

## **Serbia's March 2014 Elections** *A Post-Election Letter from Belgrade*

In early parliamentary elections held on March 16, 2014, Serbia's voters handed the ruling Serbian Progressive Party (SNS) a sweeping mandate to continue the pro-European integration program it began implementing in 2012 when it succeeded incumbent president Boris Tadic and his Democratic Party's (DS) long tenure in government. In capturing 48 percent of the vote – nearly double its total in the 2012 parliamentary elections – the SNS has expanded its majority in the National Assembly (the Assembly) giving it a mandate greater than any government since December 2000, with which to make significant reforms in the judiciary, education, fiscal and monetary policy, as well as adjustments to the electoral system to create a more direct connection between the people and politicians.

Voter turnout was approximately 53 percent, and since the method used to assign the number of seats does not include votes cast for the parties failing to reach the five percent threshold to enter parliament, the SNS's 48 percent of the vote translates into 158 seats – 10 short of a two-thirds majority of the Assembly's 250 seats. Meanwhile, the Serbian Socialist Party (SPS), which joined SNS in coalition in the outgoing government, acquired 13.5 percent of the vote, and 44 seats in the Assembly. The DS, which split just prior to the elections with the departure of Boris Tadic, garnered 6 percent of the vote and 19 seats, while Tadic's breakaway New Democratic Party (NDS) won 18 seats with 5.8 percent.

Several ethnic minority parties cleared the parliamentary threshold: the Alliance of Vojvodina Hungarians (SVM) with six seats, the Sandzak Party of Democratic Action (SDA-Bosniak) with three seats, and the ethnic Albanian Party for Democratic Action (PDA) surprisingly with two seats. Several established parties, however, did not obtain enough votes, including the Democratic Party of Serbia (DSS), Liberal Democratic Party (LDP), United Regions of Serbia (URS) and the Roma Party (RP) – all of which were part of the previous Assembly.

Elections for the Belgrade municipal council, held on the same day, also saw SNS triumph with 43 percent of the vote and 63 seats in the city council. This was an important loss for the DS, which had for years enjoyed tremendous support in the Serbian capital. Voters gave the DS just 16 percent of the votes and 22 seats. The rest of the votes were split between a coalition led by SPS (16 seats), and DSS (9 seats).

Seen in broader terms, the remarkable and rapid political ascent of the SNS – from a breakaway faction of the far-right Serbian Radical Party (SRS) in 2008 to Serbia's political vanguard toward European integration – is the lead story from this election. Its political coronation is due to many factors, among them the political talents of its leadership, notably incoming Prime Minister Aleksandar Vucic, the struggles of the opposition, and, once unthinkable of a group of politicians formerly associated with the Milosevic era, a strong commitment to join Europe.

## **From Milosevic to the Doorstep of the European Union**

The Democratic Opposition (DOS) was a group of political parties, nongovernmental organizations (NGOs) and activist citizens that helped remove Slobodan Milosevic from power through a peaceful revolution on October 5, 2000. DS and DSS leaders played a central role in the movement and they emerged as key leaders of the post-Milosevic politics. From 2000 to 2008, DS and the DSS were in government cohabitation that over time grew increasingly adversarial and ineffective. The 2003 assassination of Prime Minister Zoran Djindjic (DS) at the hands of criminal gangs and paramilitaries associated with the Milosevic government revealed the significant challenges facing the DOS leaders who tried to begin economic restructuring, democratic reform of government – particularly of the judiciary and security services – and to begin the long journey toward the European Union (EU).

The Democratic Party consolidated power between 2004 and 2008 and Djindjic's DS successor, Boris Tadic, ascended to the presidency in 2004 in a hard-fought election against Tomislav Nikolic, then a hardline standard-bearer of Milosevic policies. What had become a politically clumsy coalition with the DSS was jettisoned, following parliamentary elections in 2008. But in its ensuing, four-year mandate, the DS confronted three fundamental problems: economic stagnation, government corruption, and Kosovo. Ever mindful of Zoran Djindjic's violent death, the DS leadership was hard-pressed to depart from stalwart opposition to Kosovo sovereignty and adopt a more flexible, nuanced policy.

Tadic maintained that Serbia could proceed toward EU membership without bending on its position that Kosovo remain part of Serbia. Over time, this would prove untenable, particularly following Kosovo's declaration of independence in 2008 and its affirmation by the International Court of Justice in 2010. Following violent skirmishes in the north of Kosovo, whose majority Serb population resisted Pristina's authority, Brussels imposed on Serbia conditions related to the normalization of relations with Kosovo in respect to Belgrade's bid to join the EU.

