



**National Democratic Institute for International Affairs
Montenegro**

April 2003 Baseline Survey

Key Findings

May 12, 2003

INTRODUCTION

The following report is a presentation and analysis of key findings from the baseline phase of NDI's public opinion research in Montenegro in 2003. This baseline represents the first phase of NDI's public opinion research in Montenegro in 2003. The project will continue with additional quarterly polls that will track trends in public opinion over the coming year.

This new series of public opinion surveys follows on from a series of eight polls conducted by NDI between March 2001 and April 2002. The questionnaire for this series has been substantially changed to reflect current issues of the day. Nevertheless, when possible, this reports makes comparisons with the previous polling series.

The current research is the property of the National Democratic Institute for International Affairs (NDI) and is supported financially by the U.S. Agency for International Development. Its primary purpose is to assist NDI's partners – the political parties in Montenegro – to improve their ability to represent the interests of and communicate with the people of Montenegro. The research project is part of a political party assistance program conducted by NDI whose goal is to support the development of a democratic multi-party political system.

Between 15 and 22 April, 1,032 residents in Montenegro participated in face-to-face interviews designed to measure their attitudes about current government institutions, reform initiatives, the new state union of Serbia and Montenegro, the political parties and other issues of importance to voters. The interviews were conducted in 16 of Montenegro's 21 municipalities, including Andrijevica, Bar, Berane, Bijelo Polje, Budva, Cetinje, Danilovgrad, Herceg Novi, Kotor, Niksic, Plav, Pljevlja, Podgorica, Rozaje, Ulcinj and Zabljak. Prism Research, a polling firm established in Australia with offices throughout the region, conducted the fieldwork.

The margin of error on a sample of 1,000 is +/- 3 percent.

In the United States, Canada and Western Europe, political parties conduct public opinion surveys in order to test the public attitudes regarding topical issues of the day. Results are then used to develop plans to communicate with the public. If the planning is done effectively and implemented properly, a political party can successfully compete in elections. In this context, public opinion surveys are not used as a means of predicting the outcome of any upcoming elections. **This report should equally be viewed as an assessment of public attitudes in Montenegro at the moment and not as a predictor of the outcome of elections.**

EXECUTIVE SUMMARY

Most Important Issue: Living Standards

At present, 70 percent of respondents describe the current economic situation in Montenegro as bad or very bad. Thus, it is understandable that 56 percent of respondents identify improved living standards (better and more regular salaries, more work places, etc.) as the most important issue when deciding for which party to vote. This priority is ahead of all other choices by 42 percent. As a second choice, 36 percent of respondents identify the struggle against organized crime and corruption. Montenegro's state status (i.e., independence or maintenance of a union with Serbia), which so dominated the political debate in 2001 and 2002, was chosen as the most important issue by only 5 percent of respondents and as the second most important issue by 11 percent.

Future Vote Intention

When respondents were asked for which party they would vote should parliamentary elections be held again in Montenegro, more than one-third (39 percent) identified the Democratic Party of Socialists (DPS) and 13 percent identified the Socialist People's Party (SNP). A considerable number of respondents refused to give an answer (17 percent) or were undecided (13 percent).

The Government and Reform Initiatives

This survey was in the field as the government prepared to celebrate its first 100 days in office. A majority of respondents expressed relative confidence in state institutions, the new government and its reform plans. In fact, when compared to April 2002, the general level of political polarization has diminished. The population appears ready to give the government a chance to prove that it can lead the reform effort. Support for the government stands at 57 percent, and confidence in its ability to realize its Economic Reform Agenda stands at 61 percent.

Similarly, an average of 60 percent of respondents believe that already adopted reform laws will be implemented and yield results. Among these laws, the Value Added Tax (VAT), which caused dramatic news stories about rising prices, enjoys 66 percent public confidence. And, although 27 percent of respondents fear that VAT will contribute to inflation and reduce living standards, another 20 and 23 percent, respectively, believe that VAT will help the government meet its obligations to the citizens and will reduce the grey economy.

Respondents choose economic growth and job creation as the most important economic reform goals; and, in order to succeed, respondents identify the highest government priorities as the need to attract foreign investment, reform the state administration and provide credits at affordable interest rates. Other priorities for respondents are adoption of a law for the protection of human rights and freedoms and a law on extra profit.

The State Union of Serbia and Montenegro

Three-quarters of respondents believe that, with the passage of the Charter, “Montenegro can now concentrate on democratic and economic reforms that will take it to Europe” (76 percent) and that “the future success of the Union is in the hands of the citizens and not in the hands of the European Union” (75 percent). Establishment of an effective payments system between Serbia and Montenegro was identified by 93 percent of respondents as one of the most important upcoming tasks in making the new state functional. Harmonization of foreign policy, of labor and employment policy and of the internal market and foreign trade regime was considered important by up to 84 percent of respondents.

