

Independent Montenegro: liberation or balkanization?

Executive Summary

On 21st May 2006, the people of Montenegro voted for independence by the narrow margin of 2009 votes (55.5%) in a referendum which puts the final nail in the coffin of what was Yugoslavia. Since 2003 Montenegro and Serbia have been joined in a loose federation established with the assistance of the EU and which demanded a three year moratorium before either side could choose to opt out. However, Montenegro a small country of c.620,000 has operated as a de facto independent state since the late 1990s when it broke most of its ties with and economic dependency on Serbia, even adopting the DM in 1999 and, later, the Euro in 2002. It also developed its own diplomatic relations and quasi-embassies in important foreign capitals like Brussels and Washington.

The more ardent proponents of Montenegrin exclusivity also pointed to the existence of a separate, autocephalous branch of the Orthodox church and a distinct Montenegrin language.¹ They refer to the not so distant past – between 1878 and 1918 – when Montenegro was internationally recognised as an independent country, ruled by the Njegoš dynasty. Compare this, they say, with Croatia which had to delve back into the Middle Ages to resurrect independent statehood, or Bosnia, regarded by many as a hybrid collection of communities both within the Ottoman and Habsburg empires and later in the Yugoslav Federation.

The problem with this argument is that most Montenegrins have great difficulty making a clear distinction between themselves and Serbs. They speak the same language and families in both republics are intermingled. Unlike neighbouring Kosovo (an autonomous province within Serbia) where it is estimated that over 90% of the Albanophone population wants to break with Belgrade, the Montenegrins were uneasy about independence and what it might mean for their future. The authorities in Podgorica, Montenegro's small capital, had a 'hard sell' on their hands, yet, the referendum always looked set to succeed, if only narrowly, as the government had all the administrative resources and most media outlets in its hands. Also, the pro-independence lobby could count on the votes of 'captive' workers in the public administration which, according to local observers, employs c.240,000 as well as support from the country's Albanian and Bosnian minorities. As for the unemployed, especially the young, independence was sold as a way to forge closer ties to the EU where they will – no doubt - go to seek work at the first possible opportunity.

But will Montenegro be truly independent? Since breaking most of its ties with Serbia the country has been kept afloat by subventions from both Brussels and Washington – in both 2000 and 2001 the US and EU provided \$90 m. in aid. There is little economic activity in the republic where there is high unemployment (officially 30% but likely much more) and widespread poverty.² One of the few areas of visible activity is a number of road-widening and improving projects, all sporting banners proclaiming their dependence on EU grants. In fact, the EU oversaw the whole referendum process having imposed both the rules and guidelines for its conduct while the prospect of EU membership was closely intertwined with pro-independence propaganda.

In other words, people were not being invited to vote for going it alone but rather for the comfort zone that (reputedly) will be provided by Brussels. They were voting to leave the frying pan of one bloc (Yugoslavia) to enter the fire of an even larger one (the EU).³ Such 'conditional independence' has a long pedigree in the Balkans. One commentator noted how Slovenia also wanted 'dependent independence' when it broke away from Yugoslavia in 1991: "Slovenian nationalism" she writes "was indeed a new sort of nationalism" which

¹ There is an Institute for Montenegrin Language in Podgorica; President Vujanovic's web page is in both Crna Goran and Serbian (as well as English) See, <http://www.predsjednik.cg.yu/>

² For details on Montenegro's economic development, see Florian Bieber (ed.) "Montenegro in Transition", Nomos Verlagsgesellschaft, Baden-Baden, 2003

³ The only journalist to point out this contradictions was Neil Clark "Never mind the Balkans" *The Guardian*, 23rd May, 2006

exalted "EU membership over national sovereignty.... Joining the club was indeed the overriding motive of Slovenian separatism."⁴

While the EU and US hailed the outcome of the vote many observers were disquieted by what they see as further balkanization in South East Europe. Already, the Serbian provinces of Vojvodina and Novi Pazar are demanding increased autonomy from Belgrade while Kosovo will probably gain its independence, even later this year. Inevitably, breakaway regions in the post Soviet space like Transnistria and Nagorno Karabakh fail to see why they too should be denied their independence. And, in parts of Western Europe, like Catalonia and the Basque country, further demands for increased autonomy from the centre are already being made.⁵

On the other side of the world a little noticed shadow was cast over the victory celebrations in Montenegro as East Timor, the last country in the world to be proclaimed independent, erupted in violence. Poverty and unemployment following the departure of the UN Milch-cow has led to internal friction and the breakdown of law and order in Timor, a small, poor state also kept afloat for a long time by international subventions. At the moment, the people of the Balkans are cowed and subdued, but will this last for ever? What will happen to these micro-states in the former Yugoslavia if the international community and its flotilla of NGOs departs leaving them to their own devices?

The British Helsinki Human Rights Group's observers visited Montenegro in the pre-referendum period to gauge the campaign and they returned a fortnight later to witness the conduct of the vote.

Montenegro: the past ten years

After the Dayton Peace Conference ended the Bosnian war in 1995, the Western powers turned their attention to the political situation in Belgrade in the hope of toppling the Milosevic regime. A coalition of Serbian opposition forces known as *Zajedno* (Together) led street demonstrations for several months following disputed local elections held in November, 1996. However, by summer 1997 the chances that this group of people would overthrow the government and Milosevic, now President of Yugoslavia, evaporated in internal squabbles.

Western leaders had more success in changing the regime in the small neighbouring republic of Montenegro, by 1997 the only other entity in what remained of the Yugoslav Federation. The country's prime minister since 1990, Milo Djukanovic, led a putsch in the governing Social Democratic Party (the successor party to the League of Yugoslav Communists and sister party of the Serbian Socialists) taking over the leadership and expelling the republic's president, Momir Bulatovic, and his minority supporters from the party headquarters. Presidential elections were brought forward to October 1997 and Djukanovic won in the second round of voting narrowly beating Bulatovic who went on to form his own party, the Socialist People's Party (SNP).

BHHRG monitored both rounds of the poll in 1997 and found many similarities with the situation prevailing in the referendum campaign conducted over eight years later.⁶ For one thing, the population of Montenegro was highly polarized between supporters of Djukanovic who was already floating the idea of independence and Bulatovic who favoured continued ties with Belgrade. Then, too, Djukanovic enjoyed an overwhelming advantage over his rival in that as prime minister he controlled the media and all the levers of power. The country was plastered with posters for 'Milo' while television aired non-stop coverage of pro-Djukanovic rallies and pop concerts.

