



CORPORATE SOCIAL RESPONSIBILITY FOR ALL

National Review Report: Montenegro

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ABBREVIATION LIST

- ADP ZID:** Association for Democratic Prosperity
- BCM:** Business Confederation Macedonia
- BSCI:** Business Social Compliance Initiative
- CEA:** Croatian Employers Association
- CEED:** Center for Entrepreneurship and Economic Development
- CEO:** Chief Executive Officer
- CNIPMMR:** National Council of Small and Medium Sized Private Enterprises in Romania
- CRNVO:** Center for Development of NGOs
- CSO:** Civil Society Organization
- CSR:** Corporate Social Responsibility
- EEMAS:** Enabling Environment for Multidisciplinary Application Simulations
- EMS:** Environmental Management System
- EO:** Employer Organization
- EU:** European Union
- FAKT:** Fund for Active Citizenship
- GDP:** Gross Domestic Product
- GRI:** Global Reporting Initiative
- HACCP:** Hazard Analysis and Critical Control Points
- ILO MNE:** ILO Tripartite Declaration of Principles concerning Multinational enterprises and Social Policy
- ILO:** International Labour Organization
- IOE:** International Organization of Employers
- ISME:** Institute for Standardization of Montenegro
- ISO 14001:** Environmental Management System Standard
- ISO 26000:** Standard providing guidelines for Social Responsibility
- ISO:** International Organization for Standardization
- MEF:** Montenegrin Employers Federation
- MFIC:** Montenegrin Foreign Investors' Council



MONSTAT: Montenegrin National Statistical Office

MVP: Mass Voucher Privatization

NASME: National Agency for Small and Medium Enterprises

NGO: Non-Governmental Organization

OECD: Organization for Economic Cooperation and Development

OSH: Occupational Safety and Health

QMS: Quality Management System

SME: Small and Medium Enterprises

TISK: Turkish Confederation of Employer Associations

ToR: Terms of Reference

UN: United Nations

UNDP: United Nations Development Program

VAT: Value added tax



Executive summary

Research among Montenegrin companies regarding CSR was conducted between July 18th and August 20th 2013 and it included 121 companies. It showed that their awareness about the concept and its importance raises in time which coincides with increased governmental, NGO's and professional organizations' efforts and activities with this regard.

However, more in depth analysis shows that implementation of the CSR is still not on the satisfactory level. Due to the combined reasons companies do not have their own institutional framework developed in the manner to accommodate implementation of the CSR principles. Most activities that are undertaken have *ad hoc* character and are not part of the long term companies' strategy. There are many reasons for this.

However, two seem to be the most important: 1) structure of Montenegrin economy, and 2) lack of institutional support in the forms of adequate legislation that would stimulate CSR.

Namely, Montenegrin economy relies on small and medium enterprises that often lack organizational capacities to strategically approach CSR. Even though this could sound as an excuse, the survey showed that the probability of engaging in CSR raises as the company grows and strengthens. On the other side, the survey shows that most respondents are not aware of any governmental efforts in the field of CSR even though believe that its role is crucial. This is especially the case when it comes to adjusting legal framework to stimulate CSR activities. With this regard respondents specifically mentioned dissemination of information through media, awarding prizes and recognitions, tax benefits, education, raising awareness campaigns, benefits for CSR respecting companies, investment into CSR projects, public recognition of CSR companies and changing legislation towards CSR principles.

Although companies nominally express support for many identified CSR priorities (especially commitment to the employees, respecting human rights, community engagement and reduction of use of natural resources) there is little evidence of their implementation. Companies do not use most CSR tools, instruments or initiatives and even though they publicly support CSR in most cases there is no mentioning of it in their promotional materials, especially web sites.

Representatives of the companies are most aware of UN guiding principles for Business and human rights and ISO 26000 and least aware of GRI and tripartite declaration of principles concerning CSR. However, in most cases they do not use any of those. Also they do not participate in volunteer actions such is UN Global Compact.

All the respondents believe that CSR significance for their companies would grow in future, especially in areas such are responsibility towards employees, responsibility with the regard to environment and securing jobs. This is probably one of the reasons why approximately half of the respondents expressed their interest in participating in the trainings later on in the project.

At the end, the survey showed that the main external organization that companies turn to for help and assistance is employers' organization. This directly confirms validity of the chosen goal of this project: to strengthen capacities of national employers' organizations so that they could afterwards be capable to support and foster CSR activities among the companies.



I. Introduction

In the modern times it becomes more and more important that companies behave responsibly towards the society they are part of. Corporative Social Responsibility (CSR) which is the term that describes this kind of responsible behavior could be defined in many ways. One would be that CSR is the manner according to which a company with its stakeholders maintains balance between different aspects of economy, social life and environment¹. Responsible business is both good for the society that gets powerful partners in building healthy and sustainable life conditions and for the companies that implement it. Namely, it is many times proven that responsible business gets rewarded by the society in terms of trust that easily becomes translated into profit.

This concept that basically introduces social solidarity to the economic activities has been promoted in number of international documents and instruments. One of the most important is UN Global Compact that so far included over 130 countries. Participants of this initiative agreed to respect and cherish human rights, labor rights, environment and anti-corruption behavior. There is as well Global Reporting Initiative that produced guidelines according to which countries should report on sustainable development. ISO 26000 is another document that provides direction for social responsibilities of the organizations. All in all international community and international business have recognized common benefits from CSR and are actively working on implementing it in as many countries and on as many levels as possible.

National governments have also recognized its benefit for societies and are in the process of transforming national legislation according to CSR principles and working on introducing different kinds of stimuli for CSR implementing companies.

Joint initiatives by the governments, NGOs and professional associations with business community that aim to foster CSR business culture are essential for setting these processes in motion. This report is initial part of one of such projects - "CSR for all". This project is being lead by Turkish Confederation of Employer Associations (TISK) and funded by European Commission.

Apart from TISK, the main partners in the project are:

- The International Organization of Employers (IOE)
- Croatian Employers Association (CEA)
- Business Confederation Macedonia (BCM)
- Montenegrin Employers Federation (MEF) and
- National Council of Small and Medium Sized Private Enterprises in Romania (CNIPMMR).

The project will last two years and will aim to strengthen capacities of the network of employers' organizations in the region to be able to provide assistance to the companies in the process of integrating CSR in their daily management and activities. However, the first step in order to achieve this goal was to assess the current situation when it comes to CSR in the participating countries.

¹ Kuljak, Mirjana in Mreza za društvenu odgovornost, *Društvena odgovornost, osnovne informacije sa fokusom na odgovornost preduzeća*, Podgorica, 2012. page 4



Local Consulting agency *De Facto* was primarily responsible for collecting data and delivering Montenegrin National Review report on CSR. This report consists of two parts:

1) Desk review which is the first part of the study is based on the methodology provided by the International Organization of Employers (IOE). This part of report contains information on national social structure, political and economic situation, general classification of enterprises in the country, export markets of the enterprises and their situation in the global supply chains, national framework, current state of art regarding the CSR, legislative screening at national level and compliance with international norms and international CSR initiatives.

2) The second part of the report contains results of the survey that was conducted with the aim to assess the inclusiveness and accountability of the Private Sector’s participation in CSR. It covers the following topics:

1. General awareness of the companies about CSR,
2. CSR Governance within specific company,
3. CSR priorities according to the company,
4. CSR activities of the company,
5. Reasons for engaging in CSR,
6. Use of CSR instruments, tools and initiatives,
7. Assessment of the challenges in implementation of CSR,
8. Assessment of the governmental policies towards CSR,
9. Future development of CSR, and
10. Potential need for training in the field of CSR.

The field work started on July 18th and was completed on August 20th 2013. During that period De Facto contacted 1000 companies, out of which 121 accepted to participate in the survey. Contacted companies were chosen randomly from the list provided by Montenegrin Employers’ Organization with respect to their regional distribution, size and type of business. The questionnaire was sent to the companies that had agreed to participate by e-mail and collected as company chose: by email, telephone or mail.

Tables 1 – 4 and figures 1 – 2 represent distribution of the companies that were included in the survey based on size, type, sector, ownership and markets.

TABLE 1: DISTRIBUTION OF COMPANIES ACCORDING TO THE NUMBER OF EMPLOYEES

	N	%
0-10	48	39.7
11-50	37	30.6
51-100	15	12.4
101-200	7	5.8
201-250	6	5.0
251-500	2	1.7
501-1000	5	4.1
1000+	1	0.8
	121	100



According to official classification, *small enterprises* are considered to have less than 50 employees, *medium* up to 250, and *large* more than that. Figure 1 shows distribution of the companies according to this criterion. Survey included 113 (94.4%) SMEs and 8 (6.6%) large companies.

FIGURE 1: SMALL, MEDIUM AND LARGE ENTERPRISES

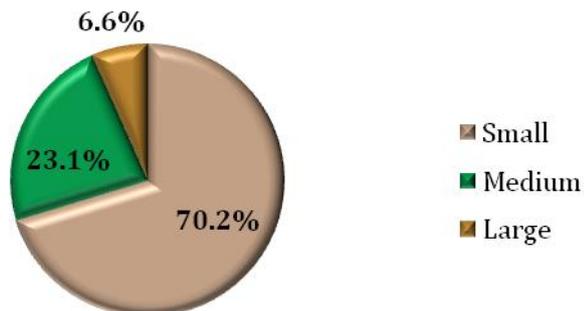


TABLE 2: TYPE OF ENTERPRISE

	N	%
Small	85	70.2
Medium	28	23.1
Large	8	6.6
	121	100

The following table describes the sample according to the sector of activity.

TABLE 3: SECTOR OF ACTIVITY

Sector ²	N	%
Agriculture, forestry, fishery	0	0.0%
Extractive industry	1	0.8%
Manufacturing	5	4.1%
Electricity, gas, steam and air conditioning supply	2	1.7%
Water supply; sewerage, waste management and remediation	2	1.7%

² More than one response was possible.



activities		
Construction	23	19.0%
Wholesale and retail trade; repair of motor vehicles and motorcycles	34	28.1%
Transportation and storage	7	5.8%
Accommodation and food service activities	12	9.9%
Information and communication	3	2.5%
Financial and insurance activities	13	10.7%
Real estate activities	3	2.5%
Professional, scientific and technical activities	3	2.5%
Administrative and support service activities	0	0.0%
Public administration and defense; compulsory social security	0	0.0%
Education	2	1.7%
Human health and social work activities	2	1.7%
Arts, entertainment and recreation	1	0.8%
Other service activities	19	15.7%
Activities of households as employers; undifferentiated goods- and services- producing activities of household for own use	0	0.0%
Activities of extraterritorial organizations and bodies	1	0.8%
Agriculture, forestry, fishery	0	0.0%
	133	

Table 4 represents the sample based on ownership structure. It is important to note that all the companies in state ownership were contacted for the purposes of this survey. However, only seven accepted to take part in it.

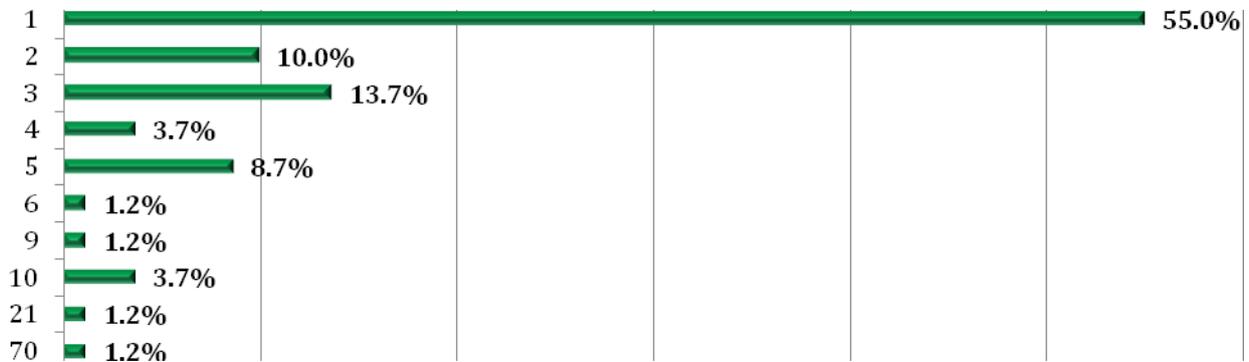
TABLE 4: OWNERSHIP STRUCTURE

	N	%
Private sector	114	94.2
State owned	7	5.8
	121	100

The following figure represents distribution of companies according to the number of countries that it has operations in or exports to. Eighty companies responded to this question out of 121 interviewed. Half of the companies have only operations in Montenegro (55%), 10% has operations in two countries, 13% in three and then the percentage decreases significantly.



FIGURE 2: FOREIGN/DOMESTIC OPERATIONS DISTRIBUTION



II. Country Profile

Population³

In the following segment, some of the most important facts about Montenegrin political and social context will be presented. The rationale for this is that this context provides framework within which CSR is taking place. Country’s main cleavages, political dynamic and the formal rules shape the social background and influence priorities. Therefore, they are indirectly important for understanding CSR potential and level of implementation.

Montenegro is a former Yugoslav republic that regained its independence in May 2006 and became 192nd member of United Nations. The Referendum for the purposes of reaching this decision was organized according to the rules mediated by international end EU community. In total 419 240 voters participated (86.5%) out of which 230 661 was in favor of independence (55.5%).

Its current Constitution was passed on October 19th 2007. According to its preamble and the first article Montenegro is defined as civic, democratic, ecological and social justice state. Regarding its political structure, it is a parliamentary republic with independently elected president. Main legislature body is a unicameral Parliament consisting of 81 members. It is a unitary country with no formal regional divisions.

Montenegro is a country of much diversity. According to the latest census (2011), it has 620 029 inhabitants. The average Montenegrin is 37 years old. Average woman is 38 and man 36 years old. Average inhabitant of

³ Source: Statistical office of Montenegro MONSTAT (<http://www.monstat.org/eng/index.php>)



urban areas is 37 and rural 38 years old. Adult population represents 76.5% of the population. Table 5 represents the distribution of the population according to the main age groups.

TABLE 5: DISTRIBUTION OF MONTENEGRIN POPULATION ACCORDING TO THE AGE GROUPS

Age groups	N	%
0-4	38950	6.28
5-9	38430	6.2
10-14	41371	6.67
15-19	44093	7.11
20-24	42816	6.91
25-29	45793	7.39
30-34	44495	7.18
35-39	41879	6.75
40-44	40496	6.53
45-49	43089	6.95
50-54	43613	7.03
55-59	41223	6.65
60-64	34196	5.52
65-69	22121	3.57
70-74	25141	4.05
75-79	17184	2.77
80-84	10021	1.62
85-89	3739	0.6
90-95	885	0.14
95-99	202	0.03
100+	44	0.01
Unknown	248	0.04
	620 029	100

There are 306 236 men (49.4%) and 313 793 women (50.6%) living in the country. The population growth rate is estimated to be 2.21. According to the latest information provided by National statistical office Monstat (2004), at birth average Montenegrin man is expected to live 71 and woman 76 years.

TABLE 6: GENDER DISTRIBUTION

	N	%
Male	306 236	49.4
Female	313 793	50.6
	620 029	100



TABLE 7: LIFE EXPECTANCY AT BIRTH

	Life expectancy
Male	71.79
Female	76.66

Most people live in urban areas. In total there are 392 020 inhabitants of urban (63.2%) and 228 009 of rural (36.7%) areas.

	N	Life expectancy
Urban	392 020	63.2
Rural	228 009	36.7
		100

National absolute poverty line is 175.25 EUR. In total 9.5% population is below poverty line. Index of inequality (Gini index) according to the latest estimates was 25.9.

Montenegro is ethnically very diverse country. The largest population groups are Montenegrins (44.9%), Serbs (28.7%), Bosniaks (8.6%), Albanians (4.9%) and Muslims (3.3%). The whole ethnic structure according to the latest census is presented in the following table.

TABLE 8: ETHNIC STRUCTURE

	N	%
Montenegrins	278 865	44.9
Serbs	178 110	28.7
Bosniaks	53 605	8.6
Albanians	30 439	4.9
Muslims	20 537	3.3
Croats	6 021	0.9
Bosnians	427	0.07
Bosniaks-Muslims	181	0.03
Montenegrins-Muslims	175	0.03
Montenegrin-Serbs	1 833	0.3
Egyptians	2 054	0.3
Gorani	197	0.03
Italians	135	0.02
Yugoslavs	1 154	0.1
Hungarians	337	0.05
Macedonians	900	0.1
Muslims-Bosniaks	183	0.03
Germans	131	0.02



Roma	6 251	1.01
Russians	946	0.1
Slovenians	354	0.06
Serbs-Montenegrins	2 103	0.3
Turkish	104	0.02
Other	3 358	0.5
Doesn't want to declare	30 170	4.8
	620 029	100

Majority of population in Montenegro speak Montenegrin (36.9%) and Serbian language (42.8%). It is important to note that both languages have the same origin and that the difference is mainly political not linguistic. According to the Constitution the official language in Montenegro is Montenegrin, whilst Serbian, Albanian, Bosnian and Croatian are also in official use.

TABLE 9: LANGUAGES

	N	%
Montenegrin	229 251	36.97
Serbian	265 895	42.88
Bosnian	33 077	5.33
Albanian	32 671	5.27
Croatian	2 791	0.45
Montenegrin-Serbian	369	0.06
English	185	0.03
Croatian-Serbian	224	0.04
Bosniaks	3662	0.59
Hungarian	225	0.04
Macedonian	529	0.09
Mother tongue	3 318	0.54
German	129	0.02
Roma	5 169	0.83
Romanian	101	0.02
Russian	1 026	0.17
Slovenian	107	0.02
Serbo-Croat	12 559	2.03
Serbo-Montenegrin	618	0.1
Other	2 917	0.47
Regional languages	458	0.07
Doesn't want to declare	24 748	3.99
	620 029	100

Majority of Montenegrin population is Orthodox (72%). The following largest groups are Muslims and Catholics.



TABLE 10: RELIGIONS IN MONTENEGRO

	N	%
Orthodox	44 6858	72.07
Catholics	2 1299	3.44
Islam	99 038	15.97
Muslims	19 439	3.14
Adventist	894	0.14
Agnostic	451	0.07
Atheist	7 667	1.24
Buddhist	118	0.02
Christians	1 460	0.24
Jehovah witness	145	0.02
Protestants	143	0.02
Other	6 337	1.02
Doesn't want to declare	16 180	2.61
	620 029	100

Montenegro has compulsory primary education which helps in eradicating illiteracy. Out of 542 649 persons living in Montenegro that are older than 10 years 8 149 is illiterate (1.5%). Average age of an illiterate person is 62⁴.

Economy

The development of post-war Montenegrin economy can be divided into pre and post independence periods. The disintegration of Yugoslavia, civil war, UN sanctions and hyperinflation in the beginning of 1990s affected the Montenegrin economy heavily and during the second half of the 90s it relied mainly on informal sector. However, this period was also used to transform Montenegrin economy and companies, from socially owned to joint stock companies. Most of the Montenegrin companies were still majority Government owned, but the ownership structure was formalized, and groundwork for future privatizations and/or development were laid. In the period from 1994 until 1999 a total of 347 socially owned companies were transformed so that the ownership was split between Government and current and past employees.

In the period between 1999 and 2001 the Government conducted mass voucher privatization (MVP), where each adult Montenegrin received a voucher which could be used to obtain shares from any of the transformed company. On average, about 27% of the capital of the company was tendered for vouchers, and the citizens could choose in which company (or companies) to invest their voucher. MVP is heavily criticized in a way that the citizens were in no way well informed about the companies so that they can make decision, which had an effect that most of the vouchers were collected by a privatization funds, so that most of the citizens had very small wealth effect from this. On the other side, this resulted in a more diluted shareholders

⁴ http://www.monstat.org/userfiles/file/popis2011/Saop_obraz%2014_06_2012_%20konacno%20PDF.pdf



structure, and served as a foundation for stock exchange, which started operating in an organized way from 2004.

Furthermore, most of the smaller companies were fully privatized through the auctions and/or management buy-outs. However, as studies have shown, most of these companies were short-lived after the privatization which was mainly attributed to asset stripping from the managers and/or owners. Even though companies privatized in this way didn't represent large percentage of the economy, and their demise didn't have large negative effect on the economy in general, the process didn't yield expected positive results and effects. On the other hand, large companies remained operating under Government control and management, pending privatization.

Parallel with this, new SMEs started to be formed in an entrepreneurial wave that resulted in almost three quarters of the current Montenegrin economy coming from SMEs - namely, small enterprises account for 49.0%, medium Enterprise account for 25.4% while large companies account for 25.6% of the total turnover.⁵

The period after 2006 and regaining of formal independence can be further divided into pre- and post-crisis period. First years of independence (2006 and 2007) were characterized by very high GDP growth rates, reduced unemployment rate and record foreign investments which fueled the economy, real-estate and capital markets. Parallel with this, the private debt started to increase, and many companies became highly leveraged in the investment cycle. This trend was stopped by the outbreak of world financial crisis, which resulted in the sudden drop of real estate values, hence making most of the collateral for debt insufficient. Since most of the debt was issued for or in relation to real estate and capital market investments, once the market prices dropped, a lot of debt was in default, adversely affecting banking sector, and limiting debt availability for the real sector.

The crisis in Montenegrin economy was further accentuated by its than heavy reliance on aluminum industry. Namely, Aluminum Factory Podgorica, together with complementary activities, accounted was about 13% of the economy. This whole chain was affected by drop in aluminum prices, meaning that production had to be reduced and total output even further diminished.

This resulted in the GDP growth rate of negative 5,7% in 2009, which was preceded by an average annual growth of 8,7% for the three previous years (average growth in 2006, 2007 and 2008).

Montenegrin economy, with small and underdeveloped internal market, relies on international trade, and runs large trade deficit. This was mainly covered by foreign investments and debt. However, in the recent years, due to the both reduced inflow of foreign investments and reduced availability of debt, the current account deficit was reduced, and was 17,7% of the GDP in 2012, as opposed to 44,2% in 2007.

Montenegrin economy is developing economy and it relies on foreign investments. This is accentuated even more in the situation where banks are very conservative, and debt for new investments is very hard to raise. As was already stated, Montenegro had a record foreign investments per capita in the period before the outbreak of the world financial crisis. However, starting with 2010 foreign investment were considerably

⁵ Structural businesses statistics by enterprise size, produced by Monstat (<http://www.monstat.org/cg/page.php?id=70&pageid=70>)



reduced, and became unstable. Namely, due to the size of Montenegro and its economy, and undeveloped resources, especially in the tourism, only one investment or one privatization can mean a difference between huge drop and huge spike in foreign investment inflow. Apart from big investment projects, which have started in the previous 12 months, most of the foreign investment in 2011 and 2012 were in the form of new capital for foreign owned banks.

There is no official statistics for foreign ownership of Montenegrin companies. However, Montenegrin Foreign Investors' Council - MFIC, NGO that gathers 18 of the biggest foreign owned companies in Montenegro as its members, reported that in 2012 its members employed 4.250 employees, which accounts for 2.55% of total employment in 2012. Furthermore, members of MFIC account for 16.5% of estimated GDP for 2012.⁶

TABLE 11: FIVE BIGGEST SECTORS ACCORDING TO THE NUMBER OF EMPLOYEES AND GDP

Five biggest sectors ⁷	# of employees	% of employment	% of 2011 GDP ⁸
Wholesale and retail trade, repair of motor vehicles and motor recycle	37 685	22.6%	24.5%
Public administration and defence, compulsory social security	19 861	11.9%	22.1%
Accommodation and food service activities	13209	7.9%	4.1%
Education	13101	7.9%	0.1%
Manufacturing	13041	7.8%	14.6%

Montenegro is ranked relatively high in the Doing Business report published by the World Bank, which measures the cost of regulation for firms, and is one of the leading indicators of ease of doing business in a given country. Among the 185 countries analyzed in 2013 report, Montenegro has been ranked 51st. compared to the countries from this region, only Macedonia and Slovenia ranked better, 23rd and 35th place respectively, while Croatia (84th), Albania (85th), Serbia (86th), Kosovo (98th) and Bosnia and Herzegovina (126th) were ranked below. However, when looking at the individual components of the index we can see

⁶ Montenegrin Foreign Investors' Council White Book (<http://www.mfic.me/files/WhiteBook.pdf>).

⁷ <http://www.monstat.org/cg/page.php?id=1164&pageid=23>

⁸ Estimated based on the GDP components, and structural analysis of businesses (<http://www.monstat.org/cg/page.php?id=69&pageid=69>)



that there are still important aspects of doing business which are poorly regulated in Montenegro, most notably issuing building permits (ranked 176th), contract enforcement (ranked 135th) and property registration (117th).

In assessing competitiveness of Montenegrin economy we have used Global Competitiveness Report, produced by World Economic Forum, which, as stated on their website⁹, aims to assess the ability of countries to provide high levels of prosperity to their citizens. This in turn depends on how productively a country uses available resources. Therefore, the Global Competitiveness Index measures the set of institutions, policies, and factors that set the sustainable current and medium-term levels of economic prosperity. In 2012-2013 report Montenegro has been ranked 72nd (out of the 144 countries ranked in report), which is relatively high compared to the neighboring countries. Namely, only Slovenia was ranked better (56th), while all other countries from the region are ranked below: Macedonia (80th), Croatia (81st), Bosnia and Herzegovina (88th), Albania (89th) and Serbia (95th).

Some of the main threats for Montenegrin economy come from public finances. Namely, again due to the financial crisis, the budget has gone from surplus in 2007 to deficit of 4% of GDP in 2012. This had a consequence of a rapid growth of debt, which grew from around 25% of GDP in pre-crisis period to a little over 50% of GDP now. This is especially worrying since most of the debt has been incurred in the period 2009-2012, which was characterized by high interests on Government debt, so new Montenegrin debt came with an interest rate at up to 7,8%.

In 2012 total output of Montenegrin economy was 3.324 million EUR, or 5.356 EUR per capita. Based on purchasing power parity, Montenegro's GDP per capita is ranked 68th in the world, according to the World Bank data on 180 countries. Compared to the region, this is worse than Slovenia (33rd) and Croatia (50th), but better than Macedonia (75th), Serbia (76th), Albania (90th) and Bosnia and Herzegovina (91st).

Labor market

There are 248,8 thousands labor active population in Montenegro in first quarter of 2013¹⁰, out of which 195,2 thousands are employed, representing 78,5%, while 53,6 thousands were unemployed, giving the unemployment rate of 21,5%. The unemployment rate was up 0,9% from the previous quarter survey, and 0,8% up compared to the first quarter of 2012.

In addition to the unemployment rate, what is worrying about Montenegrin labor market, is employment to population ratio¹¹, which was 45,9% in the Q1 of 2013. Compared to other European countries, this is very low. The average employment to population ration in OECD countries is 65,3%.

⁹ <http://www.weforum.org/en/initiatives/gcp/FAQs/index.htm>

¹⁰ Labor force survey conducted and published by Monstat.

¹¹ This ratio calculates what percentage of working-age population (15-64 years) is employed.



Unemployment rate in Montenegro is disproportionately high in the northern region, where the rate is 40,8%, while in the southern and central region the rate of unemployment is 21,8% and 16,6% respectively.

Youth unemployment rate (unemployment rate for people aged between 15 and 24) is 45,3% which is very high. Compared to the countries in the region, only Macedonia (54,9%) and Bosnia and Herzegovina (47,3%) have higher youth unemployment rate, while it is lower in Serbia (42,5%), Albania (35,5%), Croatia (21,9%) and Slovenia (13,6%).¹²

The educational structure of labor force in Montenegro is the following: 27,3% of labor force have tertiary education, 48,5% have secondary education, 15,2% have vocational education after elementary school, while 7,7% have only primary education. Only 1,3% of labor force have no education. The unemployment rate drops with the education - unemployment rate is 44,2%, 22,7% and 9,7% for labor force with primary, secondary and tertiary education respectively.

Out of the total employment, 17,4% is employed with central and local government, NGOs and humanitarian organizations, 28,3% in government and municipality owned companies, and 51,3% in privately owned companies (including those with some private capital). Remaining remaining 3% are employed in private households or unknown.

There is no good estimate for the percentage of population working in the informal sector. However, The Government has estimated informal sector at 20% of the GDP.¹³ Also, while survey on work force shows that 195.8 thousand people are employed, official statistics accounts for only 166.5 thousands. Assuming that the difference of about 29.3 thousands are people with informal employment, we could estimate that around 15% of employed population is working in informal sector.

In 2012 the Employment Office of Montenegro has implemented programs aimed at employing young people from Montenegro at seasonal jobs in Montenegro, giving subsidies to employers for young Montenegrin workers. However, the number of work permits for foreigners in 2012 was 21.064 which is 8,2% higher than in 2011, showing that Montenegrin economy, specifically constructions, tourism and trade sector are not fully using domestic work force potential.

In 2013 the Government has implemented a program aimed at providing and subsidizing 9 month internships for students obtaining university degree. In 2013 about 4.500 persons got the internship through this program.

¹² Data gathered from <http://www.indexmundi.com/g/r.aspx?v=2229>

¹³ Information on measures taken to prevent informal economy for the year 2012 (https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCsQFjAA&url=http%3A%2F%2Fwww.gov.me%2FResourceManager%2FFileDownload.aspx%3Frid%3D100014%26rType%3D2&ei=HwYeUreiG8qu7AbnplGgBw&usg=AFQjCNHpr5cjWHzY2L7QFvMIxABei_2n0w&sig2=AK7wzdxw2nEt3o-fKx2UGw&bvm=bv.51156542.d.bGE&cad=rja) based on the Economic and Fiscal Policy for Montenegro for period 2007-2010.



TABLE 12: DISTRIBUTION OF COMPANIES BY OWNERSHIP STRUCTURE

Public and private sector ¹⁴	%
Central or local government; NGO, publicly owned enterprise	44.9
Private company or enterprise (including those with some private capital participation)	54.3
Unknown	1.6

III. National CSR Context

This segment will provide brief retrospective of the CSR development in Montenegro. Concept of Corporate Social Responsibility was initially promoted through work of an NGO – Center for Development of NGOs. In 2006 this organization conducted the first survey on CSR among Montenegrin companies and NGOs. One year later National Agency for small and medium enterprises (NASME) initiated the first official government sponsored campaign for CSR. The name of the project was “Establishing CSR in South Eastern Europe” and it was supported by German government¹⁵.

In 2012, *Network for social responsibility* which was created through the project “Supporting dialogue and partnership between the Government and business sector in Montenegro” funded by NL Agency in Government of Netherlands produced a document *Social Responsibility: Main information with the focus on CSR*. This project was implemented by Department for support to the National Council for Sustainable Development. The document in question includes information about all relevant CSR activities conducted in Montenegro. The overview is divided in eight subchapters. The first includes information about activities that were conducted for the purposes of CSR information dissemination. The main information about these activities is given in the following tables.

¹⁴ http://www.monstat.org/userfiles/file/ars/2012/zamj/ARS%20-%20Godisnje%20saopstenje,%202012_zamjena.pdf

¹⁵ UNDP and CEED, *Study on CSR in Western Balkans – Baseline study in Montenegro*, May 2008, page 11



TABLE 13: INFORMATION DISSEMINATION: PUBLICATIONS AND EVENTS

Activity ¹⁶	Year	Implemented by
<i>Round table "Development of CSR in MNE"</i>	2007	Center for Development of NGOs and OSCE mission
<i>Leaflets on CSR in MNE distributed by daily newspaper Vijesti</i>	2008	Center for Development of NGOs
<i>First regional conference on CSR "Development of CSR in MNE and in the region: examples from practice"</i>	2009	Center for Development of NGOs
<i>CSR newsletter</i>	2010	Center for Development of NGOs
<i>"Corporative Philanthropy as an investment"</i>	2010	Fond for Active Citizenship FAKT
<i>"Corporative Philanthropy in Montenegro"</i>	2010	Fond for Active Citizenship FAKT, Open Society Institute
<i>Regional conference "Role of the Media in development of Philanthropy"</i>	2010	Fond for Active Citizenship FAKT
<i>CSR forum</i>	2010	Center for Development of NGOs, Montenegrin Employers Federation, Department for development of small and medium enterprises, UNDP
<i>Conference "Launching UN Global Compact in MNE"</i>	2010	Montenegrin Employers Federation, Center for Development of NGOs, Department for development of small and medium enterprises, UNDP
<i>Round table "Social Responsibility"</i>	2012	FAKT and NGO Need

In the following table, main activities that were conducted in order to educate different categories of stakeholders about CSR are presented.

