

# INVESTMENT IN KNOWLEDGE IS THE BEST INVESTMENT

Says Duško Marković,  
Prime Minister of Montenegro

**Mr. Prime Minister, what are the main features of your Government's political program?**

The Government was formed ten months ago in a situation when Montenegro emerged from a long election campaign and from parliamentary elections as well in which we had the most direct interference by one great force aimed to prevent the integration of Montenegro into the Western structures, primarily in NATO. In spite of the great pre-election tension, and even the attempted terrorism, for which the trial of some citizens of Montenegro and of some other countries is in progress, the elections were characterized by almost a record turnout of 73.3 percent, and according to the estimates from the reports of the OSCE/ODIHR and the Council of Europe Observation Mission, those were the best prepared and conducted elections in Montenegro.

Half a year earlier, wanting to give additional legitimacy to the upcoming elections, we even ceded to the opposition the most important government ministries and two vice-presidential positions. However, the gain on the political agenda was paid in the economic agenda. The consequence of such a government is that I found a state of extremely high public debt and a budget deficit. In my exposé, I stated the following three priorities on the economic plan: 1: strengthening macroeconomic stability; 2: the continuous development of quality infrastructure and the planned long-term valorization of natural resources, through the implementation of development projects, especially in sectors where Montenegro has comparative advantages: tourism, agriculture, energy and manufacturing; and 3: improving the competitiveness of the economy, which implies an immediate continuation and a successful epilogue of structural reforms, as well as the continuous improvement of the business environment. Today, ten months later, I can say with satisfaction that in all three economic priorities we succeeded beyond my expectations,



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With Jens Stoltenberg – Secretary General of the NATO

which were not small. We are among the top five countries with the highest economic growth in Europe. With 5.1% in the second quarter, there are only four European countries ahead of us. During the mandate of this Government we advanced for five places on the Doing Business World Bank list. The International Monetary Fund, which was skeptical when I became the Prime Minister of this Government, estimated last month in its Report that the economy is well-managed by the Government. And finally, a week ago, one of the three leading global rating agencies improved our B1 negative to B1 stable rating. We have launched significant infrastructure projects – the first highway in Montenegro is being built – the biggest infrastructure project in my country's history, a modern road that will connect the more developed South with the North of Montenegro rich in resources, through probably one of the most difficult terrains for construction in Europe and will further connect us with a network of highways in the neighborhood. The construction of an undersea energy cable, which will connect the Balkans and Italy, or the European electricity network, through Montenegro is far ahead. Several large tourist complexes are being built, among which Portonovi – the biggest tourist project under construction in the Mediterranean. Renowned investors from

leading Western countries and from other parts of the world are interested in investing in our tourism. This interest is particularly visible since we became a full member of NATO at the beginning of June, which investors recognize as a confirmation of security. Net inflow of foreign direct investments in the period January–June 2017 amounted to € 220.0 million, which is an increase of 41.7% compared to the same period last year.

On the foreign policy plan, we entered NATO, and we are the leading country in the process of integration into the European Union, and we expect soon to be the next member. Montenegro is the only country in the region which has continuously – in the past period which is a synonym of insecurity – had good and quality relations with all its neighbors. And the only one whose internal organization is civil, multi-ethnic and multi-confessional, and not national as it is in our environment. We are particularly proud of this characteristic, of this achievement that Montenegrin society has inherited, and we keep it essential. All these are only some of the reasons why two months ago the biggest political gathering in this region was held in Montenegro, attended by the US Vice President Mike Pence who acknowledged that Montenegro plays a leading role in defending the stability of the Western Balkans. We are glad

to receive such flattering comments, and we are convinced that they are not given groundlessly or without consideration.

Therefore, macroeconomic stability, infrastructure development and development projects, maintaining the leading position in integration into Western structures, good neighborly relations are the key to my political agenda. Of course, we should not forget the internal reforms that should enable us to reach the Western standards even faster, that is, to try to make up for the long-term backlogs of this region. In this regard, we have launched the most comprehensive reforms ever undertaken in this country in the field of education and space management, and similar steps are planned in other areas.

However, the conclusion I can draw is that the most important result of such a political agenda of my government is that we have managed to bring some new optimism to Montenegro. We work hard and we work a lot, but when we see very respectable results then everything gets easier.

#### How does Montenegro overcome its own past?

The Balkans is a region where every visitor immediately gets stuffed with historical myths. Churchill once said that the Balkans produces more history than they can consume. We try to make sure that our history, which we are proud of, does not block us. We are oriented towards the future – towards investments, towards raising citizens' standards, towards achieving Western values, towards positioning Montenegro to the place where it belongs as an old European country. And by that we are specific in the region. I mentioned that we are the country of a multi-ethnic and multi-confessional harmony, but also the only state in the region, which in the nineties of the last century did not have war on its territory. This shows that we even then realized that we should not obey the myths but turn to the future. In 2006, we conducted a referendum in accordance with the highest world



With Mike Pence – Vice President of the United States.



With Theresa May – Prime Minister of the United Kingdom

standards and we are the only post-Yugoslav state that became independent by force of the pen, not the rifle. Although we only restored our independence since Montenegro was recognized by the world powers as an independent state in 1878. Perhaps one of the explanations of our attitude and focus on specific goals lies in the fact that in former Yugoslavia we were the least developed republic. All others were richer than us. And today we are the leaders, as it can be seen not only in the economic growth and integration process, but also in other parameters.

We have long since decided to take the future and progress of the society into our own hands, we have outlined the key priorities on the internal and foreign policy plan: membership in the European Union and NATO. Domestically, it is a strong economic growth based on the principles of market economy and the improvement of the living standard of every individual and every family. These were the goals and priorities of all our governments in the previous decade, including this one. And we made no compromise in this regard. The fact that we walked straight along the way we planned, without flirting with populist themes, proved to be an excellent choice. And a good recipe recognized and acknowledged outside of Montenegro.

**What is the greatest challenge for Montenegro at this moment and how do you face such a challenge?**

For years Montenegro has been entirely sharing the western system of values. As a member of NATO and the leading country in EU integration, we share all challenges of developed Western Europe. We are equally preoccupied with global challenges – climate change, safety challenges, immigration waves from the Middle East and African countries, the rise of populist politics, etc. We face these challenges as part of the family we belong to. When we talk about Montenegro specificities – about the greatest challenges faced not only by my country, but also by the entire region, I see an economic discrepancy between us and the average of the European Union, particularly highly developed countries of the European continent, and secondly, a lack of knowledge to overcome this discrepancy. These are not only challenges of the Western Balkans. For years, we have been witnesses to emigrations of experts, the so-called brain drain from the countries of East Europe to western member countries. Nobody has provided an answer to this yet. But these challenges are even more prominent in the Balkans. Today, the standard of living in our region is at the level of 33% of the EU average, in gross domestic product per capita. This level is a little higher in Montenegro – 42%, but it is still lower than half of the EU average.

As far as achieving of the economic level of Europe is concerned, I have already talked about what we do and how we try to compensate the centuries' holdup. As far as knowledge is concerned, having in mind the significance and role of science, research and education, Montenegro has initiated a proposal for founding the International Institute for development of sustainable technologies with the mission "Science for Peace". I believe that our cooperation in these areas, particularly in recognising talented young people, and then encouraging their education in cooperation with the world's leading science centres we help in the best possible manner to overcome the challenges and create a new outlook for our future generations. Having this goal in mind, last summer I visited CERN and our initiative got support from one of the most prestigious science institutions in the world. We find that investment in knowledge is the best investment.

**As the 29th member of NATO, what future do you see in NATO and other multilateral institutions?**

NATO membership is a roundup of our first foreign policy priority. Hence, the decision on the membership is not the result of a current or hasty attitude, nor is it our daily-political option. We marked it as a strategic choice over ten years ago when we said that we want the renewal of independence so that we integrate into western structures faster and also to achieve all western standards faster. Montenegro is ready to fulfil all undertaken obligations in numerous multilateral organisations where it acts as a responsible member. Our attitude is that NATO is the best framework for a country's security and stability, as well as e.g. the European Council is an optimum framework for protection and promotion of human rights, the rule of law and democracy. In the same manner we strive to take advantage of memberships in other multilateral institutions.

As a small country, Montenegro gives a special significance to multilateral organisations and initiatives, because we are aware that as a small country we have to be focused on using every resource and opportunity as efficiently as possible. The multilateral dimension of cooperation is the best opportunity for small countries to participate in solving global challenges to the extent possible.

**Given that technology is changing global economy and the way people get interconnected, do you believe that the concepts of citizenship and national identity will change as well?**

When it comes to the concept of national state and citizenship, our certain membership in the European Union requires policy compatibility. Nevertheless, in such a present and future environment we recognize the concept of the so-called economic citizenship as a chance to improve our economy. Our legislation stipulates that the citizenship of Montenegro can exceptionally be acquired by a person of special importance for the national, scientific, economic, cultural, sports and other interests of Montenegro.

We are carefully studying the concepts of various countries, some of which are members of the European Union that have such solutions. Afterwards, we will define the criteria and methodology to enable the person to invest capital, or to donate funds to Montenegro through a special investment program and thus acquire Montenegrin citizenship. Montenegro has already been recognized as a prestigious investment destination. We think that in this way we will make it easier for investors to stay and attract additional funds.

**How do you see the economy of your country in 30 years' time?**

It is impossible to give such predictions at this time of rapid technology development and intensive changes at global level. This is particularly impossible in the era of acceleration of the creation of new technologies with the distance between technological generations of a product becoming shorter and shorter. Remember that less than 30 years ago the world was divided into two opposing blocs – the Eastern and the Western Bloc – and that at present some of the valuable technologies, activities and companies did not exist. Yet I can say with great certainty what Montenegro will surely look like in 10 years' time. It will be one of the most prestigious tourist, investment and business destinations in Europe, a society with far higher population standards than it is today and certainly a country of peace and stability that will essentially, and not only geographically belong to the group of the most developed countries.

On what grounds do I create this kind of conviction? On the fact that in the years immediately following the restoration of independence, that is after 2006, Montenegro experienced a record GDP growth in Europe and one of the highest in the world. The global crisis has interrupted this progress, but, as I explained at the beginning, a new takeoff phase started this year. Fifty years ago, the biggest stars of the world's jet set



were coming to Montenegro on vacation – Richard Burton, Sophia Loren, Gina Lollobrigida... They were greeted by the former Yugoslav President Tito, who had a summer residence here which is preserved in its original ambience today. We are restoring the old glory to Montenegro and we are enriching it with new contents. Over the past ten years of independence, we have created a recognized and prestigious destination from the former country of typical socialist resorts. Now that we have completed major state projects – the restoration of independence and NATO membership, when it is certain that Montenegro will be the next member of the EU – we shall turn to the development and internal reforms that will launch us into the world elite. Montenegro is the country in this region with the biggest changes occurred over the past decades. We shall continue at the same pace.

**Are you optimistic that the world our children will inherit will be better than today's?**

I believe so. And I am trying to work with that goal in mind within the framework available to a Prime Minister of a small but successful state. I consider our ability to timely recognize the greatest global challenges and our readiness to respond to such challenges of key importance. On the other hand, the pace and intensity of change indicate that we shall be more efficient in recognizing and addressing challenges. If we manage to preserve nature – we will succeed.

**When you do not work on state management how do you relax?**

Unfortunately, I cannot answer this question because I simply have no free time. The price of success I mentioned at the beginning of this conversation means an inconceivable intensity of work. In such situations, naturally we first sacrifice free time, hobbies, socializing with friends. Yet I believe that we surely lead Montenegro to a situation where the system functions in an optimal way, much more similar to regulated developed societies. In such a system in which the Prime Minister would have little time for himself, I would be happy to turn to those aspects of relaxation I remember from my youth. I come from the north of Montenegro, from the area of a woody national park and the deepest canyon in the world after the Grand Canyon of Colorado. I'm passionate about fishing and I have equipment for a long stay in nature. My choice for relaxation in such case is my country, my environment from childhood and youth, my river from which one can drink water. So, I choose to return to untouched nature. Obviously with no internet and no mobile phone.

**What's the last book you read?**

"The Buried Mirror", glittering reflections on Spain and America by Carlos Fuentes. This book, which deals with Spain from historical, religious and philosophical aspects, helped me to expand my knowledge and understand some of the current events in this country in a better way...