

V.I.P. Daily News Report

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ANALYSIS

Prospects of DS-SPS-LDP Government Diminishing, all Options Open Again

In spite of initial announcements that the government which would be comprised of the Democratic Party (DS), Socialist Party of Serbia (SPS)-led bloc and Liberal Democratic Party (LDP) would be formed relatively soon, as time goes by the chances of this happening are slowing diminishing, while at the same time the chances of some different outcome are increasing.

In any event, the forming of government could be prolonged for at least several weeks. There are those who believe that this will last even longer, up until the expiration of the legal deadline for its forming, at the beginning of September.

Seen from without, the greatest obstacle in the forming of a government by the said parties is the reserve which the SPS has towards the LDP: because of radical differences in relation to the issue of Kosovo and Republika Srpska, the Serb entity in Bosnia-Herzegovina, but also equally major differences in the economic concepts of the two parties.

For the SPS, which mostly rallies conservative voters, the LDP's favouring of the recognition of Kosovo by Serbia is unacceptable, as well as the LDP view that the RS is *de facto* founded on the results of ethnic cleansing carried out by the Bosnian Serb forces during the war in Bosnia.

Also, the SPS which still keen on a kind of moderated version of state socialism, finds the economic liberalism which the LDP favours quite foreign, especially in the light of events in European and global economy since the outbreak of the global crisis.

So, the SPS believes that an alliance with the LDP could cost them politically – if not sooner, then at the next elections.

At least equally significant, and realistically even bigger obstruction to the forming of such a government is, however, the DS, which still hasn't recovered from the blow it received by the defeat of its leader Boris Tadic at the presidential elections.

The turmoil in this party caused by this is still at its height, and until the situation in that party clears up, it will not be able to completely dedicate itself to the problem of forming government. For the time being, however, there are no indications that the situation in the DS will soon settle down.

There are still those in the party who believe that it would be better for the DS to withdraw into the opposition and leave the forming of government to others. As *V.I.P.* has already reported, behind this idea stands the belief that this government would not last, and that at early elections which would ensue the revitalized DS could again count on victory.

Things are not made any easier by the fact that Tadic, who should be prime minister in the event that the DS enters government, according to some information wants to see his party deputy Dragan Djilas in it as well. However, the relatively young Djilas, who won a convincing victory in Belgrade and can count on another four comfortable years in the position of Mayor, has no reason to rush into entering government, in which he one day sees himself exclusively as prime minister.

That things in the DS are not as they should be can also be seen in the fact that its officials, apart from rare individuals, have not been appearing in the public for days.

It turns out that the most eager for entering this government is LDP leader Cedomir Jovanovic. This would enable the LDP positioning in the government, drawing the party near to the sources of financing and securing its mid-term future. However, the LDP has the least to say in this matter.

The fact that there is no progress in the forming of government, and that everyone is talking with everyone else at the moment - but no one is seriously negotiating - revives the possibility for the forming of a different government, including the possibilities which would include the Serbian Progressive Party (SNS). However, even in that party, which has come to life after its erstwhile leader Tomislav Nikolic somewhat surprisingly won at the presidential elections, many believe that for the time being it would be better to settle with this, and remain in the opposition in parliament.

In any case, the SNS can now afford to peacefully wait for a possible DS failure in constituting a new cabinet and then take the initiative at the right time.

Amidst growing uncertainty as to who would form the government and how, there is now a growing chances of a foreign factor intervening, as was the case in the past, mainly through diplomats in Belgrade. The West certainly prefers the formation of a stable government, able to attend to what the EU and US care the most about – resolving pending issues regarding Kosovo and implementing reforms and economic decisions which would bring Serbia closer to the EU.

In the meantime, Serbian public will continue, step by step, to face a disastrous economic situation, as even the outwardly pro-government media have now began revealing just how bad the problem really is - even though nothing should have prevented them from reporting on this subject earlier.

Pointing to economic difficulties is in fact of way of putting pressure on the DS to ultimately muster a new government in which it would be the leading party. The anxiety, at least for a while, will continue to mount.