## EU grants Serbia candidate status in run-up to federal election

Ognjen Markovic 10 March 2012

Following accession negotiations that began in 2005, Serbia was awarded official candidate status of the European Union at the European Council meeting on March 1. The decision is widely seen as calculated to boost the Serbian ruling party ahead of the coming general elections. This comes against a background of declining public support for EU membership and the existing pro-European president and leader of the ruling Democratic Party, Boris Tadic.

The deepening financial crisis and the impact of austerity measures throughout Europe the EU are exploding long-fostered illusions that membership of the European Union would bring prosperity and benefit Serbian citizens.

According to *Politika*, the government's European Integration Office recorded 51 percent support for EU membership in December 2011, down from 73 percent in late 2009. Thirty-three percent now actively oppose joining the EU, up from 12 percent in 2009. Nongovernment polls, such as that of the *NSPM* political magazine, report figures even less favourable to the EU: 46 percent in favor and 37 percent against membership. Three quarters of those questioned also opposed joining NATO.

The Democratic Party (DS)—in government since 2000—and President Tadic are also losing support, justly blamed falling living standards, for unemployment and the general lack of perspective for the majority of Serbian citizens. The DS is also under attack from the nationalist right for their stance on Kosovo, which is perceived as too soft. In an effort to balance between pro-Western (Europe and the US) and nationalist forces the DS selected the slogan: "Both Kosovo and the EU" for the 2008 elections. They are now trying to present the awarding of EU candidate status as fulfilment of that promise.

The latest polls, however, show that the DS is trailing slightly behind the biggest opposition party—the Serbian Progressive Party (SNS), whose leader Tomislav Nikolic is rated somewhat higher than Tadic.

Nikolic was a deputy leader of the ultra-nationalist farright Serb Radical Party (SRS). He took over leadership of the party when its founder and president Vojislav Seselj surrendered to the International Criminal Tribunal in The Hague in 2003 to face charges of alleged war crimes and crimes against humanity. Nikolic then sought to distance the SRS from its most flagrant past excesses and sought rapprochement with the EU. Seselj rejected this pro-European orientation and Nikolic led a group of MPs to break away and form the SNS in late 2008.

Since then, the SNS has combined populist demagoguery about tackling poverty, corruption and organized crime with appeals to nationalism concerning Serbian claims to Kosovo and Republika Srpska—the Serbian enclave inside Bosnia and Herzegovina—while at the same time claiming to be firmly oriented towards the EU. With the DS increasingly pandering to rightwing voters, the two largest parties—polls put them almost even at around 30 percent of support, respectively—not only have no principled differences, they increasingly resemble one another, even superficially. There are currently rumours of a possible post-election "grand coalition" between the two.

The West has supported the DS from the 1990s as an alternative to the regime of Slobodan Milosevic and his Socialist Party of Serbia (SPS), which emerged from the Stalinist League of Communists. During most of the decade ending in 2010, the SRS was the most vocal opposition to successive DS-led coalition governments, pandering to right-wing nationalists, and led by Nikolic.

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Considering this background, the EU is understandably wary of Nikolic and his populist appeals, and perhaps more importantly of the ability of SNS to implement EU austerity measures. With parliamentary elections due late April or early May, the EU is therefore shifting its support behind their proven local manager, Tadic.

To this end Tadic was awarded the Council of Europe (CoE) North-South prize on March 2. The reward is to be delivered later this month "in recognition of his political action for the reconciliation of the Balkans and the integration of his country in the process of European construction," according to the CoE. The EU made a similar move ahead of the 2008 elections, when it signed a Stabilization and Association Agreement with the Tadic government and granted visa exemptions for Serbia, thereby boosting the DS campaign.

The EU candidacy is a formality—it can take years for official negotiations even to start, and then a decade or more to be admitted as a full member. However, Tadic and the DS have claimed all the credit for the republic's acceptance as candidate and have organized a large, self-congratulatory celebration of the occasion, which they hail as a first and irrevocable step "on the way to Europe". Closing ranks against the working class of their respective states, and desperate to preserve crumbling illusions in the EU, the leaders of all the countries of the region hurried to congratulate Serbia.

However, the public is largely disillusioned with the political process and alienated from the major parties.

In a public opinion research by Faktor Plus, only 21 percent said they will vote, 27 percent will not and 42 percent were still undecided. Sixty percent think they will be worse off in 2012, and another 26 percent hope they can maintain their present standard of living. The biggest fears were of a fall in the living standard (73 percent) and cuts in wages and pensions (56 percent).

Last September the International Monetary Fund (IMF) agreed a "precautionary loan" of \$1.3 billion to Serbia. However, talks with the IMF failed in February. Serbia was not allowed to draw from these funds because its budget deficit and public debt for 2012 exceeded IMF demands. Fresh talks will reportedly take place in six months, with the new government in place.

Blic, (US\$19 billion), up from €8.7 billion at the start of the current government's mandate in 2008, which means the debt grew by €4.7 million every day. Balkan Insight reports that Serbia will need to borrow a staggering €4.5 billion this year to finance its deficit and debts. In international markets it is currently charged a very high 7.3 percent interest rate on its government bonds. Serbia's economy and financial sector are closely linked to Greece and Italy, making it particularly vulnerable to further deterioration of these economies.

Serbia's predicted economic growth for 2012 has been slashed from 1.5 percent to 0.5 percent, and the latter half of 2011 registered almost no growth at all. Serbia has had a substantial foreign trade deficit since at least 2000, according to the National Bank.

Unemployment is nearing 25 percent and the average wage for those in work was just €345 a month as of January 2012. The Italian carmaker Fiat has begun production of a new model in Serbia because wages in the country are one quarter of those paid in Italy.

Irrespective of the result of the upcoming election the next government will inherit a disastrous economic situation and will be committed to further wide-ranging attacks on the living standards of the working class.



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