

New dynamics in the Balkans towards EU: the management of the biggest vineyard in Montenegro

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1. Introduction

“The future of the Balkans in the European Union”, this statement is taken from the Declaration of Thessaloniki (2003), following a meeting between the European Union and the countries of the Balkans. After ten years, these countries, except Croatia and Slovenia, are still waiting to join the Union, making use of only partial initiatives and the need to respect the criteria imposed by the EU (Anastasakis, 2005). This region is, therefore, undergoing a period of transition, in which the candidate states need to reach the conditions for admission from a political point of view by forming institutions that guarantee democracy, as well as creating a free market economy able to compete within the Union (Cviic, 1993; Calabrò, 1993; Mazower, 2000).

In order to realize the integration process with the EU, Balkans are attempting the reorganization of every economic sector, particularly the agricultural sector¹ that it remains fundamental because has a significant impact on national GDP, higher than the average of other EU countries (Prévélakis, 1997). This sector, although has been very important through the times, has had to subject to communist regimes, collectivization and wars which have led to population exodus. Nowadays, the agriculture still maintains the major role: «Balkan Countries have made a remarkable progress in agriculture and rural development, yet the region still faces major challenges in improving economic performance, governance, and quality of life» (Ilik, Djordjevic Milosevic, 2012, p. 1).

In this scenery, some Balkan countries are realizing significant experiences in the implement and the re-modulation of agricultural

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¹ If in the European Union the primary sector counts for 1.8% of the Gross Domestic Product and less than 6% of people employed, the situation in the Balkans shows a different situation: in Albania, the primary sector counts for 18.5% of the GDP and 57% of people employed; in Bosnia Herzegovina, 9.1% and 20.6%; in Croatia, 6.4% and 13.2%; in Macedonia, 10.8% and 18.2%; in Montenegro, 7.5% and 28%; in Serbia, 12% and 21.4%; in Romania 10% and 29%, in Bulgaria 10% and 12%, in Greece 7% and 12%, in Slovenia 4% and 7%, in Kosovo 20% and 50%, in Moldavia 20% and 50%. See for these data www.balcanicaucaso.org/arec.

activities, overcoming historical conditionings. A particularly interesting case is represented by Montenegro.

2. *Montenegro between marginalization and inversion of tendency*

Montenegro, a state formed after the dissolution of the former Yugoslavia in 2006, has a ruling class with clear objectives: to follow the constitutional rule of becoming an ecological state² and to strengthen its geo-political role as a *trait d'union* between the Mediterranean and the other bordering states³ (Fig. 1).

Both these objectives have a precise aim: to overcome a historical marginalization. Montenegro, as part of the Ottoman Empire, had only a marginal position given its prevalently mountainous geography and for its extreme socio-economic backwardness, as represented by its territorial configuration made up of many small villages. Its many nationalistic ambitions throughout the 19th century has not made any difference in what is a rural territory par excellence, characterized by forests, pasture land and a particularly fertile wide central depression.

Montenegro was, in effect, «a clan society which from the end of the XVIII century onwards had gradually acquired the characteristics of a state» (Franzineti, 2001 p. 22), founded on two principal economic activities – transhumance and agriculture – which were still carried out using feudal methods.

In such backwardness, the only change has been made by the political agenda of Tito. The decision to opt for non-alignment, distancing himself from the Soviet Union and Stalinist methods, allowed Tito to liberalize the economy. But what were the changes that he made to the territory of Montenegro?

Tito's policies favored small agricultural farms, strengthening a few large ones and privileging a few urban centers with agro-industrial functions: «What had been collectivized was converted into self-managed enterprise and what had not been collectivized was remained with small private farmers, in total 67% of the agricultural area» (Jordan, 2009, p. 92). This choice favored the fragmentation of agricultural companies which in only 5% of cases had 10 or more hectares of land available, making use of about 41% of agricultural land surface (Volk, 2010).

This choice gave stability to Tito's regime, though it eventually became a limit due to their low productivity. Over time, the population began to leave the countryside, attracted by tourist activities on the coast. In the last two decades, this situation has been accentuated, firstly because of the political crisis and then as a result of the effects of tourism (Sisevic, 2005; Mugoša, Spasić, Dimitrovska Andrews, 2008).

² The objective of being ecological state is stated in the Montenegro Constitution.

³ About Montenegro see Prévélakis (1997); Castellan (1999); Franzineti (2001).



Fig. 1 - The territorial configuration of Montenegro, a state formed after the dissolution of the former Yugoslavia in 2006.

Source: www.lonelyplanet.com/maps/europe/montenegro.

