

# **LOCAL SECTOR EMPLOYMENT IN MONTENEGRO**

## **SUMMARY**

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This paper addresses deficiencies in the legal and institutional frameworks in an area particularly prone to corruption – recruitment in local self-governments. The poor legal framework currently in place spoils the system and hampers merit-based recruitment.

The Law on Local Self-Government only partly regulates the legal status of local civil servants and employees, referring to analogous implementation of the rules and procedures in the law that regulates recruitment at the central level of state administration. However, many deficiencies have been seen in the analogous implementation of the Law on Civil Servants and State Employees. The local sector employs around 20,000 people, but the law is applied in an analogous manner to only around 4,000 employees working directly for local self-government bodies. Another 16,000 local employees, working mostly in public companies and public institutions established or owned by municipalities, are subject solely to the loose rules prescribed by the Labour Law.

The lack of human resource management units in the majority of municipalities – 16 of a total of 23 – and the difficulties seen in the formation of testing commissions are examples of legal inconsistencies which are mirrored in bad practice and misplaced perceptions about the role of the various actors that should perform the core human resource management tasks.

Administrative Inspection, tasked with conducting oversight of human resource management at the local level, suffers from a lack of capacity – following a reorganization, the number of administrative inspectors was reduced from seven to four, despite the wide scope of the Inspection's competence and the large number of unresolved initiatives each year. Decisions on which cases are subjected to inspection oversight are not regulated, while a large number of controls are carried out in municipalities run by parties which are in opposition to the national government.

Municipalities' integrity plans do not address the potential risks present in local administration recruitment and HRM practices in a comprehensive and effective manner. These documents are meaningless, as they merely copy and paste the same risks and the same measures for dealing with them, while specific and tailor-made measures are lacking.

A government working group is drafting a new Law on Local Self-Government. The current draft makes certain improvements, but does not address many problems seen in the field, so there is still room for further improvement, for which purposes the findings of this paper could be used.

In order to regulate the civil service system so as to address the needs of local self-governments, the new Law on Local Self-Government should be accompanied by bylaws that elaborate the specifics of human resource management at the local level. The scope of local civil service regulations should be widened to include more employees at the local level, including those working for public institutions and organizations funded by municipalities. Human resource management and the establishment of testing commissions should be entrusted to a special professional service – HRM units in all local self-government units – in order to ensure independence from other secretariats.

## INTRODUCTION

The policy problem this paper will address are deficiencies of the legal and institutional frameworks in the area of recruitment in local self-government, as a response to concerns about party patronage, nepotism and the politicization of public administration in Montenegro.

The blurred line between state and party in Montenegro, caused by the uninterrupted rule of one predominant party for almost 30 years, is hampering EU-driven efforts to professionalize public service. A poor legal framework means that informal party connections often take precedence over merit-based recruitment.<sup>1</sup> This is particularly reflected in local sector recruitment.

The European Commission's 2016 country report particularly highlights the need for public administration to be depoliticized by introducing candidates' merits as the key criterion for recruitment and promotion in public authorities at both national and local levels.<sup>2</sup> Public surveys also suggest that fighting cronyism in public administration should be a top priority for reform. Citizens see employment irregularities as the largest problem in public administration, along with inefficiency and corruption.<sup>3</sup> Every second citizen believes that this is only one of many problems (51%), while one in five believes it to be the greatest problem (22%).

The Law on Local Self-Government that is currently in force only partly regulates the legal status of local civil servants and employees, referring to analogous implementation of rules and procedures from the law that regulates recruitment at the central level of state administration. Regulations for civil servants and state employees, which prescribe some imperfect standards for recruitment and promotion, analogously apply to only around 4,000 employees of local government bodies,<sup>4</sup> while public companies and public institutions established or owned by municipalities, are only regulated by loose rules in the Labour Law and multiple special laws<sup>5</sup>.

