

V.I.P. Daily News Report

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ANALYSIS

DS: Damned if It Does, Damned if It Doesn't

Almost three weeks after the parliamentary election, parties are still holding no negotiations on forming a government. Instead, according to the Socialist Party of Serbia (SPS), they are just talking. Of course, the hesitation to take any concrete steps toward putting together a new government is a direct consequence of a changed ratio of forces after the victory of SNS (Serbian Progressive Party) leader Tomislav Nikolic in the presidential election. All key parties are now deliberating what to do, but they are not all in the same position.

The most comfortably placed is the SNS. After Nikolic's victory, which came as a surprise to many, and after winning the largest number of votes in the parliamentary election (although fewer than it had expected) and a good showing, too, in the local election (they expect to have representatives in local governments in some 70 municipalities), this party can wait without nervousness for the situation around forming a government to resolve itself.

The SPS is well positioned, too, after doubling in the parliamentary election its score from the 2008 election and firmly ensconcing itself as the third strongest political force in the country. There is a chance that Ivica Dacic's party may be passed over when forming a government, but this is not very likely -- although Dacic's original triumph has given way to a much more cautious attitude.

By far the most complicated situation is in the Democratic Party (DS), which until recently ruled supreme and which has now become a sore spot on the Serbian body politic.

The defeat of its leader Boris Tadic in the presidential election, although desired by some circles in the DS itself, has created a confusion throughout the party. Shaken by a huge loss of votes at all levels by comparison with its score in 2008 -- with a few notable exceptions, such as the triumph of Deputy Chairman Dragan Djilas, mayor of Belgrade, in the election in the metropolis, and the good result of the party's branch in Vojvodina -- the DS now has to deal with the problem of internal consolidation.

This, however, is difficult to do in a situation where the party leader has been weakened, where a large number of members are worried about their positions in the state administration and state-owned companies at various levels of power, and where financiers are no longer sure whom to support.

The instinct for self-preservation is now forcing the predominant part of the leadership and membership to squeeze the party into the next government at all costs. Tadic is now among those that support this course of action, although in election night, possibly out of pique over his defeat, he had rashly ruled out any possibility that he might head the next government.

When he took a more sober look at the situation, however, Tadic could not but conclude that only the post of prime minister could save him from becoming completely marginalized politically and that, otherwise, he could not even hold on to his leadership position in the party for much longer. If, as rumor has it at the moment, the DS organizes an extraordinary congress in July, Tadic will need to appear at it from a position of authority, which only the office of prime minister could now give him. This is why he and the segment of the party establishment loyal to him will now do everything in their power for such a government to be formed.

An opposite view is held by Djilas, who has definitely become the dominant figure in the DS after the recent elections. According to V.I.P.'s information, at the DS Presidency's meeting the day after Tadic's defeat, it was Djilas who advocated the DS's going into opposition and ceding power to the SNS and whomever else that party might wish to form a coalition with.

Djilas reasoned that such a government would not last long, faced as it would be with the necessity of taking tough and unpopular measures at the social and economic levels and under pressure from the West to prove its democratic and pro-EU credibility; that an early election would have to be called, which the DS, revived and refreshed in the meantime, would win hands down to regain power.

This view, however, was shared by a minority in the DS leadership. The prevalent position was that the party should hang on to power by forming the next government and installing Tadic as prime minister.

This possibility is realistic and even likely. The problem for the DS, however, is that, whatever it does, it will not be able to avoid internal divisions or prevent further erosion of its influence.

While part of the DS still sees Tadic as its greatest asset, others believe (although they are probably not yet prepared to say so out loud) that Djilas is coming across as the alternative and as somebody that could more easily reorganize the party, sweep it clean, and prepare it for action in years to come.

Staying in power in its present condition and with Tadic as prime minister would put off any reexamination inside the party and expose it to the risk of faring much worse at the next election than it did this time round. Stepping down, however, would inevitably lead to an open clash between the two (or perhaps even more) wings in the party, with potentially serious consequences for the party's unity.

Neither possibility forecasts sunny days for the DS, whose further weakening now appears inevitable.

Three options for forming government: In these circumstances, even a priority national issue such as the formation of the next government threatens to become something of a sideshow to the crisis that an important party is undergoing. Nevertheless, hesitation about opening negotiations on forming a government will not last forever, which is why it is as well to examine three options that political and media sources in Belgrade have been speculating about.

