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Shaping the Future in Montenegro

Civil society's questions and answers to current issues

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The **Südosteuropa-Gesellschaft (SOG)**, with financial support of the **German Federal Foreign Office**, organized in November 2015 in Landshut an international workshop on Montenegro, which brought together a number of researchers, policy makers, journalists and diplomats from Montenegro, Germany and the institutions of the European Union (EU). *Chatham House Rule* was applied, i.e. participants were free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

EXECUTIVE SUMMARY

NATO Accession

- Accession to NATO would push the country's orientation to the West, and on the other side help to meet the remaining challenges domestically and will trigger a new political dynamic in Montenegro. Hopes were raised that NATO membership ahead helps to improve the rule of law and to complete the security sector reform.
- Montenegro's stance vis-à-vis **Russia** has various components. It was marked by a further shift towards the West when the country joined the EU sanctions against Russia in 2014. NATO invitation to Montenegro is seen by Moscow as a provocation. Besides security implications, NATO membership may also have economic ones as Russia was the second-

largest source of foreign investment in Montenegro. The Serbian Orthodox Church was named as an important factor of Russian influence in Montenegro.

- There is a large debate in Montenegro about NATO accession and according to public opinion polls **citizens are divided regarding NATO membership**. It was also underlined that Montenegro has partly a pro-Eastern oriented society. Although the Parliament of Montenegro on 17 September 2015 passed with absolute majority a resolution supporting NATO integration, a significant part of the opposition opposes NATO membership and advocates neutrality. According to some participants in the discussion, the will of the people should be respected and a referendum should take place.

EU-Integration

- The debate intensively focussed on a widely perceived **discrepancy between the assessments** made in the latest “EU Commission Montenegro report” **and the real situation** on the ground.
- Montenegro is the only country which has opened 20 out of 35 chapters so far. But naming Montenegro as “leader in the region” will only be misused by the political elite and not lead to more EU related reforms. Initiatives like the “Berlin Process” were regarded as extremely important. Yet, it was also stressed that the EU should show a clearer commitment that it remains focussed on the Balkans.
- It is essential to **communicate on EU integration** with the public and to inform ordinary citizens what EU integration really means. Montenegro already for 10 years has been part of the EU accession process and in transition for more than 20 years. Much more room for proactive and involvement of the EU Commission and for clarification on the report in some very specific areas is needed. The challenge is how to keep the people and the government focussed on the reform agenda.
- **EU accession** is not only about the technical progress, but **also about values**. The EU Commission should not only concentrate on the adoption of laws. Adoption does not guarantee that they are also functional and appropriate. EU membership does not prevent from backsliding towards illiberal democracies. So far Montenegrins have succeeded to reach only one social consensus - i.e. about the EU integration. It was suggested to better use this consensus with regard to European values.
- The last 15 years Montenegro has been living between **standards and stability** and has always lost standards for the sake of stability. Montenegro was called an excellent example how a state is stable according to the parameters the EU. It was recommended that the EU should re-think its approach in order to find ways how stabilisation could go along with democratisation. Nevertheless, the EU enlargement process is needed even there is the conflict / (in)balance between stability and standards. The EU must be much stronger and more visible in Montenegro also in order to prevent other political foreigners to influence – such as Russia, Turkey and China.

National Domestic Governance

- **Montenegro** is the only country in Europe that has **never experienced a change of government with elections**. For this reason, Montenegro must not be regarded as a

functional democracy. Milo Đukanović holds a record of being 26 years in power. As a result, the country is challenged by an autocratic political culture and practice.

- Montenegro is a **politically divided society**. The only issue where it is possible to reach large consensus among political actors is EU integration (63.7%). The lack of dialogue in substance between the opposition and the government and within the ruling coalition itself is a serious matter of concern.
- The **opposition is divided** and neither has a unified stance nor a joint strategy to combat the strong monopoly in the hands of one man or one party. The question remained open, how the opposition could be successful under these circumstances. The autocratic regime does not seek constructive relations with the opposition but instead fights against it with any means - many of them illegal and unacceptable.
- The **EU was asked to take over the role of a mediator** between the political parties and even within the opposition. Thus the most important role of the EU in the next months and until election should be to moderate and to help Montenegro to meet conditions for free elections. Others stated that asking for the EU to mediate and to sort out the political mess could be regarded as abdication of responsibility of the political actors in Montenegro.
- Long standing tactics of electoral fraud by the ruling coalition have caused a grave institutional and constitutional crisis. Thus participants articulated demands for **free and fair elections**. 18 months after changes and amendments to the electoral law they are still not implemented. It was stated that the electronic identification of voters could be implemented as a pilot project during the municipal elections in March 2016. Hopes were expressed that finally Đukanović will accept a dialogue on the formation of a **transitional government** to organise the elections.
- However, there is a part of the population that is quite happy with the situation or at least accepts it as it is. The opposition parties are failing to connect with these voters. Thus, even with free and fair elections, the outcome most probably could be that the main ruling party will remain the main ruling party.
- With the elections ahead some expressed their concerns about the **political culture** in Montenegro. In the ongoing political process some people question the legitimacy of the elections. There is a lot of opting out which leads to the question, whether this kind of political culture is following the model of neighbouring countries, i.e. creating instability. The trust in institutions is very low.
- There is no clear separation between state and political parties. Overall there is an interdependence of the recruitment of civil service, of the separation between politics and political parties and state administration. Montenegro has an **opportunistic political culture** by the way how public administration is organised and by the way civil servants are recruited.
- Montenegro has to cope with problems related to **corruption**, to **organised crime** and nepotism and **has failed** so far with a robust **judiciary reform**. It was claimed that there is only a fake fight against corruption. The entire anti-corruption campaign has led to sanctioning in individual cases. The Anti-Corruption Agency has just been established under dubious circumstances. Corruption is also a widespread phenomenon in the education system, mostly in higher education.

