Serbian presidential vote indicates growing disaffection from the EU

Ognjen Markovic, Stefan Steinberg 26 May 2012

The Serbian presidential run-off on May 20 resulted in an unexpected victory for Tomislav Nikolic of the Serbian Progressive Party (SNS). Most polls had predicted a win for Boris Tadic of the Democratic Party (DS), who has occupied the presidential post since 2004. In the event, Nikolic won 49.7 percent of the vote compared to 47 percent for Tadic.

Nikolic was a co-founder and long-standing leading member of the ultra-nationalist right-wing Serbian Radical Party (SRS) before breaking away in 2008 to form the SNS. Following the break he tempered his radical nationalism and professed his attachment to Serbian membership of the European Union.

The two men were contesting the presidency for the third time, following elections in 2004 and 2008. Nikolic is due to be officially inaugurated as president early in June, but when he takes up his post he could confront a government led by his main political rival. Following parliamentary elections earlier this month, Nikolic's SNS emerged as victor with the most seats in the legislature. Since then, however, the second-placed Democrats have agreed to form a coalition government with the Socialist Party—the successor organisation to the Stalinist League of Communists of Serbia led by Slobodan Milosevic.

Following the parliamentary elections, Western diplomats have made clear their own preference for a ruling coalition of the DS and SNS in order to impose a fresh wave of austerity measures dictated by the European Union and the International Monetary Fund.

The Serbian presidential vote reflects increasing disillusionment with all of the official parties and growing disaffection with the pro-European Union policies of both candidates.

Disillusionment with the current political set-up was reflected in the very low turnout for the election. Only 46 percent voted, compared to 68 percent in the second round of presidential elections in 2008. There were also an estimated 3 percent spoilt ballot papers, three times more than usual. This means only around 20 percent of eligible voters supported each of the candidates.

The low turnout also reflects growing disaffection with the EU. Serbian membership of the European Union is supported by both candidates, although Nikolic, conscious of the popular tide turning against the EU, deliberately downplayed the theme in his election campaign.

For his part, Tadic sought to appeal to the European elites by declaring that he was the only candidate who could bring Serbia into the EU. He also gave the goahead for the arrest and extradition of the Bosnian Serb Ratko Mladic to the European Criminal Court, where he will be charged for war crimes. The move is widely regarded by the Western press as a further concession by Tadic to secure EU candidate status for Serbia.

In addition to growing disenchantment with the EU, the vote for Nikolic in the presidential election is the product of widespread hostility to Tadic and the DS, which are widely blamed for the growing social crisis in the country. For the past decade, Tadic and the DS have played the leading role in enforcing pro-investor policies, the privatization of basic services and IMFapproved labor-market "reforms" in order to prepare the country for EU membership.

The criminal nature of the privatizations carried out by the DS were even noted by the European parliament, which has been willing on many occasions to turn a blind eye on corrupt political and business practices in the Balkans. In a recent analysis, the International Institute for Middle East and Balkan Studies stated: "The highest political circle in Serbia, symbolized by Boris Tadic, has shown that it functions like an organized criminal group... the EP [European Parliament] has demanded Serbian authorities carry out an investigation and review dubious privatization processes in 24 companies... [but] should Tadic's Democratic Party form the new government of Serbia again, the situation will be absurd since the revision of dubious privatizations will be carried out by the same government which carried out those privatizations."

Nikolic was able to use the semi-criminal record of the DS to strike a populist pose, denouncing "one-party capitalism," "tycoons", and "corruption". In the course of his election campaign he also made demagogic calls for living wages and decent incomes for pensioners. However, a glance at the Progressives' economic program makes clear that the party has absolutely no problem with capitalism and is just as dedicated to making the working class pay for the economic crisis as the DS.

The economy section of SNS program is titled "Attracting Investments—the Condition for Economic Growth". The SNS declares it will "respect the principles of market economy, including full cooperation with international economic-financial institutions." The program goes on to call for "structural reforms of the public sector, public companies, to raise efficiency." The program calls for "economic stability conditioned by balanced income and expenses" and the "strengthening of the competitiveness of the Serbian economy on the international market ... [and] lower labour costs."

In complete contrast to Nikolic's promise of pension relief, the SNS program complains that "the proportion of pensions in the GDP is high, over 13 percent, and it is necessary to lower that percentage to below 10 percent" (This is the official demand of the IMF.)

The press knows that whichever parties form the next government they will obey the dictates of the EU and IMF. *Balkan Insight* writes: "Once the post-election mood subsides, the new prime minister's cabinet—no matter who occupies the positions—will have to take measures that differ greatly from the promises heard during the election campaign." These measures include reducing the fiscal deficit from some 5.25 percent to 4.25 percent of GDP in 2012, and lowering the public debt below the "legal limit" of 45 percent of GDP.

This requires cuts—termed "savings"—in public sector wages, education and health. It also involves increasing

VAT—a measure backed by both the SNS and DS at an American Chamber of Commerce question session in April—plus increases to other taxes. Such policies would have a devastating effect on workers in a country where even the official unemployment is approaching 25 percent, the average monthly wage is around €400, and only one in six employers pays wages on time.

While there is little to choose between the economic programs of the SNS and DS, close attention will be paid to the foreign policy orientation of Serbia following Nikolic's victory. Following his defeat at the hands of Tadic in the presidential election four years ago, Nikolic declared, "For seven years, we have been under the influence of Western Europe. We have done all that was asked of us by the West. That was our mistake. But the EU also made a mistake. They should have given us full membership straight away. Now we have a situation where the Russian Federation is recovering very well, and the EU is depending on Russia for gas. I think Serbia should be the place where Russian and Western power is balanced."

As the current economic crisis in Europe deepens, influential figures such as the German delegate to the European Central Bank, Jörg Asmussen, have argued that plans for any imminent acceptance of Balkan nations to the EU should be dropped. Under conditions where EU membership is no longer an option there could be a rapid turnaround in Serbian foreign policy. Following his inauguration as president, Nikolic has announced he will go to Brussels for his first state visit. It is also significant that he plans to visit Moscow this weekend in a so-called "unofficial capacity".



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