



SPECIAL REPORT

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ABOUT THE REPORT

In early 2002 the U.S. Institute of Peace published Vladimir Matic's Special Report, *Serbia Still at the Crossroads*. Since then, Serbia's parliamentary elections in December 2003 and the surprising victory of proreform candidate Boris Tadic in the second round of the country's presidential election on June 27, 2004, suggest that Serbia still faces many obstacles on the path toward genuine reforms. In this Special Report, Matic again provides an overview of the prospects and problems in carrying out the country's reform agenda. The report was prepared under the direction of Daniel Serwer, director of the Balkans Initiative and the Peace and Stability Operations Program.

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The views expressed in this report do not necessarily reflect those of the United States Institute of Peace, which does not advocate specific policy positions.

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Serbia at the Crossroads Again: Can the Country Firmly Embark on the Reform Path with President Boris Tadic?

Summary

- On June 27, 2004, Serbia finally elected a new president after three failed attempts since fall 2002. Boris Tadic of the Democratic Party (DS) has been billed as one who will put the country firmly on the activist reform path and make a decisive break with the legacy of Slobodan Milosevic's rule. As such, Tadic is following the course of former Serbian premier and fellow Democrat Zoran Djindjic, who was assassinated in March 2003.
- The obstacles on the reform path remain formidable: Serbia has yet to reach a national consensus about interpreting and addressing the consequences of its past, and sensitive but crucial issues remain, such as Kosovo and cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY), further reform of the country's judiciary and security apparatus, the battle against organized crime and widespread corruption, and the complicated and politically explosive trials of Djindjic's alleged assassins.
- President Tadic's pursuit of the reform agenda is also stymied by the fragmentation of Serbia's center-right coalition government, led by Vojislav Kostunica, and by the Serbian parliament, whose election in December 2003 brought to power parties from the old to the reform-minded left and from the moderate to the radical nationalist right in a precarious balance that is slowing or even reversing reforms—particularly the West's demands for extraditing war criminals to the ICTY.
- Kostunica and his Democratic Party of Serbia (DSS), although part of the "Democratic Bloc" and previously of the Democratic Opposition of Serbia (DOS) that was determined to remove Slobodan Milosevic from power, do not share much of Tadic's and his Democratic Party's reform agenda; the battle over that agenda is an indication of how much of a break the country can make with the Milosevic era.
- For Tadic, a successful cohabitation with Kostunica's coalition government will require not only daily compromises but giving up crucial parts of his agenda of deeper reforms and

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becoming an accomplice in sustaining the mentality of the past. His Democratic Party may prove to be one of the first victims; both its popularity and unity may suffer.

- Premier Kostunica and DSS will face a very difficult task staying the course and adhering to their core values and constituency while holding together an already fractured coalition and keeping up with the expected pace of President Tadic's reforms. The first crucial challenge to the coalition will be fulfilling Serbia's obligations to the ICTY; the next may be replacing the existing Milosevic-era constitution, which gives only largely symbolic powers to the president.
- The tensions arising from the clash of Tadic's activist reform agenda and the positions of all other parties in the coalition government likely will mean that new arrangements will have to be sought, including new coalitions and, ultimately, new elections for the parliament. December 2003 and June 2004 showed that the electorate in Serbia remains highly volatile, so an early parliamentary election would probably change the scene once again. Serbia's municipal elections, held on September 19 and October 3, may have provided some indication of the trend: voters coalesced around DS and the nationalist Serbian Radical Party, moving away from Kostunica's DSS.
- Kostunica formed the minority democratic government with the support of Milosevic's Socialist Party and on a platform that claimed to represent a break with both Milosevic's regime and the previous DS-led DOS government. A wave of announcements of sweeping "reforms" of the reforms conducted by the former DS regime followed immediately. Some of the "reforms of the reforms" have been less radical than DSS initially advocated because of public backlash, but a new course has been systematically traced and will likely be pursued with determination and vigor over time regarding Kosovo, the economy, education, judicial reform and the campaign against organized crime, and the security apparatus.
- The approach to traditional and modern values heavily influences political orientations. Two-thirds of DS voters embrace modernity, while DSS voters are almost equally divided. Traditionalists prevail among most all other major political parties. Most of those who adhere to traditional values are politically conservative and nationalist; they vote for either Radicals or Socialists and are apprehensive of reforms because they see themselves on the losing side in such a process.
- Although the European Union must remain in the forefront of Balkan transformation, the United States should develop viable strategies for stabilizing the region, focusing on the state union of Serbia and Montenegro and on Kosovo, and take an active leadership role in pursuing that goal.
- The United States should also use actions—not just declarations—of the region's governments and political leaders in breaking with the past and accepting the rule of democratic governance as the benchmark of support. The U.S. should further increase democracy-building assistance, public diplomacy, and the support of programs that enhance direct participation of citizens in Serbia's transition; such assistance and support should be given as much as legally possible in the absence of congressional certification.

Introduction

Few in the West—and perhaps in Serbia as well—would have expected that after three failed attempts to elect a president, Serbia would finally get a reformer from the late prime minister Zoran Djindjic's Democratic Party as its new head of state. In previous attempts at a presidential election, nationalist candidates received the most votes; however, the polls failed to turn out at least 50 percent of the electorate, violating electoral laws (which were amended before the recent presidential poll).

Early assessments of Boris Tadic's victory hailed the new president as a breakthrough in activating Serbia's flagging reform agenda. Yet Tadic faces a staggering array of chal-

lenges, and, despite his statements upon taking office that he wants to make a decisive break with the legacy of former president (and International Criminal Tribunal for the Former Yugoslavia indictee) Slobodan Milosevic on all fronts—the economy, the army and security services, organized crime and corruption, the judiciary, education, Kosovo, and cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY)—Serbia’s new president still faces formidable obstacles.

More important, though, his pursuit of the reform agenda is also stymied by the fragmentation of Serbia’s center-right coalition government and by the Serbian parliament, whose election in December 2003 brought to power parties from the old to the reform-minded left and from the moderate to the radical nationalist right in a precarious balance that is slowing or even reversing reforms—particularly the West’s demands for extraditing war criminals to the ICTY at The Hague.

Under the existing Milosevic-era constitution, the powers of the president are more symbolic than executive, leaving most legislative and state powers in the hands of the prime minister. Premier Kostunica and his Democratic Party of Serbia (DSS), although part of the “Democratic Bloc” and previously of the Democratic Opposition of Serbia (DOS) that was determined to remove Milosevic from power, do not share much of Tadic’s and his Democratic Party’s reform agenda; the battle over that agenda is an indication of how much of a break the country can make with the Milosevic era.

GLOSSARY OF SERBIAN POLITICAL PARTIES AND THEIR LEADERS

DOS: Democratic Opposition of Serbia, alliance of 18 political parties formed in summer 2000 to oppose the SPS and its leader, Slobodan Milosevic. Began to fall apart in 2001 when the DSS pulled out of the DOS coalition government; the remainder has split into two factions led by DS and G-17 Plus.

DS: Democratic Party, Boris Tadic.

DSS: Democratic Party of Serbia, Vojislav Kostunica.

G-17 Plus: Miroљub Labus, chairman.

SPO-NS: Serbian Renewal Movement (SPO)–New Serbia (NS) coalition; Vuk Draskovic and Velimir Velja Ilic, leaders.

SPS: Socialist Party of Serbia, Ivica Dacic (Slobodan Milosevic*).

SRS: Serbian Radical Party, Tomislav Nikolic (Vojislav Seselj*).

*Actual party leader at The Hague, indicted for war crimes by the ICTY.

Boris Tadic’s Victory: United Democrats or Cohabitation?

