

North Kosovo in 2020

Future histories in the making

About the authors

Regina Joseph is a Senior Fellow, Future Security Foresight at the Clingendael Institute, where she produces security scenarios and forecasting. She is also the founder of Sibylink (www.sibylink.com), a futures consultancy, and a Super-forecaster and Senior Consultant for the IARPA-funded Good Judgment Project (www.goodjudgmentproject.com).

Jitske Hoogenboom is Senior Program Officer Kosovo at PAX. She has been responsible for the Kosovo program since 2009, with a specific focus on Mitrovica, and leads PAX's international advocacy on peacebuilding issues relevant to Kosovo.

Acknowledgements

This work would not have been possible without the assistance and participation of Community Building Mitrovica in the Mitrovica region and Centre for Communities Development in north Mitrovica. The authors of this report would like to extend our deep appreciation to the staff of these organizations for their time and energy. We also wish to especially thank the Forum for Ethnic Relations in Belgrade for its assistance and participation, which enabled us to obtain extraordinary access to the people of Serbia in a very short time. We also thank Zoran Nechev from the Association Zenith in Skopje for his valuable input into the 'Wider Scope on the Balkans'. We thank Filip Rakic for being a guide during the photographic tour of north Mitrovica. Thanks are also due to Pieter-Jan Baas, Mathieu Hermans, Miroslav Lazarevic and Helma Maas for allowing us to use their photographs. Most importantly, we extend our sincere gratitude to the people living in north Kosovo and all those who were kind enough to donate their time for our research interviews, as well as to those who reviewed the draft of this report. We also thank Susan Sellars for copyediting the report and Het IJzeren Gordijn for graphic design. Finally our special thanks go to Linda Schevers for her important role in bringing to life this project and report. ♦

Colophon

Authors: Regina Joseph and Jitske Hoogenboom
Editors: Regina Joseph and Susan Sellars
Cover photograph: Pieter-Jan Baas; Street view in north Mitrovica
Graphic design: Het IJzeren Gordijn

ISBN: 978-90-70443-72-6 | NUR 689 | PAX2014/004
May 2014

About the project partners

This report is the result of a joint project by PAX (lead agency), Community Building Mitrovica (CBM) and the Center for Community Development (CRZ). The Research Institute Clingendael conducted the scenario exercise, the Forum for Ethnic Relations (FER) organized interviews in Belgrade, and all of the partner organizations involved reviewed the report extensively. The report was co-authored by Regina Joseph (Clingendael) and Jitske Hoogenboom (PAX).

About PAX (formerly IKV Pax Christi)

PAX means peace. PAX brings together people who have the courage to stand for peace. Together with people in conflict areas and concerned civilians worldwide, PAX works to build dignified, democratic, and peaceful societies around the globe. In Kosovo, PAX works in three main directions: Strengthening civil society in north Kosovo; strengthening civic activism and public participation in north Kosovo; and strengthening transparency of, and inclusion in, decision-making processes, including EU processes.

www.paxforpeace.nl | info@paxforpeace.nl

About the Centre for Communities Development

The Centre for Communities Development (CRZ) was established in 2006 in north Mitrovica as a synergy of a few Kosovo Serb non-governmental organizations. CRZ's mission is to address the priority needs of the Serb community in north Kosovo. CRZ identifies the needs of Kosovo Serbs for improving the quality of their lives. It furthermore defines adequate solutions towards the development of local communities and encourages intercommunity cooperation throughout the region. In order to improve the social capital of local communities, CRZ initiates and develops various learning processes and education programs, while strongly supporting core democratic values.

www.crzmitrovica.com

About Community Building Mitrovica

Community Building Mitrovica (CBM) is a Mitrovica-based, interethnic, grassroots organization that identifies, encourages and facilitates the joint action of citizens in the Mitrovica region in order to promote cooperation, coexistence and democratic values. CBMs staff consist of devoted citizens—both Serbs and Albanians—who grew up in this region and want to restore the previous confidence and even friendship that war and politics have destroyed. The fields in which CBM works are: good governance, media, culture, youth, women, minorities, informal education, human rights, dialogue, and return of refugees and internally displaced persons.

www.cbmitrovica.org

About Clingendael

The Netherlands Institute of International Relations Clingendael is the leading Dutch think tank and diplomatic academy on international affairs. The institute provides public and private sector organisations with in-depth analysis of global developments in the fields of economic diplomacy, international security and conflict management. Clingendael specifically focuses on the position and role of the Netherlands.

www.clingendael.nl

About the Forum for Ethnic Relations

Forum for Ethnic Relations (FER) is based in Belgrade and was founded in 1989 as a network of 110 academics and experts in national issues, ethnic relations and minority protection. Its members are prominent scientists and experts from the former Yugoslavia, Europe and the United States of America. FER's aim is to support the building of democratic institutions and contribute to peaceful and democratic solutions to ethnic conflicts, protection of human rights and protection of minorities. FER conducts and organizes academic research, training programs and similar projects in cooperation with democratically-oriented governments with an aim to further democratize the societies it works in.

www.fer.org.rs ♦



Preface

Political developments in Kosovo and Serbia have evolved rapidly in the past few years. The launch of the EU-facilitated dialogue between Kosovo and Serbia in March 2011 reopened communication between the two, leading to the breakthrough First Agreement of Principles Governing the Normalization of Relations in April 2013, which changed the institutional set up of north Kosovo. Political developments continue at a steady pace.

This report is based on an extensive field trip in January 2014. Since then, parliamentary elections have taken place in Serbia and, at the time of publishing, the parliamentary election campaign in Kosovo was in full swing. The European Union member states and Kosovo have reached an agreement on adjusting and renewing the EULEX mandate and establishing a special court in the Hague to try war crimes. The European Parliament has seen a change in its composition and a change in the leadership of the European Commission and the European External Action Service is imminent. At the end of 2014, several of the current main political actors are likely to have been replaced.

A constant factor in all these swift political developments has been the lack of transparency and citizen inclusion in the process around the dialogue and the agreements reached. After a very tense and sometimes violent 2013, things have turned relatively quiet since February 2014. However, more than a year after reaching the April agreement, the people in north Kosovo, remain uncertain about the impact the agreements will have on their daily lives. What will change for them? As the people most affected, the people in north Kosovo feel excluded and uninformed about the process and its results.

For the North Kosovo in 2020 exercise we spoke to more than 40 people from north Kosovo. Many times these conversations were difficult; people are frustrated and angry about the present

and concerned about their future. Most times the conversations revealed interesting insights, new information and new perspectives. Regardless of the rapid political changes described above, the thoughts these people voiced remain relevant for future policy development.

New actors in positions of power will change dynamics and can offer new opportunities to improve the situation in north Kosovo and its surroundings. Through this report, PAX and its partners aim to provide food for thought to policymakers involved in north Kosovo or Kosovo-Serbia relations, by bringing to life the perspectives of people and extrapolating those perspectives into the future. Additionally, PAX hopes that this report will contribute to better informed policymaking and more inclusive communication and mutual understanding between policymakers and people from the north.

The people in north Kosovo are worth the effort.

Jitske Hoogenboom, PAX

26 May, 2014 ♦

Contents

Executive summary	9
Recommendations	13
Immediate actions	13
Short-term actions (0–2 years)	14
Medium-term actions (1–3 years)	16
1. Introduction and methodology	18
1.1 Methodology	19
2. View from the ground	20
2.1 From the north	20
2.2 From the south	21
3. Scenarios	24
3.1 Scenario One: The horse and the water	27
3.2 Scenario Two: Transition	31
3.3 Scenario Three: Stalemate and resignation	35
3.4 Scenario Four: Relapse	37
4. Drivers	40
4.1 Political drivers	40
4.2 Security drivers	47
4.3 Economic drivers	49
4.4 Socio-cultural drivers	51
5. Pivotal issues	56
5.1 Water	57
5.2 Power	58
5.3 Education	59
5.4 Media and telecommunications	60
5.5 Heavy industry	62
6. Conclusion	64
Endnotes	66
List of figures	
Scenario matrix	25
Scenario One – The horse and the water	26
Scenario Two – Transition	30
Scenario Three – Stalemate and resignation	34
Scenario Four – Relapse	36
Drivers	41

Acronyms

AKF	Armed Force of Kosovo
BIK	Islamic Community of Kosovo
EEAS	European External Action Service
EU	European Union
EULEX	European Union Rule of Law Mission in Kosovo
GDP	gross domestic product
KEDS	Kosovo Energy Distribution and Supply Company
KEK	Energy Corporation of Kosovo
KFOR	NATO-led Kosovo Force
KSF	Kosovo Security Force
LISBA	Kosovo Islamic Unification Movement
NATO	North Atlantic Treaty Organization
SJCRKC	Saudi Joint Committee for the Rebuilding of Kosovo and Chechnya
US	United States
USD	United States Dollar

Executive summary

Despite the signing of the Brussels Agreement in 2013, many people in north Kosovo continue to reject integration with Kosovo. Kosovo remains divided, both physically and psychologically, beset by internal structural problems and external challenges. The EU-led dialogue between Kosovo and Serbia is perceived among different communities in Kosovo as a 'black box', imposing half-baked and impractical solutions behind closed doors. This gap between policymaking and people impelled PAX and its project partners to prepare this report in order to discuss possible futures for north Kosovo, collect grassroots recommendations based on these, and stimulate discussion and understanding between policymakers and citizens. The result is a report consisting of four core parts: recommendations, view from the ground, scenarios, and drivers and pivotal issues.