Podgorica, the current capital of Montenegro since 2006, undergoes a continual concentration of population (Dogo, Pitassio, 2009). It has, however, also another characteristic: it was composed of an urban centre and 57 rural areas. Of these last, only Golubovci and Tuzi have a certain degree of autonomy while the others are exclusively rural suburbs of the city. From the demographic point of view, since 1948, there is a large increase in the urban centre and an evident decrease in the rural areas (Mugoša, Spasić, Dimitrovska Andrews, 2008). The situation of Podgorica and its hinterlands is the best example of what happened in Montenegro. This led to a crisis in agriculture, which, still today, continues to represent 7.4% of the GDP, following the structure of the preceding decades. Indeed, small family “farms” predominate and there are only very few large agricultural companies.

For this situation, the 2008 Spatial Plan of the Ministry of Economic Development of Montenegro (Mugoša, Spasić, Dimitrovska Andrews, 2008) specifies the need for an inversion of tendency in favor of the rural areas by changing the production and sale processes, and reorganizing services and activities⁴. The rural areas of Podgorica are explicitly taken into consideration because of their excellent quality. The Spatial Plan suggests going beyond extensive fragmentation and promoting competitive

⁴ For new trends in agricultural development see Van der Ploeg *et al.* (2000); Van der Ploeg (2006); Woods (2005). For new trends in Balkans see Sanopoulos, Duic (2007); Tsenkova (2007); Rodriguez (2011).

processes. It indicates that examples of good practice, like wine production, have to be strengthened.

3. *Plantaže as an example of good practice*

In the ancient world and in the medieval period, vineyards were an integral part of the Montenegrin landscape (Castellan, 1999). However, following Turkish occupation, many Croats decided to leave their lands and vineyards were abandoned. Only in the second half of the XIX century the Montenegro State reorganized the vineyards. The dry and sunny Montenegrin climate is ideally suited to the cultivation of the “Vranac variety” of black grape⁵. However, given the agricultural situation previously discussed, the vineyards have been subject to an extensive fragmentation, which leads to production remaining local.

As previously mentioned, there are only three major wine producing companies, the most important of which is the Plantaže/Agrokombinat 13jul, which, with its 2,000 hectares of vineyards of the vranac grape variety, cultivates about 55% of the land dedicated to vineyard cultivation. Then, cultivates the biggest vineyard in Europe, which is to be mostly found in the rural areas of Podgorica (Fig. 2). It is a large karst area apparently desert-like, but which in reality is rich in underground waters. It was established in the 1960s as a state company, but has recently transformed into a shareholder company in which members of the Chamber of Commerce of Podgorica take part⁶. If fragmentation was partially solved already constituting state company, in recent years other important changes have been implemented, making the Plantaže competitive. We must also add, however, that many small surrounding vineyards have gradually been added.

The positive trend, made by this company, is not in the quantity⁷ of its production and the profits generated but in the new strategies which it is applying in the management of the vineyards. First of all, it applies the constitutional requirement to respect the environment, being in 1996 the first Montenegrin company to apply the international ISO 9000 standards. The Plantaže aims to apply these standards, starting with the composting processes, obtaining as a result numerous certifications regarding quality and environmental management. It uses the waste produced by vineyard production to generate energy.

⁵ Wines successfully cultivated and produced include the red wines, *cabernet-sauvignon*, *grenache*, *merlot* and *kratosija* and the whites, *chardonnay*, *krstac* e *sauvignon blanc*. The two principle varieties are the *vranac* and *krstac*, vranac coming from a black berry which produces a full-bodied wine, while the *krstac* is from a white berry which produces a more delicate type of wine.

⁶ This study is part of a research project started in 2011 by ARSIAM Molise (Regional Agency of Agricultural Research of Italian region Molise) as part of a cross-border programme of cooperation between Molise and Montenegro of which the author is coordinator. She, in trips to Montenegro, has had contact with the Chamber of Commerce of Podgorica.

⁷ The production is particularly notable, given that in 2010 eleven million vine bottles were produced, making it the biggest wine producing company in Montenegro.



Fig. 2 - The Plantaže company in publicity campaigns.

Source: <http://plantaže.com/>.

Secondly, the Plantaže company is also experimenting a large tourist organization connected to the wine road, whereby they are creating routes that allow visits to the vineyards and tasting sessions in wine shops. Tourists will be guided along the wine roads, first of all visiting the impressive expanse of the vineyards, then having a chance to see the production methods. The visitors are guided in small groups through selected wine cellars, where they can see the large wine vats and the equipment used in its making. They can then taste the wine and cognac in refreshment areas or buy them in the shops. The most ambitious project is the creation of tourist wine villages. These recent activities are the first results of management's competitive. Such transformation represents a new prospect for these rural areas because the new tourist routes create employment opportunities and stop emigration towards the town centre. The next aim is to create tourist food and wine routes which will promote the movement of tourists towards the internal areas and not only to the coastal areas.