¹⁶ Page 17-18



TABLE 14: EDUCATIONAL ACTIVITIES

Activities	Year	Implemented by
<i>Team of trainers and consultants of CSR created</i>	2008	Center for Development of NGOs in cooperation with Telenor, Telecom and Montenegrin Employers Federation
<i>Trainings on CSR and inter sector cooperation</i>	2008-2012	Center for Development of NGOs in cooperation with Montenegrin Employers Federation
<i>ISO 26000 workshops participation in Belgrade, Vilnius and Riga</i>	2009-2011	Institute for standardization MNE
<i>Promotion and strengthening sustainable development in MNE</i>	2010	Governmental Office for Sustainable Development in cooperation with the Government of Netherlands
<i>Local strategy of sustainable development of municipality Danilovgrad and Communication strategy of sustainable development</i>		
Training on reporting on CSR in line with GRI and UN Global Compact	2011	Center for Development of NGOs
<i>Encouraging dialogue and partnership for sustainable development between Government and business sector in MNE</i>	2011	Department for support to the National Council for Sustainable Development with the support of the Government of Netherlands
Lectures on CSR in academic community	2011	Center for Development of NGOs in cooperation with Faculty of Economy (University of Montenegro), Faculty for business studies (University of Mediterranean), Faculty for international economy, finances and budget (University of Donja Gorica)
Trainings on CSR and women	2012	Center for Development of NGOs
Seminars on CSR	2008 – on	Chamber of Commerce of MNE



	going	
National center for cleaner production	2012	UNIDO and Government of Slovenia
Green	2012	European Commission
Implementation of QMS and EMS	2012	Astraia, company from Slovakia

In the past 7 years several studies and analyses on CSR attitudes and practices among companies, NGOs, governmental agencies and other stakeholders were conducted. Information about them is provided in the following table.

Table 15: Surveys/Studies/Analyses

Activities	Year	Implemented by
<i>Survey on CSR among 57 companies</i>	2006	Center for Development of NGOs
<i>Inter sector working group consisting of representatives of Ministry of finance, Association of municipalities, Montenegrin Employers Federation, Center for Development of NGOs and experts from European center was formed in order to analyze legislation for development of CSR (focus on corporative philanthropy)</i>	2007	Ministry of finance, Association of municipalities, Montenegrin Employers Federation, Center for Development of NGOs and experts from European center
<i>Baseline study on CSR in MNE</i>	2008	CEED and UNDP
<i>Development of CSR in the region: practical examples</i>	2010	Center for Development of NGOs
<i>CSR – survey of 186 companies</i>	2011	UNDP and Department for development of SME, Montenegrin Employers Federation and Center for Development of NGOs with De Facto Consulting agency
<i>Principles of labor rights of UN Global compact – business guidelines</i>	2011	Montenegrin Employers Federation
<i>Women in business – potential of Montenegrin economy</i>	2012	Montenegrin Employers Federation



Several organizations decided to organize reward giving ceremonies to the organizations and/or individuals whose activities were CSR conscious.

TABLE 16: REWARDS

Activities	Year	Implemented by
<i>CSR reward</i>	2008 – on going	Chamber of Commerce
<i>Reward for Philanthropy</i>	2009	Fund for active citizenship (FAKT)
<i>Yearly reward for volunteerism</i>	Since 2007	Association for democratic prosperity (ADP ZID)
<i>Reward for gender equality</i>	2012	Women Alliance for Development

In the following table information about relevant networks that were created and/or joint is provided. In 2010 Montenegro joint UN global compact network. This was a joint initiative by number of stakeholders and it was lead by Department for development of SMEs, UNDP, Montenegrin Employers' Federation, Center for Development of NGOs and two commercial companies: Telekom and Telenor. Initially 19 companies joint the UN global compact network.

TABLE 17: NETWORKING

Activities	Year	Implemented by
<i>Regional network of NGOs that are active in CSR</i>	2009	Center for Development of NGOs
<i>UN Global Compact network</i>	2010	Department for development of SMEs, UNDP, Montenegrin Employers Federation, Center for development of NGOs, Telenor and Telekom
<i>Membership in Regional network for SME's CSR</i>	2011	Department for support to the National Council for Sustainable Development
<i>ISME/TK 007 - CSR</i>	2012	Institute for standardization MNE



CSR principles became important elements of number of public policies. Though this topic is going to be further elaborated shortly, table 17 present some of the most important examples.

TABLE 18: PUBLIC POLICIES

Activities	Year	Implemented by
Encouraging culture of giving and CSR was defined as one of the goals within Strategy of cooperation between the Government and NGOs	2007-2011	Government, Ministry of Finance, Department of Public Revenues and NGOs
Action plan for implementation of Strategy of Development of SMEs envisaged activities aiming to estimate levels of CSR awareness among SMEs and public campaign for its enforcement	2011-2015	Government and Department for Development of SMEs
Action plan for National sustainable development strategy defined special instrument: Defining strategic framework for sustainable expenditure, production and promoting of CSR	2011-2012	Department for support of National Council for Sustainable Development
Action plan for implementation of Communication strategy of sustainable development defined number of activities aiming to promote CSR	2011-2013	Department for support of National Council for Sustainable Development
Round table: Studies and analyses of CSR in national public policies of MNE	2011-2013	UNDP, cabinet of vice president of Government for economic policy and financial system and Department for support of National Council for Sustainable Development
CSR defined as particular strategic goal within Action plan prepared in line with Open Government Partnership	2011-2012	Government

Table 19 presents other activities that were conducted and are CSR relevant.



TABLE 19: OTHER CSR RELEVANT ACTIVITIES

Activities	Year	Implemented by
<i>Ethical code of employers in line with UN Global Compact and UN Millennium Development Goals passed</i>	2005	Montenegrin Employers Federation
<i>Board for energetic efficiency and environment protection formed by Chamber of Commerce</i>	2007	Chamber of Commerce

Montenegro does not have a specific governmental department that is solely in charge of CSR. However, relevant analyses conclude that coordination between several governmental agencies especially Department for support of National Council for Sustainable Development and different NGOs and professional associations produce significant effect and positive results in the field of CSR in Montenegro¹⁷.

Even though many strategic documents and pieces of legislation include CSR principles, there is room for further improvement. According to the analysis in the document *Mainstreaming CSR in National Policies of Montenegro* 12 national strategies and 26 laws include directly or indirectly CSR principles. These are: *Strategy of energetic efficiency by 2025 (2007), Strategy of competition policy (2008), Strategy of development and poverty reduction (2003), Strategy of tourism development by 2020 (2008), Strategy of regional development (2010), Strategy of export stimulation (2005), Strategy of direct foreign investments stimulation (2006), Strategy of fight against corruption and organized crime 2010/2014 (2010), Strategy of Development of food production and rural areas (2006), National housing strategy (2011), Strategy of cooperation between Government and NGOs (2009/2011), Law on customers' protection, Law on food safety, Law on data protection, Law on environment protection, Law on strategic estimates of influences on environment, Law on waste management, Law on cleaning and recycling waste, Law on noise environmental protection, Law on general product safety, Labor law, Law on Tourism, Law on touristic organizations, Law on energy, Law on energetic efficiency, Law on concessions, Law on NGOs, Law on professional rehabilitation and employment of persons with disabilities, Law on volunteering, Law on VAT, Law on budget, Law on money laundering prevention, Law on foreign investments and Law on local self governance*¹⁸.

The same document emphasizes several positive aspects of CSR development in Montenegro, including adequate legal framework that represents solid ground for further enhancements, good cooperation between government, NGOs and professional organizations in the field, international and donor support, previous activities that had provided sufficient knowledge and awareness of the importance of CSR as a quality start for future development¹⁹.

¹⁷ Lazarevski, Goran, *Mainstreaming CSR in National Policies of Montenegro*, Podgorica, 2012, page 27.

¹⁸ Ibid, pages 27 - 29

¹⁹ Ibid, page 30



In the future, it will be important to continue working on adjusting legal framework in different fields to the CSR principles. It is also recommended that:

- National CSR strategy is passed,
- Relevant legislation on tax relieves on donations and sponsorships is passed,
- Other stimulations for companies that introduce and practice CSR principles are provided,
- Environmental and social signs for products and services are introduced,
- Subventions for companies that introduce CSR standards are provided,
- CSR principles in public procurement procedures are included,
- Initial funding for CSR projects is being provided and legally regulated,
- Legal obligation to yearly report on CSR is introduced for pension, investment and other public funds,
- Legal obligation to yearly report on CSR is introduced for companies,
- Specific CSR programs are included in different strategies, especially Strategy of Sustainable Development,
- State co/financing of CSR yearly reporting done by SMEs is introduced,
- External verification system of the quality of CSR reporting is introduced,
- CSR is included in educational programs²⁰.

These recommendations have been confirmed by empirical part of this study and could be added to the final conclusions and recommendations. Also, intensification of activities by all relevant stakeholders in the field of CSR has been noticed in the increased awareness among companies about the companies in the previous several years.

²⁰ Ibid, page 32



IV. Company survey results

Main part of the survey questionnaire included questions aiming to assess both companies' attitudes towards CSR and their current practices with this regard. The following part of this report therefore contains ten sub segments: 1) general awareness of CSR, 2) CSR governance within the company, 3) CSR priorities for the company, 4) CSR activities of the company, 5) reasons for engaging in CSR, 6) use of CSR instruments, tools and initiatives, 7) challenges in implementation of the CSR, 8) assessment of the governmental policies towards CSR, 9) future development of CSR and 10) assessment of the companies' need for training.

The structure of the sub segments follows the same logic: first we present the distribution of the responses in the whole sample and then divided into subsamples according to criteria: 1) SME/large companies, 2) five main sectors and 3) companies with domestic and foreign capital and 4) domestic market oriented and export oriented companies. In some cases one or more sample subdivisions are omitted. This is the case if differences within subgroups are insignificant or in the case where due to the number of missing cases there is not enough data for the meaningful comparison among the groups.

Division between SME and large companies is constructed based on the number of employees. If the number of employees is lower than 250, the company is considered to be small and medium enterprise. In case this number is higher it is considered to be large company.

After collecting data we have identified five main sectors according to the number of the companies belonging to the specific sector. According to this criterion, five main sectors are: 1) wholesale and retail sale, repair of motor vehicles, 2) construction, 3) other service activities, 4) financial and insurance activities and 5) accommodation and food services.

The third sub-grouping is done according to the origin of the capital. We have divided companies into two groups: 1) companies with mainly domestic and 2) companies with mainly foreign capital.

The last division is made according to companies' market orientation. We can distinguish two main groups of the companies: those that have export operations and those that are oriented only towards domestic market.

Following 9 figures present main information about the survey sample. The first one presents regional distribution of the companies' headquarters. Companies that have headquarters in Mojkovac, Zabljak, Pljevlja, Berane, Rozaje, Andrijevisa, Plav, Savnik, Petnjica, Pluzine, Bijelo Polje and Kolasin are considered to be situated in the north. Companies based in Podgorica, Danilovgrad, Cetinje and Niksic are considered to be situated in the central part of the country and companies based in Kotor, Budva, Tivat, Herceg Novi, Bar, Ulcinj are considered to be southern. As can be seen from the

Figure 3 most Montenegrin companies are situated in the central part of the country and the least in the north.



FIGURE 3: WHERE IS YOUR COMPANY HEADQUARTED?

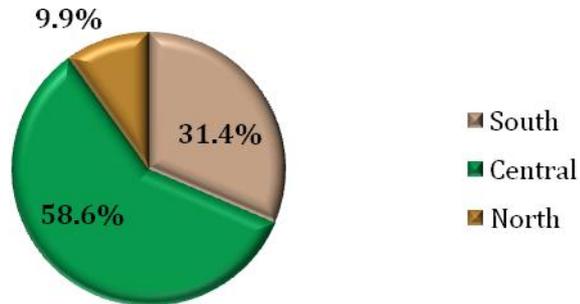


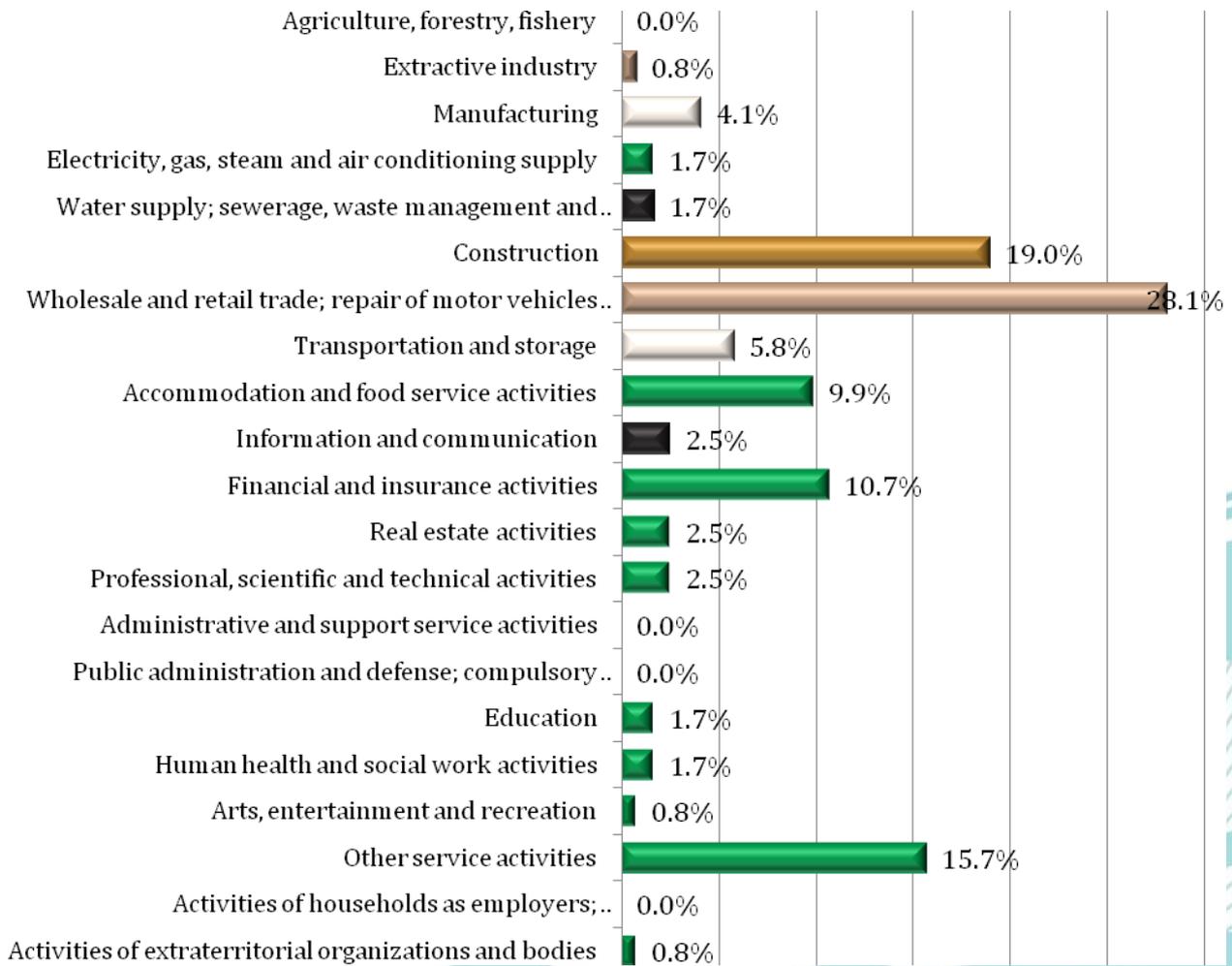
Figure 4 shows distribution of the companies according to the main industry. As already mentioned, five largest industry sectors included in our sample were: 1) wholesale and retail trade (34 companies),



construction (23), other services (19), financial and insurance activities (13) and accommodation and food services (12).

FIGURE 4: WHAT IS YOUR COMPANY'S MAIN INDUSTRY SECTOR?





Following two figures contain information about type of ownership structure. Dominantly companies within the sample have sole proprietorship (88).

FIGURE 5: TYPE OF OWNERSHIP STRUCTURE



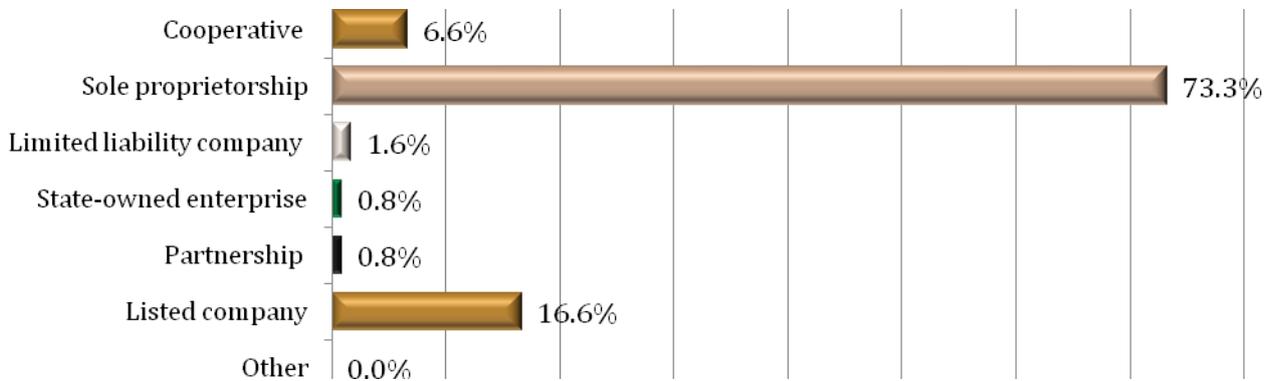
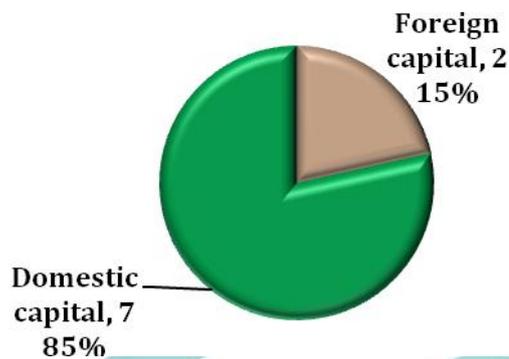


Figure 6 represents division of the companies according to the main origin of their capital. Most companies have mainly domestic, while less than quarter had foreign capital.

FIGURE 6: ORIGIN OF THE CAPITAL



Next two figures describe the sample with regard to size of the company. As already said, the criterion used for determining the size of the company was number of employees. The first figure presents number of employees divided into nine subgroups. We can see that number of companies decreases as number of employees goes up. The second figure collapses all the categories in only three: up to 50 employees – small, up to 250 medium, more than 250 large company. It most picturesquely describes the very structure of Montenegrin economy in which SMEs are the main pillar.

FIGURE 7: HOW MANY EMPLOYEES DOES YOUR COMPANY EMPLOY?



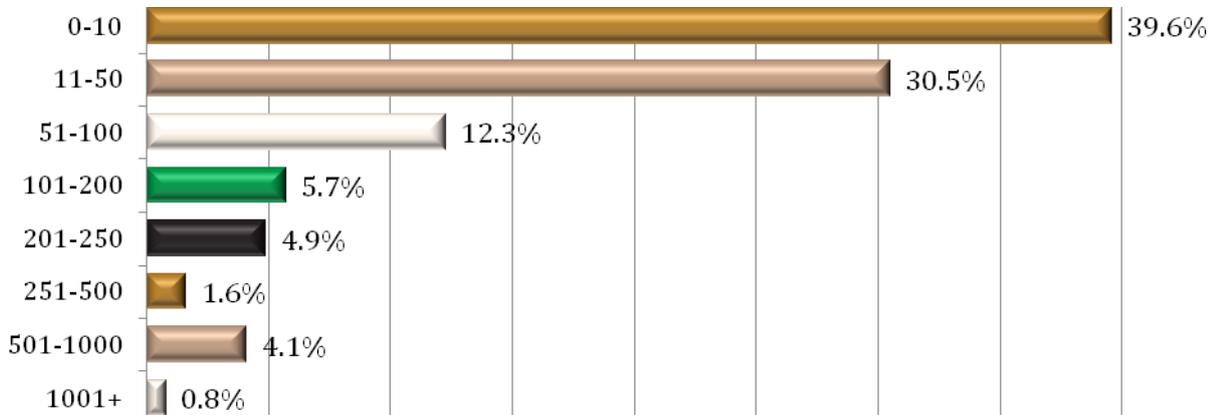
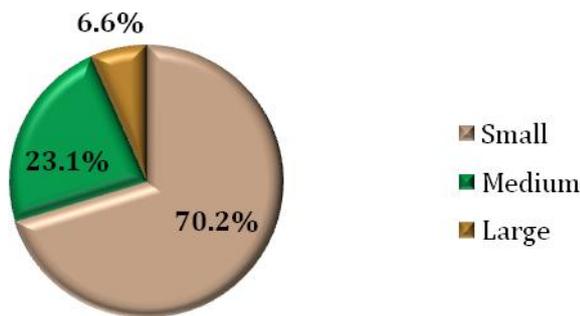


FIGURE 8: SMALL, MEDIUM AND LARGE COMPANIES



The following four figures describe the sample regarding the origin of companies' operations. Most companies have no foreign operations (55%), while 10% of the companies operate in 2 countries, 13.7% in 3 countries, 3.7% in 4 countries and 8.7% in 5 countries.

FIGURE 9: NUMBER OF COUNTRIES WHERE THE COMPANY HAS OPERATIONS AND/OR EXPORTS



"This Project is funded by the European Union"

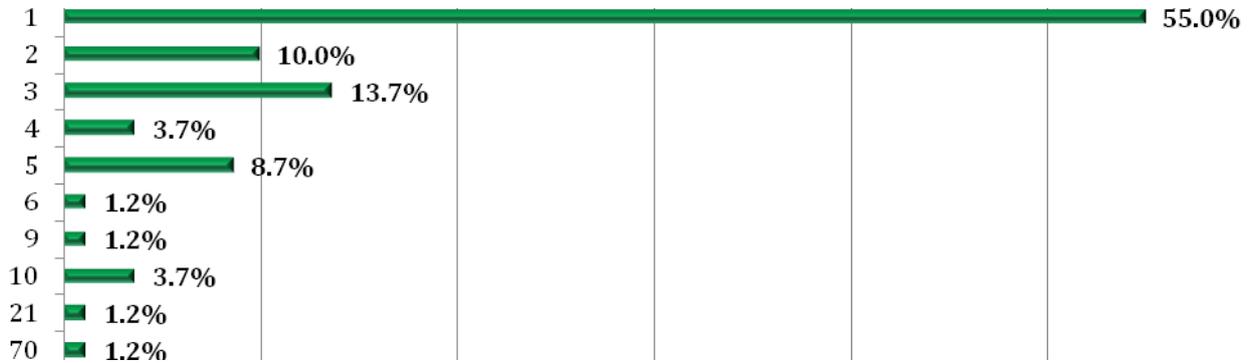
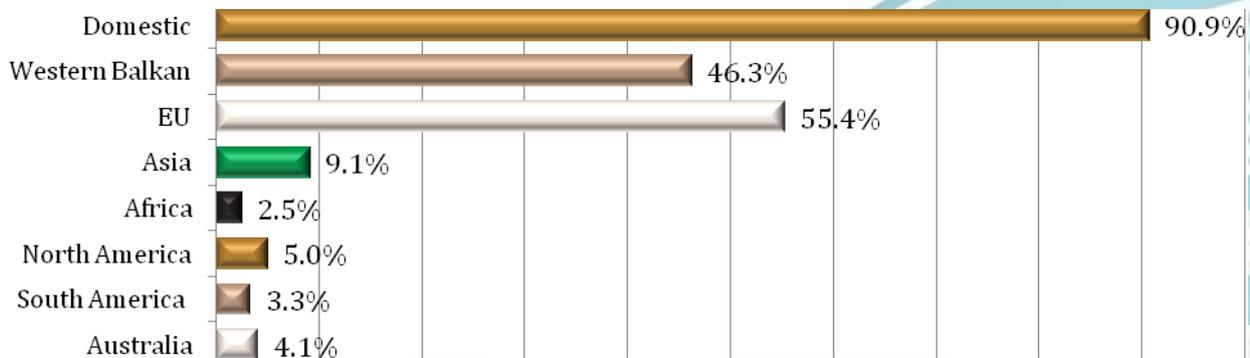


Figure 10 represents the structure of companies' business partners. It is important to emphasize that the respondents could choose more than one answer so the total exceeds 100%. Most of companies have domestic partners (90.9%), while 46.3% have partners from Western Balkans and 55.4% from EU.

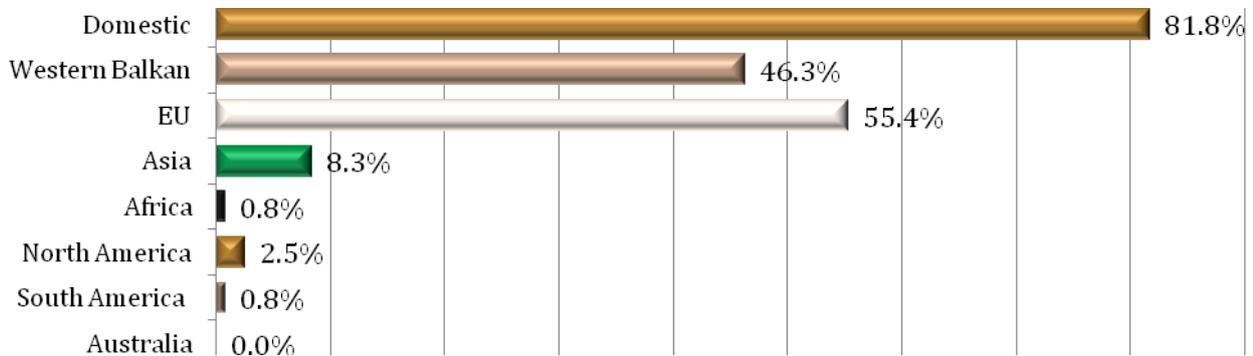
FIGURE 10: REGIONAL PRESENCE OF BUSINESS PARTNERS



Similarly, most companies have domestic direct suppliers (81.8%), while 46.3% have suppliers from Western Balkans and 55.4% from EU.

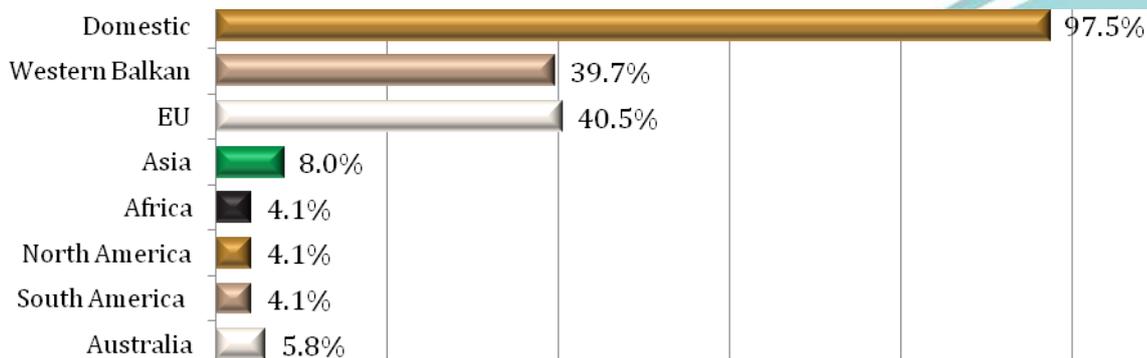
FIGURE 11: REGIONAL PRESENCE OF DIRECT SUPPLIERS





Almost all companies have domestic costumers (97.5%). On the other hand only 39.7% have also customers from western Balkans and 40.5% from European Union.

FIGURE 12: REGIONAL PRESENCE OF CUSTOMERS



At the end we have created additional variable: domestic market oriented versus export oriented companies.



FIGURE 13: EXPORT ORIENTED VS. DOMESTIC MARKET ORIENTED COMPANIES



General Awareness of CSR

The first question was aiming to assess how many representatives of the companies have heard the term Corporate Social Responsibility. Out of 121 respondents 84 (70%) replied that they had.

FIGURE 14: ARE YOU AWARE OF THE TERM CSR?

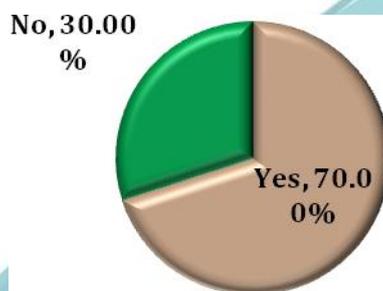


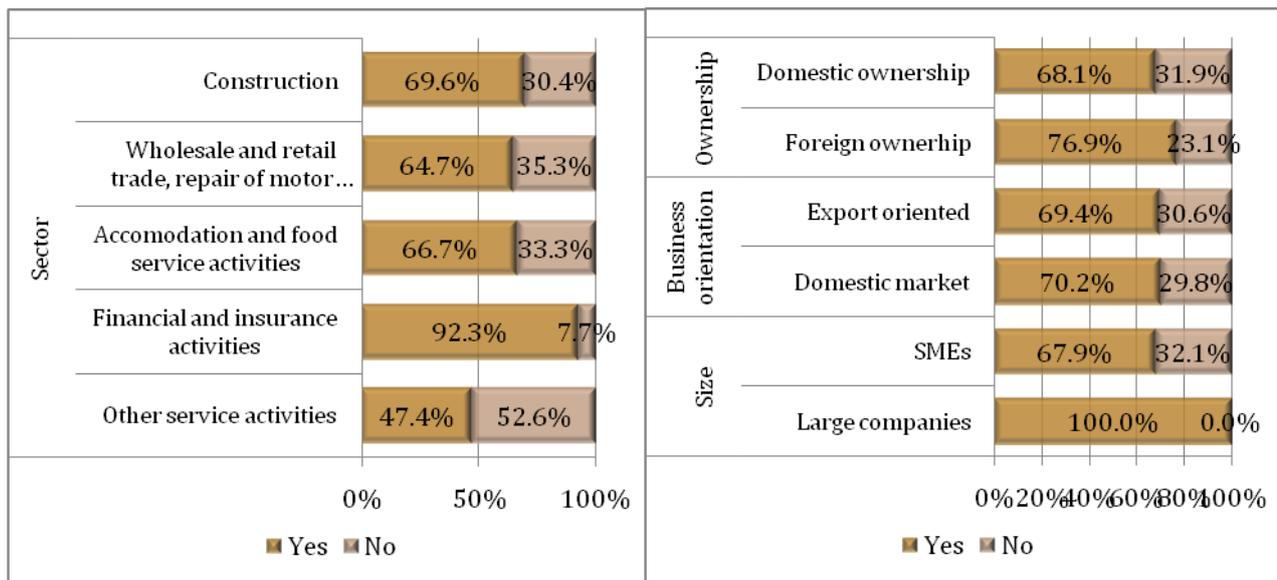
Figure 13b contains information about the responses divided according to three additional criteria that we chose – sector, size and the origin of the capital. We can see from this table that the most aware are representatives of the financial and insurance companies (92%), while the least aware are those working in other services (47.4%). This does not come as a surprise having in mind that most companies in “other services” sector are on average significantly smaller. More companies that have foreign capital are aware of the term then those with the domestic which could be explained by the fact that in these cases from abroad with the capital comes also a more developed business culture.



There is no significant difference when regarding this issue between domestic market and export oriented companies.

Unlike SMEs, all representatives of the large companies within our sample are aware of the CSR. It is easy to explain this by the fact that large companies are by default more organizationally developed.

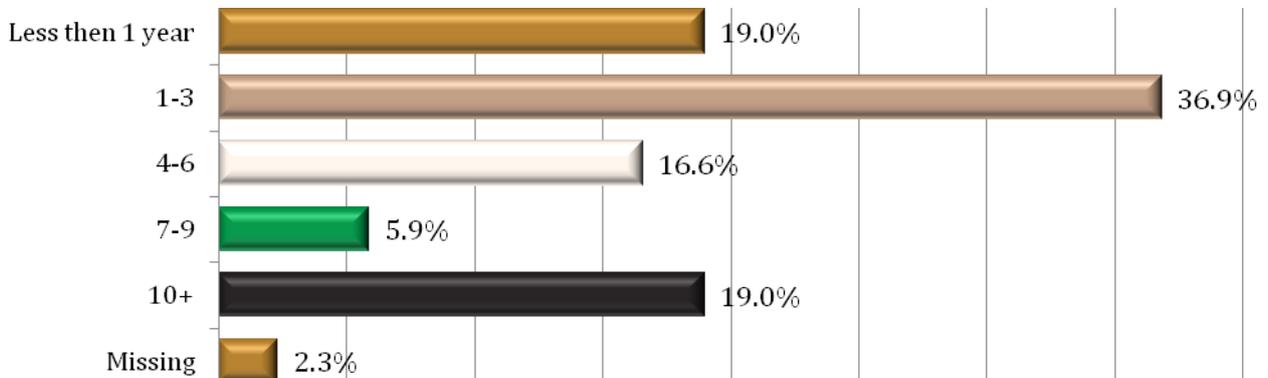
FIGURE 14B: ARE YOU AWARE OF THE TERM CSR BY SECTOR, SIZE, OWNERSHIP AND BUSINESS ORIENTATION



In the second question, those that answered positively were asked since when were they aware of this term. Most of respondents have been aware of the term between 1 and 3 years and 72% in the past 6 years since activities of the Government and other stakeholders regarding CSR have been intensified. This figure shows a specific positive trend that means that more and more companies are becoming aware of the CSR.



