



Western Balkans Stability Monitor

March 2019 Issue

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Winter of Discontent

Across the Western Balkans, political and government instability appears to be on the rise, with few exceptions, as deep-rooted frustration and anger with corrupt governments and poor governance spills out onto the streets.

In Albania, Montenegro and Serbia, citizens have taken to the streets to demand the resignations of their governments. Moreover, they are not demanding merely new elections, but new elections on different terms, where the electoral playing field is not hugely skewed in favour of incumbents. The protests have gone on for longest in Serbia, where they began in early December and are now well into their third month, having spread to tens of towns across the country. In Montenegro, the protests are in their first month, sparked by revelations of corruption and cronyism within the long-dominant political and business elite. The revelations came as a by-product of what has been described as a 'palace feud' between long-ruling President Milo Djukanovic and the long-present businessman Dusko Knezevic. The Albanian protests, meanwhile, seem motivated by more deep-rooted anger among one segment of the population at the Socialist government.

The protests have their similarities and differences. In the case of Montenegro and Serbia, the organizers in the forefront are not politicians, but actors, intellectuals, journalists and other civic figures. Politicians are, indeed, being held at arms-length by the organizers. This is in contrast to Albania, where the protests are very much organized by the opposition Democratic Party. Common to all the protests is an underlying level of anger that means that they are probably unlikely to go away any time soon. Another common feature of the protests is that opposition parties have backed them up with more radical measures than usual. In Serbia, the opposition began a boycott of Parliament, while the Albanian opposition parties resigned their mandates in the country's Parliament; part of the Montenegrin opposition has been boycotting Parliament for some time.

In all these countries, there is a 'hint of Macedonia' in the air. Opposition politicians and ordinary citizens want a break from the politics of 'business as usual' where elections are won by incumbents who have skewed the playing field in their own favour. There appears to be a willingness to protest and demand more free and fair elections, as well as boycott those elections and institutions where the basic democratic rules of the game are not respected. In all cases, there is an inevitable – more or less clearly spoken – appeal to the 'international community' to exert pressure on incumbents to permit more free and fair elections. All very much like the situation in Macedonia in 2015 and 2016, where the international community helped in mediating more free and fair elections which, in the end, brought a dramatic change of government.

In this sense, the international community (primarily the US and EU) are in some sense the victims of their own success. Distracted with other, more pressing priorities of their own, it would seem that the last thing they want is to be embroiled in mediating domestic political disputes and rows over electoral conditions. Particularly if this undermines certain regional leaders who have been anchors of stability and where it is uncertain – from the point of view of their interests - that alternative replacements would be any more reliable as partners to the international community.

Bosnia and Kosovo remained at a more or less 'stable' level of instability at which they have been for at least half a year. Almost half a year after national elections were held, Bosnia still remains without new governments at most levels of the complex state apparatus. The RS entity is a notable exception, while the Federation entity has at least inched in the direction of creating the conditions to elect a government – a big step by Bosnia's standards. Meanwhile, Kosovo remains in weekly – or daily – anticipation of if and when the government, which has lacked a clear majority since the spring of 2018 – might finally collapse. All of this in a very turbulent environment of heightened tensions with Serbia and disputes within Kosovo over how to proceed in resolving the long-running dispute between the two.

Amidst this upheaval and uncertainty, what is now North Macedonia and Greece provided a rare source of positive developments. Many did not quite believe that it could actually happen, but

the two countries completed all the steps laid out in the Prespa Agreement and settled their dispute over North Macedonia's name. Thus was laid to rest one of the longest – and to many outsiders most baffling – bilateral disputes in the region.

Albania

Political instability in Albania increased sharply during February after the two main opposition parties staged a major protest on February 16, drawing tens of thousands of supporters. The protest escalated into violence when a small group of protesters attacked the office of Prime Minister Edi Rama. Albania entered uncharted political territory just days later when a majority of opposition MPs resigned their Parliamentary mandates, demanding a caretaker government and early elections.

Trajectories		Outlook		
		1 month	6 months	12 months
Risk Dimension	War	Low	Low	Low
	Terrorism	Modest	Modest	Modest
	Government instability	Modest	Moderate	Moderate
	Civil Unrest	Moderate	Moderate	Modest
	Ethnic Unrest	Modest	Low	Low



Government Stability

Although Albania is currently experiencing political turbulence and instability, the government – for the time being – appears stable. This is primarily thanks to the strong majority that the Socialist Party (PS) received in the 2017 Parliamentary elections, allowing it to rule alone. Moreover, Prime Minister Edi Rama enjoys a very firm grip over both the PS and his own government.

The undisputed extent of Rama's control was visible during the last days of 2018. On December 28, Rama decided to fire half of the 14 ministers in his government, including those with key portfolios such as finance and foreign affairs. Remarkably, no dissent was visible even among the sacked ministers, many of whom – as MPs – loyally voted for their own dismissal in Parliament and Rama's nominees to replace them.

The smooth nomination of the new members of Rama's cabinet was in fact spoiled only through the intervention of President Ilir Meta, who vetoed Rama's attempt to elevate 28 year old Gent Cakaj from the position of Deputy minister to Minister of Foreign Affairs. Meta argued that Cakaj was not up to the job of running the diplomacy, noting that he had also neglected his obligation to gain security clearance during his seven months as Deputy minister. The move infuriated Rama, who claimed that Meta had breached his constitutional powers. Unfortunately, there is no functioning Constitutional Court at the moment to settle the matter. Given this stalemate, Rama appointed himself the acting Foreign Minister while Cakaj effectively carried out the role from his position as Deputy minister.

In early February, the rift between Meta and Rama widened further when Meta called on the government to abandon a project to construct a new road and demolish a number of houses in the process in the capital Tirana. Meta's intervention came amidst protests by Tirana citizens whose houses were to be demolished. They appeared to incense Rama, who accused Meta of acting as the head of the opposition and once again straying beyond his constitutional powers.

Tensions between Rama and Meta should, at least in part, be understood in the context of the approach of local elections in Albania, due on June 30. In the past, Meta's former party, the Socialist Movement for Integration (LSI) – now led by his wife, Monika Kryemadhi – has played the role of political kingmaker and pre-election manoeuvring and posturing is in full swing.

Opposition Activities

The real threat to the stability of the Rama government at present comes from the opposition protests demanding its resignation, as well as the decision of most MPs from the Democratic Party (PD) and LSI to resign their Parliamentary mandates.

After the student protests of December 2018, the political temperature in Albania began to rise in early February, as the opposition PD began to prepare for a massive protest in Tirana on February 16 to demand, among other things, the resignation of the Rama government.

Thousands attended what was one of the biggest recent opposition rallies. The protest turned violent, when a small group of demonstrators attempted to storm the offices of Prime Minister Rama, but were rebuffed by riot police.

In the aftermath of the protest, the opposition PD leadership announced that its MPs (43 out of 140) would resign their mandates in the country's Parliament. The party claims that the Parliament was elected with the help of organized crime and said that the latest move was another way of fighting the Rama government. The PD was soon joined by the LSI, which also said that its MPs (19 seats) would resign their mandates. Such plans were met with a sharp rebuke from US and EU diplomats in Tirana, with the US Embassy declaring that the plans undermined basic democratic principles and calling on individual opposition MPs to refrain from resigning. Despite this, MPs from the two opposition parties signed their resignations, with one LSI MP and several from the PD refusing to do so.

