

## THE YEAR OF THE SOLUTION

Last year brought to Serbia tectonic changes on the political scene that are going to course the development of the society in the years to come. These changes are so overall that they can be compared only to those happened in October 2000. When former Yugoslav president Slobodan Milošević was overthrown on the citizens' protests.

In the year 2012. Serbia entered under the government of the Democratic Party ( DS ) led by the former President of the Republic of Serbia Boris Tadić. This party that was dominant on the political scene of Serbia since the democratic changes in the year 2000. , was at the head of the wide coalition „ For European Serbia“ that consisted of ten smaller political parties and was governing together with the coalition of parties gathered around the Socialists Party of Serbia ( SPS ) led by then Deputy Prime Minister and today the President of Serbian Government Ivica Dačić. Last year in Serbia were held regular parliamentary elections ( the mandate of the Parliament was coming to an end ) but also the early presidential elections because then actual president Tadić, at the surprise of everyone, resigned despite the fact that his mandate was to last until the February of the year 2013.He explained his decision as the lessening of the costs in order that citizens should not vote twice in less than a year. However, the right reason was political because the former President believed that by holding both presidential and parliamentary elections at the same time would increase the chances of his party. The decision was wrong and cost him personally as well as his party the abandoning of the government.In only a few months, from May till August, the government of his political party and everything he was creating as the President of Serbia from the year 2004. , crashed like the tower of playing cards. Apart from the state position , until the end of the year Tadić lost the position of the President of the Democratic Party because he was under the pressure to resign that position and withdraw to the position of the honourable president of the Democratic Party on behalf of his former deputy and the Mayor of Belgrade ( the Capital of Serbia ) Dragan Djilas. However, with his resigning the problems for until recently the strongest party in the country have not disappered because the party is facing the uncertain future due to severe interparty conflicts treatening to divide the Democratic Party and take it to the margins of the political scene in Serbia.

In the second half of the 2012. The dominant political party in Serbia has become the party of the right wing Serbian Progressive Party ( SNS ) which leader Tomislav Nikolić has become the President of Serbia. This party has gained the power even though it has existed for less than four years now, but its leaders Aleksandar Vučić and Tomislav Nikolić have been in Serbian politics for almost two decades. The party was founded in 2008. when these two political leaders decided to leave the nationalistic Serbian Radical Party ( SRS ) which president is Vojislav Šešelj being on trial at theInternational Court for War Crimes committed in the former Yugoslavia in the Hague.

Serbian Radical Party was quite close to overtaking the government in Serbia for several times concerning the fact that it won most votes but there was no party which wanted to enter the coalition with it. After the elections in 2008. It was closest to the fulfilling of that aim when the radicals ( popular name for Serbian Radical Party ) with Dačić's socialists and Democratic Party of Serbia of the former President Vojislav Koštunica ( that gave up the politics of European integrations because of the admittance of the independence of Kosovo by most of the members of the European Union ) has got the majority for the conctitution of the Governement.

It did not happen because the leader of the Socialists Party of Serbia Ivica Dačić ( the party of the former President Slobodan Milošević that governed Serbian political scene without any competiton from 1989. Till 2000.) decided to accept the politics of European integrations and constitute the government with Tadić's democrates ( popular name for the Democratic Party ). It was the histortic turnover of the socialists ( popular name for Socialists Party of Serbia ) and the beginning of the modernisation and changes inside the party that after four years brought them the position of the Prime Minister. Similar changes happened with the Serbian Radical Party ( SRS ) happened already in autumn 2008. When Vučić and Nikolić left Serbian Radical Party and founded Serbian Progressive Party , the party of the right wing. Serbian Progressive Party right after its foundation became individually the most popular party in Serbia. The secret of their success lies in the fact that for the ordinary citizens they remained the politicians that are fighting for Serbian national internests but contrary to radicals accepted the ideas of the membership of Serbia in the European Union, the necessity of cooperation with the Hague Tribunal and need for negotiations about Kosovo. It has brought them a lot of new voters who were dissatisfied with the politics of the governing democrates but they did not want Serbia to, by leaving of the democrates from the government , enter the conflicts with the international community, interupt the process of European integrations, or enter some new war as it was the case during the nineties of the last century. The leaders of the Serbian Progressive Party managed to convince voters that they can trust them and that is why the Serbian Progressive Party is today the leading party with the greatest coalitional potential in the country and Serbian Radical Party is not even in the Parliament any more. So, the stage for political changes happened in the last year was set up four years earlier by changes in Socialists Party of Serbia and Serbian Radical Party. By these changes the leading democrates have lost the monopoly on the politics of the European integrations or social and economic reforms, meaning that they could not survive on the governing position due to the fear of the voters that the constitution of the government out of other parties would bring the country in the period of economic sanctions, wars and conflicts with the world. Since all leading Serbian parties had the same attitudes towards strategic questions some other themes such were the unemployment, corruption, standard and investments became important to the voters. The democrates did not offer any solutions to these questions to the voters and thus they lost the government.

