

V.I.P. Daily News Report

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ANALYSIS

Dacic in Position to Dictate Government Talks Course

The first post-election day in Serbia passed in the same tone as the election night - the leader of the Socialist Party of Serbia (SPS) Ivica Dacic did not waste his time and reminded the two strongest parties - Democratic Party (DS) and the Serbian Progressive Party (SNS) - once again that the future make-up of the government would mostly depend on him and his party, that both ranked third at the presidential and parliamentary elections, respectively.

Dacic unambiguously indicated on Monday that he expected guarantees from the other side - whoever it is going to be - before his party eventually backed one of the two finalists in the second run-off of the elections, the DS' presidential candidate Boris Tadic, or the SNS' presidential candidate Tomislav Nikolic. What Dacic requested is understandable, because he does not want to be outmaneuvered, but it practically is a demand the agreement on setting up of the government to be reached before the second run-off of the presidential elections scheduled for May 20. But, realistically, nobody believes in such a possibility, since all sides want first to see who will be the new president, because it could have significant influence on the future government make-up.

According to the Constitution the post of the head of the state should be only protocolar matter, but as the experience with Tadic has demonstrated, the one who holds the position is *de facto* the most influential political figure in the country. And it will be so unless - a big if - a government headed by a relevant political figure is constituted, and which will return the power where it should be in line with the Constitution: to the government.

Therefore Dacic's request actually is a poorly conceived demand to the DS and the SNS to come forward with their offers and secure an alliance with him, without whom it will be really difficult to form the new government.

Actually, there is only one option in which the new government could be formed without the SPS: it could happen in an event of forming of the so-called grand coalition of the DS and the SNS. Chances for that to happen, however, after such distribution of votes at the parliamentary elections, are minimal. It could be changed only in one case - if Nikolic wins in the second run-off of the presidential elections. It would significantly increase both Nikolic and the SNS' capacity for the negotiations, and a deal with the DS would not be unthinkable any longer.

According to the current situation, however, chances the SNS to head the new government is significantly slimmer than chances the new government to be formed by the two parties that have already been partners - the DS and the SPS - highly likely with a new partner, the Liberal Democratic Party (LDP) led by Cedomir Jovanovic. Serious obstacle for such make-up of the government could be strong animosity between the SPS and the LDP. But, that possibility still seems as the most realistic one.

Alternatively and less likely, in case that SNS offers more to SPS than DS, SPS could decide to change sides and form the government together with SNS. In that case, the necessary third partner could be either DSS or URS. However, the problem of cooperating with DSS is the party's radical anti-EU stand; on the other hand, a problem of making a coalition with URS is realistically insuperable ideological and political differences in the triangle SNS-SPS-URS.

This all indicates that the formation of the governing majority will be preceded by rather tricky and delicate talks, although it should be stressed once again that most observers expect at the moment that the new coalition will be made in the end of DS, SPS and LDP. It doesn't hurt to repeat either that much could depend on the outcome of the runoff of the presidential election.

What is certain is that the new government, in this most likely or some other, less expected composition, will rest on the equally delicate balance of powers, which will make it latently unstable. In the situation when the economic and social situation is as it is - and which could turn even worse before it starts to improve - it appears that the political class in Serbia will be faced in the coming months with serious problems, especially when the new requests from IMF and EU arrive: as for IMF, the request for a situation in the Serbian economy to be put in order, and as for EU - the request that reforms should be approached seriously, whose implementation has been successfully feigned so far, especially in justice and fight against corruption.

Dacic probably believes that in this galimatias he cannot lose, but only win. It remains, however, to be seen whether his populism which brought him such good election results will continue to bear fruit in the post-election games, too, or his arrogance and insolence, which have become a dominant aspect of his public appearances in the past months, would somehow be punished in the end.