On June 27, 2004, Serbia got its first really democratically elected president. Boris Tadic, the leader of the Democratic Party (DS), campaigned vigorously and consistently on a platform of far-reaching reforms and integration with Euro-Atlantic economic and security organizations. In the runoff poll, Tadic defeated Tomislav Nikolic, candidate of the Serbian Radical Party (SRS), by 53.53 to 45.10 percent, with a voter turnout of 48.70 percent. The vote itself was a success after three failed elections in the previous eighteen months since the departure from the Serbian presidency of Milan Milutinovic, who had been installed by former president Slobodan Milosevic and who joined Milosevic at the ICTY after stepping down. Tadic’s victory not only was celebrated widely in Serbia but also brought a sigh of relief from leaders in the region and from the international community. Tadic’s triumph in the presidential runoff seemed to mark a breakthrough for democratic forces in Serbia and reaffirmed a policy of strong support from European Union (EU) and North Atlantic Treaty Organization (NATO) officials for Serbia’s ongoing transition.

CHRONOLOGY OF POLITICAL DEVELOPMENTS IN SERBIA

- September 24, 2000:** Despite alleged vote-rigging and other irregularities, DOS candidate and DSS leader Vojislav Kostunica is the apparent winner of the election to succeed Slobodan Milosevic for the presidency of the Federal Republic of Yugoslavia (FRY). The government-controlled electoral commission deems Kostunica's vote tally insufficient to avoid a runoff with second-place winner Milosevic. Kostunica rejects the commission's findings. A general strike paralyzes Belgrade, as do days of mass protests in the capital and across the country.
- October 5, 2000:** Reversing its earlier ruling, the Constitutional Court affirms Kostunica's first-round victory with 50.2 percent of the vote. The prospect of continued nationwide demonstrations and the loss of support from the Serbian Orthodox Church and the country's security apparatus force Milosevic to give up his bid to remain FRY president.
- December 23, 2000:** In Serbia's first multiparty parliamentary election, DOS wins 176 of the National Assembly's 250 seats, defeating Milosevic's SPS.
- January 25, 2001:** DS leader Zoran Djindjic takes office as Serbian prime minister in a DOS-dominated coalition government.
- August 17, 2001:** Signaling the growing rivalry between Kostunica and Djindjic, DSS withdraws from the cabinet, citing the DS-led government's inability to fight organized crime.
- April 9, 2002:** The Serbian and Montenegrin parliaments approve a European Union-inspired accord to replace the FRY with a "State Union of Serbia and Montenegro"; the FRY presidency and other federal institutions to be replaced with weaker "state union" bodies within a year.
- July 18, 2002:** Serbia announces presidential election following reports that upon finishing his term in November and thus losing immunity, Serbian president Milan Milutinovic would be extradited to the ICTY for his role in the Kosovo conflict. Kostunica announces his candidacy for the office. Parliamentary Speaker Predrag Markovic appointed acting president.
- **September 29, 2002:** Presidential election (first round)—Kostunica gets 30.89 percent of votes, Miroljub Labus (independent but supported by DOS) receives 27.36 percent, Vojislav Seselj (SRS) gets 23.24 percent.
 - **October 13, 2002:** Presidential election (second round)—Kostunica gets 68.4 percent of votes, Labus (now with the "Best for Serbia" party) gets 31.6 percent. Election invalidated because of insufficient turnout; new election slated for December.
 - **December 8, 2002:** Presidential election—Kostunica gets 57.66 percent of votes, Vojislav Seselj (SRS) receives 36.08 percent. Election invalidated because of insufficient turnout.
- March 12, 2003:** Premier Djindjic is killed by two sniper bullets—one in the back and one in the stomach—as he leaves the side entrance of the government building. The Serbian legislature appoints Zoran Zivkovic, a Djindjic ally in DS, as the new prime minister.
- **November 16, 2003:** Presidential election—Tomislav Nikolic (SRS) gets 47.87 percent of votes, Dragoljub Micunovic (DOS) receives 36.67 percent. Election invalidated because of insufficient turnout.

December 28, 2003: Early parliamentary elections—SRS wins the most seats, followed by DSS, DS, G-17 Plus, SPO-NS, and SPS; DSS forms minority government with SPS support.

February 25, 2004: Serbian legislature approves an electoral amendment abolishing the 50 percent threshold of registered voters to validate a presidential election.

- **June 27, 2004:** Presidential election (second round)—After three failed attempts to elect a president since late 2002, Serbian voters choose DS candidate Boris Tadic over the Serbian Radical Party's Tomislav Nikolic to be their head of state; voter turnout was 48.7 percent.

September 19 and October 3, 2004: Serbian local elections—Voters divide between DS and SRS mayoral candidates in 148 municipalities across the country; DSS fares poorly.

To be sure, the second round of the elections was much more than the election of a president: it was a referendum on the future of Serbia and the constituency of reform and pro-European parties, sending a clear message to Serbian elites and to the world. The enthusiasm of this reform constituency provides the new president with legitimacy in his efforts to keep the democratic forces together and get Serbia on the path of accelerated democratization and a genuine opening to the world of which it claims to be part. Yet the obstacles on that road remain formidable: Serbia has yet to reach a national consensus about interpreting and addressing the consequences of its past. Especially sensitive but crucial issues remain, such as Kosovo and cooperation with the ICTY, further reform of the country's judiciary and security apparatus, and the battle against organized crime and widespread corruption.

Whatever Boris Tadic's victory means for the proreform forces in Serbia, the fact remains that he has become the president of a highly dysfunctional state run by a minority government based on a shaky coalition that was further undermined during the campaign and is dependent so far on the support of Milosevic's Socialist Party of Serbia (SPS) in the parliament. The coalition leaders were able to reach a compromise and help Tadic gain momentum after the first round of the presidential election, which was held on June 13 and won by Tomislav Nikolic. Support for Tadic from Miroslav Labus of the party G-17 Plus, and from Vuk Draskovic and Velja Ilc of the Serbian Renewal Movement—New Serbia (SPO-NS), was swift and strong; businessman Bogoljub Karic, leader of the new "Strength of Serbia" movement, followed. Premier Kostunica and his Democratic Party of Serbia hesitated for several days but finally succumbed to strong pressure from their coalition partners and, more important, from the international community.

President Tadic intends to keep the democratic forces unified based on the "political consensus cemented on June 27" and to become an "anchor of political stability" (press conference, National Press Club, Washington, D.C., July 21). He claims that "Serbia will not fail its international obligations" (*Washington Post*, July 24), meaning that ICTY indictees, including General Ratko Mladic, will be transferred to The Hague. These will prove to be enormous tasks, because the consensus exists only at a declaratory level and encompasses the principles but not strategies to transform them into actions. The first crucial challenge to the coalition will be fulfilling Serbia's obligations to the international tribunal; the next may be the adoption of a new constitution.

For Tadic, a successful cohabitation will require not only daily compromises but giving up crucial parts of his agenda of deeper reforms and becoming an accomplice in sustaining the mentality of the past. His Democratic Party may prove to be one of the first victims; both its popularity and unity may suffer. In the process, Premier Kostunica and DSS will face a very difficult task staying the course and adhering to their core values and constituency while holding together an already fractured coalition and keeping up with

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the expected pace of President Tadic's reforms. One or the other will have to give way or new arrangements will have to be sought, including new coalitions and, ultimately, new elections for the parliament. However, there seems to be a consensus that a constitution should be adopted first so that these elections will not be held before next February.

The Campaign: At the Crossroads Again

After the presidential elections were scheduled and SRS's Tomislav Nikolic was joined by new DS leader Boris Tadic in the runoff, most political analysts in Serbia recalled the numbers from past elections—particularly the December 2003 parliamentary elections—which favored Nikolic, and predicted his victory. This prediction was supported by the disunity and mutual accusations among the parties in the so-called Democratic Bloc.