Despite fears that it might turn violent, with police warning of a plan to storm Parliament, the PD and LSI organized another protest rally on February 21, during which MPs delivered their

resignations to Parliament. Albanian has now entered rather uncharted political waters. Previously, the opposition parties had boycotted Parliament, but never resigned their mandates en masse. How the crisis might resolve itself is anyone's guess at this point – Rama is unwilling to concede early Parliamentary elections any time soon in the climate of protest against his government, but it is hard to see how the opposition can return to Parliament either. International mediation, precisely the scenario that the US and EU would like to avoid, will likely be inevitable.

Regional Relations

Unlike the last quarter of 2018, Albania's regional relations were rather quiet and uneventful since the beginning of 2019.

Relations with Greece returned to a more calm mode, following the spike in tensions which ensued after the shooting by police of an ethnic Greek citizen of Albania at the end of October.

Following on from their intergovernmental meeting in Pec in Kosovo at the end of November, during the last days of 2018 government officials from Albania and Kosovo reportedly signed an agreement on joint border controls. On January 12, PM Rama stated that a border regime akin to the EU's Schengen regime would be set up on the Albania-Kosovo border, and called for a similar border regime with Macedonia and Montenegro. Three days later, an office of the Kosovo Customs service was opened in the Albanian port of Durres; Rama described the opening of the office as a first step towards a customs union between Albania and Kosovo. The developments were met with claims that Rama was plotting a 'Greater Albania' in Belgrade.

After Greece, Albania was the second NATO member state whose Parliament formally ratified the accession protocol signed between NATO and North Macedonia. In an effort to demonstrate the good ties between the two countries, the session of the Albanian Parliament was attended by Talat Xhaferi, the Speaker of the Parliament of North Macedonia.

Security

The security situation in Albania remained stable over the previous month, with no major events taking place.

The only events which punctuated this rather calm atmosphere were the opposition protests in Tirana on February 16 and 21. During the first protest, a small group of violent protesters sought to force their way into the Prime Minister's offices, clashing with riot police. Ahead of the second protest, police issued warnings that some demonstrators may be planning to storm the building of the Albanian Parliament and issued a rather unprecedented order to mobile telecommunication operators to shut down their signal in the area. In the end, the protest passed peacefully.

In mid-December 2018, the Albanian government expelled the Iranian ambassador to Tirana along with another diplomat, over an alleged 'terrorist plot' in which they may have been involved. The 'plot' appears to be linked to the presence of Iranian dissidents from the Mojahedin-e-Khalq (MEK) group, whose members Albanian began receiving from 2013 onwards after they began evacuating from Iran following the fall of Saddam Hussein's regime. The expulsion earned Albania praise from US President Donald Trump and other US officials. While the MEK dissidents have kept a low profile in Albania, they are considered a terrorist group by Iran.

Looking Forward

- **Parliamentary crisis:** Prime Minister Edi Rama seems willing to continue ruling in a Parliament with empty seats for the time being, yet such a situation will prove untenable in the long-term. Some laws will likely require a two-thirds majority, and even without this it is hard to imagine Albania opening EU accession negotiations with a 'one party' Parliament. It will thus be important to watch out for signs of how the crisis will be resolved, either through early elections or some other solution that restores an opposition presence.
- **Judicial institutions:** Albania's much awaited High Council of Judges and High Council of Prosecutors were officially established and are fully functional. Both institutions are a crucial part of the justice reforms. However, concrete results from these reforms need to be looked out for. The election of a new General Prosecution has not yet been completed. In the same time, much of the country's judiciary remains paralyzed. The constitutional court was incapacitated by the vetting process, which dismissed most of its members along with the members of the High Court. Almost all chief judges of regional courts across the country had already been fired through the vetting process. Currently the vetting commission is dealing with chief judges and prosecutors and Appeals court judges. As result of all this, the country's notoriously slow and inefficient judicial system is expected to become slower and even less effective. Plans to double the number of new judges and prosecutors hired through the country's only Magistrates School are in place.
- **EU accession negotiations:** Albania had hoped to open EU accession negotiations at the end of June this year. Yet the opposition walkout from Parliament, the public protests and approach of local elections at the end of June will all severely strain the ability and willingness of EU leaders to open accession negotiations. In this context, it will be important to watch both the ongoing judicial vetting process and whether the Parliamentary crisis shows any signs of being resolved as a likely barometer of whether accession negotiations will indeed be opened.

Bosnia-Herzegovina

Five months after national elections held on October 7, 2018, Bosnia remained without newly elected governments in the Federation entity and at the central level, adding to the country’s political instability. A controversial ruling by the Central Election Commission (CIK) on how the Federation Parliament’s House of Peoples would be formed enabled the convening of a functional Parliament. This created the preconditions for the adoption of a budget in the Federation entity, as well as the eventual election of a new government once a political deal is struck.

Trajectories		Outlook		
		1 month	6 months	12 months
Risk Dimension	War	Low	Modest	Modest
	Terrorism	Modest	Modest	Modest
	Government instability	Elevated	Elevated	Elevated
	Civil Unrest	Modest	Moderate	Moderate
	Ethnic Unrest	Modest	Modest	Modest



Government Stability

Despite the fact that national elections were held at the beginning of October 2018, Bosnia's politicians have, to date, only managed to form governments in the Republika Srpska (RS) entity and in some of the Federation's cantons. The central and Federation governments are yet to be formed.

At the central level, the election of the Council of Ministers remains stalled and is likely to remain so for months, at least until a government is formed in the Federation entity. Due to the principle of ethnic rotation, the next Chair of the Council of Ministers will hail from the RS entity. The ruling Alliance of Independent Social Democrats (SNSD) has settled on former RS Finance Minister Zoran Tegeltija. However, his nomination – and by extension the nomination and election of a new Council of Ministers – is being held up by the fact that the Bosniak and Bosnian Croat members of the Bosnian Presidency – Safik Dzaferovic and Zeljko Komsic – have made it conditional on the outgoing Council of Ministers first approving the activation of the country's NATO Membership Action Plan (MAP). This, in turn, is bitterly opposed by members of the outgoing Council of Ministers from the RS. This deadlock is unlikely to be resolved any time soon primarily because none of the sides seem in a rush to form a new Council of Ministers, particularly as the central state can continue to function on temporary financing until early 2020 at least.

As expected, the RS entity elected a new government with relative ease. On December 18, Radovan Viskovic was elected Prime Minister, leading a cabinet made up of 16 ministers. The new government enjoys the support of a very comfortable majority of 54 members of the RS Assembly, out of a total of 83.

Government formation prospects in the bigger Federation entity remained much more uncertain. An important precondition for the election of any government occurred on December 18, when CIK adopted a decision on how the members of the House of Peoples of the Federation Parliament (delegated from the cantonal assemblies in the Federation) would be

chosen. Given that the decision on the composition of the House of Peoples is based on the results of the 2013 population census, it met with the disapproval of several political parties representing primarily Bosniak voters. Indeed, the Party of Democratic Action (SDA) challenged the CIK decision before the Bosnian Constitutional Court. However, on January 31, the Constitutional Court declared that it was not within its remit to rule on the decision of the CIK.

Consequently, there are currently no institutional obstacles towards forming a Federation government, merely political ones. These are not small, however, and it seems that coalition negotiations still have a long way to go before the makeup of the next government becomes clear. None of the key parties in the Federation seem in a particular rush to form the government. The adoption of the Federation's 2019 budget on February 20 also takes the pressure off political leaders to speed up coalition negotiations.

