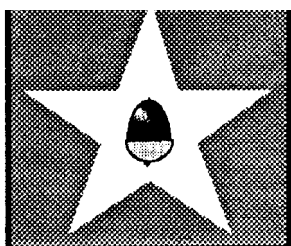


Conflict Studies Research Centre

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**Serbia-Montenegro
A New Federation?**

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Serbia-Montenegro - A New Federation?

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The Agreement on a new Union of Serbia and Montenegro effectively freezes the Montenegrin independence question for the next three years, but while party politics are still being played out in Podgorica and Belgrade, the future direction of the new Union remains unclear. But the Agreement glosses over important details and is unlikely to be the last word on the relationship between Serbia and Montenegro. The present Montenegrin government will do its best to keep Montenegro on track for independence in 2005. If it falls, the chances of a return to something closer to a functioning federation, and more in line with current EU wishes, will be significantly increased.

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Introduction

After three quarters of a century, and three different incarnations, Yugoslavia seems destined to disappear. In its place will be a new Union of Serbia and Montenegro.¹ Following a renewed round of negotiations conducted under intense European Union pressure the threatened referendum which could have led to the departure of the small republic of Montenegro from the dysfunctional Yugoslav federation, has been countered by a compromise agreement that will preserve the country's single international personality, if not its former name. At least for now.

The Union is effectively a two-member state, which will have one UN seat (rotating to ensure parity) and a number of joint institutions - a unicameral Parliament², President (elected by the Parliament), Ministerial Council and Court. The Ministerial Council will consist of five Ministers responsible for foreign affairs, defence, international and internal economic relations, and the protection of minority and human rights. The joint army will be controlled by a Supreme Defence Council, consisting of the three Presidents (representing Serbia, Montenegro and the Union). Soldiers will serve in the territory of their respective member states. Two separate economic systems will continue to co-exist with a progressive harmonisation of the two systems in line with EU standards. After the expiry of a three year period, the member states are entitled to institute proceedings for a withdrawal from the Union.

The agreement,³ signed on 14 March 2002 by Serbia and Montenegro, was hailed in Brussels as a triumph for European Union diplomacy and for EU foreign policy chief Javier Solana personally. In getting both Serbia and Montenegro to sign up to an agreement which effectively freezes the independence question for the next three years, Solana forced the Montenegrin President Milo Djukanovic to back away from his commitment to hold a referendum on Montenegrin independence in the spring of 2002. Both the EU and the international community generally attached great importance to preserving the joint state to prevent what they feared would be a domino effect leading Kosovo, possibly Macedonia and even Serb and Croat secessionists in Bosnia-Herzegovina to attempt similar moves towards independence. Western governments are convinced that any such unravelling could jeopardise recent progress and spark a new period of instability in the Balkans.

But the rejoicing in Brussels evoked few echoes in the countries directly involved, where critics and sceptics initially threatened to outnumber enthusiasts. In Serbia, the moderate nationalist Yugoslav President, Vojislav Kostunica, has declared the agreement a victory for his policy of preserving the state, but extreme nationalists have attacked it as a sell-out, while Kostunica's more liberal political opponents are inclined to see it as at best a sticking-plaster solution. In fact, many liberals, who include the majority of Serbia's impressive group of economic reformers known as G-17, fear that the agreement's failure to achieve the unified economy they see as essential to an effective state may frustrate the reform process and delay Serbia's eventual accession to the EU. And, coming as it has done in the midst of a major spy scandal in Serbian government circles, there is some concern that divisions over the agreement may deepen the damaging rift within Serbia between the liberals led by Serbian Premier Zoran Djindjic and the conservatives led by Yugoslav President Vojislav Kostunica.

In Montenegro, President Milo Djukanovic and his close colleagues in the Democratic Party of Socialists (DPS) are seeking to present the agreement as a step on Montenegro's road to independence, the best that could be secured given the

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existing political climate both in Montenegro and in Europe. But the DPS's former political allies, the staunchly pro-independence Liberal Alliance (LSCG), and their coalition partner, the small Social Democratic Party (SDP) reacted with deep shock. And, while the SDP is gradually coming round to accepting Djukanovic's view of the Belgrade Agreement as the best he could get, the Liberals denounced its signing as a betrayal and withdrew their support from the government. The government was thus plunged into a political crisis whose denouement [at the time of writing] remains uncertain. For their part, the official opposition, a coalition of parties under the name "Together for Yugoslavia",⁴ and consisting of the Socialist People's Party (SNP), the People's Party (NS) and the Serb People's Party (SNS), initially expressed their satisfaction at what they claimed as the realisation of their political goals. Subsequently, however, they have appeared somewhat disconcerted by the widespread Serbian reaction to the agreement as a victory for Djukanovic and a harbinger of Montenegrin independence.

The differing reactions are indicative of the imprecise character of the Belgrade Agreement, reflecting both the speed with which it was negotiated and the need to reconcile the different aspirations of the signatories on both the Serbian and Montenegrin sides. But the absence of fully fleshed out detail has the further consequence of allowing those parties which secure the right to implement the Agreement the possibility of shaping its provisions in a way which will realise their ultimate political aims. In Serbia, despite the lack of enthusiasm apparent in some quarters, both conservative and liberal wings of the government are likely at present to accept the EU's interpretation of the Agreement as intended to preserve the joint state. But in Montenegro, where the current government of Milo Djukanovic and the opposition "For Yugoslavia" coalition differ fundamentally over the issue of Montenegrin independence, the question of whether it is the pro-independence bloc or their "For Yugoslavia" opponents who manage to consolidate their grip on power, is of fundamental importance. While party politics are still being played out in Podgorica, the future direction of the new Union remains unclear.

