



# **Western Balkans Stability Monitor**

**January 2021 Issue**

# Table of contents

<b>THE WESTERN BALKANS IN 2021</b>	<b>4</b>
<b>Albania</b>	<b>6</b>
GOVERNMENT STABILITY	7
OPPOSITION ACTIVITIES	10
REGIONAL RELATIONS	11
SECURITY	11
LOOKING FORWARD	12
<b>Bosnia-Herzegovina</b>	<b>13</b>
GOVERNMENT STABILITY	14
OPPOSITION ACTIVITIES	18
REGIONAL RELATIONS	19
SECURITY	20
LOOKING FORWARD	21
<b>Kosovo</b>	<b>22</b>
GOVERNMENT STABILITY	23
OPPOSITION ACTIVITIES	26
REGIONAL RELATIONS	27
SECURITY	28
LOOKING FORWARD	29
<b>North Macedonia</b>	<b>30</b>
GOVERNMENT STABILITY	31
OPPOSITION ACTIVITIES	34
REGIONAL RELATIONS	35
SECURITY	35
LOOKING FORWARD	36
<b>Montenegro</b>	<b>37</b>
GOVERNMENT STABILITY	38
OPPOSITION ACTIVITIES	42
REGIONAL RELATIONS	43
SECURITY	43
LOOKING FORWARD	44

<b>Serbia</b>	<b>45</b>
GOVERNMENT STABILITY	46
OPPOSITION ACTIVITIES	49
REGIONAL RELATIONS	50
SECURITY	51
LOOKING FORWARD	51
<b>About Risk Dimensions</b>	<b>52</b>
War	52
Terrorism	52
Government Instability	52
Civil Unrest	52
Ethnic Unrest	52
<b>About</b>	<b>53</b>
Contact	53

# THE WESTERN BALKANS IN 2021

Given how unpredictable and unexpected events in 2020 proved to be, daring to gaze into 2021 and forecast what the year might look like may appear like a fool's errand. Yet even in these turbulent and unpredictable times, it is still worth the mental effort, as well as risk.

The coronavirus pandemic has, beyond doubt, marked 2020, precisely the reason that so many people in the region and across the world were happy to see the end of it and wave in the new year of 2021. Yet, after whatever celebrations might have been had and the holiday festivities have passed, by early January, 2021 will start looking a lot like 2020. COVID-19 will still be here and all the problems and constraints that come with it. Like the rest of Europe, the countries of the region have begun vaccinating their populations. Yet rolling out vaccines will take a long time and it remains to be seen what uptake will be like. Consequently, it is unlikely that the virus will be brought under control in any meaningful way until the second half of the year.

The economies of the region have been affected very differently by the pandemic. Serbia saw the smallest economic contraction in the whole of Europe. By contrast, Montenegro had the biggest economic decline, just over 14% of GDP by some estimates due to the country's large tourist sector. Other countries with large tourism sectors – such as Greece, Croatia and Bulgaria – have also been heavily affected. Much the same pattern is likely to be repeated in 2021, as tourists remain cautious about visiting the countries of the region during the summer season.

In a political sense, 2021 could be calmer, particularly when it comes to elections. Despite the pandemic, in 2020 Croatia, North Macedonia, Montenegro, Romania and Serbia all held Parliamentary elections, while Bosnia-Herzegovina held local elections. The coming year will see a smaller number of elections, with Kosovo due to hold Parliamentary elections in February (most probably), followed by Bulgaria in March and Albania in April. After that, the year should be quiet, barring any surprise elections. Only North Macedonia is due to hold local elections in the autumn.

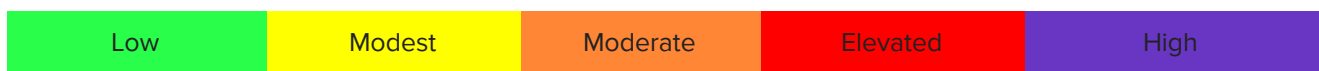
With Europe still reeling from the coronavirus pandemic, enlargement to the Western Balkans will remain very much on ice. The EU will have little appetite for any major movement on this front, while many of the countries of the region have little genuine appetite for reforms. North Macedonia may well secure a date for the actual start of accession negotiations, as could

Albania, assuming the coming Parliamentary elections are conducted in a satisfactory manner. Beyond that, little ground-breaking progress is likely. Serbia and – more likely – Montenegro could open the odd negotiating chapter, but little beyond that seems likely.

# Albania

During the second week of December, Albania was rocked by violent protests that were met with an even more violent police reaction. Youngsters clashed with police, threw stones at officers, angered after a 25 year old Albanian citizen was killed by a police officer. The current Government is being accused of transforming the police force and state in general in a Socialist Party-controlled structure. Prime Minister Edi Rama denies such accusations. The number of COVID-19 cases has exploded over the last few months as the small country of 2.8 million inhabitant's registered more than 1,100 deaths. Yet the government refuses to discuss a potential lockdown. Relations between Albanian Prime Minister Edi Rama and Vjosa Osmani, the Speaker of Kosovo's Parliament and acting president of Kosovo, soured after Osmani criticized Rama before the Albanian Parliament. On a positive note, the country's Constitutional Court can now be considered functional as it currently has 7 out of 9 positions filled.

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	Elevated	Elevated	Modest
	Ethnic Unrest	Low	Low	Low



## GOVERNMENT STABILITY

Hundreds of young people poured onto the streets of Tirana for a week-long protest sparked by the shooting of Klodjan Rasha, a 25 year old killed by a police officer on 8th December under yet to be clarified circumstances. The protests were violent from the start, with protesters throwing stones and vandalising park benches or traffic lights while police responded with brute force using gas canisters and water cannons. Protests spread to several towns across the country.

Domestic and international actors condemned the police's disproportional use of violence and what appeared to be indiscriminate arrests of protesters, regardless of whether they committed acts of violence or not. In Durres, police arrested four protesters, charging them with 'spreading false information that incites panic'. Later, the arrests were dismissed as unlawful by the courts. At present, Albanian police claim any protest is illegal and regularly stop protesters and hand them over to prosecutors under COVID-19 related limitations. During these protests, there were reports that police had summoned for questioning several Facebook users, claiming they had incited violence through their Facebook posts.

Albanian Prime Minister Edi Rama is facing accusations that his supposed reforms of the police force over the last few years have resulted in a strong degree of politicization of the force and that many police officers are seeking to demonstrate loyalty to the ruling party by eagerly beating protesters, allegations that Rama denies.

In general, relations between police and citizens are turning more and more sour, despite the fact that the police officer who shot Rasha has been arrested and charged with murder, while the Minister of Interior Sander Lleshaj had resigned. Despite Albania's police-state history, the country's police force has been able to reform itself over the last twenty years by refraining from using violence, as well as through legal reforms undertaken in 1998 that reduced the power of police to act without court orders. This has now been partly reversed as under the current government police have been allowed - through several initiatives and legal changes - to operate more independently from prosecutors and courts in the name of 'prevention of crimes'.

The anger of young protesters and their eagerness to clash violently with police caught the country by surprise. While some observers urged the government and the police to investigate the underlying causes of the protests, the government dismissed protesters as 'thugs paid by the opposition'. One political commentator claimed - without offering evidence - that the violence was the result of Roma children being paid by the opposition to attack the police. Council of Europe Rapporteur for Human Rights Dunja Mijatovic observed that this was not the first case in which Albanian police have been accused of using disproportionate violence against protesters. By the end of December, protests had calmed down.

However, the matter of political control over the police is expected to resurface again early next year, as Albania prepares for the 25th April general elections. The police will be crucial to providing law and order during elections, events that are often accompanied by acts of violence or involvement of criminals in the electoral campaign. However, as the credibility of the police as an impartial force is tarnished, the credibility of the electoral process will likely also suffer.

Social media users have observed an increasing number of requests for friendship from accounts that some describe as part of 'troll armies'. Facebook has become a major political battlefield during the pandemic as conventional rallies are limited. It is difficult to state whether 'troll armies' are being employed and by which political party. It is also difficult to evaluate the impact of such practices, but overall it is clearly visible that Prime Minister Edi Rama's posts, as well as those of the opposition leader, Lulzim Basha, generate hundreds of shares within minutes by user accounts that are often 'shallow', i.e. have few interactivities themselves.

Since 24th December, Albanians have been ordered to stay at home after 8.30 PM. After registering almost 900 COVID-19 cases per day in early December, the rate of daily new infections fell to around 500 towards the end of the month, while hospitalization rates are also relatively low.