However, the exact number of employees paid from local budgets remains unknown, standing as another illustration of the extent of problems in the field. Montenegro, with around 620,000 inhabitants, has 23 municipalities, while the exact number of local employees is unknown. The most recent information provided by the Minister of Public Administration is that 38,000 state employees are paid from the state budget, but this data does not include those who work for local self-government units.<sup>6</sup> In 2016, the government illegally classified this data, designating it as "restricted".<sup>7</sup> According to the Plan

1 In 2012, leaks of meetings of the ruling Democratic Party of Socialists (DPS) published by daily newspaper Dan resulted in a scandal, later named the Audio Recordings Affair, which alleged abuse of public resources and office during recruitment for public bodies. Bajramspahić, Dina, Institute Alternative, How to Make Parliamentary Inquiries Successful? – A look at the Audio Recordings Affair Parliamentary Inquiry two years on, May 2015, available at: <http://bit.ly/2xtbUYa>

2 The European Commission's Montenegro Country Report 2016, available at: <http://bit.ly/2tr6wXs>

3 From the results of a public opinion survey conducted by IPSOS for Institute Alternative as part of the EU funded project "Civil Society for Good Governance: To Act and Account!". Data for the survey was collected by IPSOS from 10 to 16 February 2017: <http://bit.ly/2voXrv0>

4 Data obtained through participation in the working group for drafting the Law on Local Self-Government.

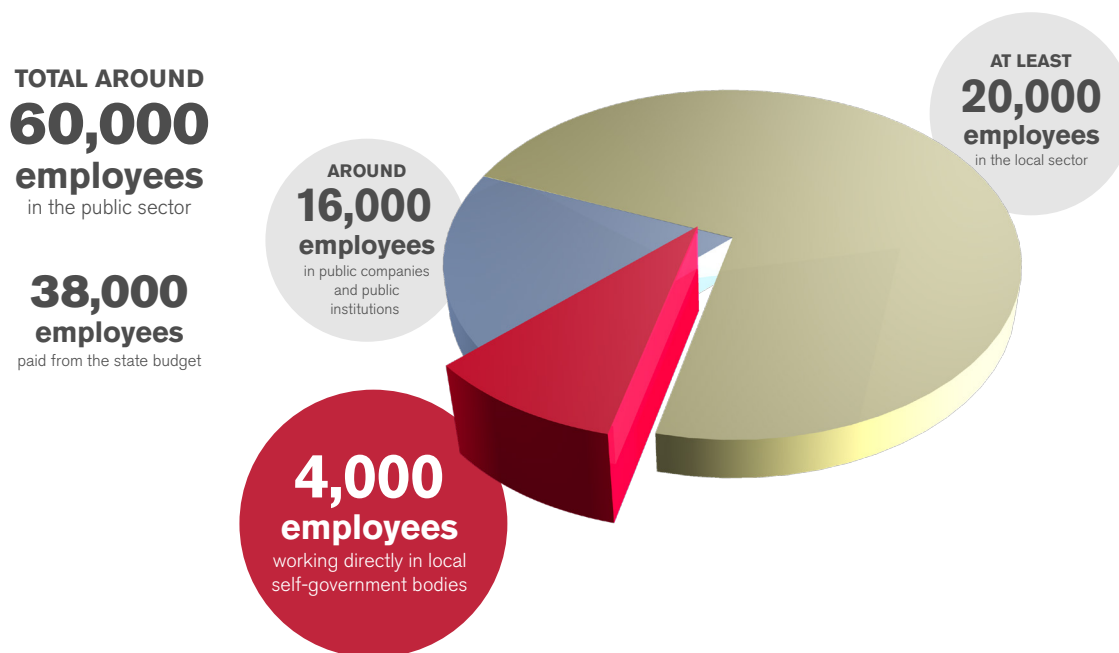
5 There is an ongoing debate over how recruitment procedures for public enterprises and public institutions can be more strictly regulated. The Agency for the Prevention of Corruption issued an opinion on Montenegro's Labour Law, stating that "procedures which determine the rights and obligations of employees jeopardize the public interest and may undermine the integrity, equality and transparency of procedures which determine the rights and obligations of employed persons." Available at: <http://bit.ly/2ghmAGN>

6 Pribilović: 38,000 Employees Paid from State Budget, Vijesti Online, Author Mina, 29 September 2017, available at: <http://bit.ly/2kMREzu>

7 In 2016, the government illegally classified the key document on the state of public finances at the local level, designating it "restricted". Alongside financial data on the position of local finances, unpaid obligations, outstanding debt etc., the document also contained the most relevant data on the number of people employed by local self-government units, including public enterprises and institutions. The Government has concealed information on the state of play in Montenegrin municipalities, Marko Sošić, Institute Alternative, January 2016, available at: <http://bit.ly/2yI52zT>

for Internal Reorganization of the Public Sector 2013-2017, there were around 60,000 employees in the public sector.<sup>8</sup> This suggests that the local sector encompasses around 20,000 employees, of whom around 4,000 work for local self-government bodies and are subject solely to unclear rules for the state level applied “by analogy”. Around 16,000 more are employed by the local public companies and public institutions established or owned by municipalities and are subject to the loose rules prescribed by the Labour Law<sup>9</sup>. Standard for the number of local employees per capita is not defined and it differs among municipalities, which allows excessive employment<sup>10</sup>.

An amount spent on salaries at the local level stands as another illustration of the extent of the problem. For example, in 2016, total expenditure of all local self-governments amounted to 204,45 million euro, out of which almost one quarter – 45.10 million euro, was spent on salaries of the employees<sup>11</sup>.



In order to examine the extent of the problem, we have analysed the legal framework and official documents which are either available online or were obtained via Freedom of Information (FOI) requests. Reports on inspection oversight, recruitment files for local civil servants and copies of appeals represented especially useful sources for mapping out the key problems and challenges. The first part of the paper describes the legal loopholes and the poor legal solutions and their effects in practice. The second part of the paper stresses the deficiencies of oversight and anti-corruption mechanisms in the field. The concluding part offers a summary of the key findings and recommendations for improvement, especially in the view of the proposed changes in the new Draft Law on Local Self-Government.

8 Plan on internal reorganization of the public sector, Ministry of Interior, Ministry of Finance, July 2013.

9 At the end of 2014, according to the findings of Institute Alternative, municipalities had 11.778 local employees, public companies and public institutions included. Infographic: How many people our local self-governments employ?, Institute Alternative, Portal My Town, available at: <http://mojgrad.me/infografici>

10 Ibid.

11 Public Finance Analysis, Ministry of Finance in 2016, March 2017, available at: <http://bit.ly/2x4WiL2>

## 1. The same solutions cannot bridge the differences between the state and local levels

Implementation of the Law on Civil Servants and State Employees,<sup>12</sup> aimed at addressing and curbing informal corrupt practices and party patronage in recruitment in state administration, started in 2013. While the Law is applied in an analogous manner at the local level, many aspects of the local civil service cannot be regulated by analogous implementation of the civil service law. In particular, this is due to the fact that regulation does not take into account the specifics of municipalities – their size, their number of employees, their capacities nor their organizational structure, which is neither uniform nor comparable to that at the state level.

The wide discretion of heads of authorities at the central level not to employ the top-ranked candidate is applied analogously at the local level, hampering merit-based recruitment. The current Law on Local Self-Government says not a word about the appointment of acting officials, a widespread practice at the local level. This leaves plenty of space for political persons to be appointed to key managerial positions in local self-government.

### Disregarding merit: Discretionary right with no basis

The right of heads of authorities at the central level not to appoint the top-ranked candidate is also applied at the local level.<sup>13</sup> According to the Law on Civil Servants and State Employees, the head of a state authority as a rule should select the top-ranked candidate from the shortlist. However, in exceptional cases, the head of state authority can select another candidate from a shortlist of five candidates, based on interviews of all shortlisted candidates.

This legal solution hampers merit-based recruitment, threatening to become a rule rather than an exception. Since candidates for vacant positions undergo written and oral testing, which takes into account different aspects of their knowledge and capacities, almost nothing is left to be the subject of a special interview with the head of the authority, which is why this institution is prone to misuse in practice.<sup>14</sup>



12 Law on Civil Servants and State Employees (Official Gazette of Montenegro, No. 016/16 from 08.03.2016.)

13 Milošević, Milena, Institute Alternative, Press release: Amendments to the Law on Local Self Government to be Thoroughly Approached, Institute Alternative, available at: <http://bit.ly/2vYZWYD>

14 For example, previous research found that the criteria used for scoring interviews, at the central level, such as sound logic, clear and compelling statements, presentation skills, knowledge relevant to the post, communication skills and personal motivation and presentation, are considered an integral part of the skills assessment procedure. For more see: Milošević, Milena, Institute Alternative, Monitoring Report: Recruitment and Promotion in State Authorities In 2014, May 2015, available at: <http://bit.ly/2vYS3T4>

## Municipalities lack the organizational resources to “copy” state practices

Another difficult aspect of analogous implementation of central level regulations at the local level concerns human resource management units, which do not exist in the majority of municipalities.

The work of the Human Resource Management Authority (HRMA) at the central level is to advertise vacant positions and recruit external experts, to determine the eligibility of candidates, to form testing commissions and to organize testing. If the civil service law is applied by analogy at the local level, this means that human resource management bodies in local self-government units should perform the same tasks. However, as with the many other ways in which the national law does not take into account the specifics of the local level, in most municipalities such bodies do not even exist.

We searched the websites of 23 Montenegrin municipalities, looking at their decisions on internal organization and the functioning of local self-government.<sup>15</sup> We found that only seven have special human resource management units, while in the other municipalities human resource management is just one of the many tasks given to the Secretariat for Local Self-Government or the Secretariat dealing with general administrative tasks.

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Montenegrin municipalities have special human resource management units.

Such legal inconsistencies are mirrored in bad practice and misplaced perceptions of the role of the various actors that should perform core human resource management tasks. The lack of a clear division of tasks causes confusion even to Administrative Inspection. For example, in one case in Capital City Podgorica, the Inspection found that the testing commission had not obtained evidence that all applicants had not been

convicted for criminal offences prosecuted ex officio, something which should be done by the HRM body during the phase of verification of the eligibility criteria of candidates.

The lack of such organizational bodies also causes irregularities in the determination of the eligibility of candidates. In 2016, Administrative Inspection found six cases in which local civil servants had been employed without a public announcement previously being made, while in two other cases public announcements were launched contrary to the Law on Civil Servants and State Employees. Also, in two cases individuals were employed without all the documentation required according to the announcement.<sup>16</sup>

The Law on Local Self Government currently in force allows inter-municipal cooperation on the principles of voluntarism and solidarity, which allows municipalities to freely cooperate and join funds in order to carry out tasks of common interest and meet the needs of citizens.<sup>17</sup> However, despite difficulties, municipalities did not make use of the possibility of inter-municipal cooperation to establish HRM bodies and thus strengthen their own capacities and improve human resource management.

15 Websites of municipalities accessed on 13 October, 2017. All municipalities' websites are available at the Portal My Town: <http://mojgrad.me/>

16 Insight into Administrative Inspection's minutes between 1st January and 18th November 2016. Minutes available at: <http://bit.ly/2xcKir3>

17 Article 27 of the Law on Local Self-Government.

## Testing gone wrong

The Appeal Commission annulled the decision on recruitment in Capital City Podgorica because the testing commission was not working at its full capacity, and candidates were not informed of the results of testing.

At the central level, testing commissions are formed by the Human Resources Management Authority (HRMA) and consist of an HRMA representative, a representative of the employing state authority and experts in the testing of the specific skills required by the announcement.<sup>18</sup> Analogous implementation of this provision of the Law at the local level would mean that one member of the commission would be from the human resource management unit, another would be from the se-

cretariat with the vacancy to be filled and one would be an independent expert engaged through a public announcement. This regulation does not take into account the specifics of municipalities – their size and capacities, which is why in practice their performance is poor.

For example, in three municipalities – Kolašin, Pljevlja and Ulcinj, it was stated at the interviews that they have difficulties in forming testing commissions due to lack of capacities. In the municipality of Ulcinj it was particularly stressed that engagement of an independent expert as part of the commission never happens in practice, since no one applies to the announcement, so they usually fill that position from among their existing employees who have expertise in a field related to the vacant position.<sup>19</sup>

In the municipalities of Rožaje and Kolašin, the inspection found that following a public announcement, individuals were employed despite testing not being conducted at all.

In Capital City Podgorica, in one case the Appeal Commission annulled a recruitment decision as the testing commission was not working at its full capacity, and candidates were not informed of the results of testing. In another case, a decision was annulled because the testing commission did not conduct the practical part of the test at all. Instead, the Commission allocated the same number of points for practical testing to all prospective candidates.<sup>20</sup>

Administrative Inspection's findings also show that irregularities happen during the testing phase. For example, in the municipalities of Rožaje and Kolašin, the inspection found that following a public announcement, individuals were employed despite testing not being conducted at all.



18 Article 42 of the Law on Civil Servants and State Employees (Official Gazette of Montenegro, No. 016/16, 08.03.2016.)

19 Interviews conducted for the purposes of the project "Civil Society for Good Governance – To Act and Account!", implemented by Institute Alternative and financially supported by the European Union.

20 Copies of appeals to and decisions of the Appeal Commission of the Capital City Podgorica obtained through FOI request on 14 February 2017.



## 2. Oversight and anti-corruption mechanisms do not enhance the integrity of recruitment

The wide scope of the irregularities that have been mapped, as well as the numerous possibilities for abuses in local sector employment, are not proportionally reflected in the functioning of mechanisms for the prevention of misuse and corruption. In the Operational Document for Fight Against Corruption in Particularly Vulnerable Areas, which was adopted as an Annex to the Action Plan for Chapter, Government recognised local self-government, and local sector recruitment within it, as one of the seven areas particularly prone to corruption. However, this document addresses this issue very superficially. Here, we focus on two oversight and anti-corruption mechanisms that function at the local level – the work of Administrative Inspection and integrity plans – since they are crucial in preventing bad practice on the ground before it becomes a matter for other repressive bodies and institutions.

**40%**

or 400 out of 953 of initiatives submitted to Administrative Inspection in 2016 were carried over to 2017.

### Administrative Inspection: Lacking Capacity and Decisiveness

Inspection oversight, which, among other competencies should prevent and sanction irregularities in the area of human resource management at the local level, is entrusted to Administrative Inspection.<sup>21</sup>

Although this inspectorate was expected to gain its independence in a reorganization,<sup>22</sup> this did not happen in practice. It still suffers from lack of capacity – the number of administrative inspectors has not increased, and was even reduced from seven to four. After they were taken from the Ministry of Interior, two inspectors were re-assigned to different workplaces, although their seven-year mandate had not ended and their workplaces were not abolished. Also, in March 2017, the chief administrative inspector, whose seven-year mandate had started just one year and six months earlier, was dismissed. This dismissal sparked public controversy, with allegations that it was politically motivated.<sup>23</sup> Such conduct does not contribute to the protection of inspectors in the civil service system.

The small number of administrative inspectors also contradicts the wide scope of Administrative Inspection's competences and the number of unresolved initiatives each year. For example, 40% of initiatives submitted to Administrative Inspection in 2016 were carried over to 2017 (400 out of 953),<sup>24</sup> which clearly indicates this body's lack of capacity and its improper response to concerns about irregularities on the ground. Eight inspectors currently work in the Administrative Inspection<sup>25</sup>. The Rulebook on internal organisation and systematisation envisages 15 workplaces within this inspection<sup>26</sup>, which leaves another 7 vacant positions to be fulfilled.

21 The competences of the oversight institution – Administrative Inspection – consist of conducting oversight of the implementation of administrative procedures, state administration and civil servants and state employees, as well as other areas regulated by special laws. The Law on Administrative Inspection, Official Gazette of Montenegro, no. 042/16

22 In the course of 2016, due to the establishment of the Ministry of Public Administration, Administrative Inspection was reorganized so that instead being a department within a Directorate of the Ministry of Interior, as it had been previously, it now became a special directorate within the Ministry of Public Administration.

23 Two former inspectors were moved from the Ministry of Interior and re-assigned to different workplaces. This does not contribute to the protection of inspectors in the civil service system, considering that they serve a seven-year term, while their workplaces were not abolished. Public Administration Reform – How Far is 2020?, Mr Milošević Milena, Institute Alternative, June 2017, available at: <http://bit.ly/2kNmdFe>

24 Ibid.

25 Statement of Danijela Nedeljkočić Vukčević, the Director General of the Directorate for Public Administration in the Ministry of Public Administration, at the panel discussion "Priorities of the Public Administration Reform", held on 17 October 2017, available at: <http://bit.ly/2ytIWcq>

26 Rulebook on Internal Organisation and Systematisation of the Ministry of Public Administration, from 14 September 2017, available at: <http://www.mju.gov.me/organizacija>

Besides the dismissal of the chief inspector, the prioritization of cases to be subjected to inspection oversight also raises suspicions about the politicization of Administrative

**17%**

of ad hoc inspections (upon initiative) and controls were carried out in the Municipality of Kolašin in 2016.

Inspection, despite the fact that the body deals with human resource management at the local level in its everyday work. Of 141 publicly available minutes of inspection oversight,<sup>27</sup> in only 35 cases were national-level bodies the subjects of control, while in the other cases the subjects of control were municipalities. Controls mostly concerned recruitment and human resource management. However, it is interesting that 17% of published reports concern the Municipality of Kolašin, where the most ad hoc inspections (upon initiative) and controls were carried out. This is partially to be expected, since this municipality had undergone significant downsizing. However, the fact that the municipal government consists of opposition representatives and the DPS's former partner in the ruling coalition – the Social Democratic Party – may have led to the politicization of Administrative Inspection's work.<sup>28</sup> Also, since a large number of the abovementioned initiatives were not followed up in the course of 2016,<sup>29</sup> and the order for acting upon initiatives is not prescribed by law, the criteria for setting the priorities of the work of Administrative Inspection remain unclear.

### **A Copy-Paste Approach in Integrity Plans: The same risks, the same measures**

An integrity plan is an internal anticorruption document containing a collection of legal and practical measures for the prevention and elimination of opportunities for the occurrence and development of various forms of corrupt and unethical behaviour in a public authority as a whole, its individual organizational units, and job positions. It is essentially also an HRM instrument which can be used to prevent corruption-prone activities in local administration recruitment. However, these plans do not address potential risks in local administration recruitment and HRM practices in a comprehensive and effective manner.

In Montenegro, integrity plans were introduced by the 2016 Law on the Prevention of Corruption. At the local level, they replaced action plans for the fight against corruption.<sup>30</sup> Their preparation is also envisaged by the Operational Document for Fight Against Corruption in Particularly Vulnerable Areas,<sup>31</sup> as local self-government is recognised in this document as one of the seven areas particularly prone to corruption.

A report on the adoption of integrity plans, issued in 2016 by the Agency for Prevention of Corruption, is so far the only overall report concerning these documents. The report states that all local self-government units adopted an integrity plan for 2016. Integrity plans map basic and residual risks, where residual risks are those that are not covered by existing control measures or in relation to which control measures do not give adequate

27 Minutes of Administrative Inspection between 1st January and 18th November 2016. Minutes available at: <http://bit.ly/2xcKir3>

28 Public Administration Reform – How Far is 2020?, Mr Milošević Milena, Institute Alternative, June 2017, available at: <http://bit.ly/2kNmdFe>

29 Ibid.

30 Public authorities are obliged to adopt an integrity plan by 31 March 2016 and submit it to the Agency for Prevention of Corruption no later than 15 days from its adoption. They are also obliged to submit a report on the implementation of their plan for each year by 15 April of the following year. Law on Prevention of Corruption (Official Gazette of Montenegro, No. 53/14)

31 This document was adopted in July 2016 as an Annex to the Action Plan for Chapter 23. It covers the following areas: public procurement, privatization, urbanism, education, health, local self-government and police.



results. In practice, they actually serve to specify and describe basic risks.<sup>32</sup>

The general areas where most residual risks are found in municipalities are in *personnel policy*, and the *ethical and professional behaviour of employees*, where a total of 306 risks were identified in 23 municipalities.<sup>33</sup> Inefficient and irrational personnel policy/lack of personnel is in 17<sup>th</sup> place among the most prevalent basic risks, with only 32 or 1.82% of overall residual risks. However, measures for overcoming these risks are not defined in a comprehensive and effective manner.

Only one quarter of all local self-government units have published an integrity plan on their websites.<sup>34</sup> These documents contain mapped risks concerning human resource

Integrity plans of seven municipalities envisage the same measures for overcoming lack of capacities:

- to fill vacant positions from a plan for internal organization and systematization;
- to prepare a training plan for employees (without previously prepared analysis of the necessary knowledge and skills).

management, but they all just copy and paste the same risks and the same measures to overcome them. For example, lack of capacity, in terms of both lack of personnel and lack of professional knowledge of existing employees is mapped as a risk in all seven municipalities. Also, all the integrity documents contain the same measure to overcome this risk

– to fill vacant positions from a plan on internal organization and systematization and to prepare a training plan for employees. However, none of the integrity plans predicts that the training plan would be prepared based on analysis of the necessary knowledge and skills, for example. The only municipality which envisages more specific and tailor-made measures is Kolašin, which, for example, predicts the engagement of an HRM officer, the continuation of reorganization based on needs assessment and the establishment of a human resources register.

Other measures mostly concern the regular legal obligations of municipalities, for example to make recruitment procedures transparent, to ensure the professional development of employees, to make the appraisal of employees transparent etc., while more specific ways to achieve these rather ambiguous goals are lacking.

Such measures and the copy-paste approach do not show that the accountable persons in municipalities seriously intend to combat corruption among their ranks efficiently and seriously strengthen their own integrity in terms of human resource management. This is how this anti-corruption mechanism, which had the potential to underline the integrity of human resource management at the local level, is rendered meaningless, while the space for corruption spreads.

Besides the adoption of integrity plans, there are only three other very general measures in the Operational Document that concern human resource management at the local level, which do not address this issue in a comprehensive and effective manner. These measures envisage training for employees in accordance with the Strategy for Professional Development of Local Civil Servants and State Employees in Montenegro 2015-2016 and

32 Report on the adoption of integrity plans in 2016, Agency for Prevention of Corruption, June 2017, available at: <http://bit.ly/2zr-Jy2F>

33 Ibid.

34 Municipalities of Ulcinj, Kolašin, Žabljak, Rožaje, Kotor and Šavnik. Search of the websites of 22 local self-government units, accessed 12 October, 2017. The municipality of Gusinje does not have website at all.

other training plans, regular monitoring of recruitment procedures and transparency of local sector employment and continuous implementation of inspection oversight of recruitment procedures in local self-government units.

### **3. What next?**

The Law on Local Self-Government currently in force only partly regulates the legal status of local civil servants and employees, referring to analogous implementation of rules and procedures from the law regulating recruitment at the central level, in state administration.

However, the analogous implementation of the Law on Civil Servants and State Employees has shown many deficiencies, since the national law does not take into account the specifics of the local level, and the same solutions cannot bridge these differences.

