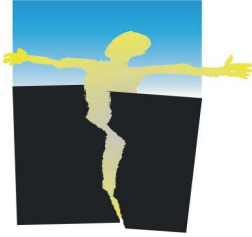


# HELSINKI Bulletin



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## PRO-EUROPEAN BLOC CAUGHT IN THE MIDDLE

In a way, the global economic crisis sobered up the entire world – and Serbia to some extent. First of all, it laid bare the country's dramatic economic situation. Serbia is still wasting its modest transitional potential on the delusion that its aspirations towards Bosnia-Herzegovina are viable. Against the backdrop of global turmoil and reshuffle Serbia can count on the support from EU and US only -- and the more so since it has established strong economic ties with the former. Besides, EU channels Serbia towards reforms meant to strengthen its economy in the long run and turn it competitive at the world market. The ruling coalition realized all this at long last – in those circumstances it has been leaning towards EU though faced with strong obstruction from the conservative bloc. And, the pace of EU integrations depends on the pace of domestic reforms.

The ruling, pro-European coalition and President Tadic himself are caught in the middle: between US' renewed interest in the region and the country's existential need to join European integrations on the one hand, and its conservative opposition sparing no effort to block Serbia's European course and knotting it even tighter to Russia on the other. In brief, the global crisis builds on the domestic one and navigates President Tadic towards EU probably further than he had ever been politically ready to go. The question is how much he would be willing to and capable of implementing this pro-European course.

### **Echo of US Vice-President Biden's Visit**

US Vice-President Joe Biden's visit to the region this May left far-reaching consequences evident in ongoing dynamics in Bosnia-Herzegovina, Kosovo – and Serbia too. This primarily refers to Bosnia-Herzegovina: the key to the Balkans' stabilization.



High Representative Valentin Inzko was promised American support under the condition that he effectuates Bonn Powers in Bosnia. He started doing it shortly after Biden's visit. He proclaimed null and void the decisions by the Assembly of Republika Srpska /RS/ meant to trigger off revision of "the competences unconstitutionally transferred from entities to the level of Bosnia-Herzegovina through legal amendments and supplements, and withdrawal of the law passed on those grounds." Addressing the UN Security Council the High Representative messaged politicians in RS he would not tolerate their assaults against legitimacy of state institutions. And in a letter to RS highest officials he underpinned that the Constitution explicitly defined some compe-

tences they had claimed for themselves as sole authority of Bosnia-Herzegovina.



BORIS TADIC AND MILORAD DODIK

In Sarajevo, Serbian President Boris Tadic's sudden and unannounced visit to Banjaluka -- immediately after annulment of RS Assembly's decisions -- was perceived as a diplomatic incident, open attempt to discredit the Bosnian Presidency and violation of diplomatic and neighborly relations. As it seems, however, Tadic went there also to smooth over the tension in RS. Such a move can surely be attributed to the American administration's tougher policy that Tadic recognizes. Strong reactions from Serbian opposition and the media close to it, as well as Premier Dodik's claim that "no one can calm him down" testify of this thesis. The RS Premier's outburst of anger at the meeting of the Executive Committee of the Peace Implementation Council /PIC/ and his allegation that Deputy High Representative Raffi Gregorian "frames him up"<sup>1</sup> also testified that the American administration has become seriously concerned with Bosnia-Herzegovina. In addition, during its visit to Bosnia-Herzegovina the delegation composed of 11 American congressmen made no bones about US wish to see a new Bosnian constitution that would disable "Serbs from obstructing legislation." The 11-member delegation comes a month after Vice President Joe Biden visited the region to begin a new era of U.S. engagement in the Balkans.

<sup>1</sup> *Avaz*, July 1, 2009.

## Reactions in Serbia

Though at a rather small sample, the local elections in three Serbia's municipalities -- two in Belgrade /Vozdovac and Zemun/ and one in the provinces /Kosijerac/ -- in early June 2009 crystallized the conservative bloc's ambition to politically constitute itself more clearly. In the period to come, the bloc assembled around two most prominent parties -- Tomislav Nikolic's Serb Progressive Party /SNS/ and Vojislav Kostunica's Democratic Party of Serbia /DSS/ -- will be pressurizing, more transparently than before, the ruling coalition and Boris Tadic's Democratic Party /DS/ in the first place.