One piece of good news is that Albania's Constitutional Court is again functional in a technical sense, as seven out of nine members have been appointed at long last. The institutions

responsible for their election - the Albanian Parliament and President Ilir Meta - have apparently reached an understanding for the reestablishment of the Court, which ceased functioning three years ago. Having a functional Constitutional Court was one of the conditions imposed by Brussels on Albanian leaders as part of the country's EU accession process.

According to existing estimates, the epidemic has wiped off some €1 billion of output from the Albanian economy and pushed public debt to more than 80% of GDP. However, economic stability is surprisingly strong, with the national currency – the Lek - actually gaining ground against the Euro. In what some observers see as a clear sign of the presence of dirty money in the country, a construction boom in Tirana and other towns has continued, with building cranes moving continuously even when the country's economy was largely brought to a halt due to lockdowns.

**Overall, amidst the rising societal tensions related to the ongoing coronavirus epidemic, dissatisfaction with the Rama Government and the approach of Parliamentary elections, we are downgrading the 1- and 6- month civil unrest outlook to elevated.**

## **OPPOSITION ACTIVITIES**

Political life has calmed down as the Christmas and New Year festivities approached, a very important time for family reunions among Albanians. There has, consequently, been little appetite for politics.

The opposition Democratic Party is mainly focused on its old, well-rehearsed themes and messages, ranging from a focus on poverty to supposedly high prices of basic goods, blaming the government for each of them and promising major changes if it wins the next parliamentary elections. In line with this, a catalogue of pre-electoral promises is being rolled out, from wage hikes to generous help for small businesses affected by the pandemic. At the end of November, DP leader Lulzim Basha accused the authorities of manipulating the number of COVID-19 deaths – specifically, Basha claimed that deaths were being under-reported by as much as a half; the authorities denied that they were doing anything of the sort. Following the outbreak of the protests against police brutality in December, Basha accused PM Rama of using ‘hate speech’ against the young demonstrators. Similarly, he referred to police tactics to control the protests as ‘brutality’. The comments came at the same time as Rama accused the opposition and President Ilir Meta of instigating the protests.

Meanwhile, Prime Minister Edi Rama accused DP leader Lulzim Basha of having been involved in investigations into alleged KLA war crimes in Kosovo and Albania, including those conducted on behalf of the Council of Europe by Dick Marty. The move was clearly intended to discredit Basha, who retorted that this was merely one of Rama’s tactics to distract from his government’s mishandling of the COVID-19 pandemic.

At the end of November, the opposition Socialist Movement for Integration (LSI) held internal elections to (re-)elect its leader. According to party officials, around 44,000 party members voted (just over 80%) in the internal elections, in which the incumbent – Monika Kryemadhi – was re-elected.

## **REGIONAL RELATIONS**

Albania's relations with Greece, Serbia and Montenegro were largely uneventful over the last two months. The President of North Macedonia, Stevo Pendarovski, congratulated Albanians of North Macedonia living in Albania on the occasion of Alphabet Day on 22nd November, the day of the foundation of the modern written Albanian language. With the current Social-Democrat Government of North Macedonia continuing to diverge from the nationalist course of former Prime Minister Nikola Gruevski, relations between the two countries are set to improve. On 18th December, North Macedonian Prime Minister Zoran Zaev visited the municipality of Pustec in Albania, accompanied by Albanian Minister of Education Elvis Kushi. Pustec is a municipality with 5,000 inhabitants, mostly ethnic Macedonians.

While relations between Albania and North Macedonia improved, relations between Albanian PM Edi Rama and Kosovo's politicians deteriorated. Acting Kosovo President and Parliamentary Speaker Vjosa Osmani visited Albania and criticized Rama in a speech delivered to the Albanian Parliament. She criticized Albania for imposing a €5 toll for users of a stretch of highway linking Albania with Kosovo, dubbed 'The Highway of the Nation'. Rama, who faces almost daily allegations of corruption including the concessionary agreement that imposed the toll, spoke about Osmani only five days after the visit, suggesting that her call to cancel the highway concession was a populist move aimed at winning votes in Kosovo. Meanwhile, several days after the speech, Rama's supporters in the Albanian and Kosovar press launched a barrage of attacks against Osmani, some claiming that her speech 'divides the nation'.

## **SECURITY**

The security situation remains calm and uneventful.

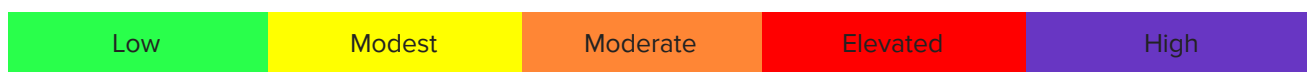
## LOOKING FORWARD

- **COVID-19 crisis:** The number of infections and hospitalization rates had declined towards the end of December, but more winter months are coming while Albania is apparently far from having a valid vaccination plan as more powerful and rich nations scramble to obtain vaccines for their populations first. It will be important to watch out for signs of the infection rate rising and public health system being overloaded.
- **EU Integration:** The EU heads of state decided not to move forward with opening of accession negotiations with Albania and North Macedonia, as Bulgaria imposed new conditions on its neighbour. A survey carried in Albania suggests that almost half of the population believes that EU internal politics is the culprit for lack of progress in accession. Ahead of the April elections, PM Edi Rama will push hard for progress in opening accession negotiations; his success or failure could impact the elections, though not fundamentally.
- **The 2021 Electoral Campaign:** Politics is expected to heat up in the next few months as Albanians will vote on 25th April in parliamentary elections. In line with this, we expect political tensions to rise rapidly with the start of the new year.

# Bosnia-Herzegovina

While the results of the recent local elections have been hailed in many – local and international – quarters as signs of a shift towards the political opposition in Bosnia, such thinking is, on the whole, more wishful thinking than reality. The main ethnic parties have preserved their dominance within the electorate, but have suffered some notable defeats, in part due to local factors but also wider trends. Consequently, it would be more accurate to see the results of the local elections as sowing the potential seeds of change – what, if anything, will grow out of these seeds very much remains to be seen. Yet it does seem likely that the stale state of Bosnian politics over the last few years will come to an end, with fresh dynamism being injected into the battle between ruling and opposition parties as a result of the oppositions’ success.

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



## GOVERNMENT STABILITY

In a political sense, Bosnia seems to have entered a period of post-election calm after the local elections held on November 15th across the country and then – on December 20th – in the city of Mostar. 2020 would have been turbulent enough for a fragile country such as Bosnia even if it had nothing else to deal with than the coronavirus pandemic. Yet, instead, the country was afflicted with escalating political turbulence and deadlock. Indeed, when it comes to the local elections, for a good part of the year Bosnia found itself on a ‘will they-won’t they’ see-saw over whether the elections would even be held, amidst the absence of a state budget, disputes over the composition of the Central Elections Commission, the political calculations of individual political leaders and – not least – the ongoing epidemic. The fact that the local elections were successfully held at all, then, was cause for a collective sigh of political relief in the country, whatever their outcome.

When it comes to the ruling parties, there is no doubt that they were dealt some notable blows, in particular the main Bosniak party, the SDA, and the main Bosnian Serb party, the SNSD. The SDA suffered the worst bruising in the Bosnian capital, Sarajevo, where it lost control over three out of four city municipalities (Stari Grad, Centar and Novo Sarajevo), as well as Ilidza. While the SDA won in the Sarajevo municipalities of Novi Grad and Vogosca, the new/old mayor of Novi Grad municipality – Samir Efendic - may have been (re)elected as much due to his status as one of the biggest internal critics within the SDA as anything else. Indeed, depending on how future power struggles within the party go, Efendic may well become the latest in a string of figures to leave the SDA. In addition to Sarajevo, two other major urban centres – Tuzla and Zenica – also remain beyond the SDA’s control after these elections.

What is particularly worrying for the SDA in the context of Sarajevo is that it suffered defeat not so much because of a tidal wave of support for the opposition parties, but rather because its own voters appear to have snubbed the party. Unexpectedly, the low turnout in Sarajevo – in the low 40 percentiles – seems to have been a reflection of the fact that traditional SDA supporters stayed at home in a sign of protest directed at the very top of the party leadership. As noted in previous reports, the SDA is suffering increasing internal factionalism due to the

resentment of many senior and mid-ranking party officials at the ever-increasing influence of Sebjia Izetbegovic, the wife of party leader Bakir Izetbegovic, over the party.

