



BETWEEN HEAVEN AND EARTH

Serbia entered 2012 with plenty of old problems, of which the biggest one - Kosovo - is to determine the country's destiny.

Previous year was difficult for Serbia. Eleven years after the democratic changes, Serbia is still trying to find its place in the international community, to strengthen its democratic system and to start completely ruined economy by the economic sanctions and the wars of the nineties. During the last year, Serbia solved some problems that had troubled the relations with the international community, such as collaboration with the International Tribunal for war crimes in former Yugoslavia in The Hague and regional cooperation, while technical talks with Kosovo began under the auspices of the European Union (EU). Thus in mid-last year, it seemed that Serbia removed obstacles on the path towards EU membership. Suddenly, in July 2011 the crisis broke out in northern Kosovo.

The international community and the most influential countries like USA, Germany and Great Britain considered Serbia responsible for the incidents in northern Kosovo, and that it was time to permanently resolve the relationship between Belgrade and Pristina. Serbia was set clear conditions relating to Kosovo, but as Belgrade could not meet them, there was a delay on Serbia's candidacy for EU membership by March this year.

In 2012 in Serbia will be held elections at all levels - from local to presidential. This means twelve months of merciless political struggle, parties' and candidates' populism, giving unrealistic promises and political campaigns. In such circumstances it is almost impossible to solve serious social and political problems, while struggling with the crisis as a serious disease that corrodes the Serbian economy.

Regardless of the number of political and economic problems - Kosovo will be the biggest challenge for the Serbian political elite this year. Its solving will determine Serbia's future.

Exactly what the European Union expects from Belgrade was presented during German Chancellor Angela Merkel's visit to Belgrade on August 22 - **the renewal of dialogue of both sides on Kosovo, enabling EULEX to act and abolishing parallel institutions in northern Kosovo**. The message was EU's policy towards Serbia. In December when the decision on Serbia's candidacy for EU membership was postponed, Serbia realized it was not enough that almost all EU members want Belgrade's candidacy for membership. In today's EU, especially after the isolation of Great Britain, Germany decides, while policies are established on the route Berlin - Paris. German policy toward Serbia was brutally clear - **solve the problem with Kosovo and Serbia can join the EU**.



From the German point of view this is a clear and fair offer. Problem with this offer is that changing of Serbia's relation with Kosovo is not the same as a request from Hungary to amend the law abolishing the independence of central bank or from Greece to adopt stringent savings plan. The issue of Kosovo to Serbia is not a regular political issue - it is a national and emotional issue. In addition, due to the elections, the power that accepts the German request would be accused of treason, which would likely lead to defeat in the ballot.

Problem with new EU policy towards Serbia is that it is based on false assumption - that the Serbian government can make decisions on behalf of Kosovo Serbs. The relationship between Belgrade and the Serbs in northern Kosovo is much more complex than it seems from Brussels. Since the early eighties Serbs from Kosovo have been an important factor in Serbian politics. A lot of the top of Serbian politicians and state officials originate from Kosovo. They are very influential in the security forces, business and the media. This has not changed even after the withdrawal of Serbian security forces from Kosovo in June 1999. Kosovo Serbs participate in Serbian elections at all levels, they have their own political representatives in Serbian institutions. Serbia invests in Kosovo around 500 million euros a year, and the Serbs living on Kosovo receive "Kosovo Bonuses" from the government in Belgrade to stimulate them to stay on Kosovo. In 2006 Constitution Serbia defined Kosovo as "part of Serbia", which now obliges all Serbian officials and politicians.

Serbia has never had a real influence on Kosovo Serb leaders from northern Kosovo. These leaders, of right and conservative orientation, frequently changed political options, but have always been for those politicians in Serbia who say what they wish to hear.

Looking from aside, it's strange that the country annually investing 500 million euros in parts of Kosovo where Serbs live and which pays most of the Serbian population in Kosovo through salaries or different types of aid cannot influence on them, but it is a fact. For years, Serbia created an atmosphere that assistance to Kosovo Serbs is Serbian national duty, so that those who receive it are not considered to have any obligation to Belgrade. The Constitutional Court of Serbia in 2010 declared "Kosovo Bonuses" unconstitutional, because it privileges some Serbian citizens (the ones who live in Kosovo) in relation to others. However, the Serbian government continued to pay this supplement in fear of being condemned by public opinion to have left the Kosovo Serbs in the lurch! At the last local elections in Kosovo in 2008 organized in four Serbian municipalities in northern Kosovo, three mayors were elected from opposition parties, while one is from the party of Serbian President Boris Tadic. It turned out that the local Serb leaders on Kosovo, regardless of whether in the government or opposition, are united. This refers to the mayors and members of the Assembly of Serbia from Kosovo.