- **Citizens** are important but often **neglected stakeholders**. They can put pressure and actively engage in finding solutions. Policies are not following the real interest of citizens and decision makers are de-touched from the population. Environmental issues are uniting citizens in their activism and in their participation. Montenegrin government has been very active in introducing E-governance and online tools for participation. But they are ineffective and only good on paper and thus not really improving participation.

Media Freedom

- The overall picture on the situation of the media presented during the workshop was bleak. Independent media in Montenegro are financially discriminated through cuts in advertising, unlawful subsidising of government media as well as through court proceedings and occasionally physical and verbal violence.
- **Public financing of media** in Montenegro were regarded as unregulated, uncontrolled and opaque. Authorities would use state funds for pressure on media and undermining competition. Public broadcasting was considered as a tool for Milo Đukanović to attack the opposition. It was recommended that media should be obliged to publish their funding.
- Unfair competition from Belgrade and TV outlets has an impact from outside. The government made also use of Russian investors and promotes the influence of **Serbian media**. According to some data the most popular media in Montenegro are not Montenegrin.
- The **Agency for Electronic Media** was characterized as a corner stone of reforms with regard to the separation from the state and prevention of political influence. The laws regulating the media market are in line with the EU Acquis. Yet these regulations were undermined. The Agency has only limited resources. The Agency doesn't have the capacity and thus not the legitimacy.
- The **media landscape in Montenegro is deeply and widely politicised**. The EU Commission should not use the stereotype of media division which is the result of government subsidies, competition and market conditions.

Civil Society (CSO)

- There are some strong CSO actors in Montenegro, but it seems to a clear **distinction line between NGO and opposition is difficult**. Non-governmental organisations (NGOs) are political, regardless of how much their activities are liked or disliked by the authorities or by the opposition. But NGOs are not political parties.
- **NGOs are attacked** and publically or by various other means **obstructed in their work**. Government and opposition parties are often irritated by independent and critically oriented NGOs and media. Sometimes CSO activists are targeted by the authorities and opposition, trying to discredit their professionalism and their respective organizations. Civil society still represents a crucial part of the opposition and does **not only need funds from the EU**, but also **political support** from EU and its member states.
- Civil society should involve young people in particular. **Young people** are almost excluded from politics and almost desperate whether to see their future in Montenegro or elsewhere. It was also advocated to look at the local level, in particular where **minorities** live.

- A **synergic work of local and international stakeholders** could be beneficial. Regrettably local initiatives are little supported particularly by international actors and thus the momentum gets lost. Synergy and coordination of politics are needed. CSO needs to reflect upon its role and to come to terms with creative solutions and solidarity.

Economy

- **Macro-economic data** are not so worrying compared with other Western Balkan countries, but they **are worrying for a country in EU accession** negotiations. Public deficit is at 2.1 bln Euro or 65 % of GDP, with a rising tendency. Budgets are wasted for financing losses (KAP aluminum factory) or channeled to the “friends of the government”. Unemployment is at 18 %, youth unemployment at 40 %.
- There are **no visible results in restructuring state owned companies** and privatization. State money is wasted for big questionable projects.
- Structural reforms are urgently needed most notably for attracting **investments** from EU. There is little investment in SMEs and professional education. Investments come from countries with weak rule of law, e.g. Arab countries, Azerbaijan, Russia, and China.
- There is a **high dependence** of the economy from **tourism**, accounting for 20 % of the GDP. The mountainous north of Montenegro has a huge potential for eco- tourism and is largely neglected by planners and investors alike. The tourism Masterplan of 2008, developed with German support (DEG, GTZ) was not implemented.
- There is an Action Plan for social policy, but **social politics** are considered to be coincidental and **inconsistent**.

Environment

- Montenegro is the first state labeled as “ecological” in its constitution, but there is ample evidence that the **protection of the environment** is neglected due to short-term business interests.
- Environmental issues are not “on the minds” of neither politically oriented NGOs nor the opposition media. Interest of the central government and municipalities differ. There is a chance to put more pressure from the CSO on local governments.
- Research throughout Montenegro has revealed the existence of 11 major illegal **landfills** near rivers (Ibar and Tara), as well as 350 illegal **dump sites**. None of the proposals for rehabilitation of industrial **waste** are yet realized. Waste water treatment is often non-existent. Small hydro power plants are built and run by Đukanović’s family and friends.
- **Salina in Ulcinj** is a place for traditional production of marine salt, unique place for biodiversity and one of the most important rest places for migrating birds at the Adriatic. This natural resort is a case where ruthless business interests close to the ruling elite ruined the salt production in order to construct a holiday resort. Obviously, only thanks to the engagement of activists from Ulcinj, local and international NGOs like CZIP and EuroNatur, some EU ambassadors and support from the EU Commission and European Parliament the destruction of the Ulcinj Salina could be so far prevented.

