

V.I.P. Daily News Report

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COMMENTARY

Economy to be in Focus of Election Campaign

President Boris Tadic and parliament speaker Slavica Djukic Dejanovic have finally called parliamentary and local elections in Serbia. Even besides the earlier requests by the opposition for extraordinary parliamentary elections, the Serbian authorities called them on the last day of the legal date for the holding of these elections.

Elections will be held on 6 May on the day of St. George (according to the Julian calendar), the patron saint day of the ruling Democratic Party (DS) of Boris Tadic. This Christian saint is very popular in Serbia and a great number of saints celebrate him as their family patron saint's day and protector saint. The DS is hoping that this will also help them at these elections.

In the past twenty years or so, the citizens turned out to vote six times on the day of a patron saint, one day prior or after and the outcome is the same – not a single government fell when the vote was on Orthodox holidays.

It is still not entirely clear whether Tadic will decide to resign and let Djukic Dejanovic call early presidential elections. According to some sources Tadic will go for early presidential elections, in spite of the opposition of a part of his party and coalition partners, and on 22 April at that.

Presidential elections are held in two rounds which are two weeks apart, so that the second round should be held on 6 May – on the same day when the parliamentary elections are held. The parliamentary elections are only held in one round. However, this still remains to be seen, while Tadic's team does all the calculations surrounding the possible results and consequences of such a gesture.

Six parties have chances of entering parliament: Those who are in favour of simultaneous presidential and parliamentary elections believe that Tadic will, with his popularity, bring several percentages to his party if they are held at the same time. According to all prognoses the best result will be made by the Serbian Progressive Party (SNS) of Tomislav Nikolic.

Public opinion polls show that the SNS will be the biggest party after the elections, followed by Tadic's DS, and that the election census of 5% will most probably be crossed by the coalition around the Socialist Party of Serbia (SPS) of Ivica Dacic, the coalition around the Liberal Democratic Party (LDP) of Cedomir Jovanovic, the Serbian Radical Party (SRS) of Vojislav Seselj, the Democratic Party of Serbia (DSS) of Vojislav Kostunica.

Mladjan Dinkic's party, the United Regions of Serbia has very small chances of making it into parliament. The parties of national minorities will enter parliament because of the Election law which enables them to receive places in parliament even with a small number of voters.

The biggest opponents of early presidential elections are the small parties which now comprise the ruling coalition, since they are afraid that two strong presidential candidates will draw the votes towards the two biggest parties and that this will lessen the political importance of smaller parties which have so far always put a good price on their participation in coalitions.

Good and bad sides of a DS-SNS coalition: A nightmare to everyone, and especially Dacic, who doesn't even hide it, is the possibility of the DS and SNS making a big coalition after the elections. This would practically oust all the small parties from power.

Such a big coalition would be favourable for providing a two-third majority in parliament for the amendments of the Serbia constitution.

Some people in the DS believe that the down part would be that in this way Tadic's party would lose a part of the voters' support in the long run. It would only be good for them because then they would be able to cover up their corruption affairs. Perhaps a part of the SNS voters would also be disappointed by such a coalition. However, for the SNS this coalition would mean that they could enter power and be accepted in the West.

Considering that not a single party will be able to get a majority and form post-election government on its own, the most interesting thing is what kind of coalitions are possible after the elections.

Naturally, this will depend on the precise results of the election. Therefore, for the SNS it is important to make the biggest possible difference in relation to the DS. If this difference is bigger than 7 – 8 % then a future government would be hard to imagine without the SNS. If the difference is less than 5%, then the DS will be able to form coalition government with its present partners with the addition of the LDP or Dinkic's possible departure, if he does not cross the census. This is the plan A for DS.

There is also a third solution which is not very probable, and that is that the SNS forms coalition with Kostunica's party and the coalition around the SPS. The SNS cannot form government with the Radicals, since they left this party. There are also rumors that the Radicals have made some kind of agreement with the DS, against the SNS.

For the time being, the greatest optimism is coming from the DS ranks who are already distributing functions amongst themselves. This is a little odd considering the Serbs' disappointed with the present economic and social situation. However, the people in the DS believe that the SNS will not be able to take power, so that the DS will continue to rule in one of the coalitions.

Kosovo not a topic of campaign: After receiving candidate status for EU membership and the signing of the agreement with Kosovo, it is clear that the chief topic of the pre-election campaign will be economic and social issues, as well as corruption in the country which has a systematic character.

On this field, it would be logical that the opposition can get a lot of points. However, considering that the authorities completely control the media, judiciary and police, it is to be expected that they will attempt to convince the Serbian voters of good economic perspectives. This seems impossible, but in Serbia it has been proven on many occasions that voters can believe in a virtual reality.

Besides, the current government is already preparing to distribute free Telekom shares to the citizens in April, and in the next couple of weeks numerous potential investors will appear. The first among them will be an American of Indian origin who, several weeks ago in Brussels, announced investments of 4 billion dollars into Serbia. It only remains to be seen how this will pass with the electorate.

All in all, there is a tumultuous campaign ahead of Serbia in which, as Tadic himself said, all means will be used. This will be a fight to the last atoms of strength. However, that which remains unclear to analysts is how the next government, in whatever coalition, will resolve the dramatically dire economic situation.

The majority agree that, notwithstanding everything, in a year, if not sooner, Serbia can expect "the worst scenario", as was announced last week on Radio Television Serbia by the president of the Governor's Council of the National Bank of Serbia (NBS) Bosko Zikovic. He did not specify what he meant by this.