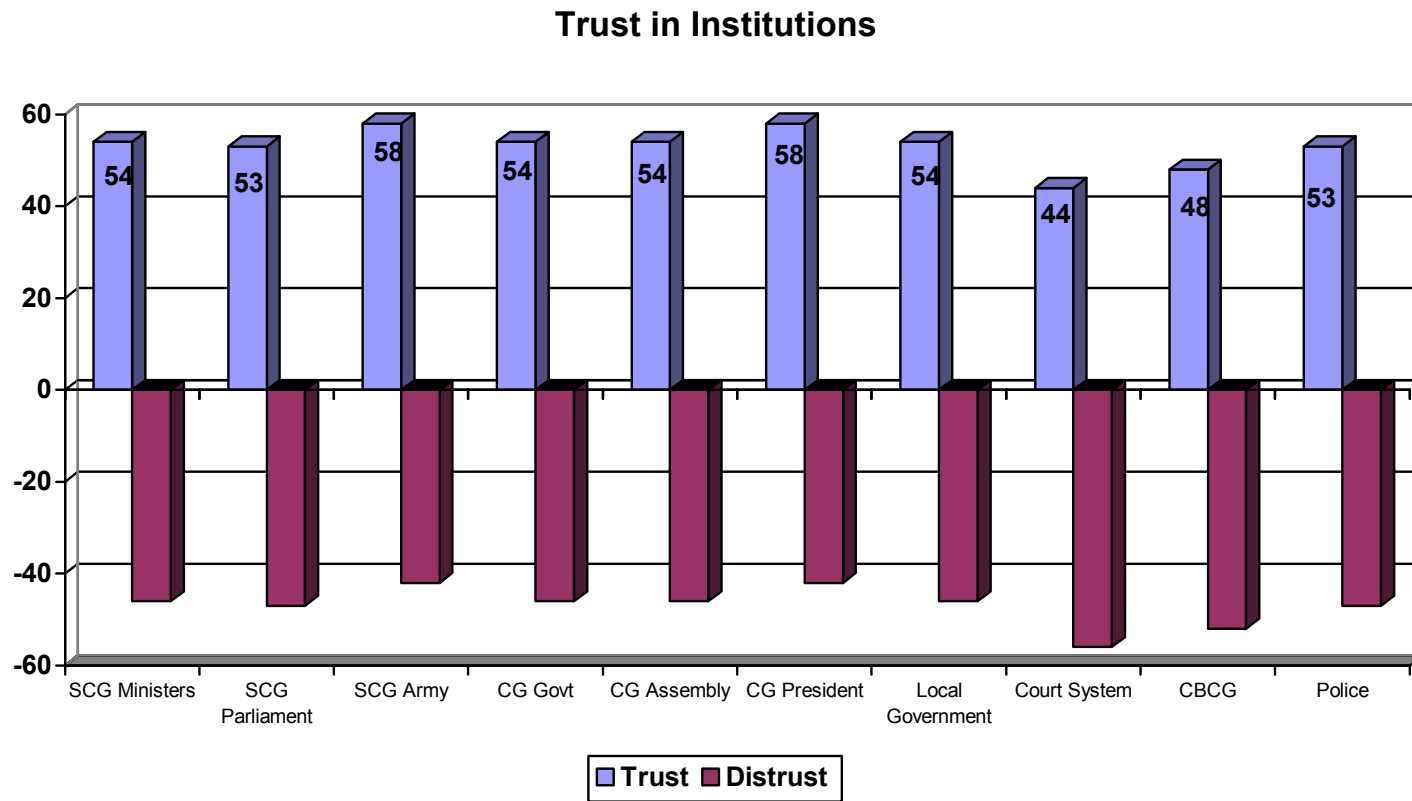
Given that both governing and opposition forces hailed the adoption of the Constitutional Charter as an important step on the road to Europe, respondents were asked to identify what becoming a member of the European Union meant to them. Twenty-nine (29) percent said it meant European salaries, while another 18 percent said it meant access to European goods and investment.

The Defining Division

Typically, the defining division in Montenegro is one’s ethnic identification. Self-identified Montenegrins, Muslims, Albanians and Croats tend to trust the government, the parties that make up the government and its reform initiatives, while self-identified Serbs are distrustful of the ruling bodies. While this is true in this survey, it is not as dramatic as it often was in 2001 and 2002. Furthermore, women display a greater tendency than men to be optimistic about the future and the government’s ability to conduct reforms – as do, those earning more than 500€ per month and those with more than 13 years of education. As noted above, there is also a high degree of uncertainty in this survey, especially among self-identified Serbs, those with less education and the lowest incomes, and those living in municipalities along the Coast or in Niksic, Pljevlja and Zabljak in the North.