REPORT

NATO Accession

The question, whether Montenegro should be invited to join NATO has been discussed intensively and with a strong emphasis on its implications for the future. On the one side, it was argued that accession to NATO would push the country's orientation to the West, and on the other side help to meet the remaining challenges domestically and that it will trigger a new political dynamic in Montenegro. Hopes were raised that NATO membership ahead helps to improve the rule of law and to complete the security sector reform. It was stated that the reason why the current ruling coalition between the DPS (Democratic Party of Socialists) and the SDP (Social Democratic Party of Montenegro) still functions is the invitation to join NATO. However, reservations were raised in the discussion that NATO membership invitation is not to reward democratic standards, but primarily based on geo-political security considerations. Therefore, NATO membership is not a guarantee to alter the level of democracy and the rule of law in a short-term perspective.

Russia and NATO membership of Montenegro: Neighbouring Albania and Croatia are already NATO members, while Serbia is the only country in the region that declared military neutrality and in 2013 has signed a Strategic Partnership and a Bilateral Agreement on Military Cooperation with Russia. Immediately after independence in 2006 EU and NATO integration became the main two priority foreign policy goals of Montenegro. Montenegro's stance vis-à-vis Russia has various components. It was marked by a further shift towards the West when the country joined the EU sanctions against Russia in 2014. NATO invitation to Montenegro is seen by Moscow as a provocation. One participant reminded on US State Secretary John Kerry's statement of February 2015: "When it comes to Serbia, Kosovo, Montenegro, Macedonia and others – Georgia, Moldova, Transnistria – they are in the line of fire". Besides security implications, NATO membership may also have economic ones as Russia was the second-largest source of foreign investment in Montenegro. Strategic economic sectors, such as tourism, are dependent on the Russian market and on Russian capital. For Russian investors, as noted by the *New York Times* in February 2008¹, Montenegro has become "Russia's window of opportunity". Discussants underlined that Russian citizens own many important locations on the Montenegrin coast, including some elite hotels and made up to 30 % of all foreign tourists in 2014/2015. The Serbian Orthodox Church was named as an important factor of Russian influence in Montenegro. Prime Minister Đukanović was called the once strongest supporter of Russian business in the country, despite following EU policy at the time.

Public support – concerns: On 20 November 2015 the Russian Embassy in Podgorica issued a statement from the Russian Duma Committee on International Affairs that membership in the Alliance is neglecting the will of the people in Montenegro. There is indeed a large debate in Montenegro about NATO accession and according to public opinion polls citizens are divided regarding NATO membership. Yet, participants in the workshop reminded that different surveys are sending different messages about the public support. "If we would ask Prime Minister Milo Đukanović", one discussant stated, "he would say that the support is 150 % now. Public support of NATO integration ranges between 37 to 42 % and between 48 to 55 % depending on the methodology and on the part of Montenegro where the poll has been conducted". Yet it was also underlined that Montenegro has partly a pro-Eastern oriented society. Although the Parliament of

¹ <http://www.nytimes.com/2008/10/31/world/europe/31iht-balkans.4.17424430.html>

Montenegro on 17 September 2015 passed with absolute majority a resolution supporting NATO integration, a significant part of the opposition opposes NATO membership and advocates neutrality. According to some participants in the discussion, the will of the people should be respected and a referendum should take place. Political discourse and atmosphere were characterized as rather tense; people who currently think that there is another solution than membership in NATO are denounced as an “enemy of the state” or as an “enemy of Montenegrin independence”. But arguments in favour of NATO membership also differ. While according to one speaker the ruling party wants to use NATO accession to preserve power and to save the incumbent government, others want to join NATO because of the overall orientation of the country. The latter hope that NATO membership will contribute to improve the weak Montenegrin institutions, which are considered as corrupt in particular in the public, the civil and in the business sectors. There is hope that the road towards NATO will positively change the entire society. Finally, one participant regretted that the discussion on NATO membership concentrated too much on either pro or con positions, but missed any debate on alternative policy options, like military neutrality.

EU-Integration

Propaganda instead of results: “While NATO first invites and then negotiates, the EU first negotiates and then invites”, one participant stated. The annual country reports on EU candidate countries are no more called “progress reports” and do not include the word “progress” anymore in the title. The debate intensively focussed on a widely perceived discrepancy between the assessments made in the “EU Commission Montenegro report”² and the real situation on the ground. While some stated that the last report became almost irrelevant, others actually found it quite well balanced by stating in the beginning that some progress has been achieved but then actually presenting a more realistic and critical view of the situation. The question was raised whether the EU needed a country that is successfully on the integration track. Montenegro is the only country which had opened 20 out of 35 chapters so far. So from the EU perspective it may be a political decision to state “you are leading in the region” in order to proclaim that the enlargement process is still alive. But naming Montenegro as “leader in the region”, one speaker critically mentioned, will only be misused by the political elite and not lead to more EU related reforms. Initiatives like the “Berlin Process” were regarded by the participants as extremely important. Yet, it was also stressed that the EU should show a clearer commitment that it remains focussed on the Balkans.