Meanwhile, in the RS entity, the ruling SNSD suffered a key defeat that was both similar and different to the fate of the SDA in Sarajevo. Namely, the SNSD's candidate for mayor of the Bosnian Serb 'capital' of Banja Luka Igor Radojicic was defeated by the opposition PDP's youthful Drasko Stanivukovic. Although polls over the summer had suggested that Banja Luka would be tightly fought over, many observers had still found it hard to imagine that the SNSD could suffer defeat in a traditional stronghold such as Banja Luka. Indeed, judging by his emotional and angry reaction, it seems that SNSD leader Milorad Dodik was among those who had found it impossible to truly imagine defeat in Banja Luka. Yet while the SNSD – like the SDA – was defeated in the mayoral contest, the SNSD appears set to retain control over the City Council, in which it will have the most seats of any party and – together with coalition partners – either a simple majority, or even a two-thirds majority. The scale of the SNSD's defeat is thus much less clear than that of the SDA and a much more complex political dynamic will ensue in Banja Luka as ruling and opposition parties are forced to share – or, more likely, fight for – power with each other. In other corners of the RS entity, the SNSD also suffered some surprise defeats. Most notable was the case of Bijeljina, where long-serving mayor Mico Micic was defeated, despite having defected from the opposition SDS to the SNSD in the recent past.

Aside from specifically local issues, internal party manoeuvring seems to have contributed to the defeat of SNSD candidates in both Banja Luka and Bijeljina. In Banja Luka, the SNSD accused the Socialist Party (The Future of Srpska) – its own coalition partner - of being behind Radojicic's defeat, claiming that they organized their supporters in support of Stanivukovic. Meanwhile, in Bijeljina, it seems that local SNSD officials may have conspired against Micic as a result of their internal factionalism.

While the SDA and SNSD both suffered some high-profile defeats, it must be kept in mind that – overall – the two parties preserved their dominance. Interpreting the election results as a blow would be correct; interpreting them as a sign that voter support has shifted to the opposition would be a premature mistake, for the time being at least. The two parties may have lost some

votes and prominent mayoral positions, but – in absolute terms – the opposition parties also lots votes, suggesting a general disaffection with the existing political choices on offer.

The only ruling ethnic party to have emerged largely unscathed from the November 15th local elections was the HDZ, which managed to cling on to most of its key municipalities with a Bosnian Croat population. Yet cracks are appearing in its ‘armour’ as well. For example, in the municipality of Tomislavgrad, a breakaway faction defeated the official HDZ list in the local elections, as well as the mayoral race. In Prozor-Rama, Jozo Ivancevic of HDZ 1990 was elected mayor. Of course, for the HDZ the biggest test remain the local elections in Mostar, where it is battling with Bosniak parties for dominance over the city administration. Loss of control – or at least dominance - over what many Bosnian Croats see as their ‘capital’ within Bosnia would be a strong blow to the HDZ.

With the local elections out of the way, political parties are now likely to turn to internal intra-party or intra-coalition politicking and settling of scores. The biggest battle will likely be the struggle for control over the SDA. Sources within the party claim that a group of disaffected officials around Denis Zvizdic will try to collect enough votes on the party’s main board to call an extraordinary party congress with the aim of toppling Izetbegovic and electing a new leader. Yet many observers are sceptical that these efforts will work, arguing that between the loyalists who Izetbegovic has installed in key places and the disaffected members of the party who have left already, the odds of unseating Izetbegovic are low. Should this attempt fail, it is likely that Zvizdic and others around him will also join the exodus of senior figures from the SDA. In the medium-term, along with other ex-SDA figures such as Konakovic in Sarajevo or Kasumovic in Zenica, they would be likely to try to form an anti-SDA block ahead of the 2022 elections.

Meanwhile, in the RS, another round of score-settling between Dodik and the SNSD’s coalition partners is likely to ensue. In addition to this, the SNSD will be engaged in a constant war of attrition with Stanivukovic in an attempt to retain control of the city while discrediting and isolating the new mayor and – potentially – removing him from office in the medium term. SNSD leader Milorad Dodik also faces another political crisis. During a mid-December meeting with Russian Foreign Minister Sergei Lavrov, Dodik presented his Russian guest with a three-centuries old gilded icon. However, days later the Ukrainian Embassy in Sarajevo claimed

that the icon originated from Lugansk, a disputed area of eastern Ukraine, demanding more information on how it had ended up in Bosnia. Amid claims that Dodik had handed Lavrov a stolen icon, Russian media reported that Moscow would return the disputed icon to Bosnia for 'clarification of its history through Interpol'. While the RS opposition called on Dodik to resign, the Bosnian Serb leader remained unusually quiet in part due to the fact that he has been hospitalised with pneumonia and a COVID-19 infection.

With the ruling political parties focused inwards on dealing either with internal party opposition or political rivals within their ethnic groups, the task of governing the country or implementing reforms will remain secondary going into the new year. With Bosnia less than two years away from national elections, the odds of a new Federation entity government being elected look more slim than ever, further reducing any reform potential in the country.

## OPPOSITION ACTIVITIES

For opposition parties in Bosnia, or at least those competing for Bosniak or Bosnian Serb votes, the recent elections have injected a much needed dose of dynamism and energy. This is particularly the case with the rather moribund opposition in RS, which has suddenly gained a spring in its step and a feeling that taking on the ruling SNSD is not a futile task. In Banja Luka, the SNSD's veteran politician Igor Radojicic was beaten by the young Drasko Stanivukovic who, at the age of 27, is one of the youngest high-profile politicians in Bosnia. Stanivukovic is one of the better known figures within the opposition PDP and had previously been the party's MP in the RS Parliament. Over the past few years, he has managed to build his public profile thanks to his energetic criticism of Dodik and the ruling SNSD, which has at times very visibly irritated the Bosnian Serb leaders and his close associates, even leading them to make occasional serious gaffes. Ahead of the local elections, Stanivukovic's PDP and the SDS, the other main RS opposition parties, agreed to put aside their differences and get behind Stanivukovic as their joint candidate. Stanivukovic's success reportedly also had a lot to do with his focus on direct contact with voters, whether via social media or in person, as opposed to the SNSD's campaigning through traditional media. For the RS opposition, the case of Banja Luka also demonstrated what can be achieved with a strong degree of opposition unity and cooperation, good organization and a strong local candidate. Of course, the challenge will be translating this success to the entity level. For the RS opposition, perhaps the most pressing challenges will be finding new faces to present to the public, as well as new ideas and messages.

In the Bosnian capital Sarajevo, it was the 'Coalition of Four' – the SDP, Our Party (Nasa Stranka – NS), People and Justice Party (NiP) and Independent BiH List - which managed to defeat the SDA. The block provided a clear alternative to the SDA and managed to focus disaffection with the main Bosniak party around its coalition. Yet – as noted already – their success had as much to do with the fact that a large number of SDA supporters stayed away from the polls as anything else. In the run up to the national elections in 2022, the biggest challenge for the SDA's opponents will be how to mould the disparate small parties, factions and breakaway movements from the SDA into a broad anti-SDA block – either as one list or more – in order to harness discontent with the dominant Bosniak party.

## REGIONAL RELATIONS

Relations with Bosnia-Herzegovina's neighbours have been calm and quiet over the past few months.

On 8th December, the Croatian Parliament held a discussion on the situation of ethnic Croats living in Bosnia. The rights of Bosnian Croats, which many in Croatia see as being endangered, were a key theme of the discussion, in particular the issue of how the Bosnian Croat member of the collective Bosnian presidency is elected. MPs from the far-right accused the ruling HDZ of not doing enough to protect their ethnic kin in Bosnia. Earlier, on 22nd November, Croatian Foreign Minister Gordan Grlic-Radman underlined, while speaking to Bosnian media, that the Croatian Government would not receive Zeljko Komsic, the Bosnian Croat member of the Bosnian Presidency, for an official visit to Zagreb. Moreover, Grlic-Radman argued that Komsic was did not represent Croats in Bosnia and that his role as the Bosnian Croat member of the country's presidency was a 'paper illusion'.

## SECURITY

The security situation within the country has remained calm, with perhaps the biggest security and humanitarian challenge remaining how to handle the influx of migrants and refugees from the Middle East, on the way to Europe. It is not the absolute number of migrants – somewhere in the range of 15,000-20,000 – that is such a problem for Bosnia, but rather the inability of Bosnian authorities to agree a coordinated response in order to accommodate those stuck in the country while attempting to cross into neighbouring Croatia. The RS entity has largely tried to wash its hands of a coordinated response that would share the burden, as have individual cantons with the Federation, leaving authorities in the north-west corner around Bihac to shoulder the burden, along with international humanitarian agencies and groups. The response has thus been chaotic. Nowhere has the chaotic response been more visible than in the Lipa camp near Bihac. After repeated calls from the International Organization for Migration (IOM) for the Bosnian authorities to provide basic services such as running water and road access to the camp – which were ignored – IOM decided to close the camp on December 18th. After this, the State Council of Ministers decided to provide the necessary basic services to the camp. Amidst frustration and confusion as to what was happening with the camp and its residents, some of the migrants appear to have decided to set fire to the tents in the camp, further complicating the situation.