TRUST IN STATE INSTITUTIONS

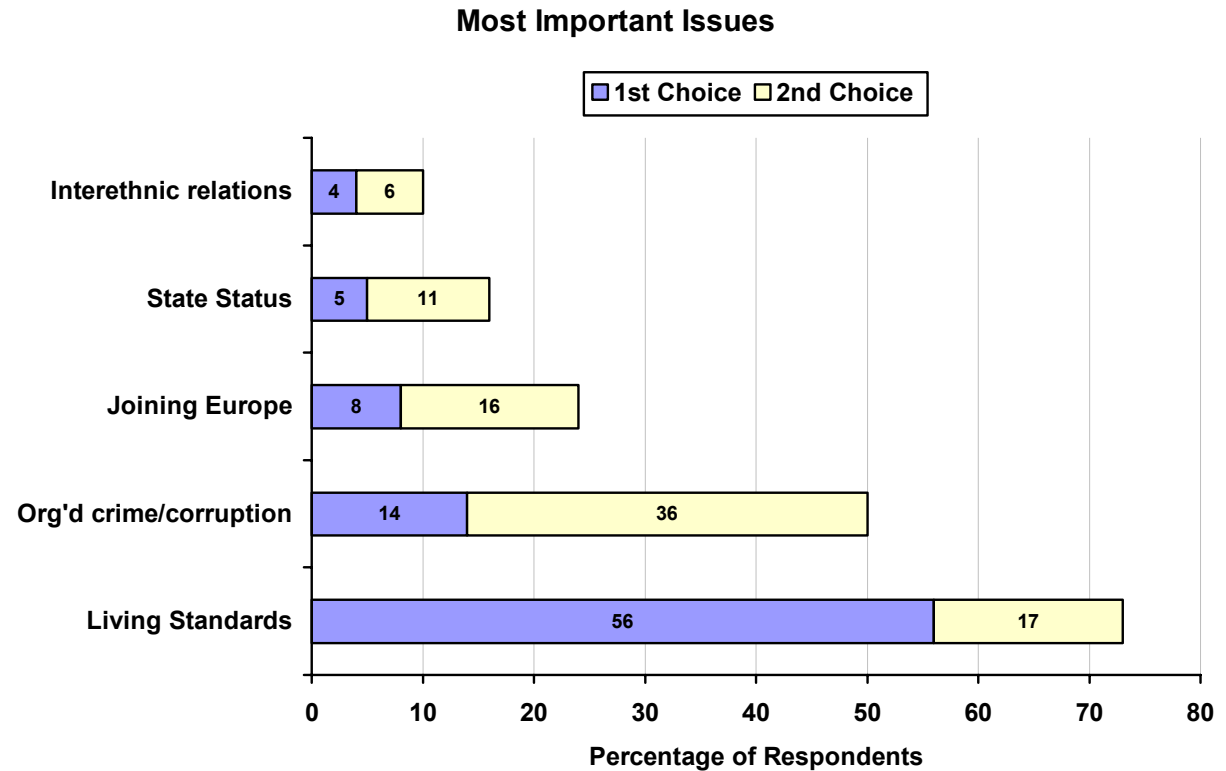
Respondents were asked how much they trust the following state institutions. With the exception of the court system (prosecutors and courts) and the Central Bank of Montenegro, trust in state institutions is more than 50 percent.



MOST IMPORTANT ISSUES

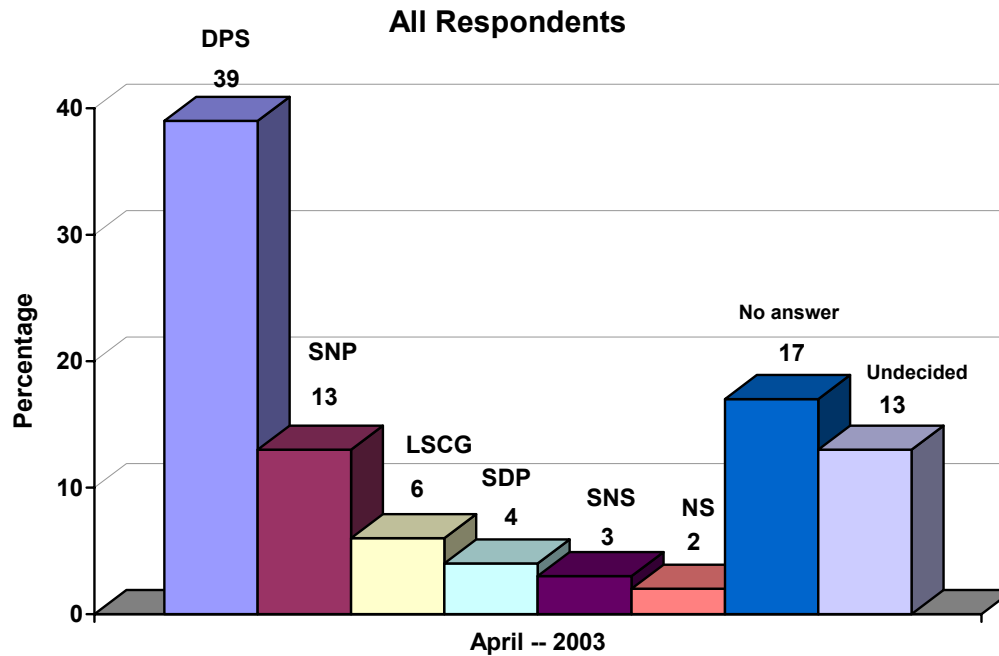
From the following list, respondents were asked to name the most important and second most important issue for them when deciding for which party to vote:

- Improved living standards (better and more regular salaries, more work places, etc.);
- Struggle against organized crime and corruption;
- Joining Europe;
- State status of Montenegro (independence or maintenance of state union with Serbia);
- Interethnic relations in Montenegro.



VOTE INTENTION

Respondents were asked: “If parliamentary elections were held again this week, for which party would you probably vote?” The chart below illustrates the answers received. It is interesting to note that there is a significantly large percentage (30 percent combined) of those who are undecided or choose not to answer this question.



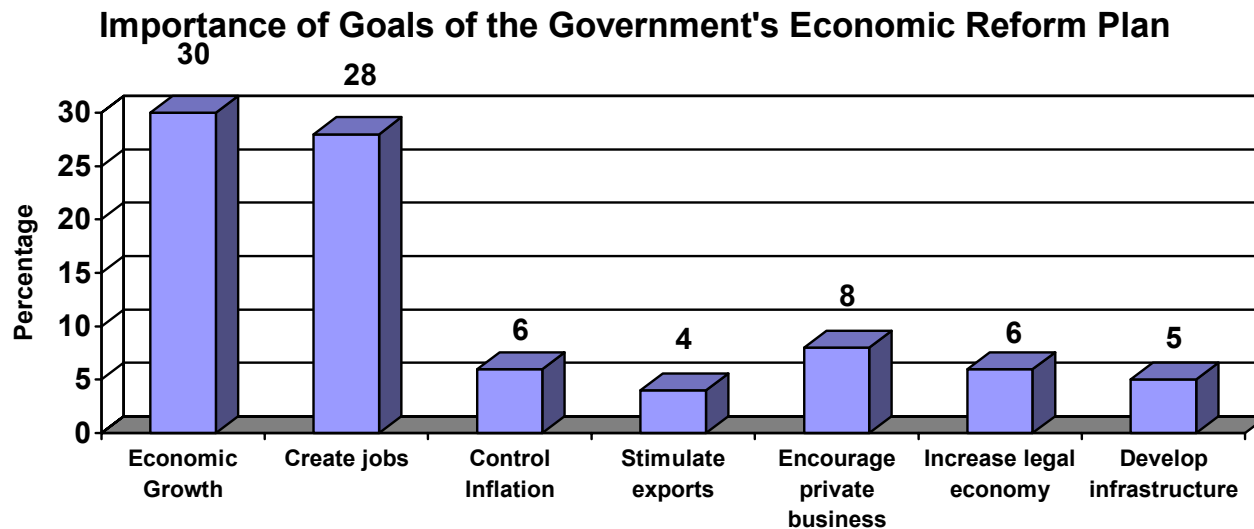
* All other parties received less than 2 percent of support among respondents sampled.

* No answer includes responses: “no answer,” “not for any” and “do not intend to vote.”

THE GOVERNMENT AND ITS ECONOMIC REFORM AGENDA

Respondents were asked about their opinion of the current government of Montenegro. Fifty-seven (57) percent of respondents support the current government, which includes a higher proportion of self-identified ethnic Montenegrins, Muslims, Albanians and Croats, as well as those with higher incomes and higher levels of education. Self-identified Serbs and those living in Niksic, Pljevlja and Zabljak were more likely to be among the 43 percent who oppose the current government.

In March 2003, Prime Minister Djukanovic laid out a four-year Economic Reform Agenda for Montenegro. One quarter of respondents (25 percent) were aware of this plan, while one-third were either not aware of it (33 percent) or were only somewhat aware of it (36 percent). As announced, the plan establishes several goals, and respondents were asked to choose the goal that was most important to them.



The government’s Agenda also establishes several policy reforms necessary for achieving the defined goals. Respondents were asked to identify which policy reform was most important for achieving each reform goal.

