

Vesić Disappeared, but the Corrupt Laws Remained

"Repealing the law on conversion unlocks about 5,000 sites for construction, there will be 15 million new square meters, there will be investments in the billions of euros." This is what the former Minister of Construction, Transport and Infrastructure, Goran Vesić, said less than two years ago. It is in vain to remark that the law that he defended in the Serbian Parliament in 2023 leads to even greater corruption, in vain to point out that the tycoons will get even richer, while the citizens will get nothing. Neither did the billions of investments start, nor did the millions of imagined new square meters lower the prices of apartments. On the contrary.

Where Vesić is today is not known to the public, and what he and his entourage were talking about two years ago has already been forgotten. An analysis of the parliamentary discussion at the time of the adoption of this law can serve as a reminder - how important it is to listen carefully to what is proposed and to whom it is proposed. In recent years the parliament has been turned into a voting machine, which members "vote after the bell rings", about which we should save a warning note for some future time.

It is a good idea to keep parliamentary steno notes

If the parliamentary notes were not kept, it would not be possible to remember who said what, who promised what, who warned, and finally the most important thing - what was true. The proposal for the Law on Amendments to the Law on Planning and Construction, that's the full name, was the eighth of the 30 items on the agenda that were discussed together in July 2023. Considering parliamentary practice, it could have been adopted without a single word being said about it. When we now look at how that discussion went, it is easy to conclude that it was at a much higher level than today and that in the last two years parliamentarism has further collapsed. That, however, is another topic.

What did the opposition say about the law then, after Minister Vesić explained the law?

The co-president of the Together party (Zajedno) at the time and MP Nebojša Zelenović assessed that the conversion of land without compensation was the "robbery of the century" in which Vesić was the "perpetrator". He pointed out that the Minister will give his tycoons the most valuable resource we have, which is space, leaving citizens and the public budget without tens of billions of euros. He stated that for twenty or more years, as long as the privatization process has been going on, no one dared to donate land to companies and individuals who bought former social enterprises. "And they finally found the perpetrator - Goran Vesić is the one who will carry out this robbery," said Zelenović.

Radomir Lazović from the Green Left Front (Zeleno levi front) explained that this law is important to the authorities because those people who bought companies are now allowed to take land even though they did not pay for it. "The public budget is being reduced, which means less money for investing in public services and projects for the benefit of all citizens. Economic inequalities are deepening and the concentration of political and every other power is in the hands of the privileged," Lazović said.

And Aleksandar Jovanović Ćuta from the Ecological Uprising (Ekoloski ustanak) called on Vesić to explain where the citizens' interests lie: "Tell me how much your projection, the

cancellation of the conversion, will cost? How much will your business partners, the buddies, profit when you cancel the Law on Conversion," asked the deputy.

The leader of the People's Movement of Serbia (Narodni pokret Srbije), Miroslav Aleksić, said that the abolition of the land conversion fee, which actually means that all those who had the right to use the land can now own the land without any compensation, causes direct damage to the budget. "These investors should have paid for it, for it to be budget revenue, the revenue of all citizens of Serbia, and now you say - no, we will give them for free. Now, years back, you have a situation where no one has done the conversion, because you are announcing this law," Aleksić said. He pointed out that in 2015, the Anti-Corruption Council expressed the view that the conversion proposal was free of charge, unconstitutional and against the public interest, and asked what had changed.

Dragana Rakić from the Democratic Party (Demokratska stranka) gave the example of a 4,000 square meter plot of land in Novi Sad that was owned by the Shipyard. "Until now, land conversion has been paid for at 25,000 dinars per square meter, so now you calculate carefully times 4,000 square meters of industrial land, this means that the budget of Novi Sad is deprived of 100,000,000 dinars based on just this one conversion, which will not be done," she pointed out.

Deputies most often gave the example of IMT, which was a big company, used to produce 40,000 tractors, and went bankrupt in 2015. Then it was privatized, and there are plans to build 800,000 square meters. As they said, the new owners are exempt from paying for land conversion in the amount of more than 500 million euros.

They repeatedly pointed out that Vesić persistently claims that Boris Tadić and his revenge on some tycoons are to blame for everything, but that the conversion law was passed in 2009, but since the change of government in 2012, it was changed 11 times until 2021. And when it comes to the citizens and the thesis that they need more construction of apartments, that doesn't hold either because in Belgrade there was a dramatic increase in the construction of apartments, and a small increase in the number of households, so the question arises - for whom are these apartments being built?

