

Montenegro's Referendum

I. OVERVIEW

Although there are some shoals still to be navigated, the narrow pro-independence victory in Montenegro's 21 May 2006 referendum should, on balance, increase rather than diminish stability in the western Balkans. It is in the interest of the European Union (EU), now that its previous policy of keeping Serbia and Montenegro together has run its course, to welcome the new state and speed its accession to international institutions. Podgorica still faces significant challenges associated with transition, but none should affect regional stability, and all can be resolved as the country moves forward with the Stabilisation and Association process towards EU membership. Given the positive international response to the referendum, Montenegro can aspire to becoming a "boring" country moving toward integration with Europe. But its opposition, and Belgrade, need to be persuaded not to renege on their commitments to the EU to accept the referendum result, lest this generate new uncertainties in the region as a Kosovo status decision approaches.

Official Belgrade has sent mixed signals, with President Boris Tadic reacting positively and visiting Montenegro, while Premier Vojislav Kostunica and the nationalists pout and protest. Part of Montenegro's unionist opposition – with the backing of nationalist circles in Serbia's government – is publicly backing away from its pledge to the EU, although this may yet prove to be nothing more than posturing before the next round of parliamentary elections late in 2006. The Belgrade media is creating an atmosphere that will make it difficult for those who wield real power in Serbia to honour their pre-referendum promises. Many Serbian politicians appear shell-shocked: this rebuff by fellow Serbs of the dream of all Serbs living in one state should be a wake-up call for the political elite, but many are having difficulty adjusting to the new reality that Serbia, too, is now independent. Some in nationalist circles in Serbia, along with Republika Srpska Premier Milorad Dodik, are indulging in loose talk about holding a similar referendum in Bosnia's Republika Srpska as compensation for the loss of Kosovo, and – as with the opposition in Montenegro – it remains to be seen whether this is more than election year rhetoric.

Serbia's minority government continues to demonstrate that it does not understand the international environment

in which it must operate and that it lacks the capacity to deal sensibly with impending Kosovo decisions. The government lacked a contingency plan for independence and must now reconstitute itself, pass new governing statutes, add ministries, redefine the state and possibly create a new constitution, all while relying on the increasingly powerful Serbian Radical Party (SRS) and vocal Socialist Party of Serbia (SPS) for support. However, Prime Minister Vojislav Kostunica is likely to stay in power, despite his government's visible weakness, as no opposition party wants to be in office when Serbia loses Kosovo, probably at the end of 2006.

In the broader region, Montenegrin independence will probably lead to the rapid resolution of a fifteen-year old territorial dispute between Croatia and Serbia (Prevlaka peninsula), and increased regional cooperation with Croatia, Albania, Slovenia, Kosovo, Macedonia and Bosnia. Montenegrin independence makes it more difficult for the international community to deny Albanians a similar outcome in Kosovo. However, the Montenegrin referendum process is unlikely to serve as a model for Kosovo (or anywhere else), except in the highly improbable circumstances of an advance buy-in from Belgrade, the Kosovo Serbs and Pristina, mirroring that of the relevant players before the Montenegrin referendum.

II. THE BACKGROUND: GAMBLES ALL ROUND¹

On 14 March 2002 Montenegro and Serbia – the two republics that remained of Slobodan Milosevic's rump Federal Republic of Yugoslavia following the violent break-up of Socialist Yugoslavia ten years before – signed the Belgrade Agreement, creating the State Union of Serbia and Montenegro. According to its Constitutional Charter, this union inherited the international personality of the old Federal Republic. The federal Yugoslav structures were replaced by a token central government and parliament, lacking any real authority and at the mercy of the governments of the two constituent republics.

¹ For further background to the referendum, see Crisis Group Europe Report N°169, *Montenegro's Independence Drive*, 7 December 2005.

From its creation, the State Union has been unpopular in both Montenegro and Serbia and referred to disdainfully in local media as a “Frankenstein” state and “Solania”, the latter a reference to the role of Javier Solana, the EU’s High Representative for the Common Foreign and Security Policy, in creating the state – applying as he did strong and sustained pressure on Montenegro to reach and implement the agreement with Serbia rather than pursue immediate independence. The EU worked very hard to counter, or at least postpone, any prospect of Montenegrin independence, which it felt would have a negative spillover effect in Kosovo and force a decision on its final status before the international community had a consensus on that question, and have a wider destabilising effect in a still fragile region.² In return Montenegro and Serbia were promised they could engage in a more rapid EU accession process. This process, however, hit repeated delays due to Serbia’s failure to cooperate with the international community on issues such as the International Criminal Tribunal for the Former Yugoslavia (ICTY). As a consequence, the EU in early May 2006 suspended negotiation of a Stabilisation and Association Agreement with the State Union.

The Montenegrin government had, however, agreed to the State Union on the condition that there be an opt-out clause permitting either republic to begin independence procedures within three years of the Constitutional Charter coming into effect. As this date – 4 February 2006 – approached it became evident that Montenegro would exercise its right to hold an independence referendum.

For the EU the timing of a referendum was not ideal, coming in the midst of negotiations that are widely anticipated to lead to independence for Kosovo, perhaps still in 2006. Some in the EU also felt that Montenegro was too small to be self-sustainable and economically viable. Italy in particular worried that Montenegro would offer safe haven to organised crime, while Spain feared a precedent might be set for the Basque regions and

Catalonia.³ Others felt it was necessary to “reward” Belgrade for the good behaviour expected of it during the Kosovo status process, and that losing Montenegro and Kosovo at the same time would radicalise Serbian politics.