The world financial crisis, which began in 2009, initially provided political cover for the lack of progress on the economy but the government's failure to increase the standard of living in Serbia and stubbornly high unemployment in the mid-twenty percent range weighed heavily on the government as it entered the 2012 elections.

### **2012 Elections**

Believing that the DS would be weak without him leading the parliamentary election ticket, Tadic shortened his presidential mandate (due to expire in January 2013) prompting a presidential election coincident with parliamentary and local elections.

Contrary to the previous declarations of its leadership, the SNS adopted a pro-European position during the campaign, succeeding, however remarkably, in neutralizing any remaining DS advantage on the issue, and allowing disillusioned and dissatisfied voters to choose a new and seemingly safe option. The DS, on the other hand, believed that it remained the only pro-European political option for the voters. The DS ran an undisciplined campaign, resulting in significant losses. SNS captured 24 percent of the vote in a first-place finish and Tadic lost the presidency to SNS leader Tomislav Nikolic, the latter's political makeover as a centrist having swayed voters primed for change. Despite invitations from SNS and international encouragement to join a "grand coalition" with SNS, the DS declined, stating that its voters would not forgive the party for joining an SNS-led government.

## **SNS at the Helm**

The SNS was joined in coalition by the SPS, whose leader Ivica Dacic, himself a Milosevic-era holdover, became Prime Minister. At Brussels' behest, the new government elevated negotiations with Pristina, begun under the DS government, to the prime ministerial level.

Progress on technical matters, such as border management, led the EU to deliver candidate status to Belgrade, and paved the way for an historic political agreement in April 2013 between Serbia and Kosovo to normalize relations. The government mounted an effective public relations campaign in favor of the agreement, taking on longtime-allies-turned-critics in Kosovar Serb leaders and even the Serbian Orthodox Church. Belgrade has taken steps to honor its commitment under the agreement to dismantle so-called parallel institutions in Kosovo by dissolving four municipal assemblies in the north and encouraged Kosovar Serbs to vote in Kosovo's November 2013 local elections. Brussels again reciprocated in announcing that formal negotiations on EU Accession would start in January 2014.

The SNS's "Nixon to China" gamble worked. In a very pragmatic way, the leadership understood that economic survival depended on EU integration, and EU integration necessitated accommodation with Kosovo. Perhaps because of, rather than despite, their nationalist credentials, the party could take the political risk over Kosovo that its DS competitors could not.

## **2014 Early Parliamentary Elections**

Sensing that the party's popularity was at its zenith, and perhaps concerned that long-term economic restructuring and likely austerity policies could sour voter sentiment, SNS President and Deputy Prime Minister Aleksandar Vucic, now seen as the most powerful politician in the country, called early parliamentary elections for March 16. Pre-election polls confirmed SNS primacy among voters, at around 40 percent. The SPS held steady at 14 percent, with the DS trailing at 12 percent. By then the DS had divided into rival factions led by Tadic, and the party's wounded president, Dragan Djilas, who at the direction of Vucic, had been removed as mayor of the Belgrade municipal assembly in September 2013.

As in previous years, these elections revolved largely around the personalities of party leaders rather than policies. Concerned with daily issues, such as economic stagnation, rising unemployment rates, corruption, and inferior health services, voters looked for strong leadership that could solve these problems. For the SNS, that person was Vucic. That the SNS continued to remind voters of the alleged corruption during the DS government's time in power further weakened the DS, which remained on the defensive and was unable to offer a viable alternative to SNS.

Kosovo was rarely mentioned during the campaign. SPS and SVM occasionally promoted EU integration, while DSS, Dveri and SRS – the vestiges of an increasingly marginalized nationalist wing – stood against it. LDP was courting Bosniak voters in the Sandzak. DS comeback prospects collapsed ahead of elections, when Boris Tadic founded the New Democratic Party after failing in a very public attempt to depose Djilas at a party executive board meeting in January. Because of SNS's popularity, the other parties saw little benefit in challenging the incumbent, but instead set about to fight each other for second- and third-place finishes from an electorate that seemed to be more fixed in its political preferences than in previous cycles. Party platforms were underdeveloped and rarely mentioned. SNS made vague promises on various reforms and reminded voters of its commitment to fighting corruption, aided by a savvy public relations campaign that drew on several high-profile arrests and prosecutions.