The offered policy options included: Reform of state administration/public services; reform of the educational system; breaking the power of monopoly businesses; reducing the tax burden; providing credits at affordable interest rates; attracting foreign investment; and, reforming the judiciary.

Goal/Policy	Public Service Reform	Educational Reform	Break Monopoly Power	Reduce Tax Burden	Affordable Credit	Attract Foreign Investment	Judicial Reform
Economic growth	25%	7%	12%	9%	10%	28%	1%
Creating new jobs	18%	15%	11%	5%	21%	23%	1%
Controlling inflation	28%	3%	16%	16%	7%	13%	9%
Stimulating exports	18%	3%	9%	20%	12%	29%	2%
Encouraging private entrepreneurship/opening private businesses	10%	3%	10%	21%	31%	16%	2%
Increasing size of legal economy relative to “grey” economy	25%	4%	7%	15%	8%	16%	17%
Developing Montenegro’s infrastructure (roads, hospitals, schools, etc.)	18%	4%	4%	2%	11%	49%	4%

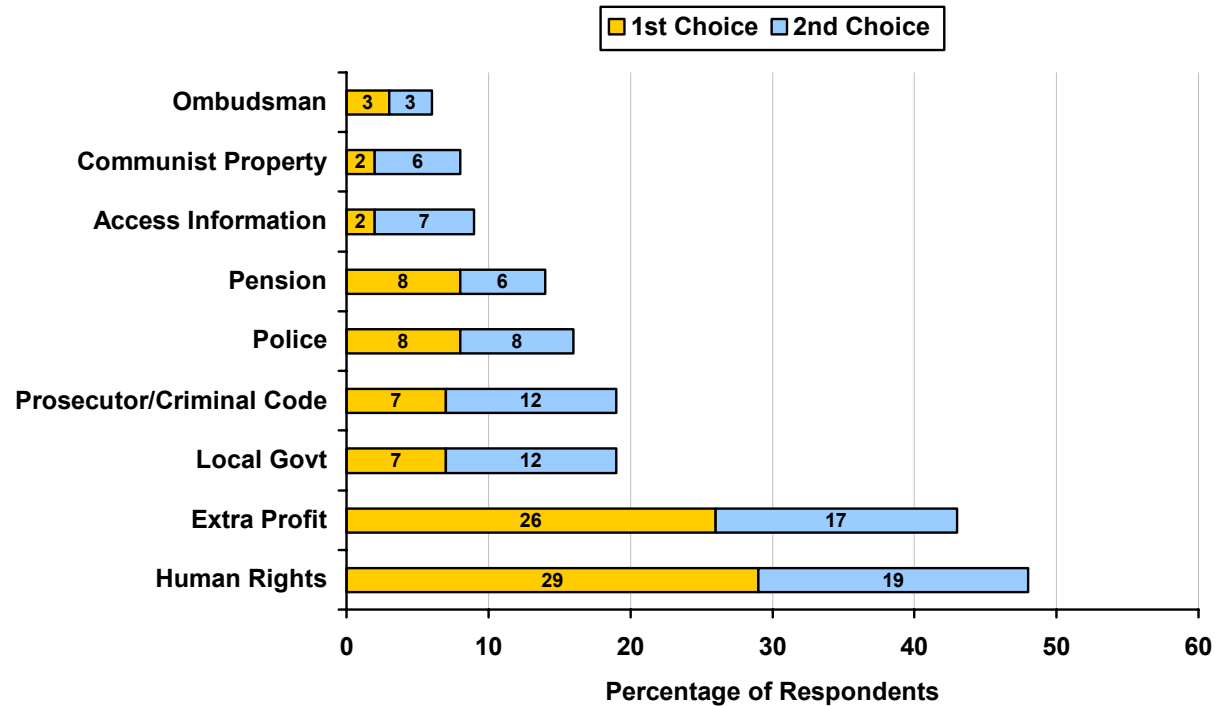
When asked whether they thought that the goals of the Agenda would be achieved, 61 percent of respondents believed that the government would succeed. Women were more optimistic than men, as were self-identified Montenegrins, Muslims and those earning higher incomes. More uncertainty or pessimism was found among the least educated, the lowest incomes and those living in Niksic, Pljevlja and Zabljak.

