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## **Montenegro under Balkan reform's light**

### ***Content of the paper***

This paper is consisted of three parts:

- A. Part in which situation in Balkan is presented and basic development problems of this area are defined;
- B. Economic reforms and strategic reform's vision of Montenegro
- C. Solving problems in relations between Serbia and Montenegro as a condition for further integrations in Balkan area.

### **A. Economic problems and economic strategy for South – Eastern Europe**

Balkan or South Eastern Europe includes following countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Yugoslavia (Serbia and Montenegro), Macedonia and Romania.

This is dark side of Europe. Those countries are the most undeveloped countries in Europe. Next indicators show this:

1. Low level of GDP per capita (lower than 2000 US \$)
2. Low level of industrialization (industry participate from 10-30%)
3. Significant level of agriculture (10-60%) and low standard of services
4. Weak institutions (absence of rules of law)
5. Structure of export shows than main exported goods are raw materials, agricultural products, labor intensive products

Major problems, which influence economic development and transition, are:

1. High production costs as result of undeveloped infrastructure and ecological problems;
2. Formal and informal barriers in trade and investments;
3. Undeveloped institutions;
4. Low level of integrations in region and with Europe.

As a result of this, transition process is slow, political freedom are insufficient, corruption is high and conflicts are often.

In Balkan, people still believe in nationalistic state from nineteenth century, and people still don't understand importance and process of building of open and civil society. Understanding a state as nationalistic one makes development of this region more difficult, as integration process also. Those societies are still closed, societies where neighbors are seen more as an enemies than as an friends and partners.

International community is, especially during the last ten years, involved in solving Balkan's problems.

Main characteristics of international engagements in Balkan are:

1. International activities have been concentrated more on damage rejections than on making conditions for avoiding those damages.
2. Activities have been more concentrated on transition than on development, which caused bankruptcy of companies, institutional degradations and corruption.

Montenegro is in delicate position. We have to make decision, which has historical consequences.

Question is:

1. Should Montenegro integrate into World trough Belgrade, as a part of Serbia, which would be named as Yugoslavia, or
2. Montenegro should manage it's future in Montenegro.

Which of those two solutions opens better perspective for Montenegro?

Before answer on this question, it is necessary to present three facts:

1. Montenegro was internationally accepted state before it became member of Yugoslavia. Yugoslavia is dead. The state, which is named as Yugoslavia today is Serbia!
2. Difference in size between Serbia and Montenegro is 15:1. Serbia is fifteen times bigger than Montenegro. Population in Serbia is about eight millions, in Montenegro 650 thousands. Our territory is twenty times smaller; our Gross Domestic Product is thirteen times lower. Can we be equal in federation consisted from these two republics?

To make this question more clearly to you, assume you want to establish federation between USA and current Yugoslavia. It is, in terms

of population, similar ratio as ratio between Serbia and Montenegro. Can you imagine equal federation? Would USA give 50% of seats in Government to Yugoslavia?

3. If Montenegro is so small, why Serbia wants her as a part of itself? What kind of interest Serbia has here? Maybe it is ambition to has it's own sea? Or, keeping Montenegro as a part of Yugoslavia Serbia will have arguments to justify itself for four lost wars (Slovenia, Croatia, Bosnia and Kosovo) during the last decade? Or maybe, keeping Montenegro in Yugoslavia is related with idea of Great Serbia?

If any of these answers is correct, than new question is made: is it possible democratic and equal community of Serbia and Montenegro, community (union) in which Montenegro can manage it's own future?

So, there are three important facts for answer on question which direction Montenegro should chose:

1. Citizens of Montenegro have had powerful feeling they had their own state and they don't want to lose it.
2. Differences in size are so big that equality is almost impossible.
3. Main Serbia's motive to keep Montenegro is for purpose of realization of idea of Great Serbia. This is firstly from those people who are nationalistically oriented.

Also, for answering on this question, important are four facts from the last decade:

1. During the last couple of years, Montenegro has received great support from USA and European Union for changing economic and political system. We have discussed about concept of economic souverenity. We have to take under our responsibility all activities related with economic system. For example, we created complete privatization legislature, Central bank Law, Bank Law, Foreign Investment Law; we have our Capital Market, brokers and brokerage houses, Montenegro stock exchange,

We have built and build open and market oriented system. Should we abandon everything and accept everything make by Federal Government?

