Serbia

by Misha Savic

Capital: Belgrade
Population: 7.2 million
GNI/capita, PPP: US$11,430

Source: The data above are drawn from the World Bank’s World Development Indicators 2014.

Nations in Transit Ratings and Averaged Scores

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NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.
A historic agreement with political leadership in Kosovo brought Serbia’s coalition government of reformed nationalists one step closer to European Union (EU) membership in 2013. Negotiated in Brussels, the EU-brokered deal primarily concerns northern Kosovo, the majority-Serb territory that has remained largely outside of Pristina’s control since Kosovo declared independence in 2008. Under the agreement, Belgrade agrees to gradually pull back financial and other support for the north in exchange for greater autonomy for ethnic Serbs in Kosovo. Following the deal, the EU agreed to launch accession talks with Serbia.

In the domestic political arena, the Serbian Progressive Party (SNS) remained dominant in 2013, winning several municipal elections and overseeing a Cabinet reshuffle in order, it said, to jumpstart economic and other reforms. The ruling coalition of the SNS, Socialist Party of Serbia (SPS), and several smaller factions went largely unchallenged by the fragmented political opposition, including the once-dominant Democratic Party (DS). Throughout the year, DS remained mired in internal rifts that emerged after its poor performance in the 2012 general elections triggered a change in party leadership.

The government launched an ambitious program to review major privatizations of the past decade, as well as several high-profile corruption investigations. Most of the cases remained open at year’s end, partly due to a weak judiciary in acute need of reform. The economy emerged from recession, but living standards remained low relative to both the EU and the region, even as authorities stepped up efforts to attract foreign investors and close or sell the unprofitable state-owned companies that have absorbed billions in state subsidies over the years.

Public administration remains huge, employing some 800,000 people and blocking tax cuts advocated by neoliberal coalition members. Public debt rose as the government struggled to fund the budget deficit, public sector wages, and pensions. In an effort to shore up the economy and public finances, the government introduced emergency austerity measures in October.

Though freedom of speech was generally respected, freedom of information was substandard. The diverse media landscape suffers from a lack of fair, balanced coverage.

National Democratic Governance. While still refusing to recognize Kosovo’s independence, the SNS-dominated government advanced Serbia’s EU efforts with an April 2013 agreement designed to improve relations with Pristina. Despite some public opposition to the deal, the SNS remained exceptionally popular in 2013, prompting party leaders to push for early elections as tensions mounted within the ruling coalition. The threat of snap elections was diffused by a minor Cabinet
reshuffle in September. Anticorruption efforts and the economy were priorities throughout the year. The government pledged belt-tightening measures to shore up Serbia’s struggling economy and courted new investment partnerships with Russia, China, and other countries. **Serbia’s national democratic governance rating remains unchanged at 3.75.**

**Electoral Process.** Local elections were held in several municipalities, all dominated by the SNS. The polls were assessed as free and fair, overall, despite intermittent violence and reports of fraud. In line with the EU-brokered deal, Belgrade backed the new Serb Civic Initiative to run in Kosovo’s November local elections—the first Kosovo polls extended to the majority-Serb north. Belgrade also encouraged the northern Serbs to vote, though turnout was ultimately low. In its first-ever campaign finance report, the state Anti-Corruption Agency revealed transparency problems in party and campaign funding during the 2012 elections. **Serbia’s electoral process rating remains unchanged at 3.25.**

**Civil Society.** The year saw the emergence of informal, grassroots activism—as some of it online—as traditional civil society organizations (CSOs) continued to face funding problems. For the third consecutive year, authorities cancelled an LGBT parade planned in Belgrade, citing security threats. Nevertheless, LGBT activists were able to raise awareness through a series of smaller events. The legislative framework for protecting minority rights was strengthened with the adoption of a new anti-discrimination strategy. With the help of CSOs, victims of Communist-era property confiscation began to receive compensation. **Serbia’s civil society rating remains unchanged at 2.25.**

**Independent Media.** In 2013, the government failed to divest its remaining stakes in media companies that are not designated public services. It also raised fresh concerns about the independence of the public broadcaster by proposing a bill that would see it funded directly from the state budget. Most of Serbia’s media outlets are already fully private, but continue to suffer from political bias and external pressure, as well as a lack of professionalism. Libel suits became more frequent, as did regulatory efforts to stamp out profanity and other offensive material on television. Investigators made progress in the murders of prominent journalists during the Slobodan Milošević regime. **Serbia’s independent media rating remains unchanged at 4.00.**