⁴ See, Diana Johnstone "Fools' Crusade" Pluto Press, 2002, p.137

⁵ "Montenegro referendum spurs separatism in Spain", *New Europe* <http://www.new-europe.info/new-europe/displaynews.asp?id=125147> 28th May-3rd June, 2006

⁶ See: Montenegro, Presidential election, 1997 and for other reports on Montenegro www.oscewatch.org

Nevertheless, in spite of his massive media advantage, Milo Djukanovic lost narrowly to his rival Bulatovic who just failed to cross the 50% threshold for victory in the first round of voting. BHHRG's representatives watched Montenegrin television which abruptly stopped its coverage of the results and broadcast folk dancing as the uncomfortable outcome was digested. In the second round, nothing was left to chance and the electoral registers were finessed to add more voters where necessary and remove those who might vote the 'wrong way so that on 20th October, 1997 Milo Djukanovic became president of Montenegro.

Before his break with Belgrade, Djukanovic had been an enthusiastic supporter of the Serbian cause and was even filmed with JNA soldiers as they shelled Dubrovnik in 1991. In his reinvented state as a client of the West and enemy of Milosevic he apologised to Zagreb for Montenegro's participation in the attacks on Croatia but even though he has escaped scrutiny suggestions have been made that he could still face the music for the attack on Dubrovnik and surrounding villages. According to Montenegro's rising political star, Nebojša Medojevic "Milo Djukanovic and Vujanovic [Montenegro's president] are now trying to avoid guilt for Dubrovnik ...they are trying to avoid their share of responsibility".⁷ This is part of the hardening of the criticism that has dogged Mr. Djukanovic over the past eight years.

For, even before he was promoted by the West as a new style of Balkan 'reformer' Djukanovic was alleged to have made a fortune from smuggling items like petrol and cigarettes during the sanctions imposed on the former Yugoslavia by the UN in the early 1990s. While this may have been overlooked by most of his Western backers, in 2001 Italian prosecutors began to investigate Djukanovic for connections to the mafia via his tobacco smuggling activities.⁸ Although several indictments were drawn up in Rome, Naples and Bari, the matter was inexplicably dropped after Silvio Berlusconi became Italian prime minister the same year. Berlusconi is reputed to be close to Montenegro's former deputy PM, Svetozar Marovic president of the joint state of Serbia and Montenegro at the time of the referendum. The fear must be that a new centre-left government in Rome will revive these indictments. Many local observers think that this partly explains the urgency behind the prime minister's push for Montenegrin independence which would make it easier for him to escape extradition. For example, time can be bought while a new constitution is drafted while Mr. Djukanovic could present himself as an elder statesman and seek a US-style immunity from prosecution.

But the net could be closing in on him at last. Never popular, from the time of his dubious victory in the 1997 presidential election, the DPS has always depended on other parties to govern. So lack lustre is his support base that the 2002 presidential election failed due to a low turn out. Few in Montenegro would mourn Djukanovic's passing from power. The failure to garnish greater support for his pet project – independence – is a measure of his low standing in Montenegrin public life. But it is not only his reputation as a mafia don that exercises the local population. Since he came to power and cut ties with Belgrade life for most people in Montenegro has got worse – by 2000 GDP was only at 50% of its 1989 level. A whole generation has grown up since Djukanovic came to power at the end of the 1980s as a local proponent of Milosevic's "anti-bureaucratic" upheaval. Boredom in the electorate besets even politicians who have achieved economic success over such a long period but those who preside over impoverishment must depend on peculiar political skills to keep hold of power despite their own record over so many years.

Many factories have closed as their customer base in Serbia disappeared with the effects of war and reform there. Other Montenegrin plants have been privatized in what many observers claim to be dubious circumstances, the most egregious example being the sale of the country's large aluminium plant to a consortium based in the Virgin Islands and reputedly dominated by the Russian Rusel company. Even privatization deals with reputable European

⁷ Aida Ramusovic "Montenegro and Croatia: Paying for Dubrovnik" *Transitions Online*, 18th July, 2005 <http://www.projecttransitionaldemocracy.org/document.php?docid=1448®ionid=2>.

⁸ Articles exposing Djukanovic's connections to the tobacco mafia appeared in the Croatian magazine, *Nacional* in 2001. See, for example, Berislav Jelinic "The Tobacco Mafia also shakes Serbia" *Nacional*, 20th December 2001. Ian Traynor "Montenegrin PM accused of link with tobacco racket" *The Guardian*, July 11th, 2003

companies like the Belgian brewing conglomerate Interbrew's purchase of the Trebjesa brewery in Nikšić have been problematic. Several hundred employees were sacked while agreements on salaries and pensions were not honoured leading to strikes and local industrial unrest. Interbrew merged with the Brazilian brewer Ambev (one of the brewing business's most aggressive corporate raiders) in 2004 to become Inbev making the situation for many of Interbrew's former stable of companies precarious.⁹ It remains to be seen whether Trebjesa can survive at all in the new corporate climate.

Farming has suffered, again due to lost markets in Serbia; a once thriving agricultural sector is now dominated by the imports from countries like Italy, Greece and Turkey. The quality of the famous Njegoš smoked ham has declined since 20,000 pigs were imported from the Netherlands to replace the domestic breeds. The deterioration in the quality of the local food will make it more difficult for Montenegro to present itself as a centre for upmarket tourism, something Djukanovic claims to want. In fact, the country has been styled an 'ecological state' even as the aluminium smelting works outside Podgorica belches out fumes night and day.