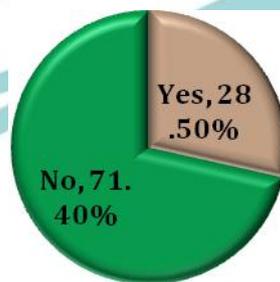
FIGURE 14: IF SO, SINCE WHEN ARE YOU AWARE OF THE TERM?



CSR Governance in your company

Next set of questions aimed to assess the way targeted companies organize CSR activities. The first question was about organizational matters. The idea was to see whether companies have a specific department which is responsible for CSR. One could expect that existence of such unite would indirectly indicate higher understanding for the CSR within specific company. However, Figure 15 shows that majority of them does not have such organizational unite (71.4%).

FIGURE 15: DOES YOUR COMPANY HAVE A DEPARTMENT WHICH TAKES THE LEAD ON ADDRESSING YOUR COMPANY’S SOCIAL RESPONSIBILITIES AND IMPACTS?



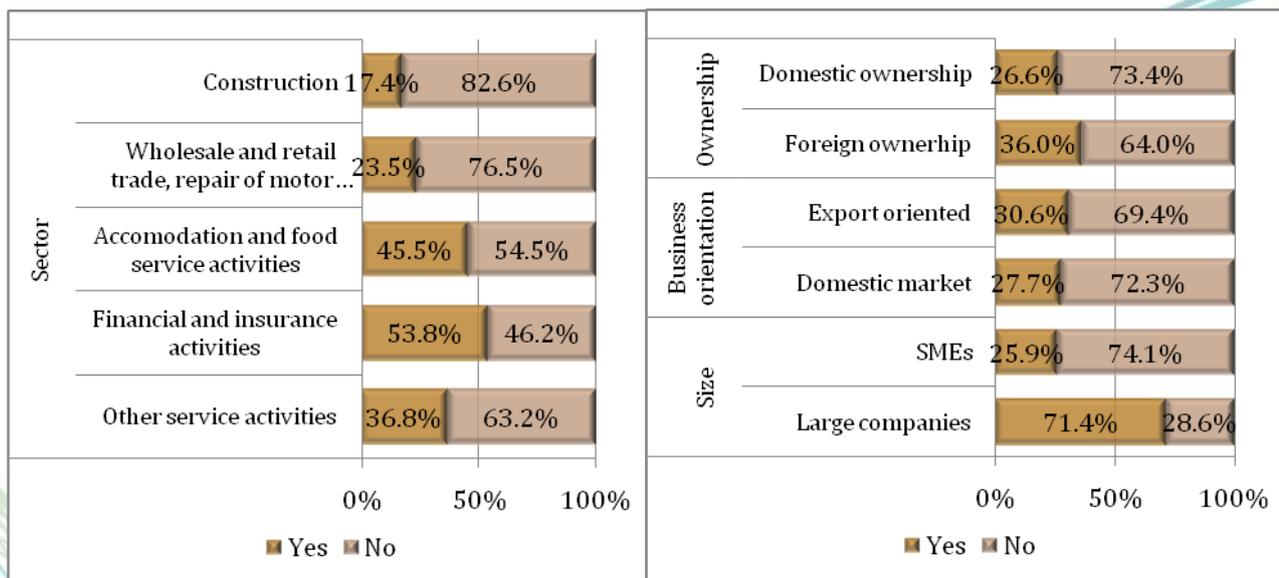
Part of the answer why is this the case could be found in the following figure that shows division of the answers according to four sub criteria that we chosen. Namely, again we can see that as the company is larger its capacities raise. Having a special unite therefore is not only connected to the companies' awareness but with its capacities (70% of large companies have a special CSR unite, while this is only the case with 26% of SMEs).

As for the sector, companies involved in financial and insurance business (53.8%) and companies involved in providing accommodation and food services (45.5%) are more likely to have a special organizational unit in charge of CSR.

Companies with foreign capital more often have such a unit (36%) then those with domestic (26%).

When it comes to business orientation there is no significant difference between companies with regard to having a special CSR unit.

FIGURE 16B: DOES YOUR COMPANY HAVE A DEPARTMENT WHICH TAKES THE LEAD ON ADDRESSING YOUR COMPANY'S SOCIAL RESPONSIBILITIES AND IMPACTS, BY SECTOR, SIZE, OWNERSHIP AND BUSINESS ORIENTATION.



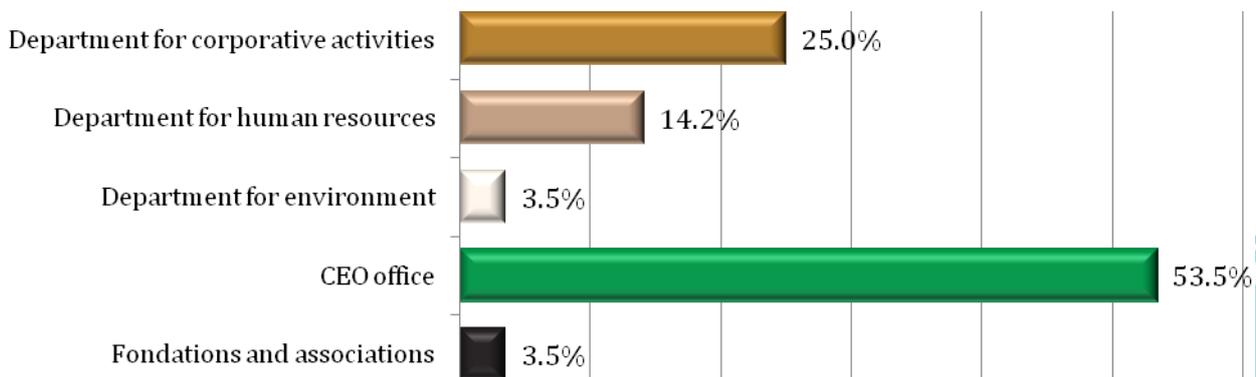
The second question aimed to identify the type of department that a specific company delegates to be responsible for CSR. We only included respondents that had previously replied that they had a specific unite which is responsible for CSR in the distribution.

From the Figure 16 we can see that in most cases this department is in fact CEO's office (53.5%). In other cases this is most commonly department for corporative activities (25%) or department for human resources (14.2%).



The fact that in most cases it is CEO’s office that is in charge of CSR indicates the low level of institutionalization of CSR principles in the work of the company. Namely, CEO’s office is the one with the highest level of discretionary powers which may suggest that CSR is not something that is being part of the beforehand defined companies’ policy but an ad hoc activity.

FIGURE 16: IF SO, WHICH ONE?



CSR Priorities of your company

Next group of questions aimed to assess the priorities of CSR for the companies.

The first question offered ten options and respondents could choose up to three. From the following figure we can see that the highest priority for the companies is responsibility towards employees (53.3%), fair business behavior (38.3%) and respecting human rights (31.6%).

The lowest priority respondents give to anticorruption behavior (43.8%), responsibility toward environment (40%) and engaging in supply chain (34.8%). They are most “indifferent” towards philanthropy (76.9%), securing jobs (60%) and anti corruptive behavior (50%).



FIGURE 17: WHICH OF THE FOLLOWING AREAS ARE OF HIGH PRIORITY TO YOUR COMPANY WITH REGARD TO CSR?

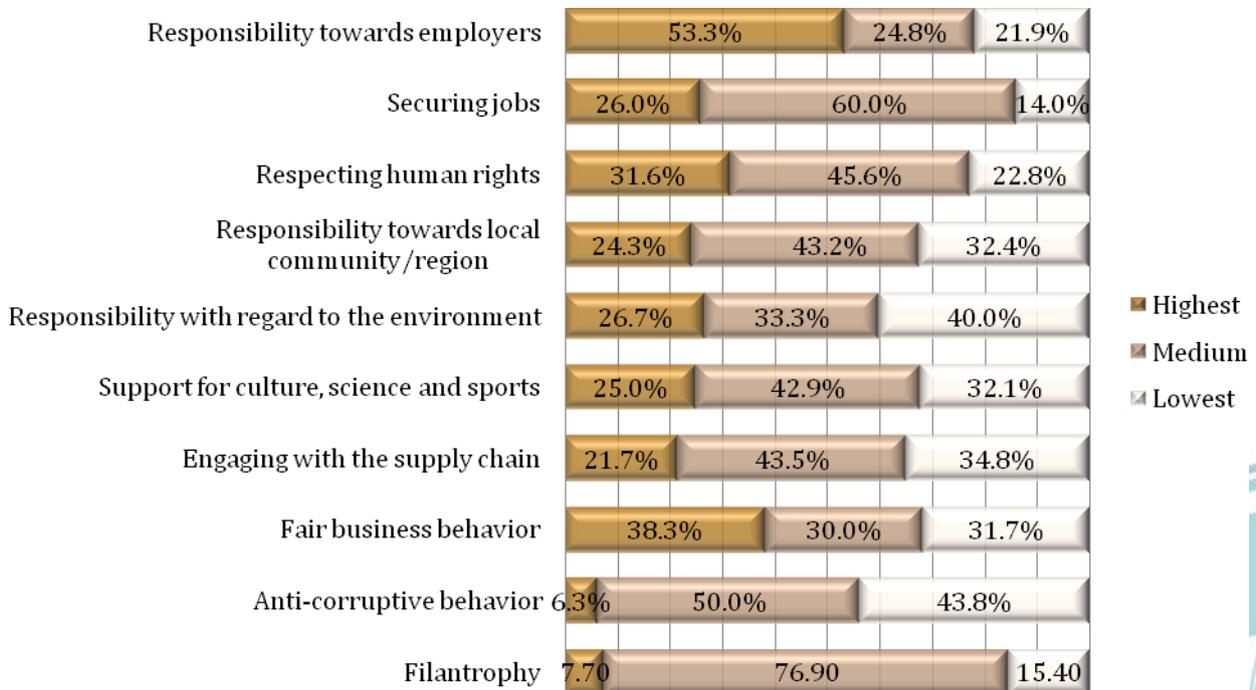


Figure 17b seeks to identify differences among types of companies with regard to their priorities. For that purpose the variables were transformed into scores ranging from 0 (the lowest importance) to 3 (the highest importance).

From the first radar graph we can see that responsibility towards employees is almost equally important to all sectors of the economy. It is most important for representatives of financial and insurance companies (2.44) and least important to the construction companies (2.10). However, this difference cannot be considered significant.

As for other priorities:

- Securing jobs is most important for construction (2.42) and least important for financial and insurance (1.83) companies.
- Securing human rights is most important for accommodation and food services (2.33) and least important for construction (1.89) companies.
- Responsibility towards local community/region is most important for financial and insurance companies (2.50) and least important for accommodation and food services (1.50) companies.
- Responsibility towards the environment is most important for construction and whole sale and retail sale (2.00) and least important for accommodation and food services (1.50) companies.

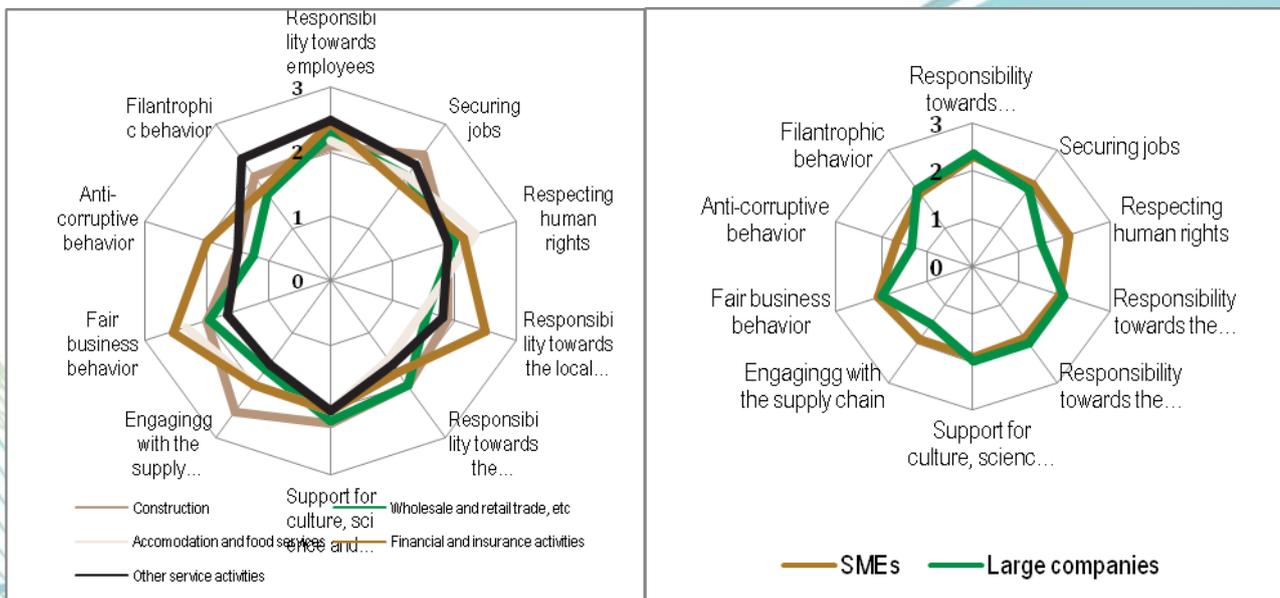


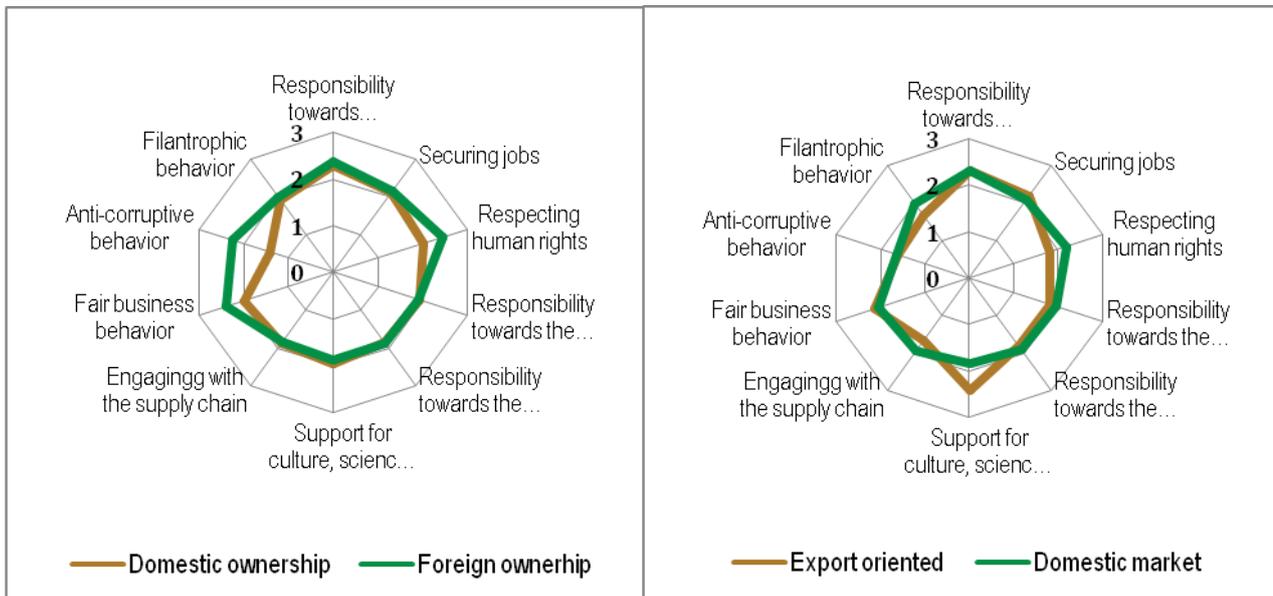
- Support for culture, science and sport is most important for construction companies (2.20) and least important for accommodation and food services, financial and insurance and other services companies (2.00).
- Engaging with the supply chain is most important for construction companies (2.50) and least important for other services (1.60) companies.
- Fair business is most important for financial and insurance companies (2.56) and least important for other services (1.57) companies.
- Anticorruption is most important for financial and insurance companies (2.00) and least important for construction and other services (1.50) companies.
- Philanthropy is most important for other services (2.33) and least important for whole sale and retail sale (1.7) companies.

More significant differences between SMEs and large companies are regarding:

- Respecting human rights (SMEs – 2.11, Large companies – 1.50),
- Engaging with the supply chain (SMEs – 1.90, Large companies – 1.50),
- And anti-corruptive behavior (SMEs – 1.69, Large companies – 1.33).

FIGURE 18B: WHICH OF THE FOLLOWING AREAS ARE OF HIGH PRIORITY TO YOUR COMPANY WITH REGARD TO CSR, BY SECTOR, SIZE, OWNERSHIP AND BUSINESS ORIENTATION?





Companies with domestic and foreign ownership differ significantly regarding:

- Respecting human rights (domestic ownership – 2.02, foreign ownership – 2.44),
- Fair business behavior (domestic ownership – 1.98, foreign ownership – 2.38),
- Anti corruptive behavior (domestic ownership – 1.42, foreign ownership – 2.25).

Export oriented companies differ from domestic market oriented companies significantly regarding:

- Respecting human rights (export oriented – 1.80, domestic oriented – 2.19),
- Support for culture, science and sports (export oriented – 2.40, domestic oriented – 1.83),
- Engaging with the supply chain (export oriented – 1.67, domestic oriented – 1.94),
- Philanthropic activities (export oriented – 1.67, domestic oriented – 2.00).



CSR activities of your company

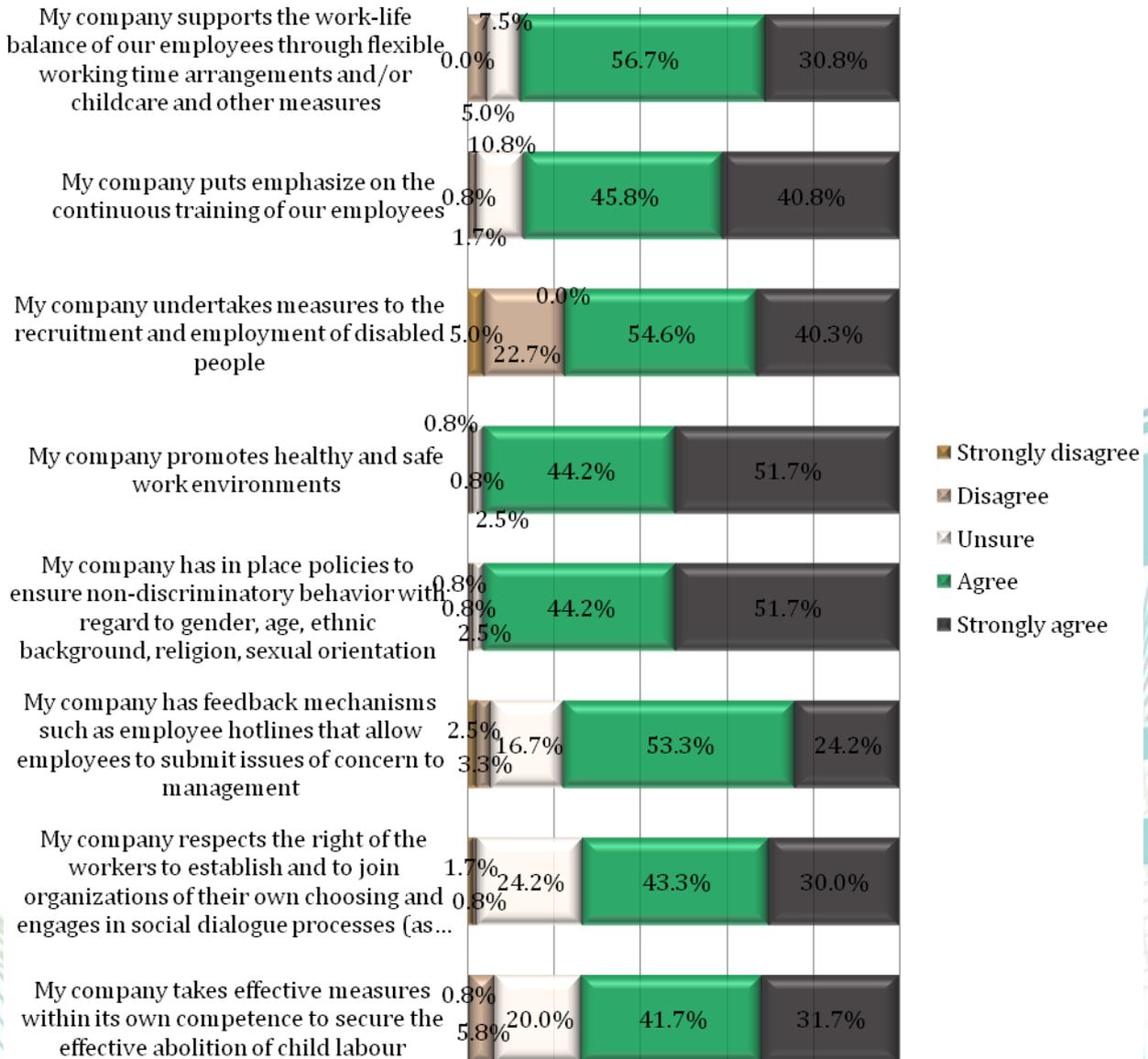
In the following section specific CSR practices of the company in question were assessed. Respondents were asked to agree or disagree with the set of statements regarding seven most common CSR types of activities: 1) commitment towards employees, 2) respecting human rights, 3) community engagement, 4) environmental activities, 5) engaging with the supply chain, 6) fair business behavior and 7) providing remedy.

Commitment towards employees

The first subset of statements described different kinds of commitment to employees. In most cases the respondents agreed (strongly or not) with the offered statements. They mostly agree with the statement that their company promotes healthy and safe work environment (95.9%) and that their company has in place policies to ensure anti-discriminatory behavior (95.9%)



FIGURE 18: COMMITMENT TO EMPLOYEES



It is interesting to notice that representatives of the companies mostly disagree with the statement that they undertake measures to recruit and employ disabled people (27.7% disagree or disagree strongly).



Figure 19a describes results divided by sector. We can see that the results are pretty evenly distributed. Work-life balance is most important for accommodation and food services and least for financial and insurance companies. Effective abolition of child labor is most important to financial and insurance companies. Dialogue process with the workers is the most important for accommodation and service companies and least for construction. Feedback mechanisms are also most important to accommodation and food services. Healthy and safe work environments as well as non discriminatory behavior are most important to financial and insurance companies. Recruitment of the disabled people is most important for financial and insurance companies and least for wholesale and retail sale.

FIGURE 19A: CSR ACTIVITIES OF A COMPANY BY SECTOR

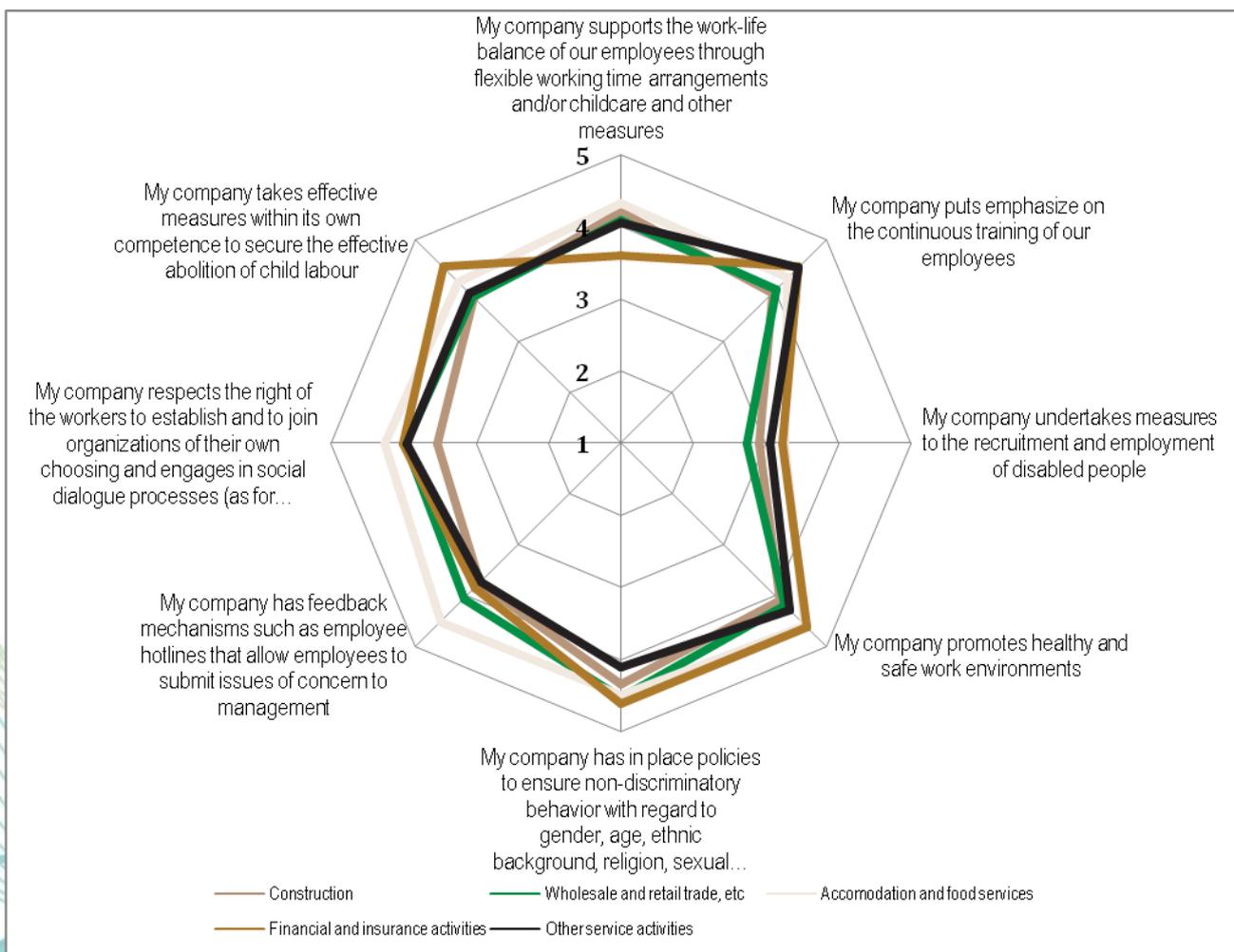
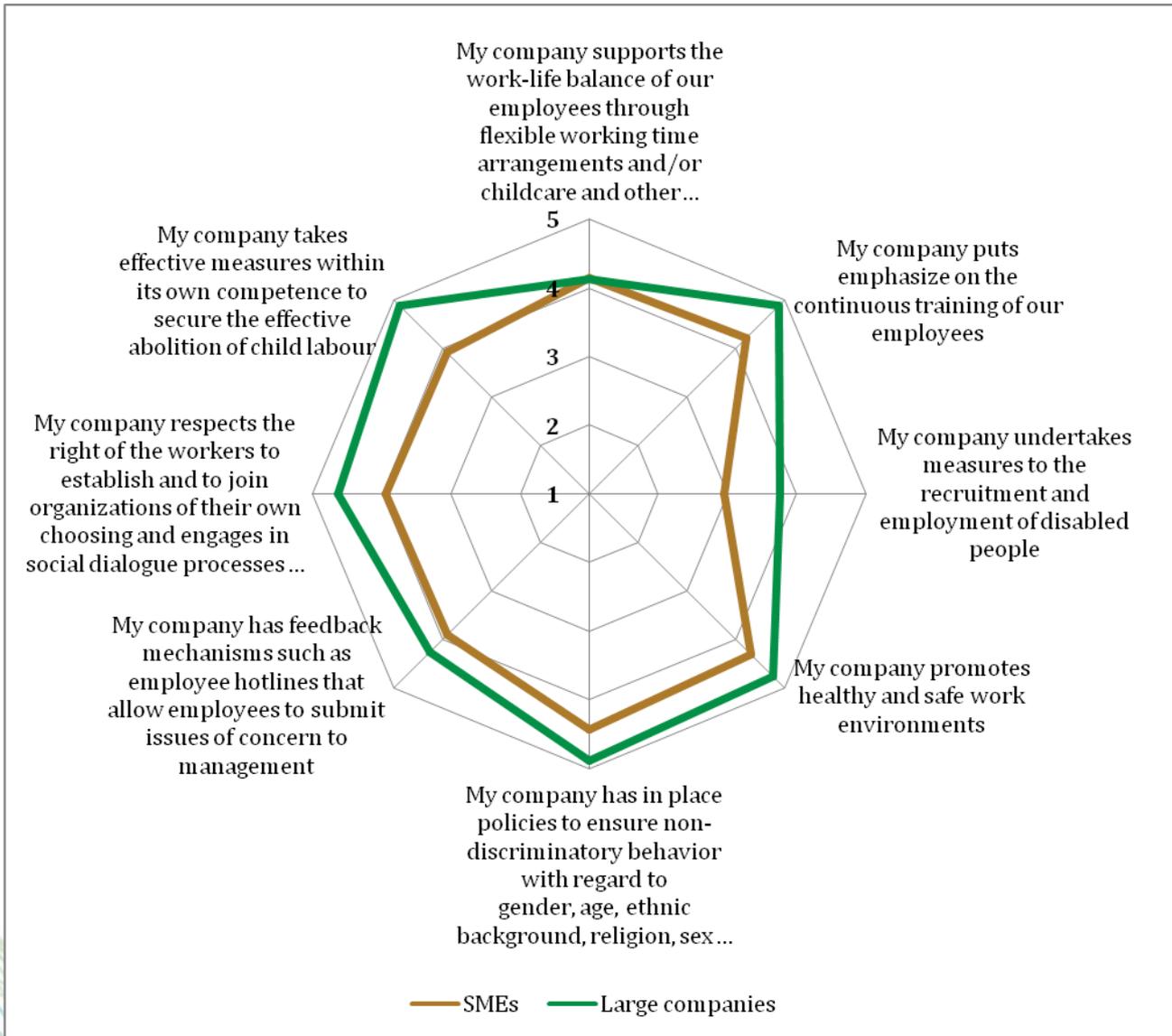


FIGURE 19B: CSR ACTIVITIES OF A COMPANY BY SIZE

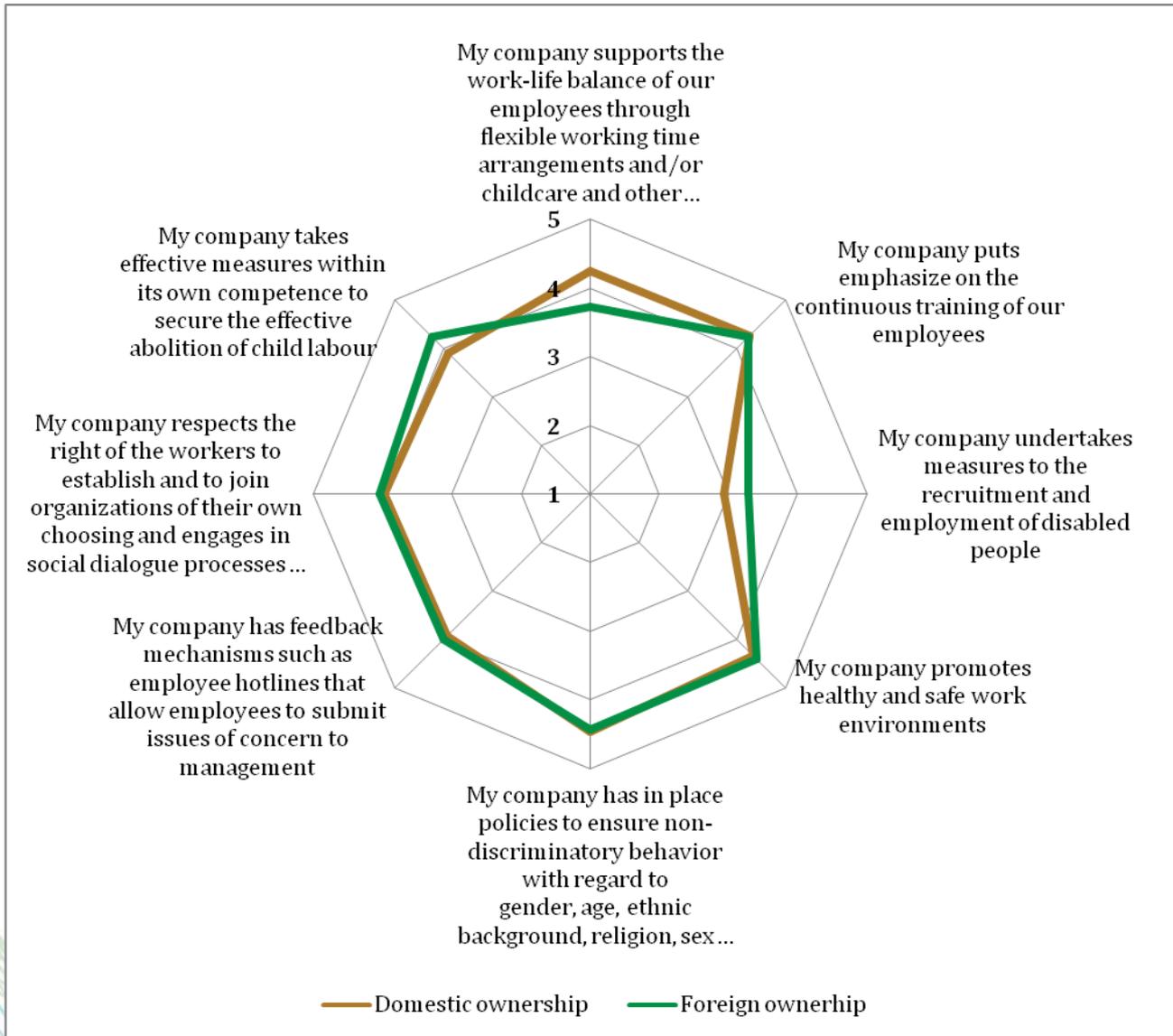


The difference is much more visible according to the size of the company. Except for the work-life balance, large companies' representatives agreed much more with the statements than did representatives of SMEs.

