



Western Balkans Stability Monitor

November 2019 Issue

Table of contents

European Self-Harm	4
Albania	7
Government Stability	8
Opposition Activities	10
Regional Relations	11
Security	12
Looking Forward	13
Bosnia-Herzegovina	14
Government Stability	15
Opposition Activities	17
Regional Relations	18
Security	19
Looking Forward	20
Kosovo	21
Government Stability	22
Opposition Activities	24
Regional Relations	25
Security	27
Looking Forward	28
North Macedonia	29
Government Stability	30
Opposition Activities	32
Regional Relations	34
Security	35
Looking Forward	35
Montenegro	37
Government Stability	38
Opposition Activities	39
Regional Relations	40
Security	40
Looking Forward	41

Serbia	42
Government stability	43
Opposition activities	44
Regional relations	46
Security	47
Looking Forward	48
About Risk Dimensions	49
War	49
Terrorism	49
Government Instability	49
Civil Unrest	49
Ethnic Unrest	49
About	49
Contact	50

European Self-Harm

Having deferred the question of opening accession negotiations with Albania and North Macedonia several times, European leaders were expected – with some trepidation – to give the green light to at least North Macedonia and possibly Albania’s EU accession hopes at the October European Council. Instead, the October 17-18 European Council not only failed to approve the opening of accession negotiations but sent Balkan hopefuls a signal that they should not bet on having any kind of accession prospects at all. In one fell swoop, the EU came close to entirely destroying its own credibility and leverage in the Western Balkans. To make the situation more bizarre, the chief architect of this act of European self-harm was none other than the man positioning himself to be the EU’s new leading statesman, French President Emmanuel Macron.

When it comes to Albania, many EU member states besides France had their reservations about whether the country should be granted a date for opening accession negotiations, including Denmark and the Netherlands. Germany’s Parliament had laid down a long list of conditions which Albania needed to meet in order to actually begin negotiations. Yet on North Macedonia, France stood alone in refusing to open accession negotiations. In doing so, France clearly broke the EU’s pledge that, in return for resolving its long standing dispute with Greece, changing its very name and beginning to implement rule of law reforms Skopje would be rewarded with the opening of accession negotiations. Nor did France indicate what it wanted from North Macedonia in order to begin negotiations. Instead, President Macron and other French officials merely spoke about the need for the EU to reform itself internally first and rethink the entire accession process.

Such rhetoric seemed fairly disingenuous. There is no danger of any of the Western Balkans countries being ready to join the EU any time soon, hence the EU has plenty of time to implement internal reforms which Macron would like to see (and is yet to convince other member states about). Equally, there is plenty of time to rethink the substance of the accession process while accession negotiations are conducted. So what is Macron’s real agenda? Doubtless placating opponents of enlargement on the French right is part of the story. Yet as Macron stared down the entirety of the European Council with his enlargement veto in hand, it was hard to escape the conclusion that his move was much more about desperately trying to

impose himself as the leader of the EU in a post-Brexit (and soon post-Merkel) Europe than anything else.

Macron's move may yet backfire on him. Blocking the EU's almost unanimous will – as he did in the case of North Macedonia – may be a successful exercise in flexing French muscles and demonstrating that Macron will not bend even when the rest of the EU is aligned against him. Yet exercising the institutional ability to block the EU is far short of being able to convincingly lead Europe. Indeed, the frustration of other EU leaders with such tactics is already clear – Italian Prime Minister Giuseppe Conte stated that the decision not to open accession negotiations would 'be remembered as a historic error'. Some EU policy experts referred to Macron's move as an act of 'policy vandalism', while others compared the French President's behaviour to that of a 'European Trump'.

Aside from being remembered as a historic error, the decision not to open accession negotiations, and indeed bring into question whether there was any enlargement process to speak of, risks going down as a historic act of European self-harm. The promise, or carrot, of EU accession was like a geopolitical magnet that helped to keep the countries of the Balkans on a Western, democratic, free-market path, with part of the course being respect for human rights, liberal values and the rule of law. As the prospect of EU accession appeared to fade over the last decade, the countries of the region began to backslide in many of these areas, showing ever more brazen undemocratic and illiberal tendencies and flirting with other, non-Western players keen to get a foothold in Europe. Yet the promise of accession, however distant, helped to keep them on some kind of positive trajectory, or at least check the worst abuses of local political elites.

Torpedoing the entire enlargement process, which Macron seems to be toying with, would destroy the European 'magnet' which has, at its best, helped pull the region forward and, at the very least, helped to prevent it from going off the rails. It would also deprive the EU of most of its leverage in its own back yard. It is mainly external pressure and the carrot of EU membership which has forced Kosovo and Serbia to even contemplate normalising relations and unfreeze their frozen conflict. If the carrot is removed, what incentive would either side have to negotiate? More broadly, given North Macedonia's experience – where the country made painful concessions on the name issue because of the promise of at least opening accession

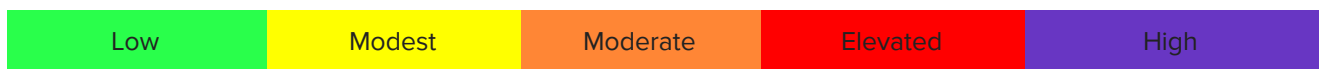
negotiations, which the EU has now broken – why would anyone else in the region trust the EU not to snatch away the carrot at the last minute in similar situations?

The irony is that this act of self-harm by the EU was totally unnecessary. Open ended accession processes with the countries of the region already gave the EU significant leverage with no real obligation of actually letting the aspiring candidates in. For EU enlargement sceptics like France, this was akin to having the cake and eating it; torpedoing the 'cake' leaves the EU with neither.

Albania

Political tensions in Albania continued to subside as the summer drew to an end and autumn set in. Much of this is down to the fact that the opposition parties have decided not to return to street protests after the summer recess. Equally, the transition of power has gone relatively smoothly in the municipalities formerly held by the opposition. Tensions between the Socialist-controlled government and Parliament on the one hand and President Ilir Meta on the other have also declined somewhat following a broadly neutral opinion by the Venice Commission on the issue of whether Parliament can (or should) proceed with impeaching Meta. Nevertheless, the failure of the European Council to open accession negotiations with Albania caused difficulties for the government of Prime Minister Edi Rama.

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



Government Stability

On the surface, the Socialist Party (SP) led government of Edi Rama seems in a strong position, presiding over a Parliament in which it has an absolute majority and little real opposition, given that most opposition MPs have resigned their mandates. Following local elections at the end of June, which the opposition boycotted, the SP (or its proxies) won majorities and mayoral races in all 61 municipalities. Indeed, only the office of the President, with limited powers, remains beyond Rama's control. Furthermore, the current cessation in opposition protests has also left Rama's government in a more relaxed position. Yet despite the fact that the political heat has subsided, Albania still remains in what is fundamentally a tense political crisis, in which the opposition has withdrawn from institutions of government and is demanding a technical government followed by early elections.

The government of Edi Rama has experienced some discomfort following the decision of the European Council not to open accession negotiations with Albania or North Macedonia. On the one hand, it had managed to successfully blame French President Emmanuel Macron for blocking the opening of accession negotiations and in so doing deftly dodge the fact that many other EU member states had serious reservations about Albania's preparedness. The large number of asylum applications from Albanian citizens in some EU countries was also cited as a factor in refusing to open accession negotiations. Despite this, while Albania has been refused a date for opening accession negotiations several times since being granted candidate status, this time around the public perceived the refusal as being more permanent.

What made Rama's position particularly difficult after the EU refusal to open accession negotiations was the decision of neighbouring North Macedonian Prime Minister Zoran Zaev to opt for early elections following the EU decision. Rama was faced with uncomfortable questions about why the Albanian government would not follow suit and also call early elections in light of the blow dealt by the EU. This left the Albanian PM and his Foreign Minister, Gent Cakaj, scrambling to explain why the Albanian government's position was different to that of North Macedonia.