The **Recommendations** are addressed to the dialogue teams, the governments of Kosovo and Serbia, the international community, and the municipalities in north Kosovo. They include grassroots recommendations based on discussions with people in north Kosovo held while preparing and reviewing the four future scenarios. These recommendations are directed to providing circumstances in which all communities living in north Kosovo see a future for themselves and their children through:

- ◆ improved political processes (including more transparency and accountability);
- ◆ measures and clarification related to the education system;
- ◆ measures stimulating employment;
- ◆ improved rule of law; and
- ◆ measures to raise confidence among the Serb community (including the protection of rights of different communities in Kosovo).

The **View from the Ground** describes the views of people from north Kosovo and south Kosovo¹. The views among Kosovo's northern residents reveal a strong sense of isolation and frustration with political processes, lack of basic services and unemployment. These frustrations are mirrored in south Kosovo.

The **Scenarios** describe four plausible futures for north Kosovo. These are not literal predictions and the actual future will probably combine elements of all four scenarios.

- ◆ The Horse and the water: In the first scenario, less involvement from the EU is one of the factors contributing to the Association/Community of Serb Municipalities never materializing. This, in combination with unemployment and fears for the future, result in many Kosovo Serbs from the north migrating to Serbia. Albanians seeking cheap property fill the vacuum left by Serbs in the northern municipalities, bringing about a de facto integration. Lack of a real EU perspective gives space to Islamic radicalization and organized crime. Under this scenario, by 2020, north Kosovo will be fully integrated into Kosovo, but with few Serbs left.
- ◆ Transition: In this scenario, continued and improved EU involvement and improvements in relations between Serbia and Kosovo result in a comprehensive agreement between Kosovo and Serbia, including on bilateral relations and on all public services in north Kosovo. In Pristina², a new generation of politicians come to power, changing governance, which results, among other things, in the improved position of minority communities. Visa liberalization and educational exchanges give Kosovans access to the wider world. An Association/Community of Serb Municipalities with autonomy in five areas comes into being. A unified EU effort to combat organized crime contributes to improvements in Kosovo. Kosovo, including the north, progresses on its path to the EU.
- ◆ Stalemate and resignation: In this scenario, Serb residents of Kosovo sink into hopelessness, exhaustion and apathy. As Serbia makes unpopular economic decisions to comply with political preservation and EU membership, Kosovo is no longer an important item on Serbia's agenda. The Association/Community of Serb Municipalities never comes into being and Serbian subsidies to north Kosovo are terminated. Srpska becomes an indigenous political force representing Kosovo Serbs within the political system. It uses its votes in the Kosovo Parliament to negotiate measures to prevent change and keep north Kosovo segregated. North Kosovo continues to be a more or less a lawless, semi-autonomous area, without rule of law or jobs and is no longer contested, but divided from the rest of Kosovo.
- ◆ Relapse: In this scenario, water shortages triggered massive protests against the Pristina government evolving into riots. Politicians point to Serb control over Gazivode/Gazivodë³ and direct public anger at Serbs, resulting in violent inter-ethnic incidents. A reduced North Atlantic Treaty Organization (NATO)-led Kosovo Force (KFOR) is unable to respond and the Kosovo Police fall apart across ethnic lines. Serbs flee north, Albanians flee south. With Russian support, Serbia funnels arms to north Kosovo. Russia's involvement makes NATO reluctant

to strongly intervene. The conflict escalates into civil war with regional spillover effects. The Ibër/Ibar river becomes the main frontline, separating north Kosovo from the rest of Kosovo.

The last part of this report consists of two sections, **Drivers** and **Pivotal Issues**. The section on Drivers describes the political, security, economic, and socio-cultural drivers of change leading up to 2020. The section on pivotal issues looks at the key issues that feed into these drivers in the sectors of water, power, education, the media and telecommunications, and heavy industry. ♦



Main street in north Mitrovica: Amidst all the political changes, many Serbs in north Kosovo hope to raise their children and live their lives here.

Recommendations

The recommendations below are based on two assumptions in relation to what a desirable outcome for north Kosovo by 2020 would include: first, that Serbs are able to live their lives and raise their children in north Kosovo without fear and have reasons to be optimistic about their future; and second, that all of Kosovo's different communities manage to coexist with equal rights and opportunities for all. The grassroots recommendations cited below are based on what project participants believe needs to change to create a direct and positive impact on north Kosovo.

Immediate actions

For the dialogue teams:

- ◆ Kosovo and Serbia, facilitated by the European External Action Service (EEAS), should **reach an agreement on the court system** and immediately start implementing it to maintain and amplify the positive effects of the integration of the Serbian Interior Ministry Police into the Kosovo Police force.
- ◆ Kosovo and Serbia, supported by the EEAS, should agree on a method to **increase the transparency and understanding** of the dialogue process, the resulting agreements and their implementation. They should, among other things, commission a bilingual website that provides full information on all agreements; biweekly updates on the state of the different technical working groups and implementation process; and clear explanations of the implications

of these developments. The website should include clarifications of diploma accreditation processes and the implications of the amnesty law for Kosovo Serb businesses registered in Serbia.

For Kosovo and Serbia:

- ◆ The Kosovo government should announce its intention to facilitate **repairs of the Orthodox Cemetery** in south Mitrovica. It should reach an agreement with the Serbian Orthodox Church and Mitrovica south municipality and make funds available towards this end. Gestures of goodwill are needed to build trust between the Kosovo government and the Serb population in the north.
- ◆ The Kosovo government and European Union Rule of Law Mission in Kosovo (EULEX) should continue to **invest in training for Kosovo Police officers** in north Kosovo and make better use of international exchanges. The Kosovo government should **prioritize meeting logistical needs** to improve the motivation of Kosovo Police and their ability to implement tasks.
- ◆ Serbia should publicly express its **full trust and support of the Kosovo Police** to increase its legitimacy.

For the international community:

- ◆ EU representatives at all levels should **interact much more intensively with people** in north Kosovo. Interaction should take place not only with elected representatives or provisional leaders, but also with different constituencies. Interaction should take place through different formats including public discussions, closed focus groups and bilateral meetings.

For the municipalities in north Kosovo:

- ◆ The mayors of the four municipalities in north Kosovo—in addition to Serbia—should express their **full trust of, and support for, the Kosovo Police**.
- ◆ North Kosovo municipal assemblies should make their **assembly meetings public** and work towards becoming more accountable and transparent.

Short-term actions (0–2 years)

For the dialogue teams:

- ◆ Kosovo, Serbia and the EEAS should prioritize agreements and clarification to **remove all barriers to investment**, loans and business initiatives in north Kosovo, including taxes and property regulations.
- ◆ The Kosovo government, the EEAS and Serbia must jointly clarify the implications of the dialogue agreements **for the education system**. This information should

be made public as well as specifically distributed to all primary and secondary schools and the university in Mitrovica. The information should cover European Union guarantees in relation to minority education to allay fears over the imposition of a Kosovan curriculum.

- ◆ Kosovo and Serbia, facilitated by the EEAS, should agree to Serbia's **continuation of financial supplements** to people working in the public sector in north Kosovo. Should Serbia intend to end these supplements after a certain time, a transitional mechanism should be developed to limit a rapid drop in subsistence levels.
- ◆ The Kosovan and Serbian governments, supported by the EEAS and in consultation with stakeholders, should define and **resolve outstanding disagreements related to the Trepča/Trepča mine**. A realistic strategy should be devised with a step-by-step approach to increase the exploitation of the Trepča/Trepča mine and offer employment to the region. This strategy should be public.

For Kosovo and Serbia:

- ◆ The Kosovo government, with EU facilitation, should intensify discussions with northern Serbs about the **competences of the Association/Community of Serb Municipalities**. These discussions should not be limited to Serb leaders, but include the broader community. Further agreements about the Association/Community of Serb Municipalities should include a **monitoring mechanism** involving international and civil society oversight of public funding administered through the Association/Community of Serb Municipalities.
- ◆ All Kosovo political parties should support the **full protection of the rights of non-Albanian communities**; this is a necessary step in reassuring Serbs in north Kosovo that they have a viable future and in restoring confidence among all minority communities.
- ◆ Serbia should **stimulate independent decision making** and action by the newly elected mayors and assemblies in the northern municipalities to allow them to properly represent the people in north Kosovo.

For the international community:

- ◆ NATO should **not reduce KFOR's operational capacity** any further until at least 2020. NATO should publicly **clarify what guarantees** have been given to the Serbian government to prevent the access of Kosovo armed services to north Kosovo to allay concerns among Kosovo Serbs about their security.
- ◆ EU member states should **renew EULEX's mandate** and **maintain its executive mandate** related to organized crime, war crimes and inter-ethnic crimes until at least 2020, although its effectiveness and efficiency should be improved.

- ◆ EULEX should make more effort to avoid being perceived as acting on political considerations and behave purely as an **independent and neutral protector** of the law.
- ◆ International donors should **stimulate and invest in the potential** of north Kosovo society by supporting improvement in investigative journalism and civil society advocacy and increasing inter-ethnic and international exchange programs. International political foundations should encourage and support the development of ethnically-mixed women's political parties in north Kosovo.
- ◆ International donors, in consultation with the municipal authorities in north Kosovo, should **invest in infrastructure projects** that improve waste management, water management and energy availability. Priority should be given to cleaning up the improvised waste pile near the Ibër/Ibar river in north Mitrovica and developing an alternative for refuse and tailing disposal. A clear oversight mechanism involving civil society groups should be established in all infrastructure projects to prevent misuse of funds.
- ◆ The EU should facilitate public discussion by using media and public meetings to **provide examples** of different ways in which EU countries have **guaranteed minority rights**. Best practices from the region should also be taken into account. The harmonization of mechanisms for the protection and advancement of minority rights (following the best examples of Council of Europe conventions) among countries in the region should be encouraged.

