



SERBIA AND MONTENEGRO: A UNION BUT NOT FOREVER

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Following nine months of contentious negotiations, in early December 2002 the governments of Montenegro and Serbia finally signed a Constitutional Charter for their new “Union,” a hybrid dual-state sponsored by the European Union (EU). The Charter is due to be submitted to the two republican parliaments for ratification. But even before the ink has dried on the document, a series of contradictions and problems threaten to unsettle the impending Union.

Problem one is the glaring political, demographic, and economic misfit between Montenegro and Serbia. A truly equal bilateral union between a republic of some seven million inhabitants (minus Kosova) and one of about 650,000 is untested and probably unworkable. While Montenegrins suspect that Serbia will attempt to dominate the Union, Serbs will resent having to make compromises with a much smaller neighbor in the pursuit of common foreign and security policies. Rationally speaking, why would a giant want to consult with a dwarf unless the giant has incurable, masochistic tendencies?

While Montenegro has achieved a desirable level of political stability, Serbia is racked by destructive power struggles. In the recent Montenegrin parliamentary elections, the governing coalition consolidated its popular mandate and can now proceed more resolutely with long-overdue reforms. A thorough crackdown on organized crime, sparked by a human trafficking scandal reportedly involving some high officials, could not only gain the new Milo Djukanović government high praise and support in the EU and NATO, but it could serve as a model for the wider Balkan region.

Serbia meanwhile remains mired in a network of corruption and crime that reaches virtually every institution and level of government. Moreover, there is little indication of a sustained counter-crime campaign in Belgrade. The standard excuse, that a crackdown would generate political instability, is wearing extremely thin. Either Belgrade is serious about establishing a legal state or it will sink further into the criminal cesspool.

Problem two revolves around the confusion in Serbian politics over Serbian identity. For the third successive time, Serbian voters failed to elect a president as successor to the incumbent indicted war criminal Milan Milutinović. The growing power struggle and political crisis in Belgrade will have an impact on all outstanding issues, including the progress of domestic reforms and the viability and durability of the union with Montenegro.

Yugoslav president Vojislav Koštunica and Serbian prime minister Zoran Djindjić are at each other's throats. Djindjić and his allies are seeking to ensure that Koštunica will be jobless when the Yugoslav state ceases to exist. At the same time, Koštunica will endeavor to bring down the current Serbian government through a vote of no confidence and new parliamentary elections. Opinion polls indicate that Koštunica and his Democratic Party of Serbia will score well in an early ballot. The broadly based DOS (Democratic Opposition of Serbia) seems likely to split between the Djindjić and Koštunica factions plus a third group disillusioned with the two power players. The potential formation of a Koštunica government in Serbia, possibly in a coalition with either the Milošević Socialists or the Šešelj Radicals, is likely to abort the embryonic union.

Many liberals and non-nationalists viewed voting in Serbia's presidential elections as pointless, as the contest was between three nationalist candidates. Indeed, increasing political instability will result in further voter disillusionment and frighten off potential foreign investors. The core of the problem is Serbia's persistent inability to define itself. Before democracy and legalism can take root, a state must possess specific territorial and institutional dimensions. Otherwise, ambiguity and conflict over what constitutes national identity, governmental authority, social space, and foreign relations will corrode stability and unravel any attempted reforms.

The most successful countries are those that harbor no claims on their neighbors' lands or populations and can concentrate fully on their domestic restructuring. Serbia has lived through three Yugoslav incarnations already in the past century and the fourth EU experiment threatens to once again delay Serbia's arrival in a Europe of independent and self-contained states.

As long as Serbian leaders continue to focus on a national, rather than a state, identity they will remain tethered to history and obstructed from making progress. With international and domestic therapy, Belgrade can overcome its infantile fear of abandonment. It needs to be reassured that an independent Serbia that stands on its own feet is much more likely to enter the pan-European home, gain a family, and remain at peace with its neighbors.