Nikolic kept trying to represent SRS as the mainstream national (or "people's") party based on traditional values and patriotism, and he ran as the candidate for all citizens. Working hard to shed the party's image of radical nationalism, he launched his campaign at the sixteenth-century Bajrakli mosque in Belgrade, which was partly burned down by demonstrators in reaction to the flare-up of violence in Kosovo in March. In late May, the Radicals in the Serbian parliament opposed some amendments to the Criminal Procedure Code and advocated respect for the constitution and for European legal standards. Nikolic reiterated in his campaign speeches that Serbia must somehow press ahead with the reform agenda, for the EU does not want the poor and jobless, crime, the mafia, anarchy, or corrupt politicians; at the same time, he promised to prevent more extraditions of former and current Serbian political leaders to the ICTY and to allow Milosevic's family to return to Serbia. After Nikolic won the first round, his campaign began losing momentum once Tadic got the support of all former DOS parties and Bogoljub Karic's new political movement. Nikolic reacted by turning back to the core membership of the Radical Party, endorsing once again the "dream" of Greater Serbia—a country in which all Serbs will live together.

Tadic announced his candidacy by saying that he could not allow the victory of a "radical un-European Serbia." He remained personally untainted by the corruption and scandals associated with the former DS-led government and, as minister of defense, earned added respect from a wide circle of Serbian voters, including some "traditionalists," who look mostly to the army and the Orthodox Church as the authoritative institutions in Serbian society. Tadic clearly defined his platform and goals, projecting a constructive approach. He refrained from negative campaigning even when viciously attacked by DSS, and he focused from the very beginning on Nikolic as the opponent and on the real dangers SRS positions presented. Yet Tadic's only chance of getting elected resided with gaining the confidence of the country's undecided voters. In the second round, he also faced the problem of the DSS electoral base, which had former SPS (and even some SRS) voters who would rather have abstained than given him their vote.

Because neither former Yugoslav president and current Serbian premier Vojislav Kostunica (DSS) nor former federal deputy prime minister and current Serbian deputy premier Miroslav Labus (G-17 Plus) was willing to run, their minority democratic government coalition was represented by DSS's Dragan Marsicanin, who managed to trail Tadic closely, breaking up the opposition to Nikolic.

After the December 2003 parliamentary elections, Kostunica's position on cooperation with the ICTY opened the way for the support of the Socialists and allowed for the formation and stability of his minority government. Combined with his firm position on discontinuity with the previous "DOS-DS regime," Kostunica's stance on the ICTY facilitated not only the re-emergence of SPS but also the gradual restoration of the Milosevic regime's "values." The Radical Party benefited considerably from that course, as well as from mudslinging within the so-called Democratic Bloc and new accusations DSS raised against the Democrats, portraying them as co-conspirators in former premier Zoran Djindjic's assassination. Inadvertently or not, DSS was clearing the way for Nikolic's victory in the presidential elections. Being in control of the government and keeping major-

ity support in the parliament with the help of SPS, DSS may have been more comfortable with Nikolic than with Tadic because Nikolic would have given DSS and Premier Kostunica all the excuses they needed for doing or not doing anything; Nikolic would have been an ally and a scapegoat simultaneously.

Immediately following Prime Minister Zoran Djindjic's assassination in March 2003, Kostunica proposed the formation of a "concentration government," and he repeated his proposal after the December parliamentary elections. Participation of all parties in the government would place him and DSS in the middle of the Serbian political spectrum and make them de facto arbiters between SRS and SPS on one side and DS and (perhaps occasionally) G-17 Plus on the other. The June 2004 elections could have provided the next best alternative to such a "concentration government": DSS and Kostunica could pursue their program while standing tall in the eyes of the Serbian public and not even alienate the international community too much.

A History of Failure: Did the "Democratic Bloc" Ever Really Exist?

In a way, Tadic's victory resurrected the Democratic Opposition of Serbia as a "coalition of the unwilling." DOS was paralyzed from the very beginning by deep ideological and political differences over fundamental issues concerning the country's survival as part of Europe—issues such as cooperation with the ICTY; relations with the EU, NATO, and the United States; the transformation of the country's security apparatus, the judiciary, and educational institutions; and the drafting of a new constitution. Thus it is hard to imagine that a cohabitation of the former DOS parties will facilitate an acceleration of Serbia's delayed reforms. However, the outcome of the June presidential elections gives both the voters in Serbia and the international community an option for the future.

The DOS coalition of opposition parties that took power in October 2000 had one overriding goal: the removal of Slobodan Milosevic. Yet there were serious disagreements among the parties in the coalition over the fate of his regime and how quickly it should be dismantled. In the end, most of the power structure built up over the previous decade was left almost intact and put at the service of the new authorities. However, this structure was neither stable nor able to serve the process of democratization. The competition between the two leading figures in DOS—Kostunica and Djindjic—effectively prevented the transformation of the Milosevic regime's major pillars; the country's security apparatus remained intact and unreformed for a long time. This stasis, along with many disclosures about the Milosevic regime's persistence and lack of real economic progress, led to disillusionment and apathy in the Serbian body politic. Even in June 2004, more than half the registered voters abstained from both rounds.

Djindjic seemed to have won the long battle within DOS in March 2003 after the Federal Republic of Yugoslavia was replaced by the State Union of Serbia and Montenegro: Kostunica failed to win the previous year's election for the Serbian presidency and lost the defunct position of federal president. But then Djindjic was assassinated and Serbia was in shock. The public realized that nothing less than the survival of its country was at stake and enthusiastically supported the government, led by Djindjic's DS, in a sweeping operation against organized crime; at the same time, it endorsed a course of invigorated reforms and, thus, a sharp break with the past. In late April, the Democratic Party had the support of 27 percent of the voters, while support for Kostunica's DSS dropped to 14 percent and G-17 Plus to 8 percent. The loss for parties closely affiliated with the Milosevic era's policies was catastrophic: the Radical Party kept only 4.5 percent of popular support and the Socialist Party 3.4 percent. This dramatic shift reflected the expectations of the Serbian public, which surpassed by far the government's ability and willingness to strike at the financial foundation of organized crime, to uproot corruption and nepotism, and to reform the system of justice, along with that of the police, state security, and the army. By late July, DSS, DS, and G-17 Plus were within a 1 percentage point margin of one another, and SRS and SPS had begun to recover.

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Unable or unwilling to cope with the heavy burden of corruption and other affairs, the Democratic Party kept losing ground. Yet the coalition against DS was gaining strength for two other major reasons: the Democratic Party was accountable, having full control of the government, and it kept pushing reforms other parties did not want or at a pace they could not accept. Such a fateful course led to a joint campaign of DSS, G-17 Plus, SRS, and SPS to topple the DS-led DOS government. In fall 2003, all activities of the parliament were blocked, and, finally, an early parliamentary election was scheduled for late December. The Democratic Party lost power in that election, and the program of reforms and transformation was seriously damaged.

In the December 2003 parliamentary elections, SRS got 27.33 percent of the vote, followed by DSS with 17.81, DS with 12.70, and G-17 Plus with 11.59; SPO-NS got 7.70 percent and SPS 7.55 (58.71 of registered voters participated). These results were interpreted in different ways, but the fact is that the Radical Party came out the strongest. Also, more than half the votes went to the parties with strong “national” programs: the Serbian Radical Party, the Socialist Party of Serbia, and the Democratic Party of Serbia combined got 52.69 percent of the vote, while the two pro-European reform parties—the Democratic Party and G-17 Plus—together had only 24.29 percent. Clearly, the voters were fed up with politics as usual, unfulfilled promises, and corruption. They wanted results, and the returns were encouraging, but the question of which party or coalition would offer results convincingly enough and come out on top was only partly answered in June 2004.