Medium-term actions (1–3 years)

For the dialogue teams:

- ◆ Kosovo and Serbia, facilitated by the EEAS, should negotiate a framework to regulate the **status of all Serbian public services** in north Kosovo.

For Kosovo and Serbia:

- ◆ The Kosovo government and international donors should not limit their major investments to the four Serb majority municipalities in north Kosovo; they must also **invest in municipalities directly south of the river Ibër/Ibar**. The Kosovo government, supported by the EU and Serbia, should engage the mayors of all municipalities to establish an economic development task force charged with creating a plan for entrepreneurial opportunities in the whole region, including support for small businesses that offer employment. This must include the identification of new and legal trade opportunities from southern Kosovo to Serbia, via north Kosovo, and support for small businesses that offer employment.
- ◆ Kosovo and Serbia ministries of education should develop a **joint Serbian-Kosovan curriculum for the subject civic education** and make this subject

mandatory in Kosovo and Serbia starting in primary school for children around the age of seven. Such education should have at its core lessons on human rights, corruption and how to detect it, inter-ethnic cooperation, and intercultural understanding, empathy, and tolerance.

For the international community:

- ◆ International donors should provide extensive support and technical expertise to improve the **quality of education in the university in Mitrovica**. The goal should be to attract students to study at the university because of its teaching excellence, rather than its scholarship subsidies.

For the municipality of north Mitrovica:

- ◆ The municipality of north Mitrovica, with joint support from the Kosovo and Serbian governments, should launch **optional Albanian and Serb language courses** for youth, starting in multi-ethnic neighborhoods, but accessible to other residents as well. ◆

1. Introduction & methodology

This report examines the current perspectives of people in north Kosovo and other actors and projects plausible future outcomes for north Kosovo. By preparing this publication, PAX and its partners wish to contribute to active public discourse between the people in north Kosovo on policy processes and increase the consideration of concerns and grassroots recommendations for improvement in north Kosovo by (inter)national policymakers.

From the start of the EU-facilitated dialogue between Kosovo and Serbia in 2011 to the breakthrough Brussels Agreement achieved in April 2013 (in which Serbia and Kosovo agreed on principles regulating the institutional position of north Kosovo as part of Kosovo) and beyond, the people in north Kosovo have felt excluded and overlooked. Even though the brokered agreement strongly affects the lives of all people in north Kosovo, little involvement of the people of north Kosovo at the grassroots level has occurred, which has increased fear and resentment of the deal.

Furthermore, Brussels seems to continue to perceive the people in north Kosovo as troublemakers, unable to accept the current reality. The gap between a top-down agreement and the grassroots perspective poses two challenges for peace in north Kosovo: first, top-down decisions may breed apathy and resistance; second, policymakers are insufficiently informed about grassroots-level concerns, which will compromise the quality of policy development. Both of these factors hamper the implementation of the agreement of April 2013 and the development of a democratic society in Kosovo.

1.1 Methodology

Exploring outcomes for north Kosovo's future required gathering as much information from as many constituencies (political, security, economic and socio-cultural) as possible—not only to get an idea of what people consider most likely, but also to understand what is actually plausible. This was no easy feat. The war of 1999 destroyed not only the physical landscapes of Kosovo, but also the fabric of its society in a variety of ways. Just like the damaged buildings and infrastructure, which has not been fixed in the 15 years since the war, the relationships and connections remain fractured. Trust is in short supply, claims are difficult to verify, and 'facts' are relative depending on the lens through which you view them.

In the autumn of 2013 during a two-day session, a group of eight people from project partners in north and south Mitrovica and the Netherlands came together to define the drivers and main axes of the matrix in which scenarios could be formulated. The drivers identified during this session represent the key engines of change that will generate and affect events leading up to 2020. Drivers evolve over time and are typically manifestations of internal and, to a lesser degree, external forces that shape how people and institutions behave. Without wanting to prejudice either negative or positive effects for the people in north Kosovo, the group identified the three top drivers in each of four principal areas (political, security, economic, and socio-cultural) that will strongly influence the future of north Kosovo. The resulting scenario-generating matrix consists of one axis defined as a continuum of regional (in)stability and the other as the extent of north Kosovo integration within Kosovo.

The drivers and axes formed the basis of the preparation for the interviews, which were held over two weeks in January 2014 with over 80 people, more than half of whom were Serbs from the four municipalities in north Kosovo (north Mitrovica, Zvečan/Zvečan, Zubin-Potok/Zubinpotok and Leposaviq/Leposavić). Groups of respondents in the north come from such sectors as education, healthcare, media, security, water management, waste management, and business; among them were representatives of youth groups and women's groups. Group meetings were also held with Albanians and other communities from north and south Mitrovica. Another group meeting to collect data was held with representatives of the Serb community in central Kosovo. These meetings were supplemented by interviews in Prishtinë/Priština, Belgrade and Mitrovica with international diplomats and Kosovan and Serbian analysts and policymakers. The purpose of this data gathering was twofold: first, to get as much information as possible about the opinions, concerns and hopes of people in the north, and second, to employ the analysis of this information as the basis for the scenarios for the future of north Kosovo. Interviews were conducted under Chatham House rules to maintain the anonymity of respondents.

The analysis produced four plausible scenario narratives, or 'future histories', of Kosovo and its northern territory in the run up to 2020. The narratives resulted from the interaction between drivers. Each narrative is told from the perspective of an observer in 2020 looking back on the events that led to that point in time—thus, they are written in past tense. In April 2014, the draft scenarios were discussed with 20 people from north Kosovo and south Mitrovica to elicit opinion and further elaborate grassroots recommendations. Some scenario narrative components and recommendations have been adjusted based on this feedback. The full report was discussed extensively among project partners and reviewed by analysts and international diplomats with no direct involvement in the project. ♦

2. View from the ground

2.1 From the north

Interviews with groups from multiple constituencies in north Kosovo's Serb community suggest two principal perspectives being shaped among citizens, with considerable correspondence between the two. The most distinct and widespread perspective is a sense of total isolation: the Brussels Agreement has left many north Kosovo Serbs furious with what they see as a betrayal by their brethren in Serbia. After having been led to believe that their rejection of integration within Kosovo would be steadfastly supported by politicians in Belgrade, the political opportunism and equivocation around Serbia's moves to reach a deal with Kosovo in order to pave a path to EU membership has broken the north Kosovo Serb community's trust in Serb leadership. The majority of north Kosovo Serbs have never had any faith in Pristina's (or the EU's, the United States' or, for that matter, anyone else's) willingness or ability to serve their interests; nor have they experienced true will in Pristina to reach out to their community beyond what is absolutely necessary. To now lose the one source of advocacy on which they had depended is a bitter blow.

Albanian residents in the north share the sense of isolation, but for different reasons: their presence as a minority among the resident Serb majority has always disadvantaged them with regards to services and security. However, now Serbs may be quicker to lash out in frustration over what they perceive as their abandonment, which has considerably heightened Albanian fears over possible reprisals.

Amplifying the disappointment of both Albanians and Serbs in the north is the observation that agreements directly affecting their communities are being forged among the political elites of

Serbia, Kosovo and foreign countries in a ‘black box’, without their input, and with little concern for their practical implementation. Particularly for the Serb community in the north, disregard for direct communication by all actors, whether from Belgrade, Brussels or Pristina, has left residents feeling powerless and abandoned.

The isolation north Kosovo Serbs describe has generated a kind of social instability, which has bred a second perspective: north Kosovo has no viable future. Unable, after 15 years, to get the most basic of services, such as clean water, waste management and reliable electricity (leaving aside the more long-term needs of judicial relief, decent healthcare, good schooling and a sense of security), residents view corrupt governance in Prishtinë/Priština as the principal barrier to ever receiving these necessities. Rejection of Pristina is further reinforced by the belief that most political leaders in Kosovo committed crimes against Serbs during the war and would prefer a purely Albanian Kosovo.

Most Serbs have no familiarity at all with Kosovo’s institutions or its legal and constitutional framework. This leads to two divergent attitudes among north Kosovo’s Serbs: the first and most frequently cited is the intent to migrate to Serbia. Young people especially voice this plan, but it is an echo of what older Serbs want and plan for their children, many of whom are sent to Serbia for their education. The second emergent attitude is an imperative to ‘hunker down’ and make the best of a bad situation. This attitude is in much shorter supply among residents in the north, but is born of a sense of intense belonging. Residents from the north take pride in their towns and express their desire to stay and build something better, a view many who work in civil society strive to achieve. Paradoxically, many who talk about native pride in the biggest city in the north, Mitrovica, will offer it as an example of cosmopolitanism and historic inter-ethnic commingling between Serbs and Albanians, right before they say they won’t ever be friends with Albanians. In north Kosovo, the trust deficit runs deep to the point of contradiction.