In all likelihood, the SDA and the parties around the Croatian Democratic Union (HDZ) will form the backbone of the next ruling coalition in the Federation, along with the Union for a Better Future (SBB) and several smaller parties. Much political haggling and horse trading will take place before then. Not least, although the HDZ has formally abandoned its condition that changes to the country's election law (primarily regarding the election of the Bosnian Croat member of the central presidency) should be agreed before a government is formed, it remains to be seen whether it will seek concessions on this point behind the scenes of coalition negotiations and what the SDA might be willing to concede. The more left-wing, civic oriented parties such as the Social Democratic Party (SDP), Democratic Front (DF) and Our Party (Nasa Stranka) are, on balance, more likely to remain outside the governing coalition, although serious splits exist within the SDP over participation in the ruling coalition in the Federation and at the cantonal level. Until then, the current Federation government will limp on in a technical capacity.

Regardless of when the process of government formation is completed, at present there is nothing to suggest that the ultimate result will be more functional governments with an enhanced reforming capacity than was previously the case.

Opposition Activities

Thanks to Bosnia and Herzegovina's complex administrative and political system, most parties manage to be in power in at least one of the levels of government – the central state level, the two entities, the Brcko District, or the ten Federation Cantons. Consequently, who the political opposition will be in Bosnia remains to be seen once the process of government formation is completed.

The above is especially true of the Federation entity, where the central and remaining cantonal governments are yet to be formed. Meanwhile, in the RS, a clearer picture is emerging. The Party of Democratic Progress (PDP) is one grouping which, for now, remains firmly outside the ruling coalition. Meanwhile, the Serbian Democratic Party (SDS) will likely also remain in opposition, yet the party is undergoing what may best be described as a process of controlled disintegration. Vukota Govedarica, the party head, is clinging on to his position in the face of attempts to oust him. Internally, the SDS remains split between those who believe that the party must remain in clear opposition if it is ever to return to power and others who believe it must enter government at some level in order to access state funds and patronage so as to survive. At least three SDS MPs in the RS Assembly have defected either to the SNSD or other parties in the ruling coalition, as have other senior figures. More defections from the SDS ranks are to be expected.

Regional Relations

Bosnia and Herzegovina's bilateral relations with its neighbours have remained broadly stable and quiet over the past few months.

Relations with Kosovo – always poor – remain at an all-time low following the imposition of a 100% tariff by Kosovo on goods originating from Bosnia and Serbia. However, given the low volume of trade between Bosnia and Kosovo, this has not been a major issue in Bosnian

domestic politics. In any case, most observers see Bosnia and Herzegovina as ‘collateral damage’ in the dispute between Kosovo and Serbia.

Meanwhile, relations between Sarajevo and Zagreb remain lukewarm at best, with constant potential for deterioration. One source of tension remains the election of Zeljko Komsic to the Bosnian Presidency as the Bosnian Croat representative, albeit largely thanks to Bosniak votes. Periodic tit-for-tat spats between Komsic and government officials in Zagreb are to be expected. This is particularly the case with the approach of European Parliamentary elections in Croatia in late May, in which many Bosnian Croats – a large proportion of whom have Croatian citizenship – will be eligible to vote. Centre- and far- right parties in Croatia will doubtless make a play for their vote with criticism of the position of Croats in Bosnia and Herzegovina, likely resulting in angry rhetorical exchanges between Sarajevo and Zagreb and a corresponding deterioration in relations.

Security

The security situation in Bosnia and Herzegovina continued to be relatively stable. Despite NATO’s decision to activate the MAP in late 2018 – which would give Bosnia access to a program of advice, assistance and practical support for military reforms geared towards eventual NATO membership – Bosnian politicians cannot agree on what to do with the ball which NATO has placed in their court. In order to activate the MAP, Bosnia would need to agree an annual national program and submit it to NATO. Yet while Bosniak and Bosnian Croat politicians are broadly in favour of doing so, Bosnian Serb politicians are firmly opposed to any moves towards activating the MAP.

With the Islamic State all but obliterated in Syria, Bosnian Defence Minister Dragan Mektic acknowledged that his country would have to accept back a certain number of captured ISIS fighters and their families. However, according to the Minister the precise numbers are yet to be determined following identity checks.

Meanwhile, the approach of spring and the possible influx of additional numbers of refugees and migrants from the Middle East are likely to once again strain Bosnia's very limited capacities to deal with their influx. The potential impact of this development on the security situation in the country was underscored on February 19, when BiH security officials announced that they have identified and placed under close supervision six migrants from Afghanistan who represent a potential security threat. Five of those persons are believed to be linked with terrorist groups, while the sixth one is linked with smugglers who organize transportation of migrants in and out of the country.

Indeed, a core problem remains the inability of the different levels of government to agree over who should have primary responsibility for taking care of migrants. To date, the central government has avoided taking on the role as demanded by lower levels of government and international agencies. This has resulted in an excessive burden being placed on lower levels of government, in particular the Una-Sana Cantonal government, where a disproportionate number of migrants are currently located, as they attempt to enter Croatia (and thus the EU) from this north-western most corner of Bosnia. In February Suhret Fazlic, the mayor of Bihac, the central city in the Una-Sana Canton, accused Croatian police of routinely entering Bosnian territory in order to return migrants reportedly entering Croatia from Bosnia.

Looking Forward

- **Government formation:** key to improving the stability of Bosnia will be the process of government formation in the Federation entity and at the central level, as well as in many of the Federation's cantons. In this context, it is likely that governments at a number of these state levels will be agreed as a package, with the nature of the ruling coalitions dictating what reforming capacities, if any, the new governments will have.
- **European Parliament elections:** the course of campaigning for European Parliament elections in Croatia may have a spill-over effect on Bosnia's internal politics, as Croatian political parties jockey for the votes of Bosnian Croats, many of whom have Croatian citizenship.
- **Migrants:** as winter snows melt, the trickle of migrants and refugees moving towards the EU along the Balkan route, on which Bosnia lies, is likely to increase, straining the already limited ability of Bosnian authorities to handle new arrivals. This, in turn, will accentuate tensions between the different levels of state governments, particularly between the central, Federation and cantonal governments.

Kosovo

While the security situation in Kosovo remains broadly stable, government and political instability remains elevated. The Haradinaj government remains at constant risk of collapse, with early elections being only a matter of time. Pressure to revoke tariffs imposed by Pristina on goods coming from Bosnia and Serbia, along with talk of a possible land swap between Kosovo and Serbia as a way to resolve their mutual dispute over Kosovo’s statehood, are all compounding political and societal splits and tensions within Kosovo.

Trajectories		Outlook		
		1 month	6 months	12 months
Risk Dimension	War	Moderate	Moderate	Moderate
	Terrorism	Modest	Modest	Modest
	Government instability	Elevated	Elevated	Moderate
	Civil Unrest	Modest	Modest	Modest
	Ethnic Unrest	Moderate	Moderate	Moderate



Government Stability

Kosovo's government continued to hover on the brink of collapse, given that it lacks a majority in the Kosovo Assembly. This situation has remained unchanged since the end of March 2018, when Srpska Lista, the block representing the ethnic Serb minority in the Assembly, announced that it would withdraw its support to the Kosovo government. In principle, this move reduced the Kosovo government's majority from around 61 MPs to 52 MPs in the 120 seat Assembly.

During the last three months, the government survived several key votes, including the adoption of legal changes aimed at transforming the Kosovo Security Forces (KSF) into an army in December, and the adoption of the 2019 budget on February 3. However, it would be misleading to conclude that these successful votes are a sign that the government commands some kind of majority. On the contrary, the transformation of the KSF into an army was a matter of broad consensus among ethnic Albanian parties, while the passage of the 2019 budget was achieved thanks to the heavy conditioning and short-term calculations of the opposition Social Democrats (PSD).