Yet even while the situation remains so fluid, there is a need too for Western governments to balance the sense of euphoria by taking stock, both of the possible limitations of the agreement and of difficulties which may arise in its implementation. This paper will attempt to do so. A realistic appraisal requires an understanding of the origins of the independence issue within Montenegro, and an evaluation of the factors that may encourage its persistence, irrespective of the "solution" imposed under the Belgrade Agreement, as well as an appreciation of its implications for the region's stability and security.

The Social & Political Background

Historical

Like many conflicts in the Balkans, the immediate cause for the deterioration in relations between Serbia and Montenegro lies in the Milosevic period. Yet the conflict has a historical dimension as well as a contemporary one, which renders it both more complex and potentially intractable. In the West there has been a tendency to see Montenegrins in simplistic terms which, veering between two extremes, ignore the profound ambivalence many Orthodox Montenegrins feel about their national identity and conveniently overlook the 25% plus of the population composed of non-Orthodox minorities. According to this perspective, either Montenegrins, as Serbian (formerly Serbo-Croat) speaking Orthodox are virtual

Serbs, perhaps even Serbs who take the stereotypical Serb qualities of martial spirit and heroism to extremes,⁵ or they are “Patriotic Montenegrins”, dedicated to the restoration of their independent state and at risk from Greater Serbia nationalism.⁶ In reality the issue of Montenegrin identity is far less clear-cut. One prominent Montenegrin political analyst explains the Montenegrin dilemma as that of a “national *homo duplex*”, a victim of his “double or divided national consciousness”.⁷

The ambiguity may in part be explained by the fact that Montenegrin identity, at least in the case of the majority group of Orthodox Montenegrins, is not determined solely by those two talismans of national identity - religion and language. It is also determined by history. And it is here that Montenegro’s experience differs considerably from Serbia’s. Many Montenegrins are proud of the fact that Montenegro was not only internationally recognised as an independent state in the 19th and 20th centuries, but had long avoided Ottoman subjugation, while Serbia had experienced nearly half a millennium of Ottoman rule. In fact, while the reality is somewhat more shaded than this suggests, it remains true that Montenegrins were effectively independent for many years while Serbia was ruled directly by the Ottomans. From the 1850s, Montenegro enjoyed *de facto*, and from 1878 *de jure* independence, which lasted till 1918 when Montenegro was simply absorbed into Serbia in the new Kingdom of the Serbs, Croats and Slovenes - a state which pointedly made no mention of the Montenegrins. For a sizeable proportion of the population, Serbia’s virtual annexation of Montenegro was seen as a humiliation. Their unwillingness to accept what these Montenegrins believed amounted to a coup led to a period of civil war between two factions, known as the “Greens” and the “Whites” after the colours of the ballot papers used to vote for the Great National Assembly that was to decide on the future status of Montenegro under the watchful eye of a not entirely disinterested Serbian army. Fighting, which divided Montenegrin regions, clans and even individual families, dragged on intermittently from 1919 till 1925.

Eventually, however, the pro-independence tendency was defeated, though the sense of outrage lingered on, particularly around the former royal capital of Cetinje. For most Montenegrins, however, the wounds left by Montenegro’s annexation were to a large extent assuaged by Tito’s Yugoslavia, which restored to Montenegro a very substantial degree of autonomy with full republican status on a par with Serbia. In Montenegro, in addition to the war against the occupying forces of the Axis powers, a significant part of the fighting took the form of a civil war between Tito’s Communist Partisans and the royalist Chetniks, who looked forward to the restoration of a Serb-dominated Kingdom of Yugoslavia. As with the legendary battle centred on Mt Durmitor, the fighting was often exceptionally savage. The Partisan model of an armed uprising, devoid of tolerance and prepared to go to extremes, had found its paradigm in Montenegro. In recognition of the exceptional contribution made by Montenegrin Partisans to the creation of Tito’s Communist Yugoslavia - permitted Montenegro considerable over-representation in many federal institutions, especially the Army.

Yet this outcome was only achieved within the political context of the large Socialist Federal Republic of Yugoslavia (SFRY), where the Serbian-Montenegrin relationship was balanced by the presence of the other Republics. The return to a two-member federation after 1992 on what - given the population discrepancy between Serbia’s eight million⁸ and Montenegro’s 650,000 inhabitants - were realistically destined to be unequal terms struck a blow at that sense of equilibrium⁹. In particular, the Milosevic years revived for many Montenegrins the spectre of Great Serbianism, which they saw as irrevocably bent on Serbian domination and self-interest.

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As this brief resumé of the twentieth century shows, in Montenegro as elsewhere, national identity is not set in stone but is affected by the changing political, social and economic context. Thus the Tito period, which was one of general satisfaction with Montenegro's status as a full Republic of the SFRY, saw the number of Montenegrin "sovereignists" decline. Conversely, the number of Montenegrins declaring themselves in favour of full Montenegrin independence increased markedly during the Milosevic period when the Republic was subject to severe pressure and at times appeared at grave risk of destabilisation. More unexpectedly perhaps, a continuing deterioration in relations between Serbia and Montenegro in the period since Milosevic's fall has seen an increasing polarisation within Montenegro over the issue of Montenegrin statehood.

It should be made clear that the above remarks on national identity apply only to the Orthodox majority in Montenegro. Given the fact that, on current estimates, no more than half Montenegro's Orthodox population support Montenegrin independence, while an almost equal number support a continued link with Serbia, any eventual resolution of independence issue will depend upon the attitudes of the non-Orthodox minorities, principally the Muslims/Bosniaks¹⁰ and Albanians, who make up roughly 14% and 7% of the population respectively. Historically these minorities were incorporated relatively late (in the late nineteenth and early twentieth centuries) into Montenegro and as such traditionally felt less sense of identification with a Montenegrin state against which their ancestors had frequently fought bloody battles in the past.

However, during the period of Yugoslavia's disintegration, inter-ethnic relations in Montenegro remained considerably better than in most other republics.¹¹ In particular there was a notable improvement from 1997, when Djukanovic's wooing of the minorities, originally motivated by the narrowness of his victory over his political rival and Milosevic protégé, Momir Bulatovic, in the Presidential elections of that year, began to yield benefits. Djukanovic and the pro-independence coalition within Montenegro have since made a virtue out of necessity by working to build support for their platform among both the Muslim and Albanian minorities, an approach which has been assisted by the generally anti-minorities' stance of their political opponents, the "For Yugoslavia" coalition.¹² As a result both Muslim/Bosniak and Albanian minorities now favour Montenegrin independence. The pivotal role these minorities are likely to play in any future bid for full Montenegrin independence ensures that both sides are likely to seek to draw them into the debate, albeit from very different perspectives.¹³

The Recent Background to the Present Conflict

The specific trigger for the present downturn in Montenegro's relationship with Serbia and the concomitant failure of the present Yugoslav Federation (FRY) goes back as far as Djukanovic's election as Montenegrin President in December 1997 and Montenegro's subsequent break with Milosevic's policies. Despite the impression some around him may want to give, Djukanovic's moves against Milosevic were not the result of a road-to-Damascus conversion to the virtues of democracy. Rather they were born out the realisation that Milosevic's policies were holding Montenegro back (lumped in as she was with Serbia and sharing the pain of international sanctions) and of his internal rivalry with Milosevic's ally and former Montenegrin President until his defeat by Djukanovic, Momir Bulatovic.

Relations between Serbia and Montenegro plumbed new depths in 1999 when Montenegro refused to side with Serbia during the NATO war over Kosovo. This was

a particularly risky stance for the Djukanovic government to assume at the time, especially when NATO could not avoid striking Yugoslav Armed Forces' (VJ) sites in Montenegro itself. There followed a period of heightened tension within Montenegro, exacerbated by very real fears that Montenegro could be Milosevic's next target for destabilisation. Montenegro passed this test with considerable merit and Djukanovic enjoyed a prolonged honeymoon with the international community.

A year later, in July 2000, Milosevic arbitrarily introduced further changes to the constitution, making both the Yugoslav President and the Federal Parliament directly elected. Given Montenegro's tiny population, this was a direct attack on the Republic's status as an equal partner (as guaranteed by Article 2 of the FRY constitution). Djukanovic responded unwisely, refusing to take part in the September 2000 elections which, contrary to his expectations, resulted in Milosevic's defeat. Djukanovic's decision, though understandable, was a miscalculation since it left his government unable to claim a role in Milosevic's downfall. A secondary consequence, downplayed by Djukanovic's supporters, was the Montenegrin government's forfeiture of representation in the Federal Parliament, which was taken - and continues to be held - by their rivals within Montenegro, the "For Yugoslavia" parties.

Following the ousting of Milosevic, Djukanovic's favoured position within the international community changed rapidly. He was now expected to begin working with the newly elected democratic government in Belgrade, especially after the Serbian Republican elections three months later brought a democratic regime to power at the Republican level to join the Kostunica regime at the Federal level.

But for Djukanovic and his allies too much had changed to persuade them simply to agree to return to the old Federation which they rightly claimed never to have worked effectively since its inception following an earlier referendum in 1992. At least as far back as 1998, the Djukanovic government had begun to pursue what has been described as a policy of creeping independence. It was a policy that was at least tacitly encouraged by the West, which was at the time particularly recognizant of Djukanovic's forthright opposition to Milosevic. Already by 2000, the reality was that Montenegro was effectively a separate economic space from Serbia. Montenegro had accepted the DM, which the Montenegrin government saw as the right currency for the sort of economic future - tourism, services etc - it sought to pursue. (In 2002 Montenegro switched fairly painlessly to the Euro, a move adduced by Djukanovic's government as evidence of the success of their reformist and pro-European policies and apparently supported by a large majority of the population.)¹⁴ For similar reasons, the Montenegrin government was equally reluctant to return to charging the higher customs rates which operate in Serbia. And, having set up their own national bank, they declared themselves unwilling to return currency supply to Serbian control. They had tasted some of the fruits of *de facto* independence and enjoyed the experience. Djukanovic was feted as an international statesman, received by Presidents and Prime Ministers, and generally enjoyed the red carpet treatment.

In April 2001 Djukanovic called early parliamentary elections in which he expected to win a strong endorsement for his by now openly pro-independence stance. In the event, he experienced something of a reverse at the hands of an electorate disappointed by the failure of his opportunistically named "For A Better Life" coalition to deliver a better deal to those outside Djukanovic's immediate circle. Notwithstanding the fall in his support, Djukanovic was able to form a minority government, supported from the outside by the Liberal Alliance of Montenegro, a

party whose overriding political goal has traditionally been Montenegrin independence.

The Role of the International Community

Meanwhile the international community, and in particular the European Union, had continued to harden their stance against Montenegrin independence, a position they defended on grounds of *realpolitik* since it was difficult for them to challenge Montenegrins' right to determine their own future on legal grounds. According to the 1991 Badinter Commission, set up to advise the then-EC Conference on Yugoslavia, Montenegro, as a former full Republic of Tito's SFRY, had the same entitlement to full independence and international recognition as those other former Republics - Slovenia, Croatia, Bosnia-Herzegovina and Macedonia - which attained their independence in 1991 and 1992. Nor have Western governments and officials been much concerned by the strong and - in part at least - longstanding support for Montenegrin independence, which they seem to believe will simply go away.

In Western leaders' eyes, however, legal considerations were outweighed by geopolitical realities. According to this interpretation, independence for Montenegro, even if it were shown to be the wish of a majority of the population, could send a green light to would-be independence-seekers, firstly and most importantly in Kosovo but also in other potentially unstable areas - Macedonia and Bosnia-Herzegovina - within the broader region. And, since UN Security Council resolution 1244 establishing Kosovo's status in the wake of the 1999 war was specifically linked to the existence of the FRY, there was concern that Montenegrin independence and the break-up of the Federation would leave Kosovo in limbo.

Although fear of the domino effect was the main reason for the EU and, indeed, the US administration, to oppose any move towards Montenegrin independence, it is also true that the EU in particular does not want to see a growth of mini states in the region because of the problems such states pose for the equilibrium of the European Union in an institutional sense. From the European point of view, the imbalance between small and large states within the EU is already a delicate issue: a proliferation of small states among would-be applicants would only render steps towards achieving majority voting on a wider range of issues more difficult.

Finally, some international opposition to Montenegrin independence has focused on the alleged lack of economic viability¹⁵ of prospective mini-states in the Balkan region, arguing that these will simply become centres for mafia-type crime and instability. Italy, in particular, has sought to highlight links between local mafia and the Montenegrin government¹⁶ in its campaign to oppose Montenegrin independence. Italian President Ciampi used his recent visit to the region to hammer the point home, as did the French President Jacques Chirac, in visiting Belgrade shortly before the signing of the Agreement.

These, then, were the principal considerations weighing on Javier Solana when, at the beginning of 2002, he sought to bring to a conclusion Serbian - Montenegrin negotiations, which had been effectively stalled since October the previous year.

Djukanovic had little room to manoeuvre. Having consistently portrayed himself as pro-Western he could hardly ignore the stated wishes of the European Union and the broader international community, particularly when Montenegro's economic solvency depended heavily on the continuing inflow of Western (principally US) aid,

and most especially when he faced Presidential elections later in the year. Seeking the best way out, Djukanovic reluctantly accepted Solana's invitation to engage in fresh negotiations while insisting that he would not renounce Montenegro's economic reforms, which he claimed to be the real gains of his Presidency.

At the Belgrade end, Kostunica too was under pressure to act or risk looking ineffectual, something he feared would weaken his position *vis-à-vis* his Serbian political rival and Premier, Zoran Djindjic. But Djindjic himself was also aware of the need to remove the political uncertainty, which was proving a frustration to economic and political reform. Failure to resolve the Montenegrin issue was additionally delaying the restructuring of the over-large Yugoslav Army (VJ), which was necessary for the state to become a member of Partnership for Peace (PfP). Such was the level of frustration that both the reformist wing of the Serbian ruling coalition, DOS, and the influential G-17 economists were beginning to express the thought that Serbia might be better off without Montenegro.

As the respective pressures began to bear down on all sides, Solana was able to secure the signing of the Agreement in Belgrade on 14 March in time for EU leaders to welcome and endorse it at the Barcelona summit.

The Nature of the New State

Not surprisingly the signatories to the agreement have all been keen to present the prospective Union in a different light according to their own preferred interpretations. For Solana and the EU, the objective is to ensure that the Union of Montenegro and Serbia - though in principle a Union consisting of two separate entities - will remain, in a constitutional and legal sense, a single unit, and thus, in international terms at least, little different from the old FRY.¹⁷ By contrast, in their presentations on the Belgrade Agreement, Djukanovic and the Montenegrin Prime Minister Filip Vujanovic (also DPS) have sought to emphasise the confederal elements, stressing its preservation of Montenegro's separate economic system and its guarantee of Montenegro's right to revisit the question of a referendum in three years time. After their initial shock, Djukanovic's coalition partners, the SDP - or most of them - have also come around to this view. Conversely, the parties making up the "For Yugoslavia" coalition have stressed the federal elements, which they claim as a victory for their own objectives under the new arrangement. Meanwhile the Liberals have argued that the Agreement undermines the Montenegrin Constitution and have sought to challenge the Montenegrin leadership's right to sign it on these grounds.¹⁸

In Serbia, the Governor of the National Bank, Mladjan Dinkic, described the Agreement in somewhat sarcastic terms as "an original solution", adding that "as it stands [the agreement] is unlikely to provide the basis for a lasting settlement". In a similar vein, Serbian Finance Minister Bozidar Djelic, while taking care to describe the accord as "a good solution in the political circumstances," glossed his remarks by noting that "the next important step for Serbia was to round off its economic system, because the agreement ... [was] for something that implied a confederal political relationship and two separate markets that need to be harmonised".¹⁹

The Political Scene in Montenegro

Such differing interpretations suggest that it will not be easy to conclude the further detailed negotiations which are required to flesh out the bare bones of the Belgrade Agreement. But before real work begins on this there will need to be a resolution of the present political crisis in Montenegro, where a number of possible political scenarios are developing. The first, the outcome most sought after by Djukanovic and the present Montenegrin government, would see the Liberals come up with an offer that will prove acceptable, enabling them to reconstruct a pro-independence bloc which could then work to consolidate its hold on power and in this way shape the political environment during the three year interregnum until a referendum. Realistically, however, for the DPS the shadow currently hanging over this happy prospect is that the Liberals may simply overbid. It is uncertain whether the man who controls the party, the political maverick Slavko Perovic,²⁰ is more intent on destroying Djukanovic and the DPS, than on achieving the Liberals' long-cherished goal of independence. Djukanovic appears to be prepared to make considerable concessions, to bring the Liberals on board, but they have been known to make wholly unrealistic demands in the past and are currently said to be demanding the right to field a candidate in the Presidential elections to oppose Djukanovic.

Failure to secure Liberal support would leave Djukanovic and the DPS with two options - either to go to parliamentary elections or to explore a possible coalition with one or more of the Opposition parties, most probably their one-time coalition partner, the National Party (NS).

Most commentators believe that the second option - forming a government with support from the Opposition - is unlikely since it would immediately alienate many of the DPS's natural supporters, who have come to favour independence.²¹ The remaining option - calling parliamentary elections - is being actively sought by the Opposition, the "For Yugoslavia" coalition. Not only do they believe they could win if elections are held at an early stage, they are rightly concerned that failure to seize the initiative now would allow the pro-independence parties to form a new government, strengthen their position and set the political agenda over the next three years. They realise that, should they fail to do this, they risk being marginalised, not only within Montenegro but also at the federal level.²² Even if they manage to defeat the pro-independence coalition at the polls,²³ the "For Yugoslavia" coalition may have to contend with the paradox that the reaction of the mainstream Serbian leadership to the prospective Union is to consolidate resources and functions at the Serbian level, thereby depriving the "For Yugoslavia" camp of some of the influence - and, indeed, the perks - they might otherwise have expected to enjoy through close contact with Belgrade. From the international community's point of view, the political fall-out from an electoral victory for the more reactionary political force in Montenegro could result in unwanted complications, especially if they were to enact measures which were perceived to be directed against the minorities. A "For Yugoslavia" victory would also not be to the liking of Serbian liberals who are inclined to consider them as still too closely associated with the policies of the Milosevic era and as such as a particular obstacle to their reform programme.

In contrast to the "For Yugoslavia" parties, the DPS would prefer to avoid elections at the present. They are already concerned that the disappointment of some pro-independence voters, together with some sharp criticism from the pro-independence media, may cause them to lose support in local elections scheduled for May, and believe that parliamentary elections, coming on top of unfavourable results at the

local level, could damage Djukanovic's chances of retaining the Presidency when elections at this level are held in the autumn.

This uncertainty is likely to be resolved in the short term with most commentators at present predicting a reconstructed DPS/SDP/Liberal government. However, even if this happens, the volatility of the Liberals will still continue to cast a shadow of uncertainty over a new pro-independence government.

Despite the political tensions surrounding the fate of the present Montenegrin government, it seems likely that the Agreement will at least pass the first step of being approved by both Montenegrin and Serbian Parliaments and that it will do so even before any new government in Montenegro is formed. The DPS has already been assured in this instance of the support of the "For Yugoslavia" Opposition, making the combined votes against, cast by of the Liberals, SDP and Albanian parties an irrelevance. In the Serbian Parliament too, the fact that the majority of the ruling coalition will vote in favour seems set to secure the passage of the Agreement, even though the small Serbian Christian Democratic Party (DHSS), and New Serbia (NS) parties, which advocate a referendum also for Serbia, have indicated that they oppose the Agreement and may join the opposition parties in voting against. But there is still a degree of uncertainty as to the Agreement's passage through the existing Federal parliament. Here again the vagueness of the "Proceeding Points" makes it difficult to determine whether the Agreement must be voted on at the Federal level, or whether, having been ratified by the Serbian and Montenegrin Parliaments, it can simply be nodded through. A final point at issue between the two sides in the debate over the Agreement in Montenegro is the extent to which its provisions can be seen as damaging to a state which opts for independence at the end of the three year period. Given that the "Proceeding Points" note that "a member state that uses this right [to secede from the Union] shall not inherit the right to international and legal status, and all debatable issues shall be regulated specifically between the state successor and the newly established state", the Agreement appears to stack the cards in favour of a state which opts to remain within the Union, although Djukanovic, in his presentation to the Montenegrin Parliament, attempted to argue the opposite view.

The Longer Term Perspective

Ratification of the Agreement is only the beginning of a long process. Once this is secured, politicians representing the two parts of the Union will have to bed down the new common institutions and establish the areas of their jurisdiction. Initial concern has focussed on the work required to harmonise the two very different economic systems. But there are almost equally difficult issues still to be resolved ranging from the need to restructure the Armed Forces, to reconciling differences over where the responsibilities lie on the sensitive minority issue, all the way to resolving more mundane issues like air traffic control. Where the future of the Armed Forces is concerned, official Montenegrin and Serbian views seem presently poles apart. Speaking on 31 March this year, Djukanovic's defence advisor, Blagoje Grahovac, argued for huge cuts in the armed forces and claimed that "Montenegro needs a coast guard rather than a navy", moves that may not be acceptable to the army's top brass in Serbia.²⁴ Theoretically Montenegro's position in the Supreme Defence Council is strengthened under the Belgrade Agreement since the vote of the President of the Union, who is designated Commander-in-Chief, will no longer outweigh that of the Presidents of the two states of the Union. While it is impossible to know whether Grahovac has official backing for such

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pronouncements, the risk remains that the two states could spend the next two to three years squabbling over the significant details.

In such a climate it is possible to envisage an increase in political tensions which could have security implications in both Serbia and Montenegro. The Montenegrin Parliament had to be evacuated during the first debate on the Agreement after a bomb threat - which turned out to be a hoax - made by an organisation calling itself the Montenegrin Liberation Association. Whether such an organisation exists or whether the threat was simply the action of an unbalanced individual is difficult to judge.

In the past violence has been threatened and even carried out by individuals claiming to be "For Yugoslavia" supporters. It is also conceivable that the ethnic communities might themselves instigate violent incidents, although in doing so they would certainly damage the pro-independence cause and could well bring about a consolidation of majority opinion in favour of closer ties with Serbia.

In Serbia, a spy scandal involving a Serbian Deputy Prime Minister, Momcilo Perisic, was recently illustrative of the way in which the Montenegro dimension can hook into internal Serbian politics in a way that heighten tensions both within and between the entities. When the Supreme Defence Council (VSO), made up of the Presidents of Serbia (Milan Milutinovic), Montenegro (Djukanovic) and the FRY (Kostunica), met to discuss the affair, Djukanovic joined with Milutinovic in vetoing Kostunica's dismissal of the VJ's Chief of Staff, who is widely held to have acted unconstitutionally in failing to alert the government before Perisic's arrest.²⁵ Speculation as to what Djukanovic was up to by unexpectedly siding with Milutinovic (a Milosevic appointee, and ICTY indictee) has suggested that he may have been seeking to increase Kostunica's difficulties to benefit his rival, Djindjic. Whatever the reason, the incident exemplifies the Montenegrin President's capacity to impact on Serbian internal politics, a possibility that the new Agreement does not diminish.

While such actions and incidents undoubtedly raise tensions, the concern over security issues should be kept in proportion. The very fact that a negotiated agreement has been signed by both Serbian and Montenegrin sides significantly diminishes the likelihood of any significant friction between them. Indeed serious incidents between the two have not been in prospect at any time since Milosevic's political demise.

Conclusion

Many commentators have observed that the Belgrade Agreement has deferred the solution to the problem of the relationship between Serbia and Montenegro rather than resolving it conclusively one way or another. That seems fair comment. Yet its supporters in the international community and internally can point to the fact that, whatever the ultimate outcome, the Agreement has the merit of buying time for the parties involved to reach an accommodation, within a timeframe and according to a process, that will not threaten the stability of the region. But if the region's stability is not threatened by the Agreement, does that make its offspring, the Union of two entities, stable? Paradoxically, in theory and on paper, probably not, but in practice, pragmatic solutions - bolstered and funded by the international community - may sustain the embryonic new state.

Of course any form of political relationship between Serbia and Montenegro which involves a number of common institutions and functions collides with the problem of an inherently unbalanced relationship. As in the past, the new Union is based on the fictional equality of the two entities, a fallacy that is likely to pose real problems for the functioning of the common institutions. The unicameral Parliament provided for under the terms of the Agreement envisages "mechanisms to protect against the outvoting of member states". But such equality is likely to engender considerable frustration, for example if Serbia were to find her vital interests blocked by a decision taken by tiny Montenegro. The Armed Forces are to be under the control of the Supreme Defence Council, consisting of the three Presidents of Serbia, Montenegro and the Union, and are required to make decisions by consensus. In a situation in which a Montenegrin President of the Union and the Montenegrin President, acting together, were to overrule a decision made by the Serbian President, to the detriment of Serbia's vital interests, would a Serbian government let such a decision pass? In the past, when Serbia has encountered similar obstruction as a result of the operation of the federal system, she has resolved it by simply by-passing the Constitution. An egregious example of this was the extradition of Milosevic. When the Djindjic government found its decision to extradite the former President blocked at the level of the Federal institutions, it introduced its own Republican decree and dispatched Milosevic to The Hague.

On a worst case scenario where the present planned Union is seen as inherently flawed and unlikely to be other than ephemeral, the future relationship between Serbia and Montenegro would probably evolve in one of two diametrically opposed directions. Both sides may conclude that the Union constituted was not worth the candle and will agree to part at the end of three years. Alternatively, but less likely, a resolution might be achieved through a significant diminution of Montenegrin autonomy.

In Serbia, at the present time, the reformist faction appears to be preparing the way for eventual separation by following what they see as the logic of the agreement and consolidating all important functions at the Serbian level. The degree of scepticism apparent among those responsible for Serbia's economy is already reflected in discussions between finance Ministers of Serbia and Montenegro which are making progress along the lines of ensuring the harmonisation of two economic spaces rather than the consolidation of a single economic space.²⁶ And public opinion has recently been shifting in favour of Serbian independence. Recent opinion polls in Serbia show 51.2% of Serbs want Serbian independence while 41.9% favour a continuing federation; 79% of the population of Serbia identify themselves with Serbia, not Yugoslavia or the Union of Serbia and Montenegro. But a reversal of this trend remains possible, for example in the event of Kostunica emerging as the eventual winner in any power struggle.

Within Montenegro, there is a significant degree of support for Montenegrin independence, which has roots going back at least as far as the beginning of the 20th century. And, at present, support for Montenegrin independence is far higher among the young. But history shows that this can be fickle, particularly in a society where many people feel an essential ambivalence about their national identity.

How support for independence within Montenegro will evolve is likely to depend on a number of factors, some internal but others beyond Montenegro's borders and largely beyond her control. The outcome of the political contest within Montenegro

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will be crucial: if the present pro-independence government is able to hold on to power, it will seek to prepare the ground for independence. How the pro-Serbia camp within Montenegro would react if such a stage is reached is difficult to judge. In the recent past, discontent with Djukanovic's pro-independence policies has prompted rallies by so-called councils of clansmen in the poor and intensely pro-Serbian regions close to Montenegro's northern border with Serbia.²⁷ These areas might well see similar manifestations of discontent if a pro-Montenegrin independence government is able to set about organising a referendum in three years' time, particularly if they believe that the result is likely to be a close call. But with the SNP leader, Predrag Bulatovic, increasingly aware that his prospects for making his own political future lie in Montenegro, strong official backing from the largest member of the "For Yugoslavia" coalition seems unlikely. Nor does it seem probable that such backwoodsmen would be welcome to join Serbia, where the liberals within the government have found the reactionary stance of the Montenegrin members of the present Federal government a real obstacle to progress.²⁸ Although such internal opposition to Montenegro's independence was a factor in bringing the parties to abandon the referendum and sign the Agreement,²⁹ widespread violence is unlikely without outside help and the existence of such opposition can therefore be expected to play little part in influencing a pro-independence government's determination to work towards future independence.

If their rivals, the "For Yugoslavia" coalition forces, are able to oust them at the polls, the chances of a return to something closer to a functioning federation will be significantly increased. Equally, economic factors will play a major part, with people's experience of quality of life issues and of the economic opportunities offered by the new arrangement weighing heavily in the balance, as will the success or otherwise of the Montenegrin government's attempts to square relations with international financial institutions, and its capacity to attract aid and foreign investment.

Beyond Montenegro's borders, the evolution of the Albanian question is likely to influence Montenegrins' attitudes to the independence issue. Should the present cross-border links between Albanians in Montenegro and their family and economic connections in Albania or Kosovo take on a political or security dimension, the effect would be to decrease support for independence among the majority population and increase pressure for a closer link with Serbia.

Of particular importance will be the attitude of the EU, which has invested considerable time and credibility in the agreement. European politicians are currently registering a very high level of satisfaction over Kosovo. In their view, the Agreement not only underlines the benefits of constructive negotiation with Belgrade, but is suggestive of possibilities for the resolution of the final status question for Kosovo that fall short of full independence. Indeed, in the unwelcome - as they see it - event of Montenegro's opting for independence after the requisite three years, the Agreement envisages that Serbia, as the successor state, would assume the legal rights and responsibilities, including that implied by UNSCR 1244 over Kosovo. What would happen to Kosovo in the admittedly less likely event of Serbia's choosing to secede from the Union is less clear, since the Agreement does not mention this possibility.

But it would be premature to see the Belgrade Agreement as drawing a line in the sand for Kosovo. Most analysts familiar with the Kosovo political scene believe it unrealistic to imagine that the Kosovo Albanians' longstanding commitment to independence will be diminished as a result of the Agreement reached between

Serbia and Montenegro. They note that Kosovo Albanian reactions to the Serbia-Montenegro Agreement have focused on an alternative interpretation according to which the Agreement's affirmation of Montenegro's right to hold a referendum on independence after three years strengthens the case for them to hold their own referendum on independence within a similar timeframe. Strictly speaking, however, the cases of Montenegro and Kosovo do not represent direct parallels. Paradoxical as it may appear in the light of its overwhelmingly Albanian population, Kosovo, which was not a Republic of the SFRY, but merely an autonomous province, was not accorded the same right of self-determination under the former Yugoslav constitution.³⁰ Whatever the outcome in Montenegro, Kosovo Albanians will continue to argue that their own particular situation entitles them to settle the future status question with Belgrade on specific and independent terms.

The EU is in a position, through its control of the process of EU access, to pressure both sides to accept its interpretation of the Agreement. Montenegro's small number of influential people, tiny population and mini-economy make it particularly vulnerable in this respect. The EU could exert sufficient pressure in three years' time to prevent a pro-independence government from holding a referendum at all, in much the same way as it did last October, though some might object that they would be acting in bad faith.

Solana's own record in dealing with Macedonia suggests that he is capable of achieving a good deal in the way of micro-management once he has made the commitment. Whether this will be sufficient to ensure the realisation of the EU objective - the eventual incorporation of the Union of Serbia and Montenegro into the European Union as a single entity - is more problematical. But "Solania" (as the Union of Serbia and Montenegro is being facetiously called in the region) has the prospect of at least a decent shelf-life if political and economic factors combine to give both components of the Union the feel-good factor, which has been absent from their lives for over a decade.

ENDNOTES

¹ The critical moment of Yugoslavia's disappearance occurs once the Constitutional Charter, foreseen under the Agreement, has been formulated by committees of experts and "adopted" by all three Parliaments - those of Montenegro, Serbia and the Federal Parliament - a process which it is intended should be completed by June 2002.

² The Agreement does not envisage total parity of seats in the Union Parliament but includes a protection clause, preventing the outvoting of Montenegrin deputies where Montenegro's vital interests are concerned. The present Montenegrin government wishes the Montenegrin Parliament to delegate members to the new Union Parliament; the Montenegrin opposition would like to see them directly elected.

³ In official parlance, the documents signed on 14 March are termed the "Proceeding points for the restructuring of relations between Serbia and Montenegro", in essence an agreement in principle to establish a Constitutional Charter which will be the founding act of the new Union.

⁴ Subsequently referred to in this paper as the "For Yugoslavia" coalition.

⁵ A foremost exponent of this view is Rebecca West, whose *Black Lamb and Grey Falcon* has been one of the most widely read books on the former Yugoslavia. For West, "They [the Montenegrins] have sacrificed everything except their heroism. They are nothing but heroes. If they eat or sleep it is so they shall wake up heroes. If they marry it is so that they should beget little heroes who would not bother to come out of their mothers' wombs were they not certain that they would grow up in heroism. They are as like the people of Homer as any race now living: they are brave, beautiful and vainglorious." *Black Lamb and Grey Falcon*, Volume II, London, 1941, p399.

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⁶ See C J Dick, "The Prospects for Civil War in Montenegro", Conflict Studies Research Centre, Paper OB78, p2.

⁷ Srdjan Darmanovic, "Montenegro: Destiny of a Satellite State", *Eastern European Reporter*, 27, March-April 1992, pp27-29.

⁸ This figure of eight million does not include the population of Kosovo.

⁹ It should also be remembered that a large proportion of Montenegrins live outside Montenegro. Most live in Serbia, where there are perhaps some 200,000, though the figures are provisional since many population changes have taken place since the last, 1991, census, when 140,000 people living in Serbia described themselves as Montenegrins. The picture is further confused because in earlier censuses a number of people chose to describe themselves as "Yugoslavs". There are also sizeable Montenegrin communities in North America. But while most Serbian Montenegrins support a continuation of the close relationship with Serbia, their North American counterparts are more likely to take the opposite view. However, in the event of a referendum, Montenegrins who have not fulfilled stringent residence requirements are unlikely to be allowed to vote.