2.2 From the south

In contrast to the Serb residents in north Kosovo, residents in the six Serb-majority municipalities south of the Ibër/Ibar river have been considered ‘integrated’ into Kosovo. This assumption is held by foreign observers as well as Serbs who live in the north. However, interviews with Serbs in Gračanica/Graçanicë, the main town for Kosovo Serbs in central Kosovo, indicate otherwise. They claim that security conditions for Serbs in the south are more compromised than in the north because of the majority presence of Albanians, which makes prejudice against the Serb minority in justice and law enforcement more prevalent. In the eyes of Kosovo Serbs, Serbs in the north have greater freedom of movement and safety because, with few Albanians living among them, they do not encounter the levels of hostility faced by those in the south. Like their counterparts in the north, Serbs south of the Ibër/Ibar feel trapped in their communities, unsafe and mistrustful of politicians, who they perceive as caring more about lining their pockets than resolving problems. As a result, they cheer on the obstinacy against integration they see in their northern counterparts, dejected that their own integration has led to so few improvements and observing that Kosovo Albanian parties only take measures benefitting the Serb community after severe international pressure.

Serbs everywhere encounter the same difficulties—lack of employment, weak rule of law, and poor education and healthcare options bedevil communities in both the north and south.

However, Albanians throughout Kosovo are not immune to these problems either (Serbs in the south acknowledge that lack of security in relation to crime and poor healthcare are problems they share with all ethnic groups).

In interviews conducted with Albanians in south Mitrovica and Prishtinë/Priština, the complaints echoed those voiced by Serbs. Corruption, crime and deteriorating conditions are palpable for Serb and Albanian respondents alike. As did Serbs, Albanian residents railed against insufficient security protection, the lack of education and healthcare options, the destroyed infrastructure, which has not been repaired in 15 years, and the organized crime that allows this situation to continue. One Albanian resident of south Mitrovica put it this way: “Organized crime hides behind patriotism here.”

Albanians, like Serbs, see organized crime and corruption in Kosovo as impediments to economic development, property restitution and the transformation of Serb-run institutions set up after the war. And, like Serbs, Albanians feel that decisions affecting their lives are concluded among politicians who neither seek public input from the communities directly affected nor construct such agreements in ways that make practical implementation possible. Many Albanians feel that the international community and Serbia are as much to blame and highlight such issues as Kosovo’s non-recognition by five EU member states; lack of visa liberalization; inefficiency; the deterioration of the United Nations Interim Administration Mission in Kosovo (UNMIK); and EULEX and Serbia’s influence and control in north Kosovo. They express impatience with the Serb minority and dislike what they perceive as the continuing and ever-increasing demands of Serbs, Serbia and the international community. They feel that the Kosovo government is being pushed into making concessions to Serbia and to Serbs and that Kosovo Albanians receive little in return for making these concessions. Albanian distrust in, and dislike of, the dialogue process and its outcomes is widespread.

On the subject of basic services—which citizens in both the south and the north lack—Albanians frame the debate somewhat differently from most Serbs, who view the lack of these services as an ethnic or geographic issue. One Albanian respondent stated: “When you fix the availability of water or electricity, its availability has no privilege. We all need this.”

One key difference in the Albanian discussions conducted is an awareness of how language and media are keeping the two sides apart. The lack of objective information, that both Serbs and Albanians can trust and read in their own language, remains. Albanians believe Serb-language media is produced in and financed by Belgrade. Good information sharing on an informal level between Serb and Albanian journalists in the north and south exists; however, when informal sharing must become official, such fraternization stops. Threats of reprisals against inter-ethnic cooperation are not uncommon.

All of this raises a critical point: lack of objective and verifiable information lies at the root of the cycle of mutual mistrust between Albanians and Serbs, who basically profess the same fears and have the same complaints. Reliable non-partisan channels through which facts and developments benefitting both communities can be shared unimpeded are lacking. In the current situation, both sides can be manipulated, one against the other, and will remain in the dark—a status quo that allows wounds to fester and mistrust to grow. ♦

A wider perspective on the Balkans

Two multiethnic states in the western Balkans region, Bosnia-Herzegovina and Macedonia, continue to experience ethnic and religious fragmentation; the integration of these divisions into politics remains a significant impediment to progress in both countries. Addressing the rights of all ethnic groups is essential for maintaining peace and stability in these two countries.

The political structures created by the Dayton Accords in Bosnia and the Ohrid Framework Agreement in Macedonia confirmed ethnic division. These agreements were meant to end the conflict, rather than stand preserved as static formulas for governance. However, this has become the fate of both. Neither agreement has managed to durably overcome ethnic division or provide a format for good governance and inclusive democratic and economic development. In the wider regional context, and especially regarding Kosovo, these accords should serve as lessons to be learned; only by learning these lessons can a framework be built in which all communities can freely exercise their rights, feel both protected and represented by state structures, and compel state structures to focus on improving the lives of all citizens.

Integration into the European Union remains vital to the long-term prosperity of people from the region. Internal cohesion in Bosnia-Herzegovina and Macedonia is at stake. However, the substitution of internal cohesion in exchange for European Union membership jeopardizes overall regional stability and prosperity. The recent 2014 unrest in Bosnia reflects populist frustration over economic development and stability within a multiethnic democracy. If attitudes among prospective candidates for Bosnia's upcoming elections in October 2014 remain chained to the past, the region could face another round of public disturbance and conflict in the mid-term. ♦

3. Scenarios

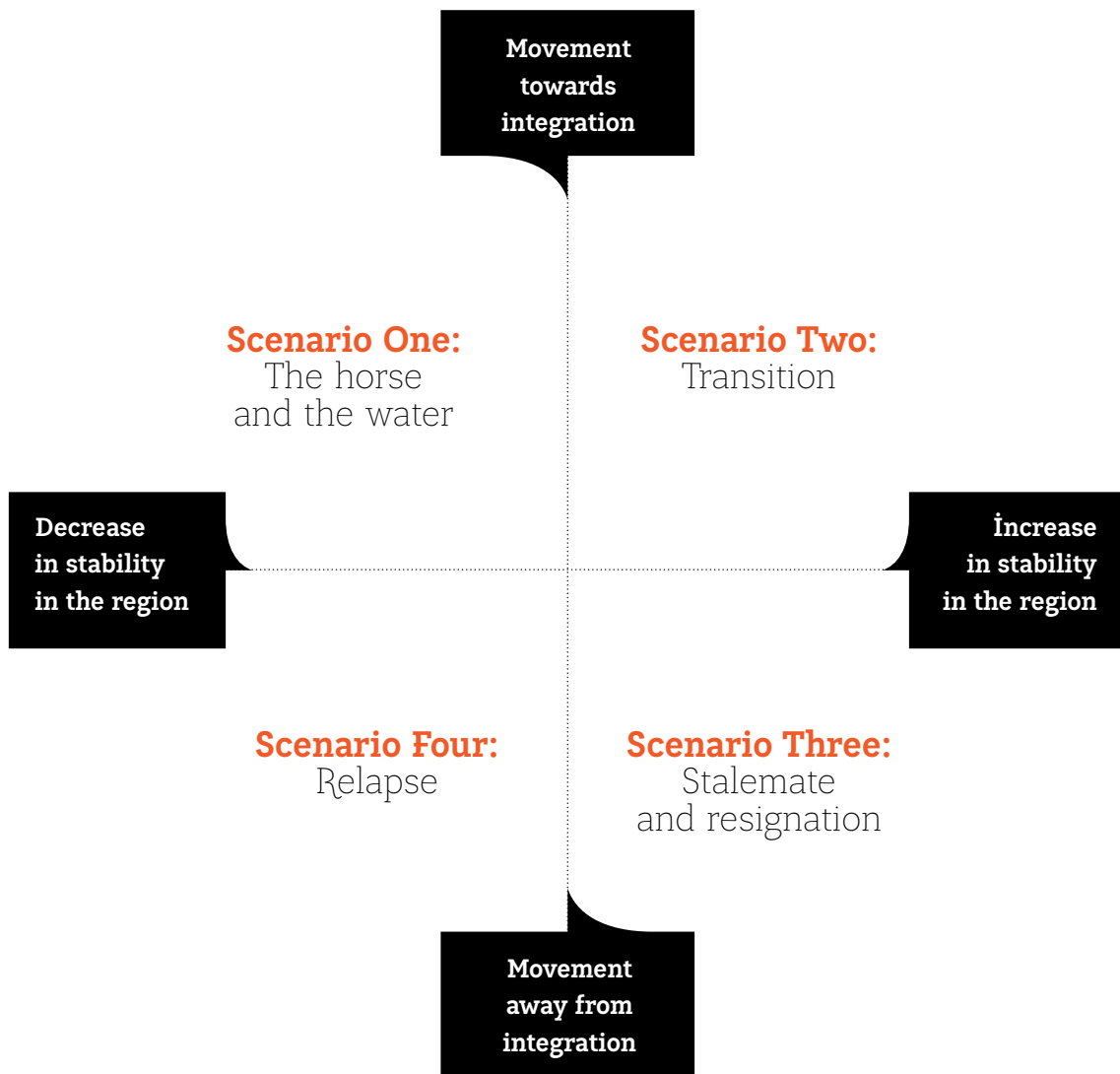
The following section contains four plausible scenarios or 'future histories' for north Kosovo and its surroundings in the run-up to 2020. Constructed from information gathered in interviews and field and desk research, these future narratives result from the interaction between drivers, actors and the development of pivotal issues (the drivers and pivotal issues are explored in detail in the later part of this report). The scenarios are generated from a matrix framework (depicted in North Kosovo 2020 scenario matrix on page 25), in which the trajectory of internal integration is plotted against a continuum of regional stability.

Scenarios are not literal predictions; rather, their purpose is to offer alternative views of outcomes that, taken together, help create something close to a 360-degree perspective on north Kosovo's future. Individually, each scenario may be deemed today to have either a high or low probability, but all are unified by their equal plausibility. The real future will probably contain elements of each narrative, which are told from the perspective of an observer in 2020 looking back on the events that led to that point in time (hence the use of the past tense).

