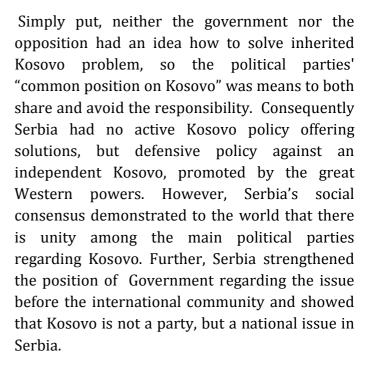
KOSOVO – THE MOST EXPENSIVE SERBIAN WORD

Weekly Analysis and Forecasts

In the future Serbia will "do all it can to protect the Republic's interests on the south of the **province**" - it is said in the Serbian government's report on the situation on Kosovo delivered to members of the Parliament of the Republic of Serbia. The Government has informed the MPs that it "faces major institutional pressures to withdraw from Kosovo and Metohija" and emphasized that "the interests of Kosovo Serbs are being advocated and defended by all means available to the government, given the political-security context defined bv **Resolution 1244 of UN Security Council and** Kumanovo Military Technical Agreement (agreement reached between NATO and the Serbian army to withdraw from Serbian security forces from Kosovo in June 1999). The report is concluded by the words that "it was obvious that KFOR soldiers were utilizing live ammunition against unarmed citizens".

This report, in contrast to previous reports and the Declaration on Kosovo, will not be adopted in the National Assembly. Simply put, the ruling coalition parties can not reach an agreement regarding its adoption, and the opposition parties do not want to help the government several months before the election. The report will be the first official document on Kosovo since 1999 that won't get the plebiscite majority of delegates from both government and opposition. So far the state Kosovo policy has been in some way, at least formally, beyond daily polemics.



The fact that Serbian government headed by Prime Minister Mirko Cvetkovic doesn't have a simple majority in the Parliament today to adopt a report on Kosovo, is the best illustration of the fiasco of the government's Kosovo policy.

However, it would be wrong to blame only the Prime Minister Cvetkovic and his cabinet for the failure of this policy. It is true that in past months the cabinet's left the practice to consult with the opposition regarding Kosovo and to get the support of parliament for every major move, which was regular procedure in the period from 2004-2008 during the mandate of the then Prime Minister Vojislav Kostunica.



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The consequence of this behavior is that the opposition parties now do not want to support the government's report, because they hadn't been consulted. The second reason is more serious - government policy "Both Kosovo and Europe", that presupposed that it is possible to make progress towards the EU while maintaining the status "quo" on Kosovo, which is completely depleted. Hence, it is normal that some political parties no longer wish to be part of such policy and to sacrifice their election results for the sake of false unity. The problem is that Kosovo has become the election issue. As no one has a solution, the responsibility for tapping in one place remains with the government, while the opposition begins to skillfully use this situation to show that it is not part of a failed policy. The ruling Democratic Party (DS) of President Boris Tadic is thus left alone on the political scene with the Kosovo load in its hands.

The consequence will probably be that the ruling Democrats will pay the cost of a failed Kosovo policy on the upcoming elections. Paradoxically, the Democratic Party hasn't lead or created Kosovo politics independently, although it was actively involved in the implementation.

Truly speaking, the ruling Democratic Party is itself responsible for the situation - at one point they tried to use the crisis that broke out in July for self-promotion. Until then it appeared that Belgrade had found a policy that would allow solving the problems in Kosovo, while progressing towards EU membership. Serbia successfully ended cooperation with the ICTY, technical talks between Belgrade and Pristina conducted in Brussels began to give the first



results and it looked like Belgrade finally found a successful formula for implementation of the policy "Both Kosovo and Europe". The conflict that occurred in the north annulled all positive results previously achieved. In the eyes of the international community, constructive Belgrade that solves the problems relapsed to a factor creating problems. During the crisis Belgrade negotiator with Pristina Borko Stefanovic was spending days at the barricades in the north, gave speeches to the assembled citizens, made statements on behalf of Kosovo Serbs, negotiated with the KFOR ... Belgrade thus showed that not only it influences events in the north, but also decisions on behalf of the local Serbs. Whether the Serbian government did it to attract "patriotic" votes in Serbia, as it is believed in the U.S. and the EU, or they searched how to affect future developments - remained unclear. In any case it was a fatal mistake, because that was precisely the reason why the United States and the European Union stepped up pressure on Belgrade to the extent that already certain candidate status for EU membership came into question.

The logic of the great powers is not most just, but it is simple - they have recognized the independence of Kosovo, the Serbian population on Kosovo does not recognize that country, Belgrade has shown that it decides on behalf of the Serbs, so if everyone want to recognize Kosovo's independence and thus complete the project , pressure should be exerted on Belgrade.

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For that reason Belgrade this fall faced a series of ultimatums starting from the message of German Chancellor **Angela Merkel** that there would be no progress on the path to the EU without the "parallel institutions" in the north Kosovo, to the requirements announced by the EU. The Serbian government quickly realized the mistake and now, just four months later, it is conspicuous that Stefanovic is sitting in Belgrade, waiting the restart of talks with Pristina, while local leaders negotiate in the name Kosovo Serbs with the KFOR. However, Serbia's position of in the U.S. and the EU has been compromised.