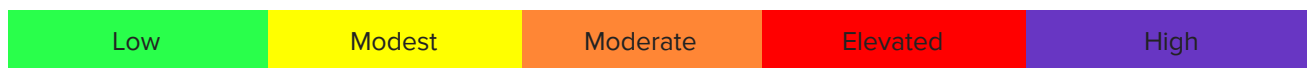
## LOOKING FORWARD

- **Mostar local elections:** When it comes to Mostar, the key factor to follow will be if and how the results of the Mostar elections are implemented. Parties will now have to agree on how to share power – no easy task in the ethnically divided city – as well as to draw up a new statute for the City, an even bigger challenge.
- **Electoral changes:** with the local elections out of the way, political parties will gradually turn their focus to the 2022 national elections. In particular, a key factor in this long campaign will be the issue of changes the election law, particularly in the Federation, where the HDZ has long been demanding changes to how the Bosnian Croat member of the Presidency is elected. However, there are no quick fixes on this front either.
- **US policy:** Many in Bosnia are keenly looking to see what the new Biden administration's policy towards Bosnia will be. While in some quarters there are hopes of a more interventionist US approach, in others there is trepidation at this idea.

# Kosovo

Kosovo was thrown into fresh political instability after its Constitutional Court ruled on 21st December that the sitting Hoti Government is illegitimate because it was voted in with the support of an MP who was convicted of a crime and could, therefore, not have been a sitting MP. The decision of the Constitutional Court left little alternative to the holding of early Parliamentary elections, which will likely take place in early February. The decision comes at a time when Kosovo also lacks a sitting President, following Hashim Thaci's resignation to face war crimes, creating somewhat of an institutional vacuum. However, given that opposition Vetevendosje is widely seen as almost certain to win a clear majority at the ballot box, the early election may bring to a close a period of political instability generated by a series of governments which lacked stable Parliamentary majorities. At the same time, based on its previous track record, a Vetevendosje government may bring other challenges with it.

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



## GOVERNMENT STABILITY

On 21st December, Kosovo's Constitutional Court ruled that the Hoti Government was, in effect, illegitimate. The reason: one of the MPs who voted for it, Etem Arifi, was given a final sentence of one year and three months in prison on 19th August 2020. Yet Arifi received an MP's mandate just two months later, during the early Parliamentary elections held on 6th October 2020. Yet, according to the Constitutional Court's interpretation of existing laws 'a person convicted of a criminal offence by a final court decision in the three last years cannot be a candidate for deputy or win a valid mandate in the Assembly of the Republic of Kosovo'. Given that the Hoti Government had a majority of just one vote when it was elected, the Constitutional Court found that it was illegitimately elected to office, as without Arifi's mandate it would not have had a majority.

The decision left little to the imagination or interpretation – officials from Hoti's own LDK were clear that the only course of action were now early elections. The Court's decision stipulated as much. Kosovo now awaits for the election day to be set. The Constitutional Court must first issue its decision in writing and send it to the interested parties, but it seems that an election could be organized in late January or – more likely – early February.

The Court's decision received mixed comments. It was notable that the Constitutional Court took a long time to reach its verdict – the original complaint was lodged by the opposition Vetevendosje back on 11th June. In the past, the Court has not been particularly favourable towards Vetevendosje's appeals. In this particular case, some legal experts had argued that – while clearly Arifi should not have been allowed to run or assume his seat in Parliament – given that he was allowed to run and assume his seat by the relevant institutions, his vote could not be treated as invalid. Ultimately, the Constitutional Court decided otherwise, challenging the government's legitimacy, though not the legality of its decisions. Some observers believe that the Court may have found itself free to rule according to its "legal conscience" due to the fact that former president Hashim Thaci – who was believed to hold sway over the Court - was no longer in Kosovo.

When it comes to the outcome of the early elections, whenever they are held, the outcome of the recent local elections in Podujevo provides some useful forecasting insights. Podujevo has been a traditional stronghold of the LDK – the party had ruled over the municipality to the north of Pristina for the last 20 years. Yet in the local elections held on 29th November, the LDK’s candidate Nexhmi Rudari lost to Vetevendosja’s Shpejtim Bulliqi, who secured 51.64% of the votes cast to Rudari’s 35.97%. The result is more of a defeat for the LDK than Vetevendosje’s victory, but – more importantly for the LDK – it is a clear signal of where popular support for the party stands.

Kosovo analysts believe that there is very little – if any – chance of an electoral outcome other than a Vetevendosje victory. The question is perhaps more how close the party will be to an absolute majority. A recent poll by UBO Consulting suggest that Vetevendosje could win as many as 55 MPs in the 120 seat Parliament, though the party’s leader Albin Kurti has declared that he expects his party to win 65 seats.

Regardless of this, if Vetevendosje receives a clear mandate to lead the next government – along with a clear majority – the period of fragile and unwieldy governing coalitions in Kosovo is likely coming to an end. Given this, we are improving the six-month government instability outlook to moderate, in line with the 12-month outlook. Moreover, we believe that there is clear upward pressure to improve the outlook to modest, subject to the election result and – perhaps more importantly – how Vetevendosje transitions into the role of governing party after its often radical opposition years. The Vetevendosje government of Albin Kurti sworn in at the beginning of 2020 had a short life in part due to foreign pressure, but also due to Vetevendosje’s problems in adopting a more pragmatic approach both to negotiations with its then coalition partner – the LDK – and US expectations regarding negotiations with Serbia. This time around, we at least expect Vetevendosje to have a stronger majority of MPs of its own, which should improve the stability of any government that it will lead. The party is already signalling that it is willing to discuss a post-election coalition with all parties, though it seems to be thawing relations with Ramush Haradinaj’s AAK most visibly.

For the ruling LDK, the coming elections will be difficult. The main question is probably whether the party ends up in second place, or suffers a much bigger debacle at the hands of voters

angry at its recent political wheeling and dealing and record in power. The same UBO Consulting poll predicts that the LDK will secure a mere 18 MPs, down from the 28 it won in October 2019.

Once the elections are brought to a close, aside from electing a new government Kosovo's politicians will also need to tackle the problem of electing Kosovo's next president. At the moment, Parliamentary Speaker Vjosa Osmani is acting as caretaker president, but cannot stay in this role for more than six months according to the constitution. There are some interpretations which suggest that, after this initial six months, the head of the Constitutional Court could act as caretaker president for another six months. However, things will likely not come to that. Negotiations over the election of the next government will likely also involve some horse-trading over who the next president will be. For any one person to be elected to this post, the cooperation at least – if not necessarily the support – of two-thirds of MPs is needed given that a quorum of two-thirds of MPs is needed to elect the Kosovo president. Doubtless, this will test the negotiating skills of Vetevendosje leader Albin Kurti, who will most likely need to strike a deal with either the LDK or the PDK to ensure the election of a president.

In one piece of good news, Kosovo's Parliament adopted the 2021 budget on 29th December, which should at least ensure the smooth functioning of public finances.

## OPPOSITION ACTIVITIES

The largest opposition party, Vetevendosje, is clearly headed for power. The question thus becomes, going forward, who the new opposition will be in the Kosovo Parliament. Rather than competing with Vetevendosje, the PDK and LDK, the two parties which have for so long dominated Kosovo, seem to be competing with each other for second place. While UBO Consulting puts the LDK on 18 seats in the next Parliament, it projects that the PDK will win 19 seats. With the PDK's Kadri Veseli facing war crimes charges at the Special Chambers in the Hague, the party has put forward Enver Hoxhaj as its candidate for Prime Minister. It also seems to be eyeing a pre-election coalition with Fatmir Limaj's NISMA.

One factor that will negatively impact the LDK's performance will be the likely formal departure of Parliamentary Speaker Vjosa Osmani from the party. While this has been on the cards for some time, the calling of early elections means that Osmani will not have time to form her own party or movement before the elections. Consequently, she – and some of those close to her within the LDK – will likely run on Vetevendosje's electoral list.

In the post-election political horse-trading, the PDK and LDK are hoping to have some involvement in government at least, given that it will be hard to elect the next president of Kosovo without their cooperation. Depending on the final election result, one or the other may let be able to install its candidate into the presidency.

## REGIONAL RELATIONS

With Kosovo and most of its neighbours focused inwards, either due to internal political problems or the need to deal with the coronavirus pandemic, relations with the countries of the region remained calm.