Tectonic changes that happened in Serbian politics have not led to the changes of strategic direction of the country that was determined after the democratic changes happened in 2000. This fact reveals that political transition in the country has been over on the same way it happened in the countries of the former Eastern Europe because in the society there is almost complete consensus about strategic direction of the country. And really, after the elections held last year in Serbian Parliament sit 229 representatives, out of 250 in total, who support the entrance of Serbia into the European Union. So, there will not be the changes of the strategic direction in which the country is moving but it is possible to happen the complete pre-composition of the political forces in the country.

Among the themes that are going to be dominant in Serbian society in 2013, are the solution of the problem of Kosovo, the continuing of the process of joining Serbia to the European Union, social reforms and struggle against criminal and corruption as well as the solution of economic problems, first of all the unemployment and drawing of the foreign investments.

When Kosovo is concerned, new Serbian Government proved itself more credible than the previous one. Simply, Dačić's government has fulfilled all the agreements that previous Government achieved with Kosovo's Government with the intermediation of the European Union (UN). The former government during the summer 2011, started indirect negotiations with Priština where they achieved the agreements about several disputable issues among which the most important was the one about „integrated governance over the crossing border“. This agreement former government did not manage to carry out because it almost did not have any influence on Serbs who live in Kosovo and especially not on those living in three municipalities on the north, right to the crossing border. Besides, the elections were getting closer so former government wanted to avoid politisation of the agreement arranged with Priština. Anyhow, by the end of last year the new government successfully managed to fulfill the agreement about governing the crossing border that was achieved by the former administration. By fulfilling the agreement the actual government in Belgrade has demonstrated the fact that it has got strong impact on Kosovo's Serbs and their leaders which is very important for further negotiations. New Serbian leaders immediately after taking over the duty show the strong will to finally solve the problem Serbia has got with Kosovo during their mandate. Being so was confirmed by the fact that the negotiations were immediately raised from technical to political level at meetings of Serbian and Kosovo Prime Ministers Dačić and Tachi in Brussels as well as with the announcement that this year could meet Serbian President Tomislav Nikolić and Kosovo's Prime Minister Jahjaga. Belgrade is very ambitiously considering this question in favour of which speaks the fact that the Platform suggested by the President Nikolić is going to be, after being adopted by the Government, forwarded to the Serbian Parliament for the adoption. The first version of this Platform that should represent the base for negotiations of Belgrade with Priština, which President Nikolić presented to the leaders of political parties in Serbia as well as to the representatives of Kosovo's Serbs, has provoked a discussion about the certain formulations. Despite the speculation of media that the Serbian Government has divided about the Platform meaning that the President Nikolić found himself on one side and the leaders of the Serbian Progressive Party and Socialist Party of Serbia Aleksandar Vučić and Ivica Dačić on the other side, the formula has been found that can be supported by all the leaders.

The interesting thing is that the USA and the European Union avoided to attack the parts of the Platform that were obviously not at their taste while the German Minister of Defence Thomas De Maiziere reckoned that the fact Serbia announced its suggestion is „ quite a big movement“ and that now „ Priština should announce its suggestion“. The Minister said in Priština that the whole thing is „ moving into a good direction“ but also added that „ plenty of time is going to pass till the solution“. On the other hand, from the State Department was bespoken that they support the dialogue of Serbia and Kosovo being held under the patronage of the European Union but also that „ all that disturbs the dialogue is not helpful“while the American Ambassador in Belgrade Michael Kirby abstained of commenting the Platform because „ it is not the official“. The chief of the delegation of the European Union in Belgrade Vensan Degeire said that in Platform about Kosovo exist some good elements, which give the change to move forward in the dialogue but also the parts that demand more „ fine „ processing. It is obvious that the international community as well is tired of dead-end that Kosovo's problem is in, and that the opinion has matured even among the countries that are the greatest supporters of Kosovo's independence that to Serbs and Serbia some concessions must be given in order to be found the final solution. Serbian government, determined to finally solve this problem even at a price of Serbian concessions , with its influence on Kosovo's Serbs is an ideal partner for that. That is why this year there are great chances for making serious movements in permanent solution of Kosovo's problem even though must not be expected all work to be done in 2013.

In the year 2013. can be expected that Government continues with the politics of joining Serbia to the European Union. During the last year the Government shew determination to fulfill the requests that were given to Serbia and were concerning the dialogue with Priština, the struggle against corruption and correcting the reform of the Jury maintained by the previous government and which was the greatest problem in European integrations of Serbia. Brussels still has to be aware that despite the dominant determination of Serbian politicians to join the European Union, Serbian society is not that much convinced that the European integrations are the only solution and it is very divided concerning that question. That is why for this process is crucial month of June when it is expected that Serbia receives the date of the beginning the negotiations for joining the European Union. Simply , the government has to be rewarded for the shown will to fulfill the terms set to Serbia and first of all for the results in the struggle against the corruption. So, the success in the process of the European integrations depends only on Brussels. In case Brussels should recognize the work of the Government and assign to Serbia the date of the beginning the process of negotiations is going to be intensive. If there should be no compromise inside the European Union itself whether Serbia deserves to begin the negotiations about the membership, Brussels is going to give a hard knock to the Government which could show that it wants to obey the public opinion and that European integrations could not be the priority to it.

It can be expected that the Government in the year 2013. continues with the social reforms and the struggle against the corruption. When we are talking about the reforms there are the announcements of great changes in the health care sistem, in a way of organizing a central tender for the medicaments supply which is going to lead to the significant reduction of the medicaments supply costs and the reform of the health care sistem. The beginning of the year already brought changes because the state fund of health care insurance enabled also private pharmacies to give medicaments with the prescription which was so far the priviledge of state pharmacies only.

The equalisation of private and state pharmacies and the centralisation of the state medicament supply tenders on the state level ( until now these tenders were held by every state pharmacy respectively) is going to bring to the privatisation of the state pharmacies. In the Judiciary system can be expected the finishing of the process of correcting errors of the previous reform of Judiciary as well as the removing of its consequences. The correcting of the errors started during the last year by adopting a set of judicial laws and bringing back of judges, prosecutors and deputy prosecutors who were left without a job at their positions during the reforms of the previous government. During this year, two new crucial articles of the criminal law which regulate the abuse of dominant position for the state officials and the abuse of the responsible person are going to start being used. By this the practice which for the abuse of dominant position used to charge the owners of private enterprises also, is going to be changed. These criminal deeds, remained from the period of socialism, were used quite often in the recent years by the government for the struggle against the opponents. The Ministry of Justice prepares also a new strategy for the struggle against the corruption and the action plan for its administering in the following three years and expects these document to be adopted until the end of March. These assume the strengthening of the Agency and the Council for the struggle against the corruption, as well as bringing of the Law for protecting the alerters as well as many other tools for the struggle against systematic corruption. During this year in Serbia is going to begin with the so called „ public-prosecutive investigation“ which is going to fasten significantly criminal proceedings and thus contribute to the struggle against the organised criminal and the corruption. Respecting that, should be stressed that the Assembly adopted a new Law about Public Tenders that was supported by the European Union and the experts so that the effects of its appliance should be expected.

The Government is going to be faced with great challenges in economy in 2013. According to the words of Serbian Minister of Economy Mladjan Dinkić this year „ is going to be crucial for Serbian industry“. „ We expect that the export increases for one quarter compared to this year and that it is going to reach 11 billion euros“, announced Dinkić optimistically. Minister bases its optimism on the expecting that „ Fiat from Kragujevac is going to export minimum of 1,5 to 2 billion euros as well as that the new refinery of NIS in Pančevo ( in the ownership of Russian Gazprom ) is going to export 600 to 800 million euros“. That Government is serious when exposing the data tells the fact that by the budget for 2013. SIEPA ( Governmental organisation for foreign investments and promotion of export ) got ten times bigger budget for the stimulation of the investors than it was the case in the previous year. Government announced that it expects better agricultural season, lower deficit and better financial discipline. Dačić's cabinet did a lot during the second half of 2012. To disburden small and medium enterprises , to make their work easier and to reduce the aids they have to pay.

It is already seen that the strategy of the Government in 2013. is going to be help for small and medium enterprises, the increase of export as well as the trial of finding a solution for fallen Serbian economic giants remained from socialism, in a way to try to revive the production in some of their parts which can be competitive on the market. Besides, the economic situation is going to depend on whether the Government is going to manage to sell the greatest Serbian ironwork Sartid 1913 which was suddenly abandoned dy the American company US Steel last year. In this year budget the Government did not predict any subventions for the ironwork.



Serbia finished last year with high inflation of around 13 per cent, the fall of the Domestic Gross Product for 2 per cents, the unemployment rate went over 22 per cent, the greatest public debt of 60.5 per cent of GDP and the average salary that went down to 370 euros. It is real thus that in 2013. the citizens' standard is going to be lower in comparison to the last year because the pensions are going to increase twice a year for 2 per cent and the expected inflation is going to be much higher. The consumers' basket is going to be thinner than the last one. However, the priorities of people are changing when the society is in the crisis. For Government is thus more important to maintain working places to the citizens and the opening of the new ones than how high are the salaries.

Serbia has got great expectations from the sector of energetics in 2013. According to the words of the Minister Zorana Mihajlović great investments are expected and these are ,as it is planned, going to be realized in the following years. The Minister optimistically expects around one billion euros of investments into the energetic if we talk about „small hydroelectric power plants, energetic agreement with Italy and signed memorandum with German company RVE for thermal power plant „Nikola Tesla B3“. For Serbia is quite significant that in 2013. is going to start the construction of the gas line „South Flow“ going through the country. The construction of the gas line is going to influence significantly the economy of Serbia in the following period, it is going to bring new working places, but also to secure the energetic security of the country in times when the energy products are more and more valuable. Surely, this project is going to have its political consequences in the meaning of further closeness of Russia and Serbia.

It does not seem, however, that the Government is yet ready to open the question of public sector reforms. Whatsoever, Ministar Dinkić has immediately after New Year given the statement that „No one working in public sector is going to be fired until the crisis is actual“. It is transparent the attention of Minister that by great firing of state administration and those who live by the help of the country does not increase significantly the number of the unemployed people. However, the question is whether it is more expensive for the Government their maintainance of the unnecessary working places or more unemployed people. It is clear that this question is painful and that for its solution is necessary strong political will. Problem is that these reforms are not so popular and for their successful ending it is going to be needed at least five years. Besides, it is necessary the restructuring of pension and health care funds that are burdening the budget. If Government does not start dealing with this problem this year every new year is going to be needed greater one. With getting closer to the end of the mandate of this Government the execution of this job is going to cost more.

In this year is going to start the realisation of several important infrastructural projects such as the construction of two regional highways: Pojate – Preljina and Novi Sad – Ruma with total cost of 642 million of euros. It can be expected the beginning of works on Coridor 11 which connects Belgrade with Montenegro and the continuing of the construction of Coridor 10 and the arm of the road connecting Serbia with Bulgaria. Work on these infrastructure objects should provide more jobs for Serbian road industry which is under the great crisis.

Political analysts and the opposition are mostly interested in what the schedule of political parties in Serbia is going to be and if there are going to be early elections? On the right wing came ahead the leading Serbian Progressive Party ( SNS ) as a dominant political power. Smaller parties of the right wing such as the Democratic Party of Serbia ( DSS ) of former President Vojislav Koštunica and United Regions of Serbia ( URS ) of Minister of Economy Mladjan Dinkić can not endanger the dominance of Serbian Progressive Party. The fact is that coming of Aleksandar Vučić on the leading position gave new energy to the party. Party has never been more popular, but it needs more time to tighten itself on the political scene. Exactly that great popularity of Serbian Progressive Party is the main reason why it is believed that this party is going to try to pour its popularity at some further elections in better electoral result. However, it is not likely to happen, and Serbian Progressive Party is going to avoid early elections except if out of some great crisis it should be forced to do so. Simply, the Government is less than six months in the leading position, so that taking a new mandate does not have a sense. Besides, Serbian Progressive Party is the leading party in the Government and it has got quite loyal coalitional partners, so now it also has got great power. It is less probable that the Serbian Progressive Party is going to risk holding the early elections only to achieve a few chairs more in the Government or the position of the Prime Minister. Besides, the struggle against criminal and corruption led by the Serbian Progressive Party, meaning its leader Vučić would be at least stopped for a while during the pre-electoral campaign. And finally, in an agreement with the international community started the negotiations concerning Kosovo so that chances for scheduling the early elections while negotiations are lasting – minimal.

On the left wing happened tectonic disorder because until the last year the strongest party Democratic Party ( DS ) continued its fall. Not even the change of party leadership positions , meaning the agreement between the former President Tadić and actual president Djilas about the quiet transition could not help the democrats to stop the fall. The impression is that both leaders entered the conversation dishonestly, that in the party exist at least two parties and that it is the question of time when the party is going to divide. All chances are that the Democratic Party is going to share the destiny of its sister Greek party from Greece PASOK which separated in several parties where each one pretends to be the legitimate heir of great all Greek socialists movement. As there are similarities in the destiny of Boris Tadić, the former President of Serbia and the Democratic Party and Giorgos Papandreou the former Prime Minister of Greece and the President of PASOK. Both of them, even though from respected political families, did not recognise the coming of the new time and the need for changes in their political parties. That is why today PASOK is not relevant party in Greece and despite it takes part in the work of the Government ( this Government was created in order to stop the coming of Alexis Tsipras and his radical left wing movement Siriza into the head of Greece ). New President of Democratic Party Djilas for now can not manage to stop fall of the rating of his party and if it continues, very soon the strongest party of the left wing is going to become the Socialists Party of Serbia ( SPS ) of actual Prime Minister Ivica Dačić. If it is going to happen, it is going to be a historical change that is going to change the political picture of Serbia. If we add to that that it can be expected in 2013.

From Democratic Party to be formed at least two and maybe even three political parties ( Party of former Prime Minister and the person in charge of the President of Democratic Party Zoran Živković as well as former Minister and the deputy President of Democratic Party Dušan Petrović as well as possible new party of former Minister of Foreign Affairs Vuk Jeremić ) on the left wing is going to break a war for almost 20 per cent of tradicional voters of Democratic Party. However odd that sounds, concerning that the parties of Vuk Jeremić and Dušan Petrović are going to be right wing the greatest changes for taking over the voters of Democratic Party has got Dačić's Socialists Party of Serbia ( SPS) !

The impression is that Serbia since fall 2008. Has stablized its political sistem and that elections held in 2012. Did not disturb political reality that had been achieved and strategic determinations of Belgrade. It is a good news for Serbia because this country first of all eagers for stability. The next step is that Serbia build strong state institutions. Is it going to start that job with this Government , the time will tell.