A theoretically possible but *least realistic option* would be the formation of a government that would comprise the SNS, the SPS, and the Democratic Party of Serbia (DSS) or, conversely, the former two and the United Regions of Serbia (URS). This option is mathematically viable, but has no chance of being put into practice.

In the case of the option involving Vojislav Kostunica's DSS, there would be the insoluble problem of the strongly anti-EU bias of that party, which abandoned its pro-EU orientation in 2008 after most EU countries recognized Kosovo as an independent state.

Differences about the government's fundamental foreign policy orientation, about the way in which Kosovo policy should be pursued, and probably also about the IMF's influence on the country's economic policy, would make it impossible for such a government to function.

Besides, the forming of such a government could produce an extremely unfavorable effect and one that could even be dangerous to the country: the reopening of the question of Vojvodina's status in Serbia. In view of the fact that power in the northern province will stay in the hands of the DS, the incumbent and prospective prime minister of Vojvodina, Bojan Pajtic, could, under pressure from supporters of greater autonomy for the province, distance Vojvodina from the rest of the country on the grounds that the central government was waging the wrong policy.

In the case of the option involving Mladjan Dinkic's URS, the problem of the government's pro-EU orientation would not arise, but it is hard to imagine that the URS, now with far fewer parliament seats and consequently less influence than in 2008, would agree to be part of a government rallied round the SNS; or, even if it did, that the two parties could function as partners for any length of time.

Another option would be a so-called grand (or "not so grand," as Dacic would put it) coalition between the DS and the SNS, which would form a government either on their own or together with the SPS.

After all the insults traded between the DS and the SNS during the election campaign, this option does not seem likely, not so much because of the insults as because both parties would lose in such a coalition -- the DS because, weakened as it is, it would now be placed in the position of a junior partner and as such would always be outvoted in decision-making, which would turn away many of its members and sympathizers that do not want cooperation with the SNS; the SNS, for its part, would have to forget about clearing up corruption scandals that broke during the rule of the DS, thereby itself becoming compromised in the eyes of its supporters.

From the point of view of the West, however, such a government would probably be the best solution. Dacic is already saying that this is being openly suggested by some Western countries' embassies in Belgrade.

The logic behind this idea is obviously that a coalition of two (or three) strongest parties would produce a stable government with an almost two-thirds majority in the parliament, which would ensure an unhampered passage of even the least popular decisions, especially in the matters of the economy and Kosovo, and an accelerated implementation of reforms.

An added effect of such a government would be that it would cool the passions between the DS and the SNS, because they would have to cease hostilities, at least for a time, which would also be conducive to stability in the country.

However, as Dacic has already pointed out ("who would form the opposition in that case"?), this would create another kind of imbalance on the political scene, with the biggest parties monopolizing power. Besides, a drawback of such a government would be also that the DS and the SNS could not keep up their truce in the long run and the experiment would probably collapse in the disintegration of such a government before the expiry of its term of office.

Finally, the *third and still most likely option* would be to form a government identical or very similar to the outgoing one, which would comprise the DS, the SPS, and the URS or possibly the LDP (Liberal Democratic Party) instead of the URS, or both the URS and the LDP. Most observers still expect this to happen in the end.

However, the problem is that, in such a case, the destabilizing factor of the internal crisis in the DS would come strongly to the fore. As the biggest party in such a combination, the DS would be exposed to several kinds of pressure: to form a more efficacious and bold government, to carry out unpopular measures that it has been avoiding so far, to meet EU demands that have to do with Chapters 23 and 24, which should open pre-accession negotiations, and, on top of all this, to keep the lid firmly down on internal tension in the DS. Such a government would appear to be stable, but the unsettled situation in its biggest member would actually make it fragile.

Furthermore, in view of the fact that this option would mean a cohabitation with the president of state from the SNS, such a DS-led government, under the pressure of tension in the pivotal party, would be looking for a way to start a conflict with Nikolic rather than trying to cooperate with him, and this, in turn, would lead to more political divisions and would generate a bad climate in society.

This is not to say, however, that it would have to be like that. Much will depend on how much wisdom and constructiveness the DS exhibits in the coming period. This time, its decisions will determine not so much the country's future in the short term as the long-term future of the party itself.