However, despite the fact that Djukanovic has done many of the things demanded by the international community – closing factories, putting people out of work and encouraging imports of basic necessities – his critics claim he hasn't done enough and that the 'reform' process has stalled. These critics are led by a business consultant, Nebojša Medojevic, who heads the Centre for Democratic Transition (also known as the Group for Change) NGO in Podgorica and who also has close ties to the G17 group of free market politicians in Belgrade. Described by Balkan watcher Tim Judah as "the most popular politician in the country"¹⁰ Medojevic is a typical second-generation reformer in the mould of Georgia's President Saakashvili and Ukraine's Viktor Yushchenko, both brought to power in Western-inspired 'colour revolutions' which saw old favourites, Edvard Shevardnadze and Leonid Kuchma cast aside. Medojevic supports independence but opposes Djukanovic: on past experience, he could be the winner of the post independence fight over the political spoils which will come to a head with parliamentary elections due in autumn 2006 and which Medojevic apparently intends to contest with his NGO turned political party.¹¹

The referendum campaign

BHHRG visited Montenegro in the pre-referendum period to observe the conduct of the campaign. Large billboards urging people to vote 'Da' (Yes) were plastered all over the scruffy capital, Podgorica. It took some time to find any 'No' posters although there were many more in coastal areas, for example, and the north of the country. The 'Yes' campaign concentrated on Montenegro's historical past and harking back to the republic's noble ancestry, the authorities have erected large statues of the country's last monarch, King Nikola, astride his horse - one stands in Podgorica while another was delivered to the depressed industrial town of Nikšić shortly before the poll.

Apart from the daily *Dan*¹², all newspapers in Montenegro (e.g. *Pobeda*, *Vijesti* and *Republika*) were vocally pro-independence. Television coverage was even less diverse although the authorities claimed that independently owned Montana and Elbig TV were somehow immune from bias. The most egregious propaganda vehicle was Montenegrin state television, Television Crna Gora (TVCG). It took many forms, mostly directed to Montenegro's brief period of independence: grainy black and white film of King Nikola, his

⁹ For Interbrew's activities in Montenegro and merger with Ambev, see

http://www.iufdocuments.org/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=3225&view_records=1&ww=1&en=1

¹⁰ Tim Judah "Depressing independence for Montenegro" ISN Security Watch, 4th May, 2005

<http://www.isn.ethz.ch/news/sw/details.cfm?ID=11231>

¹¹ "Montenegrin NGO to be transformed into party in July" *Dan*, 1st June, 2006

¹² *Dan* claims to have the highest circulation of any newspaper in Montenegro. It also publishes a weekly edition.

courtiers and family was played and replayed; the new/old crimson Montenegrin flag embossed with the Njegoš coat of arms fluttered above rallies of enthusiastic citizens and, members of the Academy of Sciences solemnly took possession of sets of leather bound tomes containing a recently completed history of Montenegro.

Television Crna Gora carried the 'Yes' message through into the period of election silence. On 19th May it broadcast a "new film" about Krsto Zrnov who opposed the unification of Serbia and Montenegro in 1918 which was repeated on the eve of the referendum. The newspapers, too, continued to the bitter end with the historical theme: under the headline "God bless the Montenegrins" *Republika* published yet another article about the history of King Nikola as well as "several reports" on "important events throughout Montenegrin history". *Pobeda* told its readers that another monument was going up – this time to Montenegrin Prince Bishop St. Peter Cetinjski. On referendum day itself an elderly gentleman paraded himself in front of both the local and international media in Podgorica dressed up as King Nikola.

When not giving history lessons TVCG turned its attention to other examples of small countries which successfully managed the transition to independence (and, of course, dependence in the form of EU membership). On 3rd May, the station broadcast an hour long programme on Slovakia which scaled almost Stalinist heights of propaganda: happy Slovaks were shown on their mobile phones, gainfully employed and integrated with their large (c. 400,000) contented Roma majority. There was no mention of the c.18% unemployment rate, high costs of health care, falling school rolls as young people leave the country or the squalid conditions lived in by the country's gypsies.

In fact, Slovakia played a leading role in the referendum campaign with two of its diplomats at the centre of the process. František Lipka, a former Slovak ambassador to Brussels, was appointed head of the Referendum Commission; for some reason, the referendum law stated that this post had to be filled by an EU official, which, presumably, implies that the Montenegrins didn't trust themselves to oversee the poll. The same law even went as far as giving the commission head (a non-Montenegrin) a casting vote in the event of a tie.¹³

The other Slovak, Miroslav Lajčák, was appointed to be the EU's envoy in Montenegro by the bloc's foreign policy supremo, Javier Solana. In an interview with the Podgorica journal *Monitor* Lajčák made none too subtle comparisons between Montenegro and Slovakia.¹⁴ Although no names were mentioned, he recalled the time when former prime minister, Vladimir Mečiar, was in power and Slovakia was regarded as a 'black hole' in Europe. As Lajčák put it, by voting out Mečiar, Slovaks were able to get on the fast track to EU membership - so, by analogy, if Montenegro voted to move away from Serbia it would also face a similarly bright future. The media presented Lajčák as an "experienced diplomat" and "arbiter" of the various disagreements that arose between the 'yes' and 'no' camps, but he was parti pris right from the start. When the pro-union bloc started to complain about the conduct of the referendum in the days following the poll his much-touted objectivity melted away and he chided them for being "un-European".

Many people complained to BHHRG about the propaganda overload. The Ruritanian world of King Nikola can have little resonance today. Unemployment is high in his former 'capital', the mountain village of Cetinje, where many shops, cafes and businesses have closed since the Group's last visit in 2001. None of the 4 DPS pro-independence workers interviewed in the town had work and they said that thousands of industrial jobs in the town had gone. The dissonance between Djukanovic's regal aspirations and the real state of affairs in Montenegro was brought home by a group of poverty stricken workers from the Nikšić confectionary factory who were on strike outside the government building in Podgorica as the referendum unfolded.

¹³ For the Law on the Referendum, see:

<http://www.infoizbor.org/index.php?base=data/english&sm5=on>

¹⁴ "Monténégro: impossible accord sure le référendum?" an interview with Miroslav Lajčák, *Monitor* 20th January, 2006, <http://balkans.courriers.info/article6448.html>

Perhaps the Njegoš dynasty (if it can be called that) does not stand up to too much examination anyway. The court in Cetinje was tolerated by the Great Powers as an instrument in keeping the Turks at bay. After the collapse of the Ottoman Empire the need for minor potentates like Nikola faded and he was abandoned by the allies in Versailles at the end of the First World War. He also stood accused of duplicity siding with one side or another during the war when it suited him. One historian writes that “the British Foreign Office ...regarded him as a treacherous ally”¹⁵ Others were less discreet: “Troops could be promised to one power if there was a chance of screwing up another power for a bigger subsidy”. “His reign mounted to peak upon peak of treachery” he was “a conscious buffoon”¹⁶ In fact, the allies felt such hostility to Nikola that they incorporated Montenegro into the Kingdom of Yugoslavia which was formed as part of the peace settlement.