The dialogue with Serbia has been all but frozen, with the odd round of technical discussions taking place, yet without any major issues, such as the future Association of Serb Municipalities, being tackled. The ‘million dollar’ question remains what the future holds for this dialogue. Vetevendosje leader Albin Kurti had been a fierce critic of the dialogue with Serbia, demanding that Serbia’s recognition of Kosovo’s independence be part – or even a condition – of negotiations, while also rejecting the idea of making concessions to Serbia, such as the creation of the Association of Serb Municipalities. Indeed, it was Kurti’s intransigence on negotiations with Serbia that led the Trump Administration to apply heavy pressure in order to topple Kurti’s Cabinet this year. Kurti will likely be a tough negotiator for both Serbia and the international community, often lacking pragmatism in favour of his own rigid principles. However, he may prove more willing to engage in negotiations with the involvement of the Biden administration than during the Trump Administration era.

Parliamentary Speaker Vjosa Osmani visited Albania in mid-December, addressing the Albanian Parliament. During her speech, Osmani strongly criticised Edi Rama’s behaviour and involvement in discussions of a land swap between Kosovo and Serbia, provoking the ire of the Albanian Prime Minister. Rama accused her of using the visit as a pre-election stunt.

Official contacts with Podgorica have been at a minimum, or perhaps even non-existent, while there have also not been any significant developments in relations with North Macedonia.

## SECURITY

The security situation in Kosovo remained calm. No additional war crimes indictments have been filed in front of the Kosovo Specialist Chambers, though current indictees such as Hashim Thaci, Kadri Veseli, Jakup Krasniqi and Rexhep Selimi have pleaded not guilty before the Court.

Meanwhile, Kosovo's Prime Minister Avdullah Hoti and acting president Vjosa Osmani have sacked the head of the Kosovo Intelligence Agency (KIA) after an agent from the Agency was found trying to take documents from the official safe of former president Hashim Thaci. The agent was found together with Driton Gashi, the former head of the intelligence agency, who claimed that he wished to remove important documents so that they did not fall into the hands of EULEX.

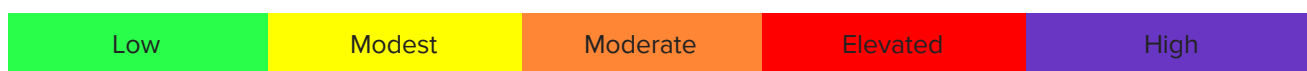
## LOOKING FORWARD

- **Parliamentary elections:** at present, Kosovo's political scene is in a state of heightened activity as parties try to agree on a date for when early Parliamentary elections will be held. A February date seems most likely, with elections set to be held in the context of the ongoing COVID-19 pandemic. The outcome of the elections hardly appears uncertain, yet nevertheless it will be important to watch out for any surprises. The outcome of the elections will directly dictate the stability of Kosovo in the next few years.
- **Government formation:** Closely connected to the outcome of the elections is the question of who will form the next Kosovo Government. Everything suggests that Vetevendosje will secure a clear mandate to govern this time around, but it remains to be seen how many MPs it will secure. The party's own predictions of an absolute majority seem far-fetched and it will need to bring onboard some smaller parties, such as perhaps the AAK, for the sake of stability. Another element to watch will be which Kosovo Serbs are included in the new government, given Kurti's previous reluctance to bring the Srpska Lista on board.
- **Election of new president:** Last but not least, Kosovo will need to elect a new president. The process of electing a new president is such that even if a simple majority suffices to elect a president in the end, the cooperation of the opposition parties will be needed in order to ensure the two-thirds quorum needed to vote the next president in.

# North Macedonia

North Macedonia finds itself in an unexpectedly difficult situation following the decision of Bulgaria to block the adopting of the EU’s negotiating framework for the candidate country on 17th November. The move came as the culmination of a long-standing dispute between Sofia and Skopje over a number of identity-related issues that affect the core of the ethnic Macedonian identity. After a decade of having its EU accession process blocked by Greece, the new veto applied by Bulgaria is a demoralising blow for Skopje. Last minute attempts by Germany to mediate in the dispute did not produce results. Skopje is now hoping that Bulgaria could soften its position following the March Parliamentary elections due in the country. However, this is far from certain. In many ways, the dispute with Bulgaria has the potential to become more intractable than the previous one with Greece should Sofia take a particularly hard-line position. In the short and medium term, the Zaev Government will attempt to implement some EU accession-related reforms, in the hope that this will increase its chances of unlocking the accession process. Throughout the recent crisis in relations with Bulgaria, the ruling coalition has remained stable, aided by an opposition lacking the ideas and leadership to make the most of the Zaev Government’s problems.

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 decision of Bulgaria to veto the adoption of the EU's negotiating framework for North Macedonia on 17th November came as a hard blow to the Zaev Government which has worked hard to move the country's EU accession process forward. As part of these efforts, during the previous years it even agreed to change the country's very name in order to appease Greece and remove its blocking veto. After having its EU accession process blocked for so long, it is perhaps testimony to Skopje's EU enthusiasm that it has not cooled off or abandoned hope of joining the EU any time soon, as some other Balkan countries seem to have done, at least unofficially.

The dispute between Skopje and Sofia relates to the Macedonian language, joint heroes from the Ottoman era, shared (albeit disputed) history, and their respective minorities. For example, Bulgaria disputes the existence of the Macedonian language, seeing it as a dialect of Bulgarian. In line with this, Bulgaria is reported to have requested from the EU that official negotiation documents should not refer to the Macedonian language, but the 'official language' of the Republic of North Macedonia. Moreover, Bulgaria has also requested that the long-form of its neighbours name – the Republic of North Macedonia – be used in official documents, rather than the short North Macedonia, because of supposed concerns that the short version could imply territorial pretensions to the northern part of the historic geographical region of Macedonia, part of which today lies in Bulgaria.

Accepting the removal of references to the Macedonian language is a non-starter for the Government in Skopje, although it has made it clear that it is willing to reaffirm that it has no territorial pretensions towards Bulgarian territory. When it comes to the core of its dispute with Skopje, aside from the language issue, Bulgaria also disputes much of the Macedonian interpretation of Ottoman-era history, including key historical figures such as Goce Delcev, who both sides claiming as their own.

In a wider sense, Bulgaria appears to be challenging the very idea that a distinct Macedonian history and identity existed prior to the Second World War, arguing instead that it is a Titoist construct. Bulgaria's demands seem to amount to more or less an acceptance by Skopje that

the present day Macedonian identity is a Communist-era construct, in return for Sofia's acceptance of the present-day existence of the Macedonian state and nation.

If Skopje was able to accept Greek demands to 'adjust' the country's name, there is no real way to imagine that it could agree to accept a reinterpretation of the Macedonian nation's very identity along the lines that Bulgaria is, at present, demanding, i.e. agree that Macedonians were essentially Bulgarians until 1945. Some kind of fudging of identity issues and an 'agreeing to disagree' approach would likely be acceptable to the current government in Skopje, but it remains to be seen whether future Bulgarian governments will be willing to settle on such a compromise, or insist on their maximalist positions. Were Sofia to stick to its current hard-line approach, there is little chance that the dispute would be resolved any time soon, nor North Macedonia's accession process unblocked.

During the second half of November and early December, Macedonian and other EU officials sought to find a compromise solution to the dispute, but to no avail. Macedonian Prime Minister Zoran Zaev even tried to appease some Bulgarian demands by suggesting that Bulgarian troops during the Second World War were not 'fascists occupiers' as they had been described in official Yugoslav Communist historiography, as well as that Bulgarian and Macedonian partisans liberated Macedonia together at the end of the Second World War. However, this clumsy attempt failed to appease Sofia, while angering many back at home in North Macedonia. Indeed, Zaev even faced criticism from within his own otherwise loyal ruling SDSM. The Prime Minister tried to backtrack on some of his words, but his crude attempt to appease Sofia seems to have done more damage to his Government's domestic support than Sofia's veto.

On the EU side, German officials were among the most engaged in trying to mediate the last-minute dispute between Sofia and Skopje. As it became apparent in early December that Bulgaria did not plan to lift its veto, Germany's Minister for Europe Michael Roth did not hide his disappointment, but expressed his belief that the dispute would be resolved in 2021. All eyes in Skopje – and those with an interest in enlargement inside the EU – will now be focused on the Bulgarian Parliamentary elections due on 28th March. Whether Boyko Borisov's party remains in power or not, there are hopes that the next Bulgarian government could adopt a more relaxed

stance on the dispute(s) with North Macedonia. Such hopes are not far-fetched, but it cannot be taken for granted that a change of government in Sofia would resolve the dispute.