With these key votes out of the way, a number of parties in both the government and opposition may move further in the direction of deciding to bring down the government. The Haradinaj government's predicament is further compounded by bitter disagreements between Prime Minister Ramush Haradinaj's Alliance for the Future of Kosovo (AAK) and the Democratic Party of Kosovo (PDK) – formerly led by Kosovo President Hashim Thaci and now led by Parliamentary Speaker Kadri Veseli – over key policy areas. To begin with, Thaci has emerged as a proponent of a deal with Belgrade which would involve an ethnically-based land swap between Kosovo and Serbia in return for mutual recognition. The idea has been firmly opposed by Haradinaj and Veseli. This conflict has been further compounded by the imposition of a 100% tariff on Bosnian and Serbian goods by Haradinaj's government, as retaliation against Serbia's lobbying for the de-recognition of Kosovo in a number of countries. Kosovo has come under strong pressure from the US and EU to revoke these tariffs, which have become an obstacle to the dialogue on normalising relations between Belgrade and Pristina. While Thaci and Veseli

argue that Kosovo cannot risk losing support from its key international allies, Haradinaj has remained firm that he will not revoke the tariffs until Serbia recognizes Kosovo.

In reality, such behaviour by both sides within the ruling coalition represents political posturing aimed at winning popular support ahead of early Parliamentary elections which will likely come at some point in 2019. For the time being, neither the camp around Haradinaj, nor the camp around Thaci and Veseli seem willing to make a decisive move to bring down the government, hoping to capitalise further in terms of popular support. Thaci and Veseli appear to be embroiled in a power struggle of their own for control of the PDK. Meanwhile, opposition political parties have their own – differing – political calculations, which ensure that there is – at present – no clear majority for bringing down the government.

Between its own internal divisions and its lack of a Parliamentary majority, the Kosovo government could fall at any moment. Yet in the absence of a clear will to bring it down immediately and the differing electoral calculations of rival political parties, the government could limp on indefinitely. Nevertheless, the likelihood of early elections seems to rise with each passing week.

Opposition Activities

While the opposition parties in the Kosovo Assembly clearly have the necessary votes to bring down the Haradinaj government, they remain divided and unwilling to cooperate and coordinate. As such, they remain the best ‘ally’ for the Haradinaj cabinet’s efforts to hold on to power a little longer.

The key question remains which of the opposition parties in the Kosovo Parliament really wish to bring down the Haradinaj government at present, in doing so forcing early elections. As with the parties of the ruling coalition, some in the opposition are clearly more interested in short-term ways of boosting their popular support before any early elections.

Although Srpska Lista left the governing coalition in the spring, until recently it seemed unwilling to actually bring the Haradinaj government down, due to its own – and Belgrade’s – political calculations. This deprived the opposition parties of the votes needed to bring the government down. Following the imposition of tariffs on Serbian goods in November, this situation changed radically – Srpska Lista now appears willing to vote against the Haradinaj government, but other, more nationalist, opposition parties such as Selfdetermination have made it clear that they will not cooperate with Srpska Lista – and Belgrade by extension – to bring down Haradinaj’s government over the tariff issue on which they – and their voters – essentially support Haradinaj’s stance.

While Selfdetermination and the Democratic League of Kosovo (LDK) do not wish to cooperate with Srpska Lista in bringing the government down, they have also proven unwilling to lend it their support. However, this has not been the case with the PSD, which has flirted with supporting the government. The PSD recently joined the newly-formed Kosovo Negotiating Team, albeit as representatives of the opposition – after the LDK and Selfdetermination had refused to do so, as the bigger opposition parties. PSD leader Spend Ahmeti is now one of the ‘co-leaders’ of the negotiating team. Similarly, the PSD voted in favour of the adoption of the 2019 budget, albeit conditioning its support with demands such as the dismissal of Nenad Rikalo, until recently the Kosovo Serb Minister of Agriculture, from the government. At present, the PSD claims that it is using its sporadic support as a lever to bring about specific positive changes. Although some observers have speculated that the PSD might actually join the ruling coalition, this seems unlikely at present. Rather, the PSD – which, with its 12 MPs, in 2018 split from Selfdetermination - is likely still unprepared for competing in an early election and hopes that its manoeuvres will buy it both time and popular support in an inevitable early election.

In such a climate, LDK deputy leader Agim Veliu proposed some form of government of national consensus, which would include all the parties in the Kosovo Parliament. Accordingly, the government would have a clear time limit to its life after which elections would be called and the task of completing several important tasks, including the dialogue with Serbia, as well as preparing constitutional and electoral reforms. Yet in a climate where all parties seem to be

jockeying for prime positions ahead of early elections, such an idea seems to have little chance of success at present.

Regional Relations

Relations between Kosovo and Serbia remained poor, following the decision of Pristina to impose a 100% tariff on Serbian and Bosnian goods in November. Belgrade has made it clear that the Brussels-mediated dialogue will remain suspended until Pristina revokes the tariff. Meanwhile, Kosovo Prime Minister Ramush Haradinaj has declared that the tariffs will only be removed once Serbia recognizes Kosovo. In an effort to break this stalemate, US and European diplomats have exerted pressure on Pristina to revoke the tariffs, or at least temporarily suspend them, making it clear that the course charted by Kosovo's government was undermining its relationship with key allies. While Kosovo's President Hashim Thaci has stressed the need to respect the advice of Kosovo's key allies, Haradinaj has dug his heels in, refusing to revoke the tariffs. The idea that Serbia might recognize Kosovo in order to secure the removal of the tariffs is clearly a non-starter, something that Pristina is well aware of. This then begs the question if Pristina might settle for some other concession in return for lifting the tariff.

In the short term, there is nothing to suggest that this particular dispute between Belgrade and Pristina will be resolved, unless the international community significantly steps up pressure on Pristina. In the meantime, rumours abound that Kosovo and Serbia – or, more precisely, Presidents Hashim Thaci and Aleksandar Vucic and their representatives – are deep in negotiations over the idea of a land-swap deal which would see the Serb populated north of Kosovo ceded to Serbia, while ethnic Albanian populated villages in southern Serbia would be ceded to Kosovo. Any such deal would also involve some form of mutual recognition between Kosovo and Serbia. While the negotiations on a deal seem to be in an advanced phase, it remains particularly unclear how Thaci would be able to sell such a deal in Kosovo, given stiff opposition to any agreement involving a land-swap among most political parties in Kosovo. Indeed, the official Kosovo Negotiating Team adopted a negotiating platform in mid-February with a clear statement that the territory of Kosovo could not be altered.

Kosovo's relations with its other neighbours remained uneventful. Albanian Prime Minister Edi Rama was among the foreign leaders in attendance at the Kosovo independence celebrations in Pristina on February 17. Faced with student protests in Albania, Rama attempted to placate critics by sacking seven ministers in his government. It was notable that he proposed two ethnic Albanian citizens of Kosovo as the new ministers for education and foreign affairs.

Montenegrin President Milos Djukanovic met with Kosovo PM Ramush Haradinaj on the margins of the Munich Security Conference in February, exchanging pleasantries and expressions of mutual support. On February 21, Kadri Veseli, the Speaker of Kosovo's Parliament and leader of the ruling PDK, called on Montenegro and North Macedonia to form an alliance against Serbia. The idea was immediately dismissed by Montenegrin Prime Minister Dusko Markovic as nonsense.