As a coalition they made in the aftermath of local elections in three municipalities, SNS and DSS are after early parliamentary elections. Their alliance rests on five principles: early elections, a referendum on NATO membership, a nationally and economically responsible government, consequent Kosovo policy and opposition to Vojvodina's bigger autonomy.<sup>2</sup>

Though authored by the Democratic Party of Serbia those five principles are, no doubt, close to the heart of Nikolic's progressists. After the fiasco he suffered in early parliamentary elections in May 2008 -- the elections he himself had called -- Kostunica now emerges as a leader of the opposition.<sup>3</sup> Actually, he has politically reincarnated intent to come to power once again. One can, therefore, conclude that the conservative circle of Serbian elite still holds Kostunica for its strongest candidate. Over the past months, Vojislav Kostunica has been growingly engaged in the opposition to Serbia's European course. Vojvodina's new statute, i.e. the issue of Serbia's territorial arrangement and decentralization, is a litmus test for such stance. DSS adopted a resolution saying, "The Democratic Party of Serbia strongly opposes all attempts meant to federalize Serbia's through misuse of autonomy of the province Vojvodina or to create preconditions for Vojvodina's secession."<sup>4</sup>

Kostunica also strongly opposes Serbia's membership of NATO. He calls for an urgent referendum on (non)acceptance of the Alliance. He overtly supports partition of Bosnia-Herzegovina and Kosovo.

<sup>2</sup> *Danas*, June 25, 2009.

<sup>3</sup> *Blic*, June 25, 2009.

<sup>4</sup> *Ibid.*



VOJISLAV KOSTUNICA (SECOND ON THE LEFT)

Speaking of Kosovo, DSS has re-activated itself in Serb enclaves. It openly stands in the way of cautious steps the Belgrade authorities have been making towards stabilization of Kosovo. In late June, staged rallies of Serb citizens in North Kosovo against EULEX were resumed (because of the establishment of customs authorities at border crossings with Serbia). According to available information<sup>5</sup>, DSS acts behind the scene, whereas Serbian Minister for Kosovo and Metohija Goran Bogdanovic and local officials of the Democratic Party distance themselves from those protests. DSS' latest return to Kosovo aims at dissuading the Serb population from casting a ballot in local elections called for November 15. Stones thrown at the automobiles taking Serbian ministers to Gracanica for the celebration of St. Vitus Day testify of such plan. The automobiles were stoned by members of the extreme rightist organization, the Belgrade-seated Serb National Movement 1389 (close to DSS)<sup>6</sup> and local Serb officials.<sup>7</sup>

Shortly after the celebration of St. Vitus Day the Office of President Boris Tadic came public for the first time about Kosovo Serbs' possible participation in local elections. The release states that the time is not ripe for Serbia to appeal to its compatriots to vote in the elections.<sup>8</sup> Shortly after that the Serbian cabinet used the same argument to express its opposition to Serbs' turnout in the elections. Whereas some

<sup>5</sup> The Helsinki Committee's interview with Kosovo Serbs on the terrain.

<sup>6</sup> *Politika*, June 28, 2009.

<sup>7</sup> Oliver Ivanovic, state secretary in the Ministry for Kosovo and Metohija, newscaster at B92, June 30, 2009.

<sup>8</sup> www.b92.net , July 1, 2009.

Serb representatives have expected the government to take such stance, others hold that casting a ballot could only benefit Kosovo Serbs – and some of most outstanding Kosovo Serbs share the latter view.<sup>9</sup>

### Anti-NATO Pressure

What worries Vojislav Kostunica and conservative bloc the most is military rapprochement between Serbia and the Western Alliance – the more so since “military cooperation is among most fruitful forms of cooperation between Serbia and US.” The release the Defense Ministry issued after the meeting between Vice-President Biden and Defense Minister Dragan Sutanovac in Belgrade quotes that “the Army of Serbia, in cooperation with US and its allies, can become a key factor of stability in the Balkans.”<sup>10</sup> Apart from the Defense Ministry's intensified cooperation with Western allies, Serbia has taken part in three international military missions and recently Belgrade has hosted the Third Conference of Heads of General Staff of Balkan States (Turkey, Albania, Bulgaria, Bosnia-Herzegovina, Montenegro, Rumania, Greece and Serbia).



ALEXANDER KONUZIN (FIRST ON THE LEFT)

Anti-NATO bloc obtains support from Russia. Russian Ambassador in Belgrade Alexander Konuzin goes so far as to say that there are opponents to the development of Russian-Serb relationship in the Serbian government. He refers to the officials who resolutely advocate the Euro-Atlantic option (Dinkic, Pajtic, Canak). Indirectly, he accuses them of standing in the way of Russian investors at Serbia's market. “Russian investors may lose confidence in domestic market given that products of the companies with Russian capital sell badly in Serbia,” he said.<sup>11</sup>

<sup>9</sup> Blic, June 25, 2009.

<sup>10</sup> *Odbrana*, June 1, 2009.

<sup>11</sup> www.B92..net , June 25, 2009.

Russia has been politically capitalizing on the fact that Serbia undergoes economic crisis. Serbia has asked Moscow's financial assistance -- and this request, according to Ambassador Konuzin, is "under consideration." Smaller portion of the one-billion-Euro assistance would be used to cover budget deficit (200 million), whereas the bigger one (400 million) would be spent on construction of a subway system and on infrastructural projects. The Russian offer is rather unusual when one takes into account that Russians have never poured money in anyone's budget, says Dusan Janjic.<sup>12</sup> The Russian Ambassador has also announced extension of the Agreement on Free Trade between Serbia and Russia, despite his recent warning that Serbia's accession to EU would put an end to the free trade agreement.<sup>13</sup> This was when *Vecernje Novosti* appraised that the US Vice-President Biden's main purpose in the Balkans was "to try to undermine Russia's serious engagement in the Balkans, particularly in Serbia."<sup>14</sup>

At the initiative of Mayor of Moscow Yuri Lushkov, Police Minister Ivica Dacic paid a visit to Moscow where he attended the Second Meeting of the Russian-Serbian Business Dialogue -- meant to renew the old business relations. "Russian economy is most interested in investment in Serbia," said the Director of the Moscow Bank on the occasion. The areas he underpinned were energetics, infrastructure and banking.

Russia has already been using the Serbian Oil Industry /NIS/ to blackmail Serbia's economy. Namely, financial controversies between the new owner and the state of Serbia over real market value of NIS have not been settled yet. Despite everything, Russia has obviously stepped deeply into Serbia's economy and tries to fortify its presence through latest initiatives. The same refers to Republika Srpska: a Russian partner has bought the Oil Refinery in Bosanski Brod. Businessmen such as Nenad Popovic and Branislav Grujic, implementing Rus-

sian interests in Serbia proper, have been playing major roles in those transactions.

It was reliance on Russia -- for which Vojislav Kostunica is a by far more reliable partner than Boris Tadic -- that made the opposition and the conservative bloc's renewed activism possible. By comparison with Kostunica, President Tadic seems to be too much of a "Westerner" -- and this is how Moscow sees other parties of the ruling coalition as well. In DS itself, Bojan Pajtic and Dragan Sutanovac openly advocate the European option. Their coalition partners from G17 Plus, League of Vojvodina Social Democrats (Nenad Canak), Social Democratic Party (Rasim Ljajic) and League of Vojvodina Hungarian (Istvan Pastor) side them.

In the months to come President Boris Tadic and Serbia's pro-European cabinet will be under strong pressure from the conservative bloc that gradually consolidates after local elections and with Russia's enormous support. The bloc will be playing on Serbia's economic and social difficulties that will, according to it, further radicalize this fall. The bloc's goal is dissolution of the incumbent coalition government and formation of a „big coalition" between Democratic Party (DS) on the one hand, and Serb Progressive Party (SNS) and Democratic Party of Serbia (DSS) on the other. This is why Europe-oriented politicians from the present coalition (Nenad Canak, Bojan Pajtic and Istvan Pastor) are constantly exposed to media lynch (in *Kurir* and *Pravda* in the first place).

For Serbia's steady orientation towards Euro-Atlantic integrations it is crucial that the present government remains in power. For this course the cabinet is getting support from some smaller parties, Liberal Democratic Party (LDP) in the first place, which can also play a major role in Serbia's movement towards Europe. The party is, therefore, permanently targeted by conservative circles and, as of lately, even by some "alternative" media. It is also important that Socialist Party of Serbia /SPS/ -- as a more modern populist option -- takes over the electorate of SNS and DSS: its indisputable administrative experience in politics could help DS in the process of transition.

<sup>12</sup> *Pravda*, June 27-28, 2009.

<sup>13</sup> [www.b92.net](http://www.b92.net), April 11, 2009.

<sup>14</sup> <http://www.novosti.rs/code/navigate.php?Id=11&status=jedna&vest=145803>