In the meantime, the Zaev Government in Skopje is pursuing its 'Plan 21', a package of reforms intended to keep the EU accession flame alive and focus energy on implementing key reforms in order to speed the accession process if and when it begins. Most of the reforms envisaged under 'Plan 21' relate to the economy and judiciary. In particular, the Zaev Government has initiated some kind of vetting process for judges and prosecutors, which, while being more 'light' in its approach than that in neighbouring Albania, hopes to weed out corrupt and inefficient judges and prosecutors. While a Rulebook for vetting judges and prosecutors has been put into place, it still remains unclear how it will work in practice – in particular, it is unclear how potentially problematic judges and prosecutors could be removed, if at all. The European Commission is also set to begin a process of monitoring the conduct of high-profile corruption cases, though it is also unclear how this will work in practice.

Internally, the ruling coalition remains stable and functions well. Perhaps its biggest challenge is its very narrow majority in the Macedonian Parliament. In practice, this has meant that passing laws has been tricky, while periodic decisions by the opposition to boycott Parliamentary sessions have resulted in a lack of quorum to carry out debates. However, when push comes to shove, the Government has been able to muster a majority when needed.

Another challenging moment through which the Zaev Government will need to steer North Macedonia is the population census scheduled for April. As in some other Balkan countries, the census is not just a logistical challenge, but much more of a political challenge, as it delves into delicate issues such as the ethnic composition of the country, often a hotly contested issue. Indeed, so sensitive is the issue that there has been no census since 2002. The Government had planned to carry out one in 2019, but this was delayed due to futile attempts to reach consensus with the opposition VMRO-DPMNE over its conduct; in 2020, the census was delayed due to the coronavirus pandemic. Now, the Government is determined to see it through, despite opposition from the VMRO-DPMNE.

## OPPOSITION ACTIVITIES

Despite the Zaev Government's difficulties, the VMRO-DPMNE opposition seems unable to find a good formula to exploit them fully. Indeed, the party remains stuck in a permanent state of knockdown according to many analysts. Having been in government for so long, it finds itself burdened with political baggage from its time in power. It has, so far, not found the right formula to broaden its appeal beyond its core of nationalist supporters. The VMRO-DPMNE routinely announces 'mass' protests, which then turn into small gatherings of a few hundred supporters that quickly fizzle out.

Observers note that the party is opposed to almost all Government initiatives, even threatening to call on its supporters to boycott the scheduled census, but has little in the way of original or alternative policies that would appeal to the public. In reality, most VMRO-DPMNE officials are not happy with what they see when they look at their party in the mirror. As a result, there have been rumours of plotting within the party to remove its leader, Hristijan Mickoski. However, there is no party congress scheduled at present and it seems unlikely that Mickoski's opponents within the party could find a way to unseat him before the autumn local elections.

During 2021, the VMRO-DPMNE will be focused on the local elections due in the autumn. In the previous local elections of 2017, the opposition party was annihilated amidst a landslide in favour of the ruling SDSM. After more than four years in power, the SDSM will not see another show of support of the kind seen in 2017. This alone should enable the VMRO-DPMNE to make a significant recovery, as well as to claim some kind of 'victory' in the local elections, though this will likely still be far from a real swing towards the party.

## **REGIONAL RELATIONS**

Relations between North Macedonia and its neighbours remained calm over the previous two months, with the obvious exception of difficult relations with Bulgaria.

Relations with Greece have been remarkably constructive. Meanwhile, the North Macedonian Government has also launched 'Initiative 8' – an attempt to relaunch plans for building Corridor 8 that would link Bulgaria, North Macedonia and Albania by road and rail. Ostensibly, the Initiative is primarily aimed at bringing to the fore issues on which Skopje and Sofia can cooperate, but it may also help to improve relations with Tirana further.

## **SECURITY**

The security situation remained calm and uneventful in North Macedonia during the previous period.

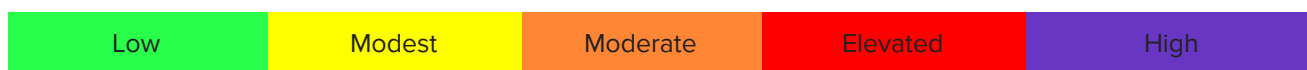
## LOOKING FORWARD

- **EU accession/Bulgarian elections:** Macedonian hopes of removing the Bulgarian veto on the country's accession process at present hinge on the outcome of Bulgaria's March Parliamentary elections. Consequently, it will be important to keep an eye on the outcome of these elections, in particular whether Boyko Borisov's ruling party retains power or not, and whether – if it does – it is still dependant on the support of far-right nationalist parties.
- **Census preparations:** Skopje is in the process of making preparations for the 2021 population census, the first survey of the country's population since 2002. While the process is expected to go relatively smoothly, there could nevertheless be tensions over the VMRO-DPMNE's threat to call on its supporters to boycott the process, as well as over the issue of the real size of the country's biggest minority group, ethnic Albanians.
- **5G/Huawei:** In late October, North Macedonia signed up to the US Clean Network Initiative, aimed at excluding Chinese companies such as Huawei from the roll out of 5G networks. As the country moves forward with auctioning 5G licences in 2021, it remains to be seen how the pledge to exclude 'untrusted vendors' from network roll-out will be transposed into legislation.

# Montenegro

On 4th December, the Cabinet of Prime Minister Zdravko Krivokapic was voted into office by the Montenegrin Parliament. The vote marks the first time that the DPS, the ex-Communist party which has ruled Montenegro since the fall of Communism, will not be leading the country's government. Many observers have also made the point that this is the first peaceful change of government at the ballot box in Montenegro's history. Hopes of reforms and change in the country are running high, particularly among the segment of the population which identify themselves as ethnic Serbs. Yet the government is getting off the ground on a sour note. It was voted into office only after three full months of bitter bickering and wrangling among the new coalition partners over the composition of the new government. In particular, the effective exclusion of the Democratic Front – the biggest grouping within the new ruling coalition – from the government has left its leaders seething. Given this, as well as the ideological differences between the disparate coalition partners, there is an initial agreement that the new Krivokapic Government's mandate will be restricted to a year, long enough to implement some basic reforms and prepare the ground for free and fair elections.

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



## GOVERNMENT STABILITY

The new Krivokapic Government was elected on December 4, despite numerous arguments and in-fighting between parties from the winning three opposition blocs. The government was elected with the votes of 41 MPs in the 81 seat Parliament, a minimal majority. Specifically, the Government received the support of 27 MPs of the pro-Serb For the Future of Montenegro coalition, ten from the Peace is Our Nation coalition and four MPs from the Black on White coalition.

Prime Minister Zdravko Krivokapic had revealed his proposals for filling ministerial posts on November 5, proposing a Government of 12 'expert' ministers and the leader of URA, Dritan Abazovic, to be elected as deputy PM. Referring to his ministers as his '12 apostles', Krivokapic said they are not related to any political party or organization, yet a number of them are known to be close to the Serbian Orthodox Church or the URA civic movement, a member of the Black on White coalition.

A member of the Serbian Orthodox Church's legal team, Vladimir Leposavic, has been elected as the new Minister of Justice, Minority and Human Rights, while Janko Mitrovic, the chief architect of the Cathedral of the Resurrection of Christ in Podgorica, becomes the Minister for Ecology, Spatial Planning and Urbanism. Krivokapic's adviser during the electoral campaign, Milojko Spajic, has been named as Minister of Finance and Social Welfare. Spajic is the fiancé of Krivokapic's daughter and nephew of the prominent Bishop of Deoclia Metodije. The head of an NGO called We Won't Give up Montenegro, Vesna Bratic, was named as Minister of Education, Science, Culture and Sports, while Jelena Borovinic-Bojovic, a doctor at the Clinical Centre of Montenegro, was named as Health Minister. During his treatment at the Clinical Centre, Borovinic-Bojovic personally treated the late Metropolitan Amfilohije. The new Health Minister is the wife of the Democratic Front MP Dragan Bojovic, while prominent bishop Kirilo Bojovic is her husband's brother.

The Head of the EU Directorate at the Montenegrin Ministry of Foreign Affairs, Djordje Radulovic, has been elected Foreign Minister; Radulovic's political affiliations, if any, remain unclear. Meanwhile, a former URA and Positive Montenegro member who was the opposition

candidate in the presidential elections of 2018, Mladen Bojanic, became Minister of Capital Investments. Known as an uncompromising opposition MP for years, Bojanic is among the ministers with the greatest personal authority in the Government.

The Minister of Public Administration, Digital Society and Media is Tamara Srzentic, while an economist at the European Bank for Reconstruction and Development, Jakov Milatovic, was named as Minister of Economic Development. Aleksandar Stijovic, who works at the Montenegrin Institute of Forestry, was elected as Minister of Agriculture, Forestry and Water Management. There is no information to suggest that they are related to either the Church or any political party.