Security

On December 14, Kosovo's government successfully passed several laws intended to transform the Kosovo Security Force (KSF) into an army. From now on, Kosovo will formally have a Ministry of Defence, while the mandate of the KSF has been expanded and the ground prepared for internal organization. In reality, the vote was the beginning, rather than the end, of the process of transforming the KSF into an army. Not least of the hurdles Kosovo will need to surmount will be changing the constitution in order to fully enact this transformation, something that requires both an ordinary two-thirds majority in the Kosovo Parliament and a two-thirds majority among MPs representing ethnic minorities.

While such support for constitutional amendments is unlikely to materialise in the short-term, the 2019 Kosovo budget increased the funding for the Ministry of Defence – and by extension KSF – by around six million euros in order to enable the KSF's transition to an army. The KSF was also out in force during Kosovo's independence day celebrations, organizing a military parade on the occasion. At the same time, a planned visit from the US Iowa National Guard commander, Major General Timothy Orr, to the KSF on February 16-18 was cancelled due to Kosovo's failure to revoke the tariff on Serbian and Bosnian goods. KSF commander Rahman Rama stated that

he had been warned by US officials that other forms of cooperation with the IOWA National Guard would also be cancelled if Kosovo failed to revoke the tariffs.

Looking Forward

- **Government stability:** the risk of the Haradinaj government collapsing is rising, particularly given rising US pressure to revoke trade tariffs against Serbia and Bosnia and the recalcitrance of PM Haradinaj over the issue. Key to watch will be any signs that the opposition parties are moving towards cooperation on passing a vote of no confidence.
- **Trade tariffs:** Formal negotiations between Belgrade and Pristina will remain stalled unless the trade tariffs imposed by the latter are removed. Increasing international pressure will come to bear on Kosovo to revoke the tariffs, with a further worsening of relations with key allies likely.
- **Kosovo Specialist Chambers:** with the Special Prosecutor's Office inviting a steady stream of ex-Kosovo Liberation Army figures to be 'interviewed', it will be important to watch out for the issuing of actual indictments, which could further destabilise the political and security situation in Kosovo.

North Macedonia

The country has had a good start to the year, completing the process of changing its name to North Macedonia. With Greece ratifying the Prespa Agreement, a process has been brought to an end which had caused domestic instability and divisions within Macedonia. At the same time, it has paved the way for improved stability through NATO membership and the opening of EU accession negotiations.

Trajectories		Outlook		
		1 month	6 months	12 months
Risk Dimension	War	Low	Low	Low
	Terrorism	Modest	Low	Low
	Government instability	Modest	Modest	Modest
	Civil Unrest	Modest	Moderate	Modest
	Ethnic Unrest	Modest	Modest	Modest



Government Stability

The North Macedonian government has not shown any significant signs of instability since the beginning of the year. There are occasional tensions between the Social Democrats (SDSM) and the ethnic Albanian Democratic Union for Integration (DUI), primarily over some individuals within DUI who were prominent in previous governments with the (now opposition) VMRO-DPMNE and who either have been or may be the subject of legal investigations. Not surprisingly, DUI's instinct is to protect them and block investigations, while one of the SDSM's key promises to its supporters has been that past government abuses would be investigated and sanctioned. A case in point is Bujar Osmani, the Deputy Prime Minister for European Integration – the Special Prosecution announced in October that he was being investigated for suspected abuses during his time as Minister of Health in 2010.

On the whole, such tensions are not a major issue. Prime Minister Zoran Zaev in particular is focused on bigger and more important strategic goals rather than on relatively small disputes, which he is keen to keep a lid on. Thus, the ruling coalition's main focus at present is on the upcoming presidential elections, the first round of which is scheduled for April 21 and the second for May 5. The SDSM and DUI appear to be on course to support a joint candidate, which would significantly boost the chances of the presidential elections passing off smoothly and returning a candidate of the ruling coalition's choosing. In light of the fact that the name referendum technically failed due to the low turnout, a joint candidate between SDSM, DUI and other ethnic Albanian parties would be important in ensuring that the 40% turnout threshold for the success of the elections is met. Prime Minister Zoran Zaev has been mooted as a possible candidate, but has ruled himself out and is unlikely to run. Instead, the list of possible candidates seems to have been reduced to two names – Nikola Dimitrov, the current Foreign Minister and Stevo Pendarovski, an academic who was also the SDSM presidential candidate in the 2014 presidential elections. Of the two, Pendarovski seems marginally better positioned to attract the support of not just ethnic Macedonian but also ethnic Albanian voters.

Talk of early Parliamentary elections has subsided somewhat, but is likely to resurface. At present, they seem unlikely to coincide with the presidential elections. Indeed, the ruling parties are more likely to use the presidential elections to test the pulse of the voters. The ruling coalition is also likely under EU and US pressure to press on with reforms rather than allow itself to be distracted by a prolonged – and uncertain – election campaign. However, the temptation will remain there to capitalise on strong popular support for the SDSM and the relative disarray of the opposition VMRO-DPMNE before the former's support inevitably begins to decline. In this light, a Parliamentary election may become appealing towards the end of 2019, particularly if by then North Macedonia secures the much desired opening of EU accession negotiations.

Opposition Activities

The opposition VMRO-DPMNE has already chosen its presidential candidate. At the party's convention in mid-February, delegates chose Gordana Siljanovska-Davkova as their candidate with 408 out of 519 votes. Like current President Gjorgje Ivanov, Siljanovska-Davkova is an academic – she is a law professor at the Law Faculty in Skopje – and as such can claim to rise above the political fray as an 'expert'. Perhaps more significantly for the current VMRO-DPMNE leader Hristijan Mickoski, given that Siljanovska-Davkova is not a typical party candidate, if and when she loses in the presidential elections, Mickoski can try to claim – with some credibility – that this does not entirely reflect on the party and his leadership, as she is an independent candidate which the party merely supported.

The possibility that the VMRO-DPMNE might boycott the presidential elections – and thus try to invalidate them thanks to the turnout requirement - appears to have subsided for the time being, although not completely gone away. Some analysts note that, should the VMRO-DPMNE lose badly in the first round of the presidential elections – after which it will be unlikely to pick up additional votes – it may choose to boycott the second round rather than face a major defeat. Under such a scenario, the VMRO-DPMNE would claim that the government had stolen the election. Such a course of action would raise political instability in the country, yet ultimately the VMRO-DPMNE does not seem to have the capacity to organize mass, prolonged protests over such an issue.

For the VMRO-DPMNE, the presidential election is less about winning – which few see as likely – and more about jockeying for positions and power within the party. For Mickoski, the key will be to pass through the election process – and likely defeat – personally undamaged and unchallenged within the party. For Mickoski’s rivals within the party, a poor election performance may be useful to their hopes of unseating Mickoski; hence, they will have an incentive not to campaign particularly hard.

Following his spectacular escape from North Macedonia in early November, former PM Nikola Gruevski gave several interviews to local media, in which he criticized the change to Macedonia’s constitutional name. Gruevski remains in exile in Hungary, but appears to have a continued interest in influencing politics in North Macedonia. Within the country, Special Prosecutor for Organized Crime Vilma Ruskovska announced on February 21 that Gruevski and four other individuals – among the Trajko Veljanoski, then the Parliamentary speaker and Mile Janakieski, a senior VMRO-DPMNE official - were suspected of organizing the April 2017 storming of the Parliament. A formal investigation has been opened. While Janakieski was placed in prison detention, a dispute is ongoing in the North Macedonian Parliament over lifting Veljanoski’s immunity as an MP.

