

CASE STUDY: STATE WITHHELD THE MONEY FOR EMPLOYMENT OF PEOPLE WITH DISABILITIES



Illustration: Employment of Persons with Disabilities is a Big Problem

I: INTRODUCTION: Constitution of Montenegro guarantees the right to work to every citizen.¹ Further study shows that the government of Montenegro, during the period from 2009 to 2015, caused damage to persons with disabilities on basis of employment in the amount of €34.5 million, which should be paid for professional rehabilitation and employment of these persons.

II: LAW OF 2008 DETERMINED WAY OF FINANCING EMPLOYMENT OF PERSONS WITH DISABILITIES: At the end of 2007, the Ministry of Labor and Social Welfare adopted a Strategy for the Integration of Persons with Disabilities in Montenegro for the period from 2008 to 2016.² The main objective of the Strategy was to improve the situation of persons with disabilities and their inclusion in all areas of society on an equal basis. In legal terms, this was the first step towards improving their position in society.

The Parliament of Montenegro adopted the Law on Professional Rehabilitation and Employment of Persons with Disabilities in mid-2008,³ which formally obliged the state to create conditions for increasing employment of persons with disabilities and their equal participation in the labor market, by removing barriers and creating equal opportunities for employment. The Law prescribed establishment of the Fund for Professional Rehabilitation and Employment of Persons with Disabilities, to which employers would pay a special contribution on the basis of their employment.⁴ Apart from Fund, Employment Agency of Montenegro and the Ministry of Labor and Social Welfare would be in charge of enforcement of this law.

III: THE GOVERNMENT WAS SIX YEARS LATE WITH THE IMPLEMENTATION OF THE LAW: Although the Law on Professional Rehabilitation and Employment of Persons with Disabilities was adopted in 2008, over the following six years, the Ministry of Labor and Social Welfare did not adopt the appropriate by-

¹ Article 62 of the Constitution of Montenegro, which relates to right to work, stipulates that everyone shall have the right to work, to free choice of occupation and employment, to fair and human working conditions and to protection during unemployment

² Strategy for the Integration of Persons with Disabilities in Montenegro for the period from 2008 to 2016, November 2007

³ Law on Professional Rehabilitation and Employment of Persons with Disabilities was adopted on 29 July 2008 (Official Gazette of Montenegro no. 49/08)

⁴ Article 22 of the Law on Professional Rehabilitation and Employment of Persons with Disabilities stipulates that: 'Employer who failed to employ person with a disability, shall be obliged while performing monthly payment of wages and compensation for employees, to pay special contribution for professional rehabilitation and employment of people with disabilities. Rate of the special contribution referred to in the paragraph 1 of this Article shall amount to 20% of the minimum wage in Montenegro realized in the year preceding the year in which the contribution payment shall be made. Employer who has less than 20 employees, and more than 10 employees, and does not employ person with disabilities, shall be obliged while performing monthly payment of wages and compensation for employees to pay special contribution referred to in the paragraph 1 of this Article. Rate of the special contribution referred to in the paragraph 3 of this Article for employers shall be 5% of the average salary in Montenegro'

laws for its implementation. Not before the mid-2014, the Ministry adopted the Regulations on the Procedure and Methodology for Grant Funding Schemes,⁵ which established the means of allocating funds for projects to legal entities and individuals from the budget of the Fund for Professional Rehabilitation and Employment of Persons with Disabilities.

Based on the Regulations issued in November 2014, the Employment Agency of Montenegro announced a public call for project proposals for professional rehabilitation, active employment policies and employment of persons with disabilities,⁶ for which it has allocated €1 million, although the Law on Budget of Montenegro for 2014⁷ allocated two million euros for the Fund for Professional Rehabilitation.

According to criteria of the public announcement, individual projects could be financed in the amount of €10 thousand to €70 thousand, with a period of no longer than 10 months. It was expected that at least 400 persons with disabilities would be included in the employment projects.