A serious question acknowledged by both the EU and the Montenegrin government was how to ensure that the referendum and its result would widely be considered legitimate. Montenegro is deeply divided between pro-independence and pro-union forces. Opinion polls over several years had usually shown the pro-independence side with a small lead but not an absolute majority.⁴ Most observers and the government felt certain that the pro-independence forces would gain an absolute majority in a referendum, but just barely. It was assumed that Montenegro’s political opposition, which maintains close ties to Belgrade, would dispute any referendum result for independence, leading possibly to further regional instability and even violence.

Montenegro’s referendum law stipulated that a referendum would be valid only if turnout was greater than 50 per cent of eligible voters. Doubting that it could produce a majority vote against independence, the opposition seriously considered attempting a boycott, in order to defeat the referendum by keeping participation below 50 per cent. Predrag Bulatovic, the leader of the main opposition party, the Socialist People’s Party (SNP), said he would participate in a referendum only if the EU approved,⁵ while the government was prepared to go ahead even if the opposition boycotted, hoping to gain the necessary turnout.

At this point the EU stepped in, ostensibly to avert the instability that might result from an independence referendum conducted in the face of an opposition boycott. Solana appointed Miroslav Lajcak, a Slovak diplomat, as his special representative to oversee the referendum, and the EU insisted that the process must have the full participation of both camps, including their prior commitment to accept the outcome.

In the end Brussels imposed a formula requiring that two conditions be met for a successful independence vote: participation by 50 per cent +1 of all eligible voters and 55 per cent of those voting in favour. The opposition and Belgrade agreed quickly, believing that there was a good chance at least 45 per cent of those voting would oppose independence. They recognised that with the kind

² See Crisis Group Europe Report N°101, *Current Legal Status of the Federal Republic of Yugoslavia (FRY) and of Serbia and Montenegro*, 19 September 2000; Crisis Group Europe Briefing N°16, *Montenegro: Which Way Next?*, 30 November 2000; Crisis Group Europe Report N°107, *Montenegro: Settling for Independence?*, 28 March 2001; Crisis Group Europe Briefing N°18, *Montenegro: Time to Decide*, 18 April 2001; Crisis Group Europe Report N°114, *Montenegro: Resolving the Independence Deadlock*, 1 August 2001; Crisis Group Europe Report N°129, *Montenegro, Serbia and the European Union: Still Buying Time*, 7 May 2002; Crisis Group Europe Report N°142, *A Marriage of Inconvenience: Montenegro 2003*, 16 April 2003; Crisis Group Europe Briefing N°29, *Thessaloniki and After III: The EU and Serbia, Montenegro and Kosovo*, 20 June 2003; and Crisis Group Europe Report N°169, *Montenegro’s Independence Drive*, 7 December 2005.

³ Solana, himself a Spaniard, felt compelled to react vigorously to suggestions that Montenegro had any similarities with Spanish regions: “Solana dice que ‘raya en el delirium tremens’ comparar Montenegro con el caso de España”, *El Mundo*, 22 May 2006.

⁴ See “Javno Mnjenje Crne Gore”, *Godisnjak* no.1, April 2004–January 2005, published by CEDEM; also polls published on the CEDEM website, <http://www.cedem.cg.yu/>.

⁵ “Dijalog, nego sto!”, *Vijesti*, 1 December 2005.

of 86 per cent voter turnout that was produced, the pro-independence movement would need to get 20,000 more votes than it had won in any previous election. Importantly, the Minister of Defence of Serbia and Montenegro announced that the army would not intervene in the referendum and would respect the outcome.

The Montenegrin government was more reluctant to acquiesce, and its motivation for finally accepting the formula was more complex. Unlike Serbia, most of Montenegro's voters desire EU membership. Had the government gone ahead with a referendum without EU approval, not only the Serbs would likely have boycotted, but many Albanians, Croats, Bosniaks and Montenegrins as well, resulting in all probability in a failure to reach the 50 per cent turnout necessary for a valid result. Prime Minister Milo Djukanovic's Democratic Party of Socialists (DPS), after conducting internal surveys, decided it could reach 55 per cent. Both sides thus agreed to conduct the referendum process in keeping with European standards and under EU supervision and accept the result as binding. The Serbian government also agreed to accept the result as binding.

As part of the EU-supervised process, the Republic Referendum Commission (RRK) was formed, with equal numbers from both camps and presided over by Frantisek Lipka, another Slovak diplomat appointed by Solana. The choice of Lipka and Lajcak – both of whom speak fluent Serbo-Croatian – proved wise. They were able to give press conferences and attend meetings without the delays and misunderstandings caused by translators. As fellow Slavs from a country that had recently been through both a major political transition and a velvet divorce, they comprehended the local mentality better than the typical Western European diplomat and were able to get things done far more quickly. Their language fluency and knowledge of the local culture also meant that the EU avoided giving the impression that out-of-touch foreigners were in charge of everything.

III. THE CAMPAIGN

The referendum campaign was vigorously contested by both sides. EU supervision ensured that Montenegrin media and some Serbian media as well accepted a code of conduct that resulted in a relatively unbiased (by Balkan standards) media environment. The two camps pulled out all stops to register the maximum number of voters for their cause and discourage their opponents from voting. Each accused the other of falsifying voter registration documents and vote buying. On one occasion activists from Djukanovic's DPS were caught by a hidden video camera as they tried to bribe a voter. A unionist member of the Republic Referendum Commission was arrested for

submitting forged signatures in an attempt to register voters. By the end of the voter registration period, 26,321 new voters had been added to the rolls and a number of "dead souls" cleaned off, bringing Montenegro's electorate to 484,720. Both sides reviewed and approved the final voter register and the Office for Democratic Institutions and Human Rights (ODIHR) of the Organisation for Security and Cooperation in Europe (OSCE) declared it to be the best in Montenegrin history, with a margin of error of less than 1 per cent.

As part of their get-out-the vote campaign, the camps relied on a significant number of voters from outside Montenegro. In an effort to urge Montenegrins living in Serbia to return and vote for the State Union, the Serbian government offered free round trip train tickets around the referendum date. The Montenegrin state-owned airline laid on extra flights, some of which appear to have been paid for by Montenegrin diaspora organisations, to bring Montenegrin voters back from abroad in the expectation they would vote for independence. Non-resident voters may have totalled some 25,000, slightly more than 5 per cent of the electorate.

Both sides expressed confidence at the end of the registration period, and indeed up to the moment when preliminary figures were announced late in the evening of 21 May.⁶ Although pre-referendum opinion polls showed that the independence option would receive 57 per cent of the vote, there was reason to believe that many people were lying to pollsters. The pollsters were also unable to evaluate how returnees would vote. Bulatovic was confident and claimed that unionist polls showed more than the necessary 45 per cent would vote to block independence. Until the first unofficial estimates were announced by an NGO an hour after the polls closed, both sides appeared smug and assured of an easy victory.

In their campaigns the independence movement stressed the word "da" (yes), while the unionists made puns on the word "ne" (no), so that "da" and "ne" billboards soon dotted Montenegro's roadsides. But otherwise the two sides adopted quite different approaches.

A. THE UNIONIST CAMPAIGN

The unionist bloc targeted its efforts almost entirely at the 71 per cent of Montenegro's population that is Eastern Orthodox Slav, 30 per cent of whom declare themselves as Serbs, and 40.5 per cent as Montenegrins.⁷ Most – but

⁶ Crisis Group interviews, Serbian and Montenegrin government officials, May 2006.

⁷ There are few differences between ethnic Serbs and ethnic Montenegrins. In some Montenegrin families children of

not all – the voters who define themselves as Serbs do so for political reasons, that is, they share the nationalist vision of the Milosevic era, defend the actions of the 1990s, and are typically anti-Western in outlook. They mostly oppose cooperation with the Hague Tribunal and NATO membership, are less enthusiastic about joining the EU and vote almost entirely for Serbian national parties, such as the SNP, Serbian People's Party (SNS), the Peoples Party (NS) and the Democratic Party of Serbia (DSS). Some unionist supporters wore T-shirts with pictures of Hague indictees Ratko Mladic and Radovan Karadzic (a Montenegrin by birth) to their rallies. Crisis Group conversations with members of these parties, as well as their own statements, revealed strong animosities towards Albanians and Croats and a degree of paranoia that an independent Montenegro would be divided between a Greater Croatia and a Greater Albania.⁸

But it would be unfair to characterise all pro-State Union supporters as Serbian nationalist, Milosevic-era throwbacks: at least a quarter of the 40 per cent of the population that earlier polling suggested was uncomfortable with the idea of independence vote for non-Serb parties, including the ruling DPS. Many Montenegrins fear the unknown. Whether for or against independence, all wish to maintain good relations with Serbia and fear what independence might mean for their ability to continue to work or study in Serbia. Many complex issues were not resolved before the referendum, including matters related to tax payments, corporate registration, property ownership, voting and citizenship rights, health care, status of family members in Serbia and pensions – particularly for Serbian military retirees in Montenegro. Concerns on these subjects are shared alike by Montenegrins living in Serbia and Serbs living in Montenegro.⁹ In order to gain the 45 per cent necessary to block independence, the unionists needed

the same parents declare themselves differently, one as a Serb, another as a Montenegrin, a notable example being Montenegrin Foreign Minister Miodrag Vlahovic, whose brother declares himself as a Serb. In the 1991 census 61.86 per cent of the population declared themselves Montenegrins and only 9.34 per cent Serbs. In the 2003 census these numbers changed considerably: Montenegrins had fallen to 40.64 per cent; Serbs had risen to 30.01 per cent. In both instances the numbers refer to the approximately 71 per cent who identify themselves loosely as Slavic Eastern Orthodox Christians. The answer to the dramatic difference in only twelve years is to be found largely in the nationalist politics of the Milosevic era. The way a person defines his or her ethnic group seems to reflect largely that person's attitudes towards union with Serbia, Milosevic's policies, the vision of where Serbia's borders should lie, views of other national groups and about war crimes and the Hague Tribunal.

⁸ "Odvajanje Crne Gore opasno", B92, 7 May 2005.

⁹ See Crisis Group Europe Report N°169, *Montenegro's Independence Drive*, 7 December 2005, p.11.

to get at least another 15 per cent of the electorate from this group.

Unionist campaign rhetoric was reminiscent of the 1990s, including hate speech attacking Islam, Albanians, and Croats, in the hope this would motivate Orthodox Slavs to vote against independence. The Serbian Orthodox Church allowed itself to be used on behalf of the unionist cause. The unionists also played on the fears of many Montenegrin residents that they would lose pensions, education and employment opportunities in Serbia. They were helped in this by official Belgrade, which on numerous occasions hinted at dire consequences if Montenegro chose independence, including threats to fire all Montenegrins working in Serbia and expel all Montenegrin students from Serbian universities. Suggestions were made that Montenegrins in Serbia and Serbs in Montenegro might lose their property rights. Billboards and television advertisements also sought to focus attention on corruption and to convert the referendum into a plebiscite on Djukanovic rather than independence, digging up past scandals, such as the murder of the editor of the newspaper *Dan* and the Moldovan sex trafficking case.¹⁰

The Belgrade tabloid press carried sensational stories warning of Albanian and Croat plots to use Montenegro to dismantle the State Union and then to carve up Montenegro between them. Even the staid, government-influenced daily *Politika* carried a front page article hinting that Albanians would decide the referendum. Other newspapers speculated that all Montenegrins might face sudden unemployment inside Serbia or students would be forced to cut their studies short. Montenegrin government officials charged that official Belgrade gave substantial financial assistance to the unionist cause, and in one instance the authorities seized a unionist bank account and pressed charges of money laundering, hinting that the funds had been received from Serbia, which would have put the unionists in violation of the campaign financing law.

In its only attempt to win non-Orthodox voters, Belgrade courted the Bosniak nationalist mayor of Novi Pazar, Sulejman Ugljanin, by dissolving the municipal council. (Novi Pazar is the chief town in the Bosniak majority Sandzak region¹¹ of southwest Serbia bordering Montenegro.) It did so to support Ugljanin, who faced a recall referendum that would probably have cost him his

¹⁰ For the background to the Moldovan case, which broke in late 2002, see Crisis Group Report, *A Marriage of Inconvenience*, op. cit., p. 20. For the May 2004 murder of Dusko Jovanovic, see "Editor's Murder Raises Tensions in Montenegro" (IWPR Balkan Crisis Report 501, 3 June 2004) and "Montenegro: Authorities Face Murder Cover-up Claims" (IWPR Balkan Crisis Report 527, 18 November 2004).

¹¹ For background, see Crisis Group Europe Report N°162, *Serbia's Sandzak: Still Forgotten*, 8 April 2005.

job, and Ugljanin had promised to deliver the Bosniak vote inside the Montenegrin Sandzak municipalities of Bijelo Polje, Pljevlja and Rozaje. The attempt backfired, however, as it convinced many Montenegrin Bosniaks that Belgrade would continue to interfere in their lives and that they might be subject to Serbian nationalist pressure.

The unionists seem to have profited from differences in Washington. The U.S. State Department has backed EU policy, and the U.S. Embassy in Belgrade remained neutral throughout the referendum process, as did the embassies of the EU member states. Unknown to the State Department, however, the National Security Council – which had earlier opposed Montenegrin independence – encouraged and partially organised a visit to Washington by Nebojsa Medojevic of the anti-Djukanovic Group for Change (GzP), who was accompanied by three other members of the opposition.¹² The Serbian and Montenegrin media reported this as an official visit to Washington at the invitation of the government, in an effort to create the impression inside Montenegro that official Washington endorsed the unionist position and disapproved of independence. When the unionists touted the visit as official it prompted an angry official denial by U.S. Ambassador Michael Polt, but the damage had been done. Although Medojevic himself is pro-independence, his three companions were unionist and the resulting impression that he backed the unionist position not only caused resignations from his group, but also gave the firm impression that Washington opposed independence.

The unionist campaign culminated in a mass rally in the centre of Podgorica on 16 May, five days before the vote. Supporters drove in from throughout the country to fill the Square of the Republic. Many in the crowd estimated at close to 19,000 waved the flags of the State Union, as well as of Serbia and the old Socialist Yugoslavia. After the rally supporters drove around Podgorica honking their horns and displaying their State Union flags.

B. THE PRO-INDEPENDENCE CAMPAIGN

The government's independence campaign took a positive note from the beginning, starting with a large rally in the old royal capital of Cetinje and targeting youth, its pro-independence core of Montenegrin loyalists and the national minorities. It also attempted to sway potential swing voters who favoured EU membership and those who defined themselves as Montenegrin but were concerned about the uncertainties independence might bring and feared dissolving all ties with Belgrade.

The government emphasised that the referendum was not about its performance in office but about independence, and that voters would have a chance to vote on a new government in the fall parliamentary elections. It largely refrained from negative attacks against its opponents and emphasised EU integration, repeating that Montenegro could move towards Brussels faster if it was not harnessed to Serbia. The independence camp referred obliquely to the opposition as “forces from the 1990s” and argued that Montenegro did not want to go backwards. It also emphasised that Montenegro was not an ethnic state, but a civic state based on civic values that included many nationalities. The government also distributed considerable largesse in the form of breeding pigs, housing credits and scholarships. Minister of the Economy Predrag Boskovic and Minister of Agriculture Milutin Simovic seemed to be everywhere solving people's problems.

In an effort to reach the minorities, the independence forces placed “da” billboards throughout the country, using both Cyrillic and Latin alphabets, depending on the ethnic makeup of the local population. There were also billboards in Albanian, bearing the word “po” (Albanian for “yes”). This was a contrast to the unionists' exclusive use of Cyrillic.

The independence campaign ended with a massive rally in Podgorica's Square of the Republic on 18 May, three days before the referendum. Over 40,000 people attended, wearing red “da” t-shirts and waving red and gold Montenegrin flags. Afterwards independence supporters drove around the city waving flags and honking car horns until the early morning.

The independence bloc profited from a number of own goals scored by the unionists and Belgrade. The first of these bizarrely centred on the selection of the contestant for the kitschy annual Eurovision song contest. For the second year in a row, the Montenegrin boy-group “No Name” won the contest, provoking a near riot in Belgrade's Sava Centre. The audience refused to let “No Name” return to the stage for the traditional victory encore. Serbs charged that the Montenegrin judges had voted as a bloc, while the Serbian judges had voted for the best group. This was in many ways reminiscent of the fight that broke out at the Zagreb football stadium, Maksimir, between the Croatian Dinamo and Serbian Red Star teams on the eve of the break-up of the former Yugoslavia. In the end, the republics were unable to agree, and the State Union failed to send a contestant to Athens. The Eurovision final contest – won by Finland – was held the night before the referendum.

In the run-up to the referendum several significant events may have swayed public opinion. The widely televised 18 March funeral of former Serbian dictator Slobodan Milosevic gave Montenegrins a view of how far Serbia

¹² Crisis Group interviews with NGO representatives and US government officials in Montenegro.

still needs to go to break with the past. The Serbian government's decision to shut the country's third most popular television station, BK TV, in a midnight police raid also sent a negative signal regarding Belgrade's readiness to reform. As noted above, the dissolution of the Novi Pazar municipal assembly appears to have been counter-productive with most Bosniak voters.

Montenegrin media covered the campaign heavily. Every Monday night Radio-Television Montenegro (RTCG) broadcast a live debate between members of the opposing camps. In the first, Djukanovic faced off against Bulatovic. In response to Bulatovic's comments about Djukanovic and corruption, the prime minister offered to resign if Bulatovic and his supporters would vote for independence, and the debate was viewed as a victory for the independence forces. In the second, it appeared the unionists Dragisa Pesic and Srdjan Popovic of the SNP won, but every subsequent debate was deemed a victory for the pro-independence forces.

Radio-Television Serbia's broadcast of a live debate between Montenegrin Parliament Speaker Ranko Krivokapic and Bulatovic was widely watched in Montenegro. The moderator came across as aggressive and anti-Montenegrin, and Bulatovic appeared poorly prepared, while Krivokapic was relaxed and dignified, causing even the unionists to admit that their champion had done poorly. In another televised interview, Djukanovic appeared as a guest on B92 Television's widely watched "Impression of the Week". The moderator, Olja Beckovic, is the daughter of the prominent Serbian nationalist Matija Beckovic. Her questioning was disrespectful and antagonistic, while Djukanovic remained calm, positive and dignified. In follow-up comments posted by Serbian viewers on the B92 website, many stated that they wished Serbia had a politician of Djukanovic's calibre.

The EU's suspension of the Stabilisation and Association Agreement negotiations at the beginning of May over Belgrade's failure to cooperate with the Hague Tribunal was helpful to the pro-independence campaign, since it strengthened the argument that Montenegro could move faster on European integration without Serbia.

IV. THE OUTCOME

On 21 May 2006, 86.49 per cent of Montenegro's voters cast ballots in the republic-wide referendum, of whom 55.53 per cent favoured independence, narrowly clearing the 55 per cent threshold. The result was greeted with flag-waving, fireworks and celebrations until dawn in the streets of Podgorica and other cities. Following the announcement of preliminary unofficial results, Djukanovic

addressed the nation on television and congratulated Serbia on its "newfound independence".

The 55 per cent threshold set by the EU was a gamble that could well have ended up creating an additional source of instability in the western Balkans precisely at the time when the international community needs to concentrate its resources on the resolution of Kosovo's status. Had the referendum result ended in the "grey" zone between 50 and 55 per cent, Montenegro's government would have been legally unable to declare independence. At the same time it would have viewed the referendum result as a mandate to further weaken the State Union. The unionists would have viewed the result as a victory and demanded immediate parliamentary elections and closer ties with Belgrade. The resulting dissonance between Belgrade and Podgorica would have created a crisis of legitimacy that would have been a significant distraction from the Kosovo status process.

In the event, the final result was clear of the grey zone, so that both the unionists and official Belgrade must eventually, however grudgingly, accept it, thus increasing substantially the prospects for political stability in post-referendum Montenegro and the region. The gamble was risky and the hurdle was high. Yet it must be acknowledged that, although the EU clearly hoped that its high bar would enable the State Union to hold together, the fact that such a hurdle was cleared will make Montenegro's independence considerably less contentious than it otherwise would have been.

V. INDEPENDENT MONTENEGRO

The EU, OSCE and many neighbouring countries have congratulated Montenegro on the free and fair manner in which the referendum was conducted and expressed their satisfaction with the high turnout. But the referendum leaves Montenegro deeply divided. Of the more than 44 per cent who voted for retaining the State Union, many belong to the 30 per cent of the population who define themselves as Serbs. This hardcore nationalist grouping may never reconcile itself completely to independence. The other 14 per cent probably voted more out of practical or sentimental reasons, and will probably quickly reconcile themselves to Montenegro's new status. The government has extended an olive branch, with Djukanovic, Krivokapic and others going on record that they want to treat every Montenegrin citizen as though he voted for independence. However, it will take more than rhetoric alone to heal the rift.

The unionists – led by Bulatovic – continued to contest the referendum result nearly a week after the outcome was known; immediately prior to publication of the official

tally, the four main unionist leaders, Bulatovic, Predrag Popovic, Andrija Mandic and Ranko Kadic stated publicly that they would not accept the result. Mandic, suggesting that Bosniaks and Albanians should not have been permitted to vote, called for protests.¹³ Bulatovic sharply criticised the outcome, claiming in harsh terms that the government stole it, a charge repeated within Belgrade's nationalist circles. The protests evoked a vigorous response from Lajcak, who referred to them as "politicking" and called on the opposition to behave in a "manly" fashion. Bulatovic subsequently shifted his ground, stating that he would honour his pledge to the EU, although the other opposition leaders maintained their tough line. The opposition filed 241 objections with the RRK, ensuring that the official announcement of the result would be delayed until at least the 29th. As of publication, the RRK had reviewed over 200 of the complaints. With Lipka casting the deciding vote, it dismissed many, sent to the state prosecutor the cases in which someone had been found to vote more than once, and ruled that others were outside its competence.

While the tactics of the unionist leaders in the first days have given cause for some concern, they may be trying primarily to absolve themselves of blame for the loss in preparation for the parliamentary elections later in the year. The daily, *Dan*, which is sympathetic to the unionists, published statements by them that made it clear they would hold the EU responsible for the outcome. This would permit them to capitalise on the anti-Western sentiment in their parties during the parliamentary campaign and claim that once again the Serbs were the victims of the great powers and that they had been robbed.

The Montenegrin government will probably spend the remainder of the summer and early autumn negotiating the break-up with Serbia. Because Serbia retains the international legal personality of the State Union, Montenegro must apply for membership in international organisations such as the United Nations, Council of Europe, and the OSCE. It will also be busy negotiating arrangements with international financial institutions such as the World Bank and International Monetary Fund. The European Commissioner for Enlargement, Olli Rehn, has already stated that he will seek a new mandate to continue the Stabilisation and Association process separately with Montenegro and Serbia at the next meeting of the EU Council of Ministers. There appear to be no formal barriers to wide recognition of Montenegro or its membership

in the international organisations to which the State Union belonged.

As noted, Montenegro will hold parliamentary elections probably in the second half of September. The opposition is presently weak; to date its parties have based their program almost entirely on an anti-Djukanovic stance, dictated in part by Belgrade and have yet to put together a real platform presenting ideas and policies for Montenegro's future. They are also handicapped by a strong reliance on Belgrade's nationalist circles, and the referendum result has left them in disarray. Bulatovic for one is likely to resign from the SNP presidency, although it is uncertain whether his resignation will be accepted. Mandic has already resigned from his party's presidency (SNS), but the party rejected it. Although the pro-union parties could probably retain the 30 per cent Serb vote, there is a likelihood that the referendum loss may cause some of the hardcore supporters to look towards other options.

The only potential new opposition force may be the GzP, the citizens movement led by Nebojsa Medojevic. Prior to the referendum, it enjoyed strong and increasing support, and it was expected to register as a political party to participate in the parliamentary elections. Recent polls, however, show that Medojevic appears to have lost significant popularity following his ill-advised trip to the U.S. This was in part because the media portrayed him as having changed the GzP's position from one of pro-independence to a pro-union stance, which prompted prominent members of the group's leadership to resign in protest. The GzP may now not be able to reconstitute itself sufficiently in time to participate as an effective opposition party in the parliamentary elections.

In Orthodox countries a national church is generally perceived as a requisite part of statehood. All the property of the Montenegrin Orthodox Church (CPC), Montenegro's own autocephalous Orthodox church, was taken in 1918 by the Serbian Orthodox Church (SPC). The CPC reemerged after 1989, but with little power or property. The government will try to weaken the SPC to the benefit of the CPC, because the former plays an important political role among Montenegro's Serbs, particularly in terms of maintaining the nationalist myths. This could mean that properties seized in 1918 may be taken from the SPC and returned to the CPC, which would provoke an angry reaction from Belgrade.

Montenegro's government has a heavy work load ahead of it. In order to stay in power it will need quickly to achieve international recognition, and – no longer able to hide behind the dysfunctional State Union – to begin a real reform process. Lajcak, the EU's representative, has already stated publicly that the EU now plans to hold Montenegro fully accountable for its progress on reforms.

¹³ Even as early as 2002, pro-union politicians were advocating the 55% qualified majority that was eventually adopted by the EU, on the grounds that it would ensure that the result enjoyed the confidence of a majority of "real Montenegrins". Interview with SNP activist by Crisis Group analyst visiting Montenegro in a different capacity, January 2002.

VI. INDEPENDENT SERBIA

President Boris Tadic had stated publicly prior to the referendum that although he wished Montenegro to remain in the State Union with Serbia, he would respect any outcome. Vuk Draskovic, foreign minister of the soon-to-be defunct State Union expressed similar sentiments. Tadic congratulated Montenegro on 23 May and expressed a desire that the two republics have good relations and that Serbia should be the first to recognise Montenegro as an independent country. He followed up by visiting Podgorica on 27 May, where he met with Djukanovic, President Filip Vujanovic and Bulatovic. As president, however, Tadic's power is largely ceremonial. Those who wield true power in Serbia appear stunned by the outcome and appear to be reacting differently.

A visibly shocked Prime Minister Vojislav Kostunica made his first tentative comments two days after the vote, but only after being personally briefed on the outcome by Lajcak. He grudgingly acknowledged the referendum but emphasised that the State Union was a better solution for the two republics and that he would wait until the result was final before commenting. The leaders of the SRS and SPS expressed dismay and concern. Of those in power, only Finance Minister Mladan Dinkic – whose G17+ party had long espoused Serbia's independence from Montenegro – seemed able to comment lucidly and plan for the appropriate next steps.

The Belgrade media – with the exception of the B92 television station and the dailies *Blic* and *Danas* – reported negatively on the referendum and its result. Even *Politika* ran a headline stating, “Montenegro voted for the independence of Serbia”, implying that Serbs had had no say in the matter. Over the following days the media atmosphere was one of sour grapes, as newspapers ran stories declaring that Djukanovic had stolen the election, and hinting that the Albanians had dismembered the State Union with the approval of the EU. Two prominent nationalist ideologues, Matija Beckovic and Ljuba Tadic – the president's father – sent highly publicised letters of protest to the EU. Other reactions in Serbia have ranged from an approach of “we're better off without them anyway”, to anger and betrayal.

For most Serbs the idea of Montenegro turning its back on a union with Serbia is simply unthinkable. When the Slovenes, Croats, Bosnians, Macedonians and Kosovo Albanians left, they could be written off as other national groups that were anti-Serb. But for Montenegro to leave willingly, 70 per cent of whose population is Serbian Orthodox Slav, was simply unthinkable. Serbia and Montenegro are historically intertwined back to the medieval period. The first ruling royal dynasty in modern Serbian history – the Karadjordjevs – was from

Montenegro. President Tadic, Interior Minister Dragan Jovic and BIA (Security-Intelligence Agency) Chief Rade Bulatovic are all Montenegrin, as are many of Kostunica's key advisors. Kostunica himself is of Montenegrin background. The rejection of the State Union and the notion of “all Serbs in one state” came as a slap in the face.

Leading nationalists have yet to comprehend why Montenegro voted to leave or grasped that it was an open rejection of the Greater Serbian project by brother Serbs, and they may not come to terms with the referendum results easily. The Belgrade media is spinning the referendum along several themes, all of which are designed to reinforce Serbs feelings of victimhood. The first theme is that the unionists lost due to the perfidious Albanians, Croats and Bosniaks, i.e. ethnic minorities who wish to see the destruction of Serbia, and question whether an Albanian or Bosniak vote should have counted for as much as a Serbian vote. The second theme is that the election was rigged and the vote was stolen through a falsified voter registry and through people voting illegally. The third theme is that the European Union (i.e. Lipka and Lajcak) presided over and approved of the electoral fraud. The combination of these themes leads to an atmosphere where Serbian nationalists will be able to portray themselves as victims of other ethnic groups and the “perfidious” West. It sets the ideological stage for a refusal to accept the results or a qualified acceptance, and could provide Serbia a rationale for continued meddling in Montenegrin internal affairs.

As this briefing went to press, Premier Kostunica was still silent on the matter and had refused to accept the preliminary tally as the basis for making good his promise to the EU, choosing to wait instead until the RRK completed the review of complaints and announced the official result. Officials from Kostunica's Democratic Party of Serbia spoke publicly of the referendum outcome as the result of fraud. In a worst case scenario, it is entirely possible that Kostunica may chose not to accept the results publicly and instead refer the matter to the Serbian parliament. Given the composition of that body, particularly the strength of the Radicals, SPS and DSS, it is entirely possible that any resolution it passed would concentrate almost entirely on Serbian independence, refusing to accept the referendum results while citing irregularities or doing so only grudgingly, or conceivably even not mentioning Montenegro at all. Such an outcome could cause Serbia to make difficulties in the negotiations over the break-up. If this happens, the EU should be prepared to step in quickly and mediate.

As it became evident that the independence camp had cleared the 55 per cent hurdle, it also became obvious that Serbia had made no plans for the contingency. In spite of Montenegro's urging that the two republics' governments discuss future relations prior to the referendum, Serbia

had steadfastly refused. It immediately became evident that the Serbian government would need to add several new ministries, including defence, human and minority rights, and foreign affairs, which are currently responsibilities of the State Union. It would also need to change the government's statute, and perhaps even the constitution. There are numerous unresolved issues regarding state symbols, such as the flag, hymn and seal, as well as new jurisdictions of ministries. There is also the unresolved matter of appointing a new deputy premier, to fill the vacancy created by Miroljub Labus' resignation in protest over Serbia's failure to arrest and transfer Ratko Mladic. But in order to resolve these issues, the government may have to go to parliament, where it has a wafer-thin majority and is at the mercy of the SRS and SPS. The possibility also exists that the DSS could turn to Tadic's DS for support, in exchange for which the DS might demand that Kostunica set a firm date for parliamentary elections. To further complicate matters, it appears that a struggle has begun between Tadic and Kostunica over control of the army, with Kostunica wanting to wrest away Tadic's constitutional powers as commander in chief.

Already the SRS and SPS are making demands, mostly for appointments to parliamentary committees that will enable them to exercise power behind the scenes, while avoiding the responsibility of being in government when Kosovo is lost. The SRS leader, Tomislav Nikolic, has repeated his ritualistic but insincere call for new elections, but even though the Radicals are Serbia's largest parliamentary party, with new highs in opinion polls, there is little reason to believe they wish to come to power now and accept responsibility for losing Kosovo. President Tadic's Democratic Party (DS) also appears wary of this. On the other hand, the governing coalition parties, the DSS and G17+, fear new elections; the former could see its parliamentary seats reduced by half, while the latter would quite probably fail to pass the 5 per cent threshold necessary to enter parliament. Therefore, the current government will probably weather this crisis, weakened and increasingly powerless, at the mercy of the SRS and SPS.

Serbia's already confused political scene will probably continue as before, lurching from scandal to scandal, without any real overall policy direction, all the while become more isolated and reactionary. The only issue that will continue to focus attention will be Kosovo, and it is here that Belgrade's inability to accept new political realities and adapt to the current diplomatic context could potentially prove disastrous for the ongoing Kosovo decentralisation talks and the impending status decision.

Precisely because of Serbia's confusion, its strong support for Montenegro's unionists, and the potential for nationalists to continue to foment unrest inside Montenegro, the EU and international community should make it clear to the

unionist opposition and official Belgrade that they must respect the pledges they made when they signed on to the referendum process, and acknowledge the referendum results. NATO could play a role in easing tensions by assisting Montenegro to move rapidly towards Partnership for Peace.

VII. REGIONAL FALLOUT

Montenegrin independence should have an overall positive effect on stability in the western Balkans. Bosniaks, Croats, Slovenes, Albanians and Macedonians are all openly pleased with the outcome, which they feel marks the death knell of the Greater Serbian project that generated so much violence during the 1990s. It may lessen the imperative for Serbs living outside Serbia to push for union with the "mother country", now that "brother Serbs" have rejected the idea of "all Serbs in one state". In the long run it could have a particularly salutary effect on Bosnia and Herzegovina and discourage Republika Srpska (RS) from being tempted by Serbian nationalists seeking compensation for losing Kosovo. In the short and medium term, however, recent statements by RS Premier Dodik have indicated that a referendum might be in the cards, particularly as Kosovo status approaches and as Bosniak politicians push the RS for compromises on constitutional reform. Given that this is an election year in Bosnia, Dodik's statements may be no more than rhetoric. Nonetheless, the international community, in particular the High Representative Christian Schwarz-Schilling – who retains for the present full Bonn powers – made it clear on 29 May that partition of Bosnia is not on the agenda, whether in "compensation" for Kosovo or for any other reason.¹⁴

All Montenegro's other immediate neighbours have already sent their congratulations and expressed their willingness to open diplomatic relations upon official confirmation of the result. Croatia is particularly pleased, as it should lead to the rapid resolution of the long-standing dispute over the Prevlaka peninsula, occupied by the Yugoslav army in 1991 and which Belgrade has refused to return despite the urging of the Montenegrin government. In Bosnia and Herzegovina, RS Premier Milorad Dodik enjoys cordial relations with Djukanovic, and Montenegro and the RS are expected to continue close cooperation in energy production. Relations with the Kosovo provisional institutions of government (PISG) are cordial, and Montenegro is praised by Kosovo Albanians and the Albanian government for its treatment of its Albanian minority and its acceptance of travel documents from the UN Mission (UNMIK) and Kosovo vehicle registration

¹⁴ See OHR press statement, "Need for Responsible Political Leadership", 29 May 2006 at <http://www.ohr.int/>.

plates, as well as memories of Montenegro's welcome for refugees from Kosovo in 1999.

The Montenegrin process, however, is not analogous to Kosovo. To ensure a peaceful and stable outcome to the referendum, the EU needed to get the buy-in of three parties: Belgrade, the unionist opposition, and the Montenegrin government. It was able to gain the acquiescence of all three due to the fact that each felt victory was within reach. Had the opposition (or Belgrade) felt it stood no chance of winning, the referendum would have been boycotted. Had the government felt that the 55 per cent threshold was unreachable, it would have refused the EU's terms. No similar scenario applies to Kosovo, where any independence referendum will be nothing more than an ethnic census of Kosovo's electorate, with an assured 80 per cent voter turnout or higher, and an assured 90 per cent margin in favour of independence.

In the meantime, official Belgrade is still in shock from the loss. Its ability to formulate rational policy in keeping with Serbia's policy needs and the international diplomatic environment is clearly suffering. Much will depend on how Premier Kostunica responds, and whether he has the courage to stand up to the nationalist winds blowing through the Belgrade media.

Podgorica/Belgrade/Brussels, 30 May 2006

APPENDIX

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with nearly 120 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made available simultaneously on the website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policy-makers around the world. Crisis Group is co-chaired by the former European Commissioner for External Relations Christopher Patten and Boeing's Senior Vice-President, International Relations and former U.S. Ambassador Thomas Pickering. Its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

Crisis Group's international headquarters are in Brussels, with advocacy offices in Washington DC (where it is based as a legal entity), New York, London and Moscow. The organisation currently operates fifteen field offices (in Amman, Belgrade, Bishkek, Bogotá, Cairo, Dakar, Dushanbe, Islamabad, Jakarta, Kabul, Nairobi, Pretoria, Pristina, Seoul and Tbilisi), with analysts working in over 50 crisis-affected countries and territories across four continents. In Africa, this includes Angola, Burundi, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Liberia, Rwanda, the Sahel region, Sierra Leone, Somalia, Sudan, Uganda and Zimbabwe;

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