¹⁰ Both terms are frequently used to describe Serbian-speaking Slavs of Muslim religious background. In the case of Montenegro the greatest concentration of Muslims/Bosniaks is to be found in the Sandzak region bordering Serbia. These figures are taken from the last census conducted in Montenegro in 1991. In addition to these larger minorities, Montenegro also contains smaller minorities of Croats and others, including Roma. For a fuller discussion of these issues see Florian Bieber, "The Instrumentalization of Minorities in the Montenegrin Dispute over Independence", ECMI Brief # 8, March 2002.

¹¹ Relations between Orthodox Montenegrins and Albanians worsened at the time of the so-called "Anti-bureaucratic Revolution" of 1989 when massive demonstrations against the supposed abuse of Serbs and Montenegrins by Albanian Kosovars were exploited to force the old Communist regime in Montenegro from power. However they never reached the level of violence and animosity that was directed against Albanians and Muslims in Serbia and its province of Kosovo. See Florian Bieber, *op cit*, pp2-4.

¹² Of the three parties making up the "Together for Yugoslavia" coalition at the present time, one, the small People's Party (NS), has been conspicuously less anti-minorities than its partners.

¹³ Sandzak Muslims/Bosniaks have tended in the recent past to vote for Djukanovic's DPS. A Bosniak party, established to fight the April 2001 elections, did not secure the 3% of the votes needed to gain a seat in the Parliament. And although Montenegrin Bosniaks may be reluctant to see a diminution of ties with Bosniaks across the border in the Serbian part of the Sandzak, they have nonetheless continued to support Montenegrin political parties associated with the pro-independence line. At the same time, analysts have noted that Montenegrin Bosniaks are often reluctant to attract too high a profile over the independence issue for fear of becoming a target of the anti-independence forces.

¹⁴ An opinion poll conducted in January 2002 showed that 80% of those polled were reluctant to return to the dinar.

¹⁵ For reasons of space this paper does not attempt to deal with the economic aspects of the Montenegrin debate on independence, which are hotly debated by both sides. However, there are a number of prosperous small states in Europe, suggesting that size in itself is not the real issue. Montenegro has certain natural advantages - the potential for both coastal and inland tourism, as well as for the development of good port-transit facilities at Bar on the Adriatic, and for the development of hydro-electric power. By contrast, it could be argued that Montenegro would benefit from being part of the larger Serbian economy. But this begs the question as to whether Montenegrins feel confident that a Belgrade-based government with effective control of economic resources would not prefer to allocate those resources to a part of Serbia - say the region of Nis - where they could have a similar impact and be expected to yield a return in electoral terms.

¹⁶ A series of articles which appeared in the Croatian weekly, *Nacional*, in the course of 2001, also made damaging allegations about the Montenegrin government's links to local and foreign mafias. There are unsubstantiated allegations that *Nacional* received help from foreign intelligence agencies. Whether or not this is so, it is clear that the allegations have damaged Djukanovic personally.

¹⁷ Hence their refusal to countenance the Montenegrin government's original demands for a separate UN seat.

¹⁸ Montenegrin political analyst Srdjan Darmonovic points out that Paragraph 2 of the Montenegrin Constitution requires a referendum to approve a change of state status. See "Squaring Independence " in *Transition on Line*, March 2002.

¹⁹ *V.I.P. Daily New Report*, Belgrade, Issue 2251, 15 March 2002, p2.

²⁰ Although Perovic still appears to pull the strings, he is no longer the official leader of the Liberal Alliance and indeed spends much of his time abroad.

²¹ Srdjan Darmanovic, "Squaring Independence ", *Transition on Line*, March 2002.

²² At present the "For Yugoslavia" coalition participate in the Federal government, a position they took up as a result of the Montenegrin government's refusal to recognise the Federal government in response to Milosevic 's arbitrary alteration of the Constitution. This is a position they would stand to lose if the pro-independence coalition survives since it would then form a coalition with the reform-orientated element of the Serbian government.

²³ Recent opinion polls suggest that the parliamentary elections would not throw up a clear winner. The most likely result is that a new government would be formed only as a result of post-election coalition-building. Srdjan Darmanovi, op cit.

²⁴ See *V.I.P. Daily News Report*, Issue 2253, 1 April 2002. According to V.I.P., Grahovac said the joint army should have up to 40,000 men, rather than the 80,000 envisaged under present plans, and added that, instead of the present nine, there should be three army corps, and one instead of two corps of the air-force and anti-aircraft defence.

²⁵ Djukanovic did not dispute this but maintained that the Chief of Staff, General Pavkovic, should not be dismissed without due consideration being given to role of the officer who made the arrest, General Aco Tomic, Head of the VJ's counter-intelligence service.

²⁶ It perhaps not insignificant that the capable and popular Yugoslav Deputy Premier, Miroljub Labus, responsible for international economic relations, has recently announced his intention to abandon the federal sphere and run for the position of Serbian President.

²⁷ See C J Dick, "Prospects for Civil War in Montenegro" Conflict Studies Research Centre, Paper OB78, p2.

²⁸ Since the fall of Milosevic, members of the "For Yugoslavia" coalition have consistently blocked federal legislation on the extradition of indictees to The Hague, forcing the Serbian Republican government to introduce a decree on extradition or risk losing substantial quantities of Western aid.

²⁹ See Djukanovic's remarks on the Agreement as quoted in *V.I.P. Daily News Report*, Issue 2242, 15 March 2002.

³⁰ Indeed this was the rationale for Tito's government's refusal to recognise the Kosovo Albanians' demands for full Republican status.

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