If the government in Belgrade now wanted to take a harder line towards the leaders of Serbs in northern Kosovo, that would certainly cause resistance of representatives of Serbs from Kosovo at Serbian institutions. Such a conflict would cost the ruling Democrats popularity in the election year.

Faced with delay of the decision on the candidacy for EU membership, the ruling Democrats have tried to carefully change the Kosovo policy in order to give reason to Germany to vote for Serbia's candidacy. Thus in early December was made an agreement with the government in Pristina on Integrated Border Management which Tadic used as an excuse to call on Kosovo Serbs to remove the barricades which they refused. The northern Kosovo leaders asked the agreement to be first plead by the Serbian parliament. As the ruling coalition is not sure of having a majority on this issue, it hasn't been a subject in the parliamentary debate.

Meanwhile, Serbian police arrested **Zvonko Veselinovic**, a controversial businessman from the north of Kosovo accused by KFOR for standing behind an attack on soldiers of the international mission. Veselinovic was arrested for "illegal possession of weapons", not because of attacks on KFOR soldiers. These charges were taken as evidence that the Serbian population in the north had been "manipulated" by criminals such as Veselinovic, and that their protest wasn't not authentic. But the fact that the barricades survived after his arrest shows that Veselinovic wasn't the main organizer of the protest, although his role had certainly been important.

The response of Serb leaders from the north at the invitation of the President was the decision to call a referendum in the north of Kosovo on **whether to accept Albanian institutions or not**. The decision to call a referendum surprised the Serbian government which still does not know how to react to it.

The decision on the referendum is very difficult to be challenged, because it is a democratic referenda. After all, many countries now require that the Serbian population in northern Kosovo should recognize the "reality" while in early nineties Pristina authorities recognized Kosovo Albanian referendum on independence. Simply put, it's hard to be against the referendum as the ultimate expression of populations' will and it will be a problem for those who are challenged this declaration whether they are from Belgrade, Pristina or Brussels.

Nevertheless, referendum will not bring a solution to the Kosovo Serbs, and could even become a prelude to conflict with Belgrade. The Serbian government fears that the referendum could be understood by part of the international community, that is Germany, as a maneuver by Belgrade and as an attempt to strengthen the legitimacy of Serbian institutions in Kosovo. In addition, the government in Belgrade is afraid that the referendum could be the reason that Serbia doesn't receive candidacy for EU membership in March, which would leave the ruling coalition in the election campaign with significant disadvantage. That is why Belgrade runs a moderate campaign against the referendum in which it points to the danger of jeopardizing the European future of Serbia.



In addition, some government officials in the media appearances indicate that the decision to organize a referendum by the four municipalities is opposite the laws and Constitution of Serbia (the municipalities can organize a referendum only on matters of municipal authorities).

What will the ruling Democrats undertake regarding the referendum is unclear at this point, but it is expected the government to be cautious, because any radical move towards the leaders of the Serbs in northern Kosovo could be presented in the campaign as a betrayal of national interests.

The year that has begun is the key to the future of Serbia. The problem of the government in Belgrade is that it cannot directly affect all of the processes and participants in them. For such a situation the government itself is partly to be blamed. It wasn't solving the problems on time, such as building relationships with the leaders of the Kosovo Serbs. The government did not even try to explain to citizens that EU membership does not mean a waiver of Serbia in Kosovo, but on the contrary, that it can strengthen the Serbian interests. What is more, the Minister of Foreign Affairs Vuk Jeremic and Vice Premier Ivica Dacic stated publicly that a condition for Serbia's joining the EU was - the recognition of Kosovo's independence. As the election nears, the government increasingly sends disunited messages to the public.

However the Serbian story with the European Union ended, many challenges are awaiting the incumbent and future Serbian government, such as respect for the rule of law, human rights, improving the market economy, private property restitution, active involvement in providing a safe and predictable business environment, the true rule of law and fight against corruption and organized crime. Serbian society requires clear answers to these challenges - member of the EU or not. If this was so was confirmed by a recent opinion poll on attitudes about the EU in Serbia. Even 75 percent of citizens believe the problems between Belgrade and Pristina should be addressed regardless of the EU membership while 85 percent think that reforms should be continued although they're not a requirement for entry into the EU. Message to the politicians in Serbia is clear - troubleshoot and deal with the substance, not form.