Future Reform Initiatives

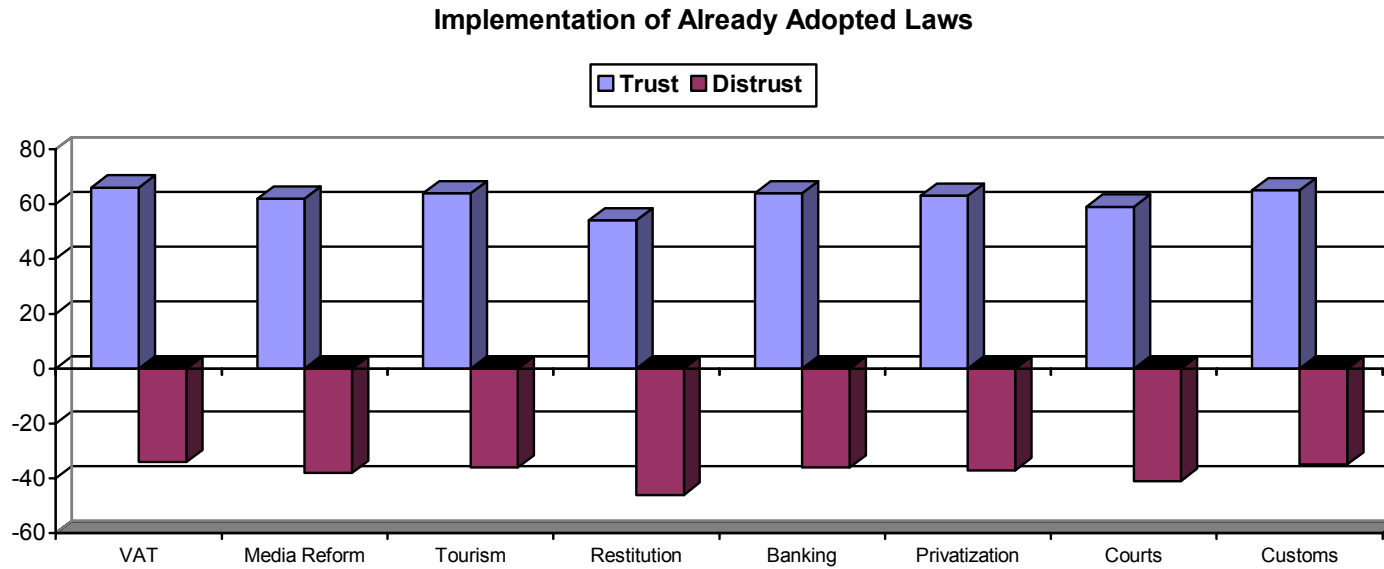
Government, opposition and independent organizations have recently pointed out the need for the additional reform laws. Respondents were asked to rate the importance of these envisioned laws. They were asked to select the most important and second most important reform laws from the following list:

- Law on Protection of Human Rights and Freedoms;
- Law on Extra Profit;
- Laws on Local Self-Management;
- Law on Prosecutor and the Criminal Code;
- Law on Police;
- Law on Pension Reform;
- Law on Access to Information;
- Law on Property of former social-political organizations;
- Law on Ombudsman.

Importance of Future Reform Laws



Already Adopted Laws: Respondents were asked to what degree they believe that the following laws would be implemented and yield results.



Laws explored included:

- Value Added Tax (66 percent trust)
- Laws on Media Reform (62 percent trust)
- Tourism Law (64 percent trust)
- Law on Restitution of previously nationalized property (54 percent trust)
- Banking Law (64 percent trust)
- Privatization Law (63 percent trust)
- Law on Courts (59 percent trust)
- Law on Customs (65 percent trust)

Value Added Tax: The Value Added Tax came into force 15 days before this poll went into the field. The government explained that this new tax was important for reducing the grey economy and for increasing the government’s budget revenue. However, many feared that the introduction of VAT would increase the price of goods – and, indeed, in the first days of VAT, prices of some basic goods increased almost immediately. Given this, respondents were asked what their opinion about this new method of taxation is.

STATEMENT ABOUT VAT	PERCENTAGE OF RESPONDENTS
VAT will contribute to inflation and a reduced standard of living	27%
VAT will provide a regular source of income to the Government budget enabling it to meet its obligations to the citizens	20%
VAT will contribute to the reduction of the grey economy in Montenegro	23%
VAT exempted some key parts of the economy that have been unregulated to date – and, therefore, it will have no effect	12%

Attitude toward Entrepreneurship: Given the government’s focus on job creation, export stimulation and economic growth through the encouragement of entrepreneurship, respondents were asked which of the following statements best represents their opinion about entrepreneurship in Montenegro:

STATEMENT ABOUT ENTREPRENEURSHIP	PERCENTAGE OF RESPONDENTS
The government does quite a lot to support the development of private business in Montenegro	24%
The private sector offers more possibilities than the public sector	29%
I would go into private business if the government offered more incentives	30%

Currency: Finally, on the economic front, 61 percent of respondents believe that the Euro (€) should be the currency used in Montenegro, while 15 percent favor a dual currency of the dinar and €, and 12 percent favor the dinar alone as the currency.