What does it mean when Montenegro in the EU annual report is assessed to have made moderate progress in some criteria and received the overall score of 3 (of maximum 5 score points)? Interpretations vary: for some this is a very low score, while for the current government in Podgorica the score of 3 is assessed as positive and as a proof that this government is doing a good job. However, as it was argued in the discussion, for anyone who has read the report it is very clear that no or only little progress has been made in fundamental areas (i.e. the electoral framework, media, public administration, public procurement, academic education, judiciary, police and security service). To the contrary: According to this opinion, there is an increased abuse by the state. Thus, the country is still at the very beginning of the EU-integration process. To another opinion the picture is not as bleak: In rule of law considerable changes in the legislation in coordination and cooperation with Brussels and the Venice Commission could be achieved, new institutions like the Special Prosecutor Office, the Supreme Court, and the Anti-Corruption Agency are already or will be in place.

² http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_montenegro.pdf

But yes, a solid track record in public administration and economic reform (where macroeconomic shortcomings have been identified, suggestions have been made and a strategy has to focus on some sectors to develop) is still missing.

It was underlined that it is essential to **communicate on EU integration** with the public and to inform ordinary citizens what EU integration really means. If one agrees that the score of 3 is not a good one, something has to be done in order to interpret that score and to explain that to the public and in particular to the government. An open and broad debate should be kicked-off from inside on whether EU integration is worthwhile or a project that is driven by the political elite only. Another plea was that the EU Commission should become much more proactive, open, and much more inclusive; it was recommended that soon after the annual reports were published, an EU delegation from Brussels together with civil society (CSO) representatives, opposition and the government should explain to the public what each of the recommendations in the report mean and how they should be addressed. Another participant argued that the EU delegation in Podgorica - which according to that opinion is doing a good job - is now under severe stress, because the government machinery is doing everything to undermine it. It was argued that the EU ambassador is denounced and abused by the government. Much more room for proactive involvement of the EU Commission in explaining the report is needed. The challenge is how to keep the people and the government focussed on the reform agenda. For politicians - due to their four years mandate - EU integration is not the highest priority. EU integration should mean a major shift and the transformation process is not a quick fix. Therefore, EU Commission President Juncker's statement that there won't be any EU accession under his term in office was right, one discussant underlined. But, another participant asked in response, what would happen if Iceland decides to join – does the EU let Iceland wait for five years?

Montenegro already for 10 years has been part of the EU accession process and in transition for more than 20 years. For ordinary people it is important to know how long this process will go on. The EU integration process and the opening of the negotiations are the main transformative power that pushes for reforms in Montenegro. However, it was stressed, that EU accession is not only about the technical progress, but also about **values**. The EU Commission should not only concentrate on the adoption of laws. Adoption does not guarantee that they are also functional and appropriate - Montenegro already has laws with construction mistakes. The current EU enlargement, one discussant argued, is unable to deal with autocracies in the Balkans. Furthermore, EU membership does not prevent from backsliding towards illiberal democracies. So far Montenegrins have succeeded to reach only one social consensus - i.e. about the EU integration. It was suggested to better use this consensus with regard to European values. On the other hand, the question was raised, how one can really motivate for reforms if even EU member states like Hungary develop autocratic structures? Furthermore, Bulgaria and Romania joined the EU in 2007 and are still under the Verification Mechanism because even eight years after accession they are not able to implement the rule of law. In addition, one speaker asked, whether the EU can indeed rely on the transformative power of the enlargement process and on the criteria set in the Acquis as such, if from January – July 2016 125.000 people from the Western Balkans, including more than 3.000 from Montenegro, left their countries, looking for a better live. According to one point of view, Montenegrin foreign policy is not based on the social-economic needs of the citizens but a foreign policy of the followers of the EU which is not reflecting the interest of Montenegrin citizens.

The last 15 years, it was argued, Montenegro has been living between **standards and stability** and has always lost standards for the sake of stability. Montenegro was called an excellent

example of a stable state according to the parameters the EU. It was claimed in the discussion that the country was a sort of collateral damage of the stability doctrine, because it doesn't have the potential to create problems in the region. Stability became the magic word which has turned into the opposite when it comes to consolidate the democratic processes. To this view, the entire process of stabilisation has rather stabilised autocratic leaders in the region. It was recommended that the EU should re-think its approach in order to find ways how stabilisation could go along with democratisation. Another speaker noted that big issues, like neighbourly relations with Serbia, arresting Karadžić and Mladić and the cooperation with ICTY, or the recognition of Kosovo, and currently Montenegro's NATO integration were used by the government to dismantle or delay standards and not resulted in reforms. Because of that Montenegro will need many years more to deal with corruption and organised crime. Further to the issue of stability, one participant noted that today, Europe and the Western Balkans have to cope with the new challenge of radical Islam in a region which traditionally has been rather secular. Doubts were raised whether the local governance has the power and knowledge to meet this problem. Nevertheless, all agreed to the notion that the EU enlargement process is inevitable even if there is the conflict / (in)balance between stability and standards. But the EU must be much stronger and more visible in Montenegro also in order to prevent other political forces' influence – such as Russia, Turkey and China.