**Local Democratic Governance.** The biggest local governance story of 2013 involved Vojvodina, the autonomous multiethnic province in northern Serbia. In December, the Constitutional Court ruled much of the legislation defining the province’s jurisdiction unconstitutional amid an ongoing political battle over how much autonomy Vojvodina should have. In September, the SNS and its allies ousted the mayor of Belgrade, a member of the opposition DS. The EU characterized Serbia’s legislation on local self-government as murky and poorly implemented.
Oversight of municipal responsibilities and finances is weak. *Serbia's local democratic governance rating remains unchanged at 3.50.*

**Judicial Framework and Independence.** The judiciary is inefficient and vulnerable to political interference. Professional standards are weak. Following a failed reform effort launched in 2009, the government adopted a new five-year strategy to increase judicial independence, accountability, and efficiency. The latter is of particular concern, with the case backlog at over 3 million. In October, prosecutors were given greater authority in criminal investigations in an effort to fight organized crime and corruption. Results were mixed at year’s end. Several high-profile war crimes cases from the 1990s conflicts remain unresolved. *Serbia's judicial framework and independence rating remains unchanged at 4.50.*

**Corruption.** The SNS prioritized anticorruption efforts in 2013, with mixed results. Despite high-profile cases against former Cabinet ministers and Serbia’s richest man, graft and misconduct remained widespread, and the government fell short on promises to the EU to complete investigations into dubious privatizations from the 2000s. In July, the government adopted a new five-year anticorruption strategy that strengthens the Anti-Corruption Agency. *Serbia's corruption rating remains unchanged at 4.25.*

**Outlook for 2014.** Serbia is heading for early elections on 16 March 2014.1 SNS may win enough support to govern alone, or it may pick a liberal coalition partner to press ahead with key EU reforms and initiatives, including improved relations with Kosovo. Public debt will increase, as the government plans new foreign borrowing to cover a consolidated budget deficit projected at 7.1 percent of GDP in 2014.2 The government is expected to negotiate a new aid package with the International Monetary Fund that should improve investor confidence, assuming that authorities deliver on promised fiscal consolidation. In March, the International Court of Justice will begin hearing arguments in mutual genocide cases between Serbia and Croatia.
In 2013, Serbia’s coalition government remained under the nominal leadership of Prime Minister Ivica Dačić of the Socialist Party of Serbia (SPS), while his deputy Aleksandar Vučić drove the legislative agenda as head of the country’s most popular political faction and winner of the 2012 elections, the Serbian Progressive Party (SNS). Vučić’s own popularity rose throughout the year as he launched an aggressive anticorruption campaign and prioritized tough economic and other reforms. Due to its strong support, the SNS repeatedly considered pushing for early elections to gain key Cabinet posts. However, the year saw only a relatively minor Cabinet reshuffle, with 11 new ministers appointed and one junior party, the United Regions of Serbia, ousted.

In April, Serbia reached a historic agreement with Kosovo in talks brokered by the European Union (EU) that aimed at improving bilateral relations. While Belgrade maintains that it will never recognize Kosovo’s statehood, “normalization” of relations is a condition of Serbia’s European integration. Thanks to the April agreement, the European Council decided on 28 June to open accession negotiations with Serbia. The first intergovernmental conference was scheduled for January 2014.

At the heart of the EU-brokered agreement is control over northern Kosovo, home to a 50,000-strong Serb community above the Ibar river that considers itself part of Serbia, receives financial and other support from Belgrade, and refuses to be governed by Kosovo’s ethnic-Albanian leaders. In a delicate process that Prime Minister Dačić described as “walking a tightrope,” Serbia agreed to gradually pull back from the four majority-Serb municipalities in the north by, among other things, dismantling the so-called parallel judicial, healthcare, and other governing institutions it funds there. In exchange, Kosovo agreed to grant its Serb minority more autonomy. For instance, the population will form a community association, the Alliance of Serb Municipalities, to oversee economic development, education, healthcare, and other areas, though the extent of its autonomy remains unclear. The sides also reached several smaller compromises, including a new, unique country code for Kosovo on international phone calls and more bilateral cooperation on telecommunications and energy. Further details and implementation are being worked out in ongoing talks in Brussels.