A total of 58 bidders applied to the public announcement (local governments, public institutions, the Archdiocese, businesses and non-governmental organizations) with projects of a total value of €2,613,231.23. In late February 2015, the Management Board of the Employment Agency of Montenegro adopted a Decision on Granting Non-Refundable Funds to finance a total of 19 projects⁸ in the amount of €998,789.06.

1. Odobrava se finansiranje 19 projekata, u iznosu od 998.789.06 € za podršku projektima profesionalne rehabilitacije, aktivne politike zapošljavanja i zapošljavanja lica sa invaliditetom na lokalnom, odnosno nacionalnom nivou, podnosiocima predloga na javni poziv br. 02-10606 od 10.11.2014. godine, i to:

Employment Agency of Montenegro granted financing of only 19 project proposals

Among the projects that were supported are project of the “Savez Slijepih Crne Gore” (Blind Union of Montenegro), which was allocated €66,000 for “Improving Labor Market Access for Visually Impaired People”, then the Municipality of Berane with “Give Us a Chance”, which was allocated nearly €35 thousand, “Udruzenje paraplegicara Bijelo Polje i Mojkovac” (Association of Paraplegics Bijelo Polje and Mojkovac) with “Protective Workshop - Golden Hands” with €48,000 and "Assistance in the Classroom for Children with Developmental Disorders” by NGO “Staze”, which was supported with €68,000.

Out of this number, 31 projects, with a total value of €1,311,148.17 (half the value of projects submitted) were not approved, despite the fact they were deemed eligible for funding. At the same time, eight projects worth €303,294 were rejected as not justified.

⁵ Regulations on the Procedure and Methodology for Grant Funding Schemes (Official Gazette of Montenegro no. 28/14 dated 4 July 2014)

⁶ Public announcement of the Employment Agency of Montenegro for submission of project proposals for professional rehabilitation, active employment and employment of persons with disabilities, dated 10 November 2014

⁷ Law on Budget of Montenegro for 2014 (Official Gazette of Montenegro no. 61/14)

⁸ Decision on Granting Non-Refundable Funds for financing projects of professional rehabilitation, active policies and employment of persons with disabilities no. 01-1261, dated 20 February 2015

| NR. | PROJECTS | AMOUNT | PERCENT |
|-----|--|--------------|---------|
| 1 | Granted projects | 998,789.06 | 38 % |
| 2 | Projects meeting the requirements, but were not funded | 1,311,148.17 | 50 % |
| 3 | Rejected projects | 303,294 | 12 % |

Table 1: Total value of granted projects was almost €1 million

IV: STATE AUDIT INSTITUTION HAS DETERMINED THAT THE GOVERNMENT HAD WITHHELD THE MONEY FOR EMPLOYMENT OF PERSONS WITH DISABILITIES: The State Audit Institution published a report⁹ in the end of October 2015 regarding the money spent by the Fund for Professional Rehabilitation and Employment of Persons with Disabilities.¹⁰

The report indicates that the Fund for Professional Rehabilitation and Employment of Persons with Disabilities provides funding from contributions paid by employers, from the budget of Montenegro and units of local government in which persons with disability reside, donations and assistance from local and foreign legal entities and individuals, as well as other sources.

The Fund should use its budget for implementation of measures and activities of professional rehabilitation of unemployed and employed persons with disabilities, co-financing of special employment organizations, implementation of active employment policy programs involving persons with disabilities, payment of subsidies, financing grant schemes and payment of financial assistance.

The State Audit Institution has found that the revenues from contributions for professional rehabilitation and employment of persons with disabilities from 2009 to 2014 amounted to €36,509,776.67. However, according to annual reports of the Fund for Professional Rehabilitation and Employment of Persons with Disabilities, since its establishment until the end of 2014, the amount of only €1,972,313.35 was spent.

