

Army Scandal Puts State Union Under New Strain

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Damning procurement report blaming top Montenegrins fuels Montenegro's state union grievances.

A scandal over the acquisition of military equipment has inflicted further damage on already tense relations between Serbia and Montenegro.

The scandal broke on September 15 when the Serbian finance minister, Mladjan Dinkic, released the damning findings of a commission investigating the purchase of protective equipment - such as helmets and flak jackets - for the joint state's defence forces.

It blamed top officials for paying exorbitant prices for equipment, and especially the President of the State Union, Svetozar Marovic, and Serbia and Montenegro's minister of defence, Prvoslav Davinic - the former a Montenegrin and the latter a Serb.

The two men dismissed Dinkic's claims. President Marovic accused him of "backing up his allegations with slander, without any plausible arguments" and of undermining the institutions of the joint state.

Marovic, a senior official of the ruling Democratic Socialist Party, DPS, of Montenegro, said he now blamed himself for "keeping alive the illusion of the state union".

The defence minister then resigned, while still protesting his innocence.

The affair went public after Serbia and Montenegro's ministerial council, headed by Marovic, gave the green light for the acquisition of new equipment worth more than 170 million euro - a cost that the Serbian budgetary commission has since strongly criticised.

Mile Dragic - owner of the company, bearing his name, which was contracted to produce the equipment - has been in custody since September 19, charged with bribery, according to his lawyer, Radivoje Paunovic.

The government's Anti-Organised Crime Department and Military Security Agency has also brought criminal charges against Major General Milun Kokanovic, Colonel Jovica Vuckovic and Captain Igor Mijailovic in connection with the case. Kokanovic and Mijailovic are accused of abusing their position, Vuckovic of accepting a bribe.

The affair has not only gripped the Serbian public for days but has also caused a serious political rift between Belgrade and Podgorica.

Even before the affair broke, relations between the two member states were strained. As the republics have separate customs systems and currencies, the army is one of the few important joint institutions. It is also jointly financed, although tiny Montenegro contributes only a fraction of the budget. Serbia covers around 95 per cent of the budget of all the state union institutions, including the armed forces.

The two republics already have very different views on the future of the state union. Montenegro's

coalition government seeks total independence and aims to hold a referendum on the issue next year, while the Serbian government under Vojislav Kostunica wants to keep the joint state.

However, some elements of Serbia's ruling coalition, such as the reformist G17 Plus party, to which Dinkic belongs, also want to see the union dissolved.

The Serbian side insists the scandal is purely about corruption. "This is about plain theft, not about politics," said Dinkic on September 15. "And someone will be held accountable for it."

That cuts no ice with Montenegrin officials who have said they may withdraw from the joint institutions and demand that impartial international arbitrators settle the affair.

Montenegrin prime minister Milo Djukanovic's Democratic Socialist Party, DPS, voiced full support for President Marovic.

"We will not tolerate bizarre attempts by some individuals from the Serbian government to discredit Montenegrin representatives in state union institutions," said Miodrag Vukovic, of the DPS.

The DPS warned that if Kostunica's government failed to distance itself from the attacks on Marovic, Montenegrin representatives would leave Belgrade, except for the deputies in the Serbia and Montenegro parliament.

Predrag Sekulic, DPS spokesman, said Dinkic was trying to distract Serbia's citizens from the scandals in which his G17 party was implicated, as well as from the difficult economic situation in Serbia.

He said Dinkic "wants to put the blame for all the problems on Montenegro and through fabricating false scandals to realise his political platform of an independent Serbia".

He added, "We are trying to implement our programme of an independent Montenegro in a fair manner, through the referendum on independence."

Aleksandar Radic, a Serbian military expert, said Dinkic was right to insist that the row was not about politics but about security and equipment. He blamed the lack of clarity in the regulations governing military purchases.

Since the army ordered the equipment from companies based in Serbia, the republic was entitled to investigate any possible misappropriation of its funds.

Nebojsa Medojevic, of the influential NGO Group for Changes in Montenegro, said the political and criminal responsibility of members of the Serbia and Montenegro ministerial council linked to the affair had to be established.

However, there is still confusion over who or what should undertake an investigation and bring those responsible to justice.

While the Serbian special prosecutor's office for organised crime is probing the scandal, Montenegrin officials maintain that only international experts can solve the case.

Meanwhile, the affair shows no sign of going away. "This is not the reason for the soured relations between Belgrade and Podgorica, but an opportunity to present conflicting views on the future of the state union, which has been unstable anyway," said Djordje Vukadinovic, a political analyst.

"Those who want to destabilise the state union can always find a plausible reason to do it."

He predicted that the affair would ultimately fizzle out, owing to Serbian reluctance to escalate the dispute. Vukadinovic suggested the ex-defence minister would be held morally accountable for wrongdoing without criminal charges being brought.

"Kostunica's administration must back the investigation into these matters," he said, "but it will make sure that it does not go too far, as they want to preserve the state union."

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