



## THE POST ELECTION REPORT FROM NDI SERBIA

January 22, 2007

The Serbian people have definitely spoken. What they've said, however, is open to interpretation.

Observers can use many terms to describe yesterday's parliamentary election in Serbia, but illegitimate is not one of them. More than four million Serbian citizens, representing a healthy 60.4% of the electorate, went to the polls to elect a new parliament. Preliminary results indicate that 11 of the 20 eligible parties or coalitions earned at least one parliamentary mandate. Neither NDI's Serbian election monitoring partner, CeSID, nor international observers reported significant electoral flaws.

While detailed analysis will have to wait until later this week when the Republic Election Commission certifies the outcome, the preliminary numbers show mixed results. The Radicals are still the most popular party but the pro-reform parties showed some real signs of progress. The unofficial democratic bloc (DS, DSS, G17 Plus, Liberal Coalition, SPO and minority parties) earned roughly 280,000 more votes than they had in last parliamentary elections, in December 2003. The unofficial anti-reform bloc (SRS, SPS) did not show much growth, earning roughly the same amount as 2003. Further, the democratic parties garnered roughly 58% of the vote as compared to 49.8% in 2003. The anti-reform bloc's held steady, earning 34.8% in 2003 and roughly 34% in 2007.

Notably, the theory which postulates that Serbia's anti-reform vote has a ceiling gained some credibility yesterday. In 2003, SRS and SPS garnered roughly 1.34 million votes. In the second round of the 2004 presidential race, the SRS candidate received 1.4 million votes. In yesterday's parliamentary election, the Radicals and the Socialists combined to earn about 1.39 million votes, making for unusual consistency.

Now, the focus turns to the formation of a government, which could take a while. The Republic Election Commission must certify the results by January 25<sup>th</sup>. The new parliament must hold its first meeting within one month of certification (February 25<sup>th</sup>). The parties then have until the end of May to form a new government. If they fail to do so by that time, parliament will be dissolved and President Tadić must call a new election.

So the negotiations, posturing and spinning begin. Each party came out of the box quickly to claim success and strength heading into negotiations:

**SRS** - The anti-reform bloc may not have seen much growth but, as an individual party, the Radicals did: receiving around 100,000 more votes than in 2003. They also appear to have outpolled DS in Belgrade – an ominous sign for the next mayoral contest a race which SRS barely lost in 2003.

Radicals contend this election proves they are the most popular party in Serbia and validates their position on Kosovo and other issues. They feel well-positioned for the presidential and local elections, both of which will occur at some point in 2007. Opponents say this is as good as gets for the Radicals. They had everything going their way - Kosovo, government in disarray, weakened Socialist party – but they still couldn't attract 30% of the vote. Many believe the anti-reform cap is real.

**DS** - The Democratic Party leadership took the stage last night to proclaim victory as they are now, officially, the largest party in the democratic bloc. It is, indeed, a remarkable turnaround from 2003's poor performance of 12.58% but observers believe the smiles and champagne popping mask a deeper worry that DS is wedged between DSS and LDP and will have a hard time navigating these waters.

DS highlights that they nearly doubled the number of votes they received in the 2003 parliamentary election as well as improved on Boris Tadić's performance in the first round of the 2004 presidential election. Even with a challenge from LDP, they maintain they are gaining popularity while DSS and G17 Plus are losing ground. However, the DS campaign doesn't seem to have appealed to as wide an audience as they had hoped. They will be forced to go into coalition with DSS, G17 Plus and the minority parties but that coalition will be so slim that they will be hard pressed to maintain it. They will be at constant risk of being held hostage by nearly all of their potential coalition partners.

**DSS** – One year ago, DSS was struggling to keep its coalition together. Yesterday, they rebounded to nearly their level of support from 2003. The big difference is that DS now is in a much stronger position. However, DS needs DSS to form a government so, if DSS holds out, they may be able to force DS to install Koštunica as Prime Minister.

**G17 Plus** – One year ago they were mired in governmental morass, burdened with Serbia's numerous problems and getting little credit for the country's economic success. Now, they're back in the game, although with nearly half as many MPs. The election proves that the voters support Mlađan Dinkić's economic leadership and see G17 Plus as the party that can continue economic growth. But while G17 Plus worked hard and performed much better than thought possible only six months ago, still, the party lost nearly 150,000 votes between 2003 and 2007 and will have to work hard to gain back lost ground. Their situation is such that they cannot let up for one day between now and the local elections which may be scheduled later this year.

**Liberal coalition** – Čedomir Jovanović and Nenad Čanak, two of the country's most liberal firebrands, will now sit in parliament. They seem unlikely to participate in government, preferring to promote their agenda by calling the governing parties to task.

**SPS** – the Socialists surprised many observers with a stronger than expected showing. They lost a number of votes (presumably to the Pensioners' party and to SRS) but they maintained a core vote which kept them over the threshold. Their next task is to figure out their post-Milošević direction: will they remain independent or will they grow closer to the Radicals?

**Ethnic minority parties** – preliminary results indicate the new parliament will seat MPs from as many as five independent, ethnic minority parties. Some have held office in previous parliaments, including Jožef Kasa's Alliance of Vojvodina Hungarians (SVM) and Sulejman Ugljanin's Coalition List for Sanžak (SDA). Both are likely to join whichever government DS puts together.

New to modern Serbian politics are two Roma parties and a coalition of Preševo Albanians. All three are likely to send one MP each to the new parliament--a remarkable event which could have long-lasting implications for future Roma and Albanian participation in Serbia's political system. If they earn mandates, they will all three likely join the government as well.

**SPO** – Vuk Drašković's party has fallen a long way in a few short years and, while they have shown remarkable resiliency and ran a strong, issue-oriented campaign, failed to pass the threshold. Several parties will be targeting SPO voters in future elections, no matter what SPO decides to do.

So the four-dimensional chess game has begun. The Radicals have already declared that they won't try to form a government – no surprise there – so it is up to DS to fit the pieces together. DS enters the negotiations intent on having its candidate, Božidar Đelić, serve as Prime Minister. The cost, however, may be high; they face some tough decisions and difficult choices.

The option with the best chance of success is to form a government with DSS, G17 Plus and the minority parties. G17 Plus would likely join in order to reinstall Mladen Dinkić as Finance Minister. They would probably try to keep Agriculture as well but probably won't be able to maintain the Deputy Prime Minister slot they enjoyed in the previous government. DSS will be the true challenge; they are in a strong position need to decide what they want. If they insist on the top slot, they would likely have to give up their hold on the so-called power ministries of Justice, Interior, and Capital Investment. They might also have to agree to go along with the arrest and extradition of General Mladić. However, the prospect of serving as Prime Minister but not controlling the majority of ministries may not have much appeal for Mr. Koštunica. He could choose to trade the PM position for the power ministries and have more control over the extradition of Hague indictees.

Another option is to form a minority government with G17 Plus, the minority parties and, possibly, the Liberal coalition. While this option may seem more easily realized, such a government would have a tenuous hold on power and would certainly have trouble weathering the stormy seas ahead.

The imminent release of U.N. Envoy Martti Ahtisari's recommendations for a Kosovo resolution will further complicate the situation as the potential governing parties will compete to offer the strongest reaction to the report. Additionally, since no party wants to preside over the loss of Kosovo, they could use this opportunity to delay formation of a government until the last possible moment. This would enable them to legitimately avoid sending representatives to any new Kosovo negotiations, further prolonging the process.

The Radicals will continue to put pressure on the pro-reform parties and it is, as yet, unclear whether DS, DSS and G17 Plus can, or want to handle that pressure and move Serbia forward.