Problem three is the unresolved position of Kosova. The

constitutional preamble of the new union states that Serbia includes "the autonomous provinces of Vojvodina and Kosovo, in keeping with UN Security Council Resolution 1244." Frequent assertions by the two governments (Yugoslav and Serbian) that Kosova will eventually return to Serbia after the United Nations mandate expires provokes uncertainty, suspicion, instability, and hostility in the territory. Belgrade's stance, which should be discouraged by the international community, greatly contributes to inter-ethnic tensions in Kosova and degenerates the position of the Serbian minority. It also drags Montenegro into a lingering confrontation that does not serve its national or state interests.

Prishtina will remain a heavy stone around Belgrade's neck, and by association, it will hold back Podgorica unless and until the Serbian leadership decides on revoking its ambitions over Kosova. Such a practical and courageous solution to Serbia's own security aspirations will help all three emerging states in creating new relationships that will enhance regional stability throughout the Balkans. Efforts to reclaim Kosova from NATO and the UN will primarily exacerbate political conflicts within and between all three entities and complicate their progress toward international legitimacy.

Problem four is Serbian security, especially in the light of the escalating scandal over Belgrade's arms supplies to an internationally sanctioned Iraq and other pariah governments. Every time the United States and the EU are on the verge of offering Belgrade some new benefit, whether this is membership in NATO's Partnership for Peace (PfP) program or moves toward closer association with the EU, Belgrade shoots itself in the foot. Whether Belgrade's contribution to international terrorism vis-à-vis Baghdad displays defiant anti-Americanism or, more likely, is primarily a means to make illicit money, it destabilizes the entire region.

Although the new union will have a joint Defense Ministry, the question arises why Montenegro should tie itself to a civil-military structure that is largely unreformed, penetrated by war criminals, saturated with corruption, and implicated in sanctions busting and international terrorism. Surely, the EU should focus its attention on cleaning up Belgrade's military and related institutions and industries instead of cajoling Montenegro into merging with an unreformed security system. Brussels has become so fixated on preventing the

emergence of more viable individual states, that in effect it tolerates anti-European activities by Serbian officials and punishes Montenegro for being pro-European. The Serbia-Montenegro Union will have a single rotating seat in the United Nations, even though either republic may conduct its own international relations provided that this does not conflict with the new state's common foreign policy. One can foresee the complications and confusion in such an arrangement even before it begins to formally operate.

Nevertheless, Podgorica had little choice but to sign on the dotted union line, given the incessant pressure from the EU. Montenegro's focus must now be on internal reform and economic growth regardless of Serbia's festering problems. Montenegro must also protect itself against any further encroachments by Belgrade on its sovereignty and decisionmaking. If Serbia becomes too much of a burden inside the union because it refuses to reform or to conform with pro-alliance policies, then Montenegro must finally break the chains imposed by Brussels.

RESULTS OF THE PARLIAMENTARY ELECTIONS IN MONTENEGRO

October 20, 2002

Voter Turnout: 77.47%

Coalition/Party	Total Votes	% of Vote
For European Montenegro (DPS-SDP)	167,166	47.3
Coalition For Change (SNP-SNS-NS)	133,900	37.9
Liberal Alliance	20,365	5.8
Patriotic Coalition (M.Bulatović-V.Šešelj)	9,920	2.8
Albanians Together (DUA-DA)	8,498	2.7

Source: Center for Democracy and Human Rights, Montenegro

ELECTION ANALYSIS

The "For a European Montenegro" coalition election victory in October should have sent a clear message to the international community about the mentality of the Montenegrin population and the direction that it wants to be heading. Montenegrins do not welcome infringements on their sovereignty and believe firmly in the right to self-determination.

Prime Minister Djukanović has vowed to move his country closer to Europe over the next three years. And he has vowed that at the end of this period, the population of Montenegro will have the right to decide whether its future will be with or without Serbia.