This is not the case regarding type of the ownership. Domestically owned companies' representatives agree more with the importance of the life-work balance, while representatives of the foreign owned companies agree more with abolition of the child labor and recruitment of the disabled people.



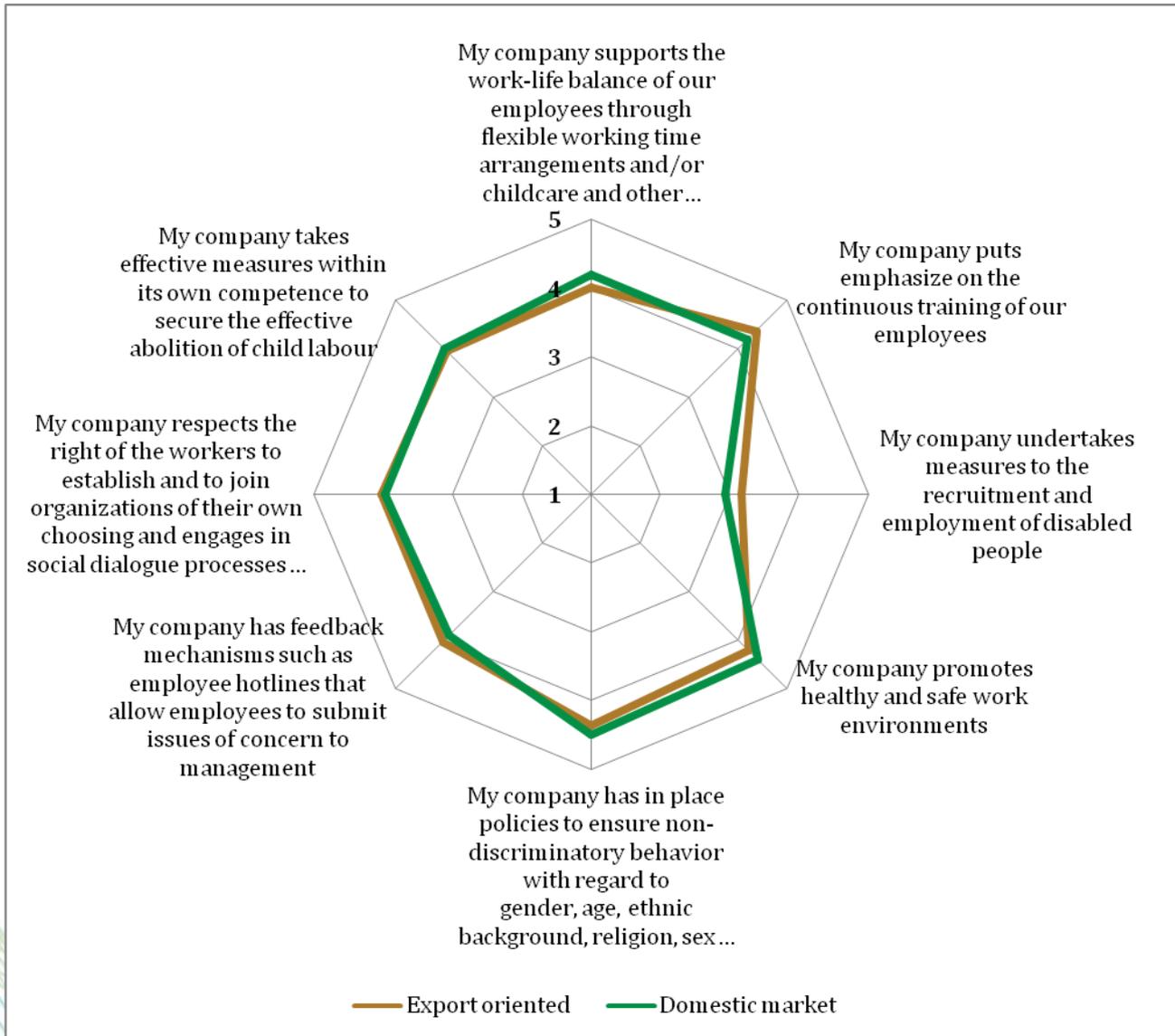
FIGURE 19C: CSR ACTIVITIES OF A COMPANY BY TYPE OF OWNERSHIP



Also there is no significant difference in responses provided by representatives of the companies that are export and domestic market oriented with this regard.



Figure 19d: CSR activities of a company by business orientation



Respecting human rights

The next set of questions was regarding CSR practices in the field of human rights. Out of four offered statements, two were of general and two of more specific character. The percentage of companies agreeing with the specific statement is very high when it comes to the more general ones (respecting human rights is a priority to my company - 95%) and low when it comes to more specific ones (e.g. my company has started to



implement the UN Guiding Principles for Business and Human Rights - 35.9%). This could be an indication that although companies in theory stand for respecting human rights they do not do enough in practice.

FIGURE 19: RESPECTING HUMAN RIGHTS

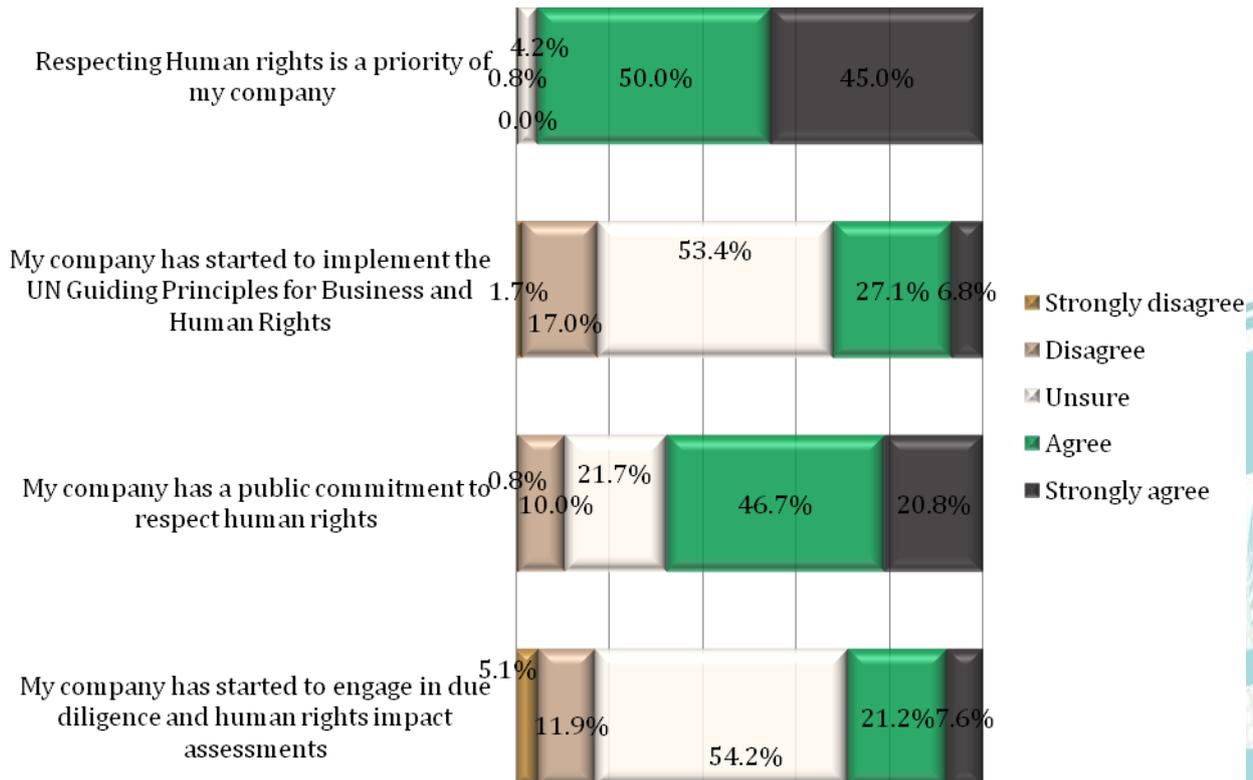
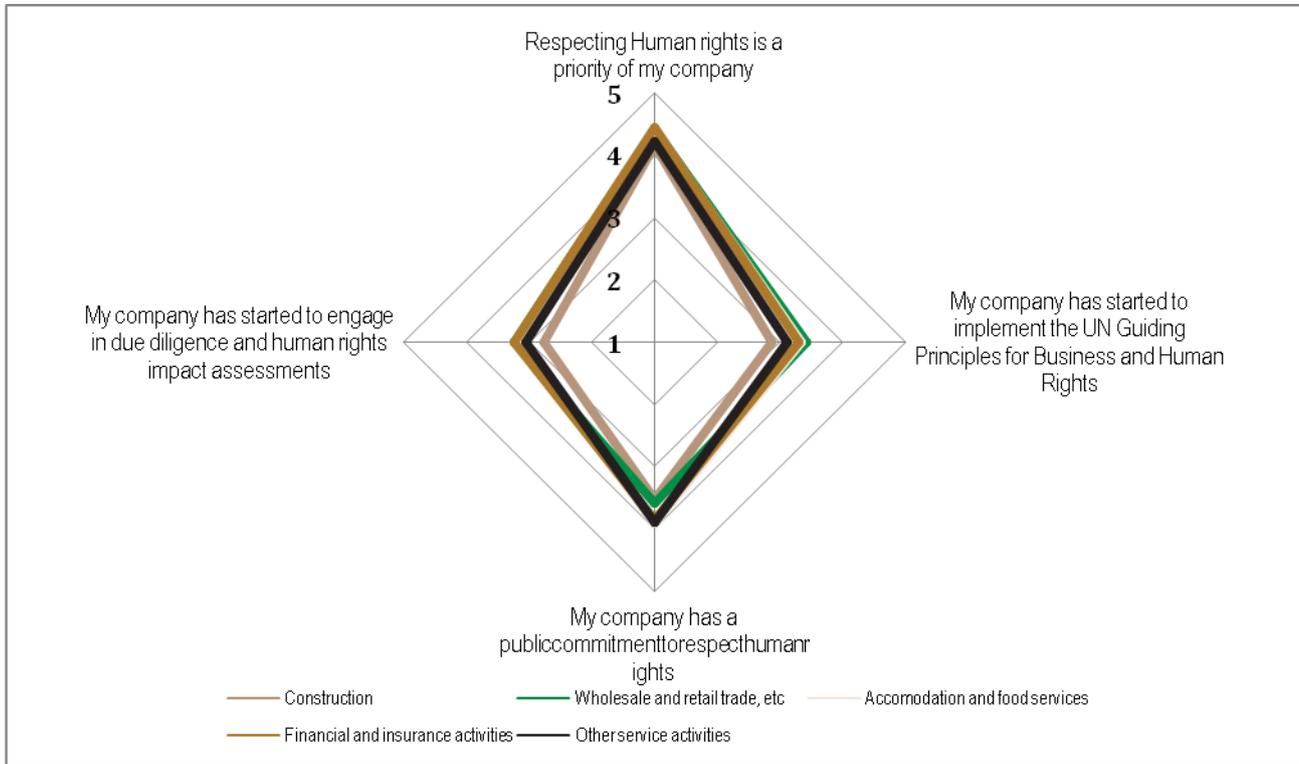


FIGURE 20A: RESPECTING HUMAN RIGHTS BY SECTOR



There is no much difference among companies when it comes to the attitudes towards respecting human rights. Companies in construction slightly less than others agree with statements that they have started to implement UN guiding principles (2.9) and that they started to engage in due diligence and human rights assessments (2.8). Other service companies and accommodation and food providing companies slightly more than others agree with the statement that their company has public commitment to respecting human rights (3.9).



FIGURE 20B: RESPECTING HUMAN RIGHTS BY BUSINESS ORIENTATION

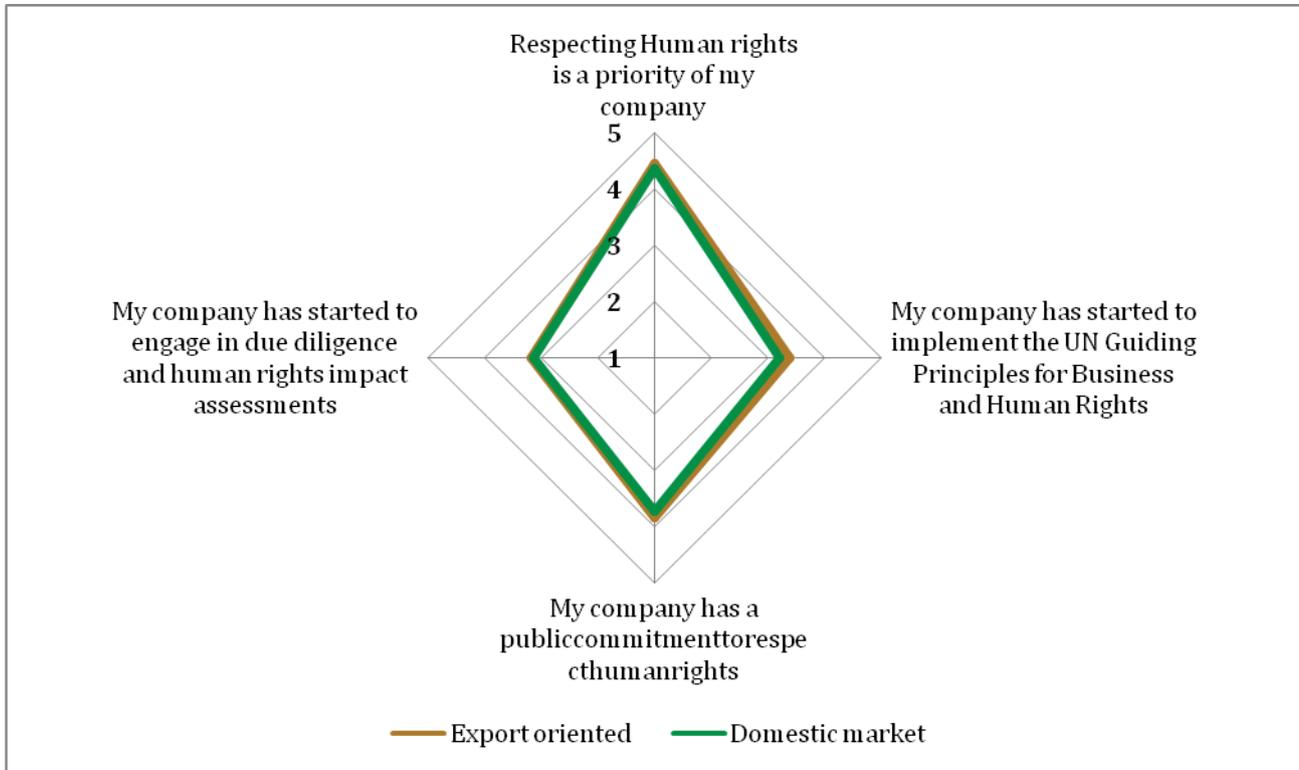
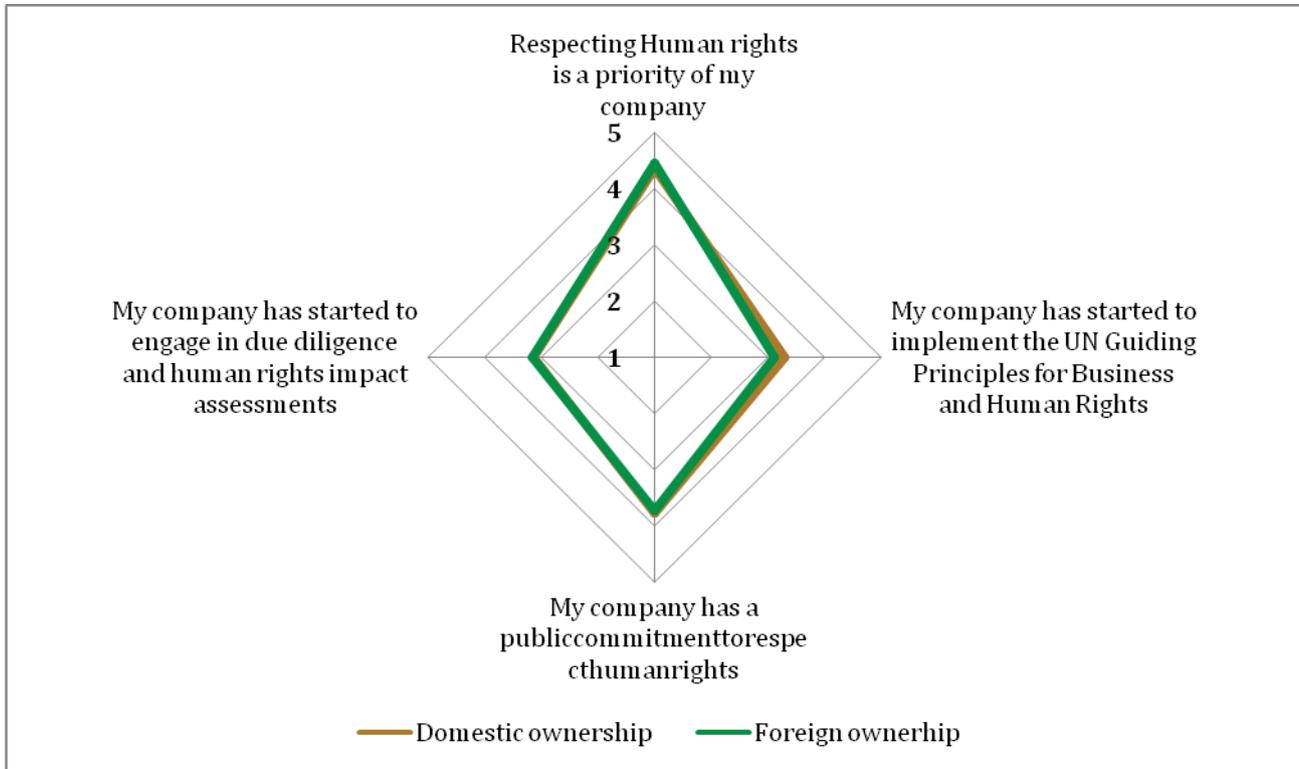


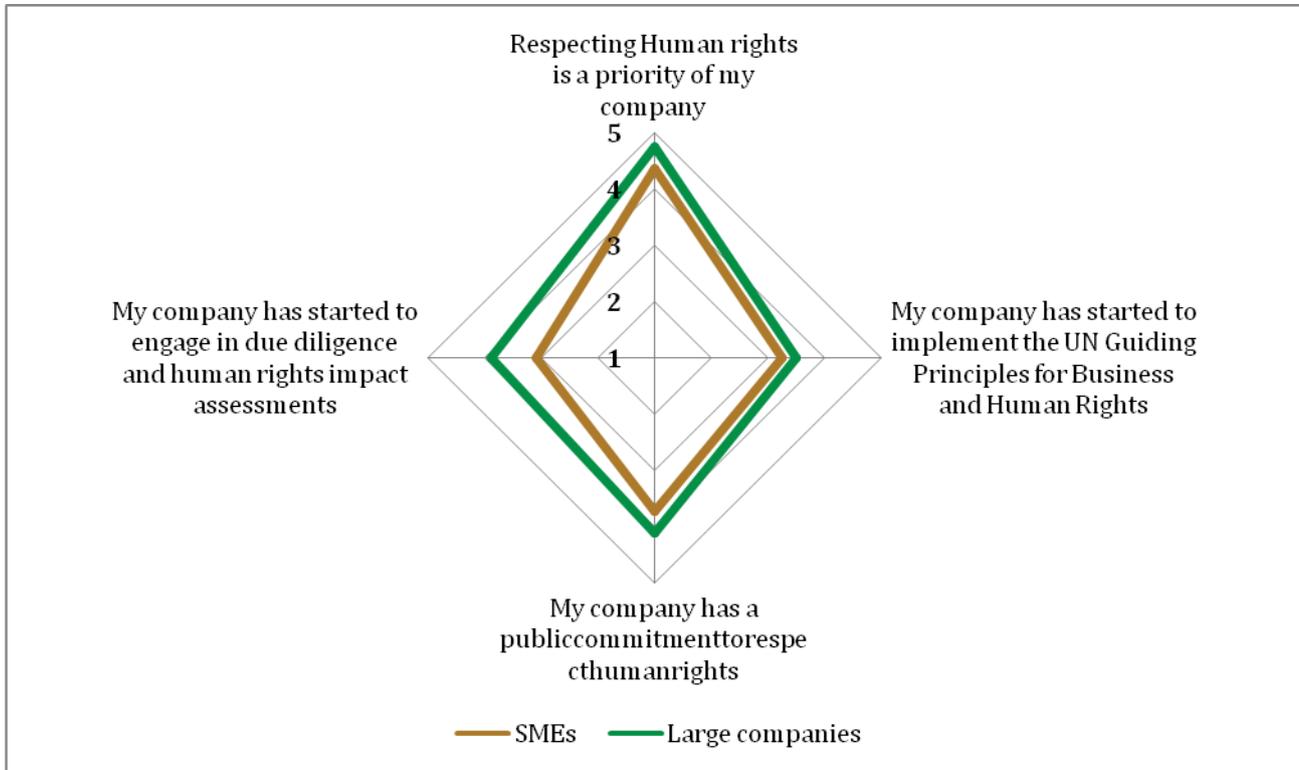
FIGURE 20C: RESPECTING HUMAN RIGHTS BY OWNERSHIP



There is no significant difference among the companies with regards to human rights related statements when it comes to type of ownership and business orientation. On the other hand it appears that large companies tend to be more committed to respecting human rights than SME's.



FIGURE 20D: RESPECTING HUMAN RIGHTS BY SIZE

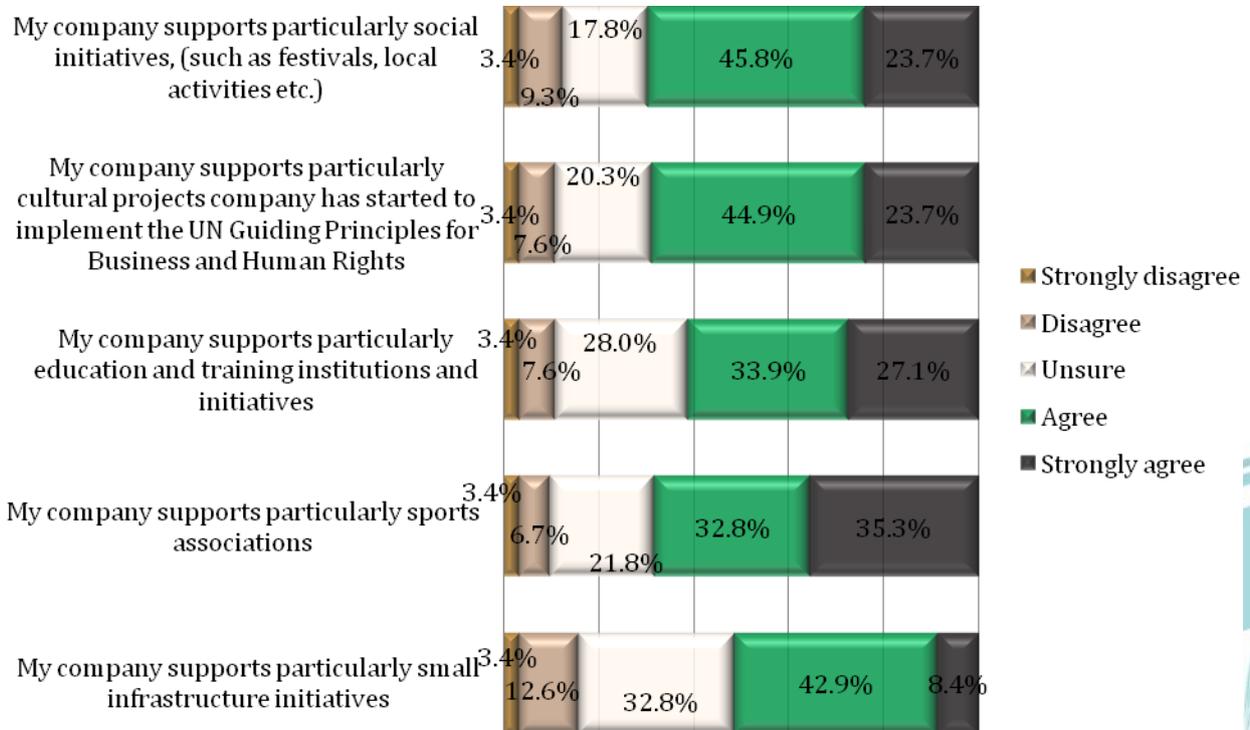


Community engagement

Most of the statements regarding community engagement have high percentage of positive responses. In most cases companies support sports associations, social initiatives and cultural projects. They are less interested in infrastructural project but even in this case the total percentage of positive responses is rather high (51.3%).

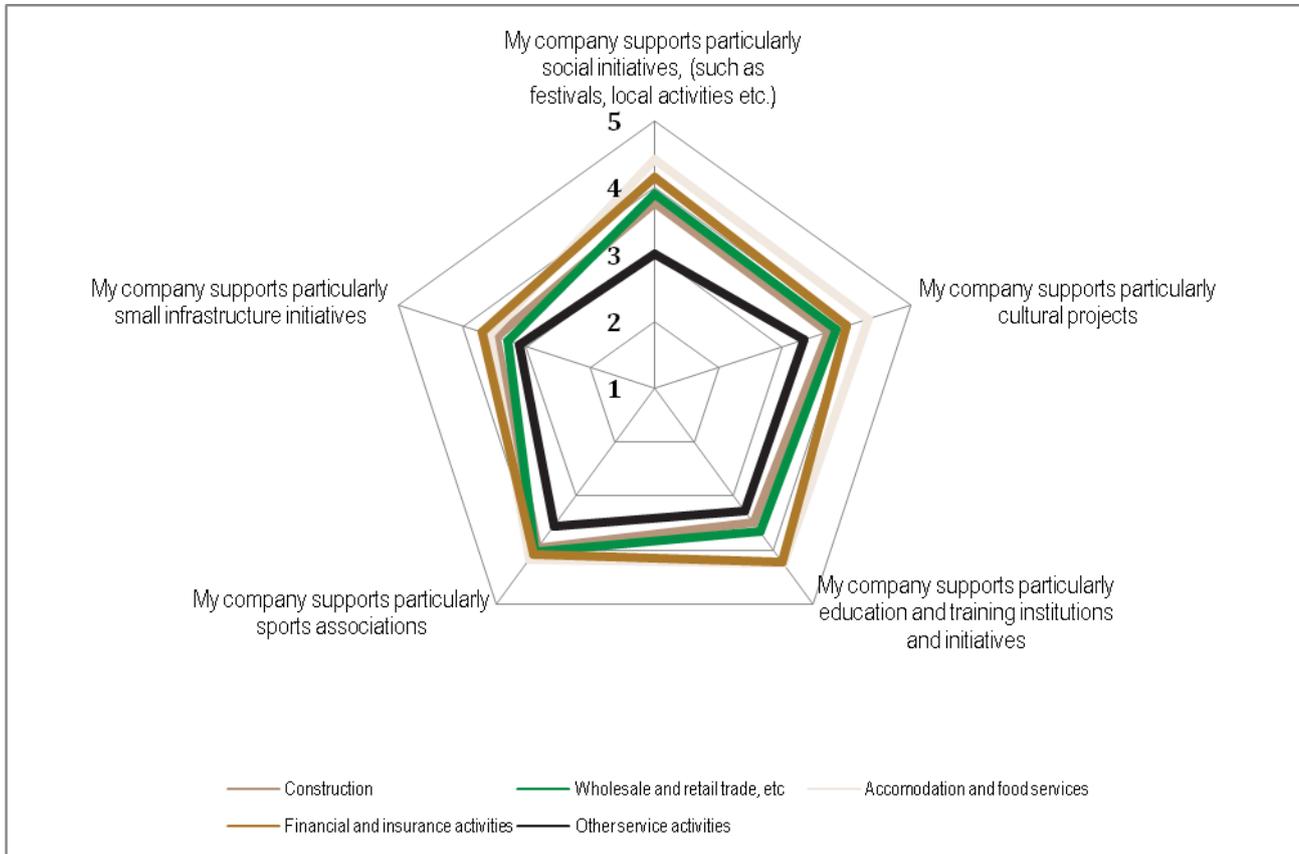


FIGURE 20: COMMUNITY ENGAGEMENT



“This Project is funded by the European Union”

FIGURE 21A: COMMUNITY ENGAGEMENT BY SECTOR



Other service companies tend to be less interested in community engagement than other types of companies. When it comes to supporting social events (4.4) and cultural projects (4.3), training and education (4.3) and sports (4.2) most interested are accommodation and service companies. For infrastructural projects most interested are financial and insurance companies (3.7). However, the difference among all categories is rather small.



