Opinion of the European Economic and Social Committee on EU-Serbia relations: the role of civil society

(2008/C 224/29)

In a letter dated 18 July 2007, Commissioner Margot Wallström and Commissioner Olli Rehn asked the European Economic and Social Committee to draw up an exploratory opinion on EU-Serbia relations: the role of civil society.

The Section for External Relations, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 5 May 2008. The rapporteur was Mr Seppo Kallio.

At its 445th plenary session, held on 28-29 May 2008 (meeting of 29 May), the European Economic and Social Committee adopted the following opinion by 74 votes to 9 with 10 abstentions.

1. The conclusions of the opinion

1.1 The recommendations to European Union (EU) institutions and bodies:

— To support the Serbian government in the elaboration of a strategy for the development of civil society (1).

— To increase support, also in financial terms, to civil society organisations in Serbia in order to maintain their independence from government and ensure the sustainability of the projects they run.

— To create more appropriate and efficient financial support schemes in order to shorten long application and decision-making procedures. This applies also to the new facility established by the European Commission (EC) to promote civil society development and dialogue. Support should be available for a broad range of interested organisations and be flexible in terms of responding to their needs.

— To distinguish between NGOs and social partners in terms of the creation and adoption of support strategies.

— To support programmes focused on the capacity-building of social partners in order to strengthen their capability to an effective social dialogue.

— To support systematically those projects run by civil society organisations and focusing on the promotion of the idea of European integration within the whole society. A systematic debate on the issues concerning European integration should encompass all parts of society, including civil society. In this regard, support for a broader range of activities within the National Convention on the European Union in Serbia, which includes representatives of both governmental and civil society organisations, should be considered.

— To support projects aiming at transferring know-how and experience from the EU Member States to Serbia. The contribution of the ‘new’ Member States from Central and Eastern Europe might be of real added value. The importance of ‘twinning projects’ should be given greater recognition and support by the EU institutions. The newly established facility promoting civil society development and dialogue can provide support for such activities.

— To enable the representatives of civil society organisations from Serbia to visit the EU institutions and participate free of charge in conferences and events organised by the EU.

— To strengthen support to the regional networks of civil society organisations in the Western Balkans and to develop regional programmes. Specific attention should be paid to the intensification of the dialogue between the Serbian and Kosovar (2) civil society organisations in order to overcome the communication gap between the Serbian and Kosovar (2) governments.

— To maintain a systematic dialogue with other donors in order to provide civil society organisations in Serbia and the Western Balkans as a whole with a well targeted, efficient, effective and well-timed assistance.

— To make the Delegation of the EC in Serbia more visible in the eyes of the representatives of civil society organisations, as well as the citizens of Serbia.

— To establish a systematic and structured dialogue among the representatives of civil society organisations and the EC Delegation in Serbia in order to have direct information on the state of Serbian civil society.

— To organise regular meetings with the representatives of civil society organisations in order to react with greater flexibility to their expectations and needs.

(1) According to the definition of the European Economic and Social Committee, the term ‘civil society’ encompasses the employers’ organisations, employees’ organisations, as well as other non-governmental organisations and interest groups.

(2) Kosovo being under UNSCR 1244.
1.2 The recommendations to the European Economic and Social Committee (EESC):

— To create a Joint Consultative Committee (JCC) between the EESC and Serbian civil society organisations in order to promote and support civil dialogue in Serbia. In the absence of the appropriate legal basis — the Stabilisation and Association Agreement (SAA) — the EESC might establish an interim JCC with the same goals until the signing and ratification of the SAA.

— To participate actively in the new People to People Dialogue Programme managed by the EC’s Directorate-General for Enlargement: the EESC could prepare and organise study visits within the EU (especially in Brussels) for representatives of Serbian civil society organisations.

— To enable representatives of Serbian civil society organisations to visit the EESC and to become acquainted with its activities.

1.3 The recommendations to the Serbian authorities:

— To pass the Law on Civil Society Associations and corresponding legislation, especially tax legislation, as soon as possible.

— To develop a strategy for the development of civil society: this would create the basis for a viable civil society as a necessary element of a mature democratic society. The strategy should be developed in close cooperation with civil society organisations.

— To maintain a systematic dialogue on the issues concerning civil society organisations with their representatives. The government’s approach towards civil society should be more inclusive.

— To introduce various incentives to civil society organisations, including financial ones, in order to support their development and the sustainability of their activities. A transparent grant scheme that allows civil society organisations to apply for grants financed from the state budget should be developed.

— To support the maintenance of a regular tripartite social dialogue and ensure the proper functioning of the Serbian Economic and Social Council (SESC) according to the law. This should be based on the regular participation of all ministries concerned in the meetings of the SESC.

— To ensure correct and effective implementation of the visa facilitation and readmission agreements with the EU and implement necessary reforms in order to continue the process of visa liberalisation. Visa free travel is crucial for enhancing contacts between Serbian civil society organisations and their counterparts in the European Union.

1.4 The recommendations to civil society organisations in Serbia:

— To establish an institutionalised platform for regular meetings and exchange of ideas.

— To improve the managerial skills of the representatives of civil society organisations through their participation in various training programs.

— To increase the number of representatives of the national and ethnic minorities in projects developed by the Serbian civil society organisations.

— To increase the emphasis on regional cooperation, possibly by looking into learning from and collaborating with civil society organisations in EU Member States, especially with those from Central and South-Eastern Europe.

— To enhance cooperation with the media and to improve their public image by promoting the projects and achievements of civil society organisations.

1.5 The recommendations to Serbian and Kosovar (3) civil society organisations:

— To make every effort in order to maintain and/or to improve cooperation and people-to-people contacts between Kosovar (3) and Serbian civil society organisations.

2. Background of the opinion

2.1 The EU goals in the Western Balkans and Serbia

The Western Balkans is among the top regional priorities of the EU’s foreign policy. The main goal of the EU in the Western Balkans is to increase regional stability and prosperity. The preparation of the Western Balkan countries for EU membership can be mentioned as an equally important goal. To achieve the latter, the EU is using specific instruments of pre-accession assistance.

The Stabilisation and Association Process (SAP) was created in order to assist the countries of the region on their way to the EU. The signing of the Stabilisation and Association Agreement (SAA) is considered to be a significant step towards full EU membership. As of May 2008, five out of six Western Balkan countries had signed an SAA. While Croatia is already negotiating its accession to the EU, the Former Yugoslav Republic of Macedonia, with its status of candidate country, has not yet started accession negotiations. Serbia signed its SAA in Luxembourg on 29 April 2008. Bosnia and Herzegovina has completed the negotiations and has intimated its SAA, but has not yet signed it.

(3) Kosovo being under UNSCR 1244.
2.2 The state and role of civil society organisations in Serbia

2.2.1 The particular role of NGOs

Civil society organisations and NGOs in particular played an important role in the overthrow of the Milošević regime, since they managed to mobilise a significant part of the population in order to make democratic changes. Since 2000, NGOs have been undergoing a process of transformation, characterised by the redefinition of their programmes, goals and priorities. Since the Republic of Serbia is undergoing a difficult process of political, economic and social transformation, NGOs — and especially those dealing with democratisation and human rights — are playing a crucial role in the democratisation of Serbian society. The significant contribution of some NGOs was noteworthy especially during the last presidential elections held in January-February 2008. In addition, NGOs have played a significant role in the process of spreading European values and bringing Serbia closer to the EU.

2.2.2 The need for a dialogue with civil society

In this regard, the need for an intensive dialogue between civil society organisations on the one hand and the Serbian government on the other should be highlighted. Despite the introduction of various forms of consultation between the government and civil society organisations (\(^1\)), a systematic civil dialogue still does not exist in Serbia. The establishment of such a dialogue is in the vital interest of Serbian society as a whole and of civil society organisations in particular. It is also in the interest of the EU, since a viable and strong civil society is one of the preconditions for successful EU integration.

3. Political developments in Serbia

3.1 The current political situation

Since the year 2000, when a democratic and pro-integration oriented government replaced the regime of former President Slobodan Milošević, Serbia has had to deal with the process of political, economic and social transformation. A problematic economic transition, the issue of the final status of Kosovo (\(^2\)) as well as the populist usage of national prejudices and stereotypes by selected political leaders has contributed to the radicalisation of the Serbian political scene. This did not concern only the opposition, but to some extent also the outgoing government led by Prime Minister, Vojislav Koštunica. The involvement of the media in these processes should not be forgotten, since the majority of journalists and broadcasters are far from being truly independent. The recent presidential elections saw the re-election of the incumbent President, Boris Tadić, who represents the moderate stream in Serbian politics. However, the continuing instability in the governmental coalition and tensions between the Democratic Party of Serbia of Vojislav Koštunica and the Democratic Party of Boris Tadić, which escalated after the declaration of independence of Kosovo (\(^2\)) in February 2008, led to the resignation of the Prime Minister, Vojislav Koštunica. Early parliamentary elections were held on 11 May 2008.

3.2 Political relations with the EU, Russia and the neighbouring countries

EU integration presupposes the fulfilment of the Copenhagen criteria, Stabilisation and Association Process conditionality and the other conditions and requirements set by the EU. Serbia has not fulfilled all the conditions and requirements but showed good administrative capacity in the process of negotiations for the SAA with the EU and in the implementation of the necessary reforms. In November 2007 the EU initialled the SAA. The signing of the SAA was, however, undermined by the lack of cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY). In order to examine ways of delivering rapid progress the EU agreed to set up a Task Force. On the other hand, the European Commission called on Serbia to reaffirm its commitment to closer ties with the European Union (\(^3\)). Cooperation with the ICTY remains one of the most important preconditions for further development of EU-Serbia relations, also after the signing of the SAA. Another influential factor shaping EU-Serbia relations will be the ability of the Serbian government to separate the issue of the final status of Kosovo (\(^4\)) from the process of European integration.

Relations between Serbia and Russia have become more and more intensive. This is partly due to the Kosovo (\(^4\)) status issue, since the Russian Federation has consistently backed the Serbian positions. On the other hand, the level of economic cooperation is increasing as well — the most remarkable sign of such development is the increasing interest of Russian investors in the Serbian economy.

Though a certain improvement has been achieved in the last few years, not all relations between Serbia and its neighbouring countries are satisfactory. Relations with the EU neighbours of Serbia — Bulgaria, Hungary and Romania — can be characterised as very good. The same applies to relations with Montenegro and the Former Yugoslav Republic of Macedonia. Relations between Serbia and Croatia are good, though there are still some open issues, for instance concerning the return of refugees to Croatia. Relations with Bosnia and Herzegovina are shaped to a large extent by the specific relationship between Serbia and the Republika Srpska. The greatest tensions obviously lie in the relations between Serbia and Kosovo (\(^5\)), especially since the province’s declaration of independence.

\(^1\) Regular consultations of civil society organisations have been undertaken in several areas, e.g. European integration, poverty reduction or youth policies, and by several governmental or official bodies, e.g. the Presidency of Serbia, the Serbian European Integration Office, the Ministry of Social Policy and Labour, the Serbian Chamber of Commerce or the Standing Conference of Towns and Municipalities.\n
\(^2\) Kosovo being under UNSCR 1244.

3.3 The role of Serbia in the stabilisation and development of the Balkans

Serbia is an important country in the Western Balkans and an important partner for the EU in the region. Due to the involvement of the Serbian leaders and army in all the Balkan wars in the 1990s, the reputation of Serbia in the region is a relatively negative one. The only way to improve this image in the region is through the improvement of good relations with all its neighbours and active participation in various regional initiatives, with the help of the EU.

4. Economic developments in Serbia

4.1 The current state of the economy in Serbia

Due to its political and economic isolation, resulting from the character of the Milošević regime, the country’s economic development slowed down during most of the 1990s. Since 2000, however, the Serbian economy can be characterised as a typical economy in transition, with sustainable growth (5.7 % in 2006 compared with 6.2 % in 2005). The growth in GDP has been accompanied by a decrease in inflation, which reached 10 % in 2007 (\(^{1}\)). The indisputable economic advantages of Serbia encompass a quite big market potential, a favourable geographical location, duty free access to the markets of South-Eastern Europe, the EU, Russia and the USA, as well as an educated and skilled labour force.

4.2 The privatisation process

The share of the private sector remains relatively low when compared to the EU average. The private sector accounts for about 55 % of total output and 60 % of total employment (\(^{2}\)). A comparatively low share of the private sector negatively affects the competitiveness of the Serbian economy, especially products and services. Further privatisation and restructuring of state and public-owned companies is therefore a must for further development of the Serbian economy.

4.3 The main sectors of the Serbian economy

The main sectors of the Serbian economy are, in descending order, services, industry, agriculture and construction. According to the Serbian Investment and Export Promotion Agency the most dynamic sectors of the economy are agriculture, IT, wood processing, furniture making, energy, automobiles, textiles, electronics and pharmaceuticals (\(^{3}\)).

4.4 Foreign Trade

The European Union is the biggest trade partner for Serbia. Among the top ten biggest export partners of Serbia there are six EU member states. The most important export partner of Serbia, however, is the neighbouring Republic of Bosnia and Herzegovina. Serbian imports are headed by Russia (\(^{4}\)).

The economic cooperation of Serbia with its neighbours, including trade relations, will be affected positively by the implementation of the new Central European Free Trade Agreement, which was signed by the Western Balkan countries and Moldova in 2006. The creation of the free trade area in the Western Balkans has been one of the priorities of the pre-accession process.

4.5 Foreign direct investment and the largest investors in the Serbian economy

Serbia’s pro-investment oriented policy has attracted the attention of many foreign investors. In 2006 the total amount of FDI was the highest in the region (EUR 3.4 billion) (\(^{5}\)). The biggest flows of investments were directed to financial services, trade, manufacturing, real estate, public administration and transport. The largest investors are predominantly the countries of the EU, with Greece occupying first place (\(^{6}\)).

Despite the increasing number of investments, the Serbian market still has great potential for further development in this field.

5. The current state and role of civil society organisations

5.1 Common problems and challenges

Three main problems can be identified: fiscal status; the urban-rural gap; increasing competition instead of cooperation.

Quite problematic is the fact that the tax legislation in Serbia does not distinguish civil society organisations from other for-profit organisations. Accordingly, civil society organisations are treated in the same way as small enterprises — they have to pay taxes from the donations they receive, while only a few on them are exempted from VAT obligations. Moreover, the existing tax policies of the Serbian state do not stimulate any form of giving to civil society organisations.

Another problem is the enduring urban-rural divide. Most civil society organisations are concentrated either in Belgrade or in two or three other big cities, while the countryside lacks experience with them. This results in the general population’s low awareness of civil society and the activities of civil society organisations.

\(^{(5)}\) www.wiwi.at/e/serbia.html.
The third problem — increasing competition between civil society organisations instead of cooperation — leads to tensions and weakens their potential positions vis-à-vis the Serbian authorities.

5.2 Cooperation with Serbian authorities: the lack of civil dialogue

Most civil society organisations are still not perceived as partners by the Serbian authorities, especially those focusing on certain sensitive issues (e.g. war crimes, mass graves etc.). The cooperation of civil society organisations with the central government or local governments rests on an ad hoc basis, since the government seems not to be eager to establish a partnership with civil society organisations. On the one hand, this is due to the lack of legislation regulating the relationship between civil society organisations and the government, and on the other hand, the absence of a political will to involve civil society organisations more intensively in the consultations and preparation of selected strategic documents should also be taken into account. Another fact to be underlined is that the Serbian state adopts a rather selective approach to civil society organisations.

5.3 Social partners

5.3.1 Social dialogue

Though an effective social dialogue is one of the preconditions for successful economic transformation, the role of the social partners in Serbian society remains relatively weak. After the Labour Law came into force in 2005, the General Collective Agreement ceased to apply. The same is true for all special collective agreements concluded before 2001. Another change connected with the new legal regulation is that the Government does not participate in the conclusion of the new General Collective Agreement anymore, but continues to play an active role in the conclusion of several sectoral and special collective agreements. The representative trade unions and employers’ associations, which are now in charge of negotiations on the new General Collective Agreement, have not succeeded in reaching agreement so far. The conclusion of a new General Collective Agreement therefore remains one of the most important preconditions for enhancing social dialogue in Serbian society.

The Social and Economic Council of the Republic of Serbia, established in 2005 by the Law on the Social and Economic Council, provides an institutional basis for tripartite negotiations. However, the Council is facing several problems that have had a negative impact on its activities. Firstly, the scarcity of financial resources should be mentioned. Despite the increasing funding from the state budget, the lack of financial resources negatively influences the work of the Secretariat and prevents the Council from setting up an adequate number of working groups and organising regular meetings. Another problem is the irregular attendance of the representatives of the social partners at the Council’s meetings. As a result, some draft laws are passed in parliament without being discussed on the Council’s floor.

5.3.2 The Serbian employers’ organisations

The Union of Employers of Serbia (UPS) is the main national organisation of employers. Unlike the trade unions, UPS has enjoyed good cooperation with the Ministry of Labour and Social Policy. It participates regularly in the activities of the Social and Economic Council of the Republic of Serbia. Nevertheless, the fact that most of the biggest firms active in Serbia are not members of UPS weakens the legitimacy of the organisation within the context of social dialogue. UPS has been participating in the work of the South-Eastern Europe Employers’ Forum and of the International Organisation of Employers. The international dimension of the UPS’s activities is going to be strengthened after it has received observer status in BusinessEurope. UPS is also expected to join the Mediterranean Union of Employers in June 2008.

5.3.3 The current situation and role of the trade unions

The trade unions are more heterogeneous. Overall, there exist about 20 000 trade unions in Serbia at all levels, from company to national level. Most of them belong to the two main national confederations, Independence (Nezavisnost) and the Confederation of Autonomous Trade Unions of Serbia (SSSS). Joint action is often lacking. Another related problem is the lack of cooperation among trade unions. Though the role of trade unions is considered to be relatively weak in Serbia, their active participation in collective negotiations in the public sector and public enterprises shows that their role in strengthening the social dialogue is not to be underestimated. As for the international activities of the Serbian trade unions, both Nezavisnost and SSSS are members of the International Trade Union Confederation and take part in the European Trade Union Confederation Balkans Forum.

5.4 The situation within the various interest groups

5.4.1 An unsatisfactory legal environment

Despite various statements of the post-2000 Serbian governments and their commitments to adopt a new law on citizens associations, the work of the non-profit organisations, as well as their relations with the Serbian state remain unregulated. In fact, the legal status of the various interest groups, and particularly the NGOs, is regulated by the State Law on the Association of Citizens into Associations, Social Organisations and Political Organisations founded already in the Socialist Federal Republic of Yugoslavia and the Republic (Serbian) Law on Social Organisations and Citizens’ Associations from 1982, amended in 1989 (13).

In 2006, the Government of Serbia adopted the Draft Law on Civic Associations. This text, which was harmonised with the positions of the representatives of various interest groups, has not made it to Parliament to be adopted. The Draft Law simplifies the procedure for the registration of civic associations and foresees that an association may acquire property and assets through charges of membership fees, voluntary contributions, donations and gifts, etc. It also provides for the state or local self-government bodies to give grants and donations to various interest groups. However, the Law on Civic Society Associations would not solve all the problems concerning their legal and economic status. A whole set of additional laws will therefore be needed.

5.4.2 The role and coverage of small and medium-sized enterprises (SMEs), agricultural organisations and consumers' organisations

It can be argued that the representatives of SMEs and agricultural organisations suffer from the same problems as trade unions — counter-productive fragmentation and competition — which prevent them from establishing powerful pressure groups. The high level of corruption guarantees some organisations better access to state bureaucracy than others. Political closeness and the geographical locations of these organisations can be mentioned as another divisive factor. Although the number of consumers' organisations is smaller when compared to SMEs and agricultural organisations, their problems are more or less similar.

5.4.3 NGOs in Serbian society

The Serbian NGO sector was becoming stronger in the second half of the 1990s, after the end of the Bosnian war. The NGOs played a crucial role in the overthrow of the Milošević regime in 2000 by mobilising the citizens and taking part in the negotiations with the anti-Milošević opposition. The pro-election campaign named 'Izlaz 2000' was a very successful project of different NGOs, showing the importance of the NGO sector in the process of democratic change.

Since 2000 the position of NGOs in Serbian society has changed. The NGO sector is overcoming a process of transformation. Moreover, some NGOs suffer from a lack of enthusiasm due to the slower pace of reform than was expected after the changes in 2000. Another problem is the split in the attitude of the NGOs towards cooperation with the government — while some of them remain consistently in opposition to the government, others try to find ways to cooperate with it. To some extent, the NGO sector became weakened also due to the fact that some NGOs leaders joined politics after 2000 and stopped their activities. In this regard, it can be concluded that while some NGOs intensified their activities, a significant part of them failed to meet the criteria regarding further professionalisation and specialisation in their work and faced some significant problems. As for examples of positive development, particular mention should be made of environmental organisations.

Economic problems are crucial since they concern the basic viability of most NGOs. They receive funding only for a limited number of projects and for a limited time period, mostly from foreign sources. As a result, many of them lack specialisation and have to focus on various projects with a very different focus. This affects not only their professional reputation, but makes them difficult to overcome vital problems threatening their existence.

6. The role of civil society organisations in EU integration

6.1 Civil society organisations and the process of European integration

A number of civil society organisations in Serbia already play a crucial role in the process of raising public awareness on the EU and European integration. By organising public lectures and seminars and distributing leaflets and other materials focusing on the EU and related issues, civil society organisations contribute to information campaigns on the EU especially in rural and less developed areas. Though civil society organisations have sometimes differed in their attitudes, e.g. in the case of stressing the full cooperation of Serbia with the ICTY as a precondition for the reopening of the SAA negotiations in Spring 2007 — the presidential elections held in January-February 2008 found them united in their opinion. An overwhelming majority of civil society organisations opted for a European perspective for Serbia and helped to increase the participation of the voters in the elections.

The closer cooperation of the government with the employers' organisations, trade unions and other interest groups would contribute even more to the better preparedness of the population in Serbia for EU accession. However, the further involvement of civil society organisations in a substantial dialogue with the government requires greater transparency and the regular provision of relevant documents and information.

6.2 Civil society organisations and regional cooperation

The improvement in regional cooperation and good relations with the neighbouring countries represent key preconditions for a successful integration into the EU. Civil society organisations already play an important role in stabilising relations and bridging the gaps among the countries in the region. In this regard, the improving cooperation between the Serbian and Croatian civil society organisations can be mentioned as a very positive example. By improving cooperation among themselves and pushing joint projects, civil society organisations will be better prepared to face regional problems and meet regional challenges. Moreover, successful results of cooperation among civil society organisations on a regional basis may serve as an
inspiration for regional political leaders. Though contacts among civil society organisations are developing year by year, the current status quo is far from being satisfactory, mainly because of still existing political obstacles and scarcity of financial funds, including EU funds. In this regard, support for grassroots regional initiatives may be one of the possibilities for enhancing cooperation among civil society organisations in the region.

6.3 International activities of Serbian civil society organisations

The inclusion of the Serbian civil society organisations in joint projects realised with partner organisations either from the region or from outside can improve people-to-people contacts and renew relationships broken during the war. In this regard, a certain positive development has been achieved in many fields. Cooperation and networking has been developed especially in the case of civil society organisations focusing on human rights, protection of the environment or in the case of women’s groups. For the further development of civil society and civil society organisations, the positive results of cooperation among the Serbian associations and their counterparts from the new Member States of the EU should be highlighted as well. The inclusion of civil society organisations in foreign policy activities should not be underestimated. The more intensive cooperation between official diplomacy on the one hand and public diplomacy on the other can contribute to the improvement of Serbian foreign policy and influence positively the process of European integration.


The President
of the European Economic and Social Committee
Dimitris DIMITRIADIS