

Veselin Veljović

National Security Council of Montenegro Secretary

Professor Velimir Rakočević

Law Faculty Dean of the University of Montenegro

Montenegro in Economic and Maritime Silk Road in 21st Century and Endangering Factors of Security

Abstract

Montenegro is one of the states founders of the „Silk Road” Group as a basis for trade relations strengthening between states signatories, according to historical relation with this travel and trade corridor. With the membership in this group, Montenegro gains important incentive for economic growth and creating potentials for direct foreign investment. In this manner, Montenegro promotes free movement of people, merchandise and services and stimulates development of traffic corridors. Montenegro as a state of constant economic prosperity draws special attention to democracy development and development of human rights, that is, general democratic values, aspiring for promotion of national, regional and global security. In this route, there are numerous security challenges which are the subject of this research, in the context of new security trends in the world. In the paper, the focus are Southeast Europe and Montenegro in it, as a stable country with delicate and unstable security surroundings. The emphasis is positioned to security endangering of the Balkans by criminal activity actors, done in the organised way and other forms of incriminations. In this work, it is emphasized that there exist possibilities of preventive actions in the aim of neutralising security threats, which strongly contribute to strengthening of The Silk Road.

Key words:

Silk Road, security, organised crime, prevention

INTRODUCTORY CONSIDERATIONS

Promotion of political, economic relations between states, represents the bases of contemporary civilisation development. There is nothing that better connects countries than highways and other infrastructure. Traffic and energetic connection with inflow of foreign investment contributes greatly to good relations and cooperation. Chinese interest for the area of Western Balkans is connected to purchase and construction of traffic routes which will strengthen the export of Chinese merchandise to other countries. Across the Balkans, China builds the shortest connection to northwest Europe.

Historical turnover in a thousand year long existence in China, stops existing with founding of The People's Republic of China in 1949. and after a few decades of such economy, cultural and economics development today, we can mention China as one of the leading economic forces of the planet.

The initiative in September 2013 by the Chinese President Xi Jinping, introduces new era of economic cooperation, economic relations and concrete investment projects known by the name „New Silk Road” and requires cooperation between China and Europe that is 16 Central European and East European countries „16 +1” with about 60 countries and 4.5 billion inhabitants.

Cooperation „16+1” already defines numerous multilateral agreements and required mechanisms of implementations. The states of the Balkan Peninsula have various positions and interests in EU processes and NATO integrations from Slovenia, Croatia, Bulgaria and Romania which are EU members and NATO members, Montenegro, Serbia, Albania, Macedonia, Bosnia and Hercegovina and Kosovo which are in the process of EU integrations but they have different attitudes toward NATO, Programme Partnership for Peace to those who stand for army neutrality.

Strategically important occurrence for the NATO Alliance but for the very region from the aspect of global security and region stability but also as a confirmation of „The open door” for enlargement and joining the NATO and support to integration processes and accomplishing necessary standards is, of course acceptance of Montenegro and its full membership during 2017.

When we speak about economic position and degree of development it is true (fact), that the majority of Balkan countries are lagging towards the standards of Western Europe. It is important to mention that the process of economic lagging is actively contributed by various kinds of misunderstandings, ethnic and religious groups, territorial misunderstandings, religious and inter national bigotry (in the previous period there were armed

conflicts with immense consequences) which prevents the possibilities of various kinds of projects from general importance and interest.

The relations of the USA and China must be viewed in the context of managing the political and, above all, economic relations of China and Russia but with the support of the USA to separatist strivings and ideas of the Tibet and through striving of the USA to have greater and stronger foreign policy influence in the area of Asian continent.

There is a realistic option of „longterm rivalry” and „partial cooperation” of these two world superpowers with realistic supposition that there is the possibility of direct arm conflict, is ruled out but that the influence and pressure in geostrategic and geopolitical processes and pressures in this part of the continent will certainly grow with the possibility of an incident of limited and controlled character. It is necessary to mention the different types of attempts to influence and pressure from Russia to certain Region countries, in the concrete situation the influence of Russia to the Parliamentary elections in Montenegro in October 2016, which as a consequence had leading criminal procedures before Montenegrin public authorities, but, and in some other concrete occurrences, as in the form of asymmetrical threats in so-called „hybrid” activity.

It is important to mention the attempt for creating energy dependence of this Region from Russia, which as a consequence, has political and other pressures in order to strengthen the influence of Russia in the Balkans.