After being introduced in early 2004 by DSS leaders, the term “Democratic Bloc” is now widely used by the media and public in Serbia. Yet the term has dubious validity: the former DOS parties from the very beginning evinced various degrees of adherence to rules of democratic governance, and by fall 2003 it was obvious that they were not a genuine bloc and had not been for a long time (after DSS began the practice, many Serbian political analysts usually append “so-called” to the term). So it was—and remains—difficult to imagine the formation of a strong democratic coalition. After the December 2003 parliamentary election, the real issue was not if and when Serbia was going to get a government, but what kind of government it could have, whether reforms and transformation could be continued, or whether Serbia would remain stuck in its twilight zone. Despite the clear victory and wide support Boris Tadic enjoyed, the June elections have not answered these crucial questions, and Serbia remains in turmoil.

The December 2003 parliamentary election cleared the Serbian political scene of most of the mini-parties whose leaders had played a major role in the former DOS and in the government formed in February 2001. Few entered into coalitions with DS and DSS, and most all but disappeared as independent players. The campaign for the June 2004 presidential election accelerated the polarization within the minority government led by DSS, as G-17 Plus and SPO-NS vehemently opposed any form of cooperation with the Radical Party and strongly supported Tadic in the runoff against Nikolic, who played by the rules and tried to move SRS toward the center—even by embracing the EU, at least verbally.

These developments, if continued—especially the moderation of SRS, coupled with the deepening rift within the minority government and the increasing influence of DS through the office of the president—may lead to a new balance of power in the Serbian political arena. If differences between Tadic and Kostunica turn into conflicts, SRS could provide a tempting option for DSS. A lot may depend on new player Bogoljub Karic and his “Strength of Serbia” movement, which is now a registered political party, already has twice as many registered members as DSS, and continues to grow. Karic supported Tadic, but he keeps his options open, along with his relationship with Kostunica, and may similarly favor a “concentration” government. He has not explicitly foreclosed the option of participating in a coalition with SRS.

Looking for a way out of a prolonged period of misery, on June 27 a majority of Serbia’s voters opted for reforms, civil society, and European integration. Yet Nikolic received 1.43 million votes, compared to 1.7 million for Tadic, with more than half of registered voters abstaining. December 2003 and June 2004 showed that the electorate in Serbia

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remains highly volatile; large blocs of voters shift their support one way or another, so an early parliamentary election would probably change the scene once again.

Serbia's municipal elections, held on September 19 and October 3, may have provided some indication of the trend: voters coalesced around DS and SRS, moving away from Kostunica's DSS. Once again (as in the June elections), the two parties that are the opposition in the parliament proved to be the ones with the widest electoral support—a typically Serbian paradox. After the first round, SRS offered DSS a partnership in forming local governments, but Kostunica finally opted for an alliance of democratic parties. This agreement with Tadic covers the local level only and does not imply any changes in the parliament or in the composition of the Serbian government. For his part, Tadic supported all “democratically and Europe-oriented” candidates and warned that any political arrangements between DSS and SRS would mark the end of cohabitation.

Voter turnout was very low—on the average, about one-third of registered voters in the first round and even lower in the runoff. It was higher only in some multiethnic areas such as Novi Sad, where the SRS candidate for mayor won, and Sandzak. The apathy can be attributed to citizens' disappointment with the overall performance of the so-called Democratic Bloc. An analysis prepared by the Center for Research of Alternatives shows that disappointment remains on a par with levels in 2000, with unemployment at 30 percent officially (40 percent unofficially), real income 17 percent lower at the beginning of 2004 compared to the same period in 2003, and 60 percent of the population living below the poverty level (*Danas*, August 31).

Serbia's Reform Agenda: Battling the Institutional Legacy of the Milosevic Era

Boris Tadic may have a popular mandate to get reforms moving again, but the support for the governing coalition rests on Serbia's apprehension over more pain and dislocations from pursuing internal reforms further. The fact that an earlier activist reform course under Djindjic's DS-led government could not avoid the Milosevic era's legacy of corruption and crime may have prematurely tarnished Tadic's activist credentials in the Serbian body politic.

External reforms—the country's pursuit of normalized relations with the European Union and the United States—are perhaps even more painful, for that course means actively seeking and transferring war criminals to The Hague and opening wounds that are still fresh in the Serbian body politic.

Vojislav Kostunica formed the minority democratic government with the support of the Socialist Party and on a platform that claimed to represent a break with both Milosevic's regime and the previous DS-led DOS government. A wave of announcements of sweeping “reforms” of the reforms conducted by the former DS regime followed immediately. Everything done in the previous couple of years was reviewed and re-examined. One of Kostunica's major “reforms” changed the way the government operates, shifting responsibility for decision making from the government as a whole to the ministers. Under this new arrangement, DSS holds sway over justice, security and police, and education, while G-17 Plus controls economics and finance (except capital investment, which is under NS). Sweeping personnel changes followed to ensure party control of government institutions. Government positions were redefined and changes initiated.

Some of the “reforms of the reforms” have been less radical than DSS initially advocated because of public backlash, but a new course has been systematically traced and likely will be pursued with determination and vigor over time.

Kosovo: New Violence—and New Spin from Belgrade

DSS used the March crisis in Kosovo to tighten its grip on power and expand its influence on public opinion through various institutions, including the media and the

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country's educational system. This renewed "Milosevic-style" patriotism emboldened the former president's supporters, who had been quiet for a long while. On March 18, a rally was organized in front of the Serbian government building by former regime "patriots," including the widow of the infamous warlord Zeljko ("Arkan") Raznjatovic. Protest rallies and marches were organized by all schools, universities, factories, and companies, and the media lined up with the "professional defenders of Serbs." The director and editor-in-chief of Radio Television of Serbia was dismissed because he did not react in an "appropriate manner." He was replaced by Aleksandar Tijanic, a propagandist for the Milosevic regime who later became an adviser to Kostunica while he was president of Yugoslavia and who remained the most outspoken opponent of the Djindjic and Zivkovic governments.

It is not surprising that in such an atmosphere, nongovernmental organizations—in particular, human rights organizations—have come under attack and are being portrayed as enemies of the Serbian people and accomplices of the West. Also, it may explain why only 15 percent of the students polled believe the country is going in the right direction and 84 percent would leave Serbia if they could (*Danas*, June 10).

On the other hand, expectations of the impact of March's events on the positions of the EU and the United States, as well as on the rest of the international community, rose very high in Serbia. Premier Kostunica said that prior to March 17, articles in the foreign media claimed that the new Serbian government is nationalist, but that afterward the government was praised for its behavior during the crisis, which prevented a further deterioration and heightening of tensions.

After adopting a resolution on Kosovo in March, the Serbian parliament unanimously approved the government's plan the following month, which calls for decentralization and territorial autonomy in the province to guarantee the status and security of Serbs.

Citing no improvement in the position of Serbs in Kosovo—especially in security and free-movement guaranties—the Kostunica government kept firmly opposing participation of Serbs in Kosovo's October elections. Initially, a coalition formed by Karic's Strength of Serbia party, SPO, and NS announced its participation but had to withdraw later under pressure to maintain "national consensus." Tadic kept in line, too, but tried not to be in the forefront of the opposition, which pits Serbia against the international community. The developments once again highlighted both the sensitivity of the issues related to Kosovo and the actual differences in positions and interests of the Serbian government and of Serbs living in, or refugees from, Kosovo and those living in the Mitrovica region.

On October 5—the fourth anniversary of Milosevic's removal from power—President Tadic called on Kosovo Serbs to participate in the elections, thus opening a new phase in Serbian politics and the manner in which the issue of Kosovo is treated. He said that he had requested minimum guaranties for participation of Serbs and the establishment of internationally recognized local Serbian authorities in the territories where they live within three months. If this condition is not met, Tadic will request that Serbian delegates withdraw from the elected Kosovo assembly and relinquish their mandates.

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Serbia and the ICTY: A Partnership of Equals?

As perhaps the most significant "external" reform, Serbia's cooperation with the International Criminal Tribunal for the Former Yugoslavia has for a long time been at the center of the country's relationship with the West and a contentious issue in the erstwhile DOS since early 2001. Because of the indictment of four generals in fall 2003, some analysts and politicians in Serbia blamed the West and the ICTY for the results of the December parliamentary elections. The election results, according to these observers, showed the futility of the DS-led government's cooperation policy and, further, that they had been betrayed because there was an agreement that there would be no more indictments based on command responsibility.