National Domestic Governance

Montenegro is the only country in Europe that has never experienced a change of government through elections. For this reason, Montenegro must not be regarded as a functioning democracy, as many participants underlined. Milo Đukanović holds a record of being 26 years in power. As a result, the country is challenged by an autocratic political culture and practice. In September 2015 the "Democratic Front", a coalition of some opposition parties, started to boycott the parliament and organized demonstrations in front of the Parliament demanding a transitional government which should organize the next parliamentary elections. According to the Democratic Front's the protests articulated a huge dissatisfaction and energy towards reforms. It was commonly agreed that there won't be any real reforms as long as Đukanović stays in power. On the other hand, the opposition is divided and neither has a unified stance nor a joint strategy to combat the strong monopoly in the hands of one man or one party. The question remained open, how the opposition could be successful under these circumstances. Participants noted that the autocratic regime does not seek constructive relations with the opposition but instead fights against it with any means - many of them illegal and unacceptable. For example participants noted that the government offers bribes or blackmails opposition. Many of the opposition members are taped and considered as state enemies. Laws drafted by the opposition are not put on the agenda in the parliament – and not even discussed.

Under these difficult circumstances, participants asked the **EU to take over the role of a mediator** between the political parties and even within the opposition. Thus the most important role of the EU in the next months and until election should be to moderate and to help Montenegro to meet conditions for free elections. Others stated that asking for the EU to mediate and to sort out the political mess could be regarded as abdication of responsibility of the political actors in Montenegro. Both, the ruling coalition and the opposition, are responsible for the situation in the country. Neither the Bosnian nor the Macedonian scenario was appropriate. The political crisis should be overcome within the parliamentary structure. A discussant regretted that some representatives of the opposition consider boycotting the Joint Parliamentary Committee with the

European Parliament. This joint committee may not bring miracle solutions, but the joint committee is co-chaired by a member of the European Parliament and can offer a decent forum to make one's points.

Long standing tactics of electoral fraud by the ruling coalition have caused a grave institutional and constitutional crisis. Thus participants articulated demands for **free and fair elections**. Some held the view that the EU has some responsibility for the political crisis. 18 months after changes and amendments to the electoral law they are still not implemented. It was stated that the electronic identification of voters could be implemented as a pilot project during the municipal elections in March 2016. Some modifications of the electoral laws proposed by the opposition have been endorsed (electoral education of voters at the local level) but others have been overturned by the DPS and by the Constitutional Court. But, as another discussant argued, good laws and good legislation structures are not enough. Even though electoral laws have been changed, the DPS won in the local elections in 2014 despite of almost 800 individual remarks and complaints about irregularities only in Podgorica. The relevant institutions did not react and dismissed all of them. It was recommended to think about public administration reform in relation with elections, because it is exactly the administration which is supposed to keep the record and to prepare the elections. According to one participant the protests have shown certain results, i.e. a consensus within the opposition on a) that Đukanović's government cannot organise fair elections; b) that the opposition will not participate in elections if the demands of the opposition are not met; and c) a call on those opposition parties in parliament to leave the parliament and to show that the ruling government has no legitimacy. Hopes were expressed that finally Đukanović will accept a dialogue on the formation of a transitional government to organise the elections. However, according to another participant's view, there is a part of the population that is quite happy with the situation or at least accepts it as it is. The opposition parties are failing to connect with these voters. Thus, even with free and fair elections, the outcome most probably could be that the main ruling party will remain the main ruling party.

With the elections ahead some expressed their concerns about the **political culture** in Montenegro. In the ongoing political process some people question the legitimacy of the elections. There are 19 different political parties in parliament, with one MP who changed within his four year mandate political parties three times. Thus, there is a lot of opting out which leads to the question, whether this kind of political culture is following the model of neighbouring countries, i.e. creating instability? The trust in institutions is very low. Montenegro is a politically divided society. The only issue where it is possible to reach large consensus among political actors is EU integration (63.7%). The lack of dialogue in substance between the opposition and the government and within the ruling coalition itself is a serious matter of concern. There is no clear separation between state and political parties. Even the coalition agreement includes issues which are in contradiction to principles of the state and sometimes even of those of human rights: For instance, the coalition agreement includes regulations regarding the employment of members of the coalition parties which are not in compliance with the law on employment of civil servants based on merits and skills. Overall there is an interdependence of the recruitment of civil service, of the separation between politics and political parties and state administration.

To one discussant's opinion Montenegro has an opportunistic political culture by the way how **public administration** is organised and civil servants are recruited. Although the new law was supposed to introduce a merit based recruitment system in state administration, merits are not decisive criteria. The extra paragraph in the law that the head of the authority may exceptionally not

choose the best candidate is a general rule by now. General directors and secretaries in the ministries should be civil servants. They are by the law, but in reality they are under political influence and have a clear party affiliation. 78 directors general, secretaries and heads of authorities are members of the DPS advisory board. The DPS and the state have grown together. Especially the DPS uses state institutions for its own party politics. The relationship of Đukanović with the state was summarized by the statement of Louis XIV “the state is me”. There is a complete failure of internal reorganisation of the public sector. As a result, instead of a decrease of employees in municipalities there is an increase - especially in election years, which is also a proof for public employment in exchange for political party support. It was stated that those people who might be satisfied with the situation are presumably those who don't want to lose the only income they have by working for the governmental or local institutions.