It should certainly be mentioned that specific relations exist, not only to religious Russian Orthodox Church and Orthodox Churches of the countries in the Balkans. It is realistic to ask the question, how much in the mentioned consultations, the occurrences are possible to be overcome these differences and to find common interests, above all economic and development politics of Balkan countries and common initiatives of economic cooperation between Europe and China.

COOPERATION OF MONTENEGRO AND CHINA

In accordance with Constitution Clauses, Montenegro cooperates and develops amicable relations with other countries, regional international organisations and principles of the international law. The People's Republic of China recognised Montenegro in June 2006, while diplomatic relations between two states have started on July 6th, of the same year. Montenegro has built close relations based in the principles of trust and mutual respect, which represents priority of Montenegrin foreign policy. Key areas of mutual coop-

eration are concerned with broader economic aspect, with special accent to route and maritime infrastructure, tourism, education, environment protection, science, culture, energetics, sport, student exchange, etc. Common interest for both countries is intensive cooperation in the previously given areas, for the purpose of investment promotions and trade among companies, improvement of investment ambiance, broadening trade and trade structure. In the overall cooperation it is very important to mention cultural cooperation. Because of this, the two countries have already restored strong mechanisms of cooperation in the area of science, education, research, technological innovations, culture and art. The idea was to stress out the exchange of people, above all students and the young. In the further phase there are preparations for mutual research, exchange of staff and education. This includes mutual strategic planning, technological exchange, exchange of information and capacity training. These two countries, research useful models of cooperation as the basis for support for development of infrastructure and production capacities in years, the number of tourists from China visiting Montenegro rises. Cultural cooperation is rising, too. Ministry of science of Montenegro and the University of Montenegro with Confucius Institute have successful scientific – technological cooperation. Until now, there were dozens of projects realized mutually. According to foreseings of certain economists, China will, in 2020 have gross national product, comparable to parity of purchasing power, which would mean that it should be greater than the American gross domestic production.¹ Numerous parameters prove that China will soon become the leading economic power in the world. It is justified, by certain factors, and some of which emphasize market size, cheap labour power, successful networking and global business etc. This country has gained surplus in foreign trade cash flow statement of a few hundreds billion US dollars. They are the most dynamic industry power of the world with average annual growth of 17%. According to the relevant prognosis, China is going to produce, in 2-3 years time, around 85% of the world's electrotechnical production, which is, of course, an important factor in the economy of the global level. China possesses great foreign currency reserves, which is accomplished by strong Chinese export into the EU and the USA. It is an important construction Company (CCECC) which realised the reconstruction project of the railway routes in the part Kolašin – Kos. The Value of the project is about 5.89 million euros.

In May 2017, the agreement on Economic Technical Cooperation was signed, between the Government of Montenegro and the Government of PRC, by which Montenegro is procured with non-reimbursable help of the

¹ Economist, London, 2008.

sum of 20 million of Yuans (which is about EUR 2.65 million) for the reconstruction project of the bridge in the Đuđević Tara and other projects.

In October 2017, the letters on exchange were signed, in which the Government of Montenegro agreed on that the Government of People's Republic of China prepares the feasibility study for the project of the bridge reconstruction, while in December 20th, 2017, were signed conclusions for public tender on the formulation of the donor project feasibility study. The bridge reconstruction, which enabled speculations for the beginning of feasibility study writing, and then of an ideal and major project, which will enable this project realisation, during the further building season.

In November 2016, there was a Memorandum on Cooperation in Riga, signed between Municipality of Nikšić and Office for Traditional Medicine of the Chinese Province Sechuan on cooperation and herbs processing.

In November 2017, the Memorandum on understanding was signed in Budapest, between Chinese company China Baoding Fu De Investment Co. Ltd. and Innovation entrepreneur Centre „Technopolis” from Nikšić, on restoration of cooperation, with the aim to realise cooperation project and herbs processing in Montenegro.

Talks between Ministry of Agriculture of Montenegro and Chinese institutions and companies interested in cooperation and herbs processing in Montenegro, are in process. Beginning of realisation of this longterm project is expected to occur in the second half of 2018.

In 2017, Chinese company Shangai Power Electronic, started building 23 wind-turbine in Možura, a hill between Bar and Ulcinj, with power of 46 Megawatts, whose value is EUR 40 million.