North Kosovo 2020

Scenario matrix:

Map of key north Kosovo integration uncertainty against scale of critical regional stability



De facto integration amid crime and fundamentalism

North Kosovo 2020:
Movement towards integration domestically
as the region experiences a decrease in stability

Internal dynamic

Insufficient clarity over association and agreement spurs Serb migration from north Kosovo = Start of de facto reintegration as Albanians fill the vacuum

Regional dynamic

EULEX executive is effectively over; budget pressures reduce KFOR; to decrease radicalism and accelerate reintegration, Pristina looks to Albania for support

Political

Talk of a 'Greater Albania' arises politically, creating spillover risks that only nominally invite EU and US interference as Serbia's EU candidacy bid stalls

Security

Kosovo armed forces build-up pressed by Pristina to fight 'criminal elements' over NATO objections; illicit arms supplied by criminal connections; Kosovo Police force is still without capacity to pursue most serious crimes

Economic

Organized crime forces and anti-money laundering pressures force global banks to withdraw; the black economy surge in partnership with Albania and Macedonia

Socio-cultural

Albanian culture becomes a more potent force, but fundamentalist elements threaten to disrupt what they see as a corruption of faith

Scenario characteristics:

- ◆ Without effective leadership from either Pristina, Belgrade or the EU, the Association of Serb Municipalities fails to fully materialize, spurring greater exodus from north and south Kosovo by fed-up Serbs
- ◆ As this hollowing out of Serb north Kosovo accelerates, Albanian communities venture back to build; partnerships are sought with Albania and Macedonia
- ◆ Albanian gangs visibility increases in corrupt business dealings
- ◆ Wahhabist clerics step up criticism; theocratic political parties more vocal

3.1 Scenario One: The horse and the water

What began as a slow and steady rate of migration by north Kosovo Serbs to Serbia at the beginning of 2010 had intensified by 2020. Despite positive expectations after the Brussels Agreement, the winding down of Europe's role in mediating the normalization of relations between Kosovo and Serbia froze forward movement. Observers, referring to the unwillingness of north Kosovo Serbs to ever accept Kosovo governance—even under combined pressure from Pristina, Serbia and the European Union—recalled the adage, 'You can lead a horse to water, but you cannot make it drink.'

The ambiguity of the Brussels Agreement and lack of strong EU guidance triggered continuous arguments between Serbia and Kosovo, leaving gaps of understanding in legal jurisdiction, education and property issues, making full implementation of the agreement impossible. With no clarity on these matters, the sense of abandonment felt by Kosovo's Serbs became magnified, particularly after EULEX and KFOR announced their withdrawal schedules. Future prospects appeared bleak as investors continued to avoid the area due to weak rule of law and indistinct business jurisdiction, pushing unemployment in the north to an all-time high. The Kosovo Police was unable to capitalize on its increase in legitimacy; given local developments, most former members of the Serbian Interior Ministry Police who had joined the Kosovo Police applied for jobs in Serbia, worsening the security situation for Kosovo's Serbs. Faced with the additional security threat posed by the development of Kosovo's armed forces, Serbs began to leave in greater numbers than before.

Employment opportunities in Serbia were equally poor: Serbia's progress on EU accession stalled due to enlargement fatigue in EU member states and the country's inability to meet EU standards. As a result, political discourse regarding the pursuit of alternative alliances with Russia strengthened.

The hollowing out of Kosovo's Serb enclaves tempted Albanians to migrate north, attracted by cheap property prices. A steady incursion of Albanians into the north and into southern Serb majority municipalities accelerated from 2015 onwards, allowing them to set up ad hoc black market trading stalls and small enterprises. This reverse migration created a de facto passive form of internal reintegration, slowly binding the north regionally to the south: most Serbs who remained in Kosovo were either too old or too poor to make arrangements to leave and, therefore, could not actively oppose Pristina's imposition of statehood over their communities.

Both complicating and exacerbating these migration trends were increases in organized crime and Islamic fundamentalism—two factors which led to small, isolated inter-ethnic clashes and which further hastened the departure of individuals and families in Serb communities. In Prishtinë/Priština, it was business as usual: although the primary political actors were reshuffled in the wake of the 2014 and 2018 elections, Kosovo's political scene consisted of the same factions and party interests. Rule of law remained the principal challenge. Pristina's limited progress in meeting EU standards, combined with the political reality of a fragmenting, euro-skeptic EU and the continued status dispute with Serbia, left many Kosovan citizens hopeless about their prospects. Increasing numbers of unemployed youths in the impoverished rural areas outside Prishtinë/Priština converted to more radical forms of Islam. In an attempt to offer a credible alternative, politicians in Prishtinë/Priština seized the advantage of demographic trends and ratcheted up talks of a 'Greater Albania', which contributed to regional destabilization. Albanian organized crime networks already embedded within Kosovo's governing ranks were

no longer limited by a EULEX executive mandate. These networks spread beyond national borders, overwhelming attempts by the Kosovo Police to maintain domestic security. With insufficient budget to develop a fully-armed military force, Kosovo's alliance-probing discussions with Albania and Macedonia alarmed Serbia and heightened tensions in Macedonia and south Serbia. Meanwhile, Islamic fundamentalist groups, rejecting the idea of a Greater Albania, challenged constitutional secularism, both within and beyond Parliament, threatening the fragile integrity of Kosovo. This only served to push Pristina more urgently to look to Albania for support.

The threat of regional instability triggered half-hearted diplomatic interventions from both the United States and the EU to bolster law enforcement and defense capacity and to mitigate spill-over risks. However, by the end of the decade, these foreign gestures were seen as unwanted interference and were met with strong resentment and resistance. The end of the second decade after the war saw Kosovo and the Balkans teetering over volatile conditions in which only crime and radicalism found anchors, undoing all efforts to make Kosovo a multi-ethnic place, with only a fraction of its Serb communities intact by 2020.



© Peđa Janićević

Overlooking north Mitrovica: Integration of the north combined with instability in the region could lead to only a fraction of the Serb community staying in Kosovo.

A reinvigorated EU pushes clarity and bolsters rule of law

North Kosovo 2020:
Movement towards integration domestically
as region experiences an increase in stability

Internal dynamic

Public pressure forces Pristina and EU leadership to accelerate efforts on visa liberalization; rule of law grows steadier with improved EULEX mission

Regional dynamic

Serb-run institutions dismantled; Kosovo and Serbia resolve jurisdictional issues by 2020; Bosnia restive, but no disintegration as Serbia focuses on EU candidacy

Political

Fed up with old guard, new and charismatic Serb and Albanian leaders emerge and unite in Kosovo; women become more of a visible political presence

Security

EU develops new approach on transnational crime, allowing Kosovo's domestic security forces room to improve, although transnational crime still a threat

Economic

Balance of trade only slightly improved; exports still mostly in heavy industry, but partnership with Albania and Macedonia glimmers of technical innovation arise by 2020; economy still sluggish

Socio-cultural

A sense of shared responsibility for economic development and quality of life trumps resentments; young people turn to technology to improve their odds

Scenario characteristics:

- ◆ Deal struck on Kosovo-Serbia relations; Community of Serb Municipalities formed
- ◆ EULEX refashions its mission as Germany becomes even more involved in support of accelerating clarity on Kosovo standards in rule of law and jurisdictions
- ◆ Visa liberalization allows first waves of travelers in educational exchanges
- ◆ A 'Baltic-Balkan' exchange ramps up education initiatives ushering in a rebranding of vocational options for both Serb and Albanian youth; this marks the beginning of unity politics among a group of young people
- ◆ Unified groups of women in north Kosovo also take up the political challenge

3.2 Scenario Two: Transition

The five years leading up to 2020 saw a sea-change in the situation in north Kosovo. While daily life north of the Ibër/Ibar river remained psychologically segregated from the south and closely tied to Serbia, institutionally, north Kosovo gradually became part of Kosovo. This occurred through the application of Kosovo law and budding cooperation between institutions from the northern municipalities and Pristina, with nominal support from Belgrade.

The spillover effects from the 2014 crisis in Ukraine jump-started the EU's motivation to contain instability in Eastern Europe. The Pristina-Belgrade dialogue continued with high-level EU facilitation, addressing several of the outstanding issues related to the Serb community in Kosovo and the bilateral relationship. Under this process, in which the EU publically identified clear conditions and increased pressure on both governments, Kosovo and Serbia managed to transition from haggling over details to focusing on solutions to Serb concerns in Kosovo. This led to a comprehensive agreement, which settled bilateral relations and established a clear framework for all Serbian public services in north Kosovo.

A more activist approach to foreign policy in Germany led the charge to increase and clarify EU pressure. As EULEX was forced to streamline its efforts to curtail budget and personnel, it was required to do more with less. This prompted a tougher EU line, and Pristina and Belgrade were required to meet clear standards and convey a consistent and clear message to the public. Serbia continued to focus on EU accession and made progress on this path. Both the EU and EULEX engaged more intensively with leaders and people in north Kosovo to discuss and clarify policies, thereby allowing closer cooperation and the implementation of changes, which slowly began to address public needs.