In July, Serbia and Kosovo exchanged liaison officers, while the respective chambers of commerce signed a cooperation agreement in Brussels on 13 December. Belgrade and Pristina interpreted these events very differently. While Kosovo saw de facto recognition of its statehood, Serbia insisted the cooperation
is “status-neutral.” The April agreement itself faced its first real test in November, when Kosovo’s municipal elections were extended to the contested north under international supervision. The northern Kosovo Serbian community had boycotted past elections, and there was a strong pro-boycott movement in the November polls that contributed to a low turnout and unrest. Participation by the Serb minority south of the Ibar was more robust. Implementation of the April agreement will remain a challenge, as Belgrade and Pristina need to find common ground on everything from management of the court system to education in the north.

For the ruling parties in Serbia, the EU-brokered deal realized a campaign pledge to advance the country’s European integration. Popular support for EU membership hovers around 50 percent, according to monthly and bi-annual surveys. However, some accused Serbia’s leaders of selling out, and the year saw anti-EU protests. Nevertheless, the government pledged to continue working with European institutions to improve Serbia’s economy, rule of law, judiciary, and other key reform areas, and both the coalition and the parties’ poll numbers remained stable. At year’s end, the SNS was 30 points ahead of its closest rival, the Democratic Party (DS), which went into opposition after losing the 2012 elections. The SPS followed with an 11 percent approval rating.

While the SNS avoided the traditional post-election slump, internal rifts grew, becoming public by year’s end. Notably, Energy Minister Zorana Mihajlović made corruption allegations against the staff of President Tomislav Nikolić, an SNS co-founder who resigned as party leader when assuming the presidency. Early elections remained under consideration at year’s end as a way to resolve disputes between the SNS and SPS over the future of large, unprofitable state-owned companies such as Srbijagas, the natural gas firm, that have become a drain on state coffers. The socialist SPS emphasizes the need to keep people employed, while the center-right SNS says downsizing of these companies—or, in some cases, closing them down altogether—is inevitable.

The economy was another prominent issue in 2013. Unemployment hovered around 25 percent all year, but the economy began to show modest growth (2.4 percent), thanks to rising automotive production and a recovery in the agricultural sector after 2012’s devastating drought. Public debt, however, remained at an alarming 60 percent of GDP, well above the legal limit of 45 percent. In an effort to shore up the economy, Serbia introduced in October a raft of emergency measures including tax hikes and cuts to public-sector wages and subsidies for over 150 large state-owned companies, which it plans to make private in the coming years. The government also worked on forging new investment partnerships with countries such as Russia, the United Arab Emirates, and China. Notably, it is cooperating with Russian state-owned energy giant Gazprom on building a link of the South Stream natural gas pipeline to Europe through Serbia.

Regarding international affairs, including membership in key organizations, Serbia had a mixed year. In May, Nikolić signed an agreement with Russian president Vladimir Putin to forge a strategic bilateral partnership, mostly related to energy. In September, the EU Stabilization and Association Agreement, a pre-
accession document signed in April 2008, became fully effective, replacing an interim agreement from 2010. However, there was little progress on World Trade Organization (WTO) membership. Serbia does not comply with the organization’s ban on genetically modified crops.

In February, the government approved a plan through 2016 to adopt the *acquis communautaire*, the EU body of law aspirant countries must harmonize with their own legislation. It replaced the 2008–12 *acquis*, of which 88 percent of the planned legislation was enacted. In its 2013 progress report, the EU noted that the parliament enacted several laws aimed at aligning with the *acquis* in its first year. It added that the legislative process has become more transparent with the introduction of public hearings and the publication of votes, among other changes. Parliamentary oversight of the executive has also improved, the EU said, noting that the prime minister and deputy prime ministers regularly sit for questioning.

Serbia made some progress on regional cooperation. In April, President Nikolić publicly apologized for crimes by Serb forces during the 1992–95 war in Bosnia-Herzegovina. However, Serbia and Croatia remained at an impasse over mutual genocide charges at the International Court of Justice. Zagreb reiterated that it wants information on the 1,689 people missing from the 1991-95 conflict in Croatia as a pre-condition for dropping its suit.

### Electoral Process

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In 2013, Serbians voted in several local elections marked by intermittent violence, accusations of fraud, and strong performances by the SNS. In November, local elections in Kosovo were extended to the contested north for the first time as part of the EU-brokered agreement. Low turnout and election-day violence led to reruns at three polling stations.