In this period, from January to September 2017, there was a trade exchange of EUR 156,255,000 – export EUR 4,862,000, import EUR 151,393,000. In 2016 the trade exchange amounts EUR 203,527,000 – export EUR 18,932,000, import EUR 184,595,000. In 2015, the total trade exchange amounted EUR 197,476,771 – export EUR 7,903,776 and import EUR 189,572,995.

It is important to emphasize that different sorts of famous wines from Montenegrin „Plantaža” are found in Chinese market, which ensures greater quality of trade exchange. Montenegro is a maritime country and maritime fleet is broadened by building more ships for the needs of Montenegro in Chinese shipyards. In cooperation with People's Republic of China and Chinese partners, in the period between 2010-2014, four ships were built for the needs of company „Crnogorska plovidba” („Kotor” and „Dvadeset prvi maj”) and „Barska plovidba” („Bar” and „Budva”). Montenegro is a touristic destination and every year there is growth of number of Chinese citizens visiting this country, in various parts of the year.

In the period January–September 2017, Montenegro was visited by 16,792 Chinese tourists, who made 23,976 tourist nights' accommodation. They stayed on average for 1.5 day, and in the overall structure of foreign tourism, tourists stayed 1.9%. In 2016, Montenegro was visited by 11,894 Chinese tourists who made 16,901 tourist nights' accommodation. In 2015, Montenegro was visited by 13,362 Chinese tourists who made 18,170 tourist nights' accommodation. From September 15th, 2017 there is a direct airline of Chinese Hainan Airlines from Beijing to Belgrade (via Prague), and every flight (which flies once a week), as a result of cooperation between Montenegrin and Chinese tourist agencies, there will be reservations for a certain number of seats for Chinese tourists who will visit Montenegro during their stay in the Region.

Initiative for cooperation, between China and Montenegro is reflected in the fact of favourable Montenegrin geostrategic position with realistic prospect, that Montenegro has its own ports, which might be employed to connect other places of sea or land-route towards Europe, so there is a conclusion that relations of cooperation between Montenegro and China in the next period will be on the rise in relation to numerous untapped possibilities in bilateral and multilateral basis.

In June 2017, permanent National Pavillion of Montenegro and The People's Republic of China in the city of Ningbo, Jiangsu Province, was ceremoniously opened with the support of the Government of the City of Ningbo, as a result of cooperation in the scope of mechanism „16+1”. The Pavillion is managed by „Ninhua Group”, a wine importer of „13. jul Plantaže”. The Pavillion presents an additional opportunity for promotion of Montenegro and presentation of Investment potentials, both with the potentials in the area of tourism, economy and culture.

The capital city of Podgorica was a host of The Second Forum of Mayors of Capital Cities of „16+1”, on September 14-15th, 2017. On that forum, the following agreements were signed:

Agreement on cooperation by Biro for Promotion of City's Investments of Beijing and Bureau for Economic Cooperation and Support of Business Community of Podgorica;

Memorandum on Understanding and Bilateral Cooperation in Projects between Agency for Environment Protection;

Agreement on Cooperation of Beijing Chamber for International Cooperation and Economy Chamber of Montenegro.

International Police Cooperation with PR of China is realised through Interpol – where China recognizes Montenegro as an important regional partner and as „Maritime Entrance” for European markets.

ETHNOLOGICAL DIMENSION OF ORGANISED CRIME IN THE BALKAN PENINSULA

Criminology aetiology studies influences, which enable other occurrences in organised crime.² Aetiology of all forms of crime, including organised one, constitute two elements which make up functional unity. First exogenous aetiology, which encompasses study of organised criminality, from the perspective of external members, who are related to social structures and action for external factors of crime. Another element consists of subjective factors, which act to the process of criminalisation, that is, personality shaping in criminals who perform acts with elements of organised crime. The reasons for criminality are defined as determining factors, which generate crime acts and their effect on organised criminality appearance, directly.³

One of the major samples of organised criminality expansion, is polarisation of wealth and its allocation in broader sense. Numerous researches prove that the 1% of the richest population owns about 40% of all material wealth in the world. The greater gap among the rich and the poor which is especially expressed in this part of Europe, which can be a catalyst for criminal behaviour, since numerous collateral victims are generated by unequal division of income.

An important factor of organised crime is economic depression and growing unemployment. A great number of people in this area exist below poverty line. In contemporary period, inequality deepens following its own logic and acceleration. Criminology research showed causal connection among economic crises and organised crime. With growing economic crises a number of certain forms of organised criminality doubled and greatly raised the criminality rate.

Organised crime is in causal connection with globalisation as important feature of contemporary society. In the frame of general globalisation, the integration require important time period which carriers of organised crime exploit for realisation of thier own aims. The globalisation era serves to destructive and illegal activities and especially in creating crime organisations.

² Abadinsky Howard. *Organized crime* 7 th Edition, Belmont, 2003, p. 2–6; Bošković Mićo, *Transnacionalni organizovani kriminalitet, oblici ispoljavanja i metodi suprotstavljanja*, Beograd, PA, 2003, str. 23.

³ Rakočević Velimir, *Krivična djela sa elementima organizovanog kriminaliteta*, Podgorica, 2015, str. 966.

Past war conditions in the Balkan Peninsula also serve to constant absolute and relative growth of organised crime. Unstable times lead to mental regression whose consequence may be unnatural sensitivity with pronounced elements of destruction.

One of the factors of organised crime is economic liberalisation which is misused by carriers of crime activities for performance of illegal businesses. Crime groups misused the advantages of high and growing scope of legal trade for smuggling across national borders. In financial markets there are incorporated criminal syndicates as center of organised crime affect.

Permeability of borders among states and modernisation of transport, amplifies activity of organised crime members, bearing in mind that disappearance of state borders and lack of rigorous control, serve to delinquents to cross borders from one country to another with no fear that they will be imprisoned.

PHENOMENON OF ORGANISED CRIME IN THE BALKANS

Organised crime groups in the region practise different crime acts as drugs smuggling, smuggling of people, arms and explosives, vehicles etc. Leaders and members of criminal groups in great number are descending from countries created by dissolution of former Yugoslavia. In the phenomenon of registered crime, acts of organised crime are dominated by torts of drugs abuse, violent criminality, illegal immigrations and organised criminality of economic type.

As for level of criminality in the area of drugs abuse, that presents a great security challenge, bearing in mind that this form of incrimination is characterised by an excellent organisation, connectivity and international character. Geostrategic position of this part of Europe serves for smuggling narcotics in great measure. Great enhancement of turnover across state borders and more liberal control in them, both as configuration of borders which facilitates illegal transport of drugs and psychotropic substances. Drugs abuse is connected with other incriminations as weapon trade, trafficking and etc. Across the area of the Balkans run major routes of smuggling drugs from the Middle East and South America towards Western Europe. Drugs and drug addiction change traditional understanding of crime. This form of crime, by their specifications, separate in concern to the other emerging forms of crime and laers and differentiating.

Crackdown of organised crime groups have lately been intensified with a constant methods of acting improvement and internationalisation, representing a serious threat. Thier existence is related to the illegal gaining of wealth and all the activities of criminal groups which have lucrative character. Crackdowns are very frequent when highly profitable illegal activities are in question. Increasing technological development, mainly development of electronic banking and finances system, serves for strengthening the criminal markets, in the context of realisation of high interdependence between certain incriminated activity and their internationalisation.

Conflicts among criminal groups last as long as the struggle for power in criminal milieu with more frequent executions because of transfer from one criminal group to another, which is something that cannot be forgiven from the perspective of their leaders.

Illegal migrations represent also a security problem. The main organizers are criminal structures from the West Balkans region and other countries, whereby security of people of interest from these areas appear as part of extended international criminal network. For illegal migrations purpose, there are land and sea routes bypassing official boarder crossings.

Crime acts of organised crime are directed to illegal seeking of goods and later they try to incorporate it to legal flows using adequate mechanisms. Money earned in this way predict crime acts and is brought to legal economy. Offshore companies are used to cover the origin of capital. In spite of numerous problems, some progress was realised in this area.

CONCLUSION

There is no reason to question a great economic benefits for all states who participate in project „The Silk Road”. That is a chance to widen cooperation in all areas, which is an interest for each country, including the sphere of security. The danger of organised crime act as endangering factors of security, is serious and constant, which clearly suggests, that there is a need to prepare and enable responsible public authority, especially police, to respond adequately to security challenges. It is necessary to work more in improvement of suppression strategy of organised crime with the accent to proactivity. Reactive approach, which in longer time, was dominant, recognised and undertook actions after doing a crime act, that is, in fore field of criminality. Crime expressing must be forseen and prevented in the earliest phase. Police activity should be visible and dynamic in the sense of gaining information of security importance by using contemporary methods of act-

ing. Only certain security ambience can attract direct investments in this part of Europe.

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Prevela
Jelena P. Đorđević