Dissatisfaction and protests among Kosovo Albanians against corruption, unemployment and lack of development resulted in sufficient public pressure to drive some progress in improving rule of law. Anti-corruption efforts, invigorated by regulatory mandates imposed at a global level in financial and security sectors, allowed EULEX to vigorously pursue high-level arrests and prosecutions for war atrocities, corruption and organized crime. This was helped by a post-war generation of leaders who began coming into power in Prishtinë/Priština by 2018. Through populist support from Kosovo's long-frustrated citizens, these politicians made transparency and public inclusiveness more central to policy construction through small incremental deals—successes that helped mitigate simmering mistrust and cemented better cooperation with the EU.

One factor that aided the EU in improving its Balkan efforts was a simultaneous update in its approach to transnational crime. Europe was fighting a losing battle against increasingly sophisticated crime syndicates, which forced it to update the anachronistic United Nations Convention Against Transnational Organized Crime (UNTOC) by establishing stronger legal definitions, giving INTERPOL greater sanctioning powers and deploying new technical mapping initiatives. By tackling crime and corruption at the European level, slow but steady improvements took effect in Kosovo.

Tentative progress in rule of law by 2020, while still spotty in several areas, slowly improved conditions for all communities in the south, which increased confidence among Serbs in the north. More importantly, the gradual integration of the Serbian Interior Ministry Police into the Kosovo Police and the cooperation between Kosovo and EULEX as part of a confidence-

building campaign, combined with a tough crackdown on crime, began to address impunity in the north. Property restitution and courts advanced under clearer legal jurisdictions; available technologies like universal translation software helped make multi-ethnic inclusiveness easier to achieve than in the previous decade.

Kosovo's political culture matured in small measures: improvements in Pristina's ability to meet EU standards and the ongoing normalization of relations between Serbia and Kosovo convinced EU member states that did not recognize Kosovo to at least support visa liberalization. Although economic prospects were still dire for Kosovo's youth, the opening of the wider world relieved the persistent sense of isolation and opened up new education opportunities. The EU initiated a Baltic-Balkan exchange to bring some of the successful entrepreneurs from Latvia and Estonia to assist making over vocational education in Kosovo. Using the Baltic countries' experience transitioning from weak, former communist economies to frontrunners in entrepreneurial technical education, the exchange sought to bring and apply a focus on low-tech innovation to Kosovo's vocational education system. While the going was slow, the emphasis on making these fresh new programs springboards for inter-ethnic cooperation drew some young people towards active political participation. The exchange also resulted in a youth initiative to overcome segregation: young women from different communities in Mitrovica joined forces and initiated a local multi-ethnic political party. These initiatives were perceived with mistrust by members of their communities.

Discussions regarding inclusion between representatives from north Kosovo, Pristina, Belgrade and the EU resulted in a Community of Serb Municipalities with autonomy over education, healthcare, economic development, and urban and rural planning. After civil society organizations raised concerns about transparency, a mechanism for formal accountability was devised and the monitoring served both municipal assembly members as well as the public and included international oversight of public funding administered through the Community. Education and healthcare continued to function in the Serbian system, but harmonization with EU standards brought both education systems closer to each other, resulting in Serbian and Kosovan schools using the same curricula for civic education.

Economic growth remained slow; however, as new technologies made it easier for Kosovo to begin grappling with energy security and waste and water management, the first signs of economic improvements appeared by the end of the decade. Kosovo began to progress on its path to EU candidacy with north Kosovo reluctant, but definitively onboard.



People shopping in north Mitrovica; by 2020 they might see both Serbia and Kosovo, including north Kosovo, firmly progressing towards EU accession.

Slow deterioration as global focus moves elsewhere

North Kosovo 2020:
Movement away from domestic integration
as the region experiences an increase in stability

Internal dynamic

Discrimination in Serbia against Kosovo Serbs seeking employment; Serbian funding to Kosovo Serbs terminated—the final straw that crystallizes distrust

Regional dynamic

As Serbian government is pressured to stabilize financially, north Kosovo issue relinquished to the back burner in order to focus on employment and EU accession

Political

Kosovo political scene sees new parties rise and fall; civic initiative Srpska becomes a more potent political force, rather than a hollow proxy

Security

Organized crime strengthens locally, becoming key provider of status and individual stability; Kosovo Police and armed forces stall for lack of funds

Economic

In the south, temporary employment spikes due to construction of two new coal power plants and there is a small uptick in tourist sector; but north economy slides

Socio-cultural

Apathy and exhaustion in north Kosovo Serbs with no emigration outlet; physical barriers removed but Serbs hunker down in 'psychological ghetto'

Scenario characteristics:

- ◆ As Serbia's economy wavers, threatening its stability, it ends employment subsidies and welfare migration from Kosovo; Serbs in north Kosovo see this as the last nail in the coffin for maintaining trust with either Belgrade or Pristina
- ◆ Divisions between communities harden, but reach a modus vivendi, creating a sense of downtrodden permanency among Kosovo Serbs
- ◆ Short-term economic gains, but little traction on long-term changes
- ◆ Budget issues force EU and other countries to focus attentions elsewhere

3.3 Scenario Three: Stalemate and resignation

Changes in Serbia's political landscape directly affected the tenor of discourse regarding the fate of north Kosovo. As increased public pressure forced Belgrade to focus exclusively on improving employment prospects and accelerating EU candidacy in order to access wider trading markets, the penchant for using Kosovo as a political football waned. As a result, north Kosovo's Serb community entered a new phase in its troubled trajectory.

The Balkans' regional environment slowly stabilized as Serbia, Macedonia, Albania and Bosnia overcame obstacles in fits and starts to move closer to the EU. Transparency and public services slightly improved, but the economic tradeoffs made to achieve harmonization with EU standards made the biggest impact on people's wallets. Citizens in Serbia, reeling from structural reforms in employment and realizing the extent of money being funneled and improperly allocated in north Kosovo, became indignant over what they saw as 'their' money being wasted. Strained by the transition to free market labor practices required by the EU, many Serbs in Serbia resented jobs being taken by 'unsophisticated' Kosovo Serbs moving to Serbia. Public clamor in Serbia over this perceived inequity resulted in the termination of funding for Kosovo Serbs, leaving Kosovo Serbs dependent on Kosovan employment and further decreasing their opportunities to flee Kosovo for Serbia. As a final straw, Serbia reached an agreement with the EU to recognize Kosovo at the date that it would be able to enter the European Union.

The net effect of Serbia's campaign to improve its own economic state of readiness for EU membership (campaigns aided and abetted by self-preservationist politicians), was a sense among north Kosovo Serbs that they were victims of the ultimate betrayal and now completely powerless to act. Unable to move and change their circumstances, younger ethnic Serbs in north Kosovo hunkered down, their only choice to make do with their situation. This resignation among Serbs led to greater political participation in Kosovo. Without strong guidance from Serbia, the Civic Initiative Serbia (Srpska) became an independent political force. By leading most Serb municipalities, Srpska gained maturity as the largest Serb political party and served as a true Serb political opposition force in Prishtinë/Priština.

Although Serbs had to accept their situation, this did not facilitate better integration between the north and the south in any major way. Without Serbian support, the Association/Community of Serb Municipalities never materialized. Serbs felt trapped in a physical and psychological 'ghetto', unable to trust Pristina, the judiciary, or any promise for receiving equal treatment; consequently, any effort to implement Kosovan policies in the north was ultimately sabotaged. Serb political leaders in the Kosovo assembly blocked any major changes to the status quo in the north. These leaders used their votes as bargaining tools, agreeing to new legislation in return for measures primarily intended for the Serb community.

Residents of the north continued to live more or less in a lawless, semi-autonomous limbo: without Serbian public support, the Kosovo Police and EULEX could not change the cycle of distrust in rule of law structures. Without job opportunities in the public sector and with little opportunities for economic development, many youngsters forged careers in organized crime. Although some small advances were made among youth movements and Serb elders' attempts to reach a modus vivendi with Albanians, the Ibër/Ibar bridge barricade remained as a symbol of the north's refusal to give up territory. Kosovo remained divided, although no longer contested.

Populist unrest yields conflict and new great power cold war

North Kosovo 2020:
Movement away from domestic integration
as the region experiences a decrease in stability

Internal dynamic

Drought and populist dissatisfaction in Pristina triggers abuse of Kosovo Serbs and violent protests against government; inter-ethnic violence spreads

Regional dynamic

Nationalists foment agitation across Balkans as violence sparks in Bosnia, Macedonia and south Serbia; EU and US blamed as Russia acts as a spoiler

Political

Pristina government collapses amid party factional squabbling as Albanians from the north flee south and Kosovo Serbs flee north

Security

Militias formed on both Serb and Albanian sides, forging cross-Balkan links; police unravel along Serbian Interior Ministry Police and Kosovo Police lines as Kosovo slips back into war

Economic

All work on EU accession, banking and financing reforms ceases; investors pull out of infrastructure projects before completion; fiscal insolvency

Socio-cultural

Hopelessness and mistrust at a maximum as communities lash out at each other; violence erupts along sectarian lines

Scenario characteristics:

- ◆ A crisis point is reached when prolonged drought breaks out in south Kosovo; violent protests over Pristina's mismanagement force the Serb community north and what remains of the Albanian community in the north to flee south; EU and US urge calm, but are reluctant to enter a new regional fray
- ◆ Seizing the opportunity, nationalists across the Balkans threaten attacks; Russia also sees conflict as an opportunity to criticize western and NATO failures and expand influence through a Serbia alliance, arms and territorial 'security aid'
- ◆ Radical clerics use chaos to push theocratic agenda inviting radical jihadists

3.4 Scenario Four: Relapse

Climate conditions, public resource mismanagement and the defective state of Kosovo's water system contributed to a catalytic water shortage in the years leading up to 2020. Not only did this shatter Kosovo's fragile stability, it triggered wide regional unrest in the Balkans—prompting interventions and strategic geopoliticking between Russia, the EU and the United States.

