

# Western powers exploit growing tensions between Serbia and Montenegro

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The Western powers have been actively fomenting the dissolution of the Federal Republic of Yugoslavia (FRY) over the past nine years by extending diplomatic, financial and military support to secessionist forces. The resulting conflicts have twice served as a pretext for imperialist military intervention into the Balkans, transforming the region into a series of ethnically divided states, dominated economically by Western financial institutions and companies.

Montenegro's moves for greater autonomy from the FRY have been actively encouraged by the West, which—although not in favour of outright independence for the tiny republic—has utilised the resulting friction to further its campaign to oust the Belgrade regime of Slobodan Milosevic.

Milo Djukanovic, who heads Montenegro's pro-independence regime, announced last year that his government would not recognise Yugoslavia's federal structures. Subsequently, the Montenegro Central Bank cut its ties with the Yugoslav Central Bank and a currency board has been established under the influence of the International Monetary Fund, akin to the arrangements made in Bosnia-Herzegovina under the terms of the Dayton Accord.

Since coming to power in 1997, Djukanovic has been dependent on the financial and political support of America and the European Union (EU), which have been vying with each other for overall control of the Balkan region. The US has pledged \$70 million investment in Montenegro this year. A Pentagon-backed mercenary outfit, Military Professional Resources Inc. (MPRI), staffed by former top US military personnel, is training the republic's paramilitary forces. MPRI also provided officer training for the Croatian Army in 1995.

Despite this, Germany is the dominant economic power in Montenegro, where the German mark was adopted as a parallel currency to the Yugoslav dinar last year and now

accounts for 80 percent of all the republic's financial transactions. Germany also makes up the largest portion of Western capital investment projects. In May the EU announced a £12 million package of economic support.

All the major powers insist that the condition for all such assistance is the introduction of “free market economics” and extensive privatisations, whilst utilising the republic as a staging post for provocations against the FRY.

Local elections on June 11 were meant to boost Djukanovic's standing and step up pressure against Milosevic. In the event, the elections recorded something of a setback for the pro-independence regime. Although Djukanovic's ruling coalition Da Zivimbo Bolje (DZB—For a Better Life) retained overall control of the capital, Podgorica, it lost power in the coastal town of Herceg Novi to the “Yugoslav coalition”, led by Momir Bulatovic's Socialist People's Party (SNP).

A report on the elections by the British Helsinki Human Rights Group commented on the lack of popular support for Djukanovic reflected in the results. “Though the last couple of years have clearly brought some improvements to Podgorica, most notably a new bridge funded by the EU (ironically right over the SNP's headquarters) the main theme of the DZB's campaign—that they have pulled the country firmly on the path to prosperity—is unlikely to have been credible with most voters,” they wrote. “Salaries and pensions may be higher than in Serbia (again mostly thanks to direct payments from the international community), but so too are prices, as a result of the latter's economic blockade. Factories which once produced for the immeasurably larger Serbian market are now virtually dormant, while the only obvious beneficiaries from Djukanovic's much-vaunted reforms are the highly visible 20,000 or so policemen who appear to spend most of their time taking bribes off drivers.”

Western backing has only benefited a small criminal

elite around the government. Unemployment has climbed to almost 80 percent, while the government has established an income tax rate of just 2.5 percent. Tobacco smuggling into Italy over the Adriatic Sea is estimated to account for 60 percent of the republic's GDP. Evidence of the illicit trade was gathered by the Italian state authorities, who were concerned over its connection to the Ciro Mazzarella family and the Neapolitan Camore (Mafia) and the loss of their own tax revenues. An investigation uncovered the involvement of high-profile figures in and around the Montenegrin government, such as Branko Perovic, the former Foreign Minister forced to resign his post due to offences stretching back to 1993. Djukanovic's brother Aca has also been linked with tobacco smuggling.

Yugoslavian President Slobodan Milosevic has responded to the challenge from Montenegro by seeking to strengthen his grip on power. On July 6, the lower and upper chambers in Belgrade voted in favour of changes to FRY's constitution, effectively enabling Milosevic to stand as president for a second term. Previously the constitution stipulated that the president be decided by an electoral college of deputies and could only stand for one term. It also stipulated that the federal upper house be made up of 20 deputies from the Serbian and Montenegrin lower state houses respectively, even though Montenegro accounts for only 7 percent of FRY's population. The measures, which originated under Tito after World War II, were intended to safeguard Yugoslavia's ethnic balance by enshrining equal status between the country's constituent parts. The changes submitted by the pro-Milosevic parties in Serbia and Montenegro enable the federal president to be decided by a direct vote amongst the population and to run for a second term, also reducing Montenegro's deputies to a minority in the upper house.

Djukanovic attacked the constitutional amendments as "illegal", saying Belgrade "has finally toppled the constitution of the country and brought its fate into question".

In the aftermath of the local elections, a call was made by Gareth Evans, president of the Brussels-based International Crisis Group (ICG) and former Australian Foreign Minister, for Serbia's conflict with Montenegro to be used as a pretext for direct military intervention against Milosevic. The ICG is a Western foreign policy think tank whose sponsors include billionaire financier George Soros. Evans wrote in the June 16 *Wall Street Journal*, calling on NATO to guarantee military intervention on the side of Djukanovic in the event of conflict with the FRY.

NATO should make clear that such a situation "will be met with a swift military response that would include the strategic targeting of the Yugoslav command and control system.... Also, there should be a movement of troops into the region to demonstrate NATO's seriousness in deterring aggression by Serbia."

The Pentagon already has a blueprint for military intervention against FRY in the event of Montenegro declaring independence. An army unit—the II Marine Expeditionary Force—is designated to spearhead an invasion. US Navy "floating platforms" are located off the Adriatic Coast and the Marine Corps Amphibious Ready Group are in a state of constant readiness. So far, however, the US and other NATO powers have resisted calls for a further military adventure in the Balkans. The continued instability of the current protectorates in Bosnia and Kosovo, concern at the European-wide ramifications of Yugoslavia's further dismemberment and disagreements between the US and Europe have all acted as a restraint.

In addition to Montenegro, the Western powers are also encouraging a movement for greater autonomy in the northern Yugoslavian province of Vojvodina. Grain exports from this region provide 25 percent of the federation's hard currency requirements and have been used to barter for oil and gas from Syria, Iraq, Libya, Russia and the Ukraine. A movement for autonomy in Vojvodina would threaten to draw in neighbouring Hungary, a new member of NATO, which has called for return of the northern territories relinquished by the defeated Austro-Hungarian Empire in the aftermath of World War I. Only a month after NATO's bombing campaign in 1999, Hungarian Prime Minister Viktor Orban met for secret talks with US Defense Secretary William Cohen to discuss autonomy for ethnic Hungarians in the north of the province.



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