How did Vesić speak?

One of the main arguments was that none of the companies that will receive a valuable gift were privatized after 2012, so the former government is to blame for everything. Vesić did not pay attention to the objections that he himself was part of that government. He stated that sometimes transitional laws are passed in developing countries, when an ideological concept is abandoned, most often when it comes to ownership or when the state is being modernized.

"Laws are never passed for the purpose of an individual, as they should not be passed, nor to punish individuals. Laws are passed for the sake of the common good," said Vesić. He claimed that the conversion for a fee was introduced because of the conflict that the then president of the country, Boris Tadić, had with the owners of "Port of Belgrade" and that this law was the result of his personal avenge.

Another argument was that according to the previous law, in 12 years, Serbia earned slightly more than 30 million euros from the conversion, and captured over five thousand locations. "If

only one of these locations had been developed, only one, with an average of about twenty thousand square meters, could have brought more money to the republic from property taxes, from VAT, from salaries for people who would work in the construction industry, from what would be paid for construction materials, from taxes on the transfer of absolute rights, and of course from the purchase and sale of real estate. If only one location had been activated, we would have had more than we received in these 12 years," said Vesić.

That is why, he says, that institute should be abolished, which does not bring in income and hinders development. This is how the trapped potential of the Serbian economy will be released. The winner will be the state, which will have much higher incomes, then the businessmen who will be able to build and thus the employees of their companies, **and of course the citizens who will have lower real estate prices.**

"The policy of our government is to build. The policy of our government is to develop Serbia. There are those who say that nothing more needs to be built, that means there are no new apartments for those who do not have apartments and there will be higher prices for existing prices, as well as higher rental prices. This is a consequence of ignorance, a consequence of the fact that we want to remain the last country in Europe with relapses of communist management of construction land and that is the price of irresponsibility," explained the Minister.

He repeated that the conversion had never been beneficial, and that it was being abolished because it was simply not possible to enforce the law. In the end, the argument was that all the refugees who live in Altina, in Busije, in Grmovac, in all those settlements, in Plavi horizonti, around Belgrade, cannot legalize their houses because that land is in bankruptcy in various agricultural former combines, even though they built houses 20 years ago and 25 years ago. Vesić accused those who oppose the law, of opposing people in Altina legalizing houses.

He said that the previous government, for example, introduced land conversion, and then exempted NIS because, as he says, they were not allowed to charge it. He also talked about the case of Pirot, where there is a location in the city center where an intermodal terminal needs to be built and it cannot be resolved while there is a conversion, because the bankruptcy trustee cannot carry out the conversion.

What happened after that?

The law was soon adopted and even more quickly forgotten. Perhaps not enough time has passed, but the main promise of a lower price per square meter and a construction "boom" has not come true. The price of a square meter in Belgrade in December 2023 was 2,334 euros, and in November 2024 it increased to 2,489 euros. Experts estimate further growth, there are more and more luxury neighborhoods with a price of over 5,000 euros per square meter, and no one expects prices to drop.

Six months after the adoption of the so-called "Vesić Law", the media wrote about numerous companies that received valuable land as a gift, listed factories and tycoons, but also that the Ministry of Finance claims that it did not assess the value of the land that investors will acquire without compensation. In the summer of 2024, it was announced that everything is ready for the construction of a complex with over 600,000 square meters of usable space and

towers over 100 meters high on the land of the former IMT tractor factory near block 63. Pro-government tabloids, as well as numerous agencies, announced it long before the passing of the new law, as a luxury complex, a "city in miniature", the most prestigious project in that part of the city, but mostly it was about the same PR text in which there is no price per square meter and to whom those apartments will be available.

As for the apartments in Altina, the ads show that most of the properties offered at that location are still in the process of legalization. Data on the billions of investments that came due to the abolition of conversion payments cannot be found. After the adoption of this law, the authorities did not talk much about its benefits. Finally, there is no news about the mentioned intermodal terminal in Pirot after 2021, and even then it was in the plan and waiting for investors.

The Minister of Construction and Infrastructure, Goran Vesić, resigned after the fall of the canopy at the Railway Station in Novi Sad. He was arrested at the end of 2024 and suspected of a serious crime against general safety in connection with the crime of causing general danger, but he was soon released to defend himself. Since then, he has not appeared in public.

Mirjana Nikolić

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