In such an atmosphere, Kostunica's statements about the framework of his government's cooperation with The Hague were very well received by the public. Kostunica

reiterated the necessity of the international community's acceptance of trials in Serbia and the country's cooperation with the ICTY on that basis. He also continues to stress that this cooperation must be a two-way street so that public institutions in Serbia will not be destabilized. He defended the infamous new law on assistance to those on trial in The Hague: "There should be a connection between the state and indictees" because their testimony concerns not only themselves but the state as well (*Politika*, April 13). This law provides for hefty financial assistance to the families of those on trial in The Hague, including legal expenses, frequent visits, and phone calls. The draft was submitted in the Serbian parliament by the Radical Party and initially supported by 195 members (all present except members of DS). It was adopted with 141 votes for and 35 against (DS and SPO-NS), with 20 abstentions from G-17 Plus.

The law's passage came one day before U.S. secretary of state Colin Powell was to certify to Congress on March 31 whether Serbia meets the standards set for the continuation of U.S. financial assistance; cooperation with the Hague Tribunal is the most important of the requirements. (So far, the United States has contributed more than \$3 billion in the form of donations, credit arrangements, and direct investments.) A month later, the ICTY president submitted a complaint to the UN Security Council stating that Serbia was failing to comply with its obligations. EU commissioner for external affairs Chris Patten said later that Belgrade would have to choose between noncooperation on war crimes and EU accession. On May 14, the Council of Europe's Committee of Ministers expressed concern over "the almost complete breakdown" of Serbia and Montenegro's cooperation with the Hague Tribunal.

The government still maintains that General Ratko Mladic is not in Serbia and thus cannot be extradited, which was the position of the previous government as well. In line with Kostunica's position that there will be no more extraditions but only "transfers" and Marsicanin's statement that "the government does not recognize indictments based on command responsibility" (*Politika*, March 6), some attempts were made to encourage those already indicted to surrender themselves to the tribunal, but to no avail. In a telling example, former chief of staff Nebojsa Pavkovic said in an interview in the April 19 edition of *Politika* that he will not surrender nor allow himself to be extradited. "These authorities will sign their own death sentence," said Pavkovic, if they try to arrest and transfer him. He maintains that the army did not wage a war against the Albanian people in Kosovo but, rather, a war against terrorists. The violence that erupted there on March 17 "opened the eyes of the international community," said Pavkovic, who expects the indictments against him and three other generals to be withdrawn.

There is broad support in the Serbian parliament and public for the position taken by Premier Kostunica, but what if the pressure from the international community continues and the stakes become too high? Milosevic's June 2001 transfer to The Hague shows that it can be handled. At the time, close to two-thirds of the voters approved of the transfer, though only 2 percent thought that he should be tried for war crimes. Cooperation with the tribunal under pressure does not require facing the past or dealing with the crimes committed in the name of the Serbian nation. Rather, it leads to the creation of more national martyrs and perpetuates the mindset created under Milosevic. Yet such transfers could undermine the informal coalition of the Serbian government with the Socialists, who asked for and received assurances that there would not be any more. The Radicals would also feel obliged to stand up and vehemently oppose further transfers.

President Tadic took a position that cooperation with the Tribunal is an international obligation of Serbia and reiterated during his visit to the United States that it will be honored. "We have to do it because of us," he said. He also said that Serbia "will be ready to put on trial war criminals" (press conference, National Press Club, Washington, D.C., July 21).

Fulfilling the obligations to the ICTY may in the end prove to be an easier part of dealing with Milosevic's legacy. Resistance to the extraditions among the elite and the public is based partly on animosity toward the ICTY and on "national pride," but a good part comes from the popularity of the indicted war criminals themselves. A large majority

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of Serbs still consider Mladic and Radovan Karadzic in particular to be national heroes who fought for the “Serbian cause”; they are admired and idolized. Much as the Serbian authorities’ lack of cooperation with the ICTY stands in the way of accession to the EU and NATO’s Partnership for Peace, this attitude hinders the change of mentality critical for the success of the transition and constructive interaction with Western democracies.

Economic Reform: Crime, Corruption, and Politics Hamper Privatization and Foreign Investment

The “Asian Tiger” economies demonstrated that illiberal regimes can be very successful in developing capitalist economies and that corruption does not necessarily hinder direct foreign investment provided there is a minimum of political and financial stability. Serbia lacks that degree of stability, and the situation is more complex because of its legacy of parastatal organizations and the near-institutionalization of organized crime in the economy.

The process of transition so far has not created a system properly characterized by the rule of law. Privatization and treatment of foreign investments are tainted not only by corruption but also by infighting among political parties and their affiliated networks in Serbia’s “civil society.” Court decisions seem to be quite arbitrary, are often not implemented, and are sometimes quickly reversed. The previous government conducted privatization without first adopting a law on denationalization and the return of property confiscated after World War II to its rightful owners, in many cases leaving ownership open to numerous future legal challenges. The new government started revising and annulling dozens of contracts, as DSS had promised before the elections, adding a new element of uncertainty to the future of the Serbian economy. This trend began with a pharmaceutical firm, followed by the largest steel mill in Serbia with more than 10,000 workers, which was purchased by U.S. Steel and, under new management, stopped incurring losses for the first time in decades. Politics and turf battles again prevailed over economic logic.

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Educational Reform: Traditionalism Stays in the Schools

The campaign waged by ultraconservative organizations and the Serbian Orthodox Church against the reform of elementary and secondary education gained new strength after the December 2003 parliamentary election. The jettisoning of the educational reform program was announced without delay, allegedly because it focused on “modern” teaching methods and skills and not enough on “traditionalist” content. Complaints that the reforms destroyed the “traditional school and national values,” were too European, and introduced “postmodern ideology” were the conservatives’ and clergy’s major arguments, in addition to the usual laments that the “schools are not ready” and so forth. In the end, the reform program was not aborted altogether because of strong opposition to doing so; however, it was fundamentally revised.

Judicial Reform and Organized Crime: Little Progress on a Big Problem

In some institutions, the changes went deeper, as was the case in the judicial system. Three laws on the judiciary were amended in the spring, nullifying among other provisions the amendments and consequent appointments of judges and public prosecutors in spring 2003 after the assassination of Premier Djindjic. The amendments targeted the president of the Supreme Court of Serbia and many presidents of other courts. There were no public hearings on the amendments, nor were the objections from the judiciary taken into account. The government contends that the changes strengthen the independence of the courts, which, it claims, was seriously eroded by the former DS regime. According

to the government, this is the beginning of the process of adopting European norms; it was also possibly the end of that process, because, as the government further contended, Serbia has no financial, organizational, or human resources capabilities to simply “copy” EU laws and procedures.

All top officials in the police and state security were replaced, but no reorganization ensued. Among the last to lose his job was the commander of the Special Police units, General Goran Radosavljevic-Guri (previously commander of the Special Police in Kosovo but who also in spring 2003 rejected the invitation to become part of the so-called Anti-Hague Group). He was replaced in mid-August by Borivoje Tesic, an army general who was transferred from the elite Guard Brigade. Tesic acquired his “wartime” operational experience starting with the siege of Vukovar in 1991, then in Bosnia, and finally in Kosovo. Supposedly, a commander without such experience could not earn the respect of Special Police members, most of whom were recruited in the 1990s and served in conflict zones in the former Yugoslavia.