Former Minister of Economy in the SNS government, Sasa Radulovic, stood out as a self-proclaimed truth-teller. A political independent, he broke with Vucic over what he alleged as the government's lack of commitment to the economic reforms. Through his "group of citizens," Radulovic championed fiscal responsibility, education reform and better healthcare services, and was credited with initiating a substantive policy debate. While Radulovic's frank diagnosis appealed to the general public, his solution – austerity – found fewer adherents.

### *The Election Process*

There were few incidents of procedural irregularities and anomalies reported on Election Day. The Organization for Security and Cooperation in Europe (OSCE), Council of Europe (CoE) and the Office for Democratic Institutions and Human Rights (ODIHR) Election Observation Mission declared the election free, transparent and fair, but they did note a concern about the "usurpation" of the media by governing parties and the lack of transparency on media ownership. Marko Blagojevic, executive director of the Center for Free Elections and Democracy (CeSID), reported that just over one half of Serbia's eligible voters cast their ballots in the early parliamentary elections and that turnout was highest in central Serbia (52.3 percent), Belgrade (47.6 percent), and Vojvodina (49.2 percent). In total, 6.75 million citizens voted in 8,262 polling places.

The media coverage was heavily biased toward the SNS, according to the Bureau for Social Research (BIRODI), a Belgrade-based social research institute. Monitoring television stations' primary news programs and a list of selected talk-shows during the official campaign period, Serbia's National Broadcasting Agency published a post-election report on party representation in the broadcast media during the election campaign, which also showed significant differences: SNS was the most covered with a 20.2 percent share of all news programs, followed by DS (16.4 percent), NDS (14.1 percent) and the SPS coalition (11.7 percent). With regard to local media, the party that held power in a given municipality received the most coverage. For example, in Nis, SNS had 34.8 percent of share on Niska TV – twice more than URS's 15.2 percent.

### *"Rec na Rec" Candidate Debates*

To provide voters with an unbiased view of the parties and candidates, NDI's civic partner CeSID, along with Radio-Television Serbia (RTS), hosted four electoral debates throughout the country. Created by NDI, CeSID and RTS ahead of the 2012 presidential and parliamentary elections, the *Rec na Rec* ("Word on Word") debates offered candidates a constructive environment for political dialogue in an electoral process otherwise short on substantive exchange and personal decorum. The US Commission on Presidential Debates, which has worked with NDI on debate programs around the world since 1987, provided technical assistance with debate rules, format and production.

After a positive response from parties and voters in 2012, CeSID and RTS conducted another debate series ahead of the March 2014 elections.

Five debates among parties contesting the parliamentary elections covered, respectively, rule of law and corruption; health and social policy; foreign policy and EU integration; and economic and fiscal policy. Two of the debates – in Nis and Novi Sad, the country's second and third largest cities – were held in front of live audiences. The fifth debate focused on Belgrade municipal elections, during which participants discussed local issues. The reach was more than one million people per debate (in a country of seven million).

## *Marginalized Groups*

The elections proved important for some of Serbia's marginalized populations. The signing of the *Protocol of Cooperation* between disabled people's organizations (DPOs) and political parties was initiated by the Center for Independent Living. The protocol calls for greater attention to disability issues in the new parliament, support for the newly established parliamentary disability caucus, and more communication and cooperation with DPOs during the policy development process. By Election Day, eight major parties had signed the protocol—with the notable exception of SNS.

Likewise, the 2014 election saw the first openly gay candidate, Nenad Mihailovic (DS), elected to the Belgrade municipal assembly.

## **Belgrade Local Elections**

Mayoral and municipal elections in Belgrade were also held on March 16. The race was dominated by an SNS agreement with a company from the United Arab Emirates that would design and implement "Belgrade on the Water," an extensive construction project to transform the Belgrade Port into a thriving economic center and magnet for future investment.

The SNS sweep in Belgrade was complete and symbolic. The party received more than 350,000 votes in the city which was three times that of its closest rival DS. SNS secured 63 of the 110 seats in the assembly which will include only four parties (DS, DSS, SNS and SPS). By winning a clear majority SNS captured the DS's political stronghold (since 1996) and in the process took control of the largest municipal budget in the nation. The mayor of Belgrade is acknowledged as the third most powerful person in the country, behind the president and the prime minister. The SNS will now occupy all three offices.