Nikola went into exile and died in Antibes. So far, his descendants have shown little desire to move back to Cetinje although his grandson, an architect in Paris, occasionally returns to the country, appearing, so it was said, in time for the referendum. Perhaps the most striking similarity between the ‘reigns’ of Nikola’s and Djukanovic is their reliance on foreign funding to keep Montenegro afloat. Of Nikola, Rebecca West wrote “he lived and lived well, on subsidies from Turkey, Austria, Italy and Russia”¹⁷ and, at the Peace Conference, Arthur Balfour, Britain’s Foreign Secretary, mordantly remarked “we pay for him”.¹⁸

Andrija Racković, editor-in-chief of the leading pro-government newspaper *Pobeda* was the only real enthusiast for Montenegro’s regal past encountered by BHHRG. However, he also said that he would like to return to the old Yugoslavia. In fact, there is much Yugo-nostalgia in Montenegro (as in other ex-Yugoslav republics). For him, Tito’s version of Communism is the next best thing to a monarchy without even passing through Social Democracy; the authorities appear content to let appreciation for the two apparently dissonant systems co-exist in people’s minds. What is taboo is any favourable reference to the Milosevic years. In fact, a historical void exists between 1990 and 1997 even though Mr. Djukanovic was prime minister during this period – or, perhaps because of it.

Ordinary people fear being associated in any way with the Milosevic era. Montenegrins had displayed the most enthusiasm for the former president and his policies when he came to power in the early 1990s in the midst of industrial unrest in the republic. They have seen all manner of people transferred to the Hague over the past ten years for alleged complicity in war crimes. This, perhaps, explains the apprehension that greets questions about life in the republic during the Milosevic years. However, even under sanctions and international isolation people were probably better off then than they are now, even though they are unlikely to admit it – particularly to a Westerner. The need to disassociate Montenegro from Serbia, a country suspected of harbouring indicted war criminals, like Ratko Mladic, was one of the independence campaign’s main themes. The fact that the Montenegrins were regularly accused of protecting the other major Hague indictee on the run, Radovan Karadzic, seems to have been forgotten - for now.

It was difficult to find enthusiasts for independence during several days of researching the Montenegrin vox pop. Resignation rather than optimism about the outcome of the poll seemed commonplace. People living on the coast were supposed to be in favour of independence whereas the diehard ‘unionists’ live in the north of the republic, on the Serbian border. But in reality it seemed that coastal dwellers are likely to be involved in the tourist trade (if they have jobs at all) and that 80% of all tourism comes from Serbia. The fear was that Serbs will no longer vacation on the Montenegrin coast if border controls (which already exist) are intensified - or other obstacles are put in their way. Although Djukanovic is accused of all sorts of dubious privatization deals with hotels and other leisure centres, in fact there has been little development along the Adriatic since Tito’s time. No doubt, the prime minister has always found more profitable ways of earning a living than tourism – an often overestimated money spinner.

¹⁵ See Margaret Macmillan “Peacemakers”, John Murray, London, 2001, p.129

¹⁶ Rebecca West, “Black Lamb and Grey Falcon” Macmillan, 1940, p.1052

¹⁷ Ibid, p.1052

¹⁸ See, “Peacemakers”, ibid, p.127

There is every reason for locals to worry. Low grade tourists from Serbia are likely to be pushed out by Western property developers and estate agents – the British seem to be the most active with several UK agencies opening branches in Montenegro that offer properties for sale as ‘second homes’ on the coast, many still ‘off-line’ i.e. un-built: one journalist writes that “a vanguard of European bargain hunters led by the British and Irish have been buying up property in idyllic towns such as Kotor, Perast and Sveti Stefan causing seaside real estate prices to leap 50% in 12 months”.¹⁹ The glut of empty property waiting for British buyers raises serious questions about the official figures for the population of the country and therefore the number of eligible voters on 21st May. If Montenegro’s population has (supposedly) grown recently, why is so much property available for sale to foreign buyers?

All manner of deals seem to have been entered into and there are even allegations that the navy has sold land to developers presumably in anticipation of independence. It is all too possible that the relatively unspoilt Adriatic coast will be covered with villa complexes of the kind that have sprouted up in Bulgaria and neighbouring Croatia despite promises to respect the environment. As such developments are designed to be self-catering, so they are unlikely to employ many locals.

Pro-independents also sought to sow alarm by claiming that the Russian mafia is “taking over” and that Montenegro is a money laundering centre - Tim Judah alludes to “large (but unknown) amounts of Russian money” in the country.²⁰ Although a Moscow chain, the Montenegro Stars Hotel Group, bought three coastal hotels there is little sign of serious Russian money around Montenegro’s Adriatic coast. As people pointed out, Russian oligarchs can now afford to live (and launder their money) in places like Antibes or London compared with which Budva and Kotor have little to offer. However, over the past ten years a middle class that can afford reasonably priced foreign holidays has started to grow in Russia and it is these people rather than Boris Berezovsky who are coming in significant numbers to holiday on the Adriatic coast.

In the early days of his presidency Djukanovic was a regular visitor to Moscow and Montenegro did give shelter to the notorious aluminium baron Anatoli Bykov in the late 1990s. But the prime minister’s contacts with Moscow seem to have cooled since Putin came to power. Nevertheless, some journalists claim that there is a continuing symbiosis between Russia and Montenegro which will increase further with the latter’s independence. The anti-Kremlin newspaper, *Kommersant*, reported that “Moscow has been a strong proponent of Montenegro’s independence for the last two years, which contributed to the positive outcome of the referendum. Long before the vote, Russian Foreign Minister, Sergey Lavrov, declared Russia’s willingness to recognize the independence of Montenegro if it is the people’s will. It is of note that Montenegrin Prime Minister Djukanovic appointed Milan Rocen, former ambassador of Serbia and Montenegro to Russia, head of the referendum campaign. Rocen, often viewed as the key pro-Russian lobbyist in the republic, is now rumoured to become the foreign minister of the independent Montenegro.”²¹ Perhaps this is yet another attempt to discredit Djukanovic in the eyes of his Western allies and further encourage them to seek a replacement to his regime.

Apart from people’s fears over losing their income from Serb tourism there were other nagging worries that locals say were never addressed by the independence lobby. While the TV regurgitated more old film of King Nikola and his ‘court’ Montenegrins wondered whether their children would still be able to study cheaply at universities in Serbia – there are 20,000

¹⁹ Eric Jansson “Dividing loyalties” FT Magazine, 20/21st May, 2006. Numerous UK estate agents with property interests in Montenegro can be found on the web: e.g.