Podgorica based lawyer and NGO activist Sergej Sekulovic has been elected to the post of Minister of Interior, after lawyer Nikola Terzic withdrew his candidacy because of accusations that he has close political ties to the civic movement URA and owners of media outlet Vijesti. Terzic had represented URA as a lawyer during the elections and had signed the initiative to form the Black on White coalition, of which URA is a part. He is also a friend of URA officials Dritan Abazovic and Milos Konatar. Krivokapic also changed his candidates for defense minister at the last minute. Initially, he suggested that URA leader Dritan Abazovic would lead the ministry, then seemingly changed his mind announcing that businessman and ex-Pozitivna Crna Gora and URA member Goran Djurovic would become defense minister. Yet on 29th November, Krivokapic said that Donja Gorica University professor Olivera Injac will be the new minister of defense. Since 2005, Injac has been working at the Ministry of Internal Affairs and is informally considered to be an ex-member of the Democratic Party of Socialists. Some sources from within the new majority claim she was named minister at the insistence of the US Embassy in Podgorica, due to her technocratic capabilities which would enable her to lead a ministry important to NATO. Injac could turn out to be one of the better ministers in the new Government, due to her existing experience.

Yet the relative lack of governing or political experience of most of the ministers in the new Government – or, indeed, of the Prime Minister himself – will not be the biggest problem facing the new Krivokapic Cabinet. Instead, maintaining the formal and informal support of his own coalition partners will be Krivokapic's biggest headache. His Cabinet has been assembled

without taking into consideration the wishes of the Democratic Front and its leaders, the biggest grouping within the new ruling majority and the biggest group within Krivokapic's own For the Future of Montenegro (ZBCG) block. The DF appears to have been excluded from ministerial posts at the insistence of some Western diplomats, as well as the Vijesti media conglomerate closely backing URA/the Black on White coalition, and even the Serbian Orthodox Church. In particular, US and other Western officials were insistent that DF candidates could not be allowed to take charge of ministries relating to security, the army or police, because of their pro-Russian leanings.

While Krivokapic may have felt himself forced to exclude the DF from the government, the decision will have damaging repercussions on the Government's stability and longevity. The DF is currently seething, not surprisingly given that it has been the backbone of the ZBCG block and the biggest opposition bulwark against the DPS for years. While it felt it had little choice other than to support just about any government that would ensure the DPS' removal from power, it will now feel that it has every reason to make mischief for the new government. Along with the second biggest grouping within the ruling coalition – the more centrist Peace is Our Nation – the DF will seek to build its own support ahead of any future elections by positioning itself as an 'internal opposition' within the new ruling coalition.

Following the election of the government, Krivokapic will have an opportunity to mollify his alienated coalition partners to some extent. The next item on the political agenda will be filling other senior and mid-ranking government positions. If Krivokapic permits political parties from his own coalition to have more say over the appointment of the heads of state agencies and directorates, he could yet reduce tensions within the ruling coalition.

In light of the election of the new government – and, not least, the political context in which it was elected – we have decided to improve the 1-month government instability outlook to modest, while downgrading the 12-month outlook to moderate. This is a reflection of our expectation that tensions within the ruling coalition will begin to build over the next 12 months.

One of the first moves by the new Government was proposing changes to the controversial Freedom of Religion Law adopted at the end of 2019 by the previous DPS-led government, which envisaged the scrapping of the most controversial articles in the Law that would have

allowed ownership of many churches and other religious properties to be transferred from Church to State. It was these articles of the Law that sparked the mass protests in Montenegro which led to the downfall of the DPS. The legal changes were voted through by Parliament on 28th December. However, President Milo Djukanovic refused to sign them into law, returning them on 2nd January 2021 to Parliament for a second vote.

Local elections in the town of Niksic have been called for 14th March. Until now, the town has been ruled by the DPS. Given that Niksic is one of the larger towns in the country, the elections will provide a crucial battleground for the various political parties – both the DPS and the members of the new ruling coalition – to square off and test their support among voters. The battle will not just be a test of support for the DPS versus the new ruling coalition, but – perhaps even more importantly – an opportunity for the members of the ruling coalition to test how they stand vis-à-vis each other.

## OPPOSITION ACTIVITIES

Following the election of the Krivokapic Government, the DPS has definitively been pushed into opposition. Just how strange and new this role will be for the party is perhaps best illustrated by the fact that this is the first time since its creation that the DPS has lost power and become – the opposition. Clearly, there will be a steep learning curve, as the party tries to adjust to a role it has never been in before.

Despite announcements that the DPS would hold a new party congress in December 2020 to take stock of the election results and prepare for life in opposition, the party congress has now been moved to 23rd January 2021. Montenegrin President and DPS leader Milo Djukanovic warned that some party officials will have to step back and make space for younger faces. As a first move towards the party's rejuvenation, the DPS presidency elected the young Podgorica mayor, Ivan Vukovic, to lead the Congress Preparation Committee. Vukovic is close to Djukanovic and his main adviser Milan Rocen. The Committee has to prepare reforms for modernizing the party in a structural and programmatic sense.

Although there were some rumours that Djukanovic could step back from politics, the Montenegrin President stated he has no plans to terminate his mandate before the 2023 Presidential elections. Despite rumours about Djukanovic's feuding with DPS presidency members Branimir Gvozdenovic and Predrag Boskovic over the election results, in their public appearances there was no indication of a split in the party. It is expected that Gvozdenovic will be dismissed after the Congress, as well as some older members of the party main board who demonstrated poor results in the elections. The party will also change presidents of local branches in the cities where the DPS saw poor election results.

During the coming year, the DPS will face a major test of whether it can reform and reinvent itself, as well as a more pressing challenge of actually remaining united and not haemorrhaging members to the opposition parties. Yet it is questionable whether the DPS has the will, energy or ideas for any of this. In particular, in its middle ranks, it lacks credible and capable fresh faces who could assume more senior leadership positions.

The Social Democratic Party (SDP), a long-standing ally of the DPS, will also need to hold internal elections to elect a new party leadership early in the new year.

## **REGIONAL RELATIONS**

Montenegro's relations with its neighbours have remained mostly calm. The partial exception to this are relations between Belgrade and Podgorica, which remain at times frosty, even after the election of the new Krivokapic government in Montenegro. At the end of November, the outgoing DPS-led Government in Podgorica decided to expel Serbian Ambassador to Montenegro Vladimir Bozovic, over public remarks that the Montenegrin Government deemed controversial. The Government in Belgrade initially responded by adopting a decision to expel the Montenegrin Ambassador in Serbia, Tarzan Milosevic. However, a day later, on 29th November, Belgrade revoked this decision in an apparent effort to calm tensions and offer a hand of reconciliation to Podgorica. Despite this, the outgoing Markovic Government stuck to its decision to expel the Serbian Ambassador. The potential for relations to improve increased following the election of the new, more pro-Serbian Krivokapic Government in Podgorica. However, tense personal relations between Krivokapic and Vucic made the outlook for a full rapprochement more uncertain.

## **SECURITY**

Internal ethnic and civil tensions within Montenegro have calmed since the shock result of the August 30th Parliamentary elections. The security situation in the country remains calm and uneventful.

## LOOKING FORWARD

- **Government stability:** The biggest challenge for the new Krivokapic Government will be maintaining the support of its coalition in Parliament. With a minimal majority of 41 votes, the Government cannot afford to lose the support of a single MP. At the same time, the biggest grouping within the new majority – the Democratic Front – feels alienated as a result of the government formation process and inclined to rock the stability of the ruling coalition in order to express its periodic displeasure and build its credentials as an internal opposition within the new governing coalition.
- **Dual crises:** the politically inexperienced new government will be faced with two major challenges – one of the worst economic downturns in Europe and a resurgent coronavirus epidemic. These will be its most pressing tests, along with the need to meet public expectations by uncovering, investigating and – possibly – prosecuting corruption cases relating to the DPS' period in power.
- **Niksic local elections:** Due on 14th March, the Niksic local elections will come around half a year after the national elections which unseated the DPS. They will thus be an important barometer of public support for both the new and old ruling parties.

# Serbia

Following the election of the new Serbian Government – the second Cabinet to be led by Prime Minister Ana Brnabic – political life in Serbia has been relatively quiet for a number of reasons. With the number of new infections, hospitalizations and deaths related to COVID-19 rising rapidly from late October and into November and December, public attention and debates have been largely focused on the epidemic and the Government’s handling of it. Meanwhile, the Serbian opposition is more fragmented and marginalised than ever, having boycotted the June Parliamentary elections and being thus absent from Parliament. As such, it has been deprived of an arena in which to spar with the ruling parties. Moreover, opposition parties seem to be lost as to how to challenge the ruling SNS while remaining outside of representative institutions such as Parliament and with so much public attention focused on the COVID-19 epidemic. Rather than scrutinising the Government or trying to articulate alternative policies and ideas to the SNS, the opposition seems to be preoccupied with its internal relations, in particular the question of how to structure cooperation between the various micro-parties that make up the opposition, questions of who can lead the opposition and, not least, how to engage in negotiations with the SNS over electoral conditions ahead of the 2022 Presidential, Parliamentary and Belgrade City elections.