FIGURE 21B: COMMUNITY ENGAGEMENT BY BUSINESS ORIENTATION

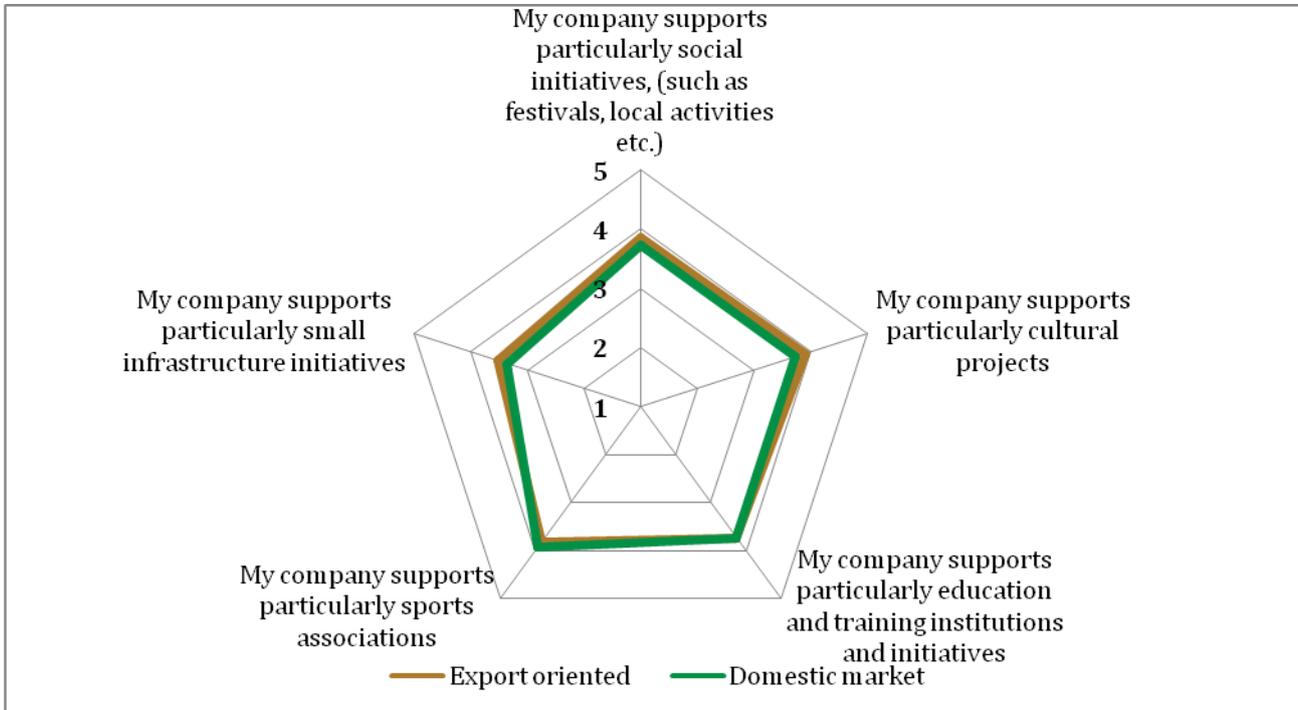
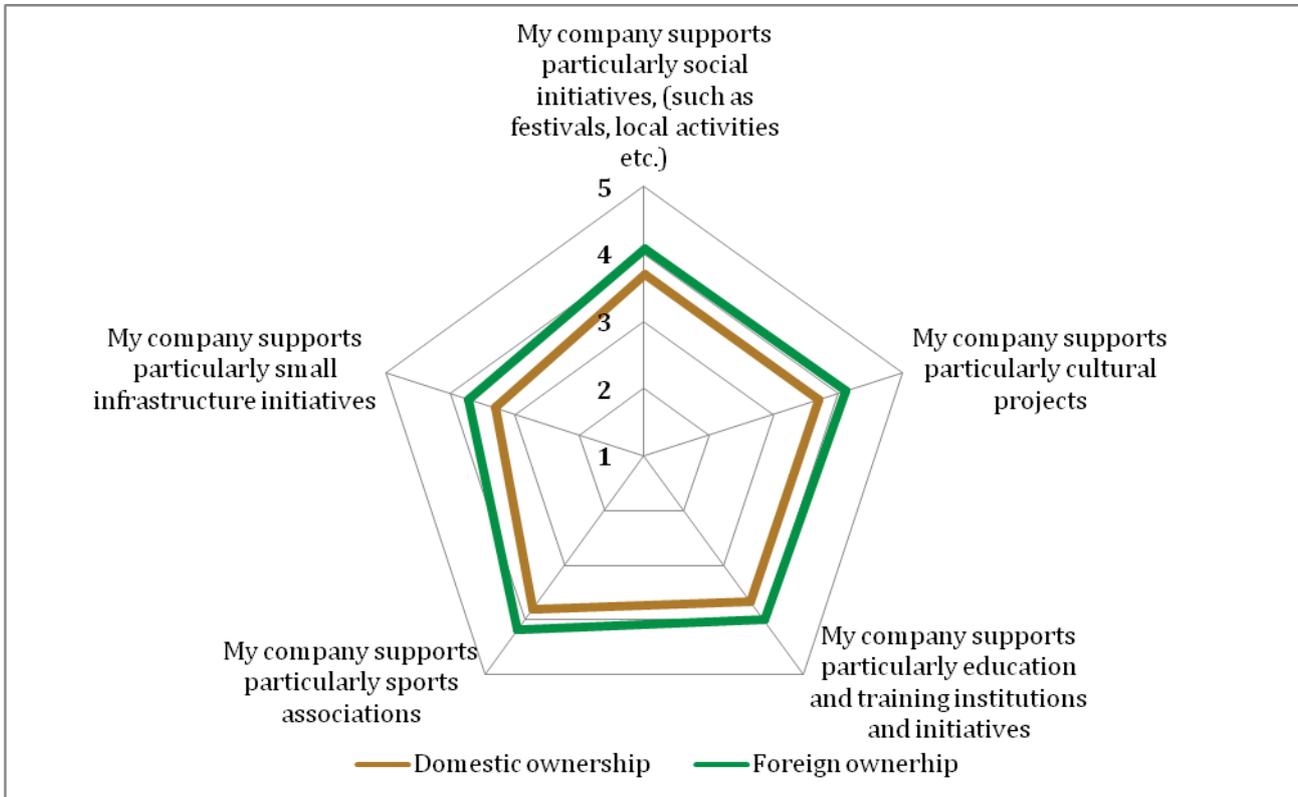


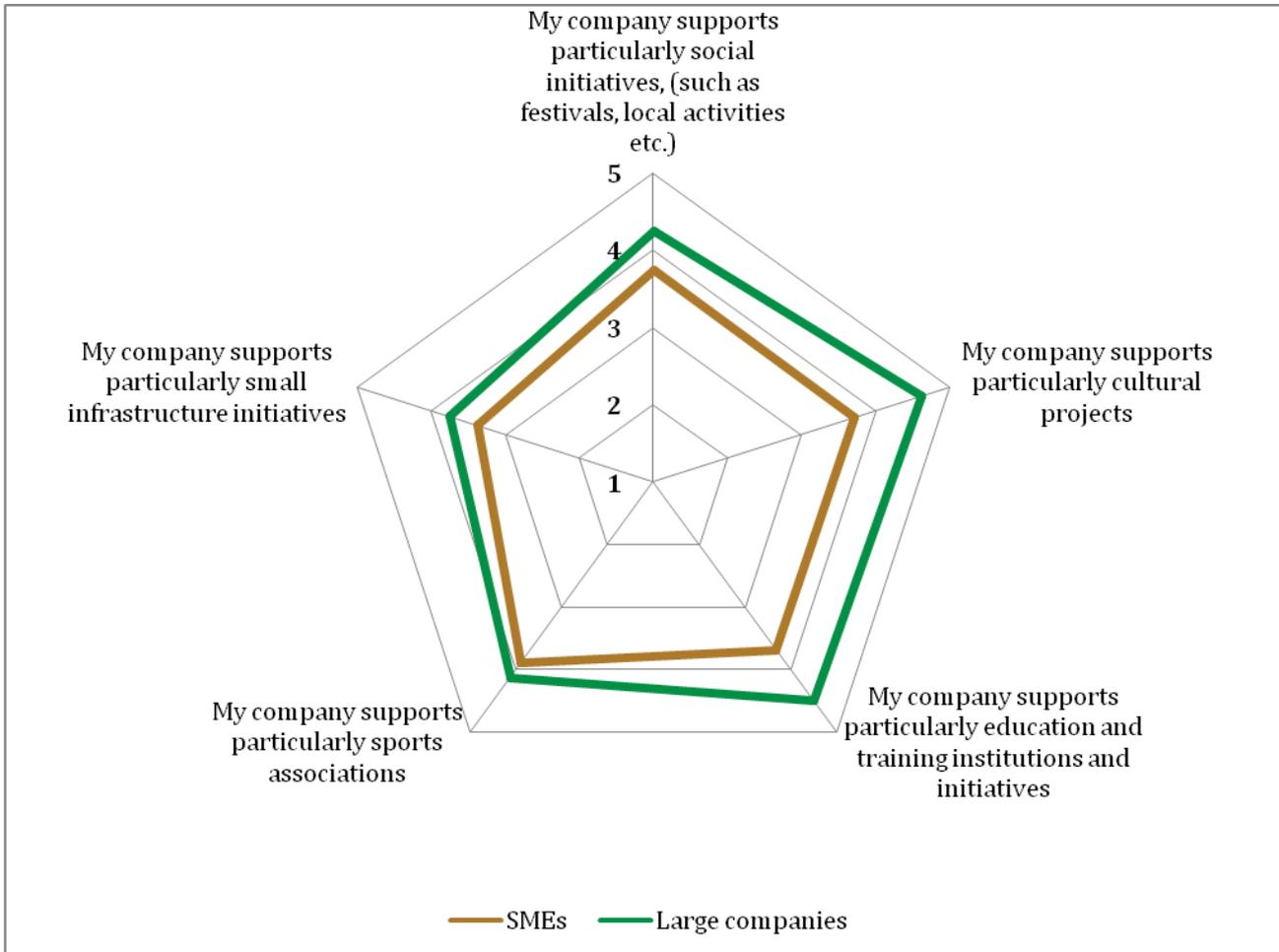
FIGURE 21C: COMMUNITY ENGAGEMENT BY TYPE OF OWNERSHIP



There is almost no difference between companies' attitudes towards community engagement when it comes to business orientation. On the other hand domestically owned companies and SME's tend to less agree with the offered statements than companies with foreign ownership and large companies.



FIGURE 21D: COMMUNITY ENGAGEMENT BY SIZE



Environmental activities

When it comes to environment, most companies try to reduce energy consumption (87.4%), use of natural resources (76.2%) and pollution emissions (78.3%). It is interesting that over 50% of company representatives were not sure whether they apply environmental management standards such as ISO 14001 and similar. Again this indicates high percentage of nominal support but a less positive picture of the practice.



FIGURE 21: ENVIRONMENTAL ACTIVITIES

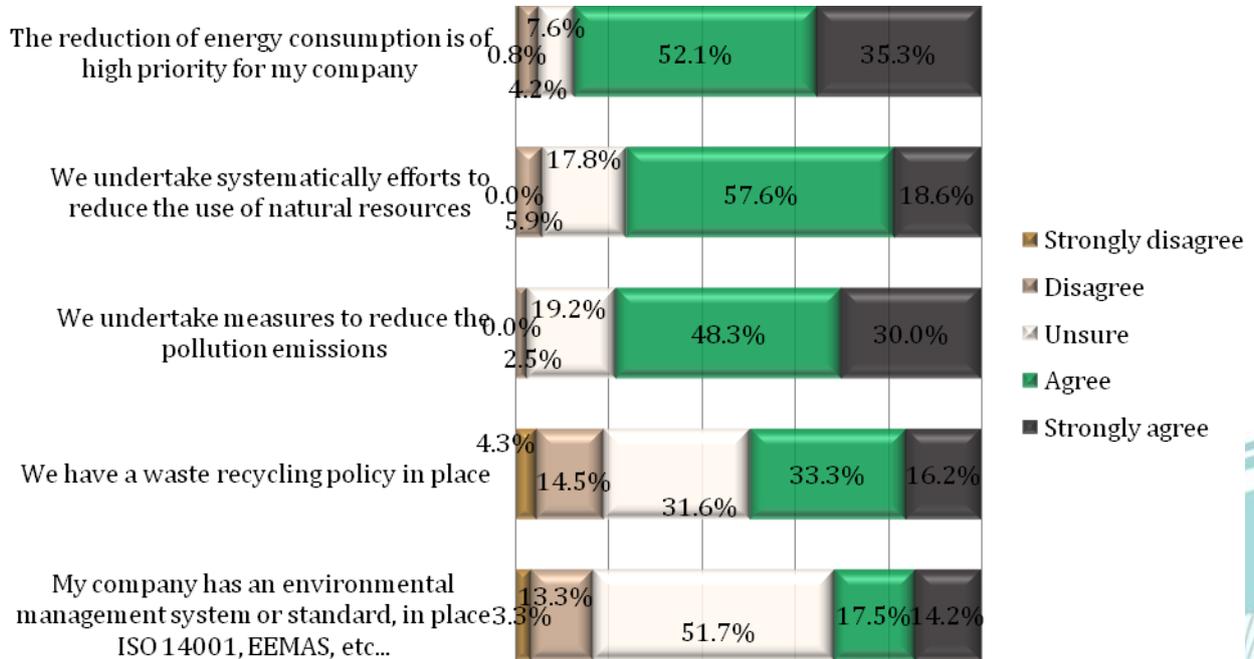


FIGURE 22A: ENVIRONMENTAL ACTIVITIES BY SECTOR

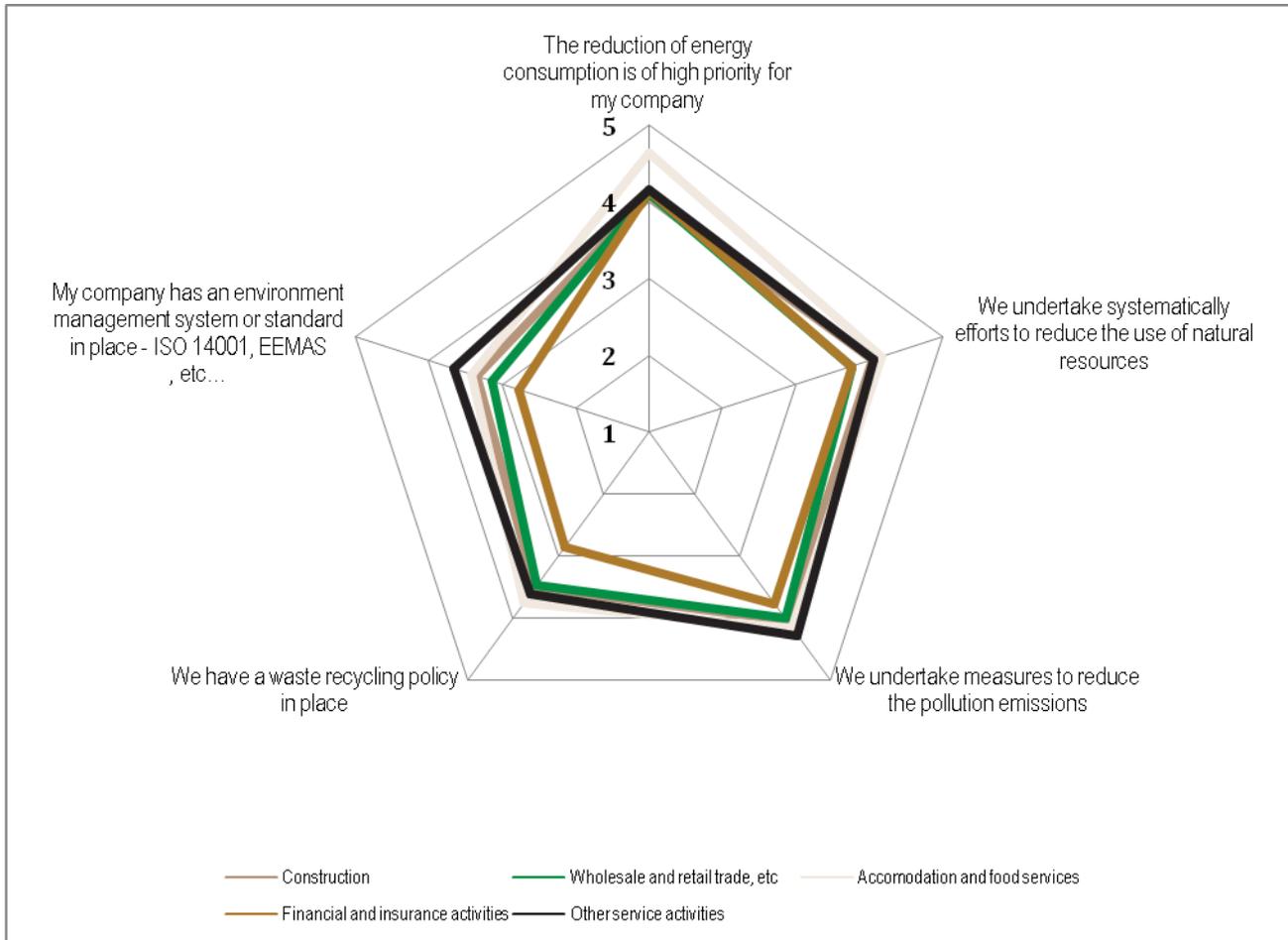


FIGURE 22B: ENVIRONMENTAL ACTIVITIES BY BUSINESS ORIENTATION

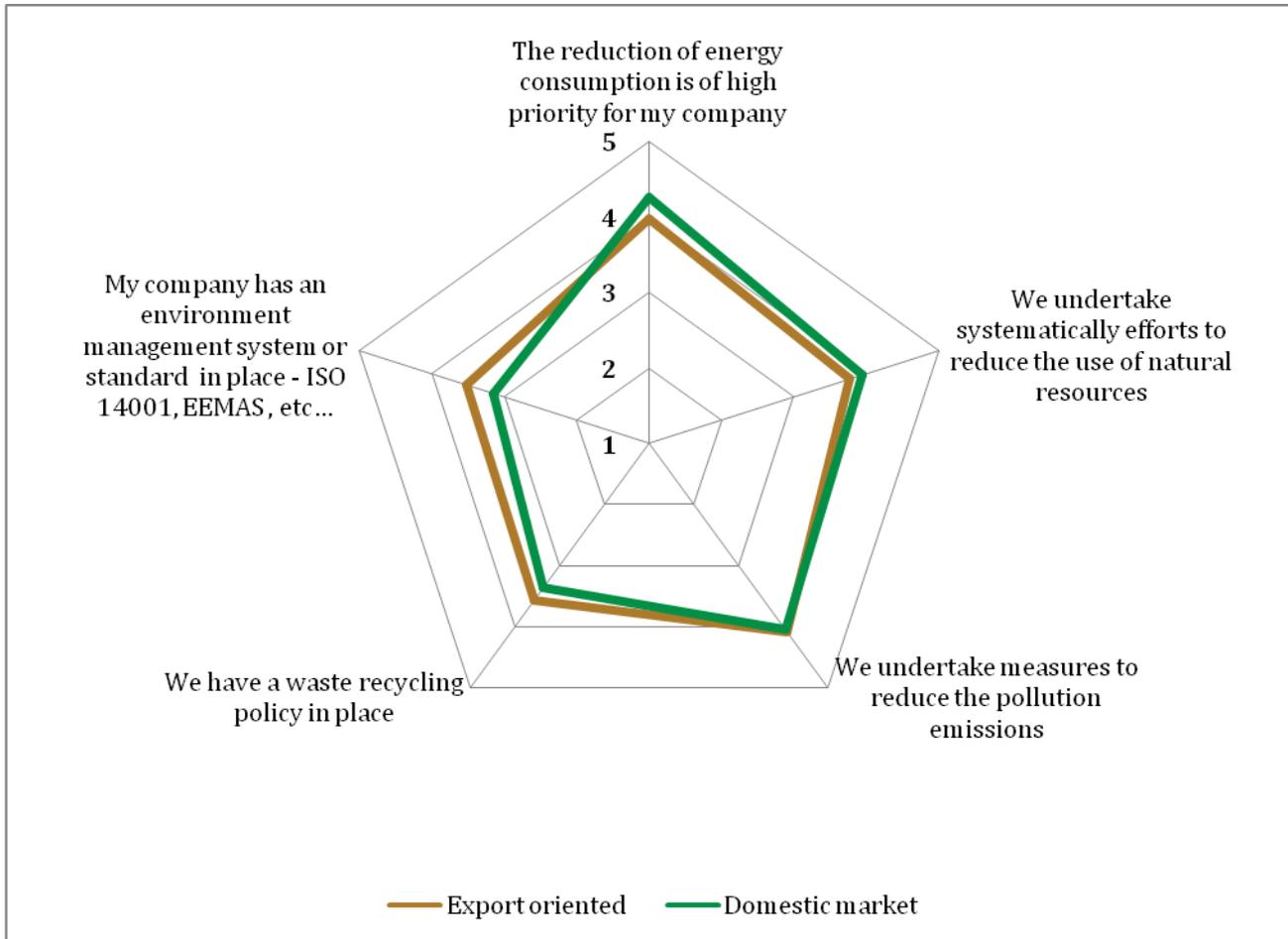


FIGURE 22C: ENVIRONMENTAL ACTIVITIES BY TYPE OF THE OWNERSHIP

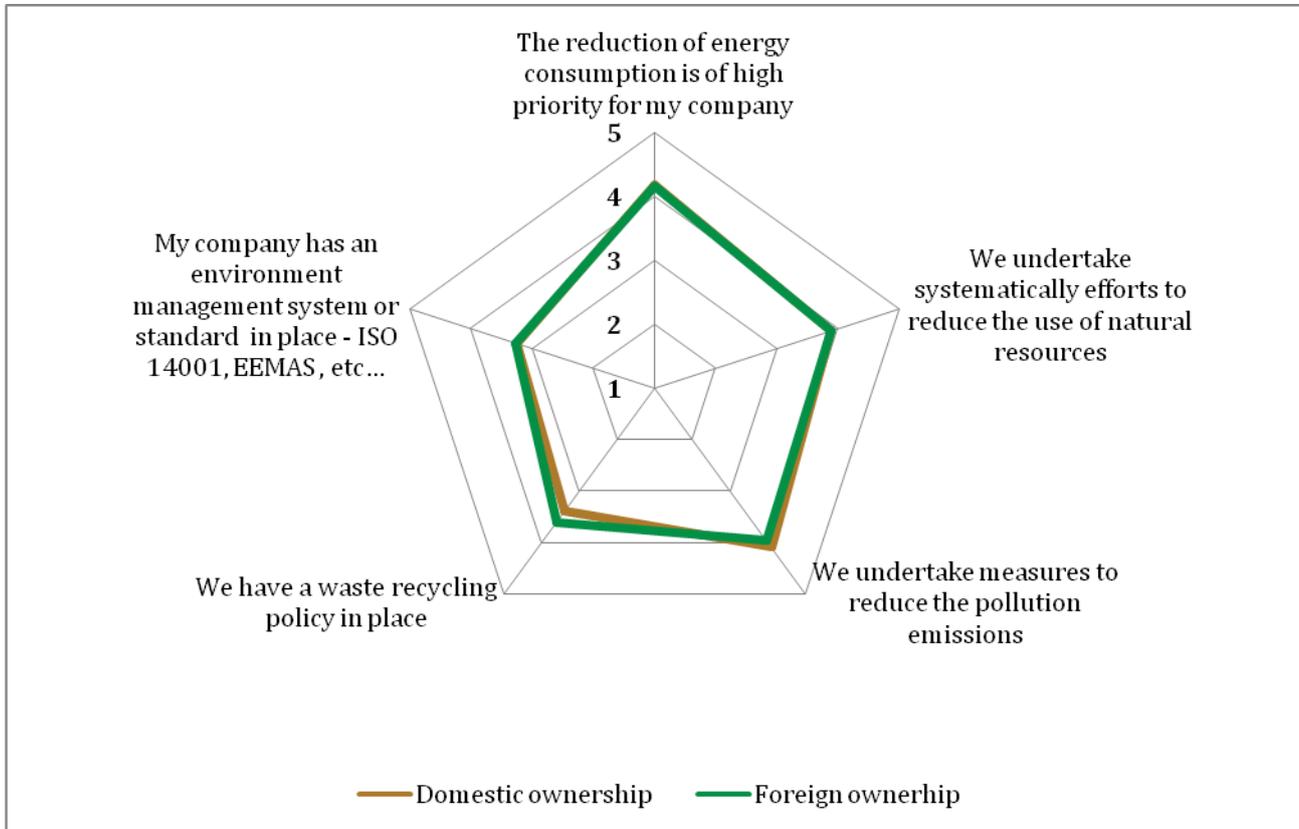
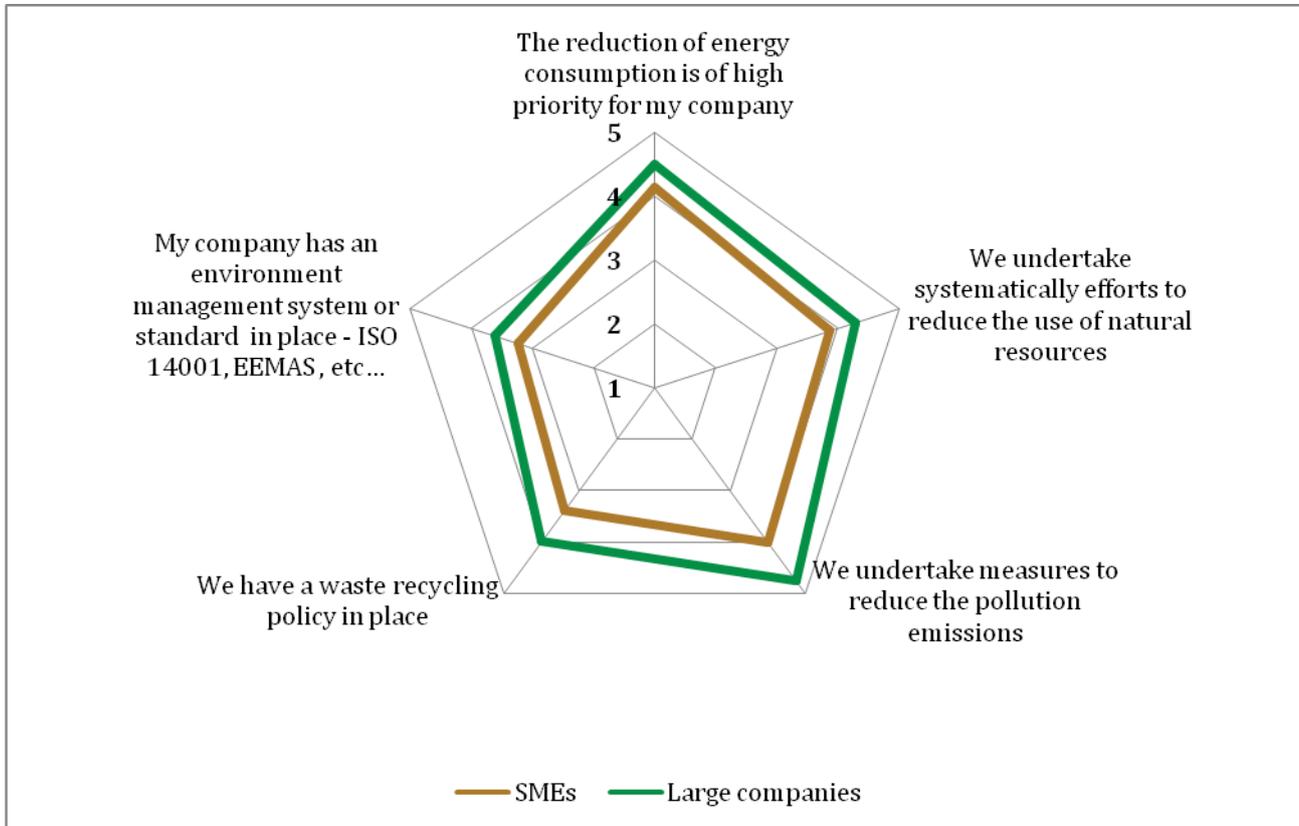


FIGURE 22D: ENVIRONMENTAL ACTIVITIES BY SIZE



Division according to sector is given in the first radar. Financial and insurance companies tend to put less priority to environment protection than others. Most conscious are companies in accommodation and food service as well as companies in other services.

Domestic market oriented companies less report to have recycling policies and environment management systems in place. However it is more important to them to reduce use of natural resources as well as energy.

There is almost no difference when it comes to domestically and foreign owned companies. SMEs less agree with the statements concerning environment then large companies.



Engaging with the supply chain

When it comes to engaging with the supply chain most companies' representatives were not sure how to answer. In three out of four cases over 50% of respondents was not sure. Only in case of the first statement, there was an overwhelming majority of positive replies.

There is rather high percentage of positive responses to the second statement that the company audits the social and ecological performance of its suppliers (31.4%) and relatively high percentage of negative responses to the last two statements – that the company provides trainings on different issues to the suppliers (28.2%) and that the company participates in supply chain initiatives (29.1%).