2. Montenegro has started disagreement with Milosevic's dictatorship. Montenegro has taken big risk in terms of starting civil war caused by Milosevic's followers. We have helped democratic opposition in Serbia. Lot of Serbians opposition leaders run away from Serbia and lived in Montenegro. Montenegro has been waited for democratic reforms in Serbia to start negotiations with them, and didn't indulge under pressure to make a referendum during the Milosevic's governance.
3. Montenegro announced its intentions related to redefinitions of relations with Serbia a year ago. Montenegro sent its proposal of new relations in so called "Platform for redefinition of relations between Serbia and Montenegro".

Those three facts means:

1. Montenegro has already provided some sovereignty in economic and political system, because it hasn't had any relations with Serbia for the last four years.
2. Montenegro has helped democratic processes in Serbia.
3. Montenegro shown its intention to redefine relations with Serbia during the Milosevic's governance, before recent elections!

Can we now accept attitude: "What does Montenegro wants?" Now, Serbia is democratic state so we can start together from the beginning.

Also, some political facts are also important:

1. Representers of Montenegro in Federal Government are from SNP. They represent less than 20% of Montenegrin voters.
2. Federal Prime Minister is member of SNP, man who is associate of Slobodan Milosevic. He will negotiate with President of United States! Can you imagine associates of Hitler and Mussolini who negotiate with President of United States in 1946 or 1947?
3. Doesn't choice of SNP and other parties which are Serbian oriented (Narodna stranka – People' party; Serbian right party) mean that new government in Serbia wants to favorite this part of Montenegro which is closely related to Serbia.

So, in this moment:

1. Ruling political coalition isn't represented at federal level;

2. Can we believe in political party, which is still in close relation with Milosevic (SNP), and believe that they will provide equal position of Montenegro.
3. Why current federal government force Serbians parties in Serbia.

Beside this, there are several practical questions, important for decision-making:

1. Serbian debts to IMF are much bigger than Montenegrins. Montenegro can fulfill conditions for membership in IMF very soon.
2. What will be position of Montenegro if center of international relation were in Belgrade?
3. What is Federal Government and what is Republic Government of Serbia, if in Federal Government 95% of members is from Serbia?

At the end, in answer on this question: Montenegro as an independent country or as a member of Yugoslavia, which of those solutions can contribute to making a peace and integrations in Balkan?

If we don't solve that problem now, we will have constant conflicts between Serbia in Montenegro in future. Unsolved problems in relations between Serbia and Montenegro will cause instability in Balkan. Don't forgot, 80% of young Montenegrin population are in favor of independent Montenegro.

Starting with those facts, in Montenegro is matured thought that Montenegro must have strong guaranties of it's positions and that Montenegro wants to take it's own destiny into proper hands. Those guaranties we can have only as internationally accepted state. So, international acceptance we understand as our guaranties for equality in relations with Serbia and in Balkan, because we are surrounded with Balkans "big powers" as Albania, Croatia and Serbia! We don't want separatism from anyone, but we want clear position and opportunity to decide about own destiny, to protect our own interests in international organizations. We are too small to provide equality with our inside strength in Balkanian province. So, we need position, which can be protected by international standards.

Internationally accepted Montenegro, having in mind current level of democratization and development of free market, international tolerance and development a state based on citizen, individuals; can be one of the most important point in Balkan which can, as an good example, contribute to civilization changes in Balkan.

We don't want international acceptance in order to have independent state, but we want our citizens become souveren, to have a freedom and human rights, which depends only from themselves, not from other.

Our attitude is that internationally accepted Montenegro and Serbia should form community (union) and to discuss and agree about joint activities.

Our basis in area of economic system and activities are:

1. Development of concept of integral market, which means free flow of people, capital, goods, services, no visa regime, unique custom tariff area, open establishment of companies of Montenegrins in Serbia and Serbs in Montenegro, etc.
2. We would have economic system with domination of private property, market, entrepreneurship, same rights for foreign and domestic companies and investors (“national treatment of foreigners”), low taxes.
3. Joint institutions would protect property rights and contracts realization in Serbia and Montenegro and avoid all barriers in trade, markets of good, capital and labor.
4. We would have same currency, DEM or EURO
5. We would have joint army, even I believe Montenegro doesn't need an army
6. We would have joint embassies.

So, our concept is to build community (union) with Serbia, to integrate with other Balkanian countries. So, to realize that idea, Montenegro has to be internationally accepted, has to get seat in United Nations, as guarantee of our equality in all integrations in Balkan.

According to our estimation, 75% of Montenegrin citizens are in favor of this attitude. Have we, or anyone else right to stop citizens to express their opinion, in democratic procedure, in which state they want to live?