

# POLITICAL IMPASSE IN MONTENEGRO

## Background & insight on the key political issues blocking Montenegro's institutions

16 December 2022

### EXECUTIVE SUMMARY

Political tensions in Montenegro have been escalating in recent weeks, leading to an apparent impasse that is hindering the functionality of a number of key institutions. Since local elections were held on 23<sup>rd</sup> October this year, the results – and therefore the formation of local governments, including in the capital Podgorica – have yet to be ratified, as the Constitutional Court lacks a quorum necessary to convene and do so.

Efforts to appoint new judges have been complicated by parliamentary infighting. Specifically, opposition groups spearheaded by President Milo Đukanović's Democratic Party of Socialists (DPS) have made their approval of new judges conditional on rejecting amendments to a controversial Law on the President. This led to protests by DPS supporters on the streets of Podgorica on 12<sup>th</sup> December which turned violent and threaten to continue in the days ahead. International actors have weighed in on the matter too, as the crisis has escalated towards deadlock.

This memo will take a deeper look at the political impasse, its background and the ways forward to unlocking Montenegro's institutions.



#### This memo will cover:

-  Background to the current political climate
-  Recent municipal elections
-  A closer look at the institutional blockage
-  Conclusions for navigating through an uncertain year ahead

## BACKGROUND

The key turning point in Montenegro's recent history was the parliamentary election held in August 2020. Having effectively led the country for over three decades, and guided it to independence from Serbia in 2006, DPS campaigned the 2020 elections on a ticket to continue the country's decisive Western push. In the years preceding the election, the country had achieved NATO membership and was widely touted as a frontrunner for EU accession. However, the party's firm grip over Montenegro's state institutions - epitomized by the untouchable status enjoyed by its long-term leader Milo Đukanović, who had effectively jumped between Prime Minister and President mandates since 1991 – came at the cost of two key factors: rampant corruption and ever-heightening nationalism.

By 2020, a major grievance was developing among Montenegro's Serbian minority, which according to the previous census in 2011 makes up over 28% of the population (by comparison, ethnic Montenegrins constitute 44%, Bosniaks 8%, Albanians 5%). Since independence, the State had progressively enacted policies that many in the community felt were hostile to their interests, including recognizing Kosovo's independence, impeding minority language rights and, critically, in 2019 pushing a controversial Freedom of Religion Act that would transfer ownership of church buildings and estates belonging to the Serbian Orthodox Church (which the majority of Montenegro's 72% Orthodox Christians adhere to) to the Montenegrin state. A series of non-violent protests swept through the country: at their peak, on 2<sup>nd</sup> February 2020, local reports claimed that over 200,000 people – or a third of Montenegro's entire population – took to the street in defence of the church. With parliamentary elections on the horizon, pro-Serbian opposition parties, including the Democratic Front (DF) which harbors pro-Russian leaders within its ranks, capitalized on the momentum.

Separately, grievances against DPS were peaking among Montenegro's progressives who had seen the country's slip towards kleptocracy; a contradiction to the European vision the party was promising. Attacks on journalists, corruption charges against high ranking DPS officials and deeply embedded organized crime structures were particularly repelling the country's youth, who by 2020 had only ever lived through DPS rule. According to independent investigative network, [OCCRP](#), "Đukanović has built one of the most dedicated kleptocracies and organized crime havens in the world... creating an oppressive political atmosphere and an economy choked by corruption and money laundering". Previously, [The Independent](#) named Đukanović as the 20<sup>th</sup> richest world leader, despite presiding over a nation with just over half a million people, claiming his finances were "mysterious" and that he was charged with involvement in a lucrative tobacco smuggling ring, which he avoided thanks to diplomatic immunity. As such, ahead of August 2020, DPS was losing ethnic Montenegrin, progressive voters, who were flocking to civic pro-EU parties such as the Democrats and United Reform Action (URA).

On the eve of the election, the pro-Serbian and civic parties announced a post-election coalition which would prove to be a winning combination as the new partners achieved the slimmest of majorities (42 out of 81 MPs). The government was led by Zdravko Krivokapić, an ethnic Serbian professor who promised his mandate would not agitate nationalist tension points, such as Kosovo's independence, Srebrenica genocide denial, NATO or EU membership, but rather focus on rooting out corruption and DPS' hold over state institutions. As a token move, he announced the new government would be solely formed of experts, not party politicians, which instantly put him at odds with the pro-Russian DF, which viewed the election victory as their own.

Krivokapić's government would be short-lived, enduring continuous attacks from DPS and other Montenegrin right-wing fractions on one side, and pro-Russian elements on the other. It was ousted in a vote of no confidence in February 2022, and replaced by a minority government, led by remnants of the 2020 government, including URA leader and current Prime Minister Dritan Abazović.

However, the minority government would also prove to be only temporary. Only four months into its tenure, it lost a vote no confidence vote on 19 August as DPS MPs withdrew support for the government because Abazović signed an agreement aimed at resolving the long-standing disputes between the Serbian Orthodox Church (SOC) and the Montenegrin state. Lawmakers are attempting to form a government majority behind a new cabinet, however as this looks increasingly unlikely, snap parliamentary elections could be triggered.<sup>1</sup> In the meantime, Abazović remains as acting Prime Minister, despite questions over his legitimacy and longevity. The recent October local elections would prove to be his first real test.

## LOCAL ELECTIONS

One of the expert ministers invited by Krivokapić into the 2020 government was the young ex-Goldman Sachs banker, Miloško Spajić. During his year-long term as finance minister, Spajić coined an ambitious economic program, 'Europe Now', which aimed to increase living standards, improve the investment environment and reduce the grey economy in the labour market. Key to this policy was cutting income taxes and increasing the net minimum monthly wages from \$250 to \$450. Though it did not come to fruition, the program significantly boosted Spajić's popularity.

Refusing to continue his mandate in the new minority government, Spajić instead announced in June this year, together with former economy minister Jakov Milatović with whom he co-authored the program, the formation of a new political movement, also named Europe Now!. Despite having just four months to prepare for the local elections and polls dismissing the movement's chances to seriously contend any municipality, Europe Now! was the overall winner of October's local elections.

In Podgorica, Europe Now! emerged as the second biggest party with 21.7% of the vote, behind only DPS with 38%. However, as cooperation with DPS is a red line for almost all parties, Europe Now! has a clear mandate to form a coalition and, once approved by the Constitutional Court, Jakov Milatović will likely be named as the capital's Mayor.

### Municipal Elections in Podgorica, 2022

PARTY/COALITION	% of Vote	Seats	To Form Government
DPS	38.1	24	No
Europe Now!	21.7	13	Yes
DF	18.2	11	Yes
Democrats	10.8	6	Yes
URA	6.4	4	Yes

<sup>1</sup> To read more about the collapse of the Abazović government, read Aretera's [full report](#) from August 2022

In the 13 other municipalities where elections were held, a similar trend was observed: DPS' support is dwindling compared to previous years, while its nationalist policies have isolated it politically and ruled out most opportunities for cross-party consensus. Europe Now! is making major gains across the country and is fast emerging as the biggest party in opposition to DPS, while simultaneously chipping away at the DF and progressive voter base. Likewise, it appears that the momentum that swept Abazović's URA to power has dwindled as the party, despite leading the national government, failed to move from single-digit percentages. A few illustrative examples can be seen below:

#### Municipal Elections in Tivat, 2022

PARTY/COALITION	% of Vote	Seats	To Form Government
DPS	34	12	No
Europe Now! and Democrats	28.7	10	Yes
Croatian Civic Initiative	8.6	3	No
DF	8.6	3	Yes
URA	2.4	0	No

#### Municipal elections in Budva, 2022

PARTY/COALITION	% of Vote	Seats	To Form Government
DF	49.5	17	Yes
DPS	26.8	9	No
Democrats	13	4	Yes
URA	5.2	2	Yes

#### Municipal Elections in Danilovgrad, 2022

PARTY/COALITION	% of Vote	Seats	To Form Government
DPS	27.1	10	No
Europe Now!	22.9	8	Yes
DF	14.8	5	Yes
Democrats	12.5	4	Yes
URA	5.2	2	No

(Source: [State Election Commission of Montenegro](#))

## INSTITUTIONAL BLOCKAGE

On 20<sup>th</sup> September, Montenegro's Constitutional Court was left without a quorum when Judge Miodrag Iličković followed three of his six colleagues into retirement. As such, following the October local elections, the final electoral results could not be confirmed in six towns, including Podgorica. The blockage also threatens to complicate organizing next year's presidential elections and potential early parliamentary elections. In late November, the national parliament convened to vote for new judges, but lacking consensus it postponed the vote to 12<sup>th</sup> December.

In the first round, four candidate judges needed two-third majority approval to be appointed, which amounts for 54 out of 81 MP votes. Failing to secure this, the second round required three-fifths majority, or 49 votes, but the 12<sup>th</sup> December session was boycotted by DPS and the motion failed again.

Another key issue for DPS relates to amendments adopted to the Law on the President, which introduces a mechanism for the parliament to take over part of the Head of State's jurisdiction in proposing the formation of a new government. In essence, this amendment enables the parliamentary majority – and not the President – to select the Head of Government. 12<sup>th</sup> December was the second time parliament voted on this amendment, after President Đukanović already returned the law to the legislature following adoption on 7<sup>th</sup> November.

However, Montenegro's constitution stipulates that the President is obliged to sign the law if parliament approves it for a second time. On this occasion, according to Đukanović's legal adviser, it was not signed because of a typo in the naming of the legal act.

Meanwhile, DPS supporters clashed with police outside parliament on 12<sup>th</sup> December, as protests threaten to expand to Nikšić, Cetinje and other DPS strongholds in the days ahead. In a [press release](#) issued the day before, DPS announced it was prepared to vote for one candidate judge, on the condition that the parliamentary majority withdrew the Law on the President, and announced a date for snap parliamentary elections to be held.

The EU has also weighed in on the impasse. Ana Pisonero, the Spokesperson for Enlargement, Neighbourhood and International Partnerships at the European Commission [called for](#) all political actors to restrain from further provocative acts. She added that “a fully functional Constitutional Court composed of competent members is key for Montenegro to safeguard its citizens' fundamental rights and move forward on its EU path” and that a new call for candidates should be organized without delay, through a proper and inclusive selection process. Regarding the Law on the President, on 28<sup>th</sup> November the Council of Europe's Venice Commission gave a recommendation not to adopt the law, in the absence of a functional Constitutional Court, which Pisonero reiterated.

## CONCLUSIONS

The road ahead for Montenegro calls for compromise and attentive navigation. The current impasse continues to damage the credibility of Montenegro's institutions and is increasingly embarrassing for all key political stakeholders, both within Montenegro and internationally. To move beyond the deadlock, parliament must find a way to compromise through its deeply entrenched differences and return normality to the judicial, legislative and local institutions.

However, the nation remains bitterly divided and with election year looming in 2023, when Đukanović's presidency will itself be contested, the potential for escalation is unsettling. Hardliners on either side of Montenegro's divide will continue rallying their bases, as they have restlessly since 2019. A key test will be for the centrists, including Abazović's URA, Europe Now! and the Democrats, to navigate through the fundamental issues blocking the country's unity and therefore security. These include guaranteeing Montenegro's Western course, in particular maintaining NATO membership and continued progress towards EU accession. To build consensus, this course must make concessions - not antagonize – the country's sizeable Serbian community, and enshrine their minority rights, while at the same time sifting out the malign foreign influences that maintain a hold over some of Montenegro's political parties. The years ahead will be further complicated by fiscal uncertainty, as the tourism-dependent economy continues to recover from post-COVID aftershocks and the continent's energy crisis deepens. As such, the new leadership would have to develop an economic vision which will, at its core, rest on tackling the rampant corruption that continues to plague Montenegro's institutions. Above all, it must foster a new political climate that encourages dialogue and, at all costs, refrains from the inflammatory rhetoric that is leading the country to the brink of unrest.

If the centrist parties can assure voters of their capacity to deliver on this vision, they could become the key political force in the years ahead and, by all accounts, enjoy the support of key Western partners in their endeavors.

###

*If you would like to schedule a discussion of this paper, please contact:  
Philip Merrell, Advisor for Serbia & Western Balkans at [p.merrell@areterapa.com](mailto:p.merrell@areterapa.com)*



Aretera is a leading independent public affairs advisory firm operating across Central & Eastern Europe, Ukraine, Turkey, Central Asia and a growing number of global emerging markets. We advise a wide range of leading multi-national corporations, providing counsel on all aspects of public policy, public affairs and reputation management.

[www.areterapa.com](http://www.areterapa.com)