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Income Budget | 1,431,004 | 3,370,516 | 6,435,581 | 7,931,921 | 8,799,756 | 8,540,995 |
| Expenditures Percentage | 135.122 | 481,374 | 386,561 | 268,521 | 234,941 | 465,791 |
| | 9% | 14% | 6% | 3% | 3% | 5,5% |

Table 2: Percent of expenditures of Fund for measures of professional rehabilitation and employment of persons with disabilities

Therefore, it can be concluded that persons with disabilities have been caused a damage of €34.5 million, which was supposed to be their direct benefit for employment and professional rehabilitation. The allocated funds were spent inappropriately. MANS has no information how the funds were spent.

| | |
|------------------------------|-------------|
| Total revenue | €36,509,776 |
| Spent | €1,972,313 |
| Allocated for other purposes | €34,537,463 |

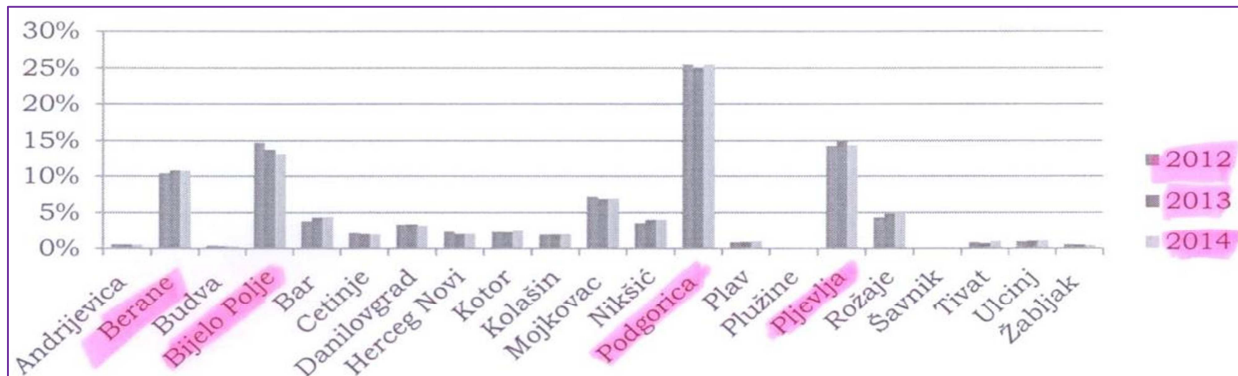
Table 3: For employment of persons with disabilities €34.5 million was not paid

⁹ Report on performance audit „Efficiency of use of funds from the contribution for professional rehabilitation and employment of persons with disabilities“, SAI no. 40116-023-835 from 19 October 2015

¹⁰ Report of the State Audit Institution is not full and complete, because the Ministry of Labor and Social Welfare and the Employment Agency of Montenegro did not submit a complete documentation to this institution during the audit

V: LARGE NUMBER OF UNEMPLOYED PERSONS WITH DISABILITIES: According to data the Employment Agency of Montenegro submitted to the State Audit Institution at the end of 2012, the number of unemployed persons with disabilities was 1,997, a year later it was 1,944, while at the end of 2014, there were 1,816 unemployed persons. This represents a five to six percent of the total number of unemployed persons registered with the Employment Agency, while 70 percent of the total number of persons with disabilities are disabled workers and 30 percent belong to the youth category.

The data show that the largest number of people with disabilities from 2012 to 2014 are reported in Podgorica, then Bijelo Polje, Pljevlja and Berane, while Pluzine and Savnik are the only municipalities with no registered persons with disabilities.



Persons with disabilities registered with the Employment Agency per municipality (source: SAI)

VI: MANS' CRIMINAL CHARGE: At the end of 2015, MANS filed a criminal charge against the head of the Fund for Professional Rehabilitation and Employment of Persons with Disabilities, Slavica Radusinovic, the director of the Employment Agency of Montenegro, Vukica Jelic, a former director of the Employment Agency, Zoran Jelic and former ministers of Labor and Social Welfare, Suad Numanovic and Predrag Boskovic to the Supreme State Prosecutor's Office for not taking the necessary actions for the proper utilization of funds earmarked for professional rehabilitation and employment of persons with disabilities, which caused the damage of €34.5 million¹¹ to persons with disabilities.

Podgorica, December 2015
 Author: MANS Investigation Center

¹¹ Criminal charge was filed on 1 December 2015