Domestically, the pressing political conflict between Albanian President Ilir Meta and the SP majority in Parliament took a turn into calmer waters. Following Meta's attempt to cancel the holding of the June 30th local elections, Rama lodged a motion to remove Meta from office. In an apparent attempt to build credibility behind their push to remove Meta from office, the Socialists had requested an amicus curiae opinion from the Venice Commission over the issue of whether Meta had indeed breached his constitutional powers and was therefore deserving of being removed. The Venice Commission offered a rather neutral opinion. It suggested that while Meta may indeed have breached the constitution, the breach itself may not have been serious enough to merit impeachment. In essence, the opinion provided both sides with enough scope to claim that they were in the right, while allowing the attempt to impeach Meta to die a quiet death. In doing so, the opinion of the Venice Commission has enabled both Meta and Rama to dig themselves out of a political hole. Moreover, the Venice Commission emphasized the political dimension of the situation by underlining that, given that the SP controls the government, Parliament and local administration, Parliament should judge the issue of impeachment from the point of view of whether it would aggravate or improve the already tense political climate. With this in mind, the Socialists signalled that the entire impeachment procedure would be shelved.

With the opposition protests having subsided, the conflict between Rama and Meta largely neutralised and the European Council having dealt Rama a blow by failing to open accession negotiations, some analysts expressed the belief that the conditions might be ripe for some kind of agreement on electoral reform between government and opposition as a first step towards resolving the long-running political crisis. **Amidst the calmer political atmosphere, we have decided to upgrade the government instability risk indicator from elevated to moderate.**

Opposition Activities

Albania's opposition is currently in a state of near hibernation, with limited activism. Some connect this inactivity with a the already mentioned belief that some kind of compromise may be afoot between government and opposition to resolve Albania's political crisis. The Democratic Party has seemingly changed its political message from attacking the government to focusing on providing hope for a better future, a rhetorical change that suggest possible early elections.

The OSCE has worked intensively over the last few months to build the conditions for a possible reform of the electoral law as a prelude to resolving the political crisis. The process is complicated by the current state of the Parliament: representatives of the main opposition parties – the DP and LSI - have resigned their parliamentary mandates in what was an opposition attempt to delegitimise the current Parliament and government. Yet many of the seats thus vacated have been filled by candidates next in line on the opposition party electoral lists, in defiance of their parties. It is thus less than clear who should be negotiating with the government on behalf of the opposition.

For the time being, the opposition parties are not suggesting that they will return to the violent street protests seen in the first half of 2019. Yet, if there is no progress in resolving the lingering political standoff, the opposition may eventually feel the need to intensify pressure on the Rama government.

Regional Relations

Albania's relations with neighbouring countries remained largely stable.

Last year, the Albanian government had sparked a row with Greece over a proposed draft law which aimed to seize, without compensation, lucrative land along the country's southern coast, for the purpose of developing it. The Greek government reacted with anger, arguing that the planned expropriations were directed at the Greek minority in southern Albania. Following a request to issue an opinion on the draft law, the Venice Commission found that the proposed law could indeed result in the breach of property rights. This, in effect, killed off the draft and put an end to this particular point of contention between Athens and Tirana.

When it comes to relations with Kosovo, Albanian PM Rama and outgoing Kosovo PM Ramush Haradinaj traded another round of accusations. Following his defeat in Kosovo's Parliamentary elections, Haradinaj claimed that he had thwarted a plan concocted between Rama, Kosovo's President Hashim Thaci and Serbian President Aleksandar Vucic to engineer a land swap between Kosovo and Serbia, as part of which, Haradinaj claimed, the three men stood to benefit personally to the tune of €10 billion from the exploitation of the Trepca mine in north Kosovo. Rama called the accusations lies and said that he would sue Haradinaj before the courts in Kosovo. Meanwhile, Rama met with Albin Kurti, the likely future Prime Minister of Kosovo, on October 25th in Tirana. The details of their meeting, which lasted several hours, remained largely unknown to the public. Following the meeting, Kurti declared that Rama did not support a land swap between Kosovo and Serbia.

Relations with North Macedonia and Serbia were, on the whole, positive. On October 10th, the leaders of Albania, North Macedonia and Serbia signed a declaration on the creation of a 'mini-Schengen'. It envisages the creation of a zone of free movement of people, goods, capital and services.

Security

From a security point of view, the most important news over the last two months was an announcement by Albanian police in late October that they had uncovered a terrorist cell, organized by the Iranian regime, which had plotted to attack members of the People's Mujahedin of Iran (MEK), a shady Iranian opposition group currently residing in Albania. According to the Albanian police, the terrorist cell was directed by Iranian Quds forces and had collaborated with known drug traffickers in plotting the attack. MEK runs a large compound near the town of Durres in central Albania. The country accepted thousands of MEK members – a left wing group previously considered a terrorist organization by the US and which fought on the Iraqi side in the Iran-Iraq war – following the US invasion of Iraq. Iran still considers the group a terrorist organization. In December 2018, Albania expelled the Iranian Ambassador to Tirana in relation to another alleged plot to attack MEK members.

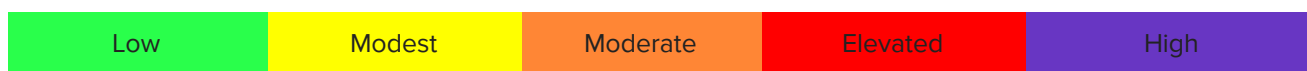
Looking Forward

- **Negotiations on electoral reform:** both the Albanian government and opposition are currently under pressure to reach an agreement to resolve the country's almost permanent political crisis. Key to this will be agreement on how to create the conditions for free and fair elections. The OSCE appears to be trying to mediate a solution to the long-running political crisis. Although there has been a marked reduction in political tensions, mistrust between government and opposition is running high, undermining efforts at mediation.
- **Judicial reforms:** attempts to recreate some of the country's crucial judicial institutions such as the Constitutional Court and the High Court are ongoing, but there are many obstacles on the road ahead. While Albania's judicial vetting process has been praised as a success (almost half the judges and prosecutors who underwent the process have been fired over unexplained wealth or links to criminal figures), the country's Constitutional and High Courts are currently unpopulated. The process of appointing new judges is currently difficult to complete due to complicated procedures put in place for their selection and nomination, which aimed not only to clean up the existing system but also to ensure the independence and integrity of new appointees. It will be important to follow whether the process of appointing new judges makes any headway as a precondition for strengthening the rule of law in the country.
- **US Threats:** The US Embassy in Tirana announced in October that it was working to ban more Albanian current and former officials - which the Department of State believes are engaged in 'significant corruption' - from entering the US. The US enjoys a high level of soft power and influence among Albanians and the Department of State has used this power to date to sanction three Albanian officials and their immediate families. Depending on who is targeted, any new moves by the Department of State could create political turbulence within Albania.

Bosnia-Herzegovina

Over the last few months, Bosnian politics have resembled an ever wilder rollercoaster ride, with seemingly positive political breakthroughs being followed by ever deeper crises. At the end of the ride, the country unfortunately seems no closer to making any kind of progress, either in the sense of forming a central government, let alone in implementing any kind of reforming policies to improve the lives of ordinary people. The country's politicians have a small window of opportunity to form a central government before the end of the year. After that, Bosnia will drift into the long campaign ahead of the October 2020 local elections, with even less likelihood of a compromise being made to enable government formation.

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



Government Stability

September 5th marked the point at which the ‘breakthrough’ Agreement signed by the leaders of the three dominant parties in Bosnia – Bakir Izetbegovic of the Bosniak Party of Democratic Action (SDA), Milorad Dodik of the Bosnian Serb Alliance of Independent Social Democrats (SNSD) and Dragan Covic of the Croatian Democratic Union (HDZ) – which was to pave the way for the formation of the Bosnian government, the Council of Ministers, lapsed. With the collapse of the deal, Bosnia was plunged into even deeper crisis and uncertainty. Milorad Dodik, the Serb member of the Bosnian Presidency, accused the other two members of the rotating presidency of deliberately trying to prevent Bosnian Serb representatives from assuming positions in government reserved for them under Bosnia’s complex system of ethnic power sharing and rotation. Furthermore, Dodik threatened that if the current situation is not resolved, Republika Srpska, the Bosnian Serb-dominated entity, would take a series of radical steps, including withdrawing from the joint Bosnian armed forces, withdrawing from the central state system of indirect taxation (VAT) and revoking the transfer of competences made from the entities to the central state over the years.