<http://www.plutodevelopments.com/?gclid=COjAnrW4ooUCFSSHMAod11qvtA>
<http://www.monteprop.com/index.html>, <http://www.montenegrorealestate.org/index.php>

²⁰ See, Judah “Depressing independence for Montenegro”, *ibid*

²¹ “Russia Recognizes Independent Montenegro” <http://www.kommersant.com/page.asp?idr=500&id=677255>

students there at the moment, including medical students for whom there are no comparable facilities in Montenegro. Will people still have access to the superior Serbian medical system. Will there be borders and passports?²² The Montenegrins have already placed border and customs' posts between themselves and Serbia. Although the government in Podgorica (as well as politicians in Belgrade) seeks to reassure people that little will change, what if the Serbian Radical Party comes to power? Might not the international community want to see a tight border with Montenegro to 'stop the virus' spreading. And, if Montenegro develops closer ties with the EU, might not Serbs use it as a launching pad to enter the union precipitating tighter border controls to staunch immigration.²³

Independence: For and Against

Montenegrin independence is supported by the leading political party, the Democratic Party of Socialists (DPS) and its allies the Social Democrats, although traditionally the issue was always associated with the small Liberal Party that has been in and out of coalition with the DPS over the past eight years. The minorities – Albanians in the south and Bosnians along the border with Bosnia Herzegovina – have also propped up Mr. Djukanovic's governments. They, too, support independence. BHHRG visited the Albanian village of Tuzi which lies on the main highway to Albania, south of Podgorica. The road is known as a conduit for stolen cars and a steady stream of expensive Western models passed through that day. Some Montenegrins cynically point out that the Albanian and Bosnian communities which live mainly in the border areas would benefit from the smuggling opportunities resulting from internationally recognised borders with their own customs arrangements.

The Albanian area of Montenegro seems sparsely populated compared with Kosovo, southern Serbia and northern Macedonia where massive house building programme has led to large communities spreading themselves as far as the eye can see. However, inter-ethnic relations have remained harmonious possibly because large numbers of Albanians from the Tuzi area have emigrated to both the US and Australia - which also raises doubts about the accuracy of the census numbers for this area. It was estimated that 10,000 Montenegrins returned home to vote on 21st May, including many Albanians.

Pro-unionists are led by the main opposition party, the Socialist People's Party (SNP) and its ally the Peoples Party. There were fears that they would call for a boycott of the poll but after the EU negotiated rules for turnout – 50% with 55% voting 'Yes' for the referendum to be judged a success – they agreed to participate. Mr. Djukanovic wanted a much lower threshold. BHHRG visited the SNP's headquarters still situated in a temporary shed-for-an-office by the Moraca River where it has operated since the split with Djukanovic's DPS in the late 1990s.

In the past, few international representatives made their way to the SNP's offices. In 1998, party officials begged BHHRG's observers to distribute their complaints about election fraud in that year's parliamentary election as neither the foreign NGOs (including the OSCE) nor diplomats had showed any interest. However, on 3rd May 2006 two foreign ambassadors (from Spain and the UK) were visiting the hut for briefings. This represented a sea change in the attitude of the international community towards the opposition parties in Montenegro and, indirectly, to Mr. Djukanovic himself.

Although the pro-unionist bloc accepted that Montenegro is 95% independent they still claimed to want to preserve what is left of the union with Serbia. They cited family ties, tourist revenue and other economic benefits. They also predicted that living standards would

²² Nela Lazerevic "Public Trust in Focus" Transitions Online, 26th April, 2006

²³ Prospective EU member Romania, for instance, has granted citizenship rights and therefore visa-free travel to the EU to hundreds of thousands of economic migrants from neighbouring Moldova. Wouldn't some of the 600,000 plus Montenegrins resident in Serbia be tempted to "recover" their ancient identity if the EU offered Montenegro an association agreement, let alone membership?

fall with independence as well as access to health care and education in Serbia itself. Aleksandar Damjanović, Secretary of the SNP parliamentary group, also said that an independent Montenegro would be prevailed upon to join Western military structures, like the NATO-led Partnership for Peace, which would impose an unsustainable economic burden on the small republic.

But, the SNP and its allies played a somewhat mercurial role in the independence debate. According to Tim Judah, Predrag Bulatovic told him that “he had no problem with independence”²⁴ which might explain the impression gained by BHHRG that the party and its allies had failed to campaign as forcefully as they might have done. For example, each side received €1 m. from the state for campaign propaganda – a large sum of money for a country with c.450,000 voters. On top of this, the rules governing the referendum stated that a further €400,000 could be collected from private donations. The state had a monopoly on propaganda because, according to Aleksandar Damjanović, it has close relations with the two local companies producing billboards; advertisements on TV were expensive by local standards (€2000 per day to advertise on independent TV Montana).

Nevertheless, the anti-referendum parties did not have much to show for their €1 m. BHHRG caught one television advertisement lasting several seconds on the 2nd May and saw a handful of billboards in Podgorica although there were more in the rejectionist areas – including the coast. However, on 15th May Predrag Popovic, Chairman of the People’s Party and one of the leaders of the anti-independence campaign, said he had “no complaints” and that the referendum campaign “had been proceeding without major incidents”²⁵, so it is hard for the SNP and its allies to claim that they were prevented from spreading their message. Such comments also tend to downplay incidents like the occasion when two DPS activists were filmed buying votes for the ‘Yes’ campaign, a criminal offence for which they were sentenced to 10 months imprisonment on 28th April.²⁶ In fact, Bulatovic and his allies seem to have forgotten that they made numerous complaints about the conduct of the campaign during the run up to the vote.

The pro-union bloc’s main concern but one that seemed to cause the EU and other international observers little problem was the accuracy of the voter registers. Media reports give wildly different figures for Montenegro’s population ranging from c.650, 000 to 750,000. However, the last census held in 2003 gave the figure of 620,145. The authorities claimed that the population (and therefore the numbers of voters) had increased due to an influx of refugees. But, there have been few refugees in the former Yugoslavia since 1999 other than a handful of Serbs periodically driven out of Kosovo but who have gone to Serbia proper. In fact, there is every reason to believe that the population has declined as people have left to work abroad – including the Albanians in the south of Montenegro. However, it was claimed that the number of voters has increased by 21,000 since 2002 and the numbers registering to vote kept on increasing - from 466,079 to 479,523 on 27th April, and finally 484,718 by the deadline for registration on 13th May.²⁷ Reporters on the newspaper *Dan* estimated that at least 50,000 “ghost” voters were on the central register.

