# FONDATION ROBERT

#### European Elections monitor

### The Progressive Party in office tipped to be the early election winner on 16th March in Serbia

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At the end of January the President of the Republic Tomislav Nikolic (Progressive Party, SNS) announced that early elections would take place on 16th March two years ahead of schedule. This comes in response to the Deputy Prime Minister responsible for Defence, Security and the Fight to counter Corruption and the leader of the Progressive Party, Aleksandar Vucic (SNS), who asked for a new election to "win a stronger majority so that vital economic reforms can be undertaken in the country."

"I propose we see what the people want. The time has come for us to give account to the electorate," said the Progressive Party leader. "We have done some good things. Our base is now strong but in the future we have to do better and with greater speed," he added. "We have a great deal of work ahead, painful reforms which will improve our citizens' lives," indicated the head of State Tomislav Nikolic.

The Progressive Party wants to strengthen its power by taking advantage of the support, which according to the polls, it enjoys amongst the Serbs. Its popularity notably lies in the launch on 21st January of Belgrade's accession to the European Union and by the spectacular arrests of several businessmen as part of the fight to counter corruption and organised crime.

After the last general election on 6th May 2012 the Socialist Party (SPS) negotiated its participation in government at the highest price. Its leader Ivica Dacic asked for and obtained the post of head of government, with Alexander Vucic having to content himself with the post of Deputy Prime Minister. The Progressive Party leader also indicated that Ivica Dacic had offered to replace him as head of government, which he refused to do, saying that he wanted to fulfil this role only if the people wanted it.

Aleksandar Vucic, who was unanimously re-elected as the head of his party during the congress on 25th and 26th January last by the 3804 delegates present, intends after the general election to put a government together with members of the Progressive Party only.

#### Two years of government with the Progressive Party-Socialist Party coalition

In office since the last general and presidential election on 6th May 2012 the Progressive Party has taken several measures to counter corruption and organised crime. Since the autumn of 2013 billionaire Miroslav Miskovic, believed to be the richest man in Serbia and ten of his associates have been on trial for abuse of power and tax fraud. These measures to counter corruption have helped the government maintain its popularity amongst the electorate affected by high unemployment rates and a particularly fragile economic situation.

The outgoing government also achieved the launch negotiations for Serbia to join the EU; these started on 21st January last. Ivica Dacic and Aleksandar Vucic hope that Belgrade will join the EU in 2018 or 2019. The opening of negotiations has raised Serb support to the entry of their country into the EU, which now totals 51% (January 2014 figure), ten points more in comparison with a year ago.

Under obligation on the part of Brussels Belgrade has started rapprochement with Kosovo, whose independence the Serb authorities have never recognised. On 13th April 2013 both States signed agreements on several points. Several issues still have to be settled including Serb employment in the Kosovar police force, the opening of the borders, customs administration and the properties of the Serb Orthodox Church in Kosovo. According to Seb Bytyci, Director of the Balkans Political Institute the early elections will affect the implementation of the agreements signed between Serbia and Kosovo.

Ivica Dacic has called the Serbs of Kosovo to take part

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in the next general elections. In 2012 35,000 Kosovo Serbs voted. Moreover Pristina will be organising its general elections in June.

On a domestic level Sasa Radulovic, who was appointed Economy Minister in September, resigned from office on 25th January. His programme included fiscal and banking reform, several employment bills and measures for the introduction of privatisations and defaults. Sasa Radulovic had wanted the introduction of four laws to restructure Serbia in December 2013 against which the unions, and also the Socialist Party and the Progressive Party protested. The minister did however indicate that the government had provided for a budget of 20 billion dinars (172.5 million €) to help people who lost their jobs because of the reforms. Mr Radulovic complained about the lack of government support going as far as blaming the failure of the labour reform, privatisations and defaults on the Progressive Party. He is under threat of prosecution for having caused the bankruptcies and the collapse of some businesses.