The new minister of justice, Zoran Stojkovic, stirred up controversy from the moment of his appointment: In the mid-1980s, he was the presiding judge of the last trial in the former Yugoslavia for so-called verbal crimes, and he routinely meted out prison sentences to intellectuals for their private discussions about the state of human rights and freedoms in the country. In his first public statements, Stojkovic indicated that the special court department formed for organized crime in 2003 would be disbanded and that the witness protection program would be ended. He backtracked after a strong reaction from the Serbian public, which was concerned about the trial of Djindjic’s alleged assassins and eleven other cases under way against organized crime; all of these cases would have to begin anew if the special department handling them is dissolved, and without protected witnesses (former members of the mafia), most would simply have to be dismissed. A further attempt to derail the trial of those indicted for Djindjic’s assassination by a parliamentary review of the police investigation also failed.

Indeed, the whole atmosphere created since the December elections has seriously affected the trials, which, in the words of some observers, seem to be turning into an indictment of Djindjic. The defense team and supporters of the alleged assassins have been emboldened: On April 20, six people came into the courtroom wearing T-shirts with the emblem of the Red Berets, a Special Police unit that was disbanded after the assassination and whose former deputy commander is on trial for allegedly firing the shot that killed the prime minister. They were removed from the courtroom, but the statements of police officials stopped short of condemning this kind of expression of “patriotic” feelings and camaraderie. Minister of Police Dragan Jovic claimed that the courtroom demonstration showed a kind of respect for that “invincible” unit and the way it operated during the war (it was formed by Milosevic’s State Security and conducted “special operations” in Croatia, Bosnia, and Kosovo). The head of the DSS faction in the Serbian parliament, Branislav Ristivojevic, said during a debate that Djindjic was killed by the unit under his direct command. Dusan Bajatovic of SPS went a step further, saying that all those who arrested and transferred Slobodan Milosevic to The Hague would be held responsible sooner or later and that one of them (Djindjic) had already paid.

The Twilight Zone: Who Was Behind the Djindjic Assassination?

At a May 17 press conference, Dejan Mihajlov, secretary-general of the Serbian government and campaign director for Dragan Marsicanin, accused Boris Tadic and former premier Zoran Zivkovic of being part of the conspiracy behind the Djindjic assassination. In a long written statement, he said, “Let them tell Serbia who killed the president of their party and premier [Djindjic] if they really want to distance themselves from the assassins. If they don’t we will.” (*Vreme*, May 19). He refused to answer any questions, as did

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all other DSS officials present. Marsicanin, who was on the campaign trail at the time, refused to comment, saying that he was facing the future, not the criminals; in his view, the story was closed and the government would reveal the truth. He emphasized that he had made an appeal to all presidential candidates not to engage in dirty campaigning but that, for him, revealing the truth was not mudslinging. Serbian premier and DSS president Kostunica was out of the country and allegedly uninformed. The DSS coalition partners in the government, G-17 Plus and SPO, denied any advance knowledge of the accusations and distanced themselves from the statements.

The affair resonated strongly in Serbian public opinion, but it ultimately backfired and damaged DSS and Marsicanin. Yet it confirmed that the real battle was being waged against the other democratic candidate and not the Radicals. This strategy kept clearing the ground for Nikolic by eroding support for both Tadic and Marsicanin; even more important, though, it probably alienated voters, especially the undecided, who tend to vote for “Democratic Bloc” parties. SRS commands a rather solid bloc with a good turnout record, so apathy and confusion work well for it.

After this round of allegations, seasoned political analysts were waiting for the other shoe to drop. The first testimony of former Red Berets commander Milorad Lukovic-Legija, indicted for organizing Djindjic’s assassination, was scheduled on the eve of the first round of presidential elections, when the so-called electoral silence begins and candidates and parties can make no more statements. He surrendered to the authorities on May 2, allegedly without any prior negotiations or deals, and claimed in a letter published by Serbia’s major media outlets that he had done so to clear his name and protect the reputation of his former unit.

Lukovic-Legija’s testimony was postponed for a few days at his request. On June 15, the courtroom was again packed with members of his former unit. Again, almost two dozen of them appeared in T-shirts—this time with an emblem of the rose that Lukovic-Legija has tattooed on his neck and that serves as the symbol of the unit. Instead of discussing the assassination, Lukovic-Legija talked at length about how he had organized the smuggling of more than 600 kilograms of heroin for the former DS government. Tadic was not among the officials he implicated in the alleged sale of the drugs previously seized by authorities. (After Milosevic was removed, the drugs were found hidden in a safe and by all accounts destroyed, but the police, now controlled by DSS, did not provide proof of that in response to the testimony.)

Shortly before DSS accused Tadic and Zivkovic of complicity in the Djindjic assassination, former minister of foreign affairs Goran Svilanovic mentioned in an interview the story that had been spread by Gradimir Nalic, former security adviser to President Kostunica. Nalic claimed that Lukovic-Legija was organizing the assassination of Djindjic’s bodyguard at the behest of the prime minister himself so that Djindjic could have a pretext for a massive operation against organized crime, but that someone else interfered (“a second rifle and a third bullet”) and killed Djindjic. Further, the “someone else” had been hired by a foreign intelligence service. The lawyers defending Zvezdan Jovanovic, who admitted his complicity in the crime, claimed that their client did not fire the bullet that killed Premier Djindjic and that the indictment against their client was moot when Lukovic-Legija surrendered to the authorities on April 23.

The adoption of a new constitution, some experts claim, may require new elections, especially if the executive powers of the presidency and the way of electing a president are changed.

Serbia’s Greatest Challenge: Defining State, Nation, and Union

An additional constraint on Tadic’s reform agenda is the more fundamental problem of governmental functions, as specified by the existing Milosevic-era constitution. Changing it requires, first, a two-thirds majority in the parliament and, second, approval by a simple majority of registered voters in a referendum. Obviously, without the cooperation of all “Democratic Bloc” parties and support of the Radical Party, the first requirement is stymied.

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are changed. Such considerations further complicate negotiations and make the outcome quite uncertain. The minority government submitted a draft of the new constitution prepared by DSS to the parliament in early June, so there are now more than a dozen drafts and proposals. SRS, in principle, stands for fewer changes and would prefer amending the current constitution, but it claims that it will not obstruct the process; it also strongly favors a powerful president directly elected by the voters.

There are almost an equal number of disputed issues in drafting a new constitution, the most important and controversial of which are the procedure for electing the president (directly or in the parliament) and delineating the powers of the office, sovereignty in the state union relationship with Montenegro, and territorial organization (federalism, regionalization, autonomy, and so forth). Somewhat less complex but emotionally powerful issues that must be decided include determining the “national character” of Serbia—a state of citizens or of the Serbian people.

Serbia’s new president must also continue to define his country’s relationship with Montenegro in their relatively new state union partnership, which has so far served as something of a check against Serbia’s more retrograde foreign policy positions. The state union government, currently led by a president from Montenegro, has five ministers, so each republic is represented by three members. After the new government was formed, Foreign Affairs Minister Goran Svilanovic (leader of the Civic Alliance party, which is in coalition with DS) and Defense Minister Boris Tadic (DS leader) were replaced by Vuk Draskovic (leader of SPO) and Prvoslav Davinic (affiliated with G-17 Plus). Both Draskovic and Davinic presented platforms that continue the policies of their predecessors; some positions are in stark contrast with the platform of DSS and the policies of Premier Kostunica.

In the past, the state union government energetically conducted a policy of integration into European and transatlantic organizations, as well as regional cooperation and reconciliation, which fully reflected the positions of the governments of Serbia and Montenegro, including the fulfillment of international obligations. Though Draskovic and Davinic seem to be in full agreement with that foreign policy, the government of the republic they represent is not. Tadic’s victory strengthens this odd informal coalition, because the foreign policy platform he presented is founded on Serbia’s accession to Euro-Atlantic organizations and the retaking of Serbia’s “traditional place in the constellation of Western democracies.” In his July 24, 2004, *Washington Post* op-ed, he also says that full cooperation with the ICTY is in Serbia’s national interest.