Another issue discussed was **corruption and serious deficiencies in the rule of law**. Montenegro has to cope with problems related to corruption, to organised crime and nepotism and has failed so far with a robust judiciary reform. It was claimed that there is only a fake fight against corruption. The entire anti-corruption campaign has led to sanctioning in individual cases. The elimination of systemic corruption of respective political and economic subjects should be in compliance with rule of law. Up to now, cases and trials stopped at the local level and never went up full chain. The vast majority of cases were in Budva, where, according to one opinion, the processes are politically controlled and where none of them have resulted in final verdicts up to now. The Anti-Corruption Agency has just been established under dubious circumstances. There were attempts to close meetings of the Anti-Corruption Council for the public, e.g. for non-governmental Organisations (NGOs). Furthermore there are still vacancies in this institution. The budget allocation for the Council is a reason for concern. Another issue is the weak cooperation between police and prosecution when it comes to the fight against high level corruption. The head of the special police which is supposed to cooperate with the special prosecution has not been appointed yet. One participant stressed that corruption is a widespread phenomenon in the education system, particularly in higher education. Plagiarism is wide-spread and diplomas can be easily bought. This again creates problems for the “customers” of shady academics, who may put lives or fates of people at risk, for example, physicians or lawyers. Corruption in education, being an obvious phenomenon, should be much more used as an argument by opposition and civil society in their political work.

Citizens are important but often neglected stakeholders. They can put pressure and actively engage in finding solutions. According to an opinion poll 11.7 % of population are members of political parties, which is more than double compared to the EU average. Yet, one fourth of those declared that they are not interested in politics. To the opinion of one speaker this indicates that being member of a political party obviously means something else than political interest and engagement - employment, permit for buildings? Politics, it was argued, are not following the real interest of citizens. Decision makers are de-touched from the population. It was suggested that civil society and media are channels for expressing the interest of citizens. Citizens would rather go to the media to complain than to the proper institution. There are examples of media campaigns by citizens about misuse of official state resources. Thus, citizens want to be involved, to monitor and to hold institutions accountable. Environment is another relevant issue where citizens engage. Environmental issues are uniting citizens in their activism and in their participation. Tara River hydro power plant was mentioned as one example where citizens created pressure strong enough to shift the agenda of policy makers. It was critically remarked that despite Montenegro being a small country local issues are prevented from becoming public with their wider implications. Some CSOs,

like the Civic Alliance, try to raise some of the local issues to the national level and to the attention of other municipalities. Finally to this point: the Montenegrin government has been very active in introducing E-governance and online tools for participation. But they are ineffective and only good on paper and thus not really improving participation. One of the explanations offered in the discussion was that there is also pressure on CSOs. People fear power, are not aware of their rights and thus become “economic hostages” and “manipulated” – both phenomena used by political parties as well as by media and to some extent by the CSO.

Media Freedom

The overall picture of the media situation presented during the workshop was bleak. Independent media in Montenegro are financially discriminated through cuts in advertising, unlawful subsidising of government media as well as through court proceedings and occasionally physical and verbal violence. Not one serious physical attack of overall 31 **aggressions against journalist** in the past years - including the case of Tufik Softić - has been seriously investigated and prosecuted. After seven years the prosecution closed the investigation in the case of Tufik Softić. The murder of the editor-in-chief of daily Dan, Duško Jovanović, on 27 May 2004, remains unresolved.

Public financing of media in Montenegro was regarded as unregulated, uncontrolled and opaque. Authorities would use state funds for pressure on media and undermining competition. It was estimated that state and public enterprises advertise more than 90 % in pro-governmental oriented media. Public broadcasting was regarded as a tool for Milo Đukanović to attack the opposition. It was recommended that media should be obliged to publish their funding. They should disclose whether they receive state aid or subsidies, and publish their ownership structures focussing on links with politics and business. According to one discussant the government has 40 million Euro for that purpose. In addition, unfair competition from Belgrade and TV outlets has an impact from outside. It was further noted that the government made also use of Russian investors and promotes the influence of **Serbian media** - for instance the Turbofolk TV station, Pin M was mentioned. When they entered the Montenegrin market the transmitter was put on the public Radio and Television RTCG (Radio i televizija Crne Gore) building. Generally there is little quality production in broadcasting. So far digital developments are not taken seriously in Montenegro. According to some data the most popular media in Montenegro are not Montenegrin. It was noted that the EU Commission is aware of the problems and scored media with 2 (out of 5). But Brussels did not put pressure on the government and support media freedom by promoting a competitive and free market. The EU could sanction through the national IPA programs.

The **Agency for Electronic Media** was characterized as a corner stone of reforms with regard to the separation from the state and prevention of political influence. The laws regulating the media market are in line with the EU Acquis. Yet these regulations were undermined. The Agency has only limited resources. The Agency doesn't have the capacity and thus not the legitimacy. Interference comes usually through appointment procedures (regulators). Initially CSO should have the right to appoint representatives in the Agency, but now CSOs are denied this right and only entitled to propose somebody. The final decision lies with the parliament. The practice of overnight revisions of laws without discussion was regarded critically despite respective EU Commission demands. CSO recommendations for legal documents were ignored. It was stated that there are no instruments to enforce the law.