It seems that the opposition was playing a longer game. Dissatisfaction with Mr. Djukanovic has grown within the international community i.e. the EU and US are looking around for a replacement. This might explain the almost unprecedented visits made by diplomats from significant European states to the SNP’s offices. In February 2006 Nebojsa Medojevic described by Serbia’s *Blic* newspaper as “united with SNP leader Predrag Bulatovic” said that “our chief task is coordination of opposition activities after the referendum”.²⁸ In late April, Medojevic led a group including Predrag Popovic, Miodrag Lekic, former Yugoslav

²⁴ See, Judah, *ibid*

²⁵ “Both blocs say Montenegrin referendum campaign “fair” Serbian radio, 15th May 2006 www.bbcmonitoringonline.com

²⁶ “Montenegro: “Opposition Cries Foul Ahead of Independence Referendum” AKI 24th March, 2006

²⁷ “Montenegrin referendum electoral roll completed with total of 480,000 voters” Montenegrin Mina agency, 27th April, 2006

²⁸ “It is important to bring about the downfall of Djukanovic” www.blic.yu/arhiva/2006-02-14/E-Index.htm

ambassador to Italy and Andrija Jovicevic, former Montenegrin Interior Minister to Washington where they visited the NDI and asked for “support to the democratic forces in Montenegro” ... “the undemocratic regime in Montenegro is an obstacle to the development of democracy and the start of essential societal reforms.”²⁹ Medojevic told local media in Podgorica that “the visit was the result of long standing preparations”.³⁰

BHHRG’s observers were told that the SNP would be happy to cooperate with Medojevic in the future after he formed a political party to fight the next election. Aleksandar Damjanovic said that they regarded Medojevic as a “Social Democrat” even though he was close to the extreme free market G17 group of economists in Belgrade – the nearest thing to a neo-con outfit in the Balkans! Perhaps this explains why the SNP distanced itself from Medojevic during the referendum campaign. In 2001, along with leading Montenegrin “artists and intellectuals” he had signed a grandiose, Soviet-style petition demanding that the EU immediately allow a vote on the independence issue.³¹

The view from abroad – including Serbia

A mini building boom is underway in Podgorica. In the downtown area fountains play in piazzas where new apartments and offices have sprung up while, over the road, a large Orthodox cathedral is under construction. Other prestige, ‘Mobutu-like’ projects include a striking, but pointless, new Millennium bridge over the Moraca River opened in July, 2005. The whole area is a far cry from the grey, concrete buildings and dingy blocks of flats that make up most of the city. However, again, there seems to be only a marginal benefit to local Montenegrins: the materials used on the construction site seem to be overwhelmingly imported from EU countries like Germany and Italy – the only local input is the cheap labour.

Some EU governments have already taken up residence, for example, the UK has established a “British Office” in one new building. It is hard to see what this could be other than a holding operation for premises that will become the ‘British Embassy’. In other words, independence has been taken for granted by important foreign governments long before referendum day and Podgorica’s new quarter is Montenegro’s Brasilia – the country’s future capital.

Meanwhile, various European agencies including the EBRD provided loans for the construction of a new airport in Podgorica which opened only days before the referendum. The previous building was adequate for the handful of daily flights to and from the capital. As tourists use the coastal airport at Tivat and never have reason to visit Podgorica the conclusion must be that this is yet another foreign-funded white elephant that has lined the pockets of contractors as well as the suppliers of building and other materials in the EU.

Advocates of independence have criticized the EU for adopting tactics which delayed the realization of their dream. It was Javier Solana who oversaw the 2003 constitutional agreement that gave the union of Serbia and Montenegro a new lease of life although conditions were built into the final document allowing for the independence issue to be revived after three years. It is alleged that the EU was concerned that a rush to independence would destabilize the region, especially as Kosovo’s status still remains unresolved.

It is also possible that the EU feared that an independent Montenegro might immediately seek fast track entry (or, at least, special pre-membership arrangements) to the bloc at a time when there is growing enlargement fatigue among some member states. But, this is all something of a smokescreen as the EU was essentially supportive of the country’s independence all along. Miroslav Lajčak, the EU’s envoy at the referendum was always drawing parallels with his own country (Slovakia’s) peaceful split from the Czech Republic and its successful

²⁹ www.seeurope.net/en/Story.php?StoryID=59488&LangID=1

³⁰ “Montenegrin Opposition Visits Washington” www.seeurope.net 27th April, 2006

³¹ “Letter of Protest Addressed to Western Democracies by Montenegrin Intellectuals”, <http://www.montenet.org/2001/miodrag.html> The list of intellectuals is intriguing as it seems to contain no minorities, e.g. Albanians or Bosnians, despite Montenegro’s proud claim of ethnic inclusivity.

embrace by the EU. If the EU was so hostile to Montenegrin independence surely they would have chosen a representative from a country with no secessionist baggage – Denmark or Portugal, for example?

However, if the EU decided on caution, the US had no inhibitions about throwing its weight fully behind independence for Montenegro. US advisors have been present in the country for some time. It was an economist from Johns Hopkins University, Steve Hanke, who “weaned” Montenegro off the dinar in the late 1990s and into using the Deutsch Mark. Former US ambassador, Richard Sklyar, has been an advisor to the government on privatization and was accused of direct involvement in decision making. USAID funds numerous “projects” and the NGO community receives valuable funding both from EU countries as well as the US. The web page of Nebojša Medojević’s Centre for Democratic Transition fulsomely thanks the “American people” for their generous support³² – the NGO is funded by, among others, the NDI, although it is unlikely that many of the US “people” know that their taxes are so used.

