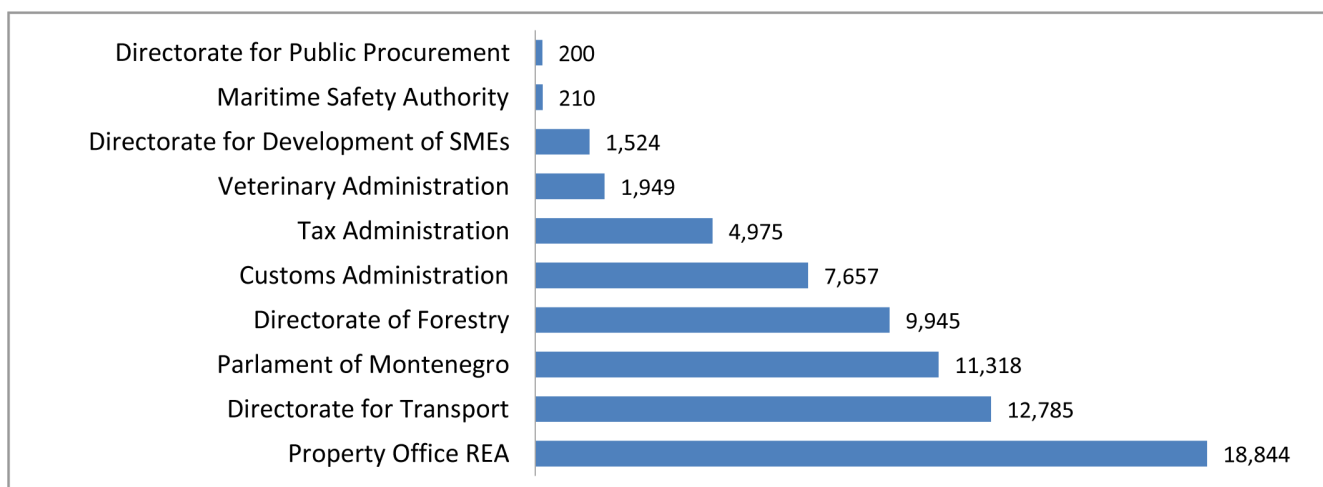
The study included not only electronic media but also printed media, portals and news agencies. The biggest amount for advertising on printed media among ministries was given to the daily newspapers „Pobjeda“ - € 128,248 i.e 70,51%, € 12,801 to „Medijski dijalozi“, € 9,918 to ND „Vijesti“ . € 7,500 were given to “Dan” , i.e. a little bit more than 4%. For this purpose, the Ministry of Tourism and Sustainable Development allocated nearly € 59,000, the Ministry of Defense spent slightly over € 53,000. Both ministries nearly allocated one hundred per cent of their expenditure to the daily “Pobjeda”. To promote its activities and projects the Ministry of Culture allocated € 31,502 to printed media, followed

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

by the Ministry of Economy, the Ministry for Human and Minority Rights. The smallest amount spent by ministries on printed media with the purpose of advertising was by the Ministry of Foreign Affairs and European Integration, which allocated **€ 4,162** or 2,29%.