Quite why the Agreement between the three leaders collapsed is not clear. Almost as soon as it was announced, all three sides cranked their affiliated media machines into gear to convince their supporters that they had triumphed over their political rivals. In public, the point of contention centered around the Annual National Program (ANP), needed to activate Bosnia’s NATO Membership Action Plan (MAP). Did the coalition Agreement signed at the beginning of August – and various verbal agreements around it – mean that the ANP would be approved before the formation of the Council of Ministers could proceed – as the Bosniak and Bosnian Croat members of the Bosnian Presidency, Safik Dzaferovic and Zeljko Komsic, had insisted all along - or was this not part of the Agreement, as Bosnian Serb Presidency member Milorad Dodik insisted?

What the three leaders appear to have agreed was that a revamped, trimmed down version of the 2018 ANP would be adopted and discretely accepted by the Bosnian Presidency, after

which Bosnian Serb candidate Zoran Tegeltija would be nominated as the new Chair of the Council of Ministers. However, trust between Dodik and Izetbegovic was first undermined in mid-August when the leader of the Serb Democratic Party (SDS) began claiming that, contrary to any arithmetic or logic, his party had enough MPs in the state Parliament to remain in the central government with the SDA and HDZ. This angered Dodik, who concluded that Izetbegovic was trying to dupe him and negotiating with his rivals. Then, on August 20th, Zeljko Komsic, the Bosnian Croat member of the country's Presidency and close ally of Izetbegovic, scheduled two sessions of the Presidency, one which was to adopt the ANP and the other to approve Tegeltija's nomination as Chair of the Council of Ministers. Dodik was apparently incensed when he realised that Komsic had tabled the old version of the ANP from 2018, rather than the newly-agreed trimmed down version. Dodik saw this as another sign of bad faith and treachery by Izetbegovic and Komsic.

After his threats to withdraw the RS from key state institutions, which would have plunged the country into even deeper crisis, Dodik seems to have run into resistance to such radical moves among moderates within his own party. Consequently, he appeared to de-escalate his rhetoric. Yet the efforts of the moderates within the SNSD were in turn undermined after the SDA, at its congress held on September 14th, adopted a program declaration which envisaged the constitutional overhaul of Bosnia into a centralized, unitary state. This was met with condemnation across the board by Bosnian Serb political parties. It also gave Dodik an excuse to threaten that RS would activate its secession plans if the SDA tried to carry out its program declaration.

Quite where the country goes from here is anyone's guess. It seems that some Western diplomats have been trying to nudge the three leaders into returning to the negotiating table in order to resume efforts to form a government and that aides of the three men have met. However, Bosnia still seems to be far from securing a central government. Equally, the Federation entity seems even further from gaining a new government – it seems that no serious negotiations between the SDA and HDZ will begin on that front before the problem of the central government's formation is resolved.

Analysts and observers warn that, with local elections due in Bosnia in 2020, the window of opportunity to form the central and Federation governments is rapidly closing. Campaigning for the local elections will, in effect, begin in early 2020. If no governments are formed by then, it seems unlikely that they will be formed until the elections are over. By that time, some warn, the leaders of the three ethnic parties may simply decide to abandon government formation and wait until the next general elections in 2022. Yet this would ultimately undermine the very point of holding elections.

Opposition Activities

With no governments formed at the level of the central Bosnian state or in the Federation entity, it is still hard to group parties into those which are part of government and those which are in opposition to it. Indeed, thanks to the many levels of government in the complex Bosnian state system, it is often difficult to categorize any major parties as being fully in opposition, especially in the Federation entity with its cantonal tier of government.

Things remain much clearer in the Republika Srpska entity, where the Party of Democratic Progress (PDP) and the bigger Serbian Democratic Party (SDS) have clearly positioned themselves as being in opposition. The SDS, however, has faced much internal turbulence and defections following its defeat in the October 2018 national elections. Its new leader, Mirko Sarovic, has managed to generate some ripples, and indeed anger Milorad Dodik, by suggesting that the SDS could form an alternative majority with the SDA and HDZ at the central state level, which would exclude the SNSD. However, neither Sarovic nor those who argue that this threat is credible, have explained how this might happen, given the distribution of seats in the Bosnian Parliament. In reality, two smaller parties – the Socialist Party (SP) and the Democratic People’s Alliance (DNS) – which are the SNSD’s long-term allies in the RS, would have to join with the SDS.

This seems wildly unlikely to occur. Nevertheless, it is notable that there have been some frictions between the SNSD and DNS in the RS. At the beginning of October, the DNS leadership voted to suspend its coalition agreement with the SNSD, angered by the SNSD’s

attempts to oust its appointees in certain local and state institutions. The leaders of the two parties, Dodik and Marko Pavic, have since held talks aimed at resolving the dispute, which have so far proven inconclusive. Serious or not, the DNS is floating the idea that it might be interested in a coalition with the SDS at the central state level. However, this may just be a tactic aimed at fending off SNSD attempts to unseat the party in its local stronghold of Prijedor.

Regional Relations

Bosnia and Herzegovina's bilateral relations with most of its neighbours remained calm.

Perhaps the most significant development was the official ceremony to mark the beginning of construction work on the Belgrade-Sarajevo motorway, which has been strongly supported by Turkey. The ceremony occurred at the beginning of October in Serbia. While construction of the shorter Serbian section has begun, lack of progress on forming a government in Bosnia will likely cause major delays to the construction of the Bosnian segment of the motorway. The beginning of construction work was also an opportunity to organize a trilateral summit between the leaders of Bosnia, Serbia and Turkey. The summit was an opportunity to discuss mutual cooperation. However, attempts by the Serbian and Turkish leaders to nudge their Bosnian interlocutors into resolving their differences over government formation appear to have fallen on deaf ears.

At the end of September, several hundred Bosnian environmentalists and local residents gathered in the town of Novi Grad to protest against a plan by Croatian authorities to potentially build a radioactive landfill site on the very border with Bosnia, in the area of Trgovska Gora. These were not the first such protests - environmental activists held a protest outside the Croatian Embassy in Sarajevo at the end of July.

Meanwhile, with the Croatian Presidential elections getting into full swing, it seems only a matter of time before some of the candidates from the Croatian centre- and far- right, not least

current President Kolinda Grabar Kitarovic, say, or do, something which will anger their neighbours in Bosnia.

Security

Although the issue of NATO membership and the ANP have dominated the political agenda in Bosnia – and, indeed, held up the formation of the country’s government – we still maintain that this is primarily a political issue and a ‘red herring’ from a security point of view. Even if the ANP is adopted and the MAP activated, Bosnia will still not make any real progress towards NATO membership while the RS leadership remains bitterly opposed to this.

From a security point of view, much more worrying is the looming humanitarian catastrophe in Bosnia’s north-west corner. Thousands of migrants remain stuck in a bottleneck, unable to enter Croatia and, by extension, the EU. Central authorities have failed to agree a joint plan on housing the migrants across the country, leaving local authorities to fend as best they can. Local authorities in the north-western town of Bihac and the Una-Sana Canton claim they are overwhelmed and under-resourced. With several thousand migrants housed in an inadequate forest camp close to Bihac, the town’s local authorities have said that they are unable to continue providing basic services, such as electricity. Moreover, they warn that the city cannot handle the several thousand migrants already present on its territory. European officials have called for a coordinated response to relocating and housing the migrants before the winter sets in, but there is little to suggest that anyone will step in to resolve the problem any time soon. Meanwhile, the winter cold is about to set in.

Looking Forward

- **Central government formation:** attempts appear to be under way to cajole the leaders of the main ethnic parties into returning to negotiations which would pave the way for the creation of a central government. However, following the collapse of the August 5th Coalition Agreement and with trust among political leaders at historic lows, it would be imprudent to bet on a positive outcome. Nevertheless, it will be important to watch out for any signs of more constructive political rhetoric which could be an indicator of progress in this regard.
- **Federation entity:** formation of the government in the Federation entity seems a more distant prospect, though the formation of the Council of Ministers will be a stepping stone in this direction. A key bellwether for the formation of the Federation government to be watched will be any sign of the question of how the Croat member of the Bosnian Presidency is elected being resolved in some way.
- **Migrants and refugees:** if the increased trend in numbers of refugees and migrants arriving is maintained, Bosnia will struggle to deal with the challenge of accommodating and caring for all of them. In this context, disputes between the different levels of government and attempts to shift responsibility could have a destabilising effect on the country. Meanwhile, the onset of winter will add urgency to the need to deal with the migrant problem.