On 7 April, the SNS won 43 percent of the vote in the municipality of Kovin, in the northern multiethnic autonomous province of Vojvodina, for a comfortable victory over the United Regions of Serbia, which took 15 percent. The DS finished third, followed by the SPS. Complaints of irregularities by the relatively small Party of United Pensioners of Serbia were dismissed. The 15 December election in Odžaci, also in Vojvodina, was marred by fistfights between supporters of rival parties, attacks on media, and accusations of fraud including voter bribery between the DS and SNS. The SNS took an absolute majority and, also on 15 December, won in Kostolac, eastern Serbia, and Voždovac, one of 17 municipalities comprising Belgrade.

The local elections in Kosovo were extremely divisive in the north, where the population had boycotted every previous vote organized by the government in Pristina and elected their own officials in polls organized by Belgrade. However,
Serbian leaders encouraged the population to participate on 3 November to consolidate the April deal, insisting it was not tantamount to recognizing Kosovo’s statehood. Belgrade also helped create a new political party, the Serb Civic Initiative, to run in the election. Still, there was a strong boycott movement among both the population and the political elite, some of whom refused to participate. For voters and leaders alike, participation was seen as a way to secure autonomy for their community through the planned Alliance of Serb Municipalities while preventing Albanian candidates from taking office in majority-Serb areas.

The election itself saw low turnout and sporadic violence. On the eve of the vote, the candidate for the Serb Civic Initiative, Krstimir Pantić, was attacked in Mitrovica, an ethnically divided city straddling the Ibar river. The perpetrators remained at large at year’s end, but Pantić blamed the pro-boycott groups. On election day, these groups attacked voters, smashed ballot boxes, and threw tear gas at several polling stations, leading to the annulment of results at three polling stations. A rerun on 17 November was calm, though turnout remained low. In the end, the Serb Civic Initiative won a majority in nine municipalities, including the four in northern Kosovo.

In May, Serbia’s Anti-Corruption Agency adopted its first-ever campaign finance report for the 2012 general elections. Two-thirds of political groups reported annual financing, according to the EU progress report. The agency submitted 53 requests for misdemeanor procedures against parties for misusing funds, filing annual financial reports late, or failing to file campaign financial reports. The EU urged stronger oversight of party funding.17

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Roughly 18,000 civil society organizations (CSOs) operate in Serbia, but they continued a long period of decline in 2013 amid a chronic lack of funding. Most CSOs rely on government support and international donations that have shrunk since the 2008 financial crisis. New, largely informal types of civic activism emerged in 2013, filling this void and making extensive use of online media.

One notable example of grassroots activism was an anonymous public campaign against drug dealers in Lazarevac, central Serbia. In July, the St. Sava Association of Citizens posted an online list of 20 alleged narcotics dealers, including names and photos. The activists demanded the suspects be arrested and prosecuted, blaming a weak police response to the drug trade for rising addiction rates. In response, police took immediate action, arresting at least seven suspects from the list by mid-December and pledging further crackdowns.18

Ad hoc fundraising initiatives also emerged for sick children requiring costly medical treatment abroad. The most prominent case, that of 8-year-old Tijana
Ognjanović, gained unprecedented attention as local celebrities joined a campaign that eventually raised €1.5 million for a heart transplant in Houston, Texas. Tijana did not survive the surgery, but her parents pledged to donate the remaining money to other Serbian children needing medical care abroad.

Activism had a darker side in 2013, related to a surge in illegal immigration from Africa, Asia, and war-torn Syria. When a shelter near the town of Bogovadja, central Serbia, housing 80 asylum seekers awaiting transfer to the EU became overcrowded, authorities tried to move them to a shelter near Belgrade. However, locals protested with blockades in a highly publicized standoff that lasted for days. After the second shelter was torched in an apparent arson, authorities took the refugees to other parts of Serbia.19

Trade unions became more vocal in 2013 in response to the government’s plan to downsize hundreds of state-owned companies. Protests erupted over the looming layoffs, as well as a debate about the massive subsidies that had kept the companies afloat for years. The government drafted bills on the labor market, privatization, and bankruptcy procedures that were awaiting adoption at year’s end. Meanwhile, police unions objected to government plans to reduce the number of officers in northern Kosovo following the April agreement. The unions said the move was unconstitutional.