Droughts became a regular annual occurrence in Kosovo: poor snow and rainfall conditions contributed insufficient precipitation to the Batllavë/Batlava, Badovc/Badovc and Gazivode/Gazivodë basins, and water loss was exacerbated by deficient pipe systems. By 2020, depletion of the Badovc/Badovc reservoir prompted a strict emergency water rationing plan for Prishtinë/Priština and its surrounding municipalities, sparking massive protests among Kosovo Albanians against the government. Water scarcity crowned a litany of grievances, including frustration over the lack of progress in judicial and economic reform; corruption; unemployment; the double-dealing of international organizations; and perceived privileges for the Serb community. When several weeks of protests during an especially hot summer yielded what protesters deemed an insufficient response, riots erupted and government buildings and officials were attacked. When a politician suggested that Serbs were responsible for the droughts because they redirected water from Gazivode/Gazivodë, some protesters began targeting Kosovo Serbs living in Gračanica/Gračanicë. Attacks against Serbs living south of the Ibër/Ibar immediately triggered inter-ethnic incidents in Mitrovica.

A vicious circle of reprisals intensified the chaos, requiring the intervention of the few KFOR patrols left remaining after NATO's force reduction began in 2015. Members of the Kosovo Armed Forces stationed near Prishtinë/Priština reportedly shot at Serbs: consequently, Serbs from the south fled north as the water crisis triggered what became in many ways a repeat of the ethnic flight in 2004. Kosovo Serbs reacted with attacks on Kosovo Albanians in the north. Car bombings began in south and north Mitrovica. Albanians from the north fled south amid mounting violence in the northern municipalities.

Attempts at integration of the north ground to a halt as Kosovo Albanian politicians traded accusations with Kosovo Serb politicians, each side fomenting civil war. Unable to respond to the situation, the Pristina government collapsed. Municipal leaders in north Kosovo were accused of having collaborated with the Kosovo government and lost all legitimacy. Different ethnic groups north and south of the Ibër/Ibar river formed armed militias to protect their neighborhoods, incorporating several members of the Kosovo Police and Kosovo Armed Forces.

Serbia, confronted with populist outrage and a new influx of refugees, raised the temperature of the confrontation: state-owned media outlets accused Albanians of 'genocide' and Belgrade began supporting Kosovo Serbs with arms and tactical advice. As the situation escalated, violent inter-ethnic clashes spread through Bosnia, Macedonia and south Serbia.

As factions aligned across borders in the region, the United Nations Security Council convened to discuss options for quelling the violence. The Security Council sessions resulted in heated arguments; Russia accused the EU and the United States of precipitating the violence by promoting Kosovo independence without sufficient guarantees for Kosovo's Serb community. As the prospect for United Nations Security Council resolutions stalled, NATO member states convened to discuss strategies for reducing the conflict. Seeing an opportunity to further weaken NATO's position in Europe, Russia entered the fray. In addition to issuing warnings to

the West, Russia convinced Serbia in backchannel meetings to strengthen its alliance beyond observer status with the Collective Security Treaty Organization in exchange for arms and personnel. Serbia in turn funneled weapons to Kosovo and Bosnia, as non-uniformed Russian military personnel entered north Kosovo and helped to hold it as Serb territory. With Russia in the mix, NATO, the EU and the United States found themselves unwilling to risk intervention in a new regional conflict. Kosovo collapsed back into war with the Ibër/Ibar as the main frontline.

The decade concluded with the definitive segregation of north Kosovo from the rest of Kosovo and entrenched division between Kosovo's Serbs and Albanians, leaving other communities no options beyond basic survival. ♦



© Helmi Mass

The main bridge over the Ibër/Ibar; by 2020, the river Ibër/Ibar could become the frontline in a renewed conflict between Serbs and Albanians.

4. Drivers

Drivers are the engines of change that will generate and affect events leading up to 2020. The drivers represent outcomes based on the variable relationships between actors, structures and conditions in any situation. Consequently, the interaction of these variables determines how scenarios may unfold, in this case, in north Kosovo and beyond. Drivers evolve over time and are typically manifestations of internal and, to a lesser degree, external forces that shape how people and institutions behave. This report identifies the three top political, security, economic, and socio-cultural drivers of change.

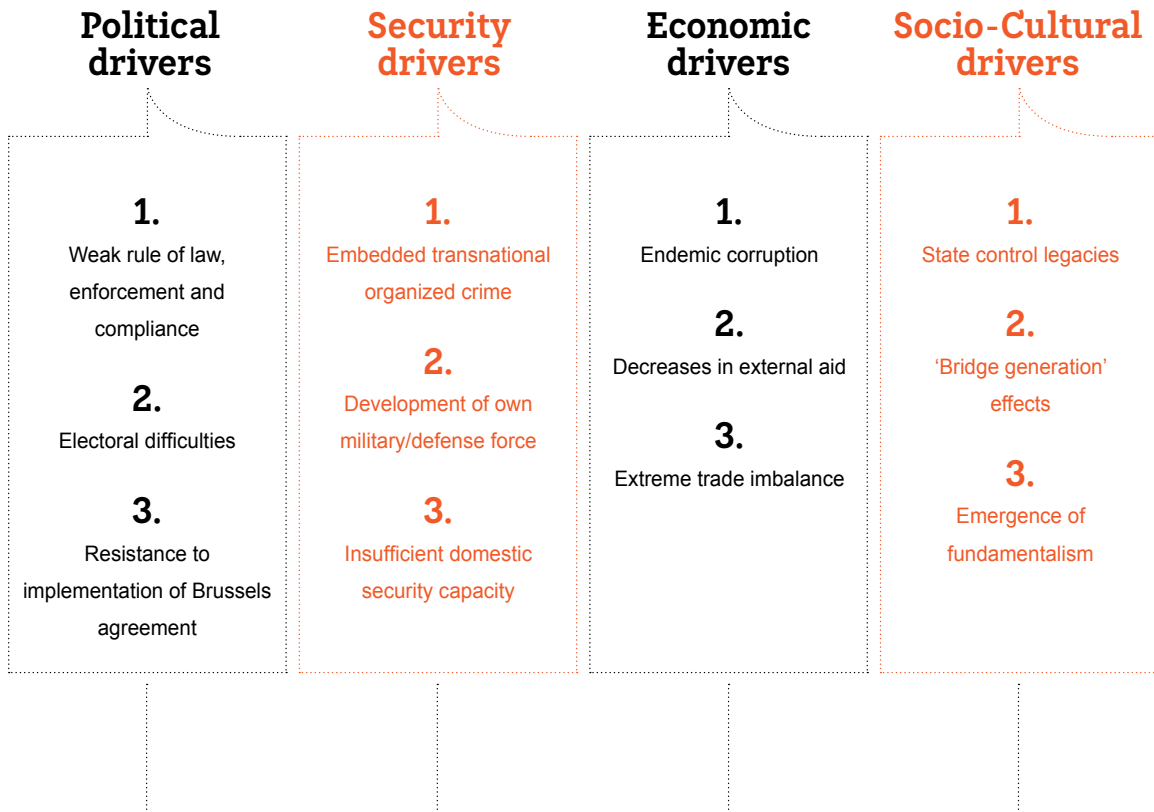
4.1 Political drivers

WEAK RULE OF LAW, ENFORCEMENT AND COMPLIANCE

Significant problems around rule of law are systemic in Kosovo: at the governance level, power is typically supported by weak rule of law, enabling corruption and extending not only the influence of politicians, but even tainted judges. This trickles down to the societal level, where average citizens fear a system that is inadequate in promoting justice, whether among leaders or the public. Some of the priority concerns in this area are around political interference in the work of the judiciary; the protection of those involved in court cases; the case backlog; and enforcement of court rulings.⁴

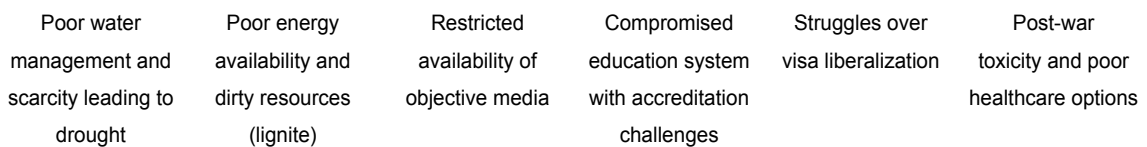
Problems in the justice sector limit opportunities for meeting Kosovo's other challenges. The inadequate justice system is a disadvantage to all except the most powerful and puts minority communities, which lack the inside connections to protect their interests, at a further disadvantage. The current discussion in the Kosovo-Serbia dialogue of formalizing ethnic segregation in the

Key drivers in order of importance:



Primary engines of change that will affect North Kosovo by 2020

Pivotal issues that feed into drivers



court system—which contradicts Kosovo’s constitution—could very well perpetuate the vicious cycle of crooked governing representatives and their mistrustful constituencies. This contradiction wreaks havoc on the potential for minority stabilization through rule of law, ushering in confusion and anger over such issues as the use of language, equal treatment, and how property restitution cases are handled and by whom. In this de facto divided mandate, enforcement of legal rulings may consequently lag and land some cases in limbo. Observers of this legal chaos are less likely to comply with or support any further attempts by either the Kosovo government or the EU to impose what citizens expect will be even more disadvantageous structures.