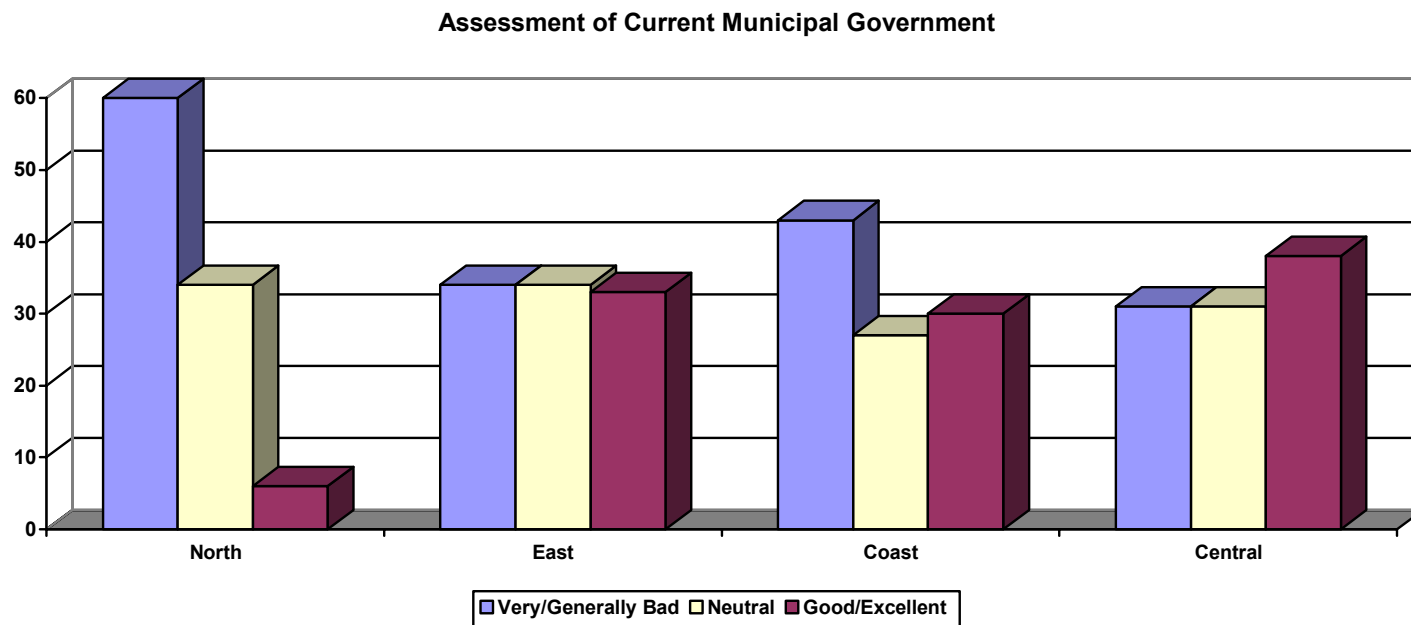
Combating Corruption: On the topic of corruption in Montenegro, respondents were given a list of measures that have been mentioned publicly as necessary for the eradication of corruption in public administration. They were asked to identify which of the measures should be undertaken first. There is relatively little sympathy for raising salaries of high-level functionaries in the state administration and majority interest in requiring a property declaration from ministers, deputies and MPs.

MEASURE TO COMBAT CORRUPTION IN PUBLIC ADMINISTRATION	PERCENTAGE OF RESPONDENTS
Raising the salaries of Ministers and their deputies	7%
Raising the salaries of those employed in the judiciary and legal systems	15%
Passing a conflict of interest law for employees in the state administration	18%
Requiring a property declaration every year from all ministers, their deputies and MPs to report property and its origin	51%

Attitude toward War Crimes: Seventy-three (73) percent of respondents believe that Serbia and Montenegro should try to establish and bring to trial persons responsible for war crimes. Of those, 47 percent believe that those indicted should be tried at the International Criminal Tribunal for the former Yugoslavia (ICTY), while 48 percent think that they should be tried in the domestic courts.

ATTITUDES TOWARD MUNICIPAL GOVERNMENT

Respondents were also asked to rate the work of their municipal government. It is notable that respondents from Niksic, Pljevlja and Zabljak are significantly more dissatisfied with their local government, while those living in Cetinje, Danilovgrad and Podgorica are relatively more satisfied.



- **North:** Niksic, Pljevlja and Zabljak
- **East:** Andrijevisa, Berane, Bijelo Polje, Plav and Rozaje

- **Coast:** Bar, Budva, Herceg Novi, Kotor and Ulcinj
- **Central:** Cetinje, Danilovgrad and Podgorica

UNION OF SERBIA AND MONTENEGRO

On 4 February 2003, the Federal parliament adopted the Constitutional Charter. With this act, the Union of Serbia and Montenegro formally came into existence – although there is much that still needs to be done to establish all of the new state’s institutions.