The wide discretion given to heads of authorities to appoint any of the first five-ranked candidates following a special interview, and notwithstanding test results, means that the solution from the central level applied at the local level spoils the system and hampers merit-based recruitment.

The existence of human resource management units in only one quarter of municipalities, as well as the difficulties encountered in forming testing commissions, are examples of legal inconsistencies mirrored in bad practice and misplaced perceptions of the roles of the various actors that should perform the core human resource management tasks.

The wide scope of the mapped irregularities and the numerous possibilities for abuses in local sector recruitment are not proportionally reflected in the functioning of mechanisms for the prevention of misuse and corruption. Administrative Inspection is tasked with conducting oversight of the implementation of provisions for administrative procedures, state administration and civil servants and state employees, but suffers from lack of capacity. Integrity plans, an anti-corruption mechanism that could be used to prevent corruption-prone activities in local administration recruitment, are rendered meaningless as they do not address potential risks in local administration recruitment and HRM practices in a comprehensive and effective manner.

In March 2017, the inter-sectoral working group formed by the government began drafting a new Law on Local Self-Government. The current draft makes certain improvements, especially related to the professionalization of the heads of local administration bodies and chief administrators and the appointment of acting officers. However, the draft law does not address many problems in the field, particularly in terms of advertising vacant positions and testing and recruiting local civil servants, so there is still room for further improvement, for which purposes the findings of this paper could be used.

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## RECOMMENDATIONS:

### Legislative activity

- ✓ In order to regulate the civil service system so as to address the needs of local self-government units, the new law should be accompanied by bylaws that elaborate the specifics of human resources management at the local level.
- ✓ The scope of local civil service regulations should be widened to include more employees at the local level, including public institutions and organizations funded by municipalities.
- ✓ The discretionary right of heads of authorities not to appoint the best-ranked candidate should be abolished.

### Organizational preconditions:

- ✓ Human resource management and the establishment of testing commissions should be entrusted to a special professional service – HRM units in all local self-government units, in order to ensure independence from other secretariats;
- ✓ Local self-government units which lack the capacity to form their own HRM units should make use of inter-municipal cooperation for this purpose.

### Corruption prevention and oversight mechanisms

- ✓ The capacities of Administrative Inspection should be strengthened - all 15 systematised workplaces should be fulfilled, in order to make it possible to efficiently prevent irregularities in local sector recruitment.
- ✓ A procedure for acting upon initiatives should be established in order to prevent arbitrariness and politicization in responses to initiatives and the planning of inspection controls.
- ✓ Integrity plans should define more specific and tailor-made measures to prevent corruption-prone activities in local administration recruitment.

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Interviews conducted for the purposes of the project “Civil Society for Good Government – To Act and Account!”, funded by the European Commission and implemented by Institute Alternative:

- Interview with Željka Vuksanović, President of the Municipality of Kolašin, and Perunika Popović, Chief Administrator of the Municipality of Kolašin
- Interview with the representative of the Human Resources Office and the President of the Municipality of Pljevlja Appeals Commission, held on 16 May 2016 at the premises of the Municipality of Pljevlja
- Interview with Ahmet Alosi, former secretary for administration and member of the commission for verifying candidates’ capabilities and Burim Kroma, President of the Appeals Commission, held on 22 and 25 May

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Title of the publication:

**Between party patronage, nepotism  
and corruption: Local sector  
employment in Montenegro**

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## ABOUT INSTITUTE ALTERNATIVE

We function as a think tank or a research centre, focusing on the overarching areas of good governance, transparency and accountability. Our research and advocacy activities are structured within following programme strands: Public Administration, Accountable Public Finance, Parliamentary Programme, and Security and Defence. On the basis of our programmes, we monitor the process of accession negotiations with the EU, actively participating in working groups for chapters 23 and 32. Our flagship project is the Public Policy School, which is organised since 2012. Institute Alternative was granted with the licence to conduct research activities in the field of social sciences by the Ministry of Science in 2013.

More about Institute Alternative is available at:

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