In the limbo of transition from a Serbian system to a Kosovan system, residents in the four municipalities of north Kosovo currently have no functional courts at all.⁵ Transforming Serb-run institutions to Kosovo entities and establishing rules on how the Association/Community of Serb Municipalities would function will be crucial milestones in obtaining clarity in the legal system. However, at the time of writing, these milestones have not been achieved. Even if clarity is achieved, the resistance and apathy that some Serbs maintain against the Kosovo legal system will generally undermine efforts to improve it. Resistance is fuelled by experiences from Serbs in south Kosovo who, despite taking part in the Kosovo system, report administrative discrimination and the inadequacy of the judicial system in protecting their rights. Some Serbs feel that they have done themselves a disservice by not complaining and protesting more before integration. They point mainly to the large gap between qualitatively good laws and day-to-day implementation.⁶ Citizen concerns over becoming part of the broken Kosovo system have progressed to such an extent that respondents in a recent north Kosovo focus group appealed for either a permanent human rights panel or access to the Strasbourg Court of Human Rights for protection.⁷

A fundamental rule of law issue affecting north Kosovo is the legacy of war:⁸ War crimes, missing persons, displacement and property issues continue to affect the relationship between Serbs and Albanians in Kosovo. Both Serbs and Albanians feel that little has been done to address atrocities, especially those committed by the other side, and each group denounces the comfortable, high-level positions still held by those responsible.

The weak links in the legal system extend to law enforcement. After 1999, north Kosovo was not demilitarized: in limbo and between two legal systems, police were simply unable to enforce the law. Impunity was almost total, extending to cars driving around without number plates; illegal shop stalls on the streets; small- and large-scale smuggling; and violent intimidation against businesses, political rivals, individuals or organizations working with Albanians. While overall levels of crime in north Kosovo are not significantly higher than in south Kosovo, the extent of impunity has strengthened an already persistent Kosovo-wide culture in which the risks of reporting a crime far outweigh any possible satisfaction of justice. Investigators experience great difficulty in obtaining criminal case-building information, which consequently reinforces a lack of credibility. Without trust in the justice system, attempts to reform it will fall short. The integration of Serbian Interior Ministry Police officers into the Kosovo Police may further improve compliance and could become a turning point in rule of law in the north, but will need public support from Serbia and from the mayors of Kosovo’s Serb-majority municipalities.⁹

Strengthening rule of law in north Kosovo, however, will involve far more than overcoming citizen resistance to any new legal mechanism. Any successful overhaul will require fundamental social and structural re-engineering in the areas of public trust through to actual enforcement and compliance.



Cars without number plates are a visible sign of the challenges facing rule of law in north Kosovo.

ELECTORAL DIFFICULTIES

Even after the Brussels Agreement, running for office in north Kosovo is, as many local and international officials attest, a dangerous job. Assassinations, intimidation and arrests have bedeviled candidates across the political spectrum. Serb voters in north and south Kosovo faced intimidation to vote, not to vote, or to vote for a specific political party. North Kosovo Serb candidates in recent municipal elections perceived elections to be status neutral, whereas Kosovo officials considered them to be part of the Kosovo system. Politicians from Serbia have sown equal amounts of partisanship and fear among Kosovo Serbs to rally support for proxy parties, sometimes propagating disinformation around Serbia's intent to continue providing subsidies to Kosovo Serbs—a violation of Serbia's responsibilities under the Brussels Agreement and a deception regarding the terms of the Association/Community of Serb Municipalities.

The obvious difficulties involved in appealing to an anxious minority populace—divided by their instinctive loyalty to Serbia, their sense of betrayal over what they see as Serbia selling them out under the Brussels Agreement and the need to deal with a future they don't want—make politicking in north Kosovo difficult enough. Bigger obstacles lie in the complexity of greater Kosovo's political universe. Furthermore, the Kosovo political sphere is debilitated by its lack of effective counterweights to the stealth tactics Serbia can deploy to maintain its hand in Kosovo's affairs.

As at the beginning of 2014, Kosovo had no less than 8 major political parties with seats in Parliament; it also lists 6 registered minor parties and 15 registered minority parties. Governing coalitions are a necessity given the lack of an outright majority for any one party, but this is complicated by the historical backgrounds of the many parties and their leaders.

The Association/Community of Serb Municipalities

Despite being a major breakthrough in Kosovo-Serbia relations and the position of north Kosovo, the ambiguity of the Brussels Agreement and its implementation poses a sufficient barrier to progress on normalizing relations between Kosovo and Serbia. By allowing enough imprecision in language and criteria to facilitate concordance between the two sides, the negotiations delivered a potential time-bomb in one of its key points: the creation of an Association/Community of Serb Municipalities. Designed to ease the inclusion of north Kosovo's four Serb municipalities into a unified national framework, the Association/Community of Serb Municipalities covers education, healthcare, economic initiatives, and urban and rural planning—areas over which municipalities are already granted autonomy through the Kosovo constitution.

The difficulties arise almost immediately, starting with the name. Kosovo officials read this as an 'association' and, thus, interpret it as an unincorporated provisional alliance—merely a transitory entity built for information sharing. To Serbs, this compact is a 'community' or 'union', thus vesting the group with a de facto legal status and a mandate to govern. Kosovo Albanians fear that the Association/Community of Serb Municipalities will have executive powers. In contrast, Kosovo Serbs fear that the Association/Community of Serb Municipalities will not have executive powers.

More complicated still is the conflict between Kosovo's constitution and laws and the legal implications of the Association/Community of Serb Municipalities—a structure requiring a two-third majority vote in the Kosovo Assembly to revise existing laws in order to be implemented. Amendments to existing laws would also be required in Serbia.¹⁰ The full spectrum of legal revision in order to codify any coherence in establishing the Association/Community of Serb Municipalities is, as at the time of writing, still incomplete, as are other major elements of the Association/Community of Serb Municipalities, such as the timeline and benchmarks for its establishment. Perhaps most significant is the lack of clarity over the relationship of the Association/Community of Serb Municipalities with Belgrade and Pristina. On an immediate level, this problem reveals itself in the appointment of the management team for the Association/Community of Serb Municipalities.

Whereas the management team members should be formally proposed by the northern municipalities and endorsed by a Kosovo authority, in reality Belgrade appointed and instructs this team. For its part, the management team itself has repeatedly stressed that it closely cooperated with the municipalities and was appointed according to the specifications of the Brussels Agreement. Such confusion, which can resurface at a later date as conflict, manifests the exact opposite of what the Brussels Agreement was designed to achieve. Precedents such as these create focal points for future disagreements over ultimate legal jurisdiction over the Association/Community of Serb Municipalities.

Much mediation will be required to deliver the clarity and precision the current agreement lacks. Without good faith on all sides to reach the end goals that both sides need—i.e., functional relations, as well as precision and agreement over territorial jurisdiction, so that Pristina and Belgrade can improve the quality of life of their citizens—the time and energy already spent on negotiating compromises, such as the agreement to establish the Association/Community of Serb Municipalities, may go for naught. In the meantime, as all this energy gets spent haggling, Kosovo could generate much more goodwill from Serb municipalities in the north by simply prioritizing the provision of basic public services like waste and water management.

War allegiances, family relationships and business dealings color individual party make-up and can either spur or nullify coalition building, exacerbating the difficulty in forming a government that satisfies the interests and needs of the public as a whole.

In theory, party diversity would suggest a healthy democracy; but, in reality, Kosovo operates under a distinct democracy deficit. Elections have been tainted by fraud, thuggery and opacity. Back-room dealings are the rule rather than the exception, and lack of transparency destroys legitimacy. Political fragmentation has become the norm.

These difficulties are magnified exponentially when Serbia shows its political hand in the mix. Ten Serb parties are registered in Kosovo and one in particular, Civic Initiative Serbia (Građanska Inicijativa Srbija, also referred to as Srpska), has led elections undertaken in the Serb-majority municipalities. While politicians in Belgrade encourage Serbs in restive north Kosovo to take part in Kosovo's electoral process as a fulfillment of their obligations in normalizing relations with Kosovo, they unambiguously use Srpska as a political proxy. This has stirred a new anxiety among Kosovo Albanians. Previously, they feared a deal with Serbia that would create an unviable state, one in which north Kosovo Serbs would block central decision-making processes. Now they fear Belgrade being able to mingle directly in Kosovo internal affairs through Srpska. A lack of seasoning in strategic negotiation and information tactics puts Kosovo's political operatives at a distinct disadvantage in being able to counter Serbia's actions, thus rendering the entire electoral process vulnerable to co-optation.

RESISTANCE TO EU AGREEMENT IMPLEMENTATION

Public resistance to implementation of the Brussels Agreement by Kosovo Serbs is widespread, but varies in shade: At one end of the spectrum is a rapidly growing sector comprised of those who resent the Brussels Agreement and remain aloof from inter-ethnic integration (without rejecting it outright), but who are otherwise resigned and accept their fate for lack of a better economic alternative. At the middle the spectrum are those who are vehemently opposed to implementation, but expresses discontent through non-violent means, such as boycotts, barricades and the defacing or rejection of Kosovo state symbols. At the opposite end of the spectrum lies violent opposition, comprised of organized crime figures seeking to prevent financial losses, vengeful nationalist ideologues, and hooligans and football supporters looking for a fight, sometimes paid by those with vested interests.

Citizen resistance is fueled by the fiscal 'double-dip' Serbia has fostered in Kosovo. Pensions, state stipends, salaries and subsidies are paid by Serbