

The International Institute for Middle-East and Balkan Studies (**IFIMES**) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. IFIMES has analysed current events in Serbia in view of the second round of early presidential election scheduled for 20 May 2012. The most interesting sections from the analysis entitled “**SERBIA: MILOŠEVIĆ’S PEOPLE DECIDE ABOUT THE FUTURE OF SERBIA**” are published below.

## **SERBIA:**

# **MILOŠEVIĆ’S PEOPLE DECIDE ABOUT THE FUTURE OF SERBIA**

The first round of presidential election in Serbia took place on 6 May 2012. The largest amount of votes went to **Boris Tadić** (25,33%) from the coalition “For a better life – Boris Tadić” and **Tomislav Nikolić** (24,99%) from the coalition “Let’s move Serbia – Tomislav Nikolić”.

The majority of votes at the parliamentary election went to the following coalitions: “Let’s move Serbia – Tomislav Nikolić” (24,01%), “For a better life – Boris Tadić” (22,07%) and “Ivica Dačić – SPS, PUPS, JS” (14,54%).

The second round of Serbian parliamentary election is going to take place on 20 May 2012. Both candidates, Tadić and Nikolić, are also leaders of their respective parties, Boris Tadić is the president of the Democratic Party (DS), Tomislav Nikolić is the president of the Serbian Progressive Party (SNS). Despite the fact that Nikolić’s SNS won the election (24,01%), it probably won’t be able to form the new government of the Republic of Serbia.

The presidential, parliamentary, provincial and local elections went by with a notion of reasonable suspicion and serious accusations for election theft and election irregularities. The allegations did not only come from Serbian Progressive Party as the winner but also from other parties which withdrew their allegations about the election irregularities due to the regime pressures and thus silently accepted the election theft. A typical example of this is a minority party called “the Alliance of Vojvodina Hungarians” (SVM), led by **Istvan Pasztor**, who succumbed to the pressures of the regime and voted for the adoption of the report of the election results at the meeting of the Republican Electoral Commission (RIK) and thus allowed the legalization of an unfair election and election fraud. Their vote was crucial and decisive. Istvan Pasztor, the president of SVM, tried to justify his move by explaining that they don’t want to destabilize the country and want to preserve peace and stability by legalizing the elections.

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In previous analyses the IFIMES International Institute pointed out that the highest political circle in Serbia, symbolised by Boris Tadić, has shown that its functioning resembles that of an organised criminal group in several aspects. Tadić's Democratic Party has been in power for the past 12 years, which represents an excessively long period of government for any political party. Serbia's incumbent regime has not proven to be resistant to organised crime and corruption, which is illustrated by numerous examples. Some of those examples have been pointed out by the EU in the European Parliament Resolution adopted on 29 March 2012. EP demanded Serbian authorities to carry out investigation and review of dubious privatisation processes in 24 companies. Investigations into above privatisation processes which have already been carried out have shown that in most cases the key role was played by Boris Tadić and some high officials from his Democratic Party as well as **Mlađan Dinkić**, president of G17 Plus and leader of the United Regions of Serbia (URS) coalition. The European Union has expressed serious doubts concerning the legality of company privatisation processes, including those of “**Sartid**”, “**Jugoremedija**”, “**Mobtel**”, “**C market**” and “**ATP Vojvodina**”. EU demanded Serbian authorities to declassify immediately documents classified as State Secret regarding the privatisation and sale of those companies, which is contrary to European standards. A notable case was that of “**Mobtel**” which was sold to the controversial Austrian businessman **Martin Schlaff** and subsequently to Norwegian Telenor for EUR 1,513 billion. Should Tadić's Democratic Party form the new government of Serbia again, the situation will become absurd since the revision of dubious privatisations will be carried out by the same government which carried out those privatisations.

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The IFIMES International Institute is of the opinion that the revision of dubious privatisation processes should be carried out by independent international auditing firms at the request of the EU whereby appropriate monitoring should be ensured.

### IS TADIĆ CONNECTED TO THE INTERNATIONAL CRIME SCENE?

In previous surveys and analyses we highlighted the connections between Tadić's regime and organized crime. In addition to the above mentioned Tadić and Dinkić, the current Minister of Internal Affairs and the president of the Socialist Party of Serbia (SPS) **Ivica Dačić** was also found to be connected with crime or criminals. Dačić's connections with crime stem from the times of **Slobodan Milošević** rule in Serbia. Nevertheless, the alarming fact is that Dačić is a minister responsible for the state's repressive authority which also fights organized crime, while he may be the one who collaborated the most with criminals. Dačić's role in “the Šarić case” and drug trafficking is still insufficiently investigated.

Dačić's connection and collaboration with criminal structures is also confirmed by his inclusion on the “black list” of the American Administration and then his mysterious

removal from this list, which raises the question whether this removal from “the black list” by the US authorities involves some corruptive elements?