## **The New Government**

On April 27, the Assembly approved a new cabinet by a vote of 198-23 (with six abstentions). The new Serbian government will be headed by Aleksandar Vucic as Prime Minister and consists of 16 line ministries and two ministers without portfolio. SNS retains control of eight ministries, while the others are distributed between the SPS (four), the Social Democratic Party of Serbia (one), and independent experts heading the remaining five. This includes holdover Lazar Kristic, who will again serve as Minister of Finance. Outgoing Prime Minister Ivica Dacic (SPS) is now the first deputy prime minister and minister of foreign affairs. Kori Udovicki, former Serbian National Bank governor who until recently served as the Assistant Secretary General of the United Nations, will lead the Ministry of Public Administration and Local Self Government.

The path to forming the new government came after just a month of negotiations that were considerably more efficient than transitions of the recent past. When discussions between SNS and other parties began in early April, some analysts raised the possibility that Tadic's NDS may become part of the new coalition government, particularly after both Tadic and Vucic reached agreement on numerous key issues during an initial meeting. However, talks between the parties ended when Tadic made it clear that NDS would not join a coalition that included the SPS, stating that such a move would be counterproductive for his party.

At the local level, the opening session of the Belgrade Assembly took place on April 23, with DSS, SNS, and the SPS coalition forming a government, leaving DS as the lone opposition party.

Sinisa Mali (SNS) was appointed mayor, as mayors in Serbia are indirectly elected by municipal assemblies, and municipal Assembly Whip Andreja Mladenovic (DSS) became deputy mayor.

### **What Comes Next?**

The departure from the parliament of the small, but significant parties (DSS, LDP, SRS and URS) marked the end of the “DOS era” with its fragmentation and infighting and ushered in a new political reality that features a dominant party possessing the power to implement its platform with minimal discussion. Twenty-two parties from seven electoral coalitions entered the Assembly, and while the reduced number of parties may sharpen the political debate, the absence of elected representatives of (DSS) and radical (Dveri) may cause their followers to take their protests to the streets.

DS and NDS will lead a small and splintered opposition that will find it difficult to confront the new government on policy issues. Absent political party and institutional brakes on government action, the role of a focused and loyal opposition may fall to civil society.

The new government must be bold in the first six months in implementing the economic reforms that will put Serbia in a position to enter the EU in the next decade. Many observers believe that, should the SNS hesitate to take bold action early in its mandate real reform will not be possible.

In the short-term, the EU integration process is clear. Serbia must close the two most difficult chapters of the *Aquis Communautaire* – Chapter 23 (judiciary and fundamental rights) and 24 (justice, freedom and security) – which will address rule of law issues, before it can proceed. For the nation to make progress on its EU commitments the National Assembly must take its rightful place as the primary oversight body and champion of the interests of citizens. Parliamentary participation in the EU process is critical and to date, genuine parliamentary independence has been absent in Serbia. The new parliament will be in a more difficult position than previous ones, because the incoming government will have a substantial majority and will be less likely to accept guidance from the Assembly.

The SNS will need every bit of its majority to handle the political and structural challenges that will come with turning Serbia toward a free market economy, which is a requirement of EU membership. However, the country faces a tricky set of challenges.

The first challenge is the fragile state of the economy. According to the International Monetary Fund (IMF’s) *World Economic Outlook*, Serbia’s economic growth in 2014 will be 1 percent – half the rate it predicted in last year’s report, while unemployment is expected to increase to 21.6 percent in 2014 and 22 percent in 2015, respectively.

Another challenge is the absence of an effective policy to address corruption in Serbia. As reported by the Transparency International’s *Annual Report*, Serbia has made slow progress in this area. In 2004, Serbia scored 27 on a scale of 100 and ranked 97<sup>th</sup> among 145 nations. By 2012, it scored 39/100 and ranked 80/174, while in 2013 it scored 42/100 and ranked 72/177.

EU integration holds the best hope for Serbia’s economic, social and political advancement, but the austerity measures that must be implemented in the short term, such as increasing taxes and reducing benefits, will be painful and could undermine trust in the goal of EU membership and in the new government. Therefore, the government must make a case for short term pain in

exchange for long term gain that would convince Serbian citizens to be patient and focused on the prospects for future prosperity.

In the immediate term, making progress on corruption and taming the gray economy would strengthen Serbia's economic position by capturing lost tax revenue. And, as long as the added revenue is used to reduce the budget deficit or invest in infrastructure, the government could earn the confidence of an electorate that has been disappointed countless times since 2000.

## **Conclusions**

Serbia has achieved full consensus on its geopolitical orientation toward Europe and with it a political accommodation to Kosovo. The democratic transition proceeds with new actors entering politics to make the system more representative, but important structural elements must be addressed, including media bias, a still-maturing balance of power and a heavily centralized system of electoral representation that demand continuing efforts to expand politics by bringing citizens into the decision-making process.