The International Crisis Group a regular echo chamber for US foreign policy has been scathing towards the foot draggers. James Lyon, the ICG’s Serbia Project Director says that “Serbia is like an anchor dragging Montenegro toward the bottom”he stressed that “serious analysts have no doubt that Montenegro’s independence would provide a positive contribution to the stability of the region”.³³

As for Serbia, observers might be forgiven for thinking that the government in Belgrade would be dismayed at losing yet more territory as well as Serbia’s only access to the sea. But the official response to the ‘yes’ vote has been positive – President Boris Tadic was on his feet congratulating the Montenegrin people on their independence even before the official results were announced. Although Djukanovic tried to appear bold and confrontational by claiming that the Belgrade media was *parti pris*, the old cynic must have known that most media outlets in Serbia were at best lukewarm to keeping the federation afloat and mostly supportive of Montenegro’s aspirations.³⁴ As the regime in Belgrade, including the slightly more subdued prime minister, Vojislav Kostunica, is totally “other directed” towards the demands of Brussels and Washington this should come as no surprise. It remains to be seen whether or not the Serbs will continue to be so compliant. According to their Economy Minister, Predrag Bubalo, “it is necessary to quash the illusion that everything will be the same in the event of separation”.³⁵

Conduct of the referendum

The BHHRG observers visited 7 polling stations in Virpazar, Bar, Sveti Stefan and Kotor. The atmosphere between the evenly-balanced memberships of the individual election commissions was relaxed. Everywhere three pro- and three anti-independence commissioners were present. Queues were witnessed early in the day but by late afternoon the flow of voters had become a trickle. Although the members of the electoral commissions expressed no doubts about the proper conduct of the poll in their own stations, unionist members made complaints about the one-sided nature of the referendum campaign and the local media coverage of it.

Shortly after voting ended at 21.00 exit polls were read out on TVCG giving victory to the ‘yes’ campaign. Leaving aside the fact that BHHRG had seen no evidence of any exit polls during 21st May, it seemed out-of-order for the Montenegrin public to receive the projected results from two NGOs – Cesid and CTD rather than from the Republican Referendum Commission. Appropriately, a list of their foreign ‘donors’

³² See, for example, <http://www.electiondog.net/book/doc1147275864.doc>

³³ “ICG:Montenegro to join EU sooner without Serbia” www.makfax.com 23rd April, 2006

³⁴ The bulk of the Serbian print media – as in neighbouring states like Bulgaria and Croatia – is owned by the German WAZ corporation whose executives and editors in Germany itself routinely promoted a “death of Yugoslavia” line from 1991 onwards.

³⁵ Lazerovic, ToL, *ibid*

appeared on a screen behind the presenters. Immediately, the 'Yes' campaign started to celebrate its anticipated victory. In fact, the Cesid and CTD results exaggerated the margin of victory for "Yes" which was very narrowly over the 55% threshold set by the EU and therefore given the doubts about the register's accuracy among other dubious aspects of the poll's conduct the real result probably fell within what pollsters call "the margin of error" to put it mildly.

Results

Turnout: 86.5%

55.5% voted in favour of independence (230,661) 44.5% (185,002) voted for preservation of the joint state.

3,577 ballots ruled invalid.

Pro-independentists won in 12 municipalities and the highest 'Yes' votes were in towns dominated by ethnic minorities, i.e. Rozaje, close to the border with Kosovo with 91.3% "Yes" and Ulcinj, on the Albanian border, with a "Yes" vote of 88.5%. There were 4,500 more votes for independence than expected in the coastal town of Herzeg Novi and Cetinje voted 86.4% for independence, as expected. The result was more evenly balanced in the capital, Podgorica – 53.8% "Yes".³⁶

Aftermath

Predrag Bulatovic contested the exit polls in a brief referendum eve press conference and his pro-union bloc raised initial complaints about the official results. However he later said that the process was "completely fair and without irregularities".³⁷ The pro-union camp contested the results mainly on the grounds of abuse of the voter registration process. They lodged 241 complaints from 181 polling stations alleging that 201 people were registered twice and 3000 people voted whose primary residence was in Serbia, Kosovo and Bosnia.³⁸ In Serbia, the Minister of Education Slobodan Vuksanovic, sent information to the RRC in Podgorica alleging that 2,671 people had joint Serbian and Montenegrin IDs.

However, Predrag Popovic, speaking on behalf of the pro-union bloc, demanded that the EU investigate these and other complaints rather than the Montenegrin Constitutional Court³⁹ – a somewhat skewed approach to the meaning of 'independence and strangely bizarre as Miroslav Lajčak had already scolded the rejectionists for being "anti-European". Solana himself had offered congratulations on the result and international observer groups, including the OSCE, pronounced the conduct of the referendum as satisfactory even before the RRC ruled on the complaints!

The pro-union bloc had little chance of success as the Chairman of the Republican Referendum Commission, Frantisek Lipka, claimed that "the commission has no jurisdiction to solve problems in connection with the Register of Voters"⁴⁰ ...For this reason the commission decided to reject all complaints in connection with the Register."⁴¹ The text of the law provides no clue as to how Lipka reached this conclusion but a referendum law or any other regulations governing the conduct of an election that bypasses the issue of accuracy of the voter registers is surely not worth the paper it is written on. It meant that the pro-unionists

³⁶ Nela Lazarevic "After the Referendum: Calm in "Serbia on the Sea" *Transitions online* 25th May 2006

³⁷ *ibid*

³⁸ "Montenegrin unionists lodge complaints about referendum irregularities" Radio Montenegro, 25th May 2006, www.bbcmonitoringonline.com

³⁹ *ibid*

⁴⁰ For the law on the referendum, see, <http://www.infoizbor.org/index.php?base=data/english&sm5=on> A reading of the text of the law provides no clue as to how Lipka reached this conclusion.

⁴¹ "Montenegro:Referendum commission rejects another 82 complaints" Radio Montenegro, 26th May, 2006, www.bbcmonitoringonline.com

list of violations was quickly disposed of and all complaints dismissed by the deadline, Sunday 28th May. There were no appeals to the local Montenegrin courts perhaps another indication of such people's trust in their independent institutions.

Ultimately, the referendum was a hollow affair as Montenegro has operated as a de facto independent state for nearly ten years. This did not alter the fact that nearly half the population didn't want to go the extra mile so, the results were very close. The 'yes' vote managed to squeak to victory thus giving the 'no' voters a sense of not being completely marginalised. The results had the air of "something prepared beforehand" as television cooks say: rumours that the EU would refuse to approve a 'grey zone' meant that the pro-independence bloc only needed a small margin of success which they got with just 2009 votes above the 55% threshold. Even the EU's insistence on a unprecedented "Yes" vote of 55% plus implied an unspoken assumption that any regime worth its salt in Podgorica could guarantee a bare absolute majority.