The next three years will need to demonstrate significant accomplishments in order to keep Montenegro within the union. Serbia will need to behave like a true partner, showing the highest respect for the joint state; the EU will need to fulfill all of its promises of bringing the new union closer to the EU family, including the signing of an Association and Stabilization Agreement; economic growth must be realized and the standard of living will need to increase substantially. It seems unlikely that the Serbia-Montenegro Union itself will survive the probationary period.

NEW GOVERNMENT OF MONTENEGRO ANNOUNCED

One and a half months following the parliamentary elections in Montenegro, a new government was officially announced in December 2002. It includes:

Prime Minister: **Milo Djukanović** (DPS)
 Deputy Prime Ministers: **Dragan Djurović** (DPS), **Branimir Gvozdenović** (DPS), **Jusuf Kalamperović** (SDP)
 Minister Without Portfolio: **Suad Numanović** (DPS)
 Minister of Foreign Affairs: **Dragiša Burzan** (SDP)
 Minister of Interior: **Milan Filipović**
 Minister of Finance: **Miroslav Ivanišević** (DPS)
 Minister of Science and Education: **Slobodan Bačković**
 Minister of Justice: **Zeljko Stuaranović** (DPS)
 Minister of Culture: **Vesna Kilibarda** (CF)
 Minister of Economy: **Darko Uskoković** (DPS)
 Minister for Transportation and Shipping: **Andrija Lompar** (SDP)
 Minister of Agriculture, Forestry, and Water:

Milutin Simović (DPS)

Minister of Environment and Urban Planning:

Ranko RadovićMinister of Health: **Miodrag Pavličić (SDP)**

Minister of Labor and Social Welfare:

Slavoljub Stijepović (DPS)

Minister for Foreign Economic Relations and European

Integration: **Slavica Milačić (DPS)**

Minister for Protection of Rights of National and

Ethnic Groups: **Gëzim Hajdinaga (DUA)**

DPS: Democratic Party of Socialists

SDP: Social Democratic Party

CF: Civic Forum

DUA: Democratic Union of Albanians

NEWS BRIEF*December 2002***Germany gives 5 Million Euros to Montenegro**

The German Ministry of Economy granted a 5 million-euro loan to Montenegro for the development of the electric power system. Germany supports Montenegro's reform process and would like to see German companies involved in the process of privatization and investments.

Albanian Visit

Albanian deputy premier and foreign affairs minister Ilir Meta met on December 4 with Montenegrin deputy minister of foreign affairs Milan Begović. Following Montenegro's parliamentary elections, Meta emphasized the continued integration of Montenegro's Albanian minority population into the political, economic and social life of the republic. The two ministers additionally discussed bilateral relations and regional cooperation.

*November 2002***Aid Given to Develop Agriculture**

The European Agency for Reconstruction and Development has allocated 2.3 million euros for the development of Montenegro's agricultural sector. Out of this sum, 1.8 million will be invested in modern equipment for milk production. The EARD also has pledged to continue its loans to Montenegrin farmers throughout 2003 and 2004.

Projects Funded

The European Agency for Reconstruction announced its future projects for Montenegro totaling 14.20 million euros. The projects involve areas such as: management of

public consumption; macroeconomic advice; public management reform; reorganization of companies; the Bureau of Statistics; and the Ministries of Navigation and Economy. The projects aim to provide support for Montenegro's eventual Stabilization and Association Agreement with the EU. The EU has been credited with improving living conditions in Montenegro. In addition, the involvement of international donors in financing projects in Montenegro has increased, according to the European Agency for Reconstruction (EAR).

*October 2002***Albanian-Montenegrin Bilateral Relations Strengthening**

Albania's deputy prime minister and foreign minister, Ilir Meta, and Montenegro's minister of protection of national and ethnic groups' rights in Montenegro, Gëzim Hajdinaga, met in Podgorica in October to discuss the opening of the new border crossing Grncar - Vrmosa, and opening of the new shipping line between Virpazar and Skutari, as well as the possibility of building a bridge over the Bojana River.

**MONTENEGRIN REPRESENTATION
IN THE UNITED STATES**

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