Respondents were asked, which of the following statements best represented their opinion about the new union of Serbia and Montenegro.

STATEMENTS	PERCENTAGE OF RESPONDENTS
The Charter establishes the foundation for preserving the state of Serbia and Montenegro. In three years time, there will be no interest in splitting.	36%
The Charter protects the interests of Montenegro and preserves the right of its citizens to decide in three years time on independence.	48%
Do not know/No answer	17%

Then, respondents were asked whether they agreed or disagreed with the following statements that have been uttered about the new state by some politicians.

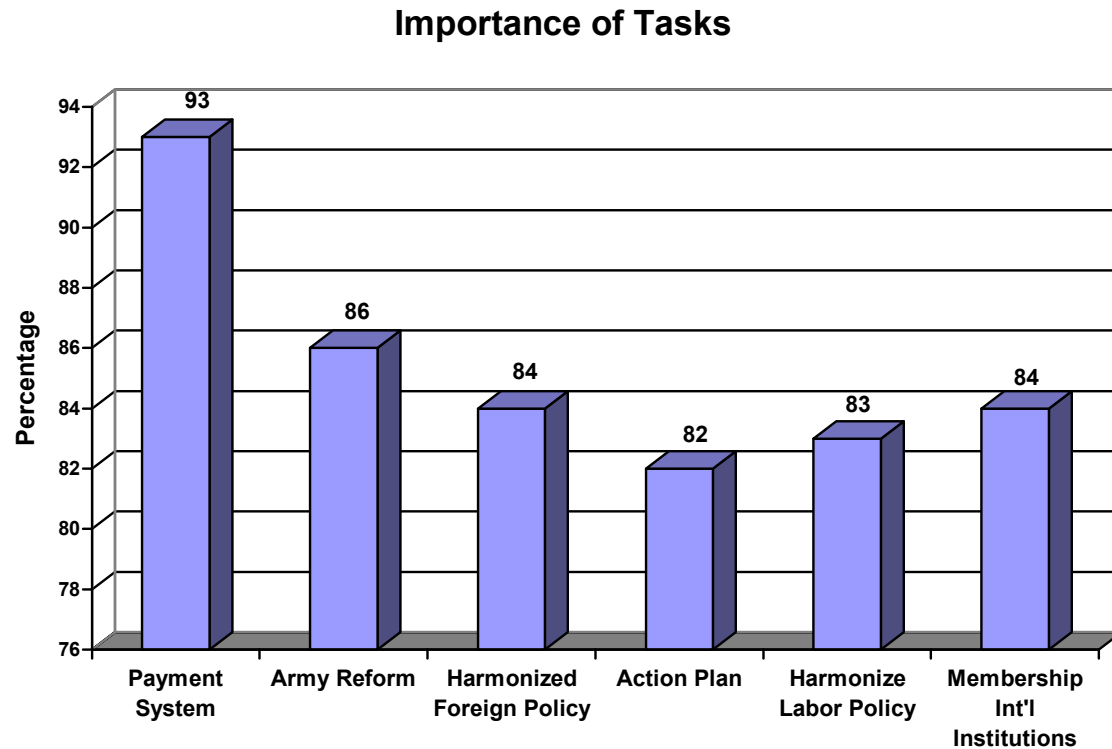
STATEMENTS	AGREE	DISAGREE
It is an artificial creation that cannot last.	50%	50%
Now Montenegro can concentrate on economic and democratic reforms that will take it to Europe.	76%	24%
The Montenegrin government will do all that it can to obstruct implementation of the Charter.	47%	53%
The Charter confirms the fact that Serbia and Montenegro are two different and independent economic systems with different economic priorities.	64%	36%
Responsibility for the success of Serbia and Montenegro is in the hands of the citizens, not in the hands of the European Union.	75%	25%

Importance of Upcoming Tasks for Establishing the State

In order to establish a functioning state, the following are among the announced tasks that still need to be completed. Respondents were asked how important completion of each task was to them.

Offered tasks were:

- Establishing an effective payment operations system between Montenegro and Serbia
- Reforming the Army
- Creating a harmonized foreign policy
- Adopting an Action Plan for harmonization of the internal market and foreign trade regime
- Harmonizing labor and employment policy
- Gaining admittance to international institutions such as the Council of Europe, NATO's Partnership for Peace, etc.



The Significance of Membership in the European Union

With the passage of the Charter, governing and opposition forces alike declare that a significant step toward Europe has been taken. Respondents were asked to select among the following options the one that best reflects their understanding of the benefits of becoming a member of the European Union.

Significance of EU Membership