Kosovo

Kosovo’s Parliamentary elections resulted in a victory for the two opposition parties – Vetevendosje (VV) and the Democratic League of Kosovo (LDK). In all likelihood, Vetevendosje leader Albin Kurti is set to become the next Prime Minister of Kosovo. A VV-LDK government would be more stable than its predecessor due to the stable majority that it would enjoy, and there are high hopes in Kosovo that such a government could adopt an agenda of fighting corruption and pursuing reforms aimed at improving domestic governance. However, Vetevendosje is an untested quantity, having never been in power before, as well as having pursued a mix of radical left- and right- wing policies while in opposition.

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



Government Stability

The result of the October 6th Parliamentary elections is set to bring about a major change in the composition of the next Kosovo government. As things stand, the next government seems highly likely to be a coalition of the VV, which mixes an agenda of radical left- and right- wing policy ideas, with the centre-right LDK. Given that VV pulled just slightly ahead of the LDK in terms of absolute votes cast, under Kosovo's electoral system its leader, Albin Kurti, is set to become the next Prime Minister of Kosovo.

The LDK is a party which has been in power before and is a relatively well-known quantity in terms of Kosovo politics. On the other hand, VV is not a known quantity. The party positions itself (or has positioned itself in the past) as, at once, social-democratic, anti-imperialist, progressive and Albanian nationalist, with Marxist roots and ideas, however contradictory such a mix of ideas and values may seem. Much of its current appeal is built around its anti-establishment and anti-status quo rhetoric. In relation to the domestic political scene, the party stands for a break with the corrupt, clientelist and nepotistic policies of both the parties which emerged from the Kosovo Liberation Army (KLA) – such as the Democratic Party of Kosovo (PDK) or Alliance for Kosovo (AAK) – and older parties such as the LDK, its likely future coalition partner. In relation to the international community, VV has strongly favoured a rejection of any foreign tutelage and interference in Kosovo's domestic governance, or indeed in relations with neighbours such as Serbia. Similarly, it rejects what it sees as Serbia's interference in Kosovo's internal politics.

Not surprisingly, its radical and anti-establishment agenda has made Kosovo's traditional political parties, as well as the international community, nervous. Its Albanian nationalist rhetoric has made the Kosovo Serb community very nervous. On the other hand, many ordinary Kosovars, tired of the corruption and bad governance of the last two decades – for which they blame domestic politicians, but also international officials – see the party as the only hope for a clean break with everything that is wrong in Kosovo.

Together, VV and the LDK will have a majority of 61 seats in the 120 seat assembly, assuming they are able to form a government. With the support of Kosovo's ten non-Serb minority MPs, that majority would rise to 71 MPs in the Kosovo Parliament. As a result, such a coalition government would be much more stable than its recent predecessors on Kosovo's political scene, particularly the outgoing Haradinaj government, which, almost from the start, lacked a functioning majority in Parliament. **As a result, we have decided to upgrade the government instability risk indicator from elevated to moderate in the one month outlook and from moderate to modest in the six month outlook.**

This is certainly good news from the point of view of stable governance. However, there are several sources of potential instability in relation to such a government as well. One is the question of the extent to which VV and the LDK will be able to bury their deep animosity and differences from the past. Many analysts believe that, even if there are some teething difficulties at the start, particularly in terms of inter-personal relations, these will be smoothed out as the two parties begin to enjoy the 'fruits' of power. A more unpredictable source of instability will be derived from just how radical a policy agenda VV decides to pursue once in power. Many observers expect it to moderate its policies and rhetoric once in government on all fronts and settle into the political mainstream. However, this is by no means guaranteed.

Given all of this, it will be particularly important to watch the individual appointments in any future VV-LDK government. One thing that is almost certain is that such a government will pursue an anti-corruption agenda, given that this is one of the issues of greatest concern to its supporters. It will also be important to watch its economic agenda, particularly given the expectation that it will be able to do something to boost economic growth and stem substantial emigration from Kosovo. In this area, a VV-LDK government will be torn between the left-wing ideas of VV and the economic orthodoxy favoured by the LDK.

Not least, it remains to be seen how a VV-LDK government would include ethnic Serb representatives among its ranks, as it is required to do under the constitution. The Belgrade-backed Srpska Lista won all 10 seats reserved for the Kosovo Serb community in the Kosovo Parliament. Despite this, Kurti insists that there will be no room for Srpska Lista in his

government. At present, it remains unclear whether excluding Srpska Lista from the government is a viable option. Many analysts argue that the Kosovo constitution does not allow for such a possibility, but various ideas for how this might be done are certainly being floated.

Opposition Activities

Based on the results of the Kosovo elections, it seems almost certain the PDK and AAK will now go into opposition, while the NISMA coalition seems unlikely to enter Parliament. Currently, the NISMA coalition stands at 4.96% of votes, just short of the 5% threshold for entering Parliament.

As a result, parties which originated from the KLA are set to be excluded from the government, a first in Kosovo politics. For Kosovo, this will be a significant political change. Much has been made of the supposed shift in popular sentiments among voters against the parties originating from the KLA and the earthquake generated by the October 6th Parliamentary elections. However, the distribution of the votes cast does not, on closer inspection, suggest either a huge increase in support for VV or any collapse in support for the ex-KLA parties. On the contrary, in the recently held elections, VV secured 203,052 votes (25.49%) and won 31 seats in the new assembly, according to the still preliminary results. This is only a modest increase in terms of votes and a decline in terms of seat share compared to the 2017 Kosovo elections, when VV secured 200,138 votes (27.49%) and 32 seats. Its likely partner, the LDK, saw a slightly bigger increase, winning around 14,000 votes more and increasing its seat share by 7 MPs.

Meanwhile, in the 2017 elections, the PDK and AAK, which ran together with NISMA back then as part of the PAN coalition, won 245,646 votes (33.74%) and 39 seats. In the 2019 elections, the lists led by the PDK, AAK and NISMA, which ran separately, secured a combined vote total of 300,855 ballots (37.77%) and 39 seats. The comparison is slightly complicated by the fact that these three lists included some other parties which competed on other lists, or did not exist, in 2017, a good case in point being the Social Democratic Party of Kosovo (PSD) of ex-VV politician Spend Ahmeti.

However, it does strongly suggest that there is not much of a collapse in support for the KLA parties to speak of. Rather, in the same way that their coalition in the 2017 elections ensured their positioning in first place, allowing them to claim the Prime Minister's job, it is the decision of the ex-KLA parties to run separately this time which has opened the door to VV and the LDK. Given this, it is safe to assume that any future VV-LDK government will have a strong opposition in the Kosovo Parliament.

Regional Relations

Relations between Kosovo and its neighbours remained largely stable and amicable, with the exception of Serbia, where the usual tensions persisted. Kosovo elections brought their own specific tensions in relation to Serbia, with Belgrade (heavy-handedly) backing Srpska Lista as its main proponent in Kosovo. In particular, Belgrade sought to exploit the Kosovo Serb community's financial dependence on Serbian state funding to cajole the community into backing Srpska Lista at the expense of other parties vying for the Kosovo Serb vote. Kosovo Albanian parties, particularly those such as VV, complained about this bitterly, even going so far as to question the legitimacy of Srpska Lista MPs elected under such conditions. In the aftermath of the elections, a further bone of contention is whether Srpska Lista will be given a ministerial post in any Kurti led government, or whether the likely future Prime Minister of Kosovo will insist on his own chosen Kosovo Serb representatives who are not part of Srpska Lista.