This rift may lead to new frictions within the Serbian minority government coalition and further burden the relations between Serbia and Montenegro. So far, Montenegro has shown great care in handling the changes in the state union parliament and government after Serbia’s December elections and was careful not to take sides in disputes among Serbian representatives, though Montenegrin interests were affected.

The president of Serbia and Montenegro, Svetozar Marovic (from Montenegro), talks about the ICTY as an obligation of the state union and the highest priority, because non-cooperation slows down the process of accession to the EU and to NATO’s Partnership for Peace. Referencing Kostunica’s selective legalism, Marovic also emphasizes that “we must cooperate with international institutions, which is the Hague Tribunal, and, as legalists, we have to respect the laws we enacted” (*Politika*, March 8).

New Foreign Minister Draskovic declared as his priorities EU accession, the Partnership for Peace, and cooperation with all neighbors in the region. Concerning the territory of the former Yugoslavia, Draskovic says that borders should exist on maps only and that the Balkans should adopt European values so the region can join the EU. He defines the relationship with the Hague Tribunal as an international obligation (of Serbia and Montenegro), not cooperation, and the country is, in his view, still a hostage to Milosevic’s policies. After Tadic’s victory, Draskovic considered withdrawing the lawsuit filed with the International Court of Justice against some NATO member countries during the bombing of Serbia in 1999. Regarding Kosovo, Draskovic considers that the events on March 17–18 changed a great deal and that the world condemned the violence, ethnic

cleansing, and the destruction of monasteries and churches. However, he also believes that the policy of ultimatums should be forgotten, as well as stories about the past, and that the nation should turn to the future and focus on rebuilding, returning Serbs to Kosovo, and cooperating with Washington and Brussels. Draskovic said he was ready to start talks with Pristina immediately about everything but independence. He also advocated the participation of Kosovo Serbs in the October elections in that province, while Kostunica's government took the opposite position.

Soon after Draskovic was confirmed by the state union parliament, the Radical and Socialist parties requested his removal and a vote of no confidence (SRS now has thirty representatives, DSS has twenty and holds the position of parliamentary speaker, DS has thirteen, G-17 Plus has twelve, SPO-NS has eight, and SPS has eight), objecting to a statement Draskovic made on Kosovo that compared the ethnic cleansing of Serbs last March with Milosevic's cleansing of ethnic Albanians. After a heated debate, Draskovic managed to keep his job with a one-vote margin provided by the Serbian delegates, who voted first because Montenegro took the position that this was a matter of Serbian politics and did not want to interfere.

Draskovic's problems have not ended, nor are they only with SRS and SPS and about differences with Kostunica and DSS positions. He accused Serbian finance minister Mladjan Dinkic of sabotaging EU accession by refusing to harmonize customs tariffs in Serbia with those in Montenegro (which did its part in 2003). In Draskovic's view, Dinkic (of G-17 Plus) has the right to advocate his party's position on independence for Serbia but not to act against the interests of Serbia and the union in his current function. (Dinkic also reduced the budget of the Ministry of Foreign Affairs twice in a row.)

New Defense Minister Davinic presented a platform favoring transformation and modernization of the military under civilian control and its continued cooperation with NATO officials so that Serbia could become a Partnership for Peace member and, eventually, a full-fledged NATO member and an integral part of the new European security system. But changes in Serbia were reflected in a different view of the military immediately following the December elections.

The director of Serbia's Military Security Service, Colonel Momir Stojanovic, "revealed" last spring to the Serbian public the presence of al Qaeda cells in Kosovo and claimed that radical Islam was major threat in the region. He also boasted about his network of agents in Kosovo and their infiltration into the leadership of Albanian extremist organizations. At the end of May, he was removed from his position by the new defense minister but, at the same time, was promoted to the rank of general and given command of the army corps in Nis.

Stojanovic's predecessor, General Aca Tomic, was cashiered and arrested after the Djindjic assassination. He spent more than three months in prison, and the special public prosecutor for organized crime (established after Djindjic's assassination) claimed to have strong evidence connecting Tomic to Lukovic-Legija and the notorious "Zemun Clan." Kostunica (at the time, DSS leader with no state position) sent Tomic a warm letter of encouragement and support, telling him to endure (the letter was released to the media last May). The charges were dropped, and in May, the Supreme Military Court annulled the act by which Tomic was retired; he was reinstated.

In mid-March, a military prosecutor requested that proceedings be restarted against General Momcilo Perisic, who resigned his position as Serbian deputy premier after being arrested in March 2002, along with U.S. diplomat David Neighbor, and charged with espionage (an operation of General Tomic while he was director of the Military Security Service). The trial was to start in December 2002, but the military court rejected the indictment after Perisic raised his immunity status as a member of parliament. The request of the prosecutor was accepted and a trial ordered.

In Montenegro, 12,000 people still stand indicted by military prosecutors for refusing or evading mobilization under the Milosevic regime.

A book on the role of the army in the 1990s written by Vladan Vljajkovic and published by the Helsinki Committee on Human Rights was banned, all printed copies confiscated, and the author arrested for allegedly publishing military secrets, although all the material in the book had been made public previously.

All these activities of the military justice system have no legal grounds, because these institutions should have been disbanded in fall 2003 based on the provisions of the constitutional charter by which the state union was established. The charter states that “competence of military courts, prosecutors, and public attorneys” will be transferred to civilian courts (within six months).

Traditionalism versus Modernity: What Really Hinders Reforms?

Boris Tadic may have won the popular vote, but did he win a broad reform mandate? Most Serbian elites still seem to be living in the Milosevic era, viewing present-day politics not as the art of negotiation and compromise for a net improvement in their constituencies’ and the nation’s wealth and welfare, but as a last chance for the “Big Grab.” Their political focus stops at the border, and their political development ended on October 5, 2000—the day Milosevic was removed from power. They deny the existence of an impatient international community whose demands will most likely put an end to their power and influence. In early 2004, Stojan Cerovic wrote, “Company Serbia is facing bankruptcy, but on the board sit people who either don’t see it or don’t care, preoccupied with who can [make it] and cannot with whom. They think that time doesn’t pass and only victories and defeats count, so Serbia can wait for the West to perish” (*Vreme*, February 13). Recalling Milosevic’s policies, which ignored the modern world and the rules of the game, Cerovic concludes that Milosevic apparently remains a secret idol of many.

The trial of Milosevic, who was at the head of the SPS list at the time of the last parliamentary election, had not even reached the halfway mark after the prosecution rested its case in February. Most of the media and public in Serbia expected the charge of genocide to be dropped, but it did not happen. Yet Milosevic has cause to celebrate: his spirit still permeates Serbian society and his party plays a decisive role in its politics.

Most postcommunist societies voted former communists back into power after the first painful experience with reforms and transition. In Serbia, the communists are being rehabilitated but remain weak; their comeback may take a different form. The transition there has been tainted by the country’s communist past, but what immediately followed under Milosevic was far worse—at least in terms of mass violence and destruction: radical nationalism, secret wars, ethnic cleansing and other mass crimes, and isolation have created a retrograde ideology and a view of the world that permeated Serbian society and is still very much alive under the surface.

During his long rule, Milosevic created a virtual reality in which Serbia lived isolated from the rest of the world. The final victory—recognition of the “truth” and vindication of Serbia and Serbs—was always “just around the corner.” All that was needed to get there was more patience and endurance, and the world would change, respect and dignity would be regained. Milosevic’s grip on power relied on the acceptance of this “self-evident truth” and was based on his control of all spheres of life in Serbia. This legacy of his regime, along with a large part of the power structure, has gained strength—more than three years after he relinquished power.