Were the ruling Democrats the ones who created a crisis in the north because of election victor, as it is believed in Washington and Brussels? There is no evidence that that is so. In addition, any radicalization of Kosovo issue doesn't suite the DS, because it is not an issue on which the Democratic Party gets the votes. Natural themes of the Democratic Party are European integration of Serbia and Serbia's entry into the European Union and only on those issues the Democrats might win the election. The crisis on Kosovo has brought into question Serbia's European integration, and thus reduced the chances of DS to win the upcoming elections. If we add that the economic situation in Serbia. iust like everywhere else in the world, is very bad due to the global economic crisis and that the ruling coalition can not offer a better life and economic progress, it is clear that crisis in the north brought only problems to the DS.

As it usually happens in politics - government's problem becomes opposition's opportunity so the opposition parties show a growing interest in Kosovo. The first one is leader of the opposition Liberal Democratic Party (LDP) Cedomir Jovanovic. His party was created from the Democratic party, when, after the assassination of Prime Minister Zoran Djindjic, the party was over took by Boris Tadic. Cedomir Jovanovic, who, like Tadic, Djindjic was vice president, founded the Liberal Democratic Party, arguing for Serbia's accession to the European Union. Over the years LDP, as an opposition party, still supported the Prime Minister Mirko Cvetkovic in terms of laws and projects from the "European agenda". During the last three years it seems that there's almost no difference between DS and LDP, except regarding the Kosovo issue.

LDP is the only Serbian political party which openly advocates that Serbia should recognize Kosovo's independence.

As the elections approached, it became clear that this party will either run for the elections with the Democratic Party or will try to make their own coalition with the "Europe" program. Hadn't conflicts occurred in northern Kosovo in July this year that completely disrupted relations between Serbia and the EU, that is, had Serbia won the starting date for accession negotiations with the EU – it would have been likely that the Democratic Party could be the centerpiece of a European coalition including LDP.



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Thus, the events began to develop in another direction and the LDP has founded a coalition "Reversal" ("Preokret") with the Serbian Renewal Movement (SPO) of Vuk Draskovic, who is a member of the ruling coalition, and a large number of NGOs, trade unions and intellectuals.

Thus, the ruling Democrats found themselves in a very uncomfortable situation. They are exposed to attacks by right-wing opposition for having "betrayed Serbian interests in Kosovo". Furthermore, in a situation where every day the media report on the situation on the barricades, rightist comments gain weight, publicity and importance. The biggest opponent of the Democrats - the opposition Serbian Progressive Party (SNS), is successfully avoiding a statement on the Kosovo problem, but doesn't miss an opportunity to request solutions from the authorities. The "Reversal" creates a new problem to the Democrats, because it deprives them of the voters who strongly support European integration of Serbia. If something does not change the ruling Democrats will run for the next elections without politics. The story of European integration will be in the hands of the "Reversal", a national and patriotic story in the hands of right-wing opposition, while their main the progressives, competitors, insist on accountability, requesting solutions to the crisis in the country. The ruling Democrats hence remained with the Kosovo burden on their back and will have to try talking about the economic successes of the incumbent government. However, the economic situation is so bad that it's impossible promise to voters better living standard, higher wages or new jobs.

Voters seek results, so it won't be enough for the Serbian authorities to show a newly built road or bridge and win a new mandate. Therefore, the Democrats should quickly change the current division of cards in the political arena if they want to avoid defeat.

If they are looking for an answer what to do, the Democrats may want to analyze how it come that in May 2008 they won the election with a slogan "Both Kosovo and Europe", while in the spring of 2012 they'll probably lose the election because of Kosovo. When the DS almost four years ago offered to save Kosovo and start Serbia's joining the European Union, it was a new and more moderate policy in relation to the one of then prime minister and leader of the right Democratic Party of Serbia (DSS) Vojislav Kostunica, who advocated radical approach regarding Kosovo. The citizens then understood that Kostunica's policy was leading them into isolation from Europe and new conflicts, while Tadic lead to the European integration along with the survival of Kosovo in Serbia. It was completely rational to vote for Tadic's politics. Four years later, the DS is not offering anything new regarding Kosovo, while the Government policy brought the country into conflict with the EU or at least some of its most important members.

Today Cedomir Jovanovic and coalition "Reversal" in relation to Tadic are in a position in which that Tadic was in 2008 in relation to Kostunica.



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How will the DS try to get out of limbo - remains to be seen. An additional problem is lost "Reversal's" parliamentary majority after establishment. We don't expect that the "Revearsal" will oust the Serbian government, but it will be much more difficult for the Government to adopt legislative proposals in the Parliament. This year the ruling majority has often had problems with the Vojvodina regional party -Democratic League of Vojvodina, as well as the Hungarian minority party which is in the Government but not always votes for the Government's proposals. Therefore, less than six months before the elections the Government of Prime Minister Cvetkovic is reduced to a "technical government". Such a government can not make responsible decisions, nor offer solutions. This is very bad news for Serbia.