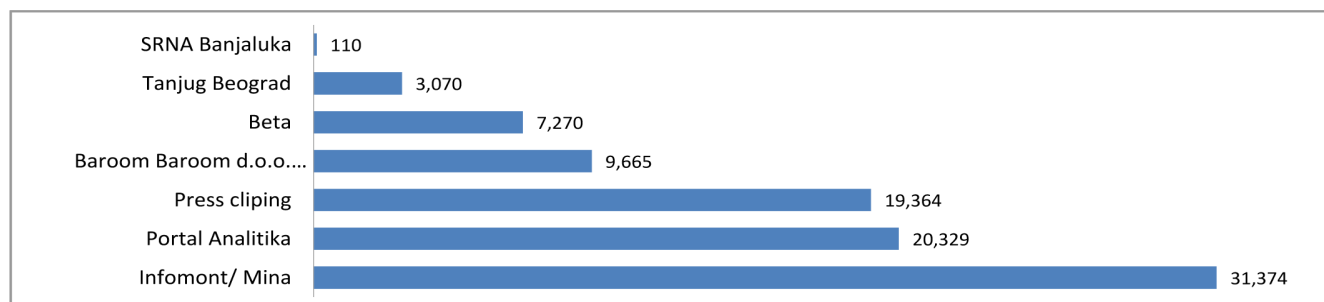
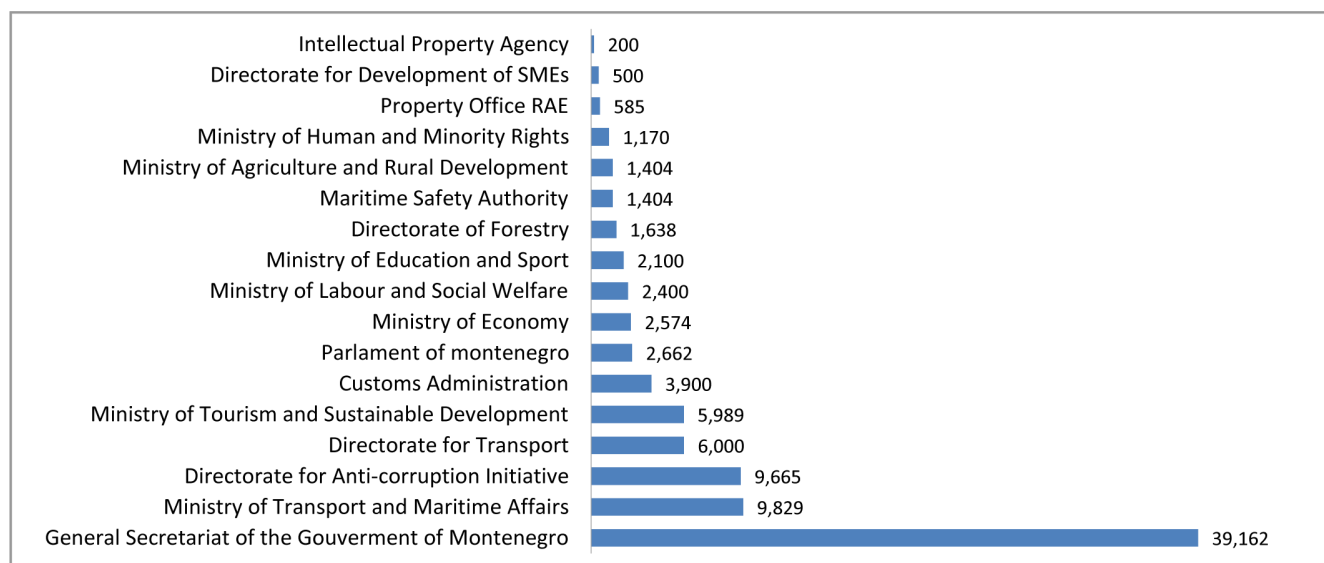
Among other state bodies and institutions, the biggest amount of money on advertising on printed media was spent by the Property Agency-RAE (27,25%) in the amount of **€ 18,884** (the overall amount spent for advertising on the daily “Pobjeda”). It follows the Directorate of Transport with **€ 12,875**, the Directorate of Forestry, the Customs Administration, the Tax Administration, Veterinary Administration, the Directorate for the Development of Small and Medium Enterprises, and the Maritime Safety Department. The Directorate for Public Procurement is the one among other state institutions which spent less for advertising on printed media. The biggest amount was given to “Pobjeda” (88% - **€ 61,121**). It follows “Vijesti” with the amount of **€ 5,824** (8,39%) and Dan with only **€ 2,252** or 3,24%.



Portals are becoming as well an important common way used by Ministries and institutions for advertising. According to the data that CCE received, Portal Analitika received money in the amount of € **20,329** and in the biggest amounts by the Ministry of Transport and maritime affairs (€ **6,815**) and the Directorate of Transport (€ **6,000**).

As far as news agencies concerns, Agency Mina received the biggest amount, almost € **31,374**, out of which € **28,712** only from the General Secretariat of the Government of Montenegro which engages this agency in the majority of cases. The sum that the Agency MINA received represents an annual subscription to the informative service that includes all state institutions, as MINA doesn't have an advertising service nor has a specialized production that public authorities finance. The smallest advertiser on portals or user of agency services is the Ministry of Human and Minority Rights € **1,170** among ministries and the Intellectual Property Office among the other state institutions (€ **200**).

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Government institutions engaged during 2011 also marketing agencies, production companies and similar agencies. The biggest user of these services is the Ministry of Tourism and Sustainable Development with almost € 76,000 paid to the company Montenegro Event d.o.o. Beside the Ministry of Tourism and Sustainable Development, the biggest amount was spent by the Directorate of Forestry, which paid €16.000 to the Rafting Club “Tara”. It follows the Ministry of Finance, which spent the majority of its funds to the advertisement and production of “MAPA”, i.e. € 9,770, the Directorate for Anti-corruption initiative and the Ministry of Economy. The smallest user of these marketing agencies and production companies is the Directorate for the Development of Small and Medium Enterprises.

Public opinion polls have not been the focus of the institutions. The only institution is the Environment Protection Environment that engaged Ipsos Strategic Marketing for a survey in the amount of € 9,980.



Conclusions and final remarks

➤ Citizens should be informed for which purposes their money is spent and which benefits they get from that. CCE recommends that these data are made public and available on the web-sites of the institutions.

➤ Taken into consideration that the relationship among media and the political scene in Montenegro is a sensitive topic, CCE strongly believes that it is important to have clear and understandable criteria to select specific media agencies and marketing companies. This will include strict adherence to Law on public procurement, in each case advertisement falls under the norms of this Law. In addition, CCE proposes that advertising for authorities should be legally determined through media legislation.

➤ Public authorities and ministries have to act promptly on the basis of the Law on free access to information and answer within deadline according to the Law.

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