Protection of minority rights remains problematic. For the third straight year, authorities banned Belgrade’s annual LGBT pride parade, citing security concerns after right-wing groups threatened to confront the demonstrators.20 The event’s organizers lambasted Belgrade for failing to protect human rights and held a smaller, surprise gathering called Midnight Parade the night of September 28. New events are planned for May 2014.21

Under an amendment adopted in December 2012, hate speech is now recognized as an “aggravating circumstance” in criminal cases, making it possible for judges to impose higher sentences under certain circumstances. In January, the Appellate Court in Novi Sad announced Serbia’s first ruling on discrimination in the workplace based on sexual orientation.22 The court ordered a 26-year-old man to pay 180,000 dinars ($2,168) in damages for threatening and using anti-gay epithets against a 25-year-old openly gay colleague. In June, the government adopted an antidiscrimination strategy for 2013–18 aimed at protecting vulnerable groups such as Roma, women, children, the LGBT community, and the disabled. In its progress report, the EU recommended bolstering the Equality Protection Commissioner’s office to process the increasing flow of discrimination complaints by citizens. 23

December 2013 saw the opening of an unprecedented photo exhibition in Belgrade, backed by the Open Society Fund and Swiss Embassy. For the first time, three ethnic Albanian survivors of a 1999 mass killing in Pudujevo, Kosovo, displayed photographs and personal items of 14 extended family members who were summarily executed in the home of the Bogujevci family by Serbian forces during the 1998–99 war.24 The unit’s commander, Saša Cvjetan, was sentenced in 2005 to 20 years in prison for war crimes. Several dozen nationalists protested
outside the exhibition venue, demanding an exhibition in Pristina highlighting Serb victims of the conflict.\textsuperscript{25} Serbian police provided protection for the exhibition.\textsuperscript{26} Prime Minister Dačić attended and spoke with the survivors.

In November, the EU delegation to Serbia awarded 23 grants to civil society organizations.\textsuperscript{27} Ranging from €50,000 to €100,000, the grants from the EU Civil Society Facility 2012 were approved for projects through 2015 on monitoring public administration reform, promoting cultural diversity (including community support to asylum-seekers), and capacity building at local-level civic groups.

Due largely to the efforts of the League for the Protection of Property and Human Rights, restitution of property confiscated by the Communists after World War II moved ahead in 2013. More than 3,000 hectares of agricultural land, almost 1,500 apartments, and 135,000 square meters of construction land were returned to the original owners or their descendants, according to league data.\textsuperscript{28} One of Serbia’s most effective nongovernmental organizations, the league helped thousands navigate the complex legal requirements for property restitution, gather documents from archives, and file claims. As a result, efforts to compensate the victims of the post-WWII regime accelerated.

### Independent Media

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Serbia’s official Media Strategy aims to reduce state ownership of press outlets not designated as public services, but little progress has been made on these counts since the strategy’s adoption in 2011. Government proposals in 2013 raised new concerns about the independence of the public broadcaster. Meanwhile, editorial bias, low professionalism, and low quality of reporting in Serbia’s privately owned media remain problems.

The independence of state-owned Radio Televizija Srbije (RTS) came into question in 2013 over government proposals to change how the national broadcaster is financed. For years, RTS has been funded through mandatory subscriptions, collected as a surcharge on electricity bills. However, in October, authorities proposed switching to a combination of direct budget financing and advertising revenue, which could potentially increase the government’s influence on content. Under the proposed new law on electronic media, RTS and its equivalent in Vojvodina, Radio Televizija Vojvodine (RTV), would receive a combined 1.5 percent of national budget revenue, with roughly 75–80 percent going to RTS. In discussions in October, legislators proposed dozens of amendments, but the bill had yet to be adopted at year’s end.

The electronic media bill also covers digitization—now expected in 2016, four years behind schedule. The planned changes, in line with EU standards, include changing the name of the Broadcasting Agency, a national regulator, to the “Regulatory Body for Electronic Media” and giving it more authority to block
Serbia

The legislation also includes tighter rules on protection of competition, linked to the ownership of outlets. Serbia already has some instruments to regulate antitrust issues, but their implementation led to several controversies in 2013. In September, the CNN Cable News Network partnered with Serbia’s SBB cable provider to regional television network and broadcaster N1, which was allegedly in violation of rules that prevent cable providers from simultaneously producing content.

Most popular outlets, including privately owned, high-circulation dailies such as Blic and Kurir, have a political bent and regularly become involved in disputes with politicians or other media owners. In January, DS leader Dragan Đilas sued Kurir for defamation, demanding 120 billion dinars (€1.04 billion) in damages over reports that he had used his office and connections to earn some €1.2 billion through his advertising agency since entering politics—an allegation made by onetime-Dilas-ally-turned foe Dušan Petrović. The suit prompted the Independent Journalism Association of Serbia (NUNS) to warn that media must not be drawn into political battles. Meanwhile, Pink Television became embroiled in a very public dispute with Blic after the daily reported on a fatal car accident involving the son of Pink founder Željko Mitrović. Although the story was widely reported elsewhere, Pink Television used the opportunity to launch an on-air campaign against pro-DS Blic, currying favor with the ruling SNS. The Broadcasting Agency threatened to revoke Pink’s license for 30 days if the campaign continued. The agency said that Pink Television had violated both the Public Information Act and professional codes of conduct, and, in an unprecedented move, ordered the broadcaster to publish the agency’s conduct review.

The Broadcasting Agency played an active—if at times heavy-handed—oversight role in 2013. In November, the council criticized RTV for an interview with Kosovo President Atifete Jahjaga that it said served as a mouthpiece for propaganda on topics such as the safety of the Kosovo Serb minority. This reopened a debate on regulating content and ways to implement laws requiring objective, impartial media coverage. The Broadcasting Agency also targeted offensive content such as obscenity and ethnic slurs. For example, it ordered Pink Television to ensure that its reality television shows comply with laws banning insults and profanity. In addition, the agency cracked down on illegal broadcasters, raiding the offices of small local radio stations that operate without a license. Several were closed, their equipment seized, with nine criminal charges for “pirate” broadcasting filed.

Allegations of censorship resurfaced in 2013 with a controversy surrounding Mental Exercises, a radio morning show that was taken off the air in December after the hosts made references to Vučić’s private life. Though Vučić denied any involvement, NUNS expressed concern that the suspension was political. The station said the show was temporarily shelved to make room for holiday programs and would return on 13 January. The date was later pushed back to 1 February.

Authorities stepped up efforts to investigate the murder of journalists during the Milošević regime, including the fatal shooting of Dnevni Telegraf editor Slavko Ćuruvija in 1999. Ćuruvija’s reporting had become increasingly critical of the
government, and his killing was widely seen as evidence of the Milošević regime’s brutality. In December, Vučić acknowledged that “the state killed Ćuruvija,” though no arrests were made by year’s end.

In a landmark ruling by the Higher Court in Belgrade in December, award-winning filmmaker Emir Kusturica won a libel suit against the E-Novine news portal and its editor. Kusturica had sued over a 2011 report on allegations that the director had ties to a former secret service agent suspected of murder and believed to be hiding in Spain. Citing insufficient evidence of any link between the men, the court ordered E-Novine to pay Kusturica a total of 336,000 dinars (€2,900)—150,000 in damages and 186,000 in court fees. E-Novine also had to publish the verdict on its website.

**Local Democratic Governance**

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The legislative framework on local self-government is unclear and poorly implemented, with weak oversight of municipal responsibilities and finances, according to the EU. However, local governance does not appear to be a government priority. In October, the government abolished the National Council for Decentralization, citing the need to reduce expenditures. Both the council and the inter-ministerial Municipal Finance Commission were not operational throughout much of 2013—a year dominated by political wrangling over the autonomy of Vojvodina and control of the capital Belgrade.

For years, officials have fought over the extent of Vojvodina’s autonomy. Opinions hinge on political affiliation and ethnicity, with proposals ranging from very limited autonomy to near statehood, including everything from a flag to a separate budget. In the former camp, the SNS has long warned of increased separatism in Vojvodina. Once it became clear that the party would join the new government after the 2012 elections, the Constitutional Court declared unconstitutional certain provisions in the Statue of Vojvodina, the law establishing the province’s jurisdiction, in a move some critics said would drastically reduce its autonomy. As a result, in May 2013, the assembly of Vojvodina adopted a declaration reasserting its constitutional rights and autonomy.

However, the province faced an effective constitutional crisis in December, when the Constitutional Court of Serbia declared unconstitutional some two-thirds of all articles in the statute. In a 140-page ruling, the court said it would not immediately annul the statute lest a “legal vacuum” emerge. It gave Vojvodina until June 2014 to amend the provisions or write a new statute. István Pásztor, speaker of Vojvodina’s assembly and a representative of the ethnic Hungarian minority, and Bojan Pajtić, head of the provincial government, said they aimed to amend the statute in full compliance with the Serbian constitution, though it is unclear
whether the June 2014 deadline will be met. Given the scope of the Constitutional
Court ruling, Pásztor said, the statute will probably need to be rewritten. Separate
bills and bylaws are also planned to define the purview of Vojvodina bodies, as well
as a law on their financing that has been under development since 2008.

If the Vojvodina legal issues are not resolved, the SNS will probably call for early
elections in the provincial assembly in a bid to ride its popularity to more deputies.
Meanwhile, the DS, which pledged to protect Vojvodina’s autonomy after winning
majorities there in 2008 and 2012, was internally shaken by the sweeping legal
challenge. Some party officials said Pajtić went too far in adding provisions toward
broader autonomy that ultimately undermined the statute. Across the political
spectrum, there is concern that some officials in Vojvodina are after independence,
although its statute defines the province as part of Serbia. The issue is particularly
sensitive given the legacy of Kosovo and also reflects the difficulty of balancing state
with local-level powers in Serbia, where governance is largely centralized.

In the other major local government development of 2013, Belgrade Mayor
Đilas of the DS was ousted in September when former allies in the municipal
assembly withdrew their support amid allegations that Belgrade had a debt of nearly
€1 billion due to Đilas’s ambitious infrastructure projects. The mayor insisted the
figure was grossly inflated, but Belgrade’s murky financial records allowed the
controversy to fester, giving the SNS and its SPS allies an opening that which they
seized with a 60-0 vote in the 110-seat city council on 24 September to remove
Đilas.41 The Serbian government appointed a temporary council to run the city
until mayoral elections on 16 March 2014.

### Judicial Framework and Independence

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In July, Serbia adopted a new five-year strategy and action plan to improve judicial
independence, accountability, and efficiency. This followed a failed attempt in 2009
to overhaul the judiciary by streamlining the court network and staff, among other
changes. A related, highly controversial reappointment procedure in 2009 and 2010
cost hundreds of judges and prosecutors their jobs. Following a 2012 Constitutional
Court ruling, 500 of the 877 officials who appealed their non-reappointment were
reinstated. The court network nearly doubled in 2013, from to 34 to 65.

In its progress report, the EU said that rule of law would be a key priority
in accession talks given the amount of work required to reform Serbia’s judiciary.
In particular, the EU noted that the legislative and constitutional frameworks
leave room for political influence. It also urged the government to redouble
efforts to create an evaluation system for judges and prosecutors to improve
accountability. In addition, the EU wants all judicial appointments to pass through
the Belgrade-based Judicial Academy, which provides additional training to judges
selected by the High Judicial Council. The academy is an important element of
the new judicial reform strategy. However, the president of the Judges’ Association of Serbia notes that giving it final say over appointments could jeopardize independence because one-third of the academy’s managing board members are government appointees.42

Efficiency is another key issue, with the case backlog at over 3 million.43 The judicial reform strategy includes a unified program to clear the backlog, and the EU said that implementation should be a priority, pointing to the Administrative Court in Belgrade as an example of the logjam in Serbian courts. It has resolved all cases older than three years and, in the first six months of 2013, another 9,551 cases.44 However, 11,315 new cases came before the court in the first half of 2013, compared to 4,938 in all of 2012. In June 2013, the backlog totaled more than 23,000 cases, roughly 1,500 more than at the end of 2012.45

In October, a new system of criminal investigations based on the U.S. model was introduced in an effort to tackle organized crime. Under the new system, authorities executed a sweeping drug raid in early December, arresting 127 suspects and seizing 18.5 kilograms of narcotics. However, early results suggest the judiciary may lack the resources for this new approach, which gives greater authority to prosecutors and less to investigating judges. In October, the Higher Court in Belgrade received only 2 criminal charges, compared with 26 in September and 37 in May.46 The new system does not provide free counsel to defendants who cannot afford a lawyer.

The judiciary can be opaque and vulnerable to political influence. In 2013, the judicial system received 539 complaints against judges and prosecutors for mishandling cases, but a special disciplinary committee only accepted 8 for consideration, saying the others were incomplete.47 In February, Supreme Court of Cassation President Nata Mesarović was replaced after the Constitutional Court found unconstitutional an earlier law that led to her appointment, but some saw this as political because the DS had backed Mesarović’s appointment. In November, SNS Justice Minister Nikola Selaković estimated that the failed reappointment of judges cost €15 million and said criminal charges might be filed demanding compensation from members of the High Judicial Council and the State Prosecutorial Council, which carried out the procedure.48 The main targets would be former Justice Minister Snežana Malović and Mesarović.

Several war crimes cases49 continued in Belgrade before a special court, including the 1999 murder of the Bytici brothers, three ethnic Albanians who had come from New York to fight Serb government troops in the 1998–99 war over Kosovo, only to be killed as prisoners of war. Two Serbian policemen, Sreten Popović and Miloš Stojanović, were acquitted of the killing in a March decision that was upheld on appeal in May. In a surprise ruling in December, the Constitutional Court overturned the 20-year prison sentence of Saša Radak for participating in the 1991 killing of detainees in Croatia. The court said the conviction was based on the uncorroborated evidence of a single protected witness. Victims’ families and human rights groups questioned the ruling.50
Graft and misconduct are widespread in Serbia. After taking power in 2012, the SNS followed through on pledges to get tough on corruption with several high-profile cases. The biggest ongoing investigation is against Serbia’s richest man, Miroslav Mišković, founder and owner of Delta Holding, one of the largest companies in the region. Serbia’s ranking in Transparency International’s Corruption Perceptions Index improved by eight places to 72nd in 2013. However, the watchdog’s Serbian branch said the year saw little concrete progress in anticorruption efforts, blaming an inefficient judiciary and weak public administration.

On 9 May, charges were filed against Mišković, his son Marko, and nine associates, following their arrest in 2012. The 122-page indictment implicates the men in a 16.95 billion-dinar (almost $200 million) fraud scheme related to a road repair project and construction companies, as well as tax evasion to the tune of 472 million dinars ($5.57 million). Each charge carries a maximum 10-year prison sentence. The trial opened on 14 November. Mišković, who had been released on bail along with Marko, maintained innocence and hired an international defense team. After the initial hearing, court president Vladimir Vučinić permitted Mišković to travel abroad briefly but was subsequently replaced for allowing a high-profile defendant to leave the country. Vučinić complained to the High Judicial Council about the pressure exerted on him by Higher Court President Aleksandar Stepanovic, prompting the council to demand that the independence of the judiciary be respected. The case was ongoing at year’s end.

In July, legislators adopted a new five-year anticorruption strategy and action plan that gives the Anti-Corruption Agency a lead role. The agency increased oversight of public officials’ finances, requiring that asset and income declarations be verified against data held by at least four authorities, including the Interior Ministry and Tax Administration. Several criminal charges were filed against officials, including a member of parliament, for failing to disclose holdings. In other anticorruption efforts, the Administration for the Prevention of Money Laundering intensified reporting on suspicious transactions. It has improved cooperation with banks and financial regulators, as well as staff training. Meanwhile, some 180 police officers received basic training on seizing and handling digital evidence in an effort to uncover corruption.

However, in its progress report, the EU said the Anti-Corruption Agency remains inefficient, law enforcement lacks expertise in financial investigations, and whistle-blower protection is weak. Serbia also lacks key information technology resources, namely a centralized criminal intelligence system—an IT network linking the police, prosecution, and courts to improve efficiency in battling corruption and organized crime. The EU has noted that the High-Tech Crime Unit at the Interior Ministry, operational since 2012, needs additional resources to manage complex cybersecurity investigations.

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Despite the urging of the EU, Serbia has not completed the investigation of 24 flawed privatizations from the 2000s. The task is daunting because of the number of people and companies involved, but some cases were nevertheless closed in 2013. In May, the Belgrade-based Special Court sentenced 16 people, including investors and judges, to a total of 44 years for fraud, abuse of office, tax evasion, and accepting bribes in several privatizations. Meanwhile, the July sale of Serbia’s loss-making carrier Jat Airways to Etihad Airways of the United Arab Emirates raised transparency concerns, as the terms of the deal were not disclosed despite public demands.

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EC, Serbia 2013 Progress Report.


EC, Serbia 2013 Progress Report.


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