The Plantaže experience has therefore been a positive one from many points of view: it shows how a state company can function in economically competitive terms and offers employment opportunities for those who live in the rural areas of the hinterland of Podgorica. Thus, the scale of the vineyards and the production and sale processes associated with them make of the Plantaže an excellent example of multi-functional transformation of agricultural activity. On the basis of this experience, Montenegro is now thinking of developing its milk and cheese industry, in an attempt to bring together a number of small scale dairy farmers to begin production according to EU criteria.

It should also be noted that the Plantaže has strong commercial relations with a number of European countries and has created partnerships in order to improve wine production, by acquiring techniques and methods from Italy, for example. The partnership is the third innovative aspect used by the Plantaže. Indeed, it is of reciprocal value to all the parties concerned, given

that it offers the possibility of knowledge of new and innovative methods aimed at improving the quality of the vines and the distribution of the products. Thus, the Plantaže has entered in competition with those states where wine production is well-established as in Italy and France.

4. *Conclusion: a model for the Balkans*

Wine is a means of social cohesion and is an expression of the ancient traditions of the people of the Balkans. The Plantaže company represents a basic model for the other countries of Balkans, which present the same limitations: fragmented cultivation and inconsistency in wine quality (Monastiriotis, Petrakos, 2009). In addition, the strong link which the vine creates between man and territory seems indispensable for an area like the Western Balkans which has for a long time been subject to devastation; it is therefore an important factor from a human point of view. From the economic point of view, however, the wine tourism sector offers opportunities for the development for other kinds of agricultural and artisan production as well as a re-evaluation of the minor architectural heritage of the area.

Since 2012, these countries have begun to organize the Balkan Wine Expo, a trade fair dedicated to wine and aimed at the professional market. An important feature of the Expo is the presence of traditional wine-producing countries like Italy and France. It is a good starting point to follow example of Plantaže, as long as two basic factors become fundamental: competitiveness and partnerships.

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Nuove dinamiche nei Balcani verso l'UE: la gestione del più grande vigneto in Montenegro

Il contributo documenta i risultati preliminari di una ricerca ancora in corso sul Montenegro, che, superando una storica marginalità, sta riorganizzando gli spazi rurali in vista dell'ammissione all'UE. Tramite una lettura diacronica, si dà risalto ai cambiamenti che il Montenegro sta attuando, utilizzando una metodologia integrata, cioè discussione della letteratura più aggiornata e analisi di informazioni raccolte *in situ*. In particolare si esamina l'hinterland della capitale Podgorica, dove si è avuta una forte concentrazione di popolazione e servizi a discapito delle località rurali che formano il suo territorio comunale. Proprio qui, però, esperienza significativa è la gestione dell'azienda viti-vinicola Plantaže. Le dimensioni economiche, i suoi processi di vendita e di produzione rendono la Plantaže un buon esempio di rimodulazione multi-funzionale delle attività agricole, mentre la costruzione della strada del vino promuove le aree rurali marginali. L'esperienza della Plantaže è un'opportunità per l'hinterland di Podgorica, ma rappresenta anche un modello da disseminare, principalmente per il rinnovamento della tradizione enologica dei Balcani.

Nouvelles dynamiques dans les Balkans vers l'UE: la gestion du plus grand vignoble en Monténégro

La contribution présente les résultats préliminaires d'une étude en cours sur le Monténégro, qui, surmontant une marginalité historique, réorganise les zones rurales en vue de l'adhésion à l'UE. Grâce à une lecture diachronique, il met l'accent sur les changements que le Monténégro met en œuvre, en utilisant une méthodologie intégrée, c'est à dire, la discussion de la littérature la plus récente et l'analyse des informations recueillies *in situ*. En particulier, il examine l'hinterland de la capitale Podgorica, où il y avait une forte concentration de la population et des services au détriment des zones rurales qui forment sa zone municipale. Ici, cependant, l'expérience significative est la gestion de la Plantaže entreprise vinicole. La taille économiques, de ses processus de vente et de production font Plantaže un bon exemple de remodelage multifonctionnelle des activités agricoles, tandis que la construction de la route du vin favorise les zones rurales marginales. L'expérience de Plantaže est une occasion pour l'hinterland de Podgorica, mais représente également un modèle de diffusion, principalement pour le renouvellement de la tradition viticole des Balkans.