

MONTENEGRO: FACING THE FUTURE
CSIS U.S.-Montenegro Policy Forum
2200 Rayburn House Building, December 14, 2004

On 14 December 2004, the CSIS East Europe Project hosted a U.S.-Montenegro Policy Forum on Capitol Hill focusing on the long-term stabilization of the Western Balkans as an unfinished transatlantic project. The meeting, chaired by CSIS East Europe Project Director Janusz Bugajski, hosted Montenegro's Foreign Minister Miodrag Vlahovic and Congressional Research Service European Specialist Steven Woehrel. They discussed the future of the EU-brokered union between Montenegro and Serbia and provided insights into relations between Montenegro, Washington, and Brussels.

In his opening remarks, Janusz Bugajski stressed that 2005 will be a crucial year for propelling the Western Balkans toward security and development. A more forward-looking joint US-EU policy toward the region will be essential in order to resolve the pending final status issues for Serbia, Montenegro, and Kosova. Minister Vlahovic underscored that delaying decisions on the relationship between Podgorica and Belgrade will slow down Euro-Atlantic integration for both republics. He asserted that maintaining the status quo would curb democratic development not only in Serbia and Montenegro, but also elsewhere in the region.

FM Vlahovic underscored that the Serbia-Montenegro Union is dysfunctional and there is little sign for any improvement. It is difficult to achieve harmony with Belgrade on vital issues, since there is little internal political consensus within Serbia itself. Vlahovic provided examples of how political leaders in Montenegro have achieved agreement on cooperation with The Hague tribunal, on relations with NATO, and minority issues. All these questions have yet to be resolved in Belgrade and it is difficult to form a consistent position due to clashes between opposing views in Serbia. In addition, internal reforms in both Serbia and in Montenegro are held back because officials in both republics expand too much energy in disputes over Union decision-making.

However, one constructive step taken by both Belgrade and Podgorica at a recent session of the Council of European Integration was to postpone any union elections until after the Montenegrin referendum on independence scheduled for 2006.

Minister Vlahovic asserted that Euro-Atlantic integration is the foremost priority in Montenegro's foreign and security policy and he expressed satisfaction with the recently adopted EU "double-track" approach for Serbia and Montenegro. He believes that the policy takes into consideration the differences between the two republics and paves the road to a Stabilization and Association Agreement with the EU.

In order to enhance relations between Podgorica and Belgrade, Vlahovic presented Montenegro's proposal for the creation of a Union of Independent States between Serbia and Montenegro. Such an arrangement would demonstrate that relations between Serbia and Montenegro are crucial, while acknowledging that independence for both republics is the only viable option to ensure EU and NATO integration. Such an equal partnership

would require the abolition of the existing Union parliament. Both Serbia and Montenegro would become independent but with special arrangements for trade, travel, and military issues. Vlahovic believes that this is the only viable credible model, which should be given serious consideration by Belgrade, Washington, and Brussels.

Steve Woehrel discussed U.S. policy toward Serbia and Montenegro and asserted that the U.S. administration has no unequivocal position on the future of the Union and would accept any plausible decision by officials in Belgrade and Podgorica. He also stressed that the U.S. Congress continues to support Montenegro and it will provide \$20 million to the republic this year. However, he asserted that American efforts are focused primarily on Montenegro's economic development rather than on its political process. With regards to the republics relationship with NATO, Woehrel said that further military and security sector reforms are needed before potential inclusion in the Partnership for Peace (PfP) program

Discussion

Kosova: Minister Vlahovic asserted that Montenegro would not participate in negotiations on the final status of Kosova. The leadership in Podgorica hopes that Belgrade and Pristina will find a practical solution, which would ensure peace and secure human rights for the Serbian minority in Kosova.

Albanian Issues in Montenegro: Minister Vlahovic said that the pillar for Montenegro's internal security and viability as a state lies in a successful multi-ethnic society. Attempts by some external forces to radicalize the Albanian issue in Montenegro have been unsuccessful. Albanian leaders have displayed their commitment to dialogue. Proposals for autonomy along ethnic lines would be detrimental not only for Montenegro, but for the entire region; such proposals have been rejected by the largest Albanian parties in Montenegro. The government has also taken the initiative to introduce a new law on minorities and to institute Albanian studies at Montenegrin universities. Overall, Vlahovic said that he is satisfied that the situation in Montenegro is peaceful and did not mirror developments elsewhere in the neighborhood.

Referendum: Vlahovic asserted that a referendum on independence should take place in 2006. All efforts should be made to ensure a free and fair process and whatever the results, they should be accepted by all sides.

Trafficking: According to Vlahovic, after a State Department report classified Serbia and Montenegro as a Tier Two country in terms of Human Trafficking, the government in Podgorica has undertaken various initiatives and passed new legislation. Law enforcement bodies have been successful in several recent arrests. In addition, cooperation with neighboring states to fight transborder crime and trafficking has significantly improved. He pointed out that through collaborative efforts between Albania and Montenegro several people were recently apprehended for weapons smuggling.

Investment Climate: Montenegro has problems attracting investment, mainly due to the lack of decision on the republic's final status. But Minister Vlahovic expressed his confidence in the successful privatization of two of the largest enterprises in Montenegro. The tourist industry is also expected to continue to generate revenue, especially as major investors have shown interest not only in privatizing existing hotels, but also in building new ones and financing infrastructure projects.

Concluding Remarks: In conclusion, Minister Vlahovic asserted that the existing status quo should be terminated. The State Union between Serbia and Montenegro has proven costly and inefficient and has stalled the progress of reforms in both states. The Minister appealed to the policymaking community in Washington to be more active in the Balkans, despite other concerns for U.S. policy elsewhere in the world. According to him, Montenegro is ready to enhance its engagement with the U.S. in all areas as the long-term objectives of both countries coincide. Vlahovic concluded that solutions are needed and the more time passes the more costly those solutions will become.