On December 18, MPs voted in favour of a law which would grant amnesty to some of those involved in the April 2017 storming of the country’s Parliament. Amnesty would be granted to those who had not participated in violence, who would have to apply to the courts and prosecutors to secure amnesty. By contrast, those who had organized or perpetrated violence during the attempted storming are excluded from the amnesty.

Regional Relations

On February 12, Macedonia formally became the Republic of North Macedonia. As agreed under the Prespa Agreement, the new name formally came into effect once the Greek Parliament had voted to ratify Macedonia's NATO accession protocol on February 8. This was preceded by another cliff-hanger vote on January 25 in which the Greek Parliament voted to accept the Prespa Agreement and its neighbours new name of North Macedonia. With this, one of the longer running bilateral disputes in the region was laid to rest, although nationalists in both countries have yet to fully come to terms with the Prespa Agreement. Media reported that Tsipras and Zaev had officially been nominated for the Nobel Peace Prize.

Relations with other neighbouring countries remained broadly amicable. Albania was among the first countries to ratify North Macedonia's NATO accession protocol after Greece. Only relations with Serbia showed signs of tensions, where officials remain hostile to the new SDSM led government.

Security

The security situation in North Macedonia remained calm and stable, despite a somewhat mysterious turn of events surrounding a possible ISIS terror plot. Namely, on February 15 Macedonian police issued a press statement in which they informed the public that several operations had been carried out in order to prevent a possible ISIS terrorist attack, after a tip off from a 'friendly country'. Earlier in the day, the US Embassy in Skopje had issued a warning to its citizen regarding a heightened threat of terrorist attacks. No further details were released and despite much media speculation, the public remained in the dark as to how serious any plot might have been.

From a security point of view, the most important development this year has been North Macedonia's signing of the NATO accession protocol. Once the accession protocol is ratified,

North Macedonia will become the 30th member of the military alliance. Ratification is expected to take anywhere between a year and two years.

Looking Forward

- **Presidential elections:** the first round of presidential elections on April 21 will be an important test of support for the ruling SDSM-led alliance, as well as the opposition VMRO-DPMNE. A win for the ruling coalition's candidate will certainly help to further cement reforms in the country, while defeat would likely have a destabilising effect on the government.
- **Early Parliamentary elections:** A particularly good result for the ruling coalition may encourage it to give serious thought to early Parliamentary elections.
- **Opening of EU accession negotiations:** in the more medium-term, North Macedonia hopes to open EU accession negotiations in mid-2019. A good indicator of whether this will happen or not will be whether the government moves to implement any rule of law related reforms, particularly in the judiciary, police and security services.

Montenegro

Since the beginning of 2019, Montenegro has been rocked by the accusations of businessman Dusko Knezevic, a former close ally of the ruling DPS, about corruption and cronyism. This has also triggered civic protests against the current government.

Trajectories		Outlook		
		1 month	6 months	12 months
Risk Dimension	War	Low	Low	Low
	Terrorism	Low	Low	Low
	Government instability	Moderate	Moderate	Modest
	Civil Unrest	Moderate	Moderate	Modest
	Ethnic Unrest	Modest	Modest	Modest



Government Stability

The ruling elite in Montenegro has been seriously shaken by what has been described as a ‘palace feud’ between Montenegrin President Milo Djukanovic (and his associates) and Dusko Knezevic, a leading Montenegrin businessman (or tycoon) and – until recently – close Djukanovic ally. In late 2018, media revealed that officials at the Montenegrin Central Bank were investigating private banks owned by Dusko Knezevic and his Atlas Group – Atlas Banka and Invest Banka Montenegro (IBM) – regarding involvement in money laundering. At the beginning of January, the Central Bank revoked the operating licence of IBM and ordered the recapitalization of Atlas Banka. Around the same time, police and prosecutors pressed charges against Knezevic and his associates for money laundering. In February, an arrest warrant was issued for Knezevic, while the High Court in Podgorica ordered his detention; Knezevic currently appears to be residing in London, although at the end of February an Interpol red notice was issued for his arrest.

For his part, Knezevic claims that Djukanovic is orchestrating a campaign against him with the aim of taking over his assets and business interests in Montenegro. Among other assets, Knezevic has accused Djukanovic of trying to get his hands on the privatised Meljine hospital complex, which sits on valuable prime real estate along the Montenegrin coast.

Most destabilising and damaging for the Montenegrin government and ruling Democratic Party of Socialists (DPS) is the manner in which Knezevic has chosen to fight back - by drip-feeding highly damaging and compromising information about the corruption, political abuses and scandals at the highest levels of the ruling party to the media. Thus, in mid-January Knezevic released a video which allegedly shows him handing over envelopes with almost 100,000 euros to then Podgorica Mayor and now general secretary in the cabinet of President Milo Djukanovic, Slavoljub Stijepovic, for the purpose of funding the DPS’ electoral campaign. The DPS and Djukanovic deny any wrongdoing, claiming that, like others, this donation was recorded in the ruling party’s accounts, although official financing reports contain no reference to it. Another video released in late January and early February shows a senior official at the central bank

soliciting a bribe not to send inspectors into Knezevic's banks. Knezevic has also released other documents which, he claims, prove that he helped finance Djukanovic's lavish lifestyle and private expenses, as well as guaranteeing for a one and a half million euro loan which one of Djukanovic's companies took out in 2007 from the London branch of Piraeus Bank.

The confession that a leading businessman had been making undeclared donations to fund DPS political campaigns was tangible confirmation for what many already considered an open secret in Montenegro, and as such highly damaging. Equally, the other revelations are not so much a surprise as concrete confirmation of the kind of abuses many had long suspected and hence just as damaging.

What is perhaps most disturbing for Djukanovic and other senior DPS officials is what other compromising videos, documents or other materials Knezevic might have up his sleeve and be willing to release in his battle with the regime? Some commentators believe that many senior DPS officials are trying to stay as far away from the scandals as possible for fear that Knezevic might release compromising revelations about them too, should they come out against him and in support of Djukanovic.

The 'Atlas affair' has taken attention away from the factional infighting within the DPS between the factions grouped around Milo Djukanovic and Milan Rocen on the one hand and Prime Minister Dusko Markovic on the other. However, it would also appear that Knezevic is actively trying to pour salt on the wounds of these internal divisions by targeting DPS officials close to Djukanovic in his revelations and trying to spare those close to Markovic.

In sum, this 'palace feud', which only appears to be getting going, threatens to bring forth many more damaging revelations and scandals involving the ruling DPS, destabilising the party further, and, by extension, the governing structures in Montenegro. In the short-term, the government, as well as President Djukanovic, will cling on to power. After almost three decades in power, it would certainly be premature to write off either Djukanovic or the DPS, but the extent and severity of the damage which could yet be done to them remains to be seen.

Opposition Activities

The general weakness of the opposition parties, which some commentators compare to a many times defeated army, is one factor which seems to work in favour of Djukanovic and the DPS. By and large, opposition parties have not really found a way to capitalise on the scandals brought to the surface as a result of Knezevic's revelations.

In contrast to this, an informal group of intellectuals, academics, civil society activists and journalists have been organizing weekly protests demanding the resignation of Djukanovic, other senior politicians and senior public prosecutors. The first of these protests, held on February 2, attracted around a thousand people. The second, held two weeks later, attracted ten times more demonstrators. The latest, held on February 23, drew an even larger crowd, estimated at between 15,000 and 20,000. The slogan of the protest is "Resist 97,000", a reference to the envelopes with 97,000 euros handed to Stijepovic by Knezevic.

