

EU pressures Serbia to distance itself from Russia

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21 January 2014

The European Union (EU) begins accession talks with Serbia in Brussels on January 21. EU Enlargement Commissioner Stefan Fuele declared in advance of the talks, “The adoption of the negotiation framework is an important step forward for Serbia.” He said he applauded Serbia’s “remarkable efforts” in complying with EU and International Monetary Fund (IMF) economic, political and social demands, particularly the “normalisation” of relations with Kosovo, which declared independence from Serbia in 2008.

Serbian Prime Minister Ivica Dacic called the talks a “historic moment for Serbia,” and Tanja Miscevic, Serbia’s chief negotiator with the EU, declared, “I feel like I’m behind a wheel of a Ferrari with its engine turned on and just about to go.”

It is by no means clear, however, when or even if Serbia will actually join the EU. Negotiations took almost eight years before the EU’s latest member, Croatia, joined last year, and Turkey has been stuck in accession talks for decades.

The talks commence against the background of heightened geopolitical tensions between the EU and Russia, as well as escalating EU-mandated attacks on the working class, which have led to greater political instability in Serbia.

Whilst Serbia’s EU accession process has been taking place, Russia has succeeded in expanding its influence in the country. Serbia has signed a free trade agreement with the Russian Customs Union, and, in early 2013, became a permanent observer in the Russian-led Collective Security Treaty Organization defense alliance. Last November, Russia and Serbia signed a defense cooperation agreement, and just days later construction began on the Serbian section of Gazprom’s South Stream natural gas pipeline.

The largest pipeline in Southeast Europe, the South

Stream will transport between 40 billion and 60 billion cubic meters of gas a year from Russia when completed in 2016, providing Europe with 15 percent of its supply. It has successfully elbowed out the EU’s rival Nabucco pipeline, which was scrapped last summer.

Addressing negative reactions from the EU to the South Stream pipeline and growing Russian influence, Dacic said, “Those [Western countries] that criticize Serbia for its close ties and partnership with Russia should ask themselves why they haven’t offered such a partnership to Serbia. I constantly tell them that Serbia needs a strategic partner in the West as well, but they are not interested at all.”

Dacic’s statement came only three days after the Ukrainian regime rejected EU pressure and struck a deal with Russia. That deal reinforced the EU’s determination to undermine Serbia’s longstanding links with Russia.

In language more appropriate to a street bully, EU Energy Commissioner Gunther Oettinger last month urged Serbia to revise its agreement on the South Stream project “if it wants to avoid unnecessary obstacles on its path to EU membership.” He added, “Serbia is a member of our [European] energy community and has to accept the rules of our market.”

Meanwhile, the domestic economic situation in Serbia is disastrous. Official unemployment stood at 24.1 percent in the second quarter of 2013 and is above 50 percent for youth. The average monthly wage is about €380 (US\$515). The country’s gross domestic product fell 1.7 percent in 2012 and is projected to grow only minimally in the next several years. Last week, Fitch Ratings downgraded Serbian debt to “highly speculative junk” status.

In the last quarter of 2013, the government implemented another set of austerity measures. The

VAT on foodstuffs, medicines and utilities increased from 8 percent to 10 percent; various subsidies, including assistance for first-time home buyers, were ended; new hiring in the public sector was severely limited until 2016; and a so-called “solidarity” income tax of 20 percent on public employees earning over €523 a month was introduced.

However, much deeper attacks on the working class are demanded by the EU and the International Monetary Fund, including more cuts to the public sector and to pensions, as well as further amendments of key laws on bankruptcy, privatization and labor. These amendments are primarily aimed at 179 state-owned companies, whose status the government pledged to resolve by June. They will make firing workers easier and diminish workers’ rights in bankruptcy cases.

The degree of contempt for the working class is evident in the paltry amount the government has set aside in a “transition fund” for tens of thousands of workers who are soon to be laid off—some €174 million.

These attacks on the working class are increasingly difficult politically and have produced a crisis that is breaking up the ruling Progressive Party (SNS)-Socialist Party (SPS) coalition. According to the conservative daily *Politika*, quoting “numerous sources” in the coalition, elections could be called as early as next week and held in March.

“New elections would secure much greater strength for one political party, which would deliver a new prime minister,” Serbian President Tomislav Nikolic said earlier this month. The party projected to gain is none other than his own party, the SNS, whose support is put at around 40 percent in polls.

The SNS was formed in 2008 as a split-off from the ultra-nationalist Radical Party of Vojislav Seselj, who is on trial for war crimes at the International Criminal Tribunal for the Former Yugoslavia in The Hague. Under Nikolic, the SNS has softened its nationalist rhetoric and embraced a pro-EU course, winning the parliamentary and presidential elections in 2012.

Both the SNS’s present coalition partner—the bloc around the Socialist Party (SPS) led by Prime Minister Dacic—and the main opposition Democratic Party (DS) lag far behind at around 16 percent and 11 percent respectively.

The SPS is the successor to the former ruling League of Communists of Serbia, the Stalinist party that was led in the 1990s by the late Slobodan Milosevic. After Dacic took over the leadership in 2006, the SPS reoriented towards the West and joined the DS-led government in 2008. After the SNS won the 2012 election, the SPS played kingmaker and secured a parliamentary majority for the coalition parties in exchange for the post of prime minister.

The DS came to power after the US-EU demonization of Milosevic and bombardment of Serbia in 1999, and has been thoroughly discredited by its largely uninterrupted rule since then. Traditionally the main vehicle for Western influence, the DS saw its popular support collapse after it lost the 2012 election.

In a pattern copied across Europe, all of the leading parties in Serbia support the EU and its austerity policies. Polls show support for Serbian accession dropping from around 70 percent in 2008 to less than 50 percent today. But the absence of a genuinely socialist alternative has enabled ultra-nationalist and far-right groups to exploit the popular opposition to the EU.



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