FIGURE 22: ENGAGING WITH THE SUPPLY CHAIN



FIGURE 23A: ENGAGING WITH THE SUPPLY CHAIN BY SECTOR

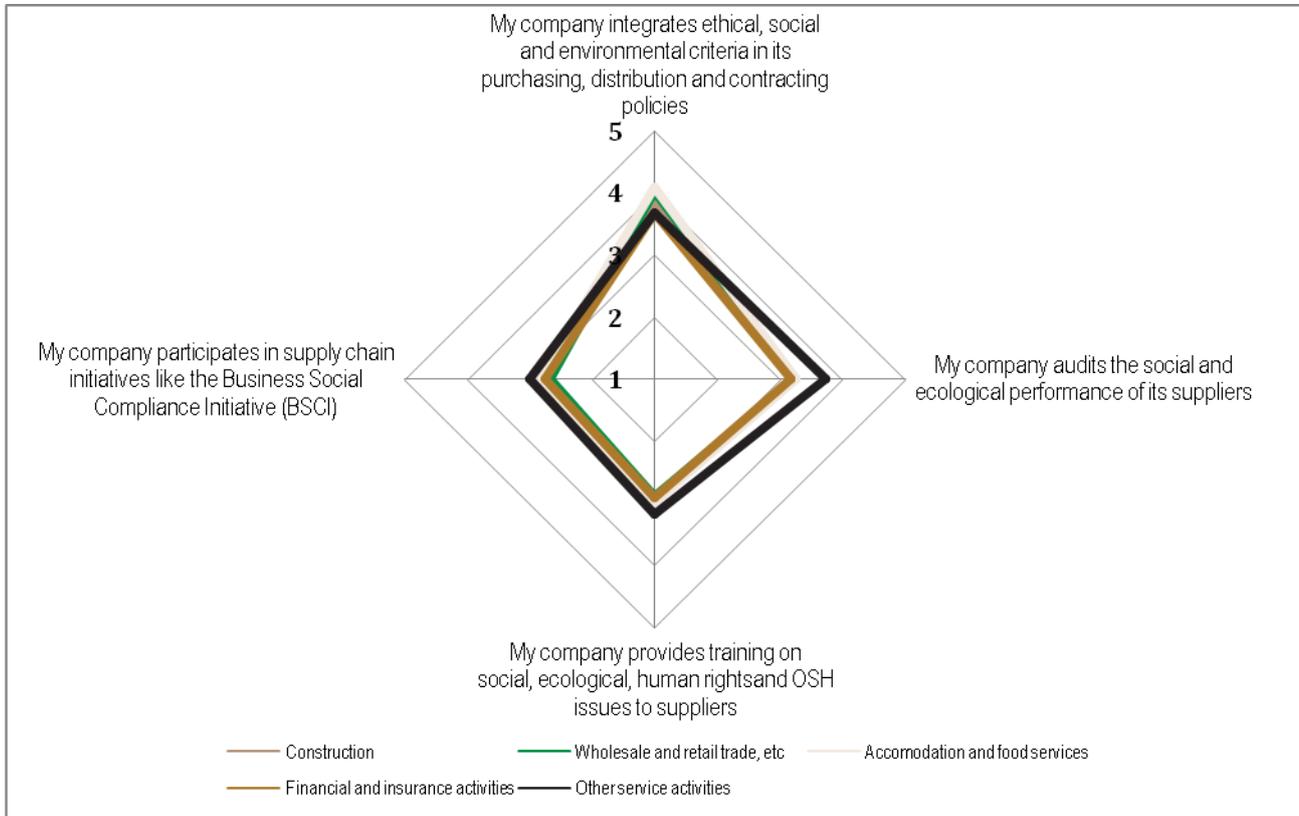


FIGURE 23B: ENGAGING WITH THE SUPPLY CHAIN BY BUSINESS ORIENTATION

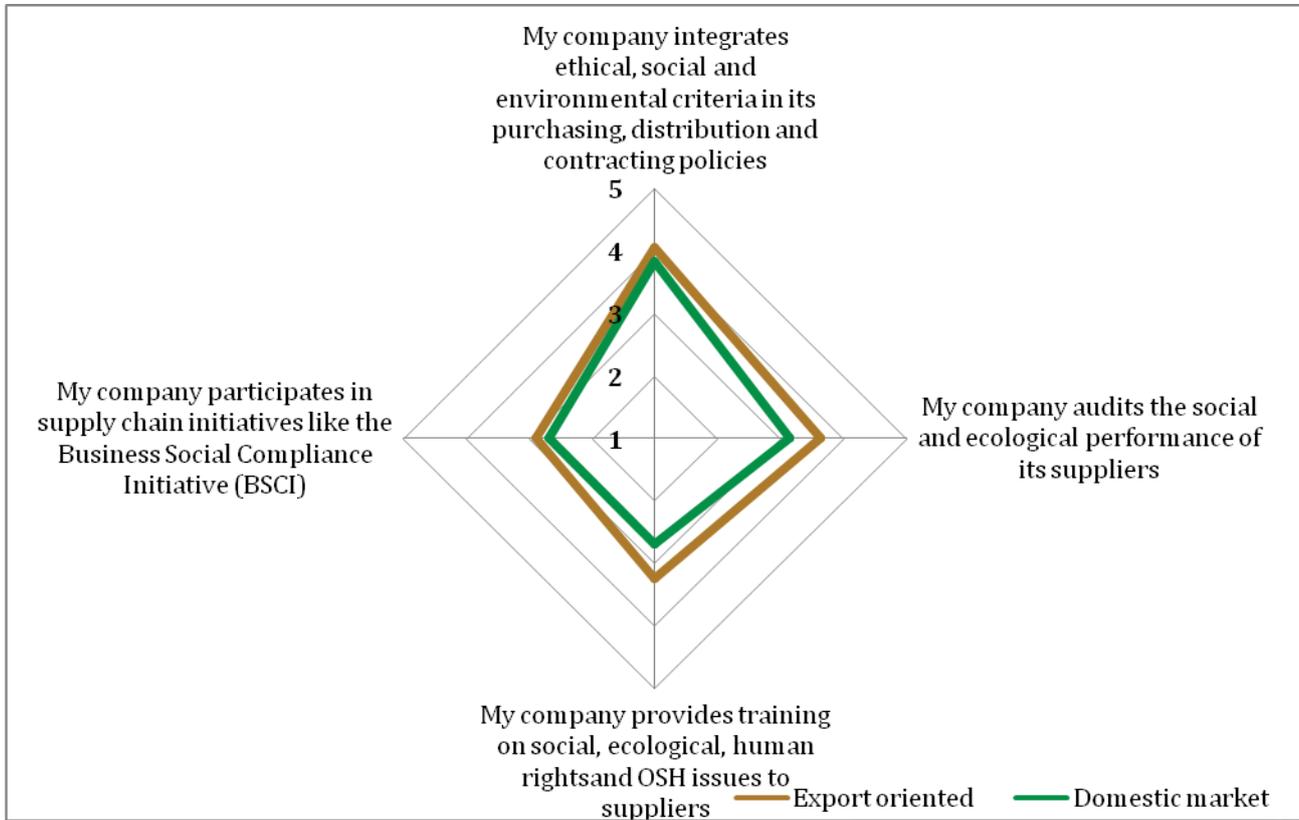


FIGURE 23C: ENGAGING WITH THE SUPPLY CHAIN BY TYPE OF THE OWNERSHIP

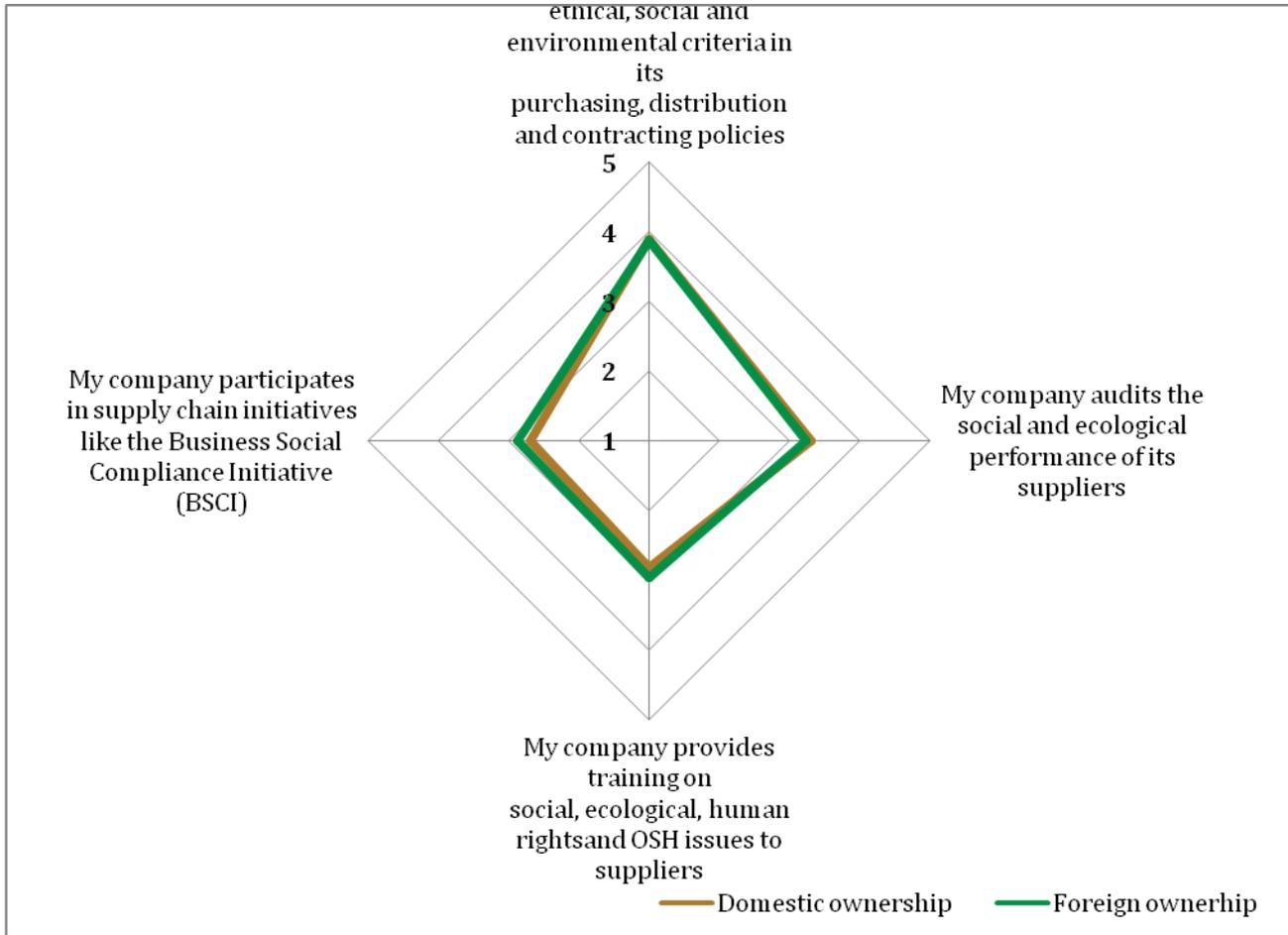
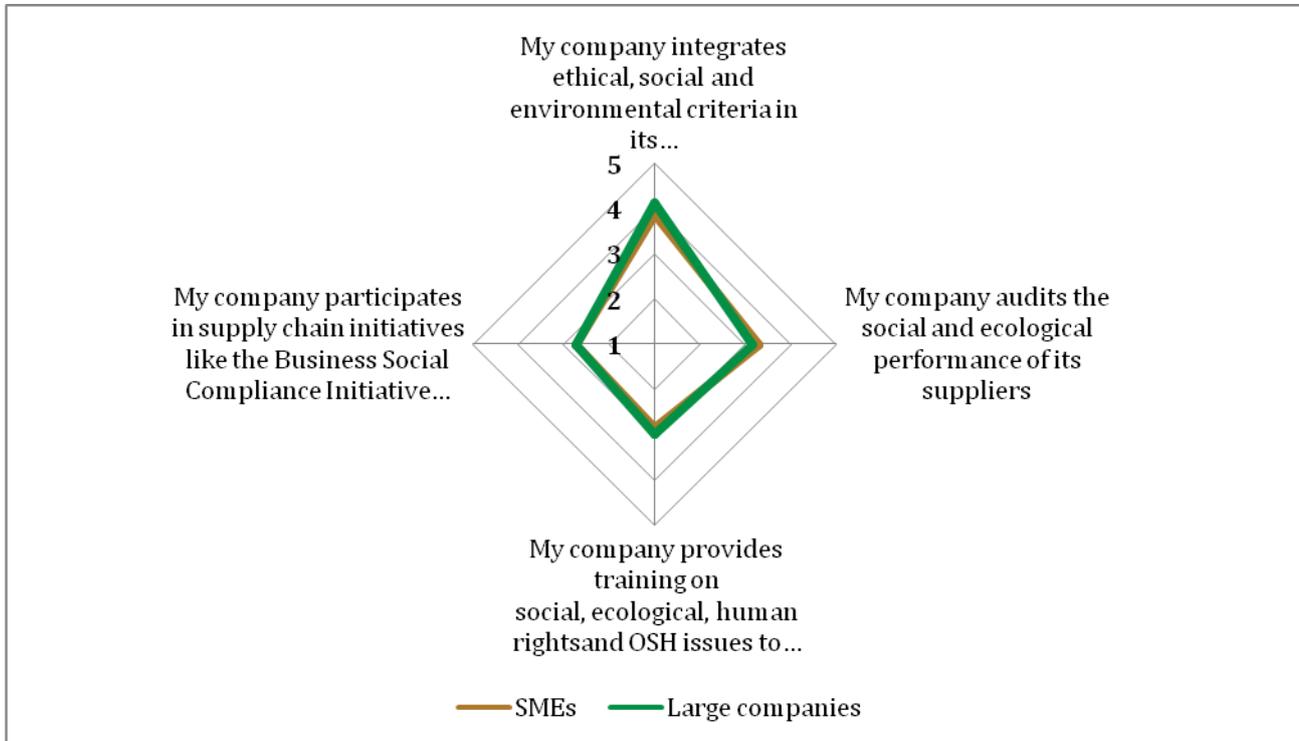


FIGURE 23D: ENGAGING WITH THE SUPPLY CHAIN BY SIZE



Fair business behavior

It could have been expected that most respondents will agree and strongly agree with the statements regarding fair business behavior.



FIGURE 23: FAIR BUSINESS BEHAVIOR

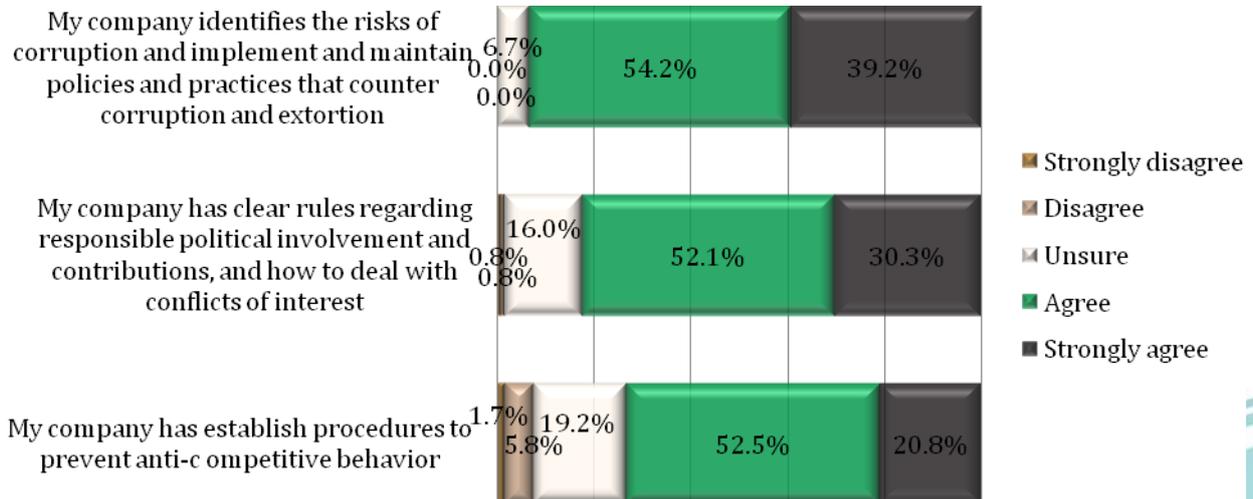


FIGURE 24A: FAIR BUSINESS BEHAVIOR BY SECTOR

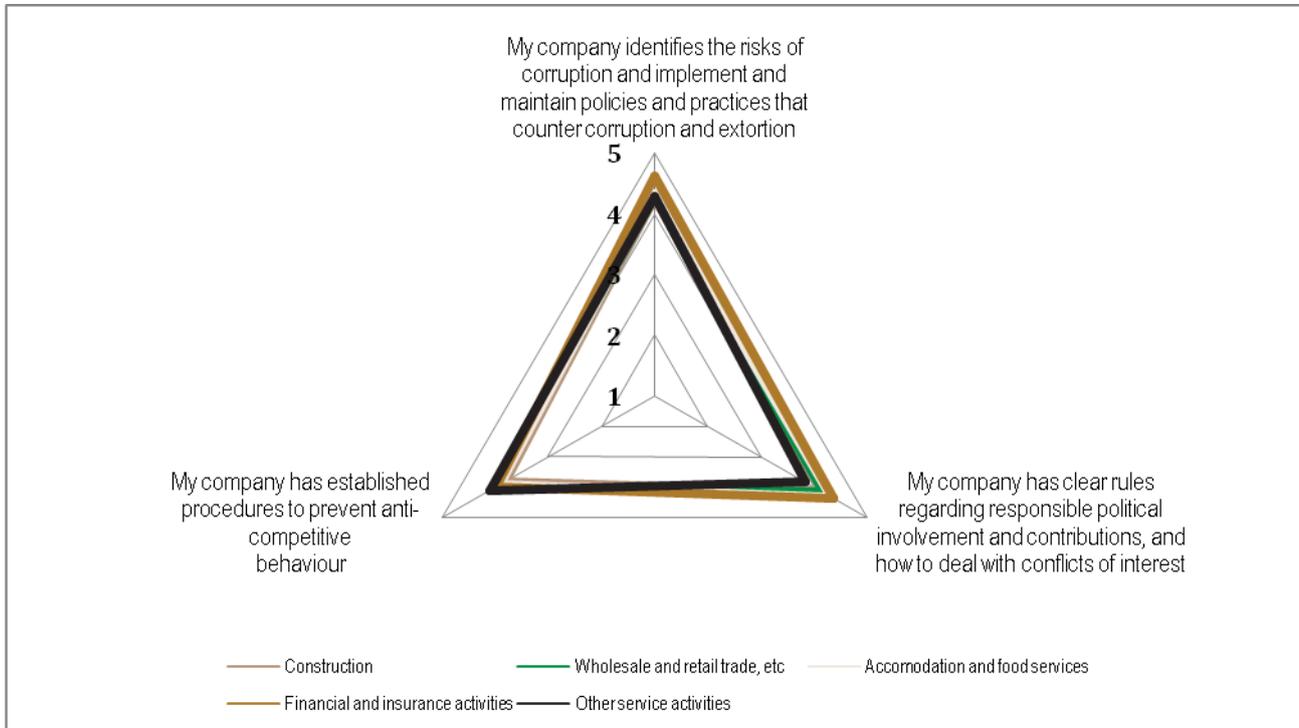


FIGURE 24B: FAIR BUSINESS BY BUSINESS ORIENTATION

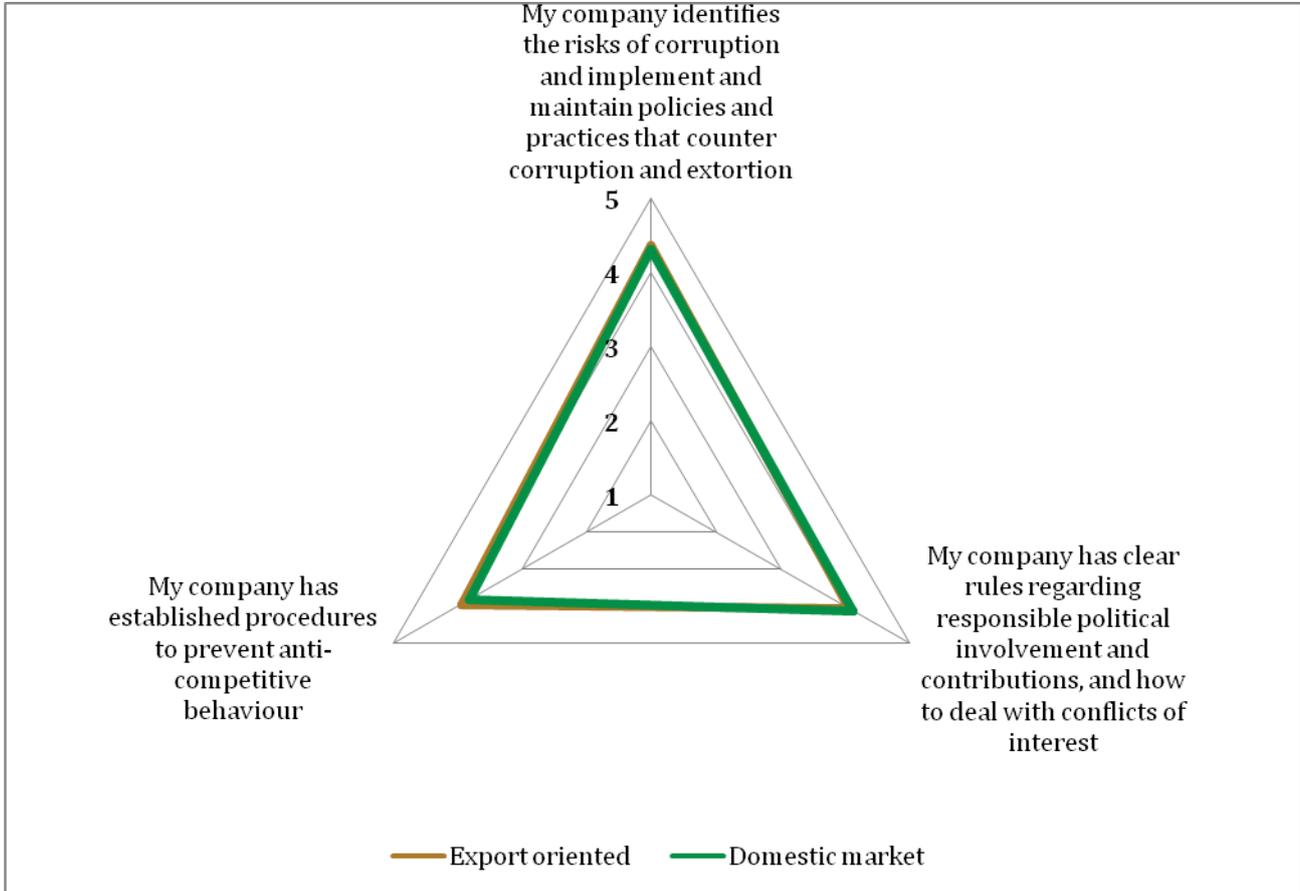


FIGURE 24C: FAIR BUSINESS BEHAVIOR BY TYPE OF THE OWNERSHIP

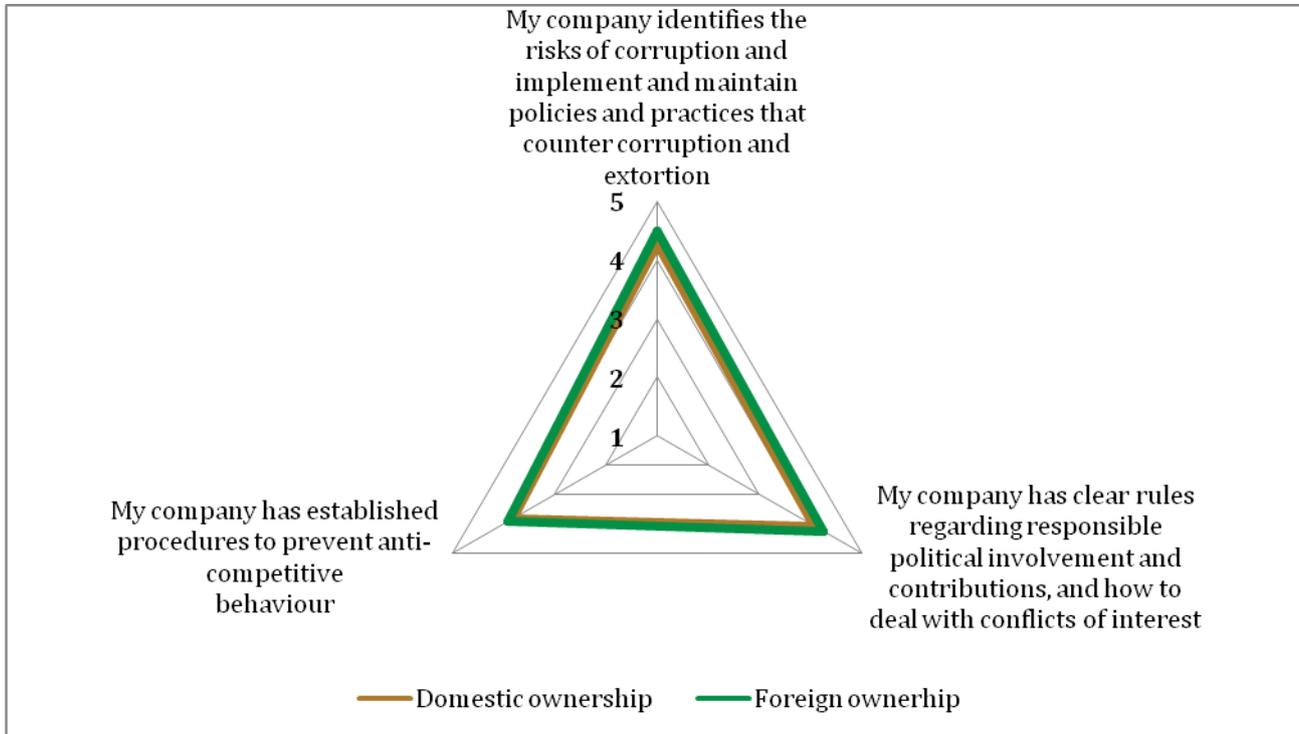
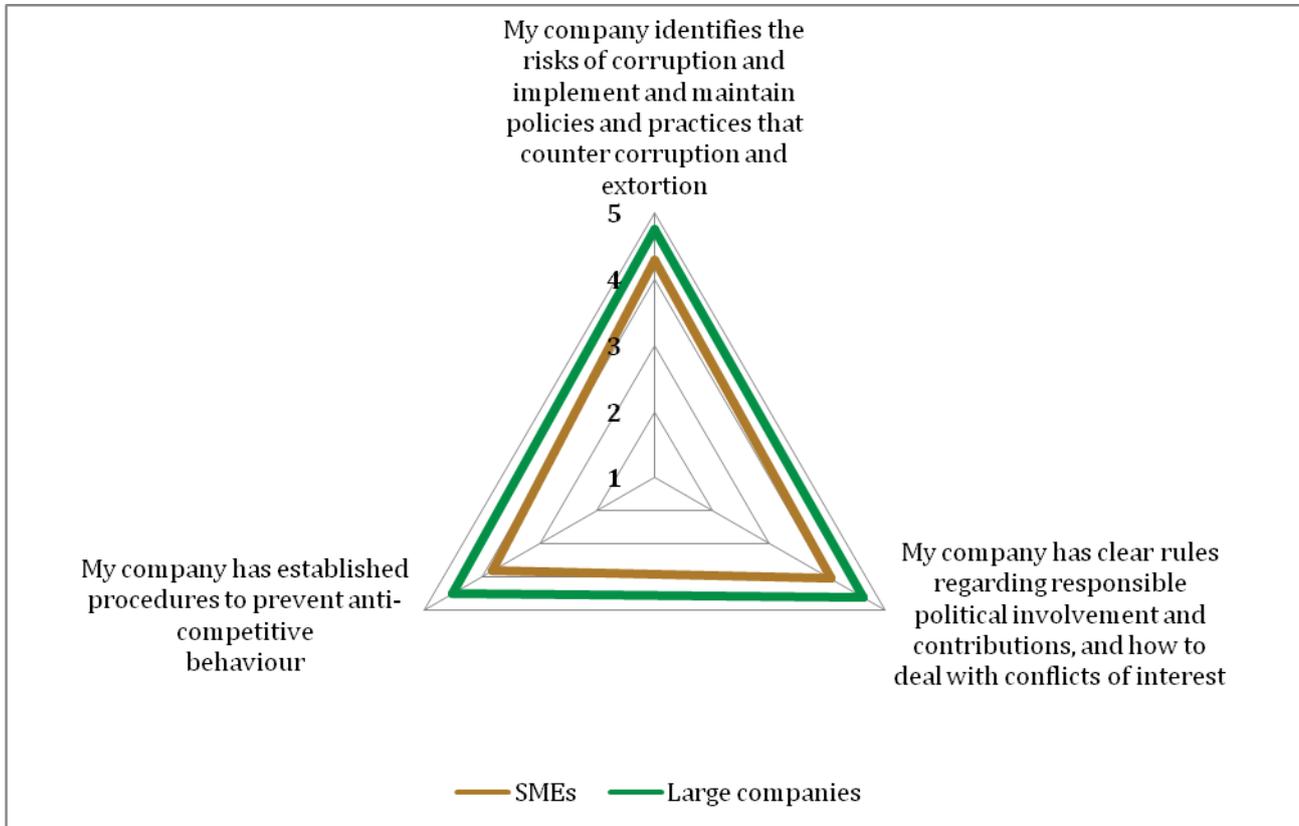


FIGURE 24D: FAIR BUSINESS BEHAVIOR BY SIZE



Providing remedy

The majority of respondents claim that their company provides for remediation in cases where they contribute to human rights abuse (77.6%) and that their company has stakeholder engagement processes in place (68.6%).



FIGURE 24: PROVIDING REMEDY

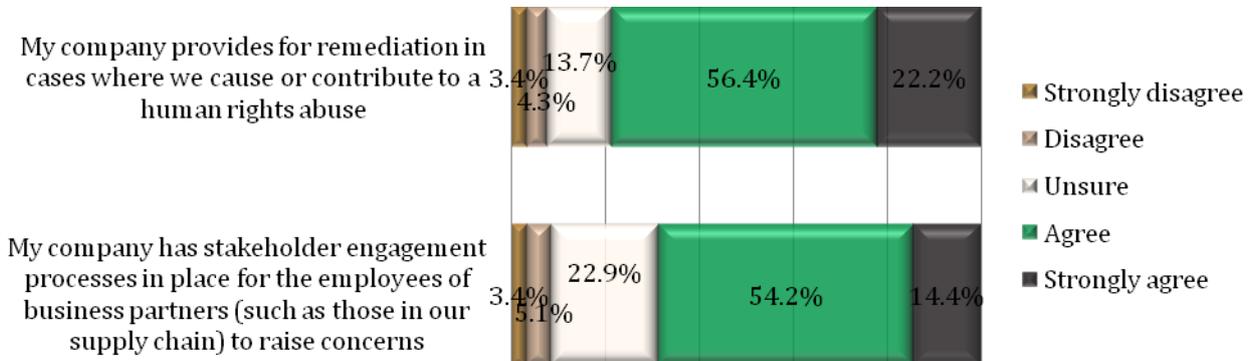


FIGURE 25A: PROVIDING REMEDY BY SECTOR

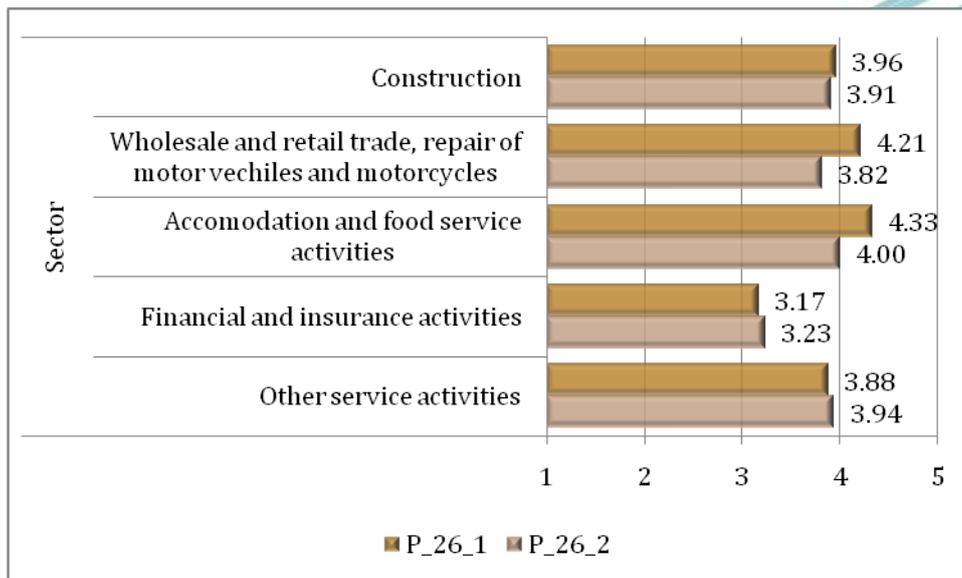
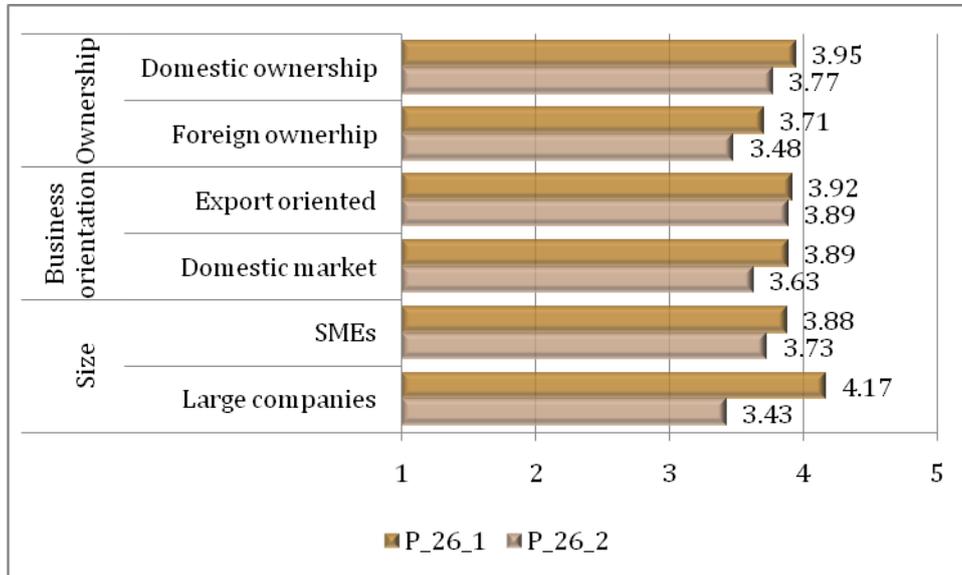


FIGURE 25B: PROVIDING REMEDY BY BUSINESS ORIENTATION, OWNERSHIP AND SIZE



Reasons for engaging in CSR

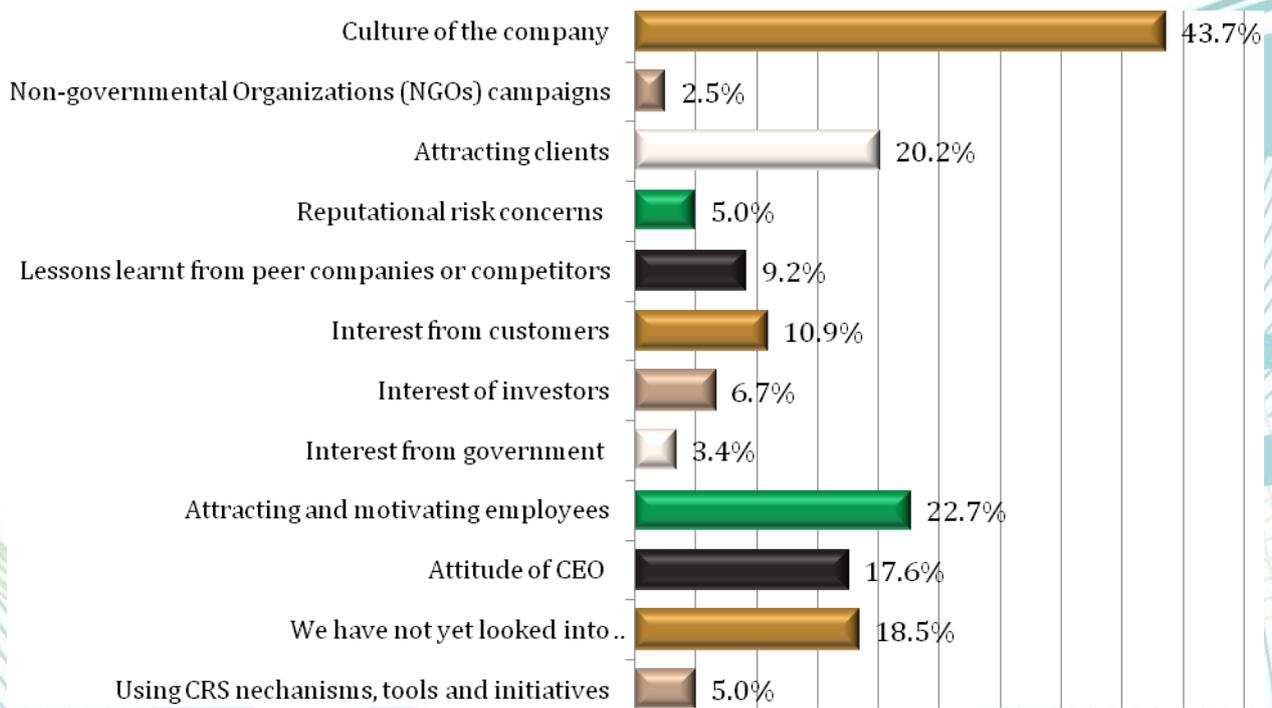
In this section, company representatives were offered to choose from the list of reasons that their company would engage in CSR. As shown in the

FIGURE 25 most respondents selected culture of the company (43.7%), attracting and motivating employees (22.7%) and attracting clients (20.2%) as the main reasons for the engagement in CSR. On the other hand, the



least of them selected NGO campaigns (2.5%), interest from the government (3.4%) and reputational risk concerns (5%).