The opposition parties are backing the protests and trying to use them to their own advantage, although for the time being opposition politicians are being kept at arm's length by the organizers. One of the effects of the scandals and resulting protests has been to engineer the (beginning of a) coming together of the often divided pro-Serbian and pro-Montenegrin opposition parties in Montenegro. The extent to which the opposition will be able to exploit the Knezevic affair and maximise the damage to the DPS will be dependent on its ability to come together and formulate a common front with joint demands to both Djukanovic and the ruling DPS and the international community.

Regional Relations

Unusually for Montenegro, regional relations remained relatively calm and quiet, being overshadowed by the Knezevic affair.

Heightened (rhetorical) tensions between Belgrade and Podgorica towards 2018 seem to have become subdued, with relations settling into a more amicable mode. In honour of Serbia's Statehood Day, the 'Serbian House' was inaugurated in Podgorica, a building which will house various Serbian cultural and media organizations in Montenegro. The adaptation of the building was funded by the Serbian government and opened by Nikola Selakovic, the personal representative of Serbian President Aleksandar Vucic and his general secretary at the Serbian Presidency. Somewhat surprisingly, the event passed without any significant negative reactions within Montenegrin ruling circles.

In January, the Montenegrin government first congratulated the Macedonian government on the successful completion of the process of adopting constitutional amendments to change the country's name to North Macedonia. This was followed by congratulatory messages after Macedonia signed an accession protocol with NATO in February.

Meanwhile, it remains to be seen how the Knezevic affair will impact Montenegro's EU accession negotiations, a key element of which is improving the rule of law and strengthening the battle against corruption. To date, Brussels has mainly called for a thorough investigation of all the claims arising from the affair. On a visit to Podgorica on February 21 and 22, EU Enlargement Commissioner Johannes Hahn met with both government and opposition officials, stating that Brussels was closely watching developments in Podgorica.

Security

The security situation remained calm and uneventful over the previous months.

During the first half of February, one of the alleged members of the infamous ‘Skaljari’ organized crime clan, Milic Sakovic, was arrested in Montenegro, accused of involvement in an assassination attempt in the town of Kotor in 2016. A few days later, Slobodan Kascelan, one of the alleged bosses of the ‘Kavacki’ organized crime clan was extradited to Montenegro from the Czech Republic, promptly being placed in detention. Montenegrin authorities also issued arrest warrants for Igor Dedovic and Jovan Vukotic, alleged members of the ‘Skaljari’ clan. An inter-clan gang war which has raged since 2014 has, to date, claimed around 30 lives.

The ‘coup trial’ against the alleged plotters of a coup to overthrow the Montenegrin government in October 2016 trundled on, passing one of the less publicly interesting phases involving the laying out of forensic evidence about intercepted phone calls. Meanwhile, one of the defendants, Serbian citizen Branka Milic – who walked out of the courthouse and entered the premises of the Serbian Embassy in Podgorica on November 23, remained holed up in the Embassy, where Montenegrin police cannot arrest her. Milic’s lawyers claimed that the prosecution was waging ‘psychological violence’ against their defendant. In much of the – conventional and social – media, Milic has been dubbed the ‘Balkan Assange’. Interestingly, both the Montenegrin and the Serbian authorities seem to have gone out of their way not to politicize this situation and prevent it from damaging their mutual relations, particularly as neither side seems to have an idea how to resolve the situation.

Looking Forward

- **Knezevic affair:** during the coming months, Montenegrin authorities are likely to press on with investigations into the business activities of Dusko Knezevic and the arrest of key associates. Knezevic will doubtless respond with further damaging revelations regarding corruption and abuses within the highest echelons of the DPS. It will be important to keep an eye on these revelations and, especially, which factions within the ruling DPS they seek to target.
- **Government stability:** while the fall of the government by no means appears imminent, its stability will be shaken and there will likely be more calls for Djukanovic to resign. It will be important to keep an eye on how the scandals and revelations fed to the media by Knezevic will interact with existing divisions within the ruling DPS.
- **Public protests:** although the opposition parties in Montenegro remain weak and lacking in ideas for how to make the most of the Knezevic affair, the civic protests calling for the resignation of Djukanovic and senior political leaders are, at present, a bigger threat to the stability of the regime. Key to watch will be whether the protests grow in number and spread outside the capital Podgorica.

Serbia

The Serbian government remains broadly stable, despite popular protests against its rule which have spread across Serbia and which are increasing wider political instability. The likelihood of early Parliamentary elections during 2019 is rising.

Trajectories		Outlook		
		1 month	6 months	12 months
Risk Dimmension	War	Low	Low	Low
	Terrorism	Low	Low	Low
	Government instability	Modest	Modest	Low
	Civil Unrest	Moderate	Moderate	Modest
	Ethnic Unrest	Low	Low	Low



Government stability

The Serbian government remained internally stable and coherent, with a large Parliamentary majority that showed no signs of fragmenting. Despite his formally limited constitutional powers, President Aleksandar Vucic retained firm control over government and politics thanks to his overwhelming domination over the Serbian Progressive Party (SNS).

Despite this, both Vucic and senior SNS figures have suggested that early elections could be held this spring. Speculation that early Parliamentary elections could be held at the end of March were first floated in late November and early December. The late March date is now impossible due to technical reasons, but a spring or early summer election is very much feasible. On several occasions during late January and early February Darko Glisic, the head of the SNS Executive Committee, stated that the entire senior leadership of the SNS favoured snap elections, but that Vucic was still weighing this desire against (what Glisic described as) other priorities which were of a national interest. Vucic himself has also at times suggested that the people would soon have an opportunity to decide who would be in government and who in opposition – most recently on February 19.

With regularly scheduled Parliamentary elections due in the spring of 2020, the ruling SNS is certainly unlikely to wait until the last moment to go to the polls. Rather, it will strive to hold elections at a time when it believes its own popular support is at its peak, while the opposition parties are at a low point in terms of popular support. The other important factor that the SNS will consider – and which will determine the timing of any elections - will be progress on reaching any kind of deal to settle relations with Kosovo. While the SNS seems unlikely to use early elections to delay reaching any deal, it may seek to hold elections ahead of agreeing to any deal which it fears may dent its popularity.

It would seem that Vucic was genuinely contemplating an early Parliamentary election at the end of March or early April, but that opposition protests have thrown a spanner in the wheels of that plan. To begin with, Vucic seems nervous to call an election at a time when his opponents

appear mobilized, or rather more mobilized than usual. Yet a bigger headache for Vucic is arguably that opposition parties and politicians have not only formed a more or less coherent and broad front against the SNS under the banner of the 'Alliance for Serbia', but that the Alliance seems determined to boycott any Parliamentary elections held on a playing field so skewed in the SNS' favour as is currently the case. Thus, an election boycotted by the opposition would seriously dent the legitimacy of the next Parliament and create more problems than it would solve for Vucic. At the same time, conceding fairer election terms would undo the inbuilt advantage that the SNS has created for itself during successive elections.

With all this in mind, Vucic may, in the end, opt to wait until the autumn before holding an early election, in the hope that by then the Alliance for Serbia might fragment, or that part of it could be persuaded to take part in an election and, in doing so, provide it with minimal legitimacy. The only factor that might realistically push it towards an election sooner than this would be the imminence of an unpopular deal on settling relations with Kosovo.

