

# Montenegro: Elections herald further instability in the Balkans

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The results of the recent local elections in Montenegro underscore the continuing political instability within the Federal Republic of Yugoslavia (FRY). The June 11 poll produced mixed political results for both the separatist and pro-FRY coalitions.

Montenegrin President Milo Djukanovic's ruling coalition, Da Zivimbo Bolje (DZB—For a Better Life) retained overall control of the capital, Podgorica, but lost power in the coastal town of Herceg Novi to the “Yugoslav coalition”, led by Momir Bulatovic's Socialist People's Party (SNP).

The elections were the first since the DZB came to power in 1998, and involved one-third of the republic's electorate. As these were also the first elections since the NATO bombing of Yugoslavia, the issue of the constitutional status of Montenegro took precedence over local questions. The government in Podgorica, which had tacitly supported the Western bombardment and is pressing for separation from Belgrade, had been relying on FRY's international isolation, the West's economic sanctions and the resulting social hardship to increase support for a pro-independence agenda.

The elections had been forced by the withdrawal of the separatist Liberal Alliance (LSCG) from the coalition with the DZB at local government level. The DZB had relied upon the LSCG to maintain its control of the two municipal councils, but the Liberal Alliance complained that the government had failed to implement pre-election promises—a reference to the continual postponing of a referendum on Montenegrin independence. While they did not stand a realistic chance of winning, the LSCG believed they could increase their bargaining power.

The elections were seen as a test of support for independence and President Djukanovic but the results fell far short of endorsement on both counts. In Podgorica, the government coalition gained one seat, giving it 28 of 54 council seats, whilst the SNP lost one. Herceg Novi recorded the largest electoral swing, with the SNP gaining six seats, giving it 19 out of 31, whilst the government lost one. The LSCG was weakened, retaining the same number of seats in Podgorica, but losing one in Herceg Novi.

Since Djukanovic became president in 1998, both the US and the European Union (EU) have cultivated the image of his government as a democratic bulwark against Serbia's President Slobodan Milosevic. Most Western media coverage has not allowed any objective examination to intrude upon their version of reality.

The DZB has gone a long way in undermining Montenegrin ties with FRY, but the consequence has been the republic's transformation into a tiny impoverished statelet dominated entirely by the Western powers.

Montenegro was the smallest and most economically backward republic of the former Yugoslavia. With a population of just 600,000 it was heavily dependent on federal development aid. It is a largely mountainous country; its original name “Crna Gora” means Black Mountain, with few natural resources and industry. Serbia accounts for 70 percent of Montenegro's trade.

In August last year, Djukanovic's administration submitted an ultimatum to the FRY government that it be given control over federal Yugoslav troops stationed in the republic and allowed its own currency and foreign ministry. The republic would remain in a loose confederation with Yugoslavia, the ultimatum continued, which should be renamed the “Association of the States of Serbia and Montenegro”. The proposal also stipulated that the two-chamber Yugoslav parliament be replaced by a single parliament in which Montenegro's population would have equal representation with that of Serbia, even though the latter has 10 million inhabitants. Belgrade was informed that it had six weeks to give its approval; otherwise the Montenegrin government would proceed with a referendum on separation.

In November, Montenegro adopted the German mark as a parallel currency to the Yugoslav dinar. Serbia denounced the measure as an illegal breach with the Yugoslav common market and imposed a trade embargo.

All the ingredients that erupted in civil war in Bosnia in 1992 are present in Montenegro today. However, the majority of the population does not support the government's drive for independence. In 1992 a referendum returned a 96

percent majority—on a 66 percent turnout—in favour of remaining within FRY, and there is little indication that this has significantly altered. Djukanovic's party has been able to maintain itself in government only through its coalition with the smaller pro-independence parties. The DZB government has used its relations with the US and EU to establish de facto autonomy for the republic. While Serbian and Yugoslav officials were excluded from last year's Balkans "Stability Summit" called by the West, Djukanovic was given a special welcome.

At this juncture, the Western powers do not favour Montenegrin independence, which would further destabilise the region. They are recklessly manipulating tensions between Belgrade and Podgorica in order to extend their own influence in the region. The US and EU have stepped up their efforts to prevent their internationally imposed sanction against FRY from impacting on Montenegro by funnelling money into the republic via the back door. Just one month before the elections, EU finance ministers approved £12 million of budgetary assistance for Montenegro, breaching international rules stipulating that financial aid can only be made to a sovereign state. International financier George Soros has also unveiled plans to open up Montenegro's first international bank—Euromarket Banka—to be based in Podgorica. The Soros Economic Development Foundation is to provide 7 million marks of the 11.2 million marks in start-up costs, and the German development bank DEG will provide 3 million marks.

Such investments are tied to Djukanovic's guarantees that the Montenegrin economy will be opened up to the transnational corporations. The DZB government is committed to speeding up its privatisation and deregulation programmes. According to *Time* magazine, in just one year of rule Djukanovic's government has privatised about 90 percent of the republic's formerly state-owned businesses.

DZB's claim that its pro-Western economic programme would increase general prosperity is belied by the widespread poverty within the republic. Only a narrow social layer have benefited from the government's "reforms". Some have been able to enrich themselves so much that the ruling coalition's umbrella title has been parodied as "those who are living a better life". The SNP has sought to capitalise on growing social discontent, particularly amongst more impoverished sections of society in the north and in the mountainous regions.

Djukanovic has built up a large security and police apparatus, currently 20,000 strong or 1 in 30 Montenegrins. This police and paramilitary organisation—from which SNP members are barred—is also the recipient of Western aid and training. Djukanovic claims that the force is a necessary

counterbalance to the supposed threat posed by federal Yugoslav troops (VJ) stationed in the republic, describing the VJ in terms of a hostile occupying force, even though its presence is guaranteed by the existing FRY constitution.

It was at Washington's insistence that the DZB postponed its promised independence referendum. The US prefers to use Montenegro's position within the federal structure as a means of influencing the internal situation inside Serbia. To this end, Djukanovic's allies are being pressed to join forces with the "Alliance for Change" in Serbian elections later this year, to increase the chances of installing a pro-Western government in Belgrade. However, this is only fuelling tensions within the separatist camp, which has refused to recognise all federal structures, including elections, and has yet to respond to the West's dictum.

The Socialist People's Party and the Yugoslav coalition do not represent a progressive alternative to this state of affairs. As recently as 1997, Djukanovic and SNP party leader Bulatovic led the same party, the DPS. Following the split in the DPS in July that year, along pro-Western and pro-FRY lines, Djukanovic's wing retained the party name when Bulatovic founded the SNP.

Bulatovic is no opponent of privatisation. He formerly headed a government that introduced new regulations on foreign ownership, offering major tax concessions to banks and transnationals aimed at marketing the republic as an offshore tax haven. His criticism of current privatisations is that they have not been "transparent" enough, and he has made limited promises to maintain some kind of social safety net.

The SNP has allied itself with the extreme Serbian nationalist parties and governs two localities in coalition with the Serbian Radical Party (SRS) and the Serb People's Party (SNS). In Montenegro, Bulatovic's party acts as an appendage of the Belgrade regime, another factor contributing to its success in Herceg Novi, which is also home to a large population of former Yugoslav army veterans and Serbs displaced from over the border in Croatia and Bosnia-Herzegovina. The SNP has no elected representatives from the significant minority population of Albanians in Montenegro.



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