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MASTER THESIS

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„Impact of systemic corruption, organized crime and clientelism on modern day Montenegro“

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Abstract English: The small Adriatic country of Montenegro faces unprecedented problems in terms of a scale of corruption, rarely replicated or seen in any other system in human history. This is largely due to Milo Djukanović, president of Montenegro and head of the Democratic Party of Socialists (DPS), which is weather democratic nor socialist. In August 2020 Djukanović and the DPS lost the parliamentary majority for the first time in Montenegro's history. The new government made up of a diverse coalition vows to fight corruption, how successful they will be remains to be seen.

Zusammenfassung Deutsch: Das kleine adriatische Land Montenegro steht vor beispiellosen Problemen in Bezug auf ein Ausmaß an Korruption, das in der Geschichte der Menschheit selten repliziert oder in einem anderen System gesehen wurde. Dies ist vor allem Milo Djukanović, Präsident von Montenegro und Chef der Demokratischen Partei der Sozialisten (DPS), die weder demokratisch noch sozialistisch ist, zu verdanken. Im August 2020 verloren Djukanović und die DPS erstmals in der Geschichte Montenegros die parlamentarische Mehrheit. Die neue Regierung, die aus einer vielfältigen Koalition besteht, will die Korruption bekämpfen, wie erfolgreich sie sein wird, bleibt abzuwarten.

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1. introduction

1.1 Topic: Corruption in Montenegro

The currently pro-western president of Montenegro Milo Djukanović has dominated politics in the small Adriatic country for more than 30 years in various positions, in fall 2020 however a surprising loss in the 2020 parliamentary elections, mostly to a coalition called For the Future of Montenegro (ZBCG), resulted in “his party”, the Democratic Party of Socialists (DPS) losing the parliamentary majority. International and domestic corruption watchdogs accuse Milo and his party of corruption and involvement in organized crime. According to these voices, the judiciary that was controlled by Djukanović had prevented any serious investigation of corruption into the environment of the president, his family and the DPS, this however has changed right now, since the top prosecutor of the country has been replaced in early 2021. (1)

What will the future look like without Milo Djukanović or at least with him in the background? Will the diverse parliamentary coalition be able to deliver on its promises and lead Montenegro into a better future with less corruption and higher living standards? And what political path can Montenegro take on the international stage?

1.2 Research Question

What is the impact of systemic corruption on the direction of political and social development in Montenegro, as well as on the political culture and society?

1.3 Thesis

Systemic corruption has had many effects on all aspects of life in Montenegro and Montenegro (which could serve as a case study for many countries facing similar problems), the results of systemic corruption were a political culture by the DPS elites of systematic looting of the country, regression in terms of rule of law as well as political and social development and society in which not much is achievable without corruption nepotism or even entering organized crime.

1.4 Methodology

In the first part of my diploma thesis, I will provide an overview of the problem, this is necessary for dealing with such a complex and contrarily reflected topic. Then I will arrange my analysis of the corruption phenomenon into different political science paradigms, each dealing with central categories of political science.

Briefly summarized there is three fundamental approaches towards corruption in political theory, one is a “moralistic approach”, which I consider to be wrong in its premises already, there is the “utilitarian approach” highlighting that corruption is omnipresent as a tool and that some small degrees of it can actually be helpful, those two are mutually exclusive. (2, 3, 4) There is also the "harmful result approach" which highlights the maldistribution of wealth and access to various benefits (education, housing, medicine) and an overall distortion of a countries economic and social development resulting from corruption. While this is the approach that is most applicable in the case of Montenegro, the “utilitarian approach” also describes some of what is happening in Montenegro, therefor it is also important to look at it. The key question here is how much corruption in a given society can be considered utilitarian?

This is an oblivious question, no two scholars would agree on. While some scholars argue corruption in any form is detrimental to society, the "moralist approach", others would say corruption can be beneficial when it comes to economic advancement (2, 3, 4). An example would be tipoffs of government officials allowing for factories to be built which then begin to employ many workers. Without the corruption those workers would not have had a job. In other cases, the new owners however would rather sell the run-down industry for scraps and no jobs would be created, this was the case in Montenegro. For smaller things such as paying off officials or police to escape larger tickets or fines corruption in Montenegro can be considered utilitarian, but there is little trickling down of money to the lower and middle class resulting from corruption in Montenegro. In such societies like Montenegro where corruption is rampant in all facets of life (everyday things like job applications, renewal of licenses in many can't be successful or are at least can be easier with corruption or nepotism) the burden of corruption falls on the lower and middle classes, this is where the "harmful result approach" offers a lot of insight. Another example here would perhaps be Venezuela, a socialist country where corruption has led to the lower class not having enough food while rich party functionaries enjoy a very comfortable life. (5)

In order to be able to grasp the complexity of the phenomenon of corruption, I consider an analysis of the conditions in which it arose in Montenegro to be indispensable. In the second part of the diploma thesis, in addition to these conditions, I will explain the scope, interests, organizational structures and fields of activity for corruption in Montenegro in the historical epoch of 1989-present. This epoch in Europe was highlighted by the collapse of the Soviet Union and severe economic problems in the post-communist or socialist world, it is also roughly the period of Milo Djukanović's political career. In Yugoslavia even a war broke out, leading to the erosion of civil society and therefor also the rise of the criminal underground.

This process was accelerated in Montenegro given its position away from the capital Belgrade, on the periphery of Yugoslavia (and Europe) a place where law and order cannot be enforced as well as elsewhere, a place where tribal laws and traditions still determined how one was to behave in society way into the 1950s. During the 1990s The society of Montenegro and all of Yugoslavia was in a transition. The mainline thesis is that corruption in collapsed transitional societies is a systematic disease. The systemic causes of corruption were initiated and deepened by the outlines of the transitional crisis in the 1990s, a transitional crisis which is highlighted by deuteriation of values and norms in society and state institutions. In the case of Montenegro this transition was very chaotic and did not end up achieving a semi-functioning democracy, while arguably in most of its neighbor states it did. The modern conception of democracy, which is based on institutionalized norms, could not be established in Montenegro, because the state institutions themselves were not following the law.

Given the scope of the corruption in Montenegro and the fact that there is a lot data about it, an inductive methodology would be most helpful to find out more about it. Analyzing Montenegrin and Serbian media from all sides of the political environment is essential in order to give us a complete picture of the situation in the country. The main sources from this region of the world would be List Dan and Vjiesti (Montenegrin news), and Danas, N1, Sputnik Srbija, B92, RTS, Novosti and Politika (Serbian News), sensationalist Serbian newspapers like Kurir or Blic should be avoided. Looking at International (US, British, German, EU or NGO) sources is also helpful. US private media companies like CNN, NBC MSNBC or Fox News however have rarely touched upon corruption in Montenegro. Most of the reporting about Montenegro in US media was linked either to Montenegro's entry into NATO, or the largely overexaggerated threat of Russians trying to influence elections in Montenegro. According to those American media corporations and DPS friendly media in Montenegro, Russia failed in a

coup d'état against Milo Djukanović in 2016. Two Russian and eighteen Serbian nationals (including the former chief of the Serbian gendarmerie) were accused of orchestrating the coup attempt and arrested. It did not occur to US media that the former government of Montenegro was likely using the "Russo-Serbian threat" to assure its entry into NATO in 2017 and have "the west" turn a blind eye to corruption and unsanctioned organized crime within the country. In contrast to the Americans, the BBC has done some reporting on corruption while the German state news agency, Deutsche Welle, has done significant amounts of insightful reporting on the corruption of Milo Djukanović. The coverage of Milo Djukanović in German media, in contrast to American media, is quite negative. He is often dubbed a strongman and authoritarian leader in German media, this might be due to the German government being aware of Milo's ties to organized crime and that in many ways he "enables" smuggling of contraband to Germany and all of Europe by not clamping down on the Kavač or Škaljari clans, more on that later. There is also data on corruption in NGO funded websites such as Balkan insight that is part of a larger group funded by the BRIN (Balkan Investigative Reporting Network). I will also rely on articles from Radio Free Liberty, Radio Europe, in order to give a more complete picture. The primary source used for all the data on corruption will be the NGO MANS (Mreža za Afirmaciju Nevladinog Sektora, English; Network for Affirmation of the Non-Governmental Sector), headed by Vanja Ćalović, an anti-corruption activist in Montenegro. Me and her share the same last name but we are not related. Their reputation internationally and domestically is very good since the organization has never published any leaks or stories pertaining to corruption that could be described as "inaccurate".

The objectives are to explore three future scenarios for development of Montenegro based on internal political developments, the current balance of the political power, foreigin influences and information gathered from primary as well as secondary sources. The focus of the scenarios

will be how corruption will develop in the future in Montenegro. In order to explain recent political development in Montenegro as much relevant data as possible should be gathered to give us a complete picture of corruption in Montenegro. Highlighting relevant data in order to reach potential conclusions is necessary when researching this topic. This will be conducted by analyzing sources relevant to the topic of corruption in Montenegro from media, academia, politicians and NGOs. I intend to do to give a picture as accurate as possible of what Montenegro's political paths are and might look like in the future and how the fight against corruption will develop in the coming years. I intend to be as unbiassed as possible but like anywhere it is very hard to escape from one's notions and viewpoints.

2. Selected theoretical framework with full justification

2.1 Political Realism view on Corruption

Political realism has been frequently criticized as a theoretical foundation that amounts to little more than a reaffirmation of the status quo and an apology for power and the powerful. This however is not true since realism just like any theory in political science does not make moral arguments. Political corruption is at best only a marginal topic for political theory, despite its prevalence in many countries. This begs the question, why is political corruption not a central topic in political theory, when clearly politics without at least some corruption can't even function in most countries? The answer to this is that political corruption in political theory is largely seen as a problem arising from implementation, not as a systemic problem within the state institutions itself. There seems to be only one standard or "mainstream" view in political science on corruption, this is the previously mentioned "moralist approach", the "utilitarian approach" and the "harmful result approach" are applied less. Corruption in political science

discourse is largely seen as merely a potential consequence of the failure of implementation a new system. But what when “corruption is the system”, like in Montenegro? What if in order to get anything done in politics (or even everyday life) you need to resort to corruption? Political science offers little insight about that case. We all want values to be followed by politicians but we are conscious that politicians are flawed, just like all humans, hence those values are at best imperfectly embodied by them in practice or at the worst politicians don’t follow the values they claim ascribe to at all. The “Hobbesian” view on politicians is that the vast majority of them don’t care about values or the public good and are in politics because personal interest and gain, as well as perhaps to satisfy one’s ego, I find this view to be close to reality. We all hope that political corruption does not compromise or put into question the values we ascribe to, or politicians claim to ascribe to, and consequently we also hope that political corruption does not become too big in ways that takes “food of off our plates”. These two worries of the peoples are reflected in both the “utilitarian approach’s” and the “harmful result approach’s’” theoretical framework. (2, 3, 4)

In Montenegro corruption is so intertwined with everyday life and politics and in some minute cases, it might make life easier for everyday people e.g., speeding tickets can be easily avoided by giving five euros to the police man who stopped you, instead of paying a much larger fee the next day. Of course, we see this corrupt system in Montenegro function somehow but huge problems arise due to the shear scope of the Montenegrin political elite’s illegal dealings. Corruption, stealing and laundering of tax payer euros through private or public real estate, or even tourism and infrastructure firms and projects was very wide spread. Another example of the government stealing money from the people and laundering it was when the state under Milo Djukanović ramped up electricity costs to unrealistically high prices in 2018 and likely used the surplus of money gathered for corrupt business dealings to enrich themselves. (6)

While Montenegrins were being scammed by the government with ridiculously high electricity bills, the government also gave huge tax-cuts to tourist resorts and companies investing in the country. The DPS and Djukanović were pulling the strings in the country for 30 years and during this time practically all of the state money was looted by them, as a result of this the state today is completely broke. The scale of the looting of the state and its people is unseen pretty much anywhere else in the world. The mafia-like confiscation of property of private citizens often on trumped up charges in politically motivated processes has also greatly contributed to the impoverishment of the country.

Montenegro is also an example of a mix of neoliberalist economics and authoritarian governance at its worst. In many cases without corruption, one could not assure adequate medical care for one's for one's family member or get accepted to a job without DPS party membership. Most issues in Montenegro are in some way connected with DPS corruption. The actions of the previous leader did take away "food of off the plates of Montenegrins", since it is their tax payer money being used for corrupt infrastructure and tourism projects. For example, it is estimated that one kilometer of the Chinese built highway in Montenegro cost 27 million Euros to construct, this cost can only be explained with corruption. The highway was never finished and is not, and likely never will be, in use. Not only was the political elite plundering the people's hard-earned money but they also, with their unprecedented corruption, laid the foundation for decades of poverty and a very severe economic crisis in the future, made even more severe by the economic impact of Coronavirus lockdowns. Not only does this highway indebt the country to China but in the "small print" of the contract it is written that China may take compensations in form of real estate or infrastructure if Montenegro can't pay the price for the highway, which it can't. Montenegro became a "dept slave" to China. Its likely that Montnegro's biggest sea-port in Bar will be run by Chinese in the near future. (7, 8)

2.2 Clientelism

Clientelism in the political science understanding denotes the exchange of goods and services for political support and votes. The phenomenon of political clientelism is often broken down in literature to this core definition. However, the concept is a lot more interesting and complex than portrayed. In Montenegro for example clientelism is also associated heavily with personal favors based even on even favors your ancestors or relatives did for other families or received from other families. Montenegro's society was a tribal structure for decades and this remains prevalent even in today's mentality of people e.g., Surnames hold more wight, family reputation is more known and important, family ties remain strong if interests don't clash. The small population of Montenegro also means that "everyone knows each other" and reputation is much more important than perhaps in bigger more "anonymized" societies.

Clientelist structures and practices have been examined by different disciplines and with different subject-matter references. Social anthropological or sociological contributions often focus on the patron-client relationship and understand it as a specific type of social relationship that needs to be characterized in general or to be described in concrete situations. (9, 10)

The Central analytical features are in particular the particularistic and diffuse character of the relationship in which different types of resources are exchanged in a package, so that the relationship between patron and client is accompanied by long-term commitment and feelings of solidarity, although it is characterized by inequality and power asymmetry at the same time. The patron has certain economic, political or cultural resources such as land, money, real estate, connections etc. to which he gives his clients access. In Montenegro the president, Milo Djukanović, and his party has pretty much all those recourses. In return, he secures the respect, allegiance, loyalty, votes, etc. of his clients. In general, clientelism is also used as a kind of

“generic term for personal relationships in the context of informal political processes” and is often used synonymously with the term “patronage”. (9, 10)

Despite numerous definitions and empirical studies of clientelism in politics, there is no general definition of it. In addition, the transitions to similar phenomena such as lobbyism and corruption are fluid and difficult to define. However, despite the many different definitions of clientelism, it almost always contains the following elements; There is a social inequality or asymmetry between the partners, the relationship is used for the exchange of goods or services, the relationship has a personal character. In Montenegro there is only one main patron and that is president Milo Djukanović, everyone else is either a “sub-patron” or a “client”. The patron of Montenegro is Milo Djukanović, he however is the “client” in the “patron-client” relationship with NATO.

2.3 “Mafia” as a political mentality

How corruption originates and plays an important role in Montenegro is a very interesting question. In order to understand the connection between corruption and prevalence of organized crime one has to analyze the conditions in which organized crime came about and also analyze the state’s political system and how it was changed by the emergence of corruption and organized crime. The subsequent questions arising from this are, in what sort of society can organized crime persist and with what resources must be used in order to combat it?

There is no direct connection to central political science theories in regards to this topic but organized crime is of great importance when looking at social and political development of countries; the modern state and its monopoly on the use of force, enables that the state itself

becomes “the Mafia”, this was the case in the 19th century with Cosa Nostra in Sicily, the Camorra in Campania and the ‘Ndrangheta in Calabria. (11) Sicily and South Italy in the 19th century and Montenegro share a lot of similarities; all those regions went through abrupt and devastating transitions at the time, were located on the periphery of Europe in a barley inhabited lawless borderland where rulers (foreign or domestic) had difficulties imposing their authorities and both regions have access to Mediterranean trade routes making contraband very lucrative and “sort of natural” business. In Montenegro, too little was done to fight organized crime. The clans are being left alone largely and were left to operate their smuggling operations, the same was the case in Sicily and Sothern Italy but Montenegro in many ways also resembles Port Royal, Jamaica, during colonial times. (12) Not only was and is organized crime rampant in both examples but Port Royal harbored pirates which were enabled by the British to plunder Spanish ships, Milo harbors Mafia members, and enables them to conduct smuggling of contraband to the rest of the world. The political elite adopted a “mentality” of tolerating it during Milo Djukanović’s reign. (13)

Sicily, Campagna and Calabria where often referred to as “Mafia states”, while Port Royal was often described as a “safe harbor” for criminals, both descriptions would fit Montenegro. The term “mafia state” was actually used by Foreign Affairs Magazine to refer to the former Yugoslav Republic of Montenegro and the breakaway region of Serbia, Kosovo. This is due to the new political and economic elite of the country after the fall of Yugoslavia having accumulated wealth and power through illegal activities e.g., smuggling, extortion, fraud, corruption etc. Many of them were or are members of the various Montenegrin Mafia clans, most notably Kavač and Škaljari clans, or have ties to them. The president is connected to “the Mafia” too and was involved in smuggling organizations in his younger years. This is evidenced by Francesco Forgione, a former Italian member of parliament who led the Italian

Parliament's Anti-Mafia Commission from 2006 to 2008 said that Djukanović has not appeared in front of an Italian court to testify in a case connected to a long-running cigarette smuggling operation he was the likely boss of. Djukanović is protected by the immunity that his position gives him. Perhaps this also describes why Djukanović looks to hold on to power for so long. He knows that the EU might drop support for him if a more viable leader for the EU appears in Montenegro, he knows that if he loses his position, he could have to possibly face a number of criminal trials. (14)

That a state's political system and with it the progress or regress of society can be influenced by organized crime and vice versa at all is a scary thought, especially when looking to southern Italy and Sicily in the 19th century, or Port Royal in colonial times. Another comparison would be the far eastern provinces of Russia, Amur and Primorsky Krais during tsarist reigns, where crime was rampant, nothing could be solved without corruption and open gang wars would take place. Montenegro is not that much different in many regards from all those scenarios, by combining elements we see in all of them. Looking at all the historic examples, there is no doubt that the presence of organized crime determines the type of society, that certain types of societies offer a particularly good basis for organized crime to creep in and shape it, and one could speculate on whether what we see (for example in Montenegro) is the evolution towards society with special (perhaps more tolerant) attitude towards organized crime. The more tolerant attitude towards crime is highlighted by the glorification of organized crime in popular culture. This becomes particularly obvious when listening to West Balkan turbo-folk music tracing its roots to the chaos of the 1990s but even modern Serbian or Montenegrin pop-music. This is in stark contrast to Yugoslav times where any sort of glorification of crime in popular culture would have resulted in repercussions for the ones doing it.

2.4 Strongman Phenomenon

Colonial empires and large multiethnic states, the Ottoman Empire, Austria-Hungary's monarchy, the USSR or Tito's Yugoslavia, all dissolved in the dispute over the "ethnically composition" of the multiethnic state. Especially in the fall of Tito's Yugoslavia the reactionary longing of its successor nation-states for regional power, lead to nothing but war and poverty, hence the population of all republics looked towards strongmen to solve the issues in their individual nations, Montenegro was no different. The era of the Strongman in politics was and is not over yet.

The desire for the "strongman" was very prevalent in Serbia and Montenegro and people looked towards “the nationalists”, Slobodan Milosević in Serbia and Milo Djukanović in Montenegro. Both were populist right-wing politicians. The “strongman” even today is very popular in Serbia and in Montenegro because according to many people “democracies fail” are “indecisive” and too much pluralism leads to “nothing getting accomplished”. People feel like “a strongman”, like Aleksandar Vučić or Milo Djukanović, can better fulfil the needs of the country.

Where the "strongman" is on the rise, democracies are failing. Authoritarianism and authoritarian attitudes can be understood as personal traits that represent the result of an individual weighing up of peer pressure and uniformity on the one hand and individual independence and social diversity on the other. Authoritarian attitudes thus encompass preferences that want to suppress differences in human behavior and differences related to human characteristics such as origin, language, religion or ethnicity and demand (and even enforce) behavior of them to conform e.g., via traditions or rituals. In Montenegro this development can be very clearly seen since behavior associated to the “Montenegrin identity”

was encouraged while “Serbdom” is denounced by the DPS party. For many authoritarians, differences are intolerable and must be eliminated, these people demand policies that suppress differences. This in turn leads to authoritarian submission to the constraints of the respective group or, in extreme cases, to the expulsion of people with deviating characteristics or behaviors from society. All of this was done by Montenegro’s strongman, Milo Djukanović.

2.5 Bandwagon-effect

The bandwagon-effect was not discovered in Political Science or International Relations but it was discovered in the context psychology and US election research. The three election researchers P. F. Lazarsfeld, B. Berelson and H. Gaudet gained this interesting insight from their research data. They discovered the fact that people tend to follow the example of others without paying attention to their own views. The bandwagon-effect thus means that the already popular option becomes even more popular. Researchers Robert Goidel and Todd Shields incorporated the concept into an International Relations theory. Briefly summarized the bandwagon effect explains the formation of an alliance of a weak country with a much stronger one, or the entry of a weak country into a strong alliance, just to benefit from the stronger country or the alliance. The benefit comes in form of protection, financial support or military aid ect. Essentially the concept is also closely related to the concept of “vassalage” since often there is a payoff for the weaker countries, specifically the weaker country does give up some of its sovereignty for the benefits of bandwagoning. These weaker countries however also tend to switch their suiters according to their current needs. Montenegro is engaged in Bandwagoning since it often switched its “suiters” for Milo’s personal benefit. (15, 16) The bandwagon effect comes into dissension with the theory of the balance of power because it

suggests that weaker countries will simply choose the winning side in conflicts, resulting in the winning side being even more powerful and balance of power not being established.

2.6 Historical sources of Corruption

The political culture of Montenegro certainty points to many historical sources of corruption. During the Turkish occupation the ones that cooperated with them were rewarded, family and tribe structures soon emerged which existed well into communism. During this time excessive taxation led to many people hiding their fortunes from the state. With people engaging in informal business dealings with this money a grey economy established itself, which the Ottomans could not tax. This grey economy just like today made up the biggest part of the Montenegrin Economy. The Ottomans tried to establish an extensive bureaucracy but it was no easy task and ottoman officials appointed to govern the borderlands were generally very corrupt themselves and would demand bribes for anything from locals. The Sultans would often send their tax collectors to confiscate property, if taxes were not paid. In order to avoid such measures corruption would come in again, Montenegrins would simply bribe the tax collectors. With a grey economy rising and Ottoman tax collectors' susceptibility to bribes, illegal ways became the only ways to get things done and were cheaper than taxes. This certainty is very well the case right now since in Montenegro anything of that sort can be thwarted. (17)

2.7 Impact of Neo-Liberalism

The current economic policy of the Government of Montenegro follows the so-called neoliberal school, Montenegro is facing a very dire financial situation connected to problems in this system. There is no money for any assistance to the economy, resulting in salaries in the

public sector dropping. Montenegro will not be able to fulfill IMF recommendations for an aid package either, and it will likely get conditions on painful cuts that it will have to fulfill in order to receive any help. Austerity will have dire effects on the already poor country.

In the general conclusions of a conference of experts organized by “ne dajemo Crnu Goru” English for “We will not give up Montenegro”, participants agreed that that the economic crisis caused by thirty years of DPS Neoliberal policies and corruption and enhanced coronavirus lockdowns will last five to ten years, that a large part of jobs are endangered, that the decline of the Montenegrin economy will be significantly bigger than expected and that there will be a new budget rebalance with significant cuts and public sector wage cuts. (18) In their conference not much blame for the economic situation was directed towards Milo Djukanović and his kleptocracy but instead the large part of the blame was shifted on Coronavirus. They had to concede however that the Djukanović’s Neoliberal economic policy is also to blame.

In many ways Neoliberalism destroyed the economy. Now a new economic policy based not only on tourism and real estate sales, but on a diverse economy based on actual production is being worked on by the new Government. It will be difficult however to attract investors to invest in factories or farms, for example, due to the corruption that will persist in the country. As a consequence of the drop in tourism associated to the 2020 total income from tourism was 90 percent lower than in the previous years. The state was already practically broke before the pandemic but now the situation is really bad and Montenegro could declare Bankruptcy. *"Partial bankruptcy would be possible, as happened in Argentina, but we still have beaches to sell",* Dr. Miloš Vulanovic, professor of corporate finance at the Business School in Lille, said. He added said that the gray economy is a big problem and that a large number of businessmen are involved in it. (18) *"The gray economy is not just a flea market, but even if the employer*

is only one week late with the payment of salaries and taxes and contributions. A large number of businessmen are in the gray zone who do not ensure workers or pay part of the salary on hand ", said Vulanović. (18) Vukovic stated that the current gray economy in Montenegro is worth about a 1.5 billion a year, and that serious action against it is necessary, but that one not to start with flea markets and those who barely survive, but with those large businessmen in "the gray zone" and they make enormous profits.

Opposition leader and President of the Association "We do not give Montenegro", prof. Dr. Zdravko Krivokapić said that Montenegro now lives in a circus of fraud, deception and inaccurate data, announcing that it will continue with similar gatherings and protests to counteract it.

3. Adopted methodology

In the first part of my diploma thesis, I will provide an overview of the problem, this is necessary for dealing with such a complex and contrarily reflected topic. Then I will arrange my analysis of the corruption phenomenon into different political science paradigms, each dealing with central categories of political science. Here it is important to look at both the "moralist" and "utilitarian" perception of corruption. The key question here is how much corruption in a given scenario or society can be considered utilitarian? This is an open question and no two scholars would agree on. While some scholars argue corruption in any form is detrimental to society others would say corruption can be beneficial when it comes to economic advancement. An example would be tipoffs of government officials allowing for factories to be built which then begin to employ many workers. Without the corruption those workers

would not have had a job. In some societies however nothing can be done without corruption, this is where the burden of corruption falls on the lower class. An example here would perhaps be Venezuela, a socialist country where rampant corruption has led to the lowest classes not having a loath of bread while the richest party functionaries enjoy a very comfortable life.

In order to be able to grasp the complexity of the phenomenon of corruption, I consider an analysis of the conditions in which it arose in Montenegro to be indispensable. In the second part of the diploma thesis, in addition to these conditions, I will explain the approach, interests, organizational structures and fields of activity of corruption in Montenegro in the historical epoch of 1989-present. This epoch was highlighted by the collapse of the Soviet Union and severe economic problems in the post-communist world. In Yugoslavia even a War broke out, leading to the erosion of society and therefor also the rise of the criminal underground. This process was accelerated in Montenegro given its position away from the capital Belgrade, on the periphery of Yugoslavia (and Europe) a place where law and order cannot be enforced as well as elsewhere, a place where tribal laws and traditions still determined how one was to behave in society way into the 1950s.

During the 1990s the society of Montenegro and all of Yugoslavia in the 90's was in a transition, to where however was unclear, arguably it was heading for collapse. The mainline thesis is that corruption in collapsed transitional societies is a systematic disease. The systemic causes of corruption were initiated and deepened by the outlines of the transitional crisis in the 1990s, a transitional crisis which was eventually ended by Authoritarianism, which is highlighted by rapid changes in society. In the case of Montenegro this transition was very chaotic and did not end up achieving a semi-functioning democracy like in most of its neighbor-states. The modern conception of democracy, which is based on institutionalized norms, cannot

be established yet in Montenegro, because the state institutions themselves were not following the law. Given the scale of the corruption in Montenegro and the fact that there is data about it and inductive methodology would be most helpful to find out more about it. Analyzing Montenegrin or Serbian media from all sides of the political environment there is essential in order to give us a complete picture of the situation. Looking at US, British and German sources is also very helpful. In order to explain the recent political development in Montenegro much relevant data as possible in order to create a complete picture of Montenegro and corruption in politics.

Gathering and highlighting relevant data in order to propose a thesis and to reach potential conclusions for them is necessary when researching anything. Finally, I will focus on the future and further political developments in the country, analyzing sources relevant to the topic of corruption in Montenegro from media, academia, politicians and NGOs. I intend to do to give an unbiased picture of what Montenegro's political paths are and might look like in the future and how the fight against corruption will develop in the coming years. The primary source used for all the data on corruption will be the NGO MANS (Mreža za afirmaciju nevladinog sektora), headed by Mrs. Vanja Ćalović, an anti-corruption activist in Montenegro. (19) Their reputation internationally and domestically is very high since the organization has never published any leaks or stories pertaining to corruption that could be described as "inaccurate".

The objectives are to explore three future scenarios for development of Montenegro based on the current balance of the political power, foreign influences and information gathered from primary as well as secondary sources.

4. Main arguments organized in chapters

4.1 Chapter I: Montenegro

1.1 Background

Montenegro is a country with a population a bit larger than Vermont with 650’000 inhabitants and thus fewer than Delaware, a ill-equipped and ill-funded mini-army of 1,500 soldiers, of whom 1'000 are officers and 500 are soldiers. Its capital Podgorica was once named Titograd, after the former leader of Yugoslavia and has merely 150’000 inhabitants. Its second biggest city and former mining town is Nikšić and the third the port city of Bar, and fourth the city on the Serbian border called Pljevlja. Wild mountains and deep lakes in the north and the coastal gorges in the south make up the topography of Montenegro. *"At the birth of the planet, the most beautiful encounter between land and sea must have been on the Montenegrin coast"*, wrote the English poet Lord Byron enthusiastically at the beginning of the 19th century. Although Montenegro is beautiful it is economically quite undeveloped and has poor infrastructure, since the fall of Yugoslavia domestic products disappeared from the market and were replaced by cheaper imported goods, this led to the disintegration of both agriculture and industry coupled with a terrible privatization policy of the DPS government after socialism. It was cheaper for new owners to shut down businesses and sell the plot or scraps than to invest in reopening. Since most industries that were around during the time of Yugoslavia are gone now state revenue is completely reliant on the tourism industry. Montenegro does have some natural resources but there is not much worth mentioning other than that many of the mines are not operating any more, this is mainly the result of predatory capitalism from the 1990s.

The Total number of inhabitants was in 620’029 in 2011. It is estimated that Montenegro’s population today is around 650’000.

The largest ethnicity were Montenegrins - 278,865 (44.98%), followed by Serbs 178,110 (28.73%), Bosniaks - 53,605 (8.65%), Albanians - 30,439 (4.91%), Muslims - 20,537 (3.31%), Roma - 6,251 (1.01%) and Croats - 6,021 (0.97%)

Serbs and Montenegrins are virtually the same peoples. Many share the same ancestors and originally come from the same villages. Weather someone is a Serb or a Montenegrin is up to one’s self-definition in Montenegro. Peoples who are politically Slavophil, anti-western, Serbian nationalists and members of the Serbian Orthodox Church, would define themselves as Serbs. Peoples who want to differentiate themselves from Serbs, either have separatist sentiments or more often simply have been thought that they are Montenegrins in school, and embraced this identity. There is only very few “Bosniaks from Bosnia” living in Montenegro. Bosniak was simply the term given to any Muslim of Slavic origin under Tito’s rule. The Muslims in Montenegro are “Serbs and Montenegrins” that converted to Islam during Turkish rule. The number of Albanians, while it might not seem big, is significant since in order to have parliamentary majorities the DPS often relied on coalitions with Albanian political parties. “Muslims” are the peoples who did not define themselves as Bosniaks but are also just Slavic Muslims. There is a small Roma population in Montenegro, mainly concentrated in their own shantytowns on the outskirts of the capital Podgorica. Croats make up a small but “more” industrious and maritime minority, mostly they live on the Boka Kotorska, since that part of Montenegro was Austro-Hungarian from the late 19th century to 1918.

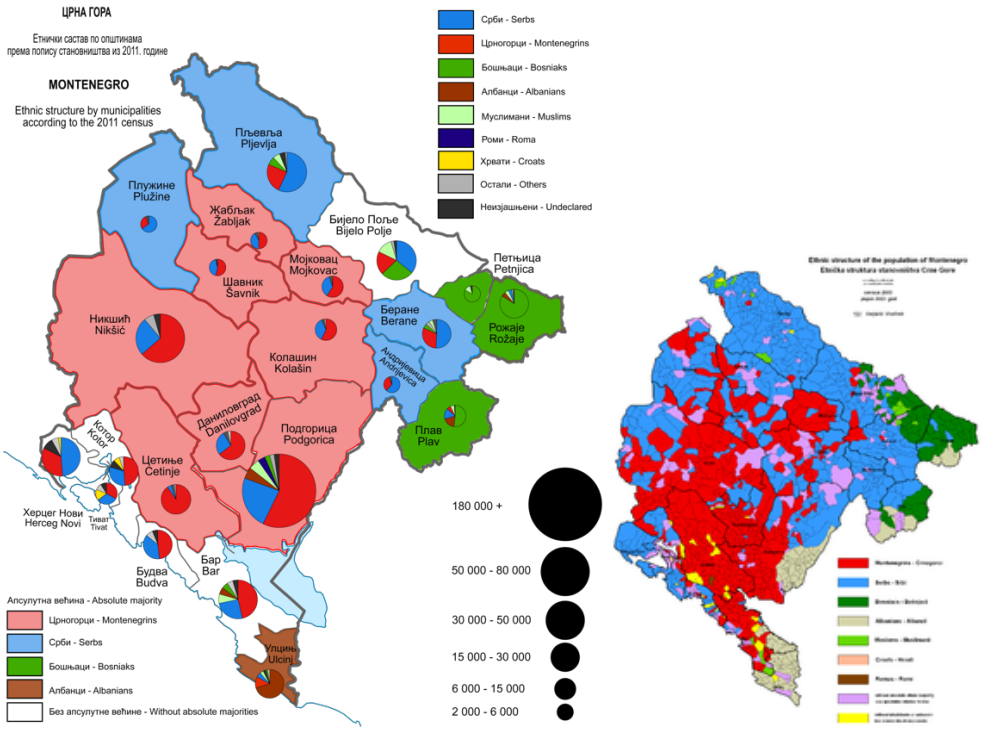
Language composition give us a bit of a different picture. Predominant language is Serbian - 265,895 (42.88%), followed by Montenegrin: 229,251 (36.97%), Bosnian - 33,077 (5.33%), Albanian - 32,671 (5.27%), Roma - 5,169 (0.83%), Bosniak - 3,662 (0.59%), Croatian - 2,791 (0.45)

This adds to the confusion because Serbian, Montenegrin, Bosnian, Bosniak and Croatian are basically the same language which was called Serbo-Croat in Yugoslavia. For example, in the 1991 census 82,97% of the population declared Serbo-Croat as their language.

Religious composition in 2011 was mainly Serbian Orthodox - 446,858 (72.07%), followed by Islam - 118,477 (19.11%) and Catholicism - 21,299 (3.44%) (20)

Political Map

Ethnic Map



1.2 History

The country of Montenegro has a rich history going back to the early middle ages and the Kingdoms of Zeta and Duklja, this history is inextricably linked to the history of Serbia, in so far as both people's share the same confession, traditions and language but even more importantly Serbia and Montenegro struggled on each other's side throughout history, be it in the fight for independence against the Ottomans, the First Balkan War, the Second Balkan War, World War I, World War II, the Yugoslav war or many other events. This shared struggle and history is why most Serbs and Montenegrins see each other as being a "close" or even the same peoples. When Yugoslavia disintegrated Montenegrin nationalism, or even separatism, was nowhere to be seen as pro-Serbian sentiments dominated the country. The differences between Serbs and Montenegrins are probably the smallest amongst all South Slavs. Everyone defined themselves as a Serb in Montenegro in the 1990s. So, it was predictable that after being the staunchest Communists for decades, the leadership of Montenegro and rising politician Milo

Djukanović exploited this opportunity eventually becoming a strong follower of Slobodan Milosević and rising up in the political ranks due to this connection. Montenegrin Nationalism and separatism really only emerged shortly before the disintegration of the state of Serbia and Montenegro in 2006.

Montenegro was strongly pro-Serbian throughout the Yugoslav war until the mid 2000s when Milo Djukanović decided to split it off from Serbia in 2006 for his personal reasons. Without a central government in Belgrade to report to, Milo could embezzle, steal and accumulate wealth undisturbed and uninvestigated. This is also the reason why Milo Djukanović is “not in a hurry” to join the European Union, if Brussels saw what was happening in Montenegro, they would swiftly force Milo to “fight his own corruption” and potentially support an alternative to him. Despite the difficulties between Milo and the EU, the bottom line is that Montenegro is now pro-western. After the war and turmoil just as in Serbia, new politics emerged in Montenegro, the country was open for business with anyone who offered enough interest in investing in the country's tourism industry. Montenegro soon heavily relied on tourism and it became its largest source of state income. The coastal towns of Budva, Tivat, Kotor and Herceg Novi are dependent on tourism and a bad season with no tourists means virtually no income. This of course is what we witness right now during the Corona crisis. The rushed privatization of land and industry were championed by the DPS party which secured prime beach-front real estate for its loyalists. Many of the huge tourism projects and subsequent infrastructure were used to launder money by the mafia, just like in Serbia, a huge wealth discrepancy between the leadership-class and the rest of the population emerged.

Little attention is paid and was paid to tiny Montenegro on the world stage for its domestic corruption issues or organized crime problem that spread to other countries too. The time when

Montenegro was talked about the most is when Trump said the following on the topic of its NATO entry, *"This is a small country with very strong people. They can be very aggressive, and then - congratulations! - you've got World War III."* Trump, after some hesitation, however signed the corresponding contract that made Montenegro a NATO member. (21) During an interview with Fox News in the in 2018, the then American president casted doubt on the need to provide military support to an ally, as stipulated in Article 5 of the NATO treaty, citing Montenegro and saying something along the lines of why would send our children to die there if they are attacked. Even the erratic former US President could not have seriously believed that World War III could seriously start in the sleepy Montenegro, instead he used the unknown country name to energize his voter base with his populist tactic of casting doubt on NATO.

1.3 Identity

Montenegro for the past decade has struggled in its search for a national identity. In May 2006 it became independent again after a very close referendum in favor of secession from the State Union of Serbia and Montenegro. The legitimacy of the result is disputed till today, it is likely to have been rigged in favor of independence. The DPS and its leader Milo Djukanović have tried to change the Montenegrin identity by otherising Serbia, specifically the connection many Montenegrins feel towards Serbia due to them being members of the Serbian Orthodox Church, practicing the same traditions as well as having relatives in Serbia. The belief that Serbs and Montenegins are “one people” is something that the DPS has consistently tried to destroy. The current policies are in stark contrast to what Milo Djukanović and the DPS were propagating during the 1990s, when he was a strong supporter of a “Greater Serbia” and participated in the Yugoslav Wars by attacking and bombarding the Croatian port city of Dubrovnik. A noncanonical and unrecognized Montenegrin Orthodox Church was founded in 1993 by Antonije Abramović an archimandrite of the Serbian Orthodox turned apostate. The Church

has a negligible number of followers even today. It was ignored by Milo in the 1990's until recently but now its existence is being used now by Milo for his political agenda. (22)

It remains to be seen if the politics of changing the country's identity that the DPS government has implemented in Montenegro will be successful, the recent pro-Serb sentiment in Montenegro and the loss in the elections forced the DPS to tone down the rhetoric. In fact, passing the "Law on Freedom of Religion or Belief and the Legal Status of Religious Communities" in 2019, which de jura was transferring all religious possession owned before 1918 by the Church into state property was the triggering point which decided the outcome of parliamentary elections in August 2020. The Serbian Orthodox Church, which was mostly affected by this law, under the leadership of Amfilohije Radović, Metropolitan od Serbian Orthodox Church organized protests which inspired the people of Montenegro to wake up from lethargy and vote against the regime of Milo Djukanović.

Public opinion today is mostly against the artificial division of Serbs and Montenegrins. This identity that was propagated by the DPS is quite blatant when it comes to displaying Serbia as "the other", something a lot of Montenegrins are not too keen on since they define themselves as Serbs too or at least feel a strong connection to Serbia. It is hard to imagine that this new invented identity, coupled with a new "politics of memory agenda", can be accepted by the majority of Montenegrins since "pan-slavist" and "pro-Serbian" sentiments in the country are very strong today and the DPS lost a lot of its influence. Over the span of 500 years, Cetinje, Montenegro's capital at that time successfully resisted the Turks and remained unoccupied, which is why some nationalist Montenegrins consider themselves a "better" nation than the others in former Yugoslavia. Montenegrin people used to have also a strong pro-Russian sentiment, dating back to the days of Peter the Great, when Russian Navy sailors appeared in

Montenegro, hence Russophile sentiments are still alive and well in Montenegro. There is a lot of “identity and memory warriors” on both sides, the Serbian one and Montenegrin one, and it remains to be seen how this battle over identity and history will develop in future.

4.2 Chapter II: The reign of Milo

- **Milo’s rise to power**

Montenegro's president has been on top for decades. The Berlin Wall was still standing when the young economist took over leadership of Montenegro's Communist League in early 1989. In 1991, Djukanović served for the first time as prime minister of the then still Yugoslav state and has since held the power in Montenegro.

Ideologically, he doesn't care about any "Isms". The man with the nickname "Godfather of Podgorica" managed to switch many sides; When Yugoslavia still existed, as a young communist he was long a firm supporter of Slobodan Milošević and hence a hardline Serbian nationalist. On his 29th birthday, 15 February 1991, he became Prime Minister of the Republic of Montenegro. Djukanović separated from Serbian nationalism when it seemed opportune to him. He quickly modeled himself into a fighter for the independence of Montenegro, which was achieved in 2006. Under the rule of "Milo", as he is always called in the country, large parts of the Adriatic coast were sold to private companies or individuals, to local business people or party officials from his environment as well as to rich Russians, Turks or Arabs. Of course, Djukanović’s people also control the "Ministry for Sustainable Development and Tourism", which has to decide on development plans. Huge sums of money were fondled

through these real estate developments and effectively stolen by Milo. Uncovering all of this is a goliath task for the new Government. (23)

- **Milo's ideology(ies)**

Milo Djukanović has been president or Prime Minister for nearly three decades. He started as a hard line communist then turned into a Serb nationalist warmonger during the Yugoslav Wars, was very close to Russia in the mid 2000s and then eventually become a loyal follower of the West and, at least rhetorically, a supporter of democracy, transparency and the rule of law. Milo Djukanović led the country in its adoption of "European values", into a NATO membership. Where he was not that successful in was on influencing people to the reject the to him now archaic ideas of pan-Slavism and "Serbdom of the Montenegrin people" and embrace a new artificially created Montenegrin language. This was not well perceived by most Montenegrins. Although he presented himself as a pro European Union leader, acceptance of Montenegro by the EU was and is his biggest nightmare, because this would mean the end of his position and possibly even freedom.

Behind the scene Milo Djukanović has built one of the most all-encompassing kleptocracies and organized crime safe havens in the world. In 2015 Vanja Ćalović, Director of MANS, a civil society organization based in Montenegro nominated Milo Djukanović for Person of the year in organized crime and corruption. From her point of view, Djukanović is not pro-Western either, he serves only himself, *"Djukanović is alone for Djukanović."* This is also exemplified by his connections to international cigarette smuggling in his youth, yet we are supposed to believe that he went through a change which made him care about other people and turned him more "civilized "? (24)

There are many Montenegrins nationalist gatherings encouraged by the DPS, they portray themselves as pro-Montenegrin but actually are pro-DPS protests. The narrative is to “not surrender Montenegro to Serbs”. In protests people are seen waving the current Montenegrin red and yellow flags from 2006 and not the old tricolor of the Kingdom of Montenegro which resembles the Serbian flag very much. Any cultural affinity or historical friendliness between the two countries is harshly dismissed. This nationalist sentiment was largely created in response to pro-Serb opinions of Montenegrins. The goal is to minimize those opinions and create large scale Montenegrin nationalism. The narrative is that Serbs wanted to subjugate Montenegro and that Milo is right in standing up for “always marginalized” Montenegrins in their own country. Montenegrin nationalist protests received much less support than the “anti-Milo” liturgies of the Serbian Orthodox Church or the opposition protests. There is many allegations of the DPS paying people to attend those rallies, due to many Montenegrins living in poor circumstances they would be easily incentivized to participate by offering small amounts of money to them.

- **Milo’s Reign and press freedom**

Milo Djukanović runs Montenegro single-handedly, the state is like a private family business. Montenegro's president has been on top for decades. This system seemingly has worked for very few people at the top but not for the rest of the population. In Montenegro it was very difficult to get into top positions either in the “free” market, the public sector, and hardest of all, politics. Two of the biggest food chains for instance “Franca” and “Voli” were close to the former Government were helping it financially and received huge benefits in return. (25) The

construction company “Bemax” for instance was also one of those companies which supported Milo and received contracts in return. (26)

Montenegro under the DPS was plagued by very real, very frightening corruption problems. On the corruption index of Transparency International the nominally democratic state is far behind Romania but even behind Rwanda. The journalists' organization Reporters Without Borders ranked Montenegro to a disgraceful 104th place. In no other European state apart from the dictatorial Belarus is the press less free. Interestingly enough, Montenegro's Milo Djukanović is the second longest-ruling head of state in Europe after Belarus' Lukashenko. As for the rule of law: It can happen that one of the opposition leaders in Podgorica is arrested while walking out of parliament, as happened in November 2018, Nebojša Medojević, despite immunity as a parliamentarian, he was behind bars for weeks on alleged plans to overthrow the government. Ludacris accusations that were false but were used to criminalize him.

As for Freedom of the press, freedom of speech and freedom from illegal seizures of property are concerned none of that really exists in Montenegro and yet despite these issues Montenegro continues to be courted by the West. EU accession negotiations with Montenegro have been going on since 2012, but the work of independent journalists has actually become harder rather than easier. Open threats and intimidation, including by Djukanović himself, are just as common as verbal and physical violence. There are fire and bomb attacks on cars, editorial rooms, and apartments, media people are shot, and in 2004, there was even a murder at the editor-in-chief of the newspaper Dan, Duško Jovanović. (27) According to the "Center for Investigative Journalism" in Podgorica, journalists are at risk if they research corruption and organized crime in the vicinity of powerful people in Montenegro. These are journalists who uncover dealings of the mafia and/or the state. Again and again there were obviously politically

motivated arrests, indictments, and trials, as was the case for journalist Jovo Martinović. Organizations such as "Reporters Without Borders" and "Amnesty International" are demanding an acquittal for him. In the run-up to the judgment, the DPS said that the judiciary in Montenegro “should show its independence.” (28)

- **Milo’s conflict with the Serbian Orthodox Church**

Djukanović came into conflict with the Serbian Orthodox Church due to the "Freedom of Religion Act", in which the Montenegrin state was allowed to de jura confiscate all of the Church's real estate owned before 1918. The church saw this as pure attempted robbery and mobilized its believers first to hold mass protests and then to vote against Djukanović. The church also organized liturgies in which many people participated. The slogans “ne damo svetinje” in English “we won’t give up our holy sites” the church and the parliamentary opposition of the DPS mobilized these mass protests. Djukanović accused his neighbor Serbia and its president, Aleksandar Vučić, of interfering in internal Montenegrin affairs. Similarly to when he had accused Putin of meddling in Montenegro’s affairs by allegedly trying to overthrow him in 2016.

The decisive role as to the outcome of the August 2020 parliamentary elections, was likely played by the Serbian Orthodox Church, to which the majority of the population of Montenegro belong. The Montenegrin Orthodox Church, as aforementioned was founded by an apostate of the Serbian Orthodox Church in the 1990s, but was only heavily promoted by the DPS in recent years and therefore is practically an invention of Milo Djukanović’s regime. It is also not recognized by any of the other Orthodox churches. The coalition partners, but especially the Serbian-Montenegrin unionist and Russophile Democratic Front (DF) had therefore brought

many people to the streets against the law that discriminated against what they saw as the legitimate church in Montenegro. The Democratic Front wanted to distinguish itself as the “guardian of the sanctuaries”, and it is profiling itself as the “real protector of Serbs in Montenegro”.

Many observers are not clear why Djukanović actually sought this dispute with the Serbian Orthodox Church. The only thing they can come up with to explain this move is that the DPS government wanted the church's precious land because it is prime sea-front real-estate in many cases. This building land can be used to earn a lot of money and also wash a lot of money with investments. But another point is also central; The Serbian Orthodox Church had become a stronghold of resistance against the government. The actions of Milo Djukanović were seen by the church as betraying all of Orthodox Christianity, this is particularly linked to the recognition of the statehood of Kosovo by Milo Djukanović. The church is still a great power factor within the country. Djukanović wanted to weaken them. In the end, however, the conflict actually harmed him because some supporters of his party also felt connected to the Serbian Orthodox Church and tradition. The new government, as one of its first acts revoked the “law on religious freedom”. Despite the new coalition being friendly with both Russia and Serbia, Montenegro remains on a pro-Western course.

The DPS wanting to take land of the Serbian Orthodox Church cost the DPS part of its electorate and thus might have well cost him the election. President Djukanović himself has made no move to hinder the transfer of power, but his supporters persistently claim that the independence of Montenegro is now at risk from Serbia. In addition, the country runs the risk of sliding into nationalism. The DPS claims sometimes that the new government wants to "Serbize" the Montenegrins. They argue that some of the new ministers see themselves as

Serbs, since they are members of the Serbian Orthodox Church. The question of who is or who is not a Serb might seem completely irrelevant, but in Montenegro it's a key question in politics right now. Djukanović and the DPS have so far presented themselves as a constructive opposition that fails because of Serb nationalism. They accuse Serbia, its president and the Serbian Orthodox Church, to be responsible for their electoral defeat but that is anything but a accurate picture, because the corruption allegations against the DPS are very real, as is the issue of his involvement with organized crime. Not only Milo's conflict with the church but also these issues were key contributors to the DPS' loss in the election.

Demonstrations by the Serbian Orthodox Church and its followers, most Montenegrins were against the new Law on Religious Freedoms, led to a change in thinking amongst the people, no longer were they scared to let their displeasure of Milo be known at the ballot box. This resulted in tension between people who see their faith as being attacked and the supporters of "independent" Montenegro that differentiates itself from Serbia. Divisions within Montenegrin society are still ongoing. The spiritual leader of these protests against these laws was the recently deceased Metropolitan Priest Amfilohije Radović. His persona was electrifying and his liturgies, that he held in all parts of Montenegro, were attended by tens of thousands of people. (29)

- **Milo's fall - August 2020 elections**

There was a big surprise at the parliamentary elections in Montenegro at the end of August 2020. After around thirty years, President Milo Djukanović's long-standing ruling party DPS had to relinquish power. The next government of the political novice and head-designate Zdravko Krivokapić (Democratic Front) has a lot to work to do with all of the crime and

corruption left behind in the country from his predecessor. The smallest EU candidate country has recently received bad grades from Brussels. The EU Commission stated that the independent judiciary, freedom of opinion and freedom of the press, are inadequate for the enlargement policy to go through anytime soon. Before the parliamentary elections, President Djukanović's ruling party fell below 40 percent in the polls. But a change of power in the corrupt system remained unlikely. *"It depends on you whether Montenegro continues on its way into a European future, or whether a state concept prevails in which the church with its medieval dogma has the say,"* warned Head of State Milo Djukanović in the capital Podgorica before the parliamentary elections on to a masked audience: *"It's about whether Montenegro goes forward or backward!"* But despite the strong rhetoric, the DPS had to coincide defeat in this election. In case the fractured opposition brings together some kind of stable coalition, the days of Djukanović as president of Montenegro might be numbered.

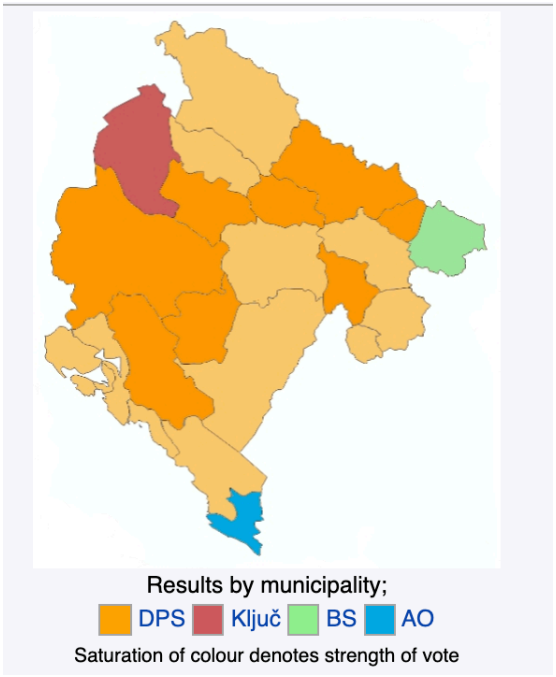
The new government coalition is extremely heterogeneous. It is made up of three alliances, which consist of more than a dozen small and tiny parties, some of which have opposing political orientations. Not only for this reason is it also uncertain whether a real change will actually follow after a change in government. This will also depend on whether the newcomer Krivokapić is up to the experienced and shrewd tactician Djukanović. Djukanović's mandate as president runs till 2023. He will also remain chairman of the DPS, which still constitutes the largest parliamentary group and controls large parts of the state apparatus after three decades in power. That alone could make the implementation of some reform promises of the new coalition very difficult. In addition, there is a tight budget. This is not only a consequence of the corona pandemic, which has affected the tourist season in the Adriatic state, but also a consequence of decades of economic plundering of private businesses and individuals by the government.

Due to Milo Djukanović's party, the DPS (Democratic Party of Socialists) losing the majority in parliament and Zdavko Krivokapić's coalition, the ZBCG (For the Future of Montenegro) gaining a lot of seats. The foreign policy focuses will shift also to a normalization of relations with Serbia and achieving EU membership. However, the already slow path to EU accession will likely become slower, regardless of who becomes the next president or prime minister. This slowdown can be attributed to an increase in corruption, crime and decrease in living standards, as the Corona Crisis hit Montenegro's only "industry", Tourism, very hard. It is hard to deny even to pro-Milo observers that Milo Djukanović's neoliberal privatization policies have caused most of the country's former industries to shut down. This sort of privatization process was reminiscent of the one's in Russia during the 1990s, except on a much smaller scale. Nepotism and corruption are two undeniable traits in how the Montenegrin state conducted privatization of property. Only massive reforms in legislation, fighting crime and corruption and calming interethnic and interfaith tensions will make Montenegro long term a more stable and richer country.

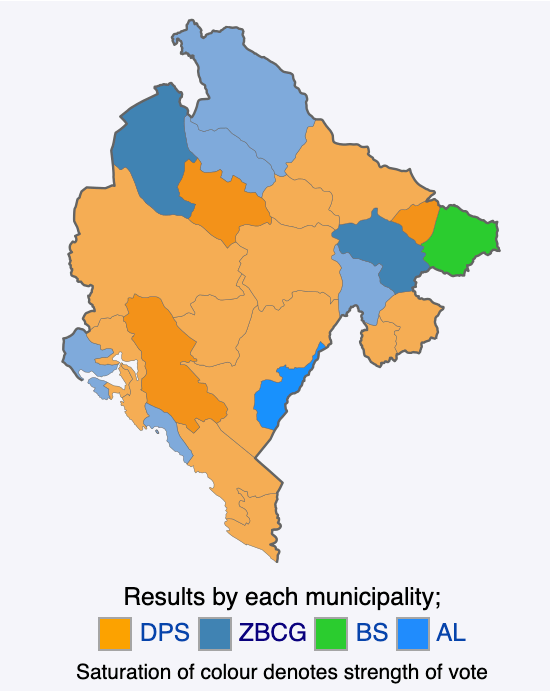
Montenegro is even more divided and its citizens are much poorer than it has been during the "golden age" of tourism there in the mid 2010s. In 2021, it is realistic to expect, regardless of who the parliamentary majority will be, that these divisions will further deepen and tensions will become bigger. The government was also implementing curfews and lockdowns due to the new situation with the Coronavirus, which adds additional fuel to the fire, due to the psychological impact this has on people. Right now, as we approach summer 2021, people have become "crazy" since all restrictions have been practically abolished. The country is barley vaccinated but an estimated 60% of people have gone through COVID already, nonetheless another outbreak is possible. The number of traffic deaths is up tremendously due to the Montenegrin police not having vehicles at all because their leasing expired and the state does

not have money to pay it. So, Montenegrin police are on foot, and inspectors and the ones who fight crime have to do it with their private cars. There is no end to the chaos and there will be none. (30)

Parliamentary Election Maps



2016



2020

5.3 Chapter III: The opposition

- **Makeup**

All of Montenegro but particularly in the "pro-Serbian" North contributed to the surprising defeat of the DPS party. Djukanović was defeated by this colorful opposition coalition called the alliance for the future of Montenegro (ZBCG). It ranges from the pro-Serbian Democratic Front (DF) to the social-liberal-green United Reform and Action Party (URA). At first Zarko Krivokapić (ZBCG) was severely attacked by leaders of the Democratic Front (DF) who did not want to support the new expert government plan promoted by Krivokapić. Ultimately, however, they gave in to prevent the DPS from staying in power. The new government will have to fight for every law before it is passed in parliament, since they will face staunch opposition from the DPS. The DPS will try to form coalitions with smaller parties to regain parliamentary majority in the next election. However, it is not expected the members of the ruling parties in the current government will "overthrow" each other. It is more likely that sooner or later they will demand cabinet reshuffles. The defeat of the DPS of course heavily influenced by numerous scandals, the corruption of Milo Djukanović was the central theme of the ZBCG coalition against him. The widespread corruption and rampant poverty, by which almost everyone is affected in the country, contributed to voters voicing their disapproval of Milo's policies on the ballot box.

In the weeks leading up to the parliamentary elections in Montenegro, the opposition complained that the election campaign had not been fair and that they could not run a normal election campaign. One cause was the government's massive measures in the fight against the corona pandemic. In terms of population, Montenegro recorded far more new infections with corona than many other Balkan countries from in mid-June 2020. As a result, larger gatherings

were until recently only possible to a very limited extent or even prohibited, and freedom of movement was restricted in parts of the country. This prohibition of larger gatherings however was not enforced for pro-DPS protests or rallies organized by the DPS. The large liturgies conducted by the Serbian Orthodox Church were also allowed since breaking them up would have caused too much of a public reaction against Djukanović.

Many political observers complain about a all-encompassing democratic deficit in the country. In many Balkan countries, “free” elections have not been possible for a long time, that was also the case before Corona. Governments contros the media, they and their parties also have more money than the opposition in Balkan countries and in many cases, politicians simply pay people to vote for them or simply change the checklist on ballots or print new ones, there are many ways to rig elections in the Balkans. In Montenegro Milo Djukanović mastered those ways of rigging elections. (31)

- **Future cooperation and dynamics between the parties**

The new Prime Minister Krivokapić has announced that his expert government will consistently fight corruption and organized crime. In addition, the administration of all of Montenegro is to be reformed, the origin of the property and wealth of politicians and state employees investigated and criminally charged officials dismissed. The determined fight against corruption is the key to continue Montenegro's proclaimed path to EU membership. The new government is also facing completely different major challenges, most importantly as the fight against Corona. Montenegro has been hit severely by the virus and currently has no real chance to carry out serious reforms and sustainably strengthen state funded institutions

such as the health care service. The fight against corruption and corona and the disapproval of Milo are all factors that unite the diverse coalition.

Despite its sympathies towards Serbia and some of the parties in the coalition being Serb-Montenegrin unionists, the leaders of the parties that make up the new government have publicly promised that the country will remain on a pro-Western course. The future government will carry out all the reforms necessary to enable Montenegro to join the EU as soon as possible.

Milo Djukanović is intensively continuing to sabotage the new government in Montenegro. The ambassadors of the western countries in Montenegro, who did not support Djukanović on the instructions of their countries, were targeted as a priority. The most outspoken attacks are aimed at U.S. Ambassador Judy Rising Reinke. The US Embassy in Montenegro has even made a public statement about the attacks on the US Ambassador, which are being carried out through parts of the public broadcast service Radio Televizija Crna Gora (RTCG), Montenegro's prime cable tv station. The attacks on the American representatives in Montenegro are connected to questions about corruption oft the DPS and Milo Djukanović in Montenegro coming from western countries. (32)

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- **The new government handling of Montenegro's problems**

Economically, Montenegro is going through a very difficult time. The massive sum usually gained from tourism revenue has recently fallen dramatically. In the medium term and long term, however, the state of Montenegro will remain a market with great potential. In addition to stronger efforts in the fight against corruption, an important prerequisite is that a stable government that respects the rule of law is formed one day. This might attract investors.

The tight budgets of Montenegro are also due to a Chinese funded highway project to connect the Montenegrin coast with the Montenegrin North and the Serbian capital Belgrade. Studies on the expected profitability this route turned out to be negative, hence the European Investment Bank declined financing it several times. The Montenegrin part of the of the billion-dollar project, built by the China Road and Bridge Corporation, is largely financed with Chinese loans. The problem here is that building a highway in Montenegro is time-consuming and expensive, because the terrain is very reminiscent of Switzerland, but Montenegro's financial possibilities are not at all. The first instalment of the loan of almost 945 million dollars made available by the "China Exim Bank" for a part must be repaid by Montenegro in 2022. The looted state does not have the money to pay back this loan. (33)

Now the new government, probably accurately so, claims that the project is overpriced. It attributes this to the fact that Montenegrin subcontractors associated with DPS received many partial orders at inflated prices, meaning huge corruption took place. The new Prime Minister Krivokapić therefore wants to have all contracts checked and renegotiated if necessary. No public reaction has yet been reported from Beijing.

The other government promises given to their voters during the election are also extremely ambitious. For example, the new governments wants to introduce a law that would allow the investigation of the origin of wealth, this should shed light on the corruption of the past decades' DPS corruption. On the forefront of promoting this law is Dritan Abazović, head of the liberal coalition "Black and White", part of the new government. Abazović, a Montenegrin of Albanian origin and of Catholic confession, is the deputy prime minister in the new government. He is considered a reform-oriented and idealist politician who wants to accelerate

Montenegro's entry into the EU. This young politician with his coalition partners, Zdravko Krivokapić and Aleksa Bečić, signed a binding agreement to pave the way for the fight against corruption and crime that is deeply rooted in Montenegro. As necessary in view of the situation in Montenegro, it is still uncertain whether this law on property screening could be implemented. (33)

4.4 Chapter IV: Milo's ties to organized crimes

- **Milo's ties to money from cocaine and cannabis trafficking**

Organized crime is a huge problem in Montenegro. There has been an open war between two gangs in Montenegro for years, they are called Kavački and Škaljarksi Klan and are rival gangs. These two gangs operate largely unmolested by the higher up judiciaries in both Serbia and Montenegro, but especially in Montenegro. The presence in the drug and arms trafficking scene of Europe of the Montenegrin Mafia is undeniable. The main source of income for the tolerated gangs is drug trafficking, in which groups from the Balkans have recently been involved in. The Montenegrin mafia is said to be one of the most important actors of the drug trade from Latin America via the Balkans to Western and Northern Europe. Today groups from Montenegro are central actors in the transport of heroin, cannabis and cocaine to Europe. All of this was not actively combated by Milo Djukanović's government. (34)

- **Milo's and DPS's connections to organized crime clans**

The Djukanović regime tolerated and supported criminal clans had made a significant contribution to the creation of an independent Montenegro.

Slobodan Kašćelan, the leader of the notorious Kavač clan, played a key role in the 2006 referendum. Namely, the leader of the narco-clan was one of the main “activists” of DPS and Milo Djukanović when the vote on the separation of Montenegro from Serbia was organized. The Mafia has a lot of influence in Montenegro and elections can easily be helped along with their support. Clans have a lot of ties and money that and can make people vote for whom they support. This is something that Milo knows about. It could be said that the drug business is one of the strongest economic activities in Montenegro. In 2018 a ship owned by JP Morgan and operated by Mediterranean Shipping Company with Montenegrin crew members contained twenty tons of cocaine and was busted in the harbor of Philadelphia. This cocaine is believed to have been trafficked by these Montenegrins. This bust constituted the largest drug bust in US history. (35)

Montenegro is a state is known for not arresting and chasing criminals and clan leaders, on the contrary, they negotiate with them and use them for their own needs. None of the key people of these clans were arrested in Montenegro, they always were apprehended in the surrounding countries since these clans were fighting for turf throughout Europe, mostly in Serbia but also other European countries. In Belgrade many people died in the clashes of the Montenegrin clans, one of which used to be a clan that disintegrated after the arrest of Darko Šarić. A Montenegrin state ship was caught with half a ton of cocaine in Germany, this tells all about the connection between the state and career criminals. Montenegro exports criminals, literally, they are an export item, they go to the Netherlands, Austria, United States or Germany.

In Montenegro it is always contested who the biggest drug dealer was, first it was Darko Šarić, then Miša “Banana”, and now it is Dragoslav Kosmajac. Who is actually the main player here?

The answer is it's a drug cartel, which means there are more criminals who have raised money together so they can buy as many drugs as possible, so there is not a boss over the bosses, but a few bosses. A lot of important people in organized crime who stick together. The path of the drugs was traced back to Bojan Stamenković (Boki), a criminal from Podgorica. Stamenković is indicted in Serbia, but is currently on the run. It is most likely that he was some kind of partner of Šarić.

Milo Djukanović is also connected with Šarić. All the roads lead to Montenegro, and to the involvement of the president of Montenegro, i.e. his connection with the entire drug dealer team. For example, Šarić put his deposits in Prva Banka, which is run by the Djukanović family, Milo's brother is the owner of the bank. This is a direct financial connection, but there are many other things that also confirm their acquaintance and partnership. Before the arrest warrant was issued for Šarić in Serbia, he took refuge in Montenegro because he felt safe there, but the mistake he made was that he had previously obtained Serbian citizenship. He then tried to save himself by regaining Montenegrin citizenship and for that he needed a guarantee from Montenegro. It was clear to everyone who Darko Šarić was, and despite that, Montenegro officially gave him guarantees. Asked about that, Djukanović said: "Well, I didn't give him the Nobel Prize." (36)

- **The gang war in Montenegro and Serbia**

From 2012-2020 there have been 166 murders in Serbia and Montenegro that were carried out by criminal gangs. For months, rival groups belonging to this mafia structure have been waging a bloody war in Montenegro, Belgrade but also in Austria for example, where there have been several brutal murders that are suspected to be the result of the gang war. Since the end of the

Yugoslav war, more and more criminal groups from Serbia, Albania and Montenegro have been pushing into Western Europe. They are increasingly taking control of the cocaine trade from South America to Germany and the rest of Europe. Balkan gangs can fall back on many compatriots among port workers in important cities such as Rotterdam, Hamburg or Genoa. Gangsters and drug traffickers also find shelter in Montenegro. With all of his friendships and ties to the criminal world, Milo Djukanović might very well be the "Pablo Escobar of the Balkans."

5.5 Chapter V: Corruption of Milo, his family and his affiliates

- **Milo's corruption**

In 2018 the former head of of "Atlas Group" and former Djukanović affiliate, Dusko Knezević, in his last series of accusations against Milo Djukanović, said that the President of Montenegro has a fortune of one billion euros, and that the background of all conflict between him and Milo is money and influence on investors. Thus, the origin of the property and wealth of Djukanović, which is probably the most complex and convoluted story in all of Montenegro, came into the public's focus once again.

The first record about a property in Djukanović's name is of an apartment purchased in 1991, the same year when he became the youngest prime minister in Europe. It is about an apartment with an area of 187 square meters, which Djukanović later filed as his only property in the data submitted to the "Agency for the Fight against Corruption. " However, in the 1990s, when he began his political rise, Milo was linked to another story, thanks to which he gained his initial capital, cigarette smuggling. There is no official verdict convicting Djukanović because the

then Prime Minister had diplomatic immunity and was excluded from the case. However, the Italian anti-mafia prosecutor's office conducted an investigation against him due to a mafia associate of Milo who was involved in cigarette smuggling. Milo was even suspected of being the head of that specific smuggling organization. It is not known how big Djukanović's role was, but then the Italian police estimated that the smuggler's annual net salary was 450 million euros. According to Dusko Knezević, who claims that Djukanović himself told him that, his share of the money from cigarette smuggling is in the accounts in Switzerland under the name of his friends Dusko Ban and Zeljko Mihailovic.

Milo is also the owner of the company "Capital Invest", which he opened during one of the short breaks from the political scene, when he was not in any position. Milo Djukanović himself claimed, when pressed on the issue, that he made all his money legally and while not in a public office. Through this company, in 2007, he bought the shares of "Prva banka", whose majority shareholder is his brother Aco. He bought the shares at a far lower price than the one he later sold in 2013, which enabled him to earn millions of euros. Also, Djukanović is the owner of the company "Global Montenegro", and it was recently revealed that in 2006 he founded the offshore company "Vagor investment limited" in Cyprus, whose existence was not reported to the Montenegrin institutions. Djukanović later admitted that he had founded the aforementioned company in Cyprus, insisting that no business had been conducted through it, as well as that it had no turnover. On the other hand, Knezević claims that the company was founded with the aim of formally becoming a co-owner of the "Meljine" hospital and the belonging land complex of 50,000 square meters. (37)

- **Family Business**

Djukanović entered politics at a time when he lived with his parents in a rented apartment near the bus station in Podgorica, and today estimates of his wealth vary from tens, over hundreds of millions, and the up to one billion euros. Not just Milo's wallet is questioned, it is estimated that other members of the Đukanović family have millions on their accounts too, such as brother Aca, sister Ana. The son of Milo, Blažo Djukanović, does not have "financial problems" either.

One of the last researches on the topic of the wealth of the former "first family of Montenegro" was published by the International Consortium of Investigative Journalists (ICIJ) from Washington in 2018. According to their information, Milo is much poorer than the figure claimed by Knežević, only 14.7 million euros. His older brother is, according to them, much richer and owns 167 million dollars, while their sister Ana acquired property worth 3.5 million dollars. For the purposes of this research, personal property and property of companies and families entered in public registers in Montenegro were assessed. However, the question arises whether the Djukanović family has real estate abroad, secret accounts, property registered in someone else's name etc. The Djukanović family rejected the allegations, characterizing them as "shooting in vain".

If you look at Djukanović's property list, which he reported in February 2018 before the presidential elections in Montenegro, Milo is even poorer. It states that Djukanović earns only 1'500 euros a month as an advisor for economic and financial projects in his own company "Capital Invest", while his wife Lidija Djukanović is an advisor for human resources in a regular company with a salary of around 860 euros. In the same property list, in addition to the mentioned apartment bought in 1991, it is stated that Djukanović bought two pastures in Kocani

(Nikšić municipality) in 2013, in the same year he bought a meadow in the same place, and it is also mentioned that he owns the ruins of various buildings. Acquiring all this with a salary of 1’500 euros is quite “impressive”. So to say, they belong to the “upper working class.” (38)

- **Possible investigation or even prosecution of Milo?**

Milo Djukanović's term of office as President of Montenegro ends in 2023. So the country is facing cohabitation between the new leaders and the old ones. Some leaders of the new ruling parties are already calling for the head of state to be arrested. They claim that Djukanović used the state during his thirty-year rule to amass enormous wealth. The President simply denies that. It is possible to assume that there will be corruption lawsuits against members of the Djukanović party. If that leads to convictions, then the Democratic Party of Socialists will have a big problem.

Djukanović, who is considered to be extremely wealthy and has been a professional politician all his life, until now could not be directly affected because of his presidential immunity which could end if he is no re-elected in 2023. Recently the top public prosecutor, head of the judiciary of Montenegro, has changed, hence the judiciary is not subject to Djukanović's influence anymore. However, the new government does not have the parliamentary three-fifths majority required to initiate personnel changes at the top of the public prosecutor's office. So Djukanović will remain unpunished for his crimes at least for some time to come.

5.6 Chapter VI: Money laundering

- **Milo's money laundering through real estate on the coast**

Montenegro, as a country where the informal economy makes up a huge part of the whole economy, has thus far had poor results in combating corruption and organized crime. Montenegro also has a huge amount of illicit capital flowing through it making an environment conducive to money laundering. In addition, Montenegro's high reliance on capital inflows from foreign investment particularly into tourism to stimulate economic growth make it even more vulnerable to money laundering.

Real estate investment in Montenegro is particularly attractive due to its geographic position but in order to build resorts or tourist villages one has to also be on good terms with the DPS. The DPS government had exempt big tourism investments like "Porto Montenegro" from taxes, while ordinary Montenegrins were being overcharged on their electricity and water bills. This was all done by the DPS government with the excuse that in order to keep the big foreign investors in Montenegro tax cuts were necessary. In other investments by the coast or the use of illicit sources of income is suspected, most of the big investments from domestic and regional "business men" are linked to money laundering and all of this was tolerated by the DPS for decades hence the possessions of Milo's party affiliates, mayors or state prosecutors, are far bigger than their incomes would suggest.

All this money laundering plays a key role in facilitating the work of drug traffickers, terrorists, organized crime or tax evaders. This of course does not make Montenegro look good in the eyes of the European Union and NATO (or the world). In addition, the influence of illegally acquired money on the political DPS elite led to the erosion of democratic norms and

institutions and seriously endangered the rule of law in Montenegro. Montenegro through the process of harmonization of national legislation is looking to fulfill its EU membership requirements and follows EU policies in this area. But this is an area that is also dynamically changing at the European level, and Montenegro often lags behind in what is understood as good practices and the latest directives and recommendations of the European Union and Council of Europe.

- **Milo's money laundering through state investments**

The government supported the national airline twice during the Corona crisis. Now there is no more money. Montenegro Airlines can no longer pay employees and suppliers. In July and August 2020, the government in Podgorica supported the national airline with two financial injections. Once it transferred ten million euros, then 25 million euros. The money should help Montenegro Airlines get through the Corona crisis. But because the airline could hardly operate any flights at the moment, the tide turned. The October 2020 wages were never paid, Montenegro Airlines told Vijesti newspaper. Leasing companies, engine manufacturers, and other suppliers are also in arrears with payments. Without further state aid, the company could not even survive in the short term. Last year the government decided to provide Montenegro Airlines with a total of 155 million euros in aid by 2025. The money should reorganize and restructure the chronically deficit national airline. Privatization was also an issue at the time. Montenegro Airlines currently operates three Embraer E195s and one Fokker 100. According to earlier plans, the Dutch-made aircraft should be shut down at the end of this year and replaced by another E195. An increase to five Embraer E195s was then planned for 2021. However, these plans will no longer be implemented. All of this money that was pumped into

Montenegro airlines is nowhere to be found at all, which begs the question, where did it go? (39)

5.7 Chapter VII: Outlook for International Relations with the most important countries for Montenegro.

Why are the great powers pulling at this tiny south-eastern European country, ready to overlook all of its weaknesses and deficits? What is really being decided here that could have great significance for Europe or for the world?

- **The Republic of Serbia** and the Republic of Montenegro are likely to go back to a normalization or reset of relations. Both countries must take into account that the former government of Montenegro carried out unprecedented discrimination against people who identified as Serbs in Montenegro. The new government would have to change that, not only because of economic relations with Serbia, but also because of the stability of Montenegro and the picture this sends to the rest of the world. Otherwise, Montenegro will have a schizophrenic, divided society. The statements of Montenegrin President Milo Djukanović at his party's congress, and rather harsh words against Serbia and the Serbian Orthodox Church, which he sees *"as instigators, thugs, and advocates of the most monstrous genocide in modern Europe,"* only further complicated relations between the two States. Belgrade did not welcome such rhetoric, which, among other things, is assessed as a *"failed policy of hatred and division."* To that should be added the statements of Zdravko Krivokapić, which are in line with what the pro-Serbian opposition claims almost every day, that Milo Djukanović and Aleksandar Vučić are very close business and political partners, so they understand all the complications of mutual relations between Serbia and Montenegro. Milo Djukanović will certainly not try to make it easier for the new authorities

to establish good bilateral relations with Serbia. However, it should be borne in mind that all this will also lead to a shift of the DPS, from the center to the right. Milo Djukanović's behavior led to bad relations between Serbia and Montenegro. The new government should establish a system in which no one will be discriminated against, where everyone can declare themselves as they wish, and where everyone will be able to get a job for which they are qualified, regardless of national, political and/or religious affiliation. The new Government of Montenegro has already gained sympathy in the region, which will be further strengthened by joining the regional initiative "Mini Schengen", this will improve regional economic cooperation, particularly with Serbia.

- **The Russian Federation** was much more involved in Montenegro in the mid 2000s and early 2010s economically, especially in tourism. Russian oligarchs had bought a lot of land and built magnificent villas and glamorous marinas on the most beautiful coastal strips, Montenegro was already known as "Putin's province" and "Moscow's Mallorca", a hot love affair, this however, cooled off sharply when the government in Podgorica claimed at the end of 2016, after protests happened, that it had uncovered a coup d'état and murder plot against the president Milo Djukanović initiated by the Kremlin. Shortly after Montenegro joined NATO. Mild anti-Russian rhetoric in Milo was however already present in 2014/15, when Montenegro imposed sanctions on Russia related to the annexation of Crimea. Vladimir Putin must have laughed when he heard the news that this minute country imposed sanctions on Russia. Of course, these sanctions did not affect Russia at all, and all the Russia had to do to heavily damage the Montenegrin tourist economy in response was to limit flights to Montenegro and dissuade its tourists from going to Montenegro by portraying it as an hostile country. This move on part of the DPS was also monumentally unconsidered because five or six years ago the vast majority of foreign tourists, apart from Serbs (who

are not considered to be “real foreigners” to many Montenegrins) were Russians. Russians most importantly were also the highest spending tourists. With this move the DPS shot itself in the foot, which begs the question; Why was this done? The only explanation plausible to entertain is that Milo wanted to demonstrate to NATO what a good ally he is and that we would follow their lead on foreign policy. The Russian reaction to the sanctions of Montenegro left Montenegro’s seeking and appealing for new tourists, particularly in Western Europe and Turkey, but no one has been able to replace the “steam of Russians” that was visiting Montenegro in the early mid 2000s and 2010s.

- **The United States of America** Montenegro is a member of NATO and therefor militarily under US influence. The US pays little attention to the small country on the Adriatic however. Montenegro does not have huge strategic importance for NATO or the US. It was marly the last piece in the puzzle to control of the Adriatic, to make sure that Russia can never gain a foothold along that sea. The US has established its presence with bases in Bosnia and Herzegovina and Kosovo during the wars 20 years ago and never left. Montenegro is economically and militarily insignificant to the United States despite it being a NATO ally. This was never more comically exemplified when Donald Trump during a NATO summit in 2017 shoved then Montenegrin prime minister Duško Marković aside rudely and posed for the cameras shortly after. It is not to be expected that the US wants to build any big bases in Montenegro. NATO is content with controlling the air space over the whole Adriatic with Montenegro's entry. Where Montenegro hopes the US would eventually come in, is to help Montenegro with substantial financial backing in case they default over the accumulated Chinese debt. In order to prevent Montenegro from becoming riddled in Chinese dept and therefor becoming controlled by China, Montenegro hopes that the United States would help. This is regarded as very unlikely. Montenegro is also

contributing about 45 soldiers to the NATO occupation of Afghanistan. Compared to other countries, Montenegro actually contributed a huge percentage of its total forces to NATO missions in Afghanistan. Such a small number of soldiers cannot make a difference on the battlefield, instead they are mainly tasked with helping base maintenance.

- **The EU** is conducting intensive accession negotiations with the Balkan state and has repeatedly confirmed that Montenegro is well on the way to membership by 2025. Montenegro is so small and its state currency is already the euro, this means that the EU, if it wanted to, could absorb Montenegro quickly. Given the economic state that the country finds itself in and the high level of corruption, however, it is very unlikely that the EU will consider Montenegro's membership seriously even by 2025. Whether the Europeans have to support Montenegro is in the field of border protection. Montenegro helps with the refugee issue and has recently agreed that the EU border protection force Frontex may in future also operate from his national territory. Currently the opposition in Montenegro shows itself willing to work with the West (EU and NATO) in a even closer fashion as Milo Djukanović, so is Milo Djukanović replaceable? This is the question. Milo Djukanović, as mentioned previously, never really wanted to join the EU since this would have limited his authority and he and his affiliates would not have been able to engage in corruption on the current scale. Milo never really talked a lot about joining the EU. In contrast to Milo, EU membership is the proclaimed goal of the new government, if Montenegro becomes a part of the EU state institutions would have to follow the rule of law, journalists would have the freedom to expose any wrong-doing of politicians and the state would combat on corruption, nepotism and organized crime. Montenegro right now, however, is a state that barley functions and EU acquisition anytime soon is a "pipe dream". From 2014- 2020 the EU allocated 279,1 million euros to help Montenegro under the Instrument for Pre-

Accession Assistance (IPA II). Those funds are primarily to be allocated to strengthen democracy and governance, rule of law and fundamental rights, competitiveness and innovation, Education, employment and social policies, transport infrastructure, regional cooperation, agriculture and climate action. Given that the EU was sending this money to Montenegro when Milo was still in full control of the country one would assume that most of the funds ended up in someone else's or his pocket. If Montenegro fulfills EU requirements depends on the success of the new leadership's reforms and whether or not the EU accepts Montenegro depends on the EU itself.

- **The People's Republic of China** has granted a billion-dollar loan for a spectacular highway across the country an ambitious project. This project, like many others, was used to wash money and pay of acquaintances by the Djukanović government. Of course, the question arises, how can Montenegro pay back this loan? The state is bankrupt due to the systematic plundering of the oligarchs and DPS government, the only way for Montenegro is to ask the EU or US for a loan but it's highly unlikely that either one would accept. In case Montenegro does not pay back the port of Bar, as well as other assets in worth of the loan can be seized by the Chinese. (40) It is obvious that the Chinese Communist Party and Chinese state-controlled companies preferred the DPS to the new Government since it had lucrative dealings with them, lucrative for themselves but not beneficial or profitable for the public at large. Milo's ties with China were the bud of a lot of jokes in Montenegro. I heard people joke *"let the Chinese come over and take over, at least then somebody could do all the work for us and we could just relax on the beach."* Often adding *"invite the Chinese to run the country, at least we'd have order under then."* In Balkan jokes Montenegrin's are always portrayed as lazy, Montenegrins embrace this stereotype and joke about it themselves.

- **The Bandwagon-effect** was coined in election research and psychology but was used in political science for the first time by Robert Goidel and Todd Shields. The term is used to describe the formation of an alliance of a weaker country with a stronger one, or a weak country joining a strong alliance, just to be protected by and be on the "winning side" together with the stronger party or alliance. This happens mostly during conflict but may also happen during relatively peaceful times. The aim of the weaker country is to profit from the conflict or simply profit from the stronger country, for example through spoils of war or just aid that the stronger country would send to it. The bandwagon effect is a limitation of the theory of the balance of power. Therefore, alliances based on the bandwagon effect are mostly offensive in nature, not like NATO. This however does not mean that countries can't jump on the "bandwagon" of NATO. Its certainty very lucrative to join a military alliance where one has little spending obligations and your country gets to be protected by the USA. In the case of Montenegro, NATO members now even protect its airspace, since Montenegro had no functioning air force. Montenegro under Djukanvic was clearly "guilty" bandwagoning. At the moment Montenegro is on the "European/American Bandwagon", when previously it was on the Russian and even before the Serbian one. Such a small and weak country as Montenegro really does not have a choice but to bandwagon, a suiter is always needed since it is so weak that is cannot protect itself or even its interests on the international stage. What is special however is that Montenegro was "bandwagoning" according to the needs of Milo Djukanović; when there was a lot of opportunities for Russian investments Russia was a partner, when the Chinese invested in Montenegro's infrastructure China was a partner, when the EU gave signs of wanting to help Montenegro with financial assistance under IPA II Milo did everything for Montenegro to seem more "Western" to the EU, when good relations with the US meant NATO membership for Montenegro the US was the ally. (15, 16)

6. Conclusions

6.1 Summary of findings

An independent judiciary is crucial for stopping corruption, and in turn, state crimes in Montenegro. If high-level corruption goes unpunished, undue influence over governments, institutions and sectors from organized crime can go unchecked. High level corruption has to be investigated by the state organs.

6.2 Scenarios for the future of Montenegro

- **Scenario I (democratization)**

DPS remains in the background and Milo quietly ends his presidential term in 2023 as the coalition manages to push through some reforms and investigations into organized crime and corruption and its traces in politics. Montenegro becomes less corrupt and less money is embezzled or stolen from its inhabitants leading to a higher living standard and a gradual path to the EU membership. Freedom of press and equal treatment by the law are restored and the independent judiciary follows EU rules leading to investigation and suppression of criminal elements in Montenegro's politics. Milo Djukanvic and his clan would be investigated and prosecuted. Montenegro will become closer both to the EU as well as Serbia, now with a government that seeks to cooperate economically with its "bigger brother Serbia" leading to Montenegro joining the eventual implementation of the "mini-Schengen". A relative normalization of relations with Russia might also take place. China has less influence since Montenegro sees its future in the EU without EU help however, since it is very unlikely that the EU will borrow money to Montenegro just for it to go to China. Things are not that easy however since organized crime and corruption still will remain a problem.

- **Scenario II (stick to the mud)**

The heterogeneous opposition splits on ideological and ethnic differences and Milo Djukanović and the DPS regain a parliamentary majority even before the 2024 parliamentary elections and the kleptocratic system continues to work as before. Freedom of press will be suppressed even more, the country departs from the proclaimed path towards EU membership, being dependent on economic support from China, while being under US hegemony militarily and being a member of NATO. The Mafia and its influence and ties in politics won't be investigated because Milo Djukanović and his party will block any larger investigation. This will only exaggerate the current economic crisis and existential struggle for a majority of Montenegrins. In this scenario people would become angrier at the government and even social unrest would not be out of question. Eventually Milo Djukanović could step down, either retiring from his political duties and pronouncing a successor to his position as head of the DPS or the DPS losing a future election. In this scenario the EU would not be adequately happy with the way corruption and organized crime are Faught against in Montenegro and EU membership would professor.

- **Scenario III (power struggle)**

The opposition is sharply divided and not following through on its promises due to a possible "parliament gridlock". It should also be taken into account that Montenegro is bankrupt and where will the money from fighting corruption (also paying back the loan to the Chinese for the highway) even come from, if not an EU loan? Hence if the opposition truly has in mind good relations with the EU, it should do anything to imply the importance of Montenegro's costal infrastructure and for it not to fall in China's hands. Even though rhetorically being quite "pan slavist" and "pro-Serb" the opposition is more pro-EU than Milo. In this scenario a power struggle between the opposition and DPS continues but with no one significant gains for either

side. The direction of country hence is unclear, EU membership would be far away and the debt issue would not be resolved. It is not out of question that despite its promises a party from the coalition the become the “New DPS” over time i.e. just implement their own clientelist and corrupt system.

6.1 Conclusion

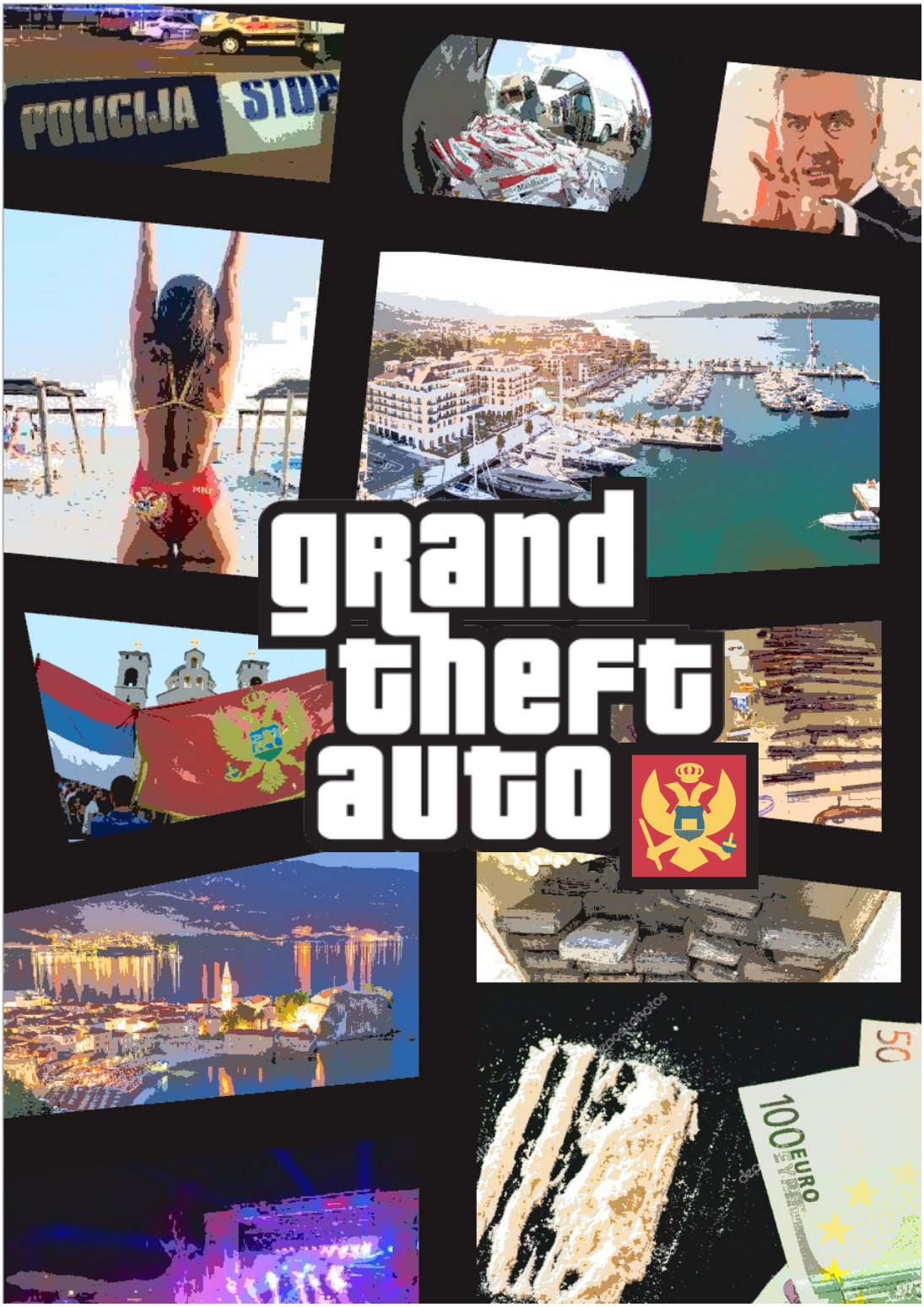
Western countries are strengthening their presence in Montenegro. The new French ambassador to Montenegro will be Christian Thimonier, who said at the Civil Rights Defenders conference that wealth in Montenegro is "concentrated on 10 or 12 families", wondering whether the accumulation of wealth in Montenegro shows ”European values", and that Montenegro was an example of why the criteria for EU enlargement should be even stricter. (41)

Montenegro must focus its efforts on the rule of law, i.e., the fight against corruption, organized crime and drug and human trafficking. All of this corruption and organized crime lead to massive social inequality in the country. In Montenegro a small elite has become very rich in the past three decades, while the living conditions of most people have not improved, or have even gotten worse, especially now recently with the Coronavirus measures harming businesses and private individuals financially. The future Montenegrin government must be a democratic government and highlight absolute discontinuity with the previous DPS and Djukanović government. In other words, it must clearly show that there are no leftovers of the Djukanović regime. The strong initial support of the new government by Western Governments is a clear signal that they also want this and that this possibly is the beginning of the end of Djukanović political and the beginning of his judicial career. A thorough investigation and search for the

stolen money and property of the citizens of Montenegro, based on the law and the rule of law, must be conducted through the appropriate institutions. There is a need for a complete replacement of the previous system. The steps taken to achieve this should be reforms in legislation, a stricter approach to fighting crime and corruption and focusing on minimizing ethnic and religious tensions. If the opposition is able to achieve these goals at least partially Montenegro will be a more stable and richer country.

The work of public administration marks the intersection and mixing of formal and informal practices, informality actually represents corruption in the broadest sense, as aforementioned not all forms of it are harmful to society. In order to shed light on some specifics of the abuses of power in public administration work, it is necessary to consider not only the formal power that arises from delegating state power to civil servants at different levels of power, but also the levers of informal power (family ties, backroom deals and clientelism) that mainly derive from the actual control over the "keys to the gate" to advancement and a political career in Montenegro.

This is a parody cover I created about Montenegro,



a reference to the cover of the crime-based videogame Grand Theft Auto V

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Pledge of honesty,

herby I pledge, on my honor as a DA student, that I have not received any unauthorized assistance on this paper.

Milan Ćalović