FIGURE 25: WHAT ARE THE REASONS FOR THE ENGAGEMENT OF YOUR COMPANY IN CSR?

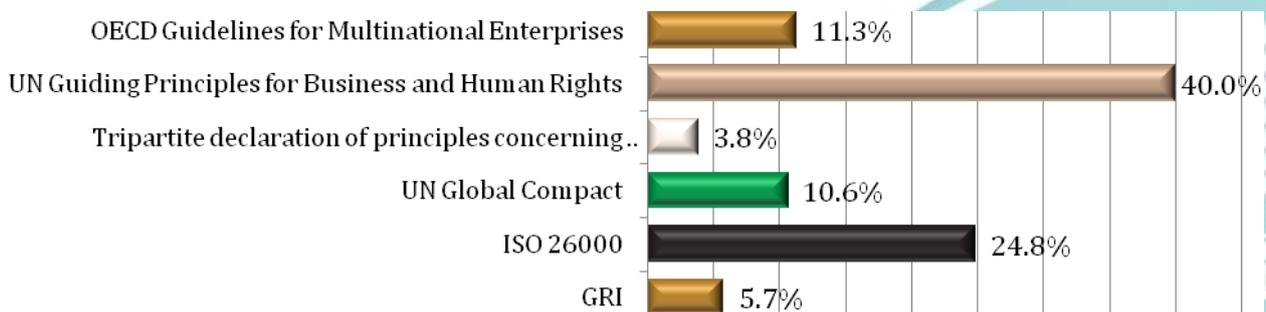


Use of CSR instruments, tools and initiatives

Following section was aiming to investigate which are the tools, instruments and initiatives that the companies most commonly use for the purpose of CSR.

In the first question the respondents were offered a list of such tools and asked to identify those that they were aware of. Apparently, they are most aware of UN guiding principles for Business and human rights (40%), ISO 26000 (24.8%) and least aware of GRI (5.7%) and tripartite declaration of principles concerning CSR.

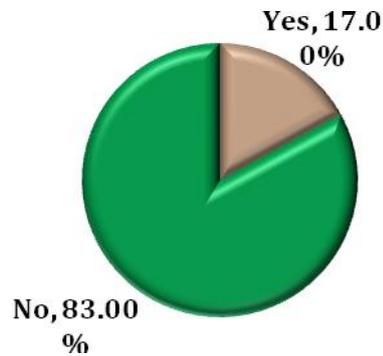
FIGURE 26: ARE YOU AWARE OF ONE OR MORE OF THE FOLLOWING INSTRUMENTS AND TOOLS?



However, when asked if they use any of the above listed tools when addressing social responsibilities, most respondents answered negatively (83%).

FIGURE 27: DO YOU USE ONE OF THESE INSTRUMENTS AND TOOLS WHEN ADDRESSING YOUR SOCIAL RESPONSIBILITIES?





In the following question those that answered positively were asked to state which instruments and tools they use. There were only seven replies most of which quite unspecific: "... is part of (...) group", HACCAP, ISO 26000, UN business principles, "human rights", "not specific but general", "principles for business and human rights". This indicates that in fact even less than reported in the previous question use any of the CSR tools.

As we can see from figure below most companies do not participate in voluntary initiatives like UN Global Compact. Only four responded positively.

FIGURE 28: DO YOU PARTICIPATE IN VOLUNTARY INITIATIVE LIKE THE UN GLOBAL COMPACT OR BSCI?



Half of the interviewed company representatives said that their company had a public commitment to CSR but only 6 could provide an internet link where this commitment could be accessed.

FIGURE 29: DOES YOUR COMPANY HAVE A PUBLIC COMMITMENT TO CSR?



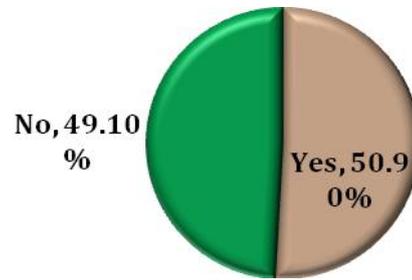


FIGURE 30A: PUBLIC COMMITMENT TO CSR, BY SECTOR

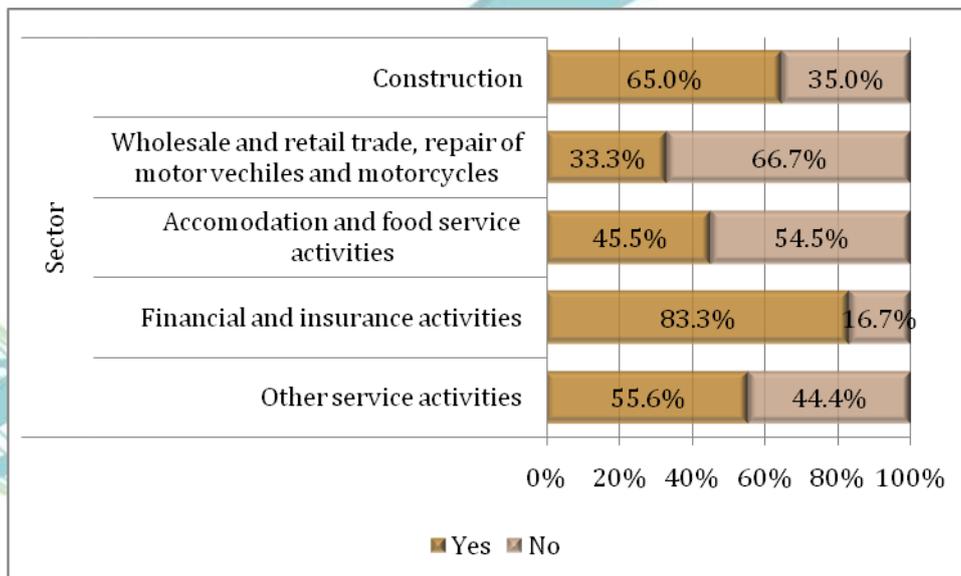
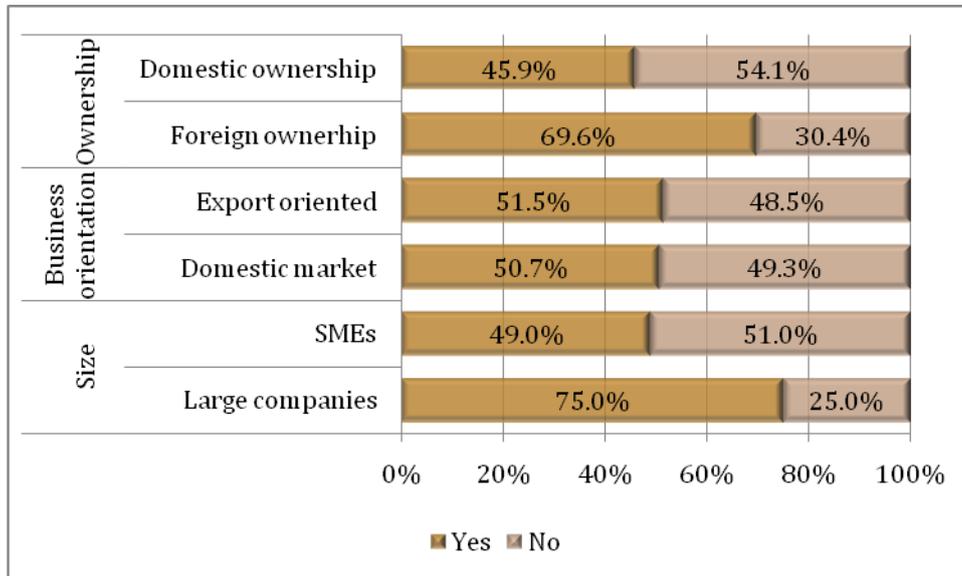


FIGURE 3030B: PUBLIC COMMITMENT TO CSR, BY SIZE, BUSINESS ORIENTATION AND OWNERSHIP



Majority of companies have a code of conduct (74.2%) however not in all cases is this code made known to suppliers. In cases where it is, they are expected to fulfill it.

FIGURE 31: DOES YOUR COMPANY HAVE A CODE OF CONDUCT?

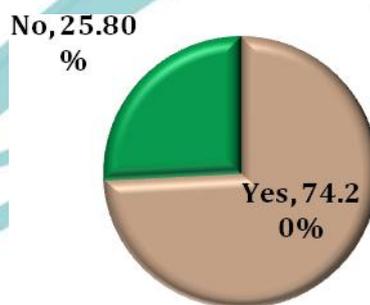


FIGURE 31A: CODE OF CONDUCT, BY SECTOR



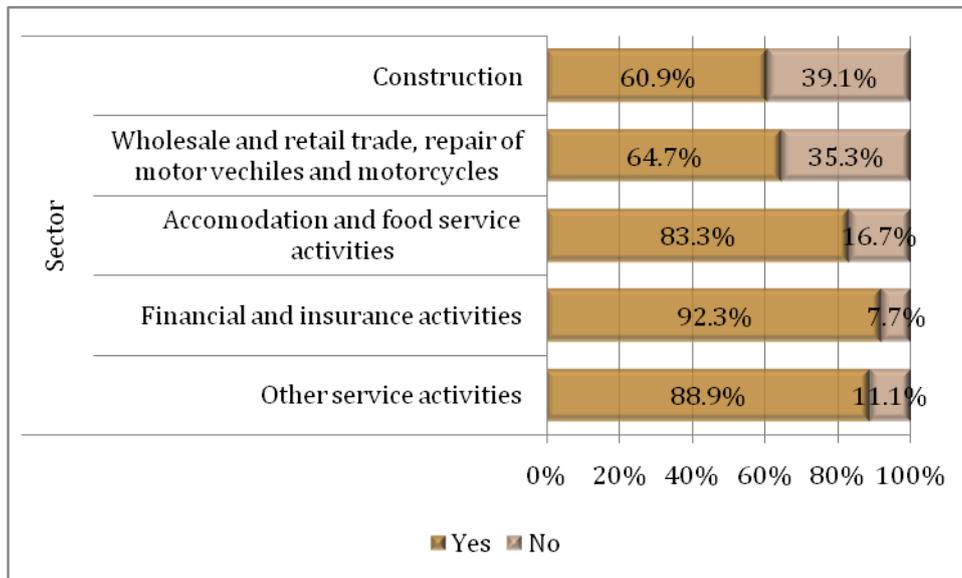


FIGURE 31B: CODE OF CONDUCT BY SIZE, BUSINESS ORIENTATION AND OWNERSHIP

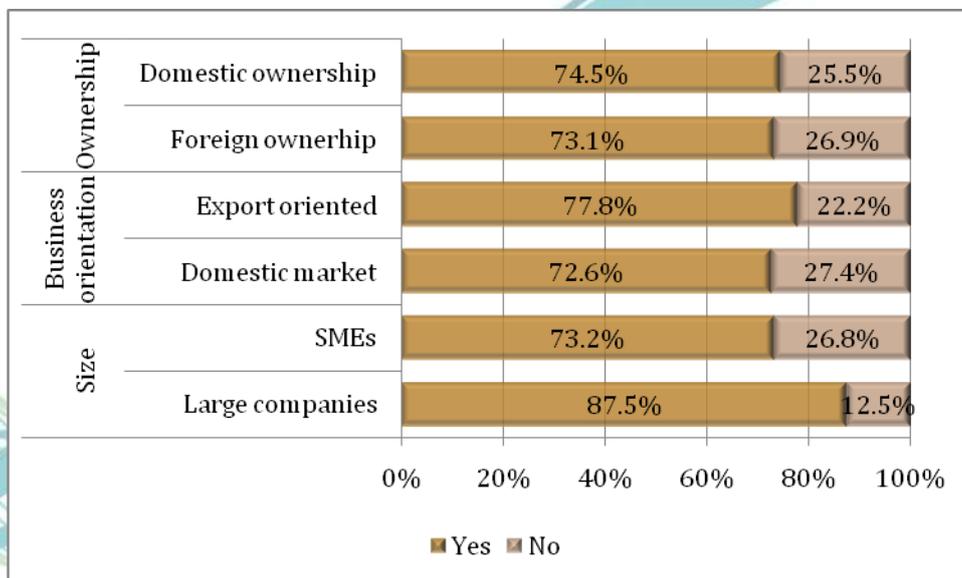


FIGURE 32: IF SO, IS THE CODE OF CONDUCT MADE KNOWN TO SUPPLIERS?

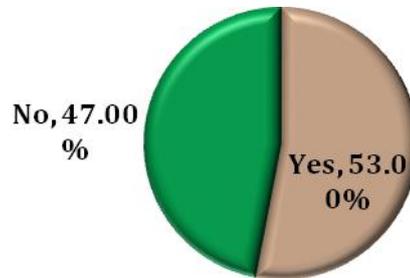


FIGURE 32A: CODE OF CONDUCT AND THE SUPPLIERS, BY SECTOR

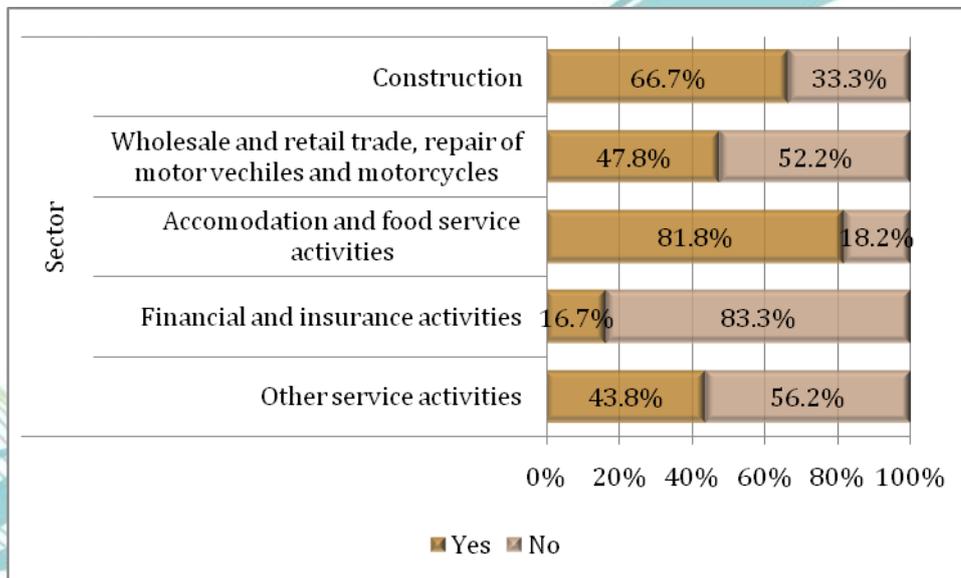


FIGURE 32B: CODE OF CONDUCT AND THE SUPPLIERS ACCORDING TO SIZE, BUSINESS ORIENTATION AND OWNERSHIP

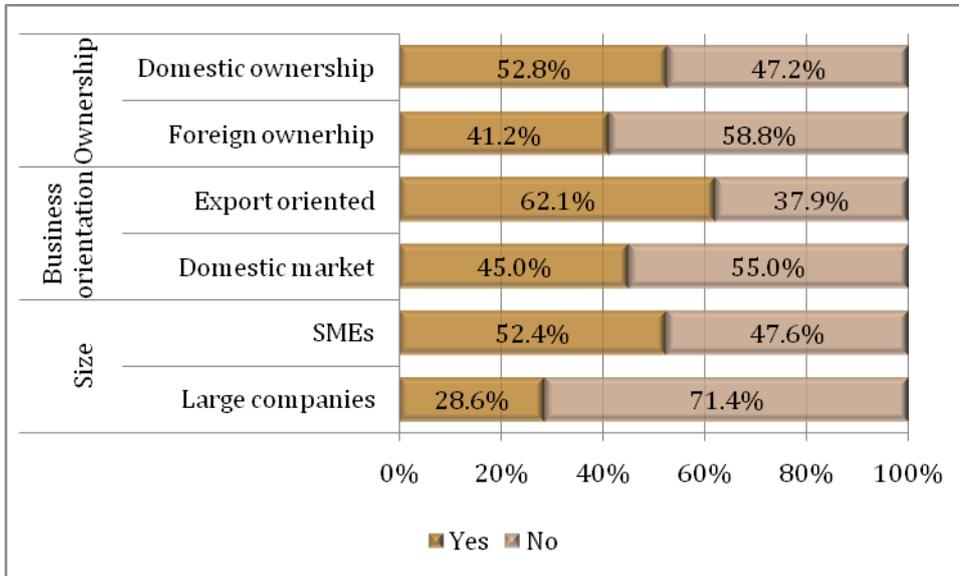
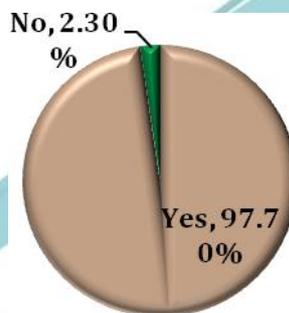


FIGURE 33: IF SO, ARE THEY EXPECTED TO FULFILL IT, TOO?



In many cases (66%) companies follow code of conduct of another company.

FIGURE 34: DO YOU FOLLOW A CODE OF CONDUCT OF ANOTHER COMPANY?



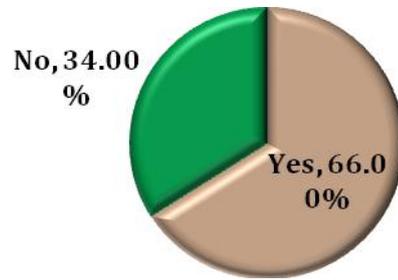


FIGURE 34A: FOLLOWING ANOTHER COMPANY'S CODE OF CONDUCT, BY SECTOR



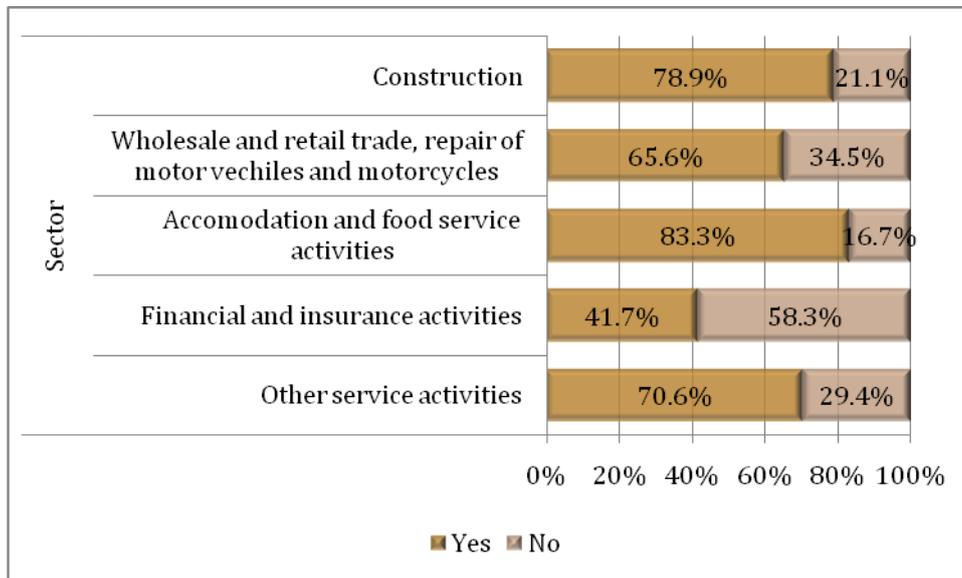
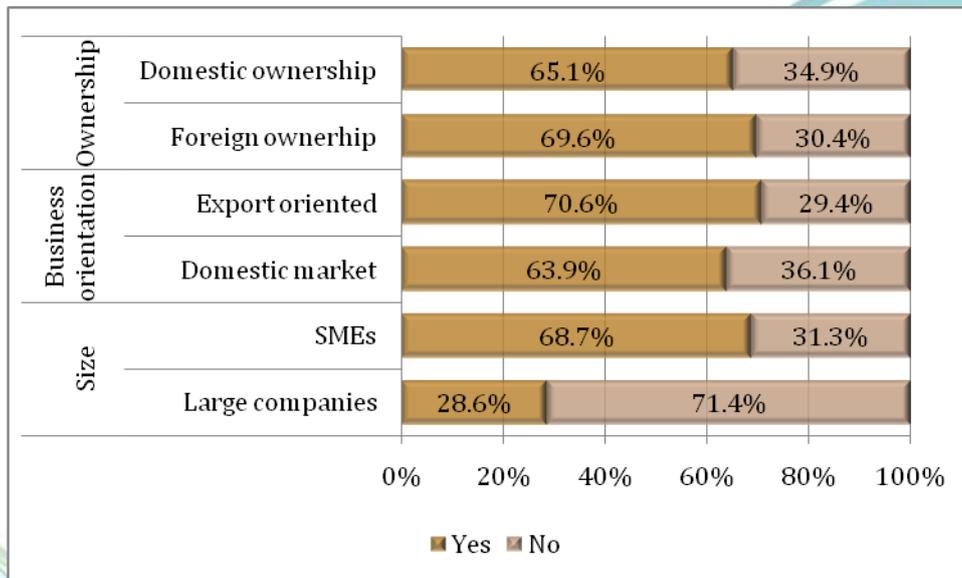


FIGURE 34B: FOLLOWING ANOTHER COMPANY'S CODE OF CONDUCT ACCORDING TO SIZE, BUSINESS ORIENTATION AND OWNERSHIP



Interestingly, in most cases companies do not publicly report on CSR activities (76.7%). In cases where they do, this is usually done through meetings with stakeholders (54.2%) and information on the internet (41.7%).



FIGURE 35: DO YOU PUBLICLY REPORT ON YOUR CSR ACTIVITIES?

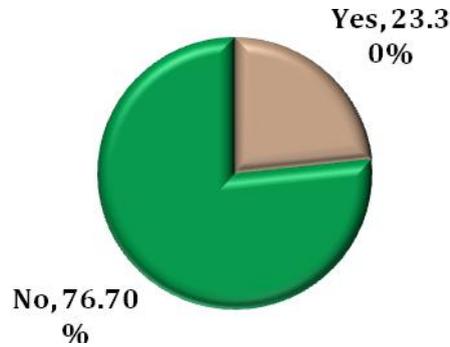


FIGURE 35A: PUBLICLY REPORTING ON CSR, BY SECTOR

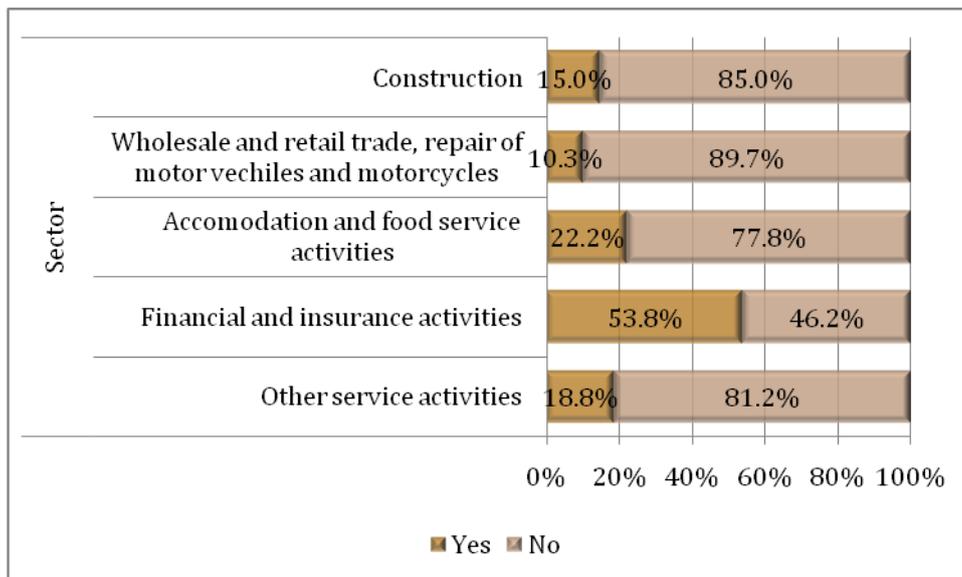


FIGURE 35B: PUBLICLY REPORTING ON CSR ACCORDING TO SIZE, BUSINESS ORIENTATION AND OWNERSHIP



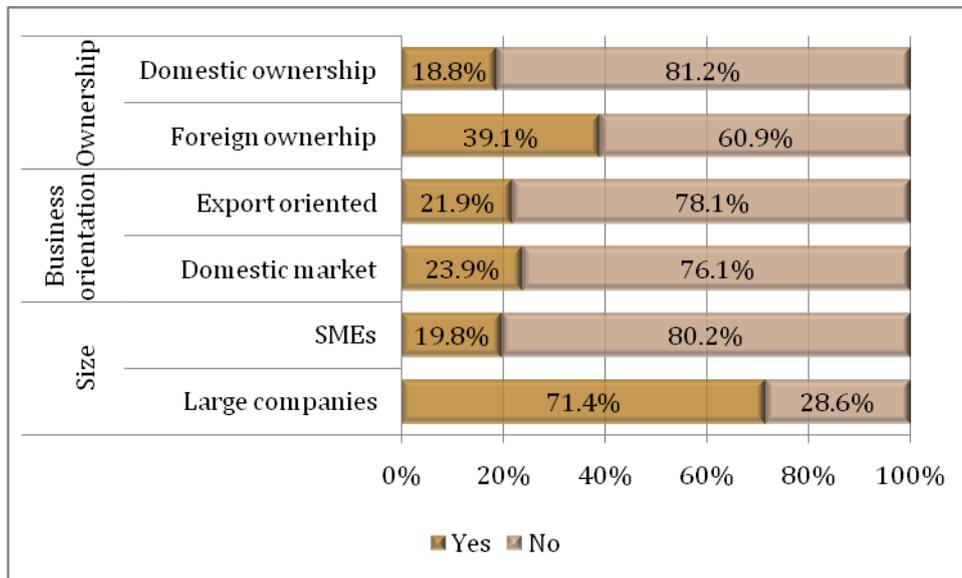
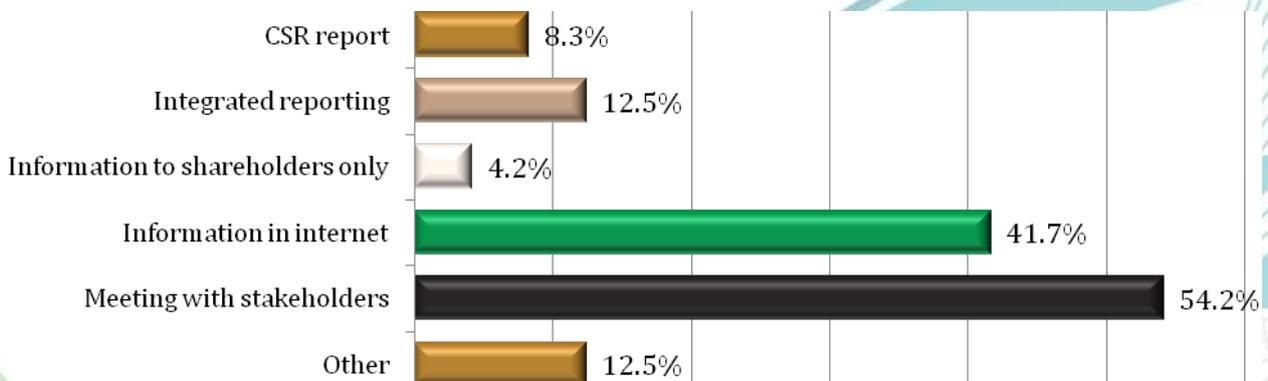


FIGURE 36: IF SO, WHICH KIND OF APPROACH YOU USE TO REPORT?



Most companies do not consult external stakeholders in order to understand their responsibilities (60%). Those that do in most cases consult employers’ associations (47.6%), media (21%) and NGOs (19%).

FIGURE 37: DOES YOUR COMPANY CONSULT EXTERNAL STAKEHOLDERS TO UNDERSTAND ITS RESPONSIBILITIES?



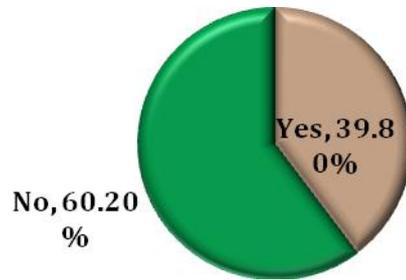


FIGURE 37A: CONSULTING EXTERNAL STAKEHOLDERS ABOUT CSR, BY SECTOR

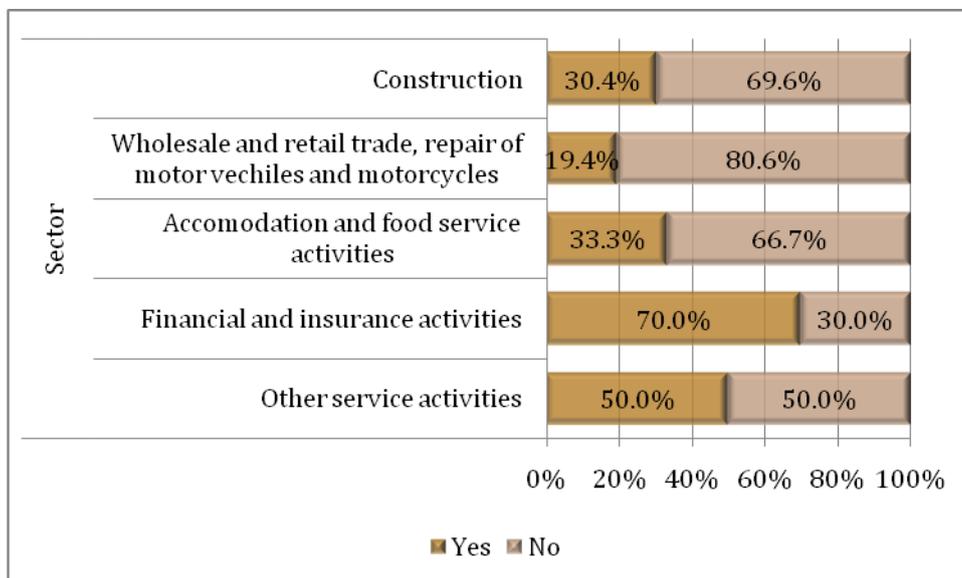


FIGURE 37B: CONSULTING EXTERNAL STAKEHOLDERS ABOUT CSR, BY SIZE, BUSINESS ORIENTATION AND OWNERSHIP



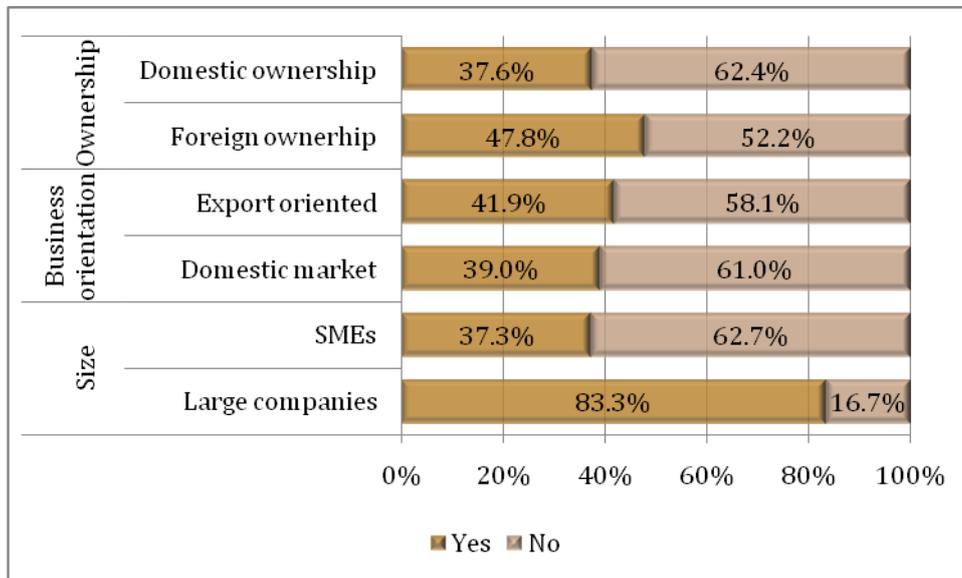
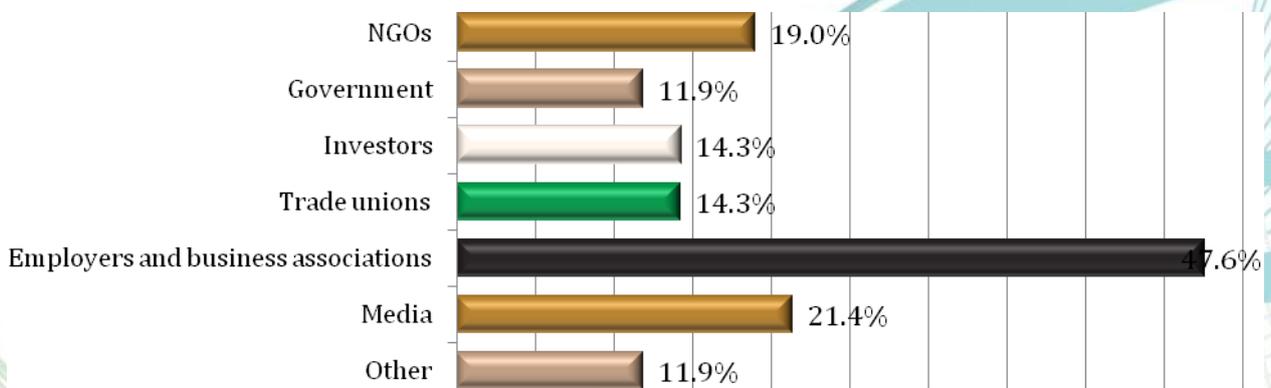


FIGURE 38: IF SO, WHICH ONES?



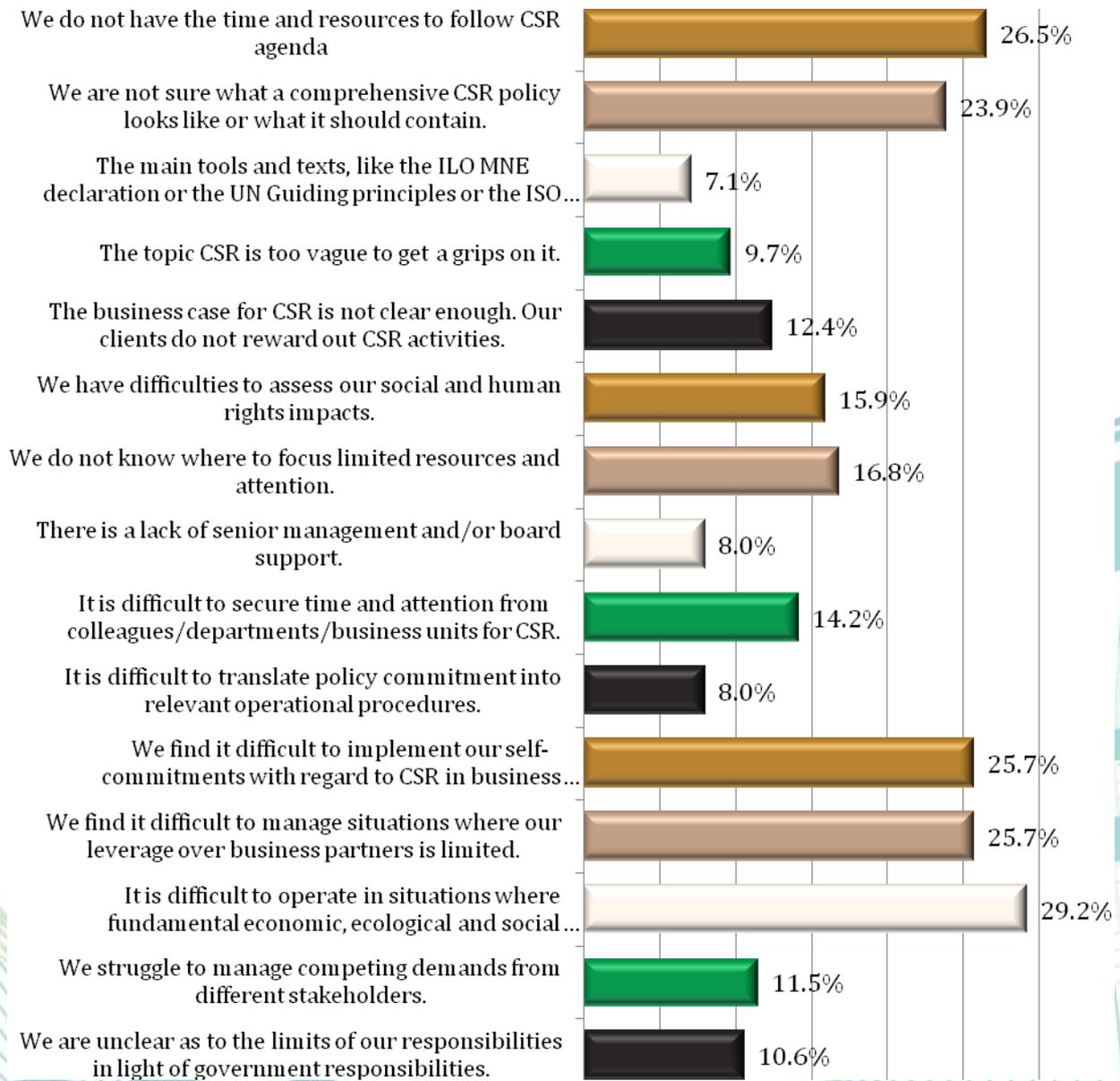
Challenges implementing CSR

In this set of questions, the respondents were asked to identify most important challenges they face when it comes to CSR implementation. They could choose up to three statements from previously created list. According to them the most important problems are general economic, social and environmental situation (29.2%), lack of time and resources (26.5%), difficulties in implementing self commitments (25.7%) and lack of leverage over business partners (25.7%).

The least important problems are availability of CSR tools in mother tongue (7.1%), lack of senior management support (8%) and difficulty to translate policies into specific measures (8%).



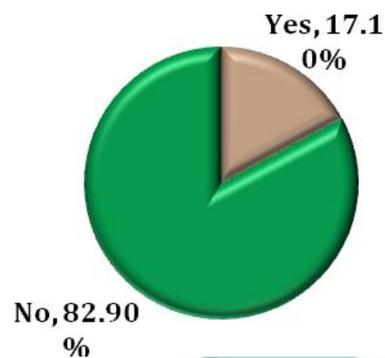
FIGURE 39: CHALLENGES IN CSR IMPLEMENTATION



Assessing governmental policies towards CSR

Most respondents haven't heard of any governmental policies toward CSR (82.9%). Those that did were able to mention the following: "activities of the Ministry for environment protection", "different campaigns such as VAT, anticorruption, energy efficiency and gender equality", "support to CSR companies and their initiatives", "support for small business and agriculture", "project supported by EU in cooperation with Turkish company TISK", "Montenegrin Employers' Federation seminars", "employment of people with disabilities", "workers protection by Ministry of labor".

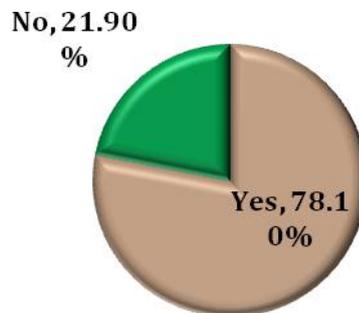
FIGURE 40: ARE YOU AWARE OF ANY INITIATIVES, POLICIES OR MEASURES OF YOUR GOVERNMENT TO SUPPORT OR PROMOTE CSR?



However, most of those that have heard of governmental policies believe that they are useful (78.1%).



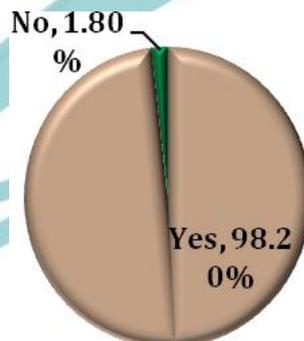
FIGURE 41: ARE THESE INITIATIVES, POLICIES AND MEASURES USEFUL?



When asked about the reasons they said: “There are some areas such as environment or construction where some standards must be set and respected”, “it is good for employees”, “it is good as starting point”, “it will be good for improving business environment and attracting new investments and environment protection”, “it is good for the state”, “it helps raising awareness about CSR”, “it will be useful for the future implementation if we are aware of the concept”, “it is good for improving general standard of living”, “it is good for improving living and working standards”, “it influences peoples’ conciseness and sense of responsibility” and “ it is necessary for fostering CSR”.

Overwhelming majority of respondents believes that the state should support CSR through measures such as information, awareness raising, awards or tax benefits (98.2%).

FIGURE 42: SHOULD THE STATE SUPPORT CSR THROUGH MEASURES, AS FOR INSTANCE INFORMATION, AWARENESS RAISING, AWARDS OR TAX BENEFITS?



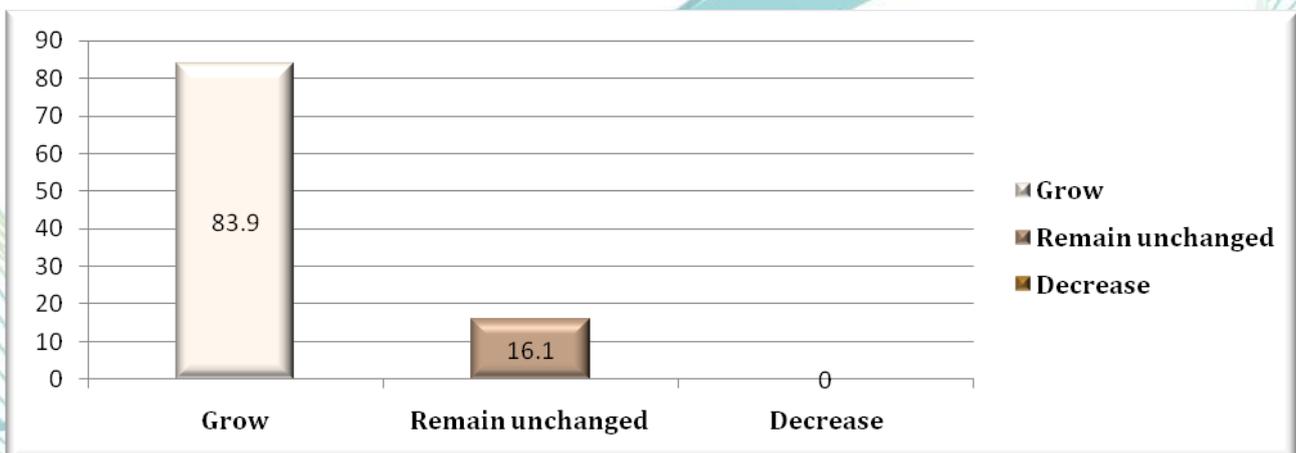
When asked which measures could government use to support CSR the respondents mentioned:

- Disseminate more information through media,
- Awarding prizes and recognitions,
- Tax benefits,
- Education,
- Raising awareness campaigns,
- Benefits for CSR respecting companies,
- Investment into CSR projects,
- Public recognition of CSR companies,
- Changing legislation towards CSR principles.

Future development of CSR

Most company representatives believe that significance of CSR for their company will grow in the future. None of the respondents believes that it will decrease.

FIGURE 43: OPINIONS ON CHANGES IN SIGNIFICANCE OF CSR IN A COMPANY

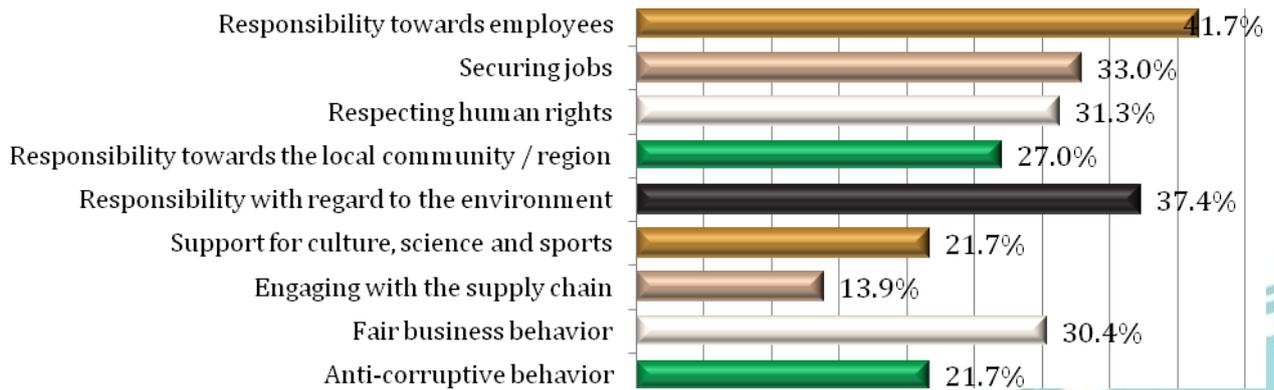


When asked to assess in which areas CSR’s significance would grow most respondents chose responsibility towards employees (41.7%), responsibility with the regard to environment (37.4%) and securing jobs (33%).



They believe that it will least grow in the fields such are engaging with the supply chain (13.9%), support for culture, science and sports (21.7%) and anti-corruptive behavior (21.7%).

FIGURE 44: IF YOU BELIEVE THE SIGNIFICANCE OF CSR WILL GROW, WHICH OF THE FOLLOWING FIELDS WILL GAIN IMPORTANCE?



Need of training

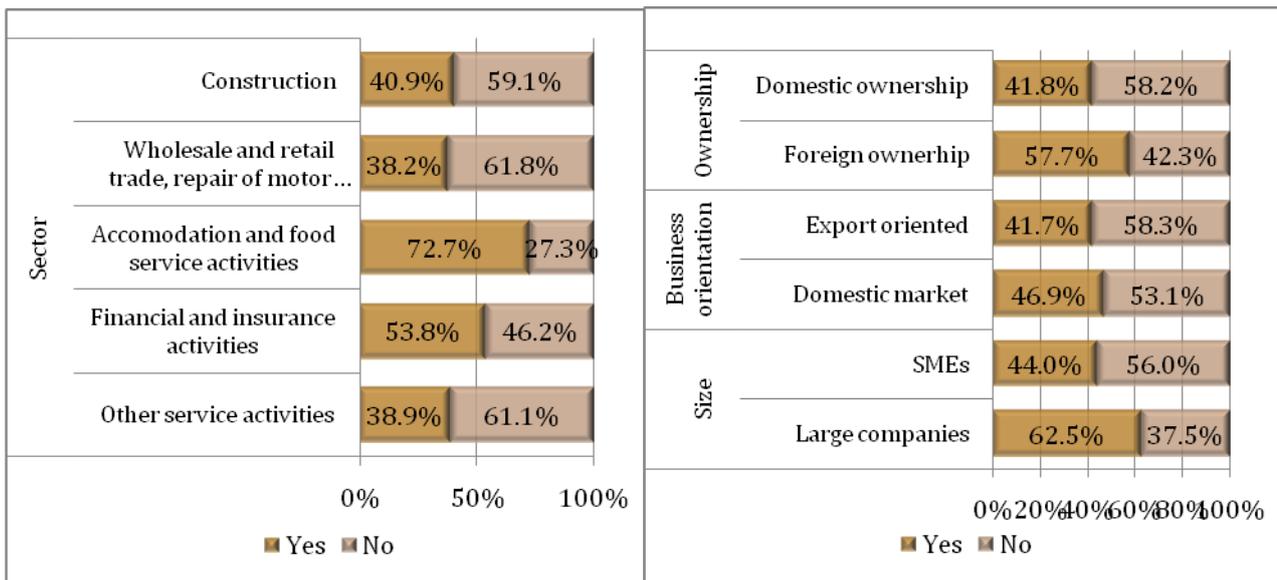
Approximately half of the respondents would be interested in participating in the trainings later on in the project (45.3%).

FIGURE 45: EXPRESSED INTEREST IN PARTICIPATION IN THE TRAINING LATER ON THE PROJECT



From figure 44b we can see that the most interested for the trainings are employed in accommodation and food services (72,7%) and those employed in financial and insurance activities (53.8%). Also, more interested are those with foreign ownership (57.7%) and those that are domestic market oriented (46.9%). Large companies employees are more interested then SME's (62.5%).

FIGURE 45A: EXPRESSED INTEREST IN PARTICIPATION IN THE TRAINING LATER ON IN THE PROJECT BY SECTOR, SIZE, OWNERSHIP AND BUSINESS ORIENTATION



When asked what should be the focus of these trainings, the respondents mentioned:

- Security of jobs,
- Human rights,
- Responsibility towards employees,
- Support to the culture,
- Environmental protection,
- Fair business,
- Engaging in the supply chain,
- Anti corruptive activities,
- Education of management towards easier introducing of CSR in daily management,



- Creating strategic plans to include CSR in business,
- Specific examples of CSR,
- Media and CSR,
- Responsibility towards local community,

At the very end, the respondents were able to leave additional comments. They said the following:

- “It would be good if the state could provide specific stimuli for companies that enforce CSR (such are tax benefits)”.
- “We have many more important things then CSR. CSR comes at the very end”
- “Culture of business will take decades of improvement until we reach EU level. We lag behind Slovenia, Croatia and others...”



V. Conclusions

The main findings in the survey could be summed up as follows:

- The number of companies aware of CSR increases in time, which coincides with intensifying activities by the Government, NGOs and professional organizations. This indicates that the measures that were undertaken in the past are starting to produce results.
- However, most companies do not have a specific organizational unit that is responsible for CSR. In most cases where there is a special unit designated to deal with CSR this is CEO office. This fact indicates very vague specification since this is an office with most discretionary power. Indirectly this means that even though companies declaratively support CSR they are less engaged it appears and in less organized manner. The fact that most of them delegate this responsibility to CEO office indicates that this is not planned and strategically positioned but in fact ad hoc activity.
- Large and organizationally stronger companies are more aware of CSR and have more often special unit that is responsible for it (other than CEO office). This means that there are some objective obstacles to CSR and that it sometimes depends on the strength and capacity of the company. Structure of Montenegrin economy includes predominantly small and medium enterprises which can be an institutional challenge to the CSR.
- The highest priority concerning CSR for the companies have responsibility towards employees, fair business behavior and respecting human rights.
- The lowest priority respondents give to anticorruption behavior, responsibility towards environment and engaging in supply chain.
- They are most “indifferent” towards philanthropy, securing jobs and anti corruptive behavior.
- Companies are nominally committed to the employees, interested in general in respecting human rights (although they are not aware of some of the important instruments), interested in community engagement and reduction of resources use. They provide remedy and cherish fair business.
- They do not recycle or have in place some of main environmental standards or other specific standards that were mentioned in the questionnaire which might suggest that their support is mainly nominal.
- Companies engage in CSR activities because of the culture of the company, in order to attract and motivate employees and clients. They don’t do it because of NGO campaigns, interest from government or reputational risk concerns.
- When it comes to specific CSR instruments, representatives of companies are most aware of UN guiding principles for Business and human rights and ISO 26000 and least aware of GRI and tripartite declaration of principles concerning CSR. However, in most cases they do not use any of the above.
- Most interviewed companies do not participate in volunteer actions such is UN Global Compact.



- Approximately half of the companies have publicly expressed their commitment to CSR, however only few have it mentioned in their web sites which are nowadays one of the main promotional tools.
- In most cases companies do not publicly report on their own CSR activities. In cases when they do, this is usually done through meetings with stakeholders and via information on the internet.
- Most companies do not turn to the external subjects when they need clarifications about CSR. However, out of those that do, most contact professional and employers' associations.
- The most important problems and obstacles for companies to engage more in CSR are general economic, social and environmental situation, lack of time and resources, difficulties in implementing self commitments and lack of leverage over business partners.
- Overwhelming majority of respondents hasn't heard of any governmental policies toward CSR, however, they support such an idea and believe that it would be useful.
- When asked which measures could government use to support CSR respondents mentioned dissemination of information through media, awarding prizes and recognitions, tax benefits, education, raising awareness campaigns, benefits for CSR respecting companies, investment into CSR projects, public recognition of CSR companies, changing legislation towards CSR principles.
- Respondents believe that CSR significance would grow in future, especially in areas such are responsibility towards employees, responsibility with regards to environment and securing jobs.
- Approximately half of the respondents would be interested in participating in the trainings later on in the project. The highest interest is shown among companies in accommodation and food service activities, large and companies with foreign capital.

The main recommendations:

- Previous activities conducted by NGOs, Government and professional associations have started to show significant results. Company representatives are aware of the CSR significance. However, they are not doing much in its implementation. In the next phase focus should be on providing trainings and practical examples of CSR in order to introduce it to the daily management routine.
- CSR tools and instruments should be more familiar to the companies. A special line of trainings should be developed in order to promote their use and utility.
- Activities of the Government should be more publicized. Although almost all respondents support the idea in theory most of them haven't heard of any activities conducted by the Government.
- There is a clear need of Government providing stimuli for CSR in different forms, such are public recognition, tax benefits or similar.
- Companies trust employers' associations so their role in the process of mediation should be intensified.



- Initiatives such as UN Global Compact should be further promoted in order to recruit more companies to join and participate.
- Efforts aiming to transform legal framework in the way to include CSR principles in all relevant legislation must be continued.
- System of rewarding or acknowledging companies that engage in CSR should be put in place by the community of stakeholders.
- Cooperation between government, NGO sector and professional associations is giving results so it should be further promoted and strengthened in the future.



VI. Annexes

List of interviewed companies

Name of the company	Contact person	Date of contacts	Date of response
19. jun	Stanka Zecevic	05.08.2013.	12.08.2013.
27. septembar	Miladin Nikcevic	08.08.2013.	15.08.2013.
A+S kovac	Sandra Kovac	20.08.2013.	22.08.2013.
Acem	Davor Coric	15.07.2013.	19.07.2013.
Aco Rakocevic	Aco Rakocevic	15.07.2013.	17.07.2013.
Agencija Sitl	Anton Jurovicki	17.07.2013.	19.07.2013.
Albona DOO	Nikola Jovicic	16.07.2013.	22.07.2013.
Allianz Group“ DOO Budva	Dusko Zelic	17.07.2013.	26.07.2013.
Allianz Kapital	Svetlana Divanovic Jelena Damjanovic	18.07.2013.	26.07.2013.
Alter Modus DOO	Vidakovic	18.07.2013.	24.07.2013.
Antena M	Miodrag Strugar	17.07.2013.	23.07.2013.
Art beton CO DOO	Drazen Cubrovic	19.07.2013.	25.07.2013.
Astra Montenegro Investment Association DOO	Ana Svitkovskaja	19.07.2013.	24.07.2013.
Atlas life	Darko Cabarkapa	15.07.2013.	30.07.2013.
Atruyn DOO Budva	Lidija Dimic	16.07.2013.	29.07.2013.
Balance DOO	Ranko Stanisic	16.07.2013.	31.07.2013.
Banex DOO	Goran Velickovic	15.07.2013.	26.07.2013.
BB Solar	Aleksandar Strugar	15.07.2013.	23.07.2013.
BBM	Nina Burnazovic	17.07.2013.	25.07.2013.
Brezna	Radovan Aleksic	08.08.2013.	16.08.2013.
Bubanja Commerce	Milena Jelovac	15.07.2013.	16.07.2013.
Cading DOO	Mladen Djuranovic	19.07.2013.	05.08.2013.
Celebic DOO	Dejana Celebic	15.07.2013.	01.08.2013.
CG broker	Aco Aleksic	22.07.2013.	06.08.2013.
Cimex DOO	Edina Sutkovic	25.07.2013.	07.08.2013.
Crnogorska komercijalna banka a.d.	Branislava Maja Vukcevic	22.07.2013.	02.08.2013.
Crnogorski telekom A.D.	Marija Zivkovic	01.08.2013.	07.08.2013.
Delux	Maja Lucic	07.08.2013.	19.08.2013.
Diagnostica	Ivana Marsenic	15.07.2013.	09.08.2013.
Diastasi construction DOO	Ljudmila Stamatovic	16.07.2013.	16.08.2013.
Digit Montenegro DOO	Branka Petrovic	22.07.2013.	31.07.2013.
Dis k.d	Dragan Samardzic	06.08.2013.	14.08.2013.
Dukley Loung Beach DOO Budva	Ana Utvic	17.07.2013.	19.07.2013.
Elektroprivreda Crne Gore AD Niksic	Eleonora Albijanac	23.07.2013.	06.08.2013.



Elko Tim DOO	Milos Mikavica	24.07.2013.	31.07.2013.
EPS Turs, Hotel Park, DOO Budva	Vesna Vucetic	18.07.2013.	12.08.2013.
Erste Bank AD	Dragana Crvenica	25.07.2013.	06.08.2013.
Falcon DOO	Branko Damjanovic	19.08.2013.	15.08.2013.
Finance Plus	Drazen Raickovic	29.07.2013.	02.08.2013.
Foto Dedic	Bajo Kljajic	19.07.2013.	16.08.2013.
Frizerski salon Alma	Alma Demic	12.08.2013.	23.08.2013.
Garden Gold	Marija Mijuskovic	16.07.2013.	05.08.2013.
Gemelli company	Bigovic Nenad	22.07.2013.	13.08.2013.
Gintasmont ICT AD	Tanja Purlija	01.08.2013.	05.08.2013.
Gradnja	Varagic Leposava	23.07.2013.	15.08.2013.
Hera	Jasminka Vukcevic	19.08.2013.	20.08.2013.
Hipotekarna banka a.d. Podgorica	Goran Smolovic	23.08.2013.	23.08.2013.
Hotel City	Ana Antic	20.08.2013.	23.08.2013.
Hotel Crna Gora	Dragan Djukic	19.08.2013.	23.08.2013.
Hotel Javor	Stijepovic Slobodan	16.07.2013.	12.08.2013.
Hotel Soa	Matija Micovic	15.07.2013.	13.08.2013.
Ibon group DOO Niksic	Nikcevic Irena	09.08.2013.	16.08.2013.
Institut za strateske studije i projekcije	Rahela Pupovic	19.08.2013.	22.08.2013.
Kia Montenegro	Slaven Sisevic	16.07.2013.	14.08.2013.
Komunalno stambeno javno preduzece Budva	Sladjan Jevdjevic	22.07.2013.	12.08.2013.
Kontejnerski terminal i generalni tereti	Gordana Damjanovic	25.07.2013.	15.08.2013.
Kov-atelje DOO	Kosto Vukalovic	08.08.2013.	16.08.2013.
Koving	Dijana Vasic	24.07.2013.	14.08.2013.
Krstac Gradnja DOO	Vukovic Vladan	25.07.2013.	12.08.2013.
Krux DOO	Nemanja Ljumovic	26.07.2013.	12.08.2013.
Kuca mode i ljepote "Zoran"	Zoran Vukcevic	19.08.2013.	21.08.2013.
L&G Design DOO	Jankovic Eduard	22.08.2013.	23.08.2013.
La catalogue	Dakovic Nevenka	09.08.2013.	15.08.2013.
LEDO DOO - Podgorica	Rajko Vukmirovic	24.07.2013.	30.07.2013.
Lovacki dom	Caslav Vujovic	09.08.2013.	20.08.2013.
Luka Kotor A.D.	Vladan Pejovic	01.08.2013.	05.08.2013.
Marija Trade" DOO Budva	Milena Scepanovic	02.08.2013.	12.08.2013.
Marmor Hotavlje DOO	Vladimir Petrovic	02.08.2013.	13.08.2013.
Megapromet DOO	Miroslav Romc	02.08.2013.	07.08.2013.
M-elektro DOO Budva	Srdjan Ockoljic	01.08.2013.	15.08.2013.
Mercur System DOO Budva	Ana Milosavljevic	05.08.2013.	12.08.2013.
Meridian	Dragana Djerkovic	19.07.2013.	12.08.2013.
Meso-promet	Kocovic Milica	23.07.2013.	19.08.2013.
Mil-pop DOO	Marija Babic	07.08.2013.	19.08.2013.
Mobil planet	Ibrahim Arifot	09.08.2013.	21.08.2013.



Moil	Nevenka Burzanovic	02.08.2013.	05.08.2013.
Montelgroup DOO	Cvijovic Mijat	07.08.2013.	20.08.2013.
MontePass DOO	Danilo Popovic	06.08.2013.	21.08.2013.
Montepellet DOO Podgorica	Boris Bajic	18.07.2013.	19.08.2013.
Monterra Construction DOO	Slavko Nikolic	06.08.2013.	22.08.2013.
Montimprex DOO	Sasa Radunovic	22.07.2013.	19.08.2013.
Napredak AD Kotor	Miodrag Damjanovic	14.08.2013.	16.08.2013.
Nimont DOO	Snezana Pekic	15.08.2013.	19.08.2013.
Obuca Minja	Sasa Bogavac	26.07.2013.	02.08.2013.
Paradiso	Dijana Mijuskovic	09.08.2013.	12.08.2013.
Privatna zdravstvena ustanova "Simonovic"	Dragica Simonovic	16.08.2013.	22.08.2013.
Prva banka Crne Gore AD Podgorica	Jelena Pavicevic	30.07.2013.	02.08.2013.
Puljkovac	Branko Strikovic	06.08.2013.	14.08.2013.
Regionalni vodovod Crnogorsko primorje	Ivan Spadijer	01.08.2013.	06.08.2013.
Resava DOO Budva	Suzana Tubic	14.08.2013.	22.08.2013.
Rey gold DOO Niksic	Slobo Kostic	05.08.2013.	12.08.2013.
Sajco	Sasa Asanin	15.08.2013.	22.08.2013.
Sava Montenegro, A.D.	Aleksandar Stanic	13.08.2013.	14.08.2013.
Skorpion DOO	Daniela Dangubic	12.08.2013.	15.08.2013.
Societe Generale Banka Montenegro	Armin Alibasic	14.08.2013.	19.08.2013.
Solaris	Cvijovic Dragana	19.08.2013.	23.08.2013.
Splendid	Maja Vukicevic	31.07.2013.	01.08.2013.
Stadion	Mrkulic Suada	16.08.2013.	22.08.2013.
Strikovic, Niksic	Boris Strikovic	01.08.2013.	19.08.2013.
Studio Mouse DOO	Damjanovic Vesna	26.07.2013.	01.08.2013.
Sublime developments DOO	Tanja Kovacevic	15.08.2013.	19.08.2013.
Suton print	Bojana Becic	15.08.2013.	23.08.2013.
Svicomm DOO Budva	Ranka Bulajic	29.07.2013.	20.08.2013.
Swiss osiguranje Podgorica	Rosa Medojevic	12.08.2013.	19.08.2013.
Tehnobaza AD Niksic	Bacovic Blazo	13.08.2013.	19.08.2013.
Tehnomont DOO	Milena Milovanovic	16.08.2013.	23.08.2013.
Tera Nova DOO	Natasa Jovanovic	15.08.2013.	19.08.2013.
Ultra Colour DOO Budva	Milorad Milicevic	29.07.2013.	20.08.2013.
Uniqa osiguranje	Marija Vujovic	01.08.2013.	06.08.2013.
Veletex	Milos Golubovic	22.07.2013.	02.08.2013.
Verde DOO Budva	Marija Scepanovic	29.07.2013.	20.08.2013.
Vetamont DOO Budva	Silvana Skiljic	01.08.2013.	22.08.2013.
Voda u krsu DOO	Stefan Stojanovic	22.07.2013.	22.08.2013.
Vujovic VR DOO	Lidija Djukanovic	02.08.2013.	19.08.2013.
Vukicevic	Tatjana Vukicevic	01.08.2013.	13.08.2013.
Winsol CO DOO Podgorica	Jagos Bajic	15.07.2013.	23.08.2013.



Zavala Invest DOO Budva	Mila Savchuk	26.07.2013.	20.08.2013.
Zinik DOO Budva	Jovica Dimic	30.07.2013.	21.08.2013.
Zunjic Company DOO	Djukanovic Olga	05.08.2013.	15.08.2013.
Ulcinjaska rivijera	Radomir Zec	29.07.2013.	05.08.2013.
Lipa	Milorad Vujovic	19.08.2013.	24.08.2013.



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