

The Case for Montenegro's Independence

20 July 2001
U.S. Senate

Discussion

Disposition of the Yugoslav Army: The Yugoslav army, which is present in Montenegro, has not been restructured. The objective is to first have a solution to Montenegro's relationship with Serbia, and then to address the status or framework of the army. The status of the armed forces is one of the areas for cooperation as outlined in the proposal that Montenegro presented to Serbia for the resolution of their current status within the FRY.

Resolving Relations with Serbia: Montenegro is ready to open up a political dialogue with officials from Serbia, as well as with their counterparts in Montenegro. After the early parliamentary elections in April, and the formation of the new parliament and government, the prerequisites were created for the continuance of talks on the structure of mutual relations between these two republics.

Negotiations with Serbia: The solution to the relationship between Serbia and Montenegro is through serious negotiations. Belgrade has not decided who will represent the Serbian position at the negotiating table. A formal proposal has been submitted to the Serbian government, because Montenegro's status is an issue that involves both republics. Montenegro will accept any representative of Serbia in the negotiations; even Kostunica can take part in this process in the role of a leading Serbian politician, but not as president of the FRY, which Montenegro does not recognize.

U.S. Economic Aid: The annual level of assistance for Montenegro is approximately \$100 million. This amount is only one-fourth of the combined revenue of Montenegro's two largest industries, tourism and maritime trade; industries that were stifled by the Milosevic regime. Before the crisis in the 1990s in the former Yugoslavia, Montenegro was earning roughly \$400 million from the two industries alone; tourism accrued \$250 million and maritime trade \$150 million. However, due to the crisis, last year tourism brought in only \$20 million and maritime transport was at zero level. Also, almost 20% of the Montenegrin population are refugees, which has necessitated international assistance.

29 June 2001 Donors Conference Funds: There have been few meetings with the government of Serbia in this regard, especially with Miroslav Labus, the Yugoslav Deputy Prime Minister. Some donors have expressed their preference for the allocation of funds specifically to Montenegro, and the World Bank has offered its expertise in facilitating this process. Serbia has placed no restrictions on the projects that are to be submitted by Montenegro, and proposals are being developed in Montenegro with the assistance of World Bank representatives.

Foreign Policy vis-à-vis Macedonia: Montenegro is very concerned with the present situation in Macedonia. One part of the Macedonian problem is the lack of resolution in Kosovo, which has impacted the entire region. The other part of the problem is of an internal nature, whereby Macedonia has not successfully built adequate mechanisms of inter-ethnic cooperation during the last ten years.

Montenegro's Relations with Neighboring Countries: Montenegro has excellent relationships with all of its neighbors. The government of Montenegro has established triangular cooperation with Macedonia and Albania, between government ministers, and meetings are held on a regular basis. Macedonia has decided to open a General Consulate in Montenegro and Montenegro will soon be opening one in Skopje. Montenegro has also developed a good record on minority

issues and is willing to share its positive experience in maintaining a stable, multi-ethnic society. There is no evidence that there will be any negative repercussions from outside the country, but the government will take all necessary precautionary measures. There are no calls for border changes. Montenegro has also established good relations with Croatia and the government expects progress in negotiations over Prevlaka; there is a mutual interest in promoting this peninsula as a tourist resort.

Organized Crime: Montenegro is suffering from a public relations problem in Western Europe regarding organized crime. Some West Europeans have said that "If Montenegro becomes independent, we will have a criminal state in South East Europe". The government is aware of the negative images that have been created. Montenegro has been a victim of the policy of sanctions and isolation since the early 1990s. For years, smuggling was part of official policy in Yugoslavia, a source of economic and political power. Moreover, Montenegro's strategic position contributed to these activities. However, Podgorica is scoring good results in combating crime as compared to other countries, but it cannot fight the battle alone. The main problem is how to create a real economy to overtake the gray economy. The government started a long time ago to deal with this issue. Montenegro has joined various regional programs of the EU and UN, especially the Stability Pact initiatives. It has signed the Declaration on the Prevention of Trafficking of Human Beings, as well as the EU's International Organized Crimes and Trafficking of Human Beings Declarations. Recently, Italy has accused Montenegro of being the main source of its problems in regards to illegal trafficking. Three EU commissions were sent to Montenegro to investigate and none found any irregularities.

EU Perspective: Before and after the April elections, the EU sent delegations to Montenegro to support the dialogue between the two republics. They demanded that no unilateral steps be taken. The EU still advocates a "democratic Montenegro within a democratic FRY." Nevertheless, they have stated that it is ultimately up to the people of Montenegro to decide on their future.