

## Serbia: turning the corner at last?

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»» After President Tadic's re-election to a second term of office in February, followed almost at once by Kosovo's declaration of independence and violent anti-Western protests in Belgrade, long-simmering tensions erupted within the governing coalition between Tadic's Democratic Party (DS) and Prime Minister Kostunica, leader of the more hardline nationalist Democratic Party of Serbia (DSS). The government collapsed in March and parliamentary elections were held in May. This was billed as a moment of 'historic choice' for Serbia, with a real prospect of government falling into the hands of the extremist Serbian Radical Party, still led (from his ICTY detention cell in The Hague) by the indicted war criminal Vojislav Seselj. The Radicals had risen steadily to become the most popular party in Serbia, only kept out of power by unstable and ineffectual coalitions of various parties that had been part of the fractious 'democratic opposition' that ousted Milosevic in October 2000.

Despite widespread deep resentment at the recognition of Kosovo by a majority of EU member states, the DS-led 'For a European Serbia' electoral bloc outstripped the Radicals by almost 10 percentage points, with over 38 per cent of the vote winning 102 seats to the Radicals' 78 seats. Voters seem to have heeded the message sent by the EU's decision, on 29 April, to sign the long-delayed Stabilisation and Association Agreement (SAA) with Serbia, despite the reservations of several member states due to Serbia's patchy record of compliance with the ICTY. A further boost to 'pro-European' forces was the conclusion of a huge investment deal with Fiat that promised a future to Serbia's moribund car industry and its sizeable workforce. Kosovo clearly tugs at the heartstrings of Serbs, but they were ruled by their heads when casting their votes.

### HIGHLIGHTS

- Despite the long-awaited formation of a 'pro-European' government in Serbia, hopes for an acceleration of EU integration have been disappointed.
- Implementation of the SAA remains stubbornly blocked by the problem of satisfying EU conditionality on ICTY cooperation.
- The Kosovo issue will remain a source of friction with the EU in future, despite Serbia's agreement to the deployment of the EULEX mission in Kosovo.
- Relations with nearly all Serbia's Balkans neighbours have deteriorated rather than improved.
- Against a gloomy economic outlook for 2009, Serbia will struggle to make up for lost time.

»»»»» However, the 'pro-European' bloc's 102 seats did not constitute a majority in Serbia's 250-seat assembly, and it took several more tense weeks of wrangling until in July a new DS-led coalition government was safely in place. Crucial was the decision of the electoral bloc led by the Serbian Socialist Party (SPS) – the late Milosevic's party – to abandon a proffered coalition with the Radicals and Kostunica's DSS, and to throw in its lot with Tadic's DS.

The DS then secured a decisive hold over the coalition by skilfully peeling away the Socialists' electoral allies, and by being able to rely on additional parliamentary support from ethnic minority parties and from the pro-European Liberal Democratic Party, which remains in opposition.

Just as significant was the outbreak of strife within the Radical Party, pitting the acting leader, the wily and politically astute Tomislav Nikolic (architect of the party's burgeoning electoral successes) against Seselj on fundamental strategic questions, notably, whether to vote for ratification of the SAA. The clash ended with Nikolic breaking away to form a new 'Serbian Progressive Party' (SNS) backing Serbia's European integration, albeit with a strong populist 'Eurosceptic' accent. He has taken with him 21 of the Radicals' deputies and captured about two-thirds of their former voters, according to recent polls. With 23 per cent support, by November the SNS was already the second most popular party after the DS (with 39 per cent). Meanwhile, the defeated Kostunica's DSS seems demoralised, with poll support now down to 8 per cent, and their 'moderate nationalist' image tarnished by their post-election flirtation with the Radicals and ever more strident anti-EU rhetoric on the Kosovo issue.

With the opposition in disarray, and the coalition government firmly under his thumb, President Tadic is now in a strong position to take Serbia forward. That means removing two major obstacles to Serbia's relationship with the

EU: proving that Serbia is now fully cooperating with the ICTY; and reaching a compromise with the EU over deployment of the EULEX mission in Kosovo.

### **BLOCKAGES REMAIN ON THE PATH TO THE EU**

The unexpected arrest of Radovan Karadzic, indicted for the Srebrenica genocide, was a very promising start, but is not yet enough to unblock the implementation of the SAA. The Netherlands government, which had only agreed to Serbia's SAA in April on condition that it should not go into effect until Serbia was 'fully cooperating' with the ICTY, still wants to see delivery of the last two fugitives, in particular, General Ratko Mladic. Given Serbia's frustrating record of unfulfilled promises, mere affirmations of earnest intent on the part of the new government will not do for the Netherlands. Frequent Serbian complaints that this condition is 'unfair' (because Croatia had got right up to accession negotiations before finally delivering all its indictees) may have some sympathy among certain EU member states, but they have only irritated others, above all the Netherlands. Thus the December 2008 European Council did not unblock SAA implementation.

The war crimes issue continues to dog Serbia's relations with its neighbours. Relations with Croatia, chilly at the best of times, suffered an icy blast in November, when the International Court of Justice (ICJ) decided to begin hearing Croatia's case against Serbia for genocide committed in the 1992-95 war. Serbia's response was to launch a counter-charge of genocide against Croatia, for its actions in 1995 against the rebel Serb enclaves that resulted in the mass flight of 200,000 members of the Serbian minority. As one Croatian Serb leader put it, 'waging war by means of the law' not only jeopardises the interests of his people, caught in the cross-fire, but also damages both countries' credibility as future EU members.

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### CAN 'HOLBROOKE'S CHOICE' BE DUCKED?

Richard Holbrooke, the Clinton administration's Balkans envoy, once told Serbia with brutal clarity, 'The choice facing you is: Europe or Kosovo? And if you choose Kosovo, you lose both'. But so far, both Serbia and the EU have agreed to duck this choice. The EU's overriding concern has been not to 'lose Serbia' in the political turmoil caused by the tortuous Kosovo status process. Thus the EU tactfully kept the two issues separate: Kosovo was a matter for the UN to deal with, while the EU's job was to

get Serbia securely onto the EU integration path. In the fraught 2008 electoral campaign, the EU's tact was vital to the success of Tadic and the 'pro-European' alliance.

### The EU's overriding concern is not to 'lose Serbia'

Yet leaving the Kosovo issue unresolved will sooner or later place intractable obstacles in the way of Serbia's ability to implement key elements of the SAA and the *acquis communautaire*. It is, moreover, inconceivable that EU member states will agree to Serbia's eventual accession without a workable and durable settlement, agreeable to all sides – including Kosovo. As Serbia's accession is still some years away, it seems premature to force the issue, in the hope that, in time, the benign logic of the EU integration process will work its magic on the political perceptions and priorities of the contending parties. That's the hope, at least.

It was only to be expected that in 2008 President Tadic and his new governing team would avoid at all costs confronting Serbia's voters with Holbrooke's stark choice. But it is worth asking not only *when*, but whether any Serbian leader will *ever* be ready to confront the issue. So far, there is absolutely no evidence of that on the part of President Tadic and his young protégée Foreign Minister Vuk Jeremic, who have Kosovo policy firmly in their hands.

It is striking that the basic tenets of their policy remain unchanged from the previous Kostunica government – namely, that Kosovo remains part of Serbia, and no Serbian government will ever recognise its independence. And they say clearly that, if forced to choose Kosovo or the EU, Kosovo would come first.

Their approach is different from Kostunica's, however, in actively engaging internationally instead of retreating into embittered self-isolation. They are assertively mobilising Serbia's diplomatic and legal resources to challenge Kosovo's emergence as an independent state, with the aim of forcing fresh negotiations that would reopen the status question. Yet at the same time they profess equal commitment to accelerating Serbia's integration into the EU. Thus President Tadic's promise to Serbia is that it can have *both* Kosovo *and* the EU. In other words, if there is a choice to be made, it is for the EU, not Serbia: if the EU sees Serbia's European integration as the lynchpin of its strategy for stabilising the Balkans, then the EU will have to find a way of accommodating Serbia's unshakeable position on Kosovo.

### SHORT TERM SUCCESSES, LONGER TERM QUESTION MARKS

So far, the new Serbian team seems confident this strategy will work. The first move came in September, when Serbia submitted a draft resolution to the UN General Assembly requesting the ICJ to give an advisory opinion on the compatibility of Kosovo's declaration of independence with international law. The supposed aim of this, as explained by Foreign Minister Jeremic, was to shift the Kosovo issue away from the centre of domestic politics and into an impartial international forum, thus 'burying' it for a few years. But another aim was clearly to inhibit further international recognitions of Kosovo. In the event, the resolution was adopted by the UN General Assembly on 8 October, which was duly proclaimed by Jeremic a 'great success' for Serbia. But it was achieved at the



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»»»»» price of deeply irritating the UK and several other EU member states that have recognised Kosovo, while also embarrassingly displaying the EU's disunity on the Kosovo issue: while most EU member states abstained from the vote, the five EU member states which have not recognised Kosovo voted in favour, thus securing the slender majority for the resolution.

The resolution failed to halt further international recognitions of Kosovo: subsequently several more states, including Montenegro and Macedonia, recognised Kosovo, and by December, it was recognised by a total of 52 states. Jeremic's intemperate outbursts against Serbia's two small neighbours, and the extraordinary decision to expel their Ambassadors from Belgrade, smacked of bullying and drew unfavourable comment from several EU member states. One might well ask how far Serbia has really helped itself in the longer term by turning to the ICJ. Whether the ICJ eventually answers 'yes' or 'no' to the question of the legality of Kosovo's independence, the verdict will have no binding force and will not reverse the recognitions Kosovo has already won. When the ICJ's ruling finally arrives, it will bring Kosovo firmly back onto Serbia's domestic political agenda; the issue will be no easier to tackle, and will again overshadow the next electoral campaign, which could well be looming by then. This time, will the EU be so ready to pull out all the stops to help Tadic and the DS to victory, as it did in 2008?

Meanwhile, the EU has been relieved to secure Serbia's cooperation in the deployment of its EULEX mission to Kosovo, even if that has been a tricky business. EULEX is the largest ESDP operation to date with up to 2,000 personnel mandated to 'mentor, monitor and advise' Kosovo institutions in policing, customs and the judiciary. Kosovo Serbs, taking their cue from the previous Kostunica government, rejected all cooperation with the mission, branding it as illegal and designed to entrench Kosovo's independence. The new Serbian government needed to prevent this becoming a

serious irritant in its relations with the EU. The EU for its part recognised that deployment of the mission throughout Kosovo – including in the militantly hostile Serb-controlled north – required Serbia's consent. Without that, Russia would continue to block UN Security Council approval, the Kosovo Serbs would resist – probably violently – the mission, and Kosovo would *de facto* become partitioned.

Compromise was reached on terms for deployment as set out by UN Secretary General Ban's '6-point plan', which was passed unanimously by the UNSC on 26 November. EULEX will be strictly 'status neutral', and operate under UNSCR 1244 (which has regulated the international supervision of Kosovo since 1999). The residual UN presence (the Special Representative and UNMIK) will primarily monitor minority issues and mediate between Pristina and Belgrade. Local police forces in Serb-minority areas will operate under international control, separate from the Kosovo Police Service chain of command. Customs posts and local courts in Serb-minority areas will also be under international control.

Although Ban's report affirms that Kosovo is to operate a 'coherent' system of the rule of law and a single customs area, the Kosovar Albanians (who claim to have been sidelined in the negotiations) remain deeply sceptical. They argue that the '6-point plan' is against their new Constitution (because it refers to UNSCR 1244), and fear it could lead to partition of their new state. Nevertheless they have welcomed EULEX deployment, albeit on the original terms set out by the Ahtisaari plan (which Serbia now sees as 'dead'). The mission, finally launched on 9 December, will have to navigate a sea of extremely treacherous cross-currents. It will have to work hard to keep the Kosovar Albanians on side, while scrupulously adhering to the '6-point plan' which the Kosovars have rejected. Even if EULEX now has Belgrade's backing, this is no guarantee that it will soon be able to deploy in the north, run by a clique of Kosovo Serb 'hard men' who are no friends

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of the current Belgrade leadership and will not hesitate to create constant problems both for EULEX, and for Serbia, fouling up its relations with the EU.

### PROSPECTS FOR 2009

Meanwhile, Serbia faces a difficult year economically in 2009 as it will be seriously affected by the global financial turmoil and recession in the West, but also in Russia, which Foreign Minister Jeremic (curiously echoing Kostunica and the Radicals) has recently taken to calling Serbia's 'most important bilateral partner'. The controversial privatisation deal with Russia of the Serbian oil industry NIS, whose finalisation has dragged out over the past year, has divided the government and parliamentary ratification of the package will be stormy. The government's legislative agenda seems to have got bogged down and is lagging behind schedule, due not only to parliamentary shenanigans on the part of the Radicals but also to the government's slow progress in preparing the promised laws. Divisions within the government also emerged when the 2009 budget had to be radically revised late in the year due to the worsening economic outlook. Wholly unrealistic promises to pensioners and others had to be withdrawn in order to secure IMF support. In general, the sense is growing that the government is running out of steam and is unable to deliver. Yet, as a careful reading of the European Commission's 2008 Progress Report on Serbia clearly shows, there is a huge amount to be done on the domestic reform front to make up for lost time over the past few years.

Thus, despite the long-awaited consolidation of a 'pro-European' government in Serbia, results so far have been disappointing. Although Enlargement Commissioner Olli Rehn continues to affirm that Serbia is poised to make up for lost ground, the prospects for Serbia achieving candidate status in the course of 2009 are now receding. Relations with key EU member states have soured over Kosovo and the ICTY.

Serbia's relations with nearly all of its Western Balkans neighbours, instead of improving under the new Belgrade leadership, have suffered further deterioration. The only winners seem to be President Tadic and his pugnacious young henchman Jeremic, who top Serbian popularity polls due largely to the symbolic 'victories' they claim to have won over the EU and the neighbours. Yet these victories may come to look Pyrrhic in 2009, when Serbia will have to confront long-deferred hard issues of domestic reform in an international climate that is much, much worse than expected.

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