One participant appealed not to wait for the next EU Commission report. The law on state aid should be more transparent since it could offer a “powerful tool”. Proper regulation of the media markets would be a indicative for the parliament’s commitment to reforms. The liberal legislation for media in Montenegro was questioned. Actual media laws were adopted more than 10 years ago; they are outdated, not harmonized, and full of inconsistencies. None of the many TV stations were independent. According to another view it is necessary to distinguish between the form and the essence of media freedom: Laws and documents. On paper Montenegro guarantees media freedom, but the reality is different. International organizations have a naive view of the existing regulations. Journalistic standards are used as a pretext to discipline independent media. Independent media proposed a self-regulatory body based on the principle of consensus. Yet due to the “polarised media situation” there is still no agreement on the self-regulatory agency.

Several discussants see the deep division and politization of the **media landscape in Montenegro with concern**. One participant reminded that Prime Minister Đukanović called independent media “media mafia” and the “biggest disaster of Montenegro” that “needs to be exterminated”. Another opinion didn’t share the notion of a confrontation between media, but claimed that this is rather a result of stereotypes used by the government and by Đukanović personally. Moreover: Between the two daily papers with overwhelming influence there is not any confrontation. There are 30 regime media outside the market, i.e. subsidised by the government, by tycoons or, by mafia. The “so called division” in media will remain as long as the current regime lasts. Then these government steered media will disappear. The EU Commission should not use the stereotype of media division which is the result of government subsidies, competition and market conditions.

Civil Society (CSO)

The EU Commission report on Montenegro states: *“Some progress was made in improving cooperation between the government and civil society organizations, especially concerning the latter’s participation in the accession process, where civil society continued to play an active role”*³.

With regard to the boycott of some parts of the opposition of the parliament, the question about the role of CSO was raised. There are some strong CSO actors in Montenegro, but it seems to a clear **distinction line between NGO and opposition is difficult**. According to one intervention 95 % of CSOs are development organisations. Some of them are working for democracy, for prosperity and a better quality of life - maybe because of that share the same position with opposition parties. Another discussant added that some coalitions of NGOs have their own agenda and would like to delegitimize some parts of the opposition.

Another discussant stressed the NGOs as a political phenomenon. NGOs are political, regardless of how much their activities are liked or disliked by the authorities or by the opposition. But NGOs are not political parties. Politicians in Montenegro label NGOs as “political” and would actually prefer “idiots” to active citizens. NGOs are brutally attacked and obstructed in their work. This is also a result of the deficient political system characterized by a large gap between a weak opposition and a strong ruling party heavily misusing state resources to stay in power. Government and opposition parties are often irritated by independent and critical NGOs and media. But CSOs should question existing policies and practices, as well as introduce topics and less popular aspects

³ Brussels, 10.11.2015 SWD(2015) 210 final: MONTENEGRO 2015 REPORT, p.4

but with alternative views. Today, nobody could imagine Montenegro without the vivid civil society and its contribution. For critically oriented CSO activists, it has become “normal” to be either witness or be targeted by smear campaigns in local media. Sometimes CSO activists are targeted by the authorities and opposition, trying to discredit their professionalism and their respective organizations. Hopes were raised that in a long term perspective these smear campaigns and attacks could strengthen CSO positions, push for cooperation and mobilize internal solidarity between CSO and the people of Montenegro.

Regarding the involvement of CSO in decision-making processes it was stated that consultations and cooperation with CSO are often misused by the decision makers who try to weaken CSOs by pushing them to choose one voice, one side. Though CSOs have largely contributed to the transparency of the system, the question of CSOs’ capability to contribute substantially to reform the system remained open. CSO and media are doing as much as possible to hold institutions accountable. It was said that this also entails to be courageous, to involve citizens, and to publicly share information. Critically oriented NGOs cooperate with critically oriented media, because their common standpoints and the same challenges – hard censorship, self-censorship and soft-censorship. It is important that CSOs show solidarity for those who are victims of spins. Civil society still represents a crucial part of the opposition and does not only need funds from the EU, but also political support from EU and its member states.

The vision of one participant that there would much more meritocracy and democratization in Montenegro if excellent and skilled CSO people would join the administration or political parties triggered an intensive discussion. It was replied that was a narrative of the Montenegrin decision makers. In Montenegro out of the 3.500 NGOs only 600 are actually registered in the field of politics and culture. Regional experience indicates that CSO people who have joined state structures or political parties are often frustrated. Some changed “sides” for idealistic reasons. They thought that with the help of the EU they can achieve reforms. However, they are in danger to be exploited. The system they have entered is tough and poisoned. Nevertheless is not mutually exclusive to be part of the CSO and to contribute to public administration. CSO can recommend and offer its assistance and knowledge from outside. They do not have to take into account political interests, media and mandates, and do not have to compromise in order to survive politically. But it is questionable whether it would be good to strengthen Đukanović’s administration with good CSO people.

Civil society should involve young people in particular. **Young people** are almost excluded from politics and almost desperate whether to see their future in Montenegro or elsewhere. One should look at the local level, in particular at **minorities** - Bosniaks, Albanians - who are little included in the system. Roma but also Muslims are often very poor. Bosniaks and Albanians are represented by parties which are part of the regime. CSO representatives should question themselves about their stance vis-à-vis this part of the Montenegrin society and draw more attention to it.

Finally it was underlined that **synergy in the work of local and international stakeholders** could be beneficial. Regrettably local initiatives are little supported particularly by international actors and thus the momentum gets lost. More synergy and coordination of politics are needed. CSO needs to reflect upon its role and to come to terms with creative solutions and solidarity. Regarding the problems addressed in the Clingendael report⁴ - whether the EU should acknowledge its limited

⁴ Peter van Ham: Gridlock, Corruption and Crime. Why the EU must acknowledge its limits; October 2014; <http://www.clingendael.nl/sites/default/files/Gridlock%20Corruption%20and%20Crime%20in%20the%20West%20Balkans.pdf>

possibilities to have an impact on the reforms in the Western Balkans -, it was recommended to think of options and ways to work rather with the CSO than with the political parties in order to have more impact on the processes towards democracy and rule of law in the region.

Economy

Participants from Montenegro gave a quite bleak picture of the Montenegrin economy. Macroeconomic data are not so worrying compared with other Western Balkan countries, but they are worrying for a country in EU accession negotiations. Public deficit is at 2.1 bln Euro or 65 % of GDP, with a rising tendency. Budgets are wasted for financing losses (KAP aluminum factory) or channeled to the “friends of the government”. Unemployment is at 18 %, youth unemployment at 40 %. There are no visible results in restructuring state owned companies and privatization. Structural reforms are urgently needed most notably for attracting **investments** from EU. Larger enterprises, few in number, are owned by “best men” of Prime Minister Đukanović, who can rarely be qualified as capable entrepreneurs. There is little investment in SMEs and professional education. Investments come from countries with weak rule of law, e.g. Arab countries, Azerbaijan, Russia, China State money is wasted for big questionable projects like the construction of 42 km of the Bar-Boljare highway by a Chinese company for 1,1 bn EURO. Similarly, the construction of a (second) lignite-fired thermal power plant in Plevlja means a waste for an unsustainable technology.

There is a high dependence of the economy from **tourism**, accounting for 20 % of the GDP. Instead of this mono-structure, tourism development is falling short of its potentials. 90 % of tourism is in the coastal area, which is 70 % urbanized already. The mountainous north of Montenegro has a huge potential for eco- tourism and is largely neglected by planners and investors alike. The tourism Masterplan of 2008, developed with German support (DEG, GTZ) was not implemented. The plan never became a legally binding document and determining the development of spatial plans. Despite of heavy construction at the coast income from tourism is low. Most of the investment goes into apartments instead of high standard hotels. Despite of a successful season 2015 the profit for the state budget is low, as most of the money spent goes to private households, and also due to tax evasion and corruption.

There is an Action Plan for social policy, but social politics are considered to be coincidental and inconsistent. According to an analysis from Montenegro, socio-economic policy must be considered as part of the structural violence of government versus the citizens. Socially vulnerable citizens of Montenegro may receive 120 Euro social assistance per month but dare to lose this for examples if they buy a cow to create own basis of living. The lack of social policy is triggering emigration.

Environment

Montenegro is the first state labeled as “ecological” in its constitution, but there is ample evidence that the **protection of the environment** is neglected due to short-term business interests. “We are the first and only ecological state, but we do not work in this direction”, one Montenegro participant said. Perpetrators damaging the environment do not have to fear sanctions, as existing environmental laws are rarely implemented due to a lack of capacities in administration. Only minor cases are punished, like, for example, illegal logging. Under the environment Chapter 27 of the EU Acquis Montenegro will have to deliver in areas like water, nature and climate protection and waste treatment.

The real situation of the environment is rather desperate: Research throughout Montenegro has revealed the existence of 11 major illegal **landfills** near rivers (Ibar and Tara), as well as 350 illegal **dump sites**. There have been proposals for rehabilitation of industrial waste like the red mud of the aluminum plant KAP – none of them yet realized. **Waste water treatment** is often non-existent, with existing capacities in Podgorica suited for 60.000 people with the population exceeding 200.000. Cost evaluations for projects like the second thermal power plant in Plevlja neglect hidden costs like health risks. There is no comprehensive waste management. Waste, instead of creating “closed circles” as stipulated by European regulations, is mostly incinerated, with waste recycling rather non-existent. Small hydro power plants are built and run by Đukanović’s family and friends. The dire state of environment corresponds with a low awareness of the people in this field. Only few environmental NGOs have a good level of expertise. As one participant put it, environmental issues are not “on the minds” of neither politically oriented NGOs nor the opposition media. But the interest of the central government and municipalities differ in this matter as one participant argued. There is a chance to put more pressure from the CSO on local governments.

Salina in Ulcinj is an example. It is a place for traditional production of marine salt, unique place for biodiversity and one of the most important rest places for migrating birds at the Adriatic. This natural resort is a case where ruthless business interests close to the ruling elite ruined the salt production in order to construct a holiday resort. The investment fund Eurofond which bought the concession to produce salt for less than 800.000 Euro is demanding the property of the whole area, 1500 ha, to realize its construction plans with expected profit between 100-200 mln Euro. There has been steadily mounting pressure from the tourist industry to allow investors to build on the land and “develop” it for their purposes. In addition the further operation of the Salt Works is endangered for economic reasons. Obviously, only thanks to the engagement of activists from Ulcinj, local and international NGOs like CZIP and EuroNatur, some EU ambassadors and support from the EU Commission and European Parliament the destruction of the Ulcinj Salina could be so far prevented.

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