Although BHHRG saw no evidence of fraud in polling stations visited on 21st May, it is not very difficult to come up with 2000 extra votes between the local polling stations and the final tabulation. There were solid reasons for querying the size of the electorate and the authorities approach to voter registration was less than opaque. While Montenegrins in Serbia were unable to vote – unless they returned home to do so – hundreds of ex-pats returned to cast their ballots. According to *The Times* "many from as far away as New York and Chicago have been given free tickets, paid for by unnamed benefactors".⁴² In fact, Montenegrin Airlines cut the number of their flights to Podgorica from Belgrade - 34 were cancelled between 19th and 22nd May and put on 200 special flights to bring such people in from abroad. In other words a state agency funnelled pro-independence voters into the country while blocking the return of pro-union voters from Serbia.

Mr. Djukanovic is preparing for Montenegro to take its seat in the UN and join other international organizations like the OSCE and WTO. He has also said that "he will seek NATO membership "immediately" upon independence ...and is prepared to offer Adriatic ports in exchange".⁴³ And "the navy of Serbia-Montenegro has started selling real estate and equipment as part of reforms to prepare for NATO's Partnership for Peace program".⁴⁴ At a meeting in Brussels the enlargement commissioner, Ollie Rehn, on 29th May, promised Montenegro Stabilization and Association Agreement status with the EU by the year's end – full membership was ruled out for the moment.⁴⁵ Apart from easing travel restrictions for Montenegrins to visit European countries it is difficult to see what difference this arrangement will make as the EU already spends large sums of money propping up the government while also running numerous infrastructure projects in the country – BHHRG saw more evidence of the EU's activities in Montenegro than anywhere else in the Balkans, including Croatia, deemed to be a candidate for EU membership.

However, despite his triumph, the prime minister's days may be numbered. Allegations of corruption and a failure to fully "reform" the economy already mar his reputation as 'father of the nation'. In parliamentary elections scheduled for Autumn 2006 he could cease to be a potent force in the country. Apart from anything else, observers point to the need for change – Djukanovic is the longest serving European leader having been in power uninterruptedly since 1990. A prototype of the US's favourite kind of reformer, Nebojsa Medojevic, is waiting in the wings to take over.

Small is beautiful – or is it?

⁴² Giles Whittell "Freebies for the exiles heading home for freedom" *The Times* 20th May, 2006

⁴³ Eric Jansson, FT, *ibid*

⁴⁴ John Phillips "Key Base Likely for Sale to U.S., Russia" *The Washington Times*, 20th May, 2006

⁴⁵ "EU gives Montenegro hope of deal" <http://news.bbc.co.uk/2/low/europe/5027202.stm>

Although the vote for independence in Montenegro seemed on the surface to be just another episode in the long dissolution of Yugoslavia which people have come to terms with for some time, many observers were uncomfortable with the way a small, poor far away place could attain nationhood so easily. Despite Mr. Djukanovic's grand assertions, Montenegro is never going to be Luxembourg, Singapore or Monaco. Any economic improvement will be on the back of a tourist takeover of its Adriatic coast which is unlikely to benefit the local population. Economic assistance will be needed for the foreseeable future but, as the example of East Timor has shown, total social breakdown is possible in the world of the economically depressed micro state.

There is also the question of other candidates for independence – in particular, how to handle the demands of the post-Soviet republics of Nagorno Karabakh, South Ossetia, Abkhazia and Transnistria. In the case of the first three, Karabakh would prefer to be part of Armenia while Ossetia and Abkhazia would like to join the Russian Federation. In other words, independence is their way of maintaining separation from two countries – Azerbaijan and Georgia - that attacked them and of which they wish to have no part. As for Transnistria, there is no larger neighbour it can join – like the others, its population rejects overwhelmingly a return to previous (Moldovan) statehood. However, Transnistria has a thriving industrial and agricultural base making it, if independent, at least capable of sustaining itself.

The Kosovo case will be more intriguing as its status is more akin to the other post-Soviet breakaway states. If Kosovo gains internationally recognised independence, then why not them? And, if Kosovo does breakaway other provinces in the former Yugoslavia e.g. Novi Pazar and Vojvodina will probably seek the same exit strategy, this time from Serbia. Nevertheless, some places are more equal than others and, for the moment, the West is not going to allow these unrecognised republics to follow in Montenegro's footsteps. For example, there has been no response from the international community to requests by Arkadi Gukasyan, President of Nagorno Karabakh for parity with Montenegro.⁴⁶ And, the OSCE has ordained that there can be no comparisons between Transnistria and Montenegro and Kosovo.⁴⁷ More locally, the Bosnian Serbs have been told they cannot secede from the Bosnian Federation; their prime minister, Milorad Dodik, said that ideas for a referendum would have to be abandoned as there was "no support from the international community".⁴⁸

The Schengen Agreement signed in 1985 promised a 'Europe without borders' but 18 years later there are more borders than ever in the EU and its neighbours. And, voices are regularly raised for the international community to 'face reality' and accept the partition of Iraq into at least three separate republics. No doubt, borders make small countries feel self-important and provide useful customs revenue (as well as the opportunity to smuggle). But, the profusion of small 'statelets' serves other purposes. Small states are easily manipulated, their leaders, dependent on larger economic entities for survival, so they can be counted on as reliable partners. When Montenegro votes in international organizations it is likely to be one more hand up for US and EU policies whether it be a new war, sanctions against a perceived reprobate or the spread of GM crops. Until the US and EU can be sure that Transnistria et al. will do likewise, they will be kept at arms length. But for how long?

As countries fracture, it will become more and more apparent that the only state immune to such 'balkanization' will be the United States, which houses the loudest voices promoting global balkanisation. Montenegro's vote for independence in the month that East Timor imploded was a sign that pandemonium is likely to be the signature tune of the New World Order rather than harmony or development.

⁴⁶ "Separatist leader urges Karabakh's recognition" RIA Novosti, 25th May, 2006

⁴⁷ "OSCE chief rules out Kosovo, Montenegro scenarios for Moldova's region", *Moldovan news agency Infotag*, 1st June, 2006

⁴⁸ "Bosnia Serb PM drops talk of independence vote" Reuters, 31st May, 2006, <http://kosovareport.blogspot.com/2006/05/bosnia-serb-pm-drops-talk-of.html>