Moreover, Dačić is one of the agents in the “Suitcase” affair, which also involved the former vice-governor of the National Bank of Serbia (NBS) **Dejan Simić** and the SPS functionary **Vladimir Zagrađanin**. They were acquitted of all charges for bribery after pressuring the court. The Superior Court in Belgrade acquitted them of all charges, despite the fact that it was indisputably confirmed during the trial that a suitcase with 100,000 Euro was found in Simić’s and Zagrađanin’s possession at the moment of their arrest. Dejan Simić’s charge was that he, as the vice-governor, demanded a bribe of 2 million Euros from the representative of the Israeli “TBI Group”, so that he could permit operation to the Export-Credit Bank. Simić was arrested on 11 January 2006 in his apartment, together with the SPS functionary Vladimir Zagrađanin. The police found a bag with 100,000 euros in Simić’s apartment. That evening, Zagrađanin was visiting Simić together with Ivica Dačić, but Ivica Dačić left the apartment just some minutes before the police raided it.

Tadić’s connection with the organized crime is also illustrated by the visit of the Norwegian Prime Minister **Jens Stoltenberg**, who visited Belgrade and expressed his support for Boris Tadić in the second round of presidential election and also for the mobile operator Telenor, owned by the Norwegian Telenor. Serbian Telenor was recently sold to the Norwegians through dubious privatization of “Mobtel” and mediation by Martin Schlaff, with Boris Tadić presiding over the steering committee of PE PTT Communications “Serbia”, a co-owner of “Mobtel”, and being the Minister of Telecommunications at the same time.

Boris Tadić led the Ministry of Telecommunications and presided the steering committee of PE PTT Communications “Serbia” at the same time for a longer period of time. PE PTT Communications “Serbia” shared the ownership of “Mobtel” with **Bogoljub Karić**. The role of president Tadić regarding the initiation of bankruptcy proceedings from that period is not clear yet, nor are determining the amount of the start-up capital, preparing the company for sale to the buyer connected to his party (DS), the sponsorship ordered by Boris Tadić etc. The investigating authorities have not yet heard or prosecuted Tadić regarding these issues.

The contract dated 4 April 2006, the day when “Mobtel’s” property was illegally taken over by the newly established company “Mobi 63”, which was then sold to Telenor and declared a state secret, was also controversial. Why is a commercial contract called a state secret and for whose interests? Where did 1.513 million euros earned by selling “Mobtel” to the foreign owner disappear?

The role of Martin Schlaff and Austrian State Telecom in these affairs are also being investigated in Austria, with Austrian Prosecutor's Office conducting an investigation against Schlaff and other individuals who participated in these affairs. Besides the

Prosecution's investigation, an Investigating Commission of the Austrian Parliament has been formed in September 2011, investigating the role of Martin Schlaff and the former vice-Chancellor **Hubert Gorbach** who participated in this affair, former Chancellor **Wolfgang Schüssel** and other individuals. Right after the formation of the Investigating Commission Schüssel resigned from the position of the MP in the Austrian Parliament.

It is obvious that we're facing elements of an organized criminal group here, which can be further proven by the involvement of the former European Commissioner **Benita Ferrero Waldner** and some other highly positioned EU functionaries in this affair, as well as Serbian functionaries. Austrian investigation will inevitably lead to Serbia and Boris Tadić, Mladan Dinkić, **Vuk Jeremić**, and others connected to Martin Schlaff.

### MILOŠEVIĆ'S PEOPLE ARE THE MAIN SUPPORT FOR TADIĆ AND HIS DEMOCRATIC PARTY

The depth of the crisis in the Serbian society is illustrated also by the results of the parliamentary election, where Milošević's SPS, led by Ivica Dačić in the recent years, won the third place. Dačić is burdened by the past, that is Milošević's regime and crime. Had Serbia carried out lustration, Dačić would have been permanently disqualified from performing any public function, including those at the local level. However, Dačić and SPS, thanks to Tadić and DS, are now deciding about the future of Serbia. The firm cooperation between Tadić's DS and Milošević's SPS since 2008 has taken away the purport of the democratic change in Serbia, which symbolically began on 5 October 2000.

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That's why the current authorities are opposing the opening of classified files which represent a stern test of political will to relieve secret services from the burden of Slobodan Milošević's legacy .

However, Boris Tadić and his Democratic Party are once again looking for support from Ivica Dačić and his SPS in order to maintain their power. Thus, they want to form a new government with the support of Milošević's SPS, ensuring Tadić his third term of office at the presidential election.

One of the key problems in Serbia is the malfunctioning of the rule of law. If the rule of law and its institutions operated efficiently, many problems in Serbian society would not exist at all. There would be no retroactive tax assessment resulting in enormous sums, which most companies cannot pay and consequently have to declare bankruptcy. A systematic racketeering of business people and companies is taking place. A known example is **Stanko Subotić**, who became an unwanted person and faced prosecution after he stopped paying racket to Tadić's regime and especially to the Democratic Party. Why did the Prosecution fail to react to Subotić's allegations,

when he publicly admitted that he was paying rackets to Boris Tadić and to people close to him. Why did the Prosecution fail to initiate proceedings in this case?

The IFIMES International Institute believes that if Boris Tadić wins, Serbia will once again have the president who will not act in line with the Constitution and life in Serbia will keep spinning in the vicious circle of politics, mafia and crime.

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