Two polls conducted in 1989 and 2003 by University of Belgrade sociology professor Mladen Lazic show the growth of nationalist sentiment and the weakening of liberal attitudes in Serbia. In his analysis of survey responses to identical questions in both polls, Lazic attributes this trend in public attitudes to the blocked transformation in the 1990s and the fact that the changes expected after 2000 have not materialized. According to Lazic, the trend also stems from the character of the Serbian “national question,” the unresolved status of Kosovo, and the state union with Montenegro. Nationalism and the increasing rejection of liberal values sustain the power and influence of the antireform segment of the elite, which, in turn, propagates nationalism and antiliberalism on a larger scale. The survey found that there is no strong correlation between values and socioeconomic status; they cut across the board, and no strong bloc of support for reforms has yet been formed.

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The policies of the Milosevic regime have never been fully exposed to show the extent of its culpability in all of the former Yugoslavia's tragic events. The success of the Radical Party in the elections and the rehabilitation of the unreformed Socialist Party may in a way provide a cloak of legitimacy for those policies and, in particular, the destructive goals of the 1990s, if not for Milosevic's regime as a whole. Along with DSS insisting on discontinuity with the "former DOS regime," this trend may reduce the meaning of October 5, 2000, to simply a change of government and, thus, embolden resistance to deeper, far-reaching reforms and prolong the political and psychological isolation of a major part of Serbia from the rest of the world.

According to research done in mid-2003 by sociologist Dragomir Pantic and published in his book *Basic Lines of Party Divisions* (Belgrade: Institute for Social Sciences, 2004), traditionalist attitudes prevail in Serbia over those accepting modernity by 41 percent to 27 percent. It is interesting to note that three decades ago the situation was just the opposite. An absolute majority of the older generation is traditionalist, and the modernity orientation prevails only among those younger than thirty. The attitudinal divide between the urban and rural population is not as wide as one might expect; education and ethnicity, followed by economic status, are the most decisive factors. Among the country's national minorities, acceptance of modernity is the prevalent attitude, while Serbs lean toward traditionalism by a two-to-one majority.

The approach to traditional and modern values heavily influences political orientations. Two-thirds of DS voters embrace modernity; G-17 Plus voters are almost equally divided, as are DSS voters. Traditionalists prevail among SPO voters; a large majority of SRS and SPS voters are traditionalists as well. Most of those who adhere to traditional values are politically conservative and nationalist; they vote for either Radicals or Socialists and are apprehensive of reforms because they see themselves on the losing side in such a process.

Conclusions and Policy Options

While Serbian elites and the populace at large remain torn between the past and the future, the trend toward the latter gained strength with the election of Boris Tadic as Serbia's president in June. The great debates about Serbia's national interests and how they can be defined in today's Europe and, most important, how to cope with the past while integrating with the rest of the world will continue, and "the will of the people" as expressed in June may play a decisive role in the outcomes of these debates. A lot has changed since Milosevic's ouster on October 5, 2000, but the conflict of two visions for Serbia promoted initially by Kostunica and Djindjic continues. The issue of the state, as Kostunica defined the problem, has not been resolved yet—not because of lack of time or resources but because of fundamental disagreements about the definition of the nation and character of the Serbian state, including relations with Montenegro and the status of Kosovo. Also, there is no consensus on the status of Vojvodina, "devolution," or even Serbia's place in the world.

The focal point of the Serbian political landscape remains cooperation with the ICTY, because this issue contains all the elements of the continuing conflicts over interpreting the past and the road into the future. Serbia should face the past and deal with it, not to please the West and keep financial assistance flowing but to get rid of the mentality that isolated it from the rest of the world and condemned it to keep reliving its past. So far, it has been capable only of paying infrequent lip service to such an ideal. After initial waves of enthusiasm about the country's transformation following October 2000 and March 2003, its status remains partial and incomplete. The positions taken by President Tadic are encouraging but his powers are limited, so the impact of his election has yet to be seen. Predictability in Serbian politics remains elusive.

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and rampant corruption. Such a bold and difficult step is necessary not only to attract foreign investments and facilitate accession to Western economic and security organizations but also to open the door to the future for its citizens.

Gradual incremental changes have not created a critical mass of support to allow for a radical break with the past and the elimination of the power structure established in the 1990s. The process of transformation remains unfinished, despite the progress made in 2001–2002, especially in the economy. The promising reforms started in spring 2003 in the army and judiciary have been stalled since fall 2003. After the December elections, the problems of transformation only got worse, and the building of “managed democracy” was continued by adopting the form while retaining full control over the political process and all institutions. In an interview (*Politika*, February 1), Foreign Minister Svilanovic warned that “we are at the very beginning of the transformation process and already faced with serious attempts of restoration.”

The elections in June 2004 certainly have improved the situation. They were yet another battle won in the ongoing war against Milosevic’s legacy, but they also demonstrate that the end is by no means near. There is no doubt that the democratic option will prevail in the end. Yet in the meantime, the burden of this historic struggle will remain on the shoulders of the citizens of Serbia, who will have to assess the consequences of their choice and decide what they want next. After all, only Serbia’s citizens can reform Serbia.

For the time being, Serbia remains in turmoil, along with its government and institutions. During this turbulent period, it will be easier to sidestep unwanted or unpleasant reforms or to conduct them halfheartedly, because attention remains focused on the domestic balance of power and, perhaps, on the next elections. Serbia’s politicians of all political stripes will have to play it out while they keep muddling through. Former DS vice president Ceda Jovanovic put it quite well a while ago: “We are condemned to each other.” The same observation applies to the international community—it must keep dealing with Serbia as it is, because it cannot afford to wait until it changes; too much is at stake, and not only in or for Serbia.

The West can continue to assist the reforms and provide the incentives for faster transition, yet it cannot change the Serbian mindset nor make the governing elite accept democracy sincerely and purge the remnants of the previous regime within the institutions of the state or those associated with them. The West can only make them pretend to do so; yet this pretense may prolong the process and make it more difficult and unpredictable.

As June 27 demonstrated, the Serbian people cannot give up on change and will support a leader who offers a future and seems willing and able to deliver, so the United States and the EU need to focus more on the people and identify with their expectations rather than deal with Serbian political elites only. Who is pro- or anti-Milosevic obviously has become less relevant today, and the new line of division separates those who push genuine reforms from those who prefer the status quo.

One might say that U.S. policy in the Balkans has also come to a crossroads through the developments in Serbia during the past year and through the March events in Kosovo. Ignoring the changes and continuing policy as usual cannot promote transition, peace, and stability in the region, because the U.S. role in bringing about progress remains crucial.

- While the European Union must remain in the forefront of Balkan transformation, the United States should develop viable strategies for stabilizing the region, focusing on the state union of Serbia and Montenegro and the issue of Kosovo, and take an active leadership role in pursuing that goal.
- The United States and EU must provide clear benchmarks for Serbia and Montenegro on the road toward accession to the EU and NATO, but they should not require any particular form of union between Serbia and Montenegro nor make the existing union a condition for future assistance. Rather, they should try to encourage democratization in both republics as a sine qua non for accession of both together or separately, with accession depending solely on their success in building democratic institutions and promoting human rights.

Today, in Serbia and Montenegro, power still resides in the clandestine political economy, of which the state union must rid itself, along with the remnants of organized crime and rampant corruption.

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- The final status of Kosovo can only be the result of negotiations between Belgrade and Pristina, with participation of Kosovo Serbs, but the international community must provide leadership, firm guidelines, and strong incentives for such negotiations without further delay. Otherwise, overinflated expectations on both sides, coupled with a lack of real progress, can only lead to further radicalization and attempts to replace negotiations with unilateral actions.
- Governments' and political leaders' actions should make a clear break with the past and accept the rule of democratic governance, and such actions—not declarations—should be the benchmark for support from the United States and the EU.
- The United States should further increase democracy-building assistance, the use of public diplomacy, and forms of cooperation that enhance direct participation of citizens in the projects as well as other kinds of support to assist Serbia's transition as much as legally possible in the absence of congressional certification.
- Military cooperation should be increased selectively, and continued support should be directed at the transformation of the army and its preparation for integration into the Euro-Atlantic security system.

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