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



## GOVERNMENT STABILITY

Day-to-day politics in Serbia has largely been displaced by the overwhelming focus on the coronavirus epidemic, particularly in the absence of major, more ‘political’ events such as elections. This is hardly surprising, given that the number of COVID-19 infections, hospitalizations and deaths has reached new, inglorious record highs. Amidst the better availability of testing, the number of confirmed new infections reached an all-time daily high of around 8,000 at the end of November and beginning of December. That the epidemic was breaking all existing records was also confirmed through the number of hospitalizations, which also reached record highs of just over 7,000 at the end of November and beginning of December, severely straining the public health system. The high number of people hospitalized was achieved thanks to the decision to turn many ordinary hospitals into COVID-19 hospitals, which in turn limited the access of non-COVID-19 patients to the health system, including scheduled operations. Correspondingly, the number of deaths from COVID-19 also rose sharply, with the daily death count reaching more than 60 at the end of November and early December.

Compared to the Spring, when Serbia implemented stiff lockdown measures, the authorities took a decisively more hands-off approach. The wearing of masks was made compulsory and restrictions on the size of various public gatherings imposed. However, no lockdowns were imposed. Indeed, the Government seemed extremely reluctant even to restrict the working hours of restaurants, cafes or shops, during this third wave, repeatedly citing the need to keep the economy afloat and preserve jobs. Unlike many other countries, Serbia never fully closed restaurants, bars or cafes, merely restricting their working hours in the evenings and – at the height of the third wave – closing them during weekends. Shops also remained largely open, with some, more substantial restrictions imposed on working hours at the beginning of December for a couple of weeks.

Predictably, while business owners supported the Government’s less restrictive approach, most medics criticized it, more or less vocally. Even the medical members of the Government’s ‘crisis team’ for dealing with the pandemic made it clear that they were in favour of more restrictive measures, while other doctors – particularly those gathered around the ‘United Against

COVID-19' group – were extremely critical of the Government's approach to stemming the spread of the virus.

To many observers, it seemed that Serbian authorities had changed their approach from trying to prevent the spread of COVID-19 to a strategy more focused on building 'herd immunity'. Indeed, in one interview with the independent television station N1 at the beginning of December, Predrag Kon, a member of the crisis team and one of the leading epidemiologists in the country, mused that the epidemic had not reached the present level of infections and deaths due to mistakes in implementing timely lockdowns, but because of a conscious decision not to impose more extensive lockdown measures in order to keep life and economic activity moving.

The limited restrictions imposed at the beginning of December seemed to produce some positive effects, with the daily count of new infections beginning to decline in late December. Yet the number of COVID-19 hospitalizations remained high, even if the official daily death count began to decline somewhat towards the end of December as well. Confidence in the official COVID-19 related figures remained patchy, due to previous evidence that the authorities had deliberately massaged downwards the number of coronavirus related deaths.

With so much public and government attention directed towards the coronavirus epidemic, every day politics appeared to take a back seat. The new Brnabic Cabinet, similar in composition to the previous government, settled into its job relatively smoothly. The most visible source of friction was between the new Energy Minister Zorana Mihajlovic on the one hand and the management and representatives of the state in energy-sector companies. In particular, Mihajlovic appeared to be on the offensive against the current management of Srbijagas, the state owned natural gas distributor, which is led by a senior official of the Socialist Party of Serbia (SPS), Dusan Bajatovic. Most observers saw this as part of the SNS' continued campaign to dislodge the Socialists from the lucrative energy sector, though many believe that Mihajlovic's attacks on Bajatovic are also directed against Russian interests in the energy sector. The same could be said of Mihajlovic's accusations against Serbian state representatives on the management board of NIS – the formerly state-owned oil and gas producer and distributor now majority owned by Russian GazpromNeft, in which the Serbian state retains a significant stake.

Mihajlovic accused three members representing the Serbian state on the board of NIS of not having performed satisfactorily in the past, demanding their replacement. The feuding between Mihajlovic and the management and representatives of the Serbian state in energy companies is set to continue into 2021.

At his end-of-year press conference, Serbian President Aleksandar Vucic claimed that he was aware that he had been illegally wiretapped for some time, adding that this was done by 'domestic actors'. Vucic claimed that wiretapping the president's conversations amounted to a 'coup d'état'. That Vucic had been eavesdropped was also suggested days later by the new Minister of Interior, Aleksandar Vulin. Exactly what lies behind these claims – if anything – remains to be seen. Such claims have been made in the past, without being substantiated. Some analysts claim that they are perhaps nothing more than a marketing stunt, aimed at providing the public with a distraction, or giving credibility to Vucic's claims that he was engaged in a serious war on organized crime. Others sensed that the claims – which seemed to suggest that elements of the police were involved in the wiretapping – were part of the ongoing internal rivalry between Vucic and Nebojsa Stefanovic, the current Minister of Defence and former Minister of Interior.

## OPPOSITION ACTIVITIES

Serbia's opposition parties remained fragmented, confused and inwardly focused as they continued to compete among themselves for the support of opposition voters while also debating – and arguing – over how to best work together to bring about their (stated) common goal of securing free and fair elections and removing the SNS from power.

Both of these seemed about as far away from reality as the likelihood of the disparate opposition parties reaching agreement on how to act in concert. One line of disagreement – which seemed somewhat banal and irrelevant to many ordinary voters – was that over whether opposition parties which had boycotted the elections should work with nominally opposition parties which had taken part in the elections. The opposition parties also continued to disagree on numerous other issues, such as whether they should field one, several or many lists in the early Parliamentary elections announced for April 2022, or whether they should have one or more candidates in the Presidential elections due at the same time.

Just as challenging for the opposition will be agreeing on a common set of demands towards the ruling parties in relation to the creation of (relatively) free and fair election conditions. The disparate opposition parties have different demands and different ideas of what should be demanded from the SNS in terms of minimal electoral conditions. Some are mooted the idea of another electoral boycott if their conditions are not met, while others see this as not being plausible. One line of disagreement runs over the question of whether the opposition should demand that the Presidential, Parliamentary and Belgrade City elections should be held on the same day – as the SNS seems to plan – or separately, as some have suggested.

Along with coming up with common demands, an even bigger technical problem may turn out to be how to structure negotiations between ruling and opposition parties over electoral conditions. While it is clear which parties will sit on the 'ruling' side of the negotiating table, there is a genuine problem as to how to give the numerous opposition parties which boycotted the elections a voice. European officials have called for a resumption of the dialogue between ruling and opposition parties, although Ivica Dacic, the Speaker of the Serbian Parliament, has made it clear that these discussions will not begin before the new year.

## REGIONAL RELATIONS

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Relations with Kosovo remained testy, though in the absence of any serious pressure to engage in substantive negotiations over current and future relations between Belgrade and Pristina, there were no major theatrics or fireworks. As Serbia began its campaign of vaccinating the population against COVID-19, Serbian President Aleksandar Vucic also stated that Serbia would work to vaccinate Serbs in Kosovo. Authorities later claimed that vaccination in Serbian areas of Kosovo had begun, which provoked anger in Pristina, which claimed that such actions by the Serbian side were being carried out illegally.

On a more positive note, on 9th November Albania and Serbia signed an agreement enabling their citizens to enter the other country with only their ID cards. Admittedly, the number of visits between Albania and Serbia is very low, but the move was greeted as a positive sign of improving relations.

## SECURITY

The security situation in Serbia remained calm and uneventful over the reporting period. At the end of November, it was announced that the armies of Bosnia-Herzegovina and Serbia would hold joint military exercises in the former next year. The move was symbolically important as much as anything else, as these were the first military exercises by the two countries to be organized in Bosnia since the war.

## LOOKING FORWARD

- **COVID-19:** The number of new daily COVID-19 infections appeared to be declining in Serbia at the time of writing. The country came close to overloading its health system with COVID-19 infected patients in late November and early December, but official figures suggest that the situation is stabilising. However, it will be important to watch whether celebrations during the New Year and Christmas season lead to a fresh wave of infections in the post-holiday period.
- **Talks between ruling and opposition parties:** Serbian authorities will come under increasing pressure to begin negotiations with the opposition over electoral conditions ahead of planned elections in early 2022. Yet the format of the negotiations is still to be determined. Perhaps the most complicated step – from a formal and technical point of view – will be which opposition parties to include in the negotiations and how to organise them. In the more medium term, getting the two sides to agree on just about anything will be challenging.

# 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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