In the meantime, Serbian President Aleksandar Vucic began a tour of Serbia. In theory, the tour – as part of which he aims to visit all the regions and municipalities in Serbia – is intended to communicate to the public the achievements of successive SNS governments, as well as hear their needs. In practice, to most observers the tour looked either like a pre-election campaign or a pre-pre-election campaign to test the pulse of voters.

Opposition activities

The Serbian opposition has got off to a reasonably good start since the beginning of 2019. Since the holding of the first protest against political violence and the current SNS led government on December 8 under the slogan "Stop bloody shirts" – a reference to the physical assault on opposition leader Borko Stefanovic – popular protests have spread outside Belgrade. Despite the winter weather, several tens of thousands of Belgraders have turned out to protest against the repressive rule of the SNS every Saturday since the first protest. Weekly protests have snowballed in tens of other towns and cities across the country and refuse to go away.

The opposition parties – primarily those gathered in the “Alliance for Serbia” have helped to organise the protests and been a part of them, but have not been able – or necessarily desired - to take the lead in the protests. Rather, students, actors, intellectuals, journalists and academics have assumed some kind of informal and diffuse leadership over the protest movement. At times, these organizers have actively rejected the idea of giving political leaders a more active role in leading the protests. Indeed, in an unusual turn of events for Serbia, in many respects it would seem that these civic opposition protests are setting the agenda of opposition politicians, rather than the other way around.

Thus, after protest leaders called for the opposition parties to make some kind of binding commitment to Serbian voters for how they would change things for the better if they came to power, the Alliance for Serbia came up with a list of promises and pledges which it dubbed its ‘Contract with the people’. The mood of the protests and their organizers in insisting on the creation of free and fair electoral conditions before any elections are held – as well as an active boycott in the event that this does not materialise – also seems to have boxed the opposition parties into a boycott of early elections unless the ruling SNS makes significant concessions in evening out the electoral playing field. At the end of January, most opposition MPs also began boycotting the sessions of the Serbian Parliament, in protest at what they said were the attempts of the ruling SNS to prevent the voice of the opposition being heard.

Another potentially significant event was the December decision of Sasa Jankovic, once a rising opposition political star and the main rival to Aleksandar Vucic during the last presidential election, to quit politics due to the downward spiral in support for his Movement of Free Citizens (PGS). In an unexpected turn of events, the new leader of the PGS became Sergej Trifunovic, a popular actor who has attracted controversy due to his often improper political rhetoric aimed against the regime.

Regional relations

Serbia's relations with its neighbours remained largely calm and uneventful during the first few months of the year.

The only exception to this were relations with Kosovo, which remained at the low point established in November and December of 2018. Belgrade remained angry over the imposition of tariffs of 100% on Serbian goods being imported into Kosovo and refused to return to the Brussels negotiating table until Pristina revoked these. Pristina asserted that it would not revoke the tariffs until Serbia recognized Kosovo's proclaimed independence. Yet behind the scenes of this public stalemate, rumours persisted that negotiations on a land-swap between Belgrade and Pristina – which would see the Serb-populated north of Kosovo swapped for ethnic Albanian populated areas of Bujanovac and Presevo in Serbia – were in full swing, part of a deal to secure mutual recognition between Kosovo and Serbia. In February, Serbian Foreign Minister Ivica Dacic stated publicly that a land-swap was Belgrade's official proposal, before appearing to backtrack somewhat on his own words.

Relations with Montenegro, turbulent at the end of 2018, were unusually calm and quiet, as both the governments in Belgrade and Podgorica dealt with their own internal problems and opposition protests. In honour of Serbia's Statehood Day, the 'Serbian House' – a building to house various Serbian cultural organizations and media in Montenegro – was inaugurated by Nikola Selakovic, the general-secretary of the President of Serbia.

Security

The security situation in Serbia remained calm and uneventful during the first few months of 2019. In mid-December 2018, the decision of the Kosovo Parliament to approve a set of laws aimed at transforming the Kosovo Security Force into an army caused shrill protests from Belgrade. A particular focus by government officials as well as media and commentators close to the SNS was placed on the possibility of the KSF being used to assert Pristina's control over

north Kosovo, along with vague claims that Belgrade would not allow Serbs in Kosovo to be endangered.

The practice of periodically rounding up large groups of (petty and not so petty) criminals in completely unrelated case and investigations and arresting them at the same time in order to maximise the media impact of such arrests continued in early 2019. Thus, during the night between January 10 and 11, around 140 suspects were arrested as part of well publicised police operations. While pro-government headlines carried bombastic headlines about the government's fight against crime, there were far fewer reports about that fact that most of those arrested were released not long after.

Looking Forward

- **Elections:** the ruling SNS is calculating if and when to hold early elections, weighing up whether popular support for the party will remain high or begin to decline in the coming months. In gauging the closeness of any election, it will be important to follow the rhetoric of leading SNS officials, specifically increased references to the need to hold elections. Equally, any sign of the opposition alliance fragmenting would also be something that the SNS would seek to capitalise by calling elections.
- **Protests:** with popular protests against the ruling SNS in their third month, it will be important to watch whether the protest momentum can be maintained over the coming months as well as whether protests will spread across the country, attracting increasing or decreasing crowds. At present, the government is largely ignoring the protests, hoping that they will fizzle out. However, should they grow in size, the government will feel under pressure to respond somehow, including by perhaps bringing its own supporters out onto the streets.
- **Relations with Kosovo:** it will be important to follow the rhetoric of leaders in both Belgrade and Pristina regarding a possible territorial land-swap plan as a way to resolve their mutual dispute over Kosovo. A revoking of the trade tariffs imposed by Kosovo could be a sign that behind the scenes negotiations are indeed making progress.

About Risk Dimensions

War

We understand 'war' as the state use of armed force beyond regular policing. This category includes the risk of the state use of force in the context of inter-state war, civil war, border disputes, but also in response to terrorism or civil disorder.

Terrorism

Terrorism refers to activities, or the risk thereof, of organised groups (large or small) who are causing, or pose a credible risk of causing, death, injury, property damage, kidnapping or other forms of terror using violence (which may include shootings, assassinations, bombings, arson, beatings, etc). At risk may be individuals or assets. Motives may be wide ranging – religious, political, ideological, nationalist, ethnic, etc.

Government Instability

This category covers the risk of government collapse, protracted government instability and/or paralysis and/or deadlock and/or inability to take decisions, the risk of early elections, or even a protracted institutional or constitutional crises.

Civil Unrest

The category refers to unrest and/or disorder which is primarily political, socio-economic, labour, land/property issues, corruption or rights-based in terms of motives, or directed against a specific actor or issue. It can include mass protests, riots or strikes, whether peaceful or violent and national-level, regional or local.

Ethnic Unrest

This category refers to unrest and/or disorder which is primarily motivated by ethnic, religious or nationalist factors and/or grievances (real or imagined). It can include mass protests, riots, communal attacks or frequent physical attacks against members of a group. It can be violent or non-violent and national-level, regional or local in nature.

About

The Western Balkans Stability Monitor is produced by BIRN Consultancy, part of BIRN Ltd. BIRN Consultancy is an independent analysis, advisory and corporate investigation consultancy with a regional focus on the Balkans. Our mission is to help our clients better understand both the opportunities and challenges facing them in the south-east Europe. Often, our clients already have a degree of familiarity with the region. They turn to us for more detailed analysis of developments and trends or to investigate a particular problem, because our unique mix of knowledge and expertise gives us a competitive edge over others.

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