A much more significant unknown is what the future of the moribund dialogue between Kosovo and Serbia will be. The United States has named two envoys to the region, one – Ambassador Richard Grenell – specifically tasked with moving the Kosovo-Serbia dialogue forward. All of this has set off wild expectations in the region that the US has grand plans and cards up its sleeve for how to bring this long-running dispute to rest. Yet, in reality, there is no 'quick fix' solution to getting talks back on track, let alone resolving open disputes between Belgrade and Pristina. Partition and/or a land swap between Kosovo and Serbia, an idea pushed strongly by Presidents Hashim Thaci and Aleksandar Vucic respectively, is bitterly opposed by Albin Kurti,

his Vetevendosje and most other parties in Kosovo. Yet Kurti is also an opponent of any talk of an Association of Kosovo Serb Municipalities, whose creation was agreed under the original Brussels Agreement. Kurti has made a point of not opposing the idea of dialogue itself. However, his insistence on including topics such as reparations will make it even more difficult to get talks back on track. It is possible that a Kurti government may suspend trade tariffs on Serbian goods as an early gesture of good will. Yet Kurti insists that, when it comes to negotiations with Serbia, substance is much more important than speed.

When it comes to relations with Podgorica, Kurti and VV were bitter opponents of the border demarcation agreement with Montenegro, claiming that Kosovo had ceded large amounts of territory mistakenly. Indeed, Vetevendosje used tear gas to prevent the passage of the border demarcation agreement in the Kosovo Parliament. Not surprisingly, there is some nervousness in Podgorica and within the international community over whether Kurti may try to reopen the border agreement. On the whole, we assess that the next Kosovo government will not choose to reopen this pointless dispute again. Nor does it have much room to do so, given that the agreement has been ratified by the parliaments of both Kosovo and Montenegro.

Kosovo's relations with Albania were on the whole good, barring some continuing personal spats between outgoing Kosovo PM Ramush Haradinaj and Albanian PM Edi Rama. Rama met with Kurti on October 25th in a meeting which lasted several hours, with little being revealed regarding the details of their conversations. Several days later, Kurti commented that Albania and Kosovo should have the same kind of relationship model as the 'two Germanies' once did. The comments left much open to interpretation, both because this model of relations was once held up as a way to organize relations between Kosovo and Serbia, but also because it sounded like a hint at a long-term goal of uniting Kosovo and Albania. Kurti himself has flirted with the idea of a 'Greater Albania' in the past, but has more recently said that his priorities are fighting corruption in Kosovo, not building Greater Albania.

Security

The security situation in Kosovo remained calm and uneventful. Ahead of the elections, there were concerns about the security of the conduct of the election process, particularly in the north of Kosovo but, in the end, everything passed peacefully.

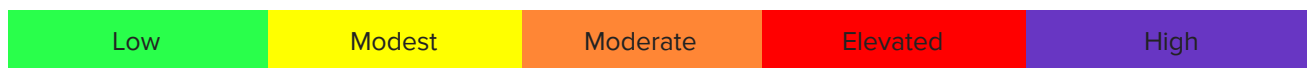
Looking Forward

- **Government formation:** with the Parliamentary elections over and the last wrangling over the counting of postal ballots drawing to a close, all attention is now focused on when the new government will be formed. It is widely accepted that Vetevendosje and the LDK will form the next government and few suspect any surprises here. More interesting – and indicative – will be the choice of ministers in the new government, as well as any policy program that the two parties may agree. Another sticking point to watch is how Kosovo Serb representatives in the new government will be chosen, given that Kurti has vowed not to include Srpska Lista in his government.
- **Dialogue with Serbia:** there is growing international – particularly US – pressure to resume negotiations between Belgrade and Pristina on disputed issues. However, exactly how the dialogue between the two sides will look, and indeed whether it will be resumed, is anyone's guess. Neither Belgrade nor Pristina seem to have much desire to re-engage, nor, indeed, do they believe much in dialogue. Kurti, for his part, will be much harder to pressure into negotiating and compromising with Belgrade than previous Kosovo leaders.
- **Fight against corruption:** within Kosovo, VV came to power on the back of its promises to fight corruption and the desire of voters to see this happen. The party will be under pressure from its supporters to move ahead quickly in this regard, hence it will be important to keep an eye out for what anti-corruption initiatives it will unroll. Kurti has indicated that one starting point may be vetting the state of appointments on the boards of public companies and institutions with the aim of weeding out corruption and clientelism and appointing professionals.

North Macedonia

After a turbulent summer, the SDSM-led government of Zoran Zaev has been dealt a further blow after France blocked the opening of accession negotiations with North Macedonia at the October 17-18 European Council meeting. The move left the Zaev government extremely vulnerable, given that the promise of opening EU accession negotiations was, along with NATO membership, the sugar coating applied to the very bitter pill of changing the country's name to North Macedonia. Indeed, it gave much-needed ammunition to the opposition VMRO-DPMNE. Following the European Council's decision, the government in Skopje decided to call an early general election, which will be held in April.

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



Government Stability

Having negotiated and implemented a painful deal to change the country's name to North Macedonia and in so doing resolve a dispute with Greece which had raged since the country's independence, blocking its Euro-Atlantic integration process, the government of Zoran Zaev had banked on the EU delivering the promised carrot of opening accession negotiations in return. Under the SDSM-led government of Zoran Zaev, the country had also made progress in improving relations with neighbours such as Bulgaria, and made some progress in improving the rule of law and fighting corruption. However, such hopes were dashed when France decided to block an otherwise unanimous European Council from opening accession negotiations with Skopje, citing wider concerns over the viability of the enlargement process and the need to reform it.

The move was a breach of faith by the EU towards the Zaev government, but resulted in a knock-on breach of faith between the Zaev government and its supporters, as the promise of opening EU accession negotiations was more or less always the clear carrot offered by the EU in order to sugar-coat the bitter pill of changing the country's name to appease Greece. It has left the SDSM in a very vulnerable position, leaving it particularly open to accusations that it naively traded the country's name for no tangible benefit. The blow comes after an already difficult summer, when North Macedonia was shaken by the 'Extortion affair' in which individuals such as Boki Jovanovski, perceived as being close to the SDSM, and Special Prosecutor Katica Janeva, were accused of being part of an extortion ring that traded promises of exemption from prosecution or milder sentences for misdeeds for cash. Janeva has since been forced to resign and spent time in detention along with Jovanovski. Members of the Zaev government have so far not been directly implicated, but the fact that the scandal happened on the watch of the current government, and that it failed to uncover it itself given its corruption-fighting rhetoric, dented its support nevertheless.

In light of the failure to secure a green light for opening accession negotiations, government and opposition agreed to hold early Parliamentary elections. In reality, the Zaev government likely planned to ‘cash in’ on the EU accession dividend and go to early elections with this boost behind it. Now, it will face the voters having been dealt a blow. The Zaev government appears to have wanted to hold an election as soon as December. However, the opposition VMRO-DPMNE opposed such a move, citing a requirement of the Przino Agreement from 2015 which stipulates that a technical government must be formed 100 days ahead of any elections to ensure free and fair conditions. Parliamentary elections are now tentatively scheduled for mid-April 2020.

Consequently, at the beginning of 2020, a technical government is due to be sworn in, headed by a non-partisan Prime Minister from the SDSM and including ministers and deputy-ministers from the VMRO-DPMNE. In principle, the inclusion of the opposition in the government is intended to create a set of checks and balances within the government in order to prevent abuses in the context of the elections.

Prior to the European Council decision, most polls suggested that the SDSM had a slight lead over the VMRO-DPMNE. It remains to be seen how the failure to approve the opening of accession negotiations will impact support for the SDSM. In reality, however, the SDSM will face a similar (re-)election challenge in the Parliamentary elections as in the Presidential elections of the spring – how to convince wavering or disillusioned supporters, who helped to elect it and will certainly not switch to the VMRO-DPMNE, not to abstain but instead to come out and lend their support to the ruling party once again. In this sense, the elections is the SDSM’s to lose.

Given the fact that North Macedonia is effectively already in a long election campaign, that it will be governed by a technical government and that the outcome of April’s Parliamentary elections is so uncertain, we have opted to downgrade the government instability outlook to elevated in the 1-month and 6-month outlook. Equally, given the violence and tensions which accompanied the previous Parliamentary elections in the country, we have also decided to downgrade the 1-month and 6-month civil unrest outlook to moderate.

Between now and the election, there is only a limited amount that the SDSM-led government can do in an attempt to boost its own popular support. It may try to encourage the judiciary to speed up ongoing corruption-related investigations and trials, including those related to the ‘Extortion affair’. It may also announce new plans to reform the prosecution and judiciary, including initiatives such as the vetting of judges and prosecutors. Although the outcome of the election hangs in the balance, at this point it would be more prudent to bet on the next government being led by the SDSM rather than the VMRO-DPMNE. It seems fairly certain that, should the SDSM be returned to power, Zoran Zaev will once again return as Prime Minister.

Opposition Activities

Although the VMRO-DPMNE is the party which has most vocally been demanding early Parliamentary elections for more than a year, it was also the party which pushed most firmly to delay the elections until the spring. Formally, the VMRO-DPMNE cited the need to have a technical government in place for a full 100 days before elections were held. However, in reality, it is likely calculating that the more time passes, the more the popularity of the SDSM will decline, increasing its own chances of emerging victorious from the elections. When it comes to the timing of the elections, it also remains to be seen whether VMRO-DPMNE will try to delay the formation of the technical government in order to delay the holding of the elections, or in order to score political points.

For the time being, the VMRO-DPMNE feels that it has the wind in its sails. Nevertheless, its rhetoric – nationalist and narrowly anti-SDSM in focus – has little appeal beyond the VMRO-DPMNE’s core supporters. So far, its approach has shown little to suggest that it has any idea how to reach out to voters beyond its narrow core, hence it is hard to imagine that the party will be able to secure any more votes (in absolute terms) than it did in the spring presidential elections. Thus, the VMRO-DPMNE’s best hope of coming to power are potentially abstaining SDSM voters.

One particularly important aspect to watch will be how the VMRO-DPMNE will position itself regarding the possibility of restoring North Macedonia's former name. The party will be under strong international pressure not to entertain such ideas or hopes in the election campaign, yet the temptation to flirt with this, or even to promise something like it, in order to boost support among voters, will remain there. For the time being, it is noticeable that the VMRO-DPMNE leadership has moderated its message that, if given a two-thirds majority it would alter the constitution and restore the country's old name. Instead, they are putting more stress on the idea that, even if they would like to change the country's name, this is more of a mathematical problem that is unlikely to be overcome.

Ultimately, were the VMRO-DPMNE to come to power, it is unlikely that it would immediately move to undo North Macedonia's name change. Nevertheless, there is a danger that, with anti-Prespa Agreement parties in power in both Greece and North Macedonia, a diplomatic 'cold war' between Athens and Skopje could undermine the Agreement in the medium term.

Just as important to who will form the next government will be the question of how ethnic Albanians in North Macedonia will cast their votes. The Democratic Union for Integration (DUI) has, for years, been the dominant party representing ethnic Albanians and participating in successive governments. Although DUI remains confident that it will retain its dominant position, its vote share has also been declining over the years. In the 2016 Macedonian Parliamentary elections, DUI secured 10 seats with 7.5% of votes cast. Three other ethnic Albanian parties – BESA, the Alliance for Albanians and the Democratic Party of Albanians (DPA) – ran separately, also winning 10 seats with 10.7% of the votes. The North Macedonian electoral system does not favour smaller parties running separately. However, there is speculation that some, or all, of these smaller parties representing ethnic Albanians may form a pre-election coalition and run on an anti-DUI platform. This could significantly reduce both DUI's vote and seat share, further complicating government formation. However, even if a BESA-Alliance coalition beat DUI in terms of seat share, it would still be more likely to enter into a coalition with the SDSM than VMRO-DPMNE, assuming that these two parties were more or less evenly tied.

Regional Relations

North Macedonia's relations with its neighbours remained largely calm and stable.

Relations with Greece remained markedly cool, yet without either side taking any steps which could undermine the Prespa Agreement so far. Looking ahead, the biggest danger for relations between Athens and Skopje would be the return of a VMRO-DPMNE government. Even if the VMRO-DPMNE is unlikely to attempt to restore the country's former name, it is more than likely that both the New Democracy-led government in Athens and a VMRO-DPMNE government in Skopje would not resist the temptation to score points with nationalist voters at home by ratcheting up bilateral tensions.

Skopje's relations with Bulgaria took a turn for the worse over the last two months, but remain complex overall. In 2017, the two countries signed a friendship agreement, laying the foundations for warmer relations and the resolution of historical disputes. After a marked improvement in relations and progress in resolving some disputes, at the beginning of October the Bulgarian government adopted a 'Framework position' setting out conditions for North Macedonia's progress through accession negotiations, which shocked many observers with their severity. Among the more than 20 conditions, there are various demands that the North Macedonian side accept the Bulgarian identity of various figures and movements from the Ottoman era, which ethnic Macedonians have claimed as their own. There is also a demand that all references to 'Bulgarian fascist occupiers' be removed from World War Two-era monuments in North Macedonia. Not least, Bulgaria requests that EU documents relating to any accession negotiations should not refer to a Macedonian language as something distinct from the Bulgarian language. In sum, the conditions and demands are seen in Skopje as a negation of the ethnic Macedonian identity as distinct from the Bulgarian one – hardly in keeping with a spirit of friendship between the two countries. Yet while the Bulgarian government adopted such stiff demands, it was also one of the firmest backers of actually opening accession negotiations with North Macedonia. While this was appreciated in Skopje, there was also a

realisation that Sofia wished to see accession negotiations opened in order to increase its leverage in securing the fulfilment of its demands.

Relations with Albania, Kosovo and Serbia were, on the whole, positive. On October 10th, the leaders of Albania, North Macedonia and Serbia signed a declaration on the creation of a 'mini-Schengen'. It envisages the creation of a zone of free movement of people, goods, capital and services.

Following the blow to the region's enlargement prospects, at the end of October, during an official visit to Tirana, North Macedonian President Stevo Pendarovski proposed the holding of an extraordinary Western Balkans summit. The summit would be hosted by North Macedonia. Its chief goal would be to reaffirm the region's commitment to joining the EU.

Security

The security situation in North Macedonia remained calm and uneventful. At the time of writing, three of the 29 NATO member states – France, the Netherlands and Spain – still needed to complete the ratification process for North Macedonia's accession to NATO. Completion of the ratification process is not expected to be problematic, even if domestic political uncertainty in countries such as Spain may cause small delays. As a result, while Skopje originally hoped to become the 30th NATO member state in December, this may now be pushed back to January 2020.

Looking Forward

- **Early Parliamentary elections:** the outcome of the early Parliamentary elections in North Macedonia is very uncertain, as is the question of who will be able to form the next government. Yet much about the country's future trajectory hinges on this. It will thus be

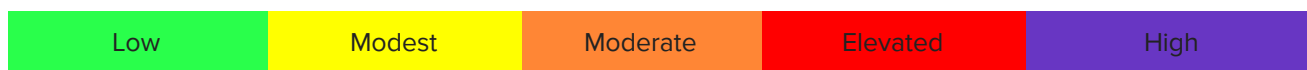
important to keep an eye on the course of the long election campaign that lies ahead and any indications of shifting popular support.

- **Technical government:** ruling and opposition parties have so far agreed a broad timeline for the formation of a technical government in January and the holding of Parliamentary elections in April. However, the possibility that one or more of the opposition parties will attempt to delay the formation of the technical government on various pretexts and thus score points cannot be excluded. Such delays in forming the technical government could have a knock-on delaying effect on the holding of elections.
- **NATO membership:** at the time of writing, 26 of 29 NATO member states had ratified North Macedonia's NATO accession. The remainder should do so in the coming months, paving the way for North Macedonia's NATO accession in December or, more likely, early January.

Montenegro

Montenegro continues to experience a period of relative political calm. The ruling Democratic Party of Socialists (DPS) is in the process of consolidating its internal ranks. The party’s long-awaited Congress is now scheduled to take place on November 30th, with Milo Djukanovic set to be re-elected as party leader. While the ruling party continues to consolidate its ranks, the opposition remains much more divided than at the beginning of the year. The only modicum of excitement inserted into political life were fresh allegations made by the controversial businessman Dusko Knezevic, currently residing in London.

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



Government Stability

The ruling DPS seems to be recovering well from the string of damaging revelations made by controversial businessman Dusko Knezevic regarding corruption and illegal donations at the end of 2018 and 2019. Contrary to expectations that the scandals might weaken President (and party leader) Milo Djukanovic, he has survived relatively unscathed in terms of his control over the party. Indeed, the period of turbulence may even have made him stronger. The party's Congress is due to take place on November 30th and no surprises are expected. Djukanovic is due to be re-elected as party leader unchallenged, while Prime Minister Dusko Markovic will be the deputy party leader. Factionalism and internal rivalries between the cliques centred around Djukanovic and Markovic remain alive and well, but few expect them to boil over at the party's Congress. Nevertheless, it will be important to keep an eye on any other personnel appointments at the Congress, which may give clues about the balance of power between the two men within the party. Indeed, rumours had persisted in Podgorica that Djukanovic planned to use the Congress to reassert his dominance over the DPS at Markovic's expense.

After a period of extended quiet, Dusko Knezevic, the estranged Montenegrin businessman who remains in London, has made some fresh damaging revelations. Namely, as of September 16th, Knezevic had been posting taped conversations that he had with the Secretary of the State Prosecutor's Office, Nenad Vujosevic. In the recorded phone conversations, Vujosevic admits to passing on bribe money from Knezevic to State Prosecutor Ivica Stankovic. The alleged bribes were handed over in order to entice the Prosecutor's Office to cease investigations into the clients of Knezevic's banks. Vujosevic is now in custody and under investigation. However, Stankovic has denied taking any bribes and has remained in his job. While the latest affair does not target Montenegro's political elite directly, it is nevertheless a source of embarrassment for them.

Opposition Activities

While the DPS seems to be busily consolidating its ranks, the opposition parties remain deeply divided. Aside from the personal disputes and differences between opposition leaders, many of their disagreements are centred around the work of the Parliamentary Commission for implementing electoral reforms. The Commission was set up at the behest of the EU in order to prepare the holding of elections which would be seen as free and fair by all sides on the Montenegrin political scene. According to the initial plans, the Commission was meant to complete the process of electoral reforms by November 15th.

However, there now seems little likelihood of this happening. One of the central conditions, and few points around which the opposition is united, is the demand that, ahead of Parliamentary elections due in October 2020, a technical government should be formed to oversee the holding of the elections. Given the ruling DPS' reluctance to accept such a demand, part of the opposition gathered around the Democratic Front (DF) has left the work of the Commission and is threatening to stage street protests until the current government is ousted. The other wing of the opposition, which is made up of smaller, more civically minded parties, has continued to push the same demand from within the Commission. Moreover, this camp claims that it is cynical of the DF to talk about organizing protests given that, according to them, the DF played a key role in bringing the previous protests to an end.

The opposition feuding thus goes on and on. Meanwhile, Nebojsa Medojevic, one of the leaders of the DF, faces trial in a money laundering case. On October 21st, the prosecution demanded from Parliament that it lift Medojevic's immunity so he could be investigated for allegedly receiving €10,000 from businessman Dusko Knezevic. Medojevic is accused of being a member of Knezevic's organized crime group. The alleged crime happened in 2014 when Knezevic was still close to Milo Djukanovic and members of his inner circle. This is the second attempt to investigate and/or arrest Medojevic. In December 2018, Medojevic was arrested because he refused to testify in a bribery case involving the country's Special Prosecutor and Podgorica's former mayor. Meanwhile, the DF claims that all those cases are targeting the Front because of

its opposition to the DPS and veteran leader Milo Djukanovic, who has been in power for almost three decades.

Despite all the talk of renewing protests, an attempt by the #OdupriSe protest movement to renew its protests from the winter and spring did not produce much success. A protest on September 30th was attended by no more than a few hundred people.

Regional Relations

Relations with Montenegro's neighbours remained calm and uneventful. Relations with Serbia, often tense, underwent a lull, yet the potential exists for one or both sides to stoke tensions for domestic political gain. When it comes to Kosovo, the likely formation of a government led by the Vetevendosje movement has generated some modest concerns in Podgorica, given that the party has in the past opposed the border demarcation agreement between Kosovo and Montenegro. However, few officials in Podgorica had serious expectations that Vetevendosje, when it comes to power, would actually try to reopen the border demarcation agreement.

Security

The security situation in Montenegro has remained broadly stable.

With the ruling having been handed down in the 'coup trial' in early May, the High Court in Podgorica finally issued a written ruling, allowing the defence to appeal against the original convictions. In another twist related to this story, the request for asylum of Sasa Sindjelic, a key prosecution witness, was declined, with a Montenegrin court approving his extradition to Croatia.

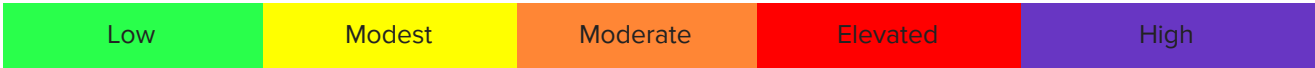
Looking Forward

- **DPS party congress:** the DPS party congress, due on November 30th, is unlikely to produce any significant fireworks. Milo Djukanovic seems set to be re-elected party leader, while Dusko Markovic seems set to be approved as his deputy. Despite this, it will be important to watch personnel appointments at or around the Congress as an indicator of whether Djukanovic is managing to wrestle full control over the party back to himself.
- **Electoral Reform:** in the coming months, it will be crucial to watch out for whether any agreement is reached on electoral reform, given that the Parliamentary Commission tasked with drafting the reforms is due to complete its work by November 15th, according to the original plans. In parallel, it will be important to watch the positioning of different opposition political parties regarding the dialogue and its usefulness.
- **Coup trial:** the course of the appeals process in the coup case should be watched carefully, due to the potential of its outcome to destabilise the political and security situation in the country, particularly if the Appeals Court were to uphold the High Court's verdict in full.

Serbia

Serbia’s government remains highly stable, despite a year marked by opposition protests calling for its resignation. The approach of Parliamentary elections – most likely to be held in the spring – will insert additional dynamism into political life, as the opposition appears headed towards boycotting the elections. Faced with the threat of an opposition boycott damaging the legitimacy of the next Parliament and government, the SNS will seek to split the opposition and co-opt individual leaders and parties into participating in the elections.

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

As ever, the Serbian government, a coalition dominated by the Serbian Progressive Party (SNS) and its junior partner, the Socialist Party of Serbia (SPS), remains highly stable and under the complete dominance of Serbian President Aleksandar Vucic. Indeed, Vucic maintains a system of highly personalized rule where few decisions are left to anyone else within his party and government.

On 21st October, the SNS celebrated its 11th birthday, having been formally created on 21st October 2008. Several days later, at a rally in the northern Serbian city of Novi Sad to mark the party's anniversary, Vucic told a crowd of party members and supporters that they needed to work harder for the benefit of ordinary people. He also announced major personnel changes at the party's congress, due in November. Yet again, he hinted that in a year's time he might hand over leadership of the party to someone else. At the same time, and in various media addresses, Vucic also berated members of his party for not defending him and the party vocally enough when it came under attack from its rivals.

Despite such rhetoric, few analysts and observers expected any major changes within the SNS. Warnings of personnel changes and criticism aimed at the party's middle and upper echelons were largely seen as an attempt to keep them on their toes and remind them that they were not indispensable. Indeed, the very choreography of the Novi Sad rally was very telling. Senior party officials, including Prime Minister Ana Brnabic, were to be found in the fourth and fifth rows, while the first four rows were filled with ordinary people. When not addressing the rally, Vucic stood in the front row. Such visual images were intended both to send a message of Vucic as the man of the ordinary people and to demonstrate to the party leadership the extent to which they were dependent on him.

At the beginning of October, Prime Minister Ana Brnabic formally joined the SNS. Until then, she had positioned herself as an independent technocratic figure. The move added modest fuel to the fire of speculation that Vucic might choose her as his successor, were he to decide to retire

from the party leadership one day. However, few observers had any expectation that Vucic would actually follow through on hints that he could retire from the leadership of the party.

Slowly but surely, Serbia is also creeping towards regular Parliamentary elections, due in April 2020. These will be the first regularly scheduled Parliamentary elections to be held since the SNS came to power in 2012. As the elections approach, the main challenge facing the ruling SNS is not whether it will be able to secure another victory, but whether a threatened opposition electoral boycott can undermine the legitimacy of this future victory.

Opposition activities

Serbian opposition parties are increasingly dividing into two camps – one set on boycotting the upcoming Parliamentary elections and the other which intends to take part in them.

During the summer months, a dialogue of sorts was initiated on electoral conditions by local organizations such as the Open Society Foundation and the Belgrade Faculty of Political Sciences. Given the deep chasm between ruling and opposition parties, this dialogue came as a surprise to most observers. However, despite some initial optimism, the dialogue did not generate any tangible results. Nor, indeed, did it even enable a constructive discussion.

On 16th September, the biggest opposition grouping, the Alliance for Serbia, declared that it would boycott the upcoming elections. Members of the Alliance claimed that they were not giving up the fight for free and fair elections, but argued that there was now no longer enough time to create free and fair electoral conditions before voting in April 2020. As a result the Alliance was taking a principled stand not to take part in undemocratic elections which only served to provide legitimacy to the rule of the SNS.

Opposition parties outside the Alliance criticised this decision, arguing that electoral boycott had not yet removed anyone from power. Some veterans of the 1990s struggle to remove

Slobodan Milosevic and the SPS from power pointed to the failed opposition electoral boycott of 1997 and the fact that only taking part in the elections of 2000, however unfree and unfair, had brought about the fall of Milosevic. Political commentators were more or less divided on the merits of boycotting the upcoming elections. While some argued that the only way to fight the authoritarian rule of the SNS was to delegitimize it, others questioned whether the opposition had any plan for how to campaign for a boycott or, more importantly, how to continue its fight the day after the elections which it would boycott.

While the biggest and most relevant opposition parties and movements seem firmly committed to boycotting the elections, some small opposition and pseudo-opposition parties seem keen to take part in the elections. The Alliance, as well as some commentators, have accused those planning to take part in such an election as being a 'pseudo' or 'fake' opposition, which is actually doing Vucic's bidding. Certainly, there are some groups masquerading as opposition parties which would be better described and understood as Vucic's 'loyal opposition' and which will serve the purpose of giving an upcoming election some semblance of credibility in the face of an opposition boycott. However, other opposition parties seem to genuinely think that it would be better to take part in any kind of election. Some of these smaller parties also sense an opportunity to better profile themselves and pick up votes amidst an opposition field left wide open by the boycott of the Alliance.

In such an atmosphere, several current and former European Parliament members attempted to initiate a fresh dialogue on reforming electoral conditions. Nominally, the dialogue is being supported by the European Parliament's Foreign Affairs Committee. However, it is being boycotted by the Alliance, with little prospect that it could deliver significant improvements to electoral conditions. In all likelihood, such a dialogue could serve to provide those opposition parties (real or pseudo) which are keen to take part in the elections with a fig leaf to claim that some semblance of fair(er) electoral conditions had been created. As a result, its biggest beneficiary could be the SNS, keen to avoid a complete opposition boycott.

Regional relations

Relations between Serbia and its neighbours were mostly calm, with no major disputes arising over the last couple of months.

On October 7th, Turkish President Recep Tayyip Erdogan visited Serbia as part of a two-day state visit. Serbia rolled out the red carpet for Erdogan in every respect, in what was a clear demonstration of good relations between the two countries and, in particular, their leaders. Several bilateral agreements were signed, while a number of Turkish investments in Serbia were also announced. From a regional point of view, perhaps the most significant event was the official ceremony to mark the beginning of construction work on the Belgrade-Sarajevo motorway, which has been strongly supported by Turkey. The ceremony occurred on the Serbian side of the border, where construction work has begun. Lack of progress on forming a government in Bosnia will likely cause major delays to the construction of the Bosnian segment of the motorway. The beginning of construction work was also an opportunity to organize a trilateral summit between the leaders of Bosnia, Serbia and Turkey. Aside from plenty of photo opportunities, however, the trilateral summit seemed to deliver few tangible results. Efforts by the presidents of Serbia and Turkey to nudge their Bosnian colleagues towards overcoming their differences and forming a government did not yield any results.

Relations with Kosovo were not marked by any major incidents or tensions, but it was clear that the dispute between Belgrade and Pristina was still one of the biggest problems facing Serbia domestically and in the regional context. The appointment of Matthew Palmer as the US envoy to the region, followed by the rather unexpected appointment of Ambassador Richard Grenell as the US President's envoy for the dispute between Kosovo and Serbia, set off a frenzy of speculation that the US was planning to re-engage with both the region and the Kosovo-Serbia negotiations. Moreover, the appointments were interpreted as a sign that the US had some kind of plan up its sleeve for how to move negotiations forward quickly and resolve the dispute. Exactly what kind of pressure the US could bring to bear or what this magic plan might be was something that was not really clear to anyone commenting publicly.

Relations with Albania and North Macedonia were, on the whole, positive. On October 10th, the leaders of Albania, North Macedonia and Serbia signed a declaration on the creation of a 'mini-Schengen'. It envisages the creation of a zone of free movement of people, goods, capital and services.

On October 25th, Serbian Prime Minister Ana Brnabic signed a free trade agreement with the Eurasian Economic Union (EAEU), a Russian-led grouping which also brings together Armenia, Belarus, Kazakhstan and Kyrgyzstan. EU officials were critical of the agreement and warned that it did not appear compatible with Serbia's long-term goal of achieving EU membership. On first glance, the agreement seemed to many in Serbia a sign of the country aligning more closely with Russia. Yet, on closer inspection, the agreement appeared not so much a deepening of relations as a 'replace and upgrade' of existing free trade agreements with Russia. Serbian international trade experts pointed out that, given Russia's own expanding free trade agreements with third countries, signing up to the EAEU was the only way for Serbia to keep its existing trade preferences with Russia. Moreover, they pointed out that the trade agreement was unlikely to lead to a major increase in trade with any of the other signatories.

Security

The security situation in Serbia remained calm and stable over the last two months. Serbia's continued efforts to juggle between East and West remained highly visible in the security and military sphere. Having recently signed a contract to buy French-made Mistral 3 short-range air defence systems, at the end of October Serbia hosted a military exercise in which Russia paraded its state-of-the-art S-400 anti-aircraft missile system. The particular missile system has achieved almost mythical status in Serbia and is something which even President Vucic has said that he would like the country to have, even if it was too expensive to acquire. Parading the missile system in Serbia was certainly a deft propaganda move by the Russian side, which enabled pro-Russian tabloids and other newspapers to run headlines such as 'S-400 arrives in Serbia', obfuscating the fact that the missile system was only visiting Serbia for a short period.

Looking Forward

- **SNS Congress:** although most observers do not expect any major changes at the party Congress later this year, it is still worthwhile keeping an eye on developments, personnel promotions and demotions as the ruling party gears up for Parliamentary elections. Removing several prominent figures from the party who have courted scandal would certainly be a good public relations stunt, but party leader Aleksandar Vucic has, to date, preferred to protect his own subordinates, rather than to publicly punish them.
- **Opposition unity:** opposition parties will continue to divide more and more firmly into those intending to boycott the upcoming Parliamentary elections and those intending to take part for various reasons. As this divide sharpens, so will mutual antagonisms and infighting within the opposition. A growing number of ‘pseudo-opposition’ parties are likely to be promoted and placed into the spotlight by the ruling SNS in an attempt to give upcoming elections the fig leaf of legitimacy. As a result, it will be important to watch whether more of those genuine opposition parties still sitting on the fence when it comes to taking part in elections come down on one side or the other.
- **Popular protests:** with the anniversary of the outbreak of the ‘1 of 5 million’ protests coming up, those opposition parties planning to boycott elections may be tempted to try to resurrect street protests. At present, there seems little appetite for fresh street protests among opposition supporters, but any moves such as the physical assault on opposition leader Borko Stefanovic in late 2018 by SNS-affiliated thugs could provide the spark needed to launch opposition supporters back onto the streets.

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.

Contact

Phone: +381 11 40 30 304

Email: consultancy@birn.eu.com

Website: <http://consultancy.birn.eu.com/>

Address:

Kolarčeva 7, V floor

11000 Belgrade

Serbia