The government, which is forecasting growth of 2% this year decided to postpone economic reforms until the 2nd half of 2014. Belgrade is due to receive a further loan of 500 million € from the World Bank in April. The economic situation is extremely fragile. In spite of high prices and taxes the State's budget was lower this year than the forecasted 500 million €. The budgetary deficit has been over 7% for the fourth consecutive year and the debt is over 60% with foreign investments being three times lower than forecast (2 billion €). The average monthly salary is 400€ and unemployment is up to an official total of 20.1% (December 2013). As a result social discontent is rising. On 17th January last the ratings agency Fitch sanctioned Belgrade's hesitation to commit to vital structural reform and downgraded Serbia from BB+ to BB-.

Economic analyst Milan Culibrik believes that the government has not honoured its commitments to reduce the budgetary deficit nor to lighten bureaucracy. 740,000 people are employed in the public sector i.e. 10% of the population which is a high figure. For his part economist Ljubomir Madzar believes that any election and especially an early one is bad for the reform process; his colleague Sasa Djogovic agrees saying that the elections are necessarily going to delay reform. Although European Integration Minister Branko Ruzic (SPS) maintains that negotiations between Belgrade and Brussels will not be affected by the early election it will delay the formation of a team capable of taking integration forward (only the director – Tanja Miscevic has been appointed for the time being) likewise the approval of several bills in parliament.

"The situation is a bit confused because everyone supports the reforms and we cannot see what the obstacles might be to prevent them," declared Pedrag Simic a political analyst and former ambassador of Yugoslavia in France.

Finally it has been said that the election on 16th March will cost 1.14 billion dinars i.e slightly under 10 million  $\in$ .

The Socialist Party which has said it is against the early elections is standing in coalition with the Party of United Pensioners of Serbia (PUPS), led by Milan Krkobatic and United Serbia (US) led by Dragan Markovic. The coalition wants to defend the interests of Serb workers.

#### And the opposition?

The opposition is extremely divided. Led by Dragan Djilas since November 2012 the Democratic party (DS) has wanted to "bar the way to populism and the autocratic regime led by Aleksandar Vucic and the Progressive Party." The socialist leader maintains that the government has chosen to divert the population's attention by organising this election in a bid to hide the fact it cannot keep its promises.

The party has chosen to join forces with the New Party (Nova stranka), created in April 2013 by former Prime Minister (2003-2004) Zoran Zivkovic (former Member of the Democratic Party), the Democratic Union of Croats of Vojvodina (DSHV) and the United Trade Unions of Serbia, the Rich Serbia party as well as with several personalities who defend democracy and human rights like for example Aida Corovic, director of the NGO Urban-in from Novi Pazar. The list led by Dragan Djilas's party is called "With the Democratic Party-For a Democratic Serbia and has chosen the slogan "Democracy is back". "We are the only coalition to form a real opposition front and to provide an alternative force against Aleksandar Vucic's outgoing government," indicated the democratic leader.

Dragan Djilas is also the former mayor of Belgrade. In this capacity he might have to face trial since the Serb authorities have asked for an investigation into his activities. Re-elected mayor for a second term in May 2012 Dragan Djilas lost his majority as head of the town in November 2012 to the benefit of the Progressive Party. On the same day as the general elections the population of Belgrade is being called to renew their municipal representatives. Dragan Djilas is standing again for mayor. In this election the democrat is standing together with the New Party. The list he is leading will include many members from civil society. Zorana Mihajlovic will head the Progressive Party list in the local election. The party is standing in coalition with the Social Democratic Party, the Revival Movement (SPO) and New Serbia. Aleksandar Popovic will lead the Democratic Party list (DSS), Zeljko Ozegovic that of the Liberal Democratic Party (LDP), Suzana Grubjevic that of the United Regions of Serbia (URS) and Aleksandar Antic will lead the list that has united the Socialist Party, the Party of United Pensioners of Serbia (PUPS) and United Serbia (JS).

At the end of January 2014 the former President of the Republic (2004-2006 and 2006-2012) Boris Tadic left the Democratic Party to found his own party which he has called the New Democratic Party. It has chosen to join forces with "Together with Serbia" (ZZS) led by Dusan Petrovic and the League of Social Democrats of Vojvodina (LSV) led by Nenad Canak in the general elections. Negotiations between Boris Tadic and the Liberal Democratic Party (LDP) led by Cedomir Jovanovic came to nothing in the end.

Ousted from the Democratic Party in November 2012 Boris Tadic has been trying to win back the leadership of his party since then. In his opinion the general elections are but an electoral wager on the part of those in office who just want to strengthen their power to the detriment of the Serb population and of the country. Boris Tadic would like to modify the political system notably by bringing in a new bill concerning political parties and by amending the Constitution. "Arresting businessmen is no enough to develop the Serb economy," he declared, accusing the outgoing government of having led a witch hunt as it has persecuted people who worked with him when he was in power.

The Democratic Party (DSS) led by former Prime Minister (2004-2006 and 2006-2008) Vojislav Kostunica, has chosen to stand alone in this election. The eurosceptic Democratic Party accuses the Progressive Party of having "its hands tied by the EU" and deems this closeness to Brussels to be the cause of the political, economic and moral crisis experienced by Serbia. The Liberal Democratic Party (LDP) led by Cedomir Jovanovic has chosen to join forces with the Democratic Bosniak Union of Sandzak (BDSZ) and the Social Democratic Union (SDU) led by Zarko Korac.

Finally four Albanian speaking parties – the Democratic Albanian Party, the Democratic Party, the Democratic Union of the Valley of Presovo and the Movement for Democratic Progress decided on 2nd February to boycott the next elections in protest against the government's inability to respond to their requests. The Party for Democratic Action led by Riza Halimi, will therefore be the only Albanian speaking party to put candidates forward. Around 50,000 Albanian speakers live in the South of Serbia.

#### **The Serb Political System**

The National Assembly (*Narodna skupstina*), the only chamber in parliament comprises 250 members elected for four years by proportional representation within a single constituency. Serbs can vote in any of the polling stations set up across the country. Each candidate list has to find at least 10,000 citizens' signatures if they want to stand in the elections (3,000 for the parties representing national minorities: Roma, Hungarians, Croatians, Romanians, Bosnians, etc.). Every political party has to win at least 5% of the vote cast to be represented in the National Assembly except for the parties representing the national minorities. Finally every list must comprise at least 30% of women amongst its candidates

The parties represented in the present National Assembly are:

the parties in the coalition "Let's get Serbia moving"
 led by Tomislav Nikolic, President of the Republic, has
 73 seats. The Progressive Party (SNS) created in October 2008 by Tomislav Nikolic and Aleksandar Vucic, is
 the biggest party in this party alliance;

- the parties in the coalition "Choice for a Better Life"
led in 2012 by outgoing head of State Boris Tadic has
67 seats. The Democratic Party (DS) led by Drajan
Djilas is the biggest party in this alliance;

- the Socialist Party alliance (SPS), founded on 27th July 1990 by Slobodan Milosevic and led by outgoing Prime Minister Ivica Dacic, the Party of United Pensioners of Serbia (PUPS), led by Jovan Krkobabic, and United Serbia (JS), led by Dragan Markovic, with 44 seats;

- the Democratic Party of Serbia (DSS) of former Prime

Minister (2004-2006 and 2006-2008) Vojislav Kostunica has 21 seats;

- the Democratic Liberal Party (LDP), founded in 2005 after the scission of the Democratic Party and led by Cedomir Jovanovic, with 19 seats;

United Regions of Serbia (URS) led by Mladan Dinkic with 16 seats;
the Alliance of Vojvodina Hungarians (SVM) led by

Istvan Pasztor with 5 seats;

 the Democratic Action Party of Sandzak has 2 seats;
 "All together" (Sve Zajedno), a coalition that rallies the Bosniak Democratic Union, the Civil Hungarian Alliance, the Democratic Union of Croats, the Alliance of Vojvodina Hungarians and the Slovakian Party has one seat;

- the Albanian Coalition of the Presovo Valley has one seat.

#### Reminder of the general election results of 6th May 2012 in Serbia

Turnout : 57.77%

Politicial Parties	No. of votes won	% of votes won	No. of seats won
Let's get Serbia moving-Tomislav Nikolic	940 659	24.05	73
Choice for a better life-Boris Tadic	863 294	22.07	67
Socialist Party (SPS)- Party of United Pensioners (PUPS)- United Serbia (JS)	567 689	14.51	44
Democratic Party (DSS)	273 532	7	21
Liberal Democratic Party (LDP)	255 546	6.53	19
United Regions (URS)	215 666	5.51	16
Radical Party (SRS)	180 558	4.62	0
Others	442 373	11	10

Source : Serb Electoral Commission

According to the most recent poll by Faktor 43% of the Serb electorate is about to vote for the Progressive Party. The coalition rallying the Socialist Party, the United Pensioners' Party and United Serbia is due to win 13.1%, the Democratic Party 11.60%; the Democratic Serb Party 7%, the New Democratic Party 6.8% and the Liberal Democratic Party 5.2%.

Aleksandar Vucic's party indicated that it did not want to

discuss the formation of a possible government coalition before the election.

In December local elections were organised in three of the country's towns: Odzaci, Kostolac and Vozdovac. The Progressive Party made a landslide victory in each of these communities and the Democratic Party suffered severe losses. Abstention was very high however.

## Aleksander Vucic's Progressive Party almost achieves an absolute majority in the general elections in Serbia

As expected the Serb Progressive Party (SNS) of President of the Republic Tomislav Nikolic and led by Deputy Prime Minister responsible for Defence, Security and the fight to counter Corruption, Aleksander Vucic won a landslide victory in the early general elections on 16th March in Serbia taking 48.8% of the vote and 157 seats in the National Assembly (Narodna skupstina), the only chamber in Parliament i.e. almost an absolute majority, a first in the country's history.

Its government ally the Socialist Party (SPS) led by Prime Minister Ivica Dacic came second with 14% of the vote and 45 seats. The Democratic Party (DS) led by Dragan Djilas won 5.9% of the vote and 19 seats. It was followed by the New Democratic Party (NDS) led by former President of the Republic (2004-2006 and 2006-2012) Boris Tadic, who won 5.7% of the vote and 18 seats. Three parties representing the ethnic minorities of Serbia (Roma, Hungarians, Croatians, Bosniaks, etc.) also won seats.

The general elections of 16th March came two year's early after Aleksander Vucic asked for the organisation of a new election in order to "confirm public opinion's support for the reforms" He indicated that Prime Minister Ivica Dacic "had not done a bad job" but that "things now had to gather pace." Just over one voter in two went to ballot. Turnout totalled 53% i.e. -5.7 points in the general elections on 3rd May 2012.

#### General Election Results of 16th March 2014 in Serbia

#### Turnout: 53%

Politicial Parties	% of votes won	No of seats won
Progressive Party (SNS)	48.80	157
Socialist Party (SPS)	14	45
Democratic Party (DS)	5.90	19
New Democratic Party (NDS)	5.70	18
Parties representing the minorities	4.20	11

Serbia's leading political party, the Progressive Party has achieved its goal of spreading its influence in this election. "I want Serbia to continue its fight to counter corruption, for it to work towards growing its economy and for it to create jobs and to do what it needs in terms of painful structural reform," declared Aleksander Vucic. He announced the "adoption of 21 reforms between 15th April and 30th June before the summer break," and promised "a difficult time and a great deal of work but by the end of the year, we should be seeing the light at the end of the tunnel."

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Aleksander Vucic's popularity in a country that is suffering major economic weakness is based on several factors. Firstly the measures taken by the government over the last two years to counter corruption and organised crime. Several businessmen have been arrested over the last few months including Miroslav Miskovic on 12th December 2013 deemed to be the wealthiest man in Serbia, together with his son Marko and ten of his associates. They are accused of embezzling funds and tax evasion. Miroslav Miskovic was released on bail totalling 12 million  $\in$ . "Corruption is suffocating Serbia. Corruption is impeding our policy, our civil service and our judicial system – it is damaging for business and the economy," repeats Aleksander Vucic.

The latter can also be proud of having gained the launch of negotiations for Serbia's accession to the European Union. These started on 21st January last. The Progressive Party hopes to see the country integrate the EU 28 by 2018 at the latest. Forced by Brussels, Belgrade has also started to draw closer to Kosovo, a neighbouring country, whose independence the Serbian authorities still have not acknowledged. On 13th April 2013 the two States signed a normalisation agreement focusing on several points. "The omnipresence of Aleksander Vucic and also the weakness of the opposition explains why the Progressive Party is doing well in the polls in spite of the serious economic situation and the unemployment," indicates Zoran Stojiljkovic, a political analyst. "Thanks to his anti-corruption campaign he has a great deal of support from the working class. In a context of economic crisis and rising unemployment he has offered them a target for their anger," stresses Predrag Simic, a professor at the Faculty of Political Science at the University of Belgrade adding "it is a demagogic strategy but which has been successful and continues to be so."

Aged 44 Aleksander Vucic is a graduate from the Faculty of Law of the University of Belgrade. In 1993 he joined the Radical Party (SRS) a far right nationalist party led by Vojislav Seselj, who has been accused of crimes against humanity and war crimes by the ICTY in the Hague and is in prison there at present. Two years later he became the party's Secretary General. In 1998 he was appointed Information Minister in the national union government chaired by Marjanovic which comprised Slobodan Milosevic's Socialist Party (SPS), the Radical Party and the Yugoslavian Left Party (JUL). He was elected to parliament on 28th December 2003 and re-elected in January 2007. In 2008 he joined the Progressive Party, founded by Tomislav Nikolic after its split from the Radical Party. He then became deputy chairman and won the general elections on 6th May 2012. But after this election, whilst Tomislav Nikolic was made president, Aleksander Vucic was forced to give up the post of head of government to the leader of the Socialist Party Ivica Dacic, who negotiated his party's participation in government at a high price. The early elections on 16th March will in all likelihood mean that Vucic will be the next Prime Minister.

Aleksander Vucic declared that he regretted some of his past positions, notably his opposition to Belgrade's entry into the EU – which he now considers as the best means to guarantee Serbia's prosperity – and claims that it is everyone's right to change his mind. "I cannot hide that I have change and that I am proud of this transformation," he maintains. "Aleksander Vucic is a strong man and the Serbs like that. The situation is such that people are looking for authority," declares Marko Blagojevic, an analyst at the Center for Free Elections and Democracy (CeSID).

The future government will have the heavy task of bringing Serbia out of a economic crisis which it has suffered for many years. The average wage is 38,000 dinars (327€); unemployment totals 20.1%. The budgetary deficit is over 7%; debt is above 60% and foreign investments have been declining for the last 7 years. On 17th January last the ratings agency Fitch sanctioned Belgrade's procrastination at introducing vital structural reform and downgraded Serbia's rating from BB+ to BB-.

The International Monetary Fund has started a mission in the country to assess the government's finances in view of negotiations for the payment of a further loan to Belgrade. The previous loan totalling on 1 billion  $\in$  was frozen in February 2012 because of the government's inability to fulfil the conditions set by the IMF.



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According to Marko Blagojevic, the Progressive Party should form a coalition government with other parties. "To implement reform which will be painful for the population we shall need other parties by our side," indicated Bratislav Grubacic, a member of the Progressive Party's executive. Socialist Party leader Ivica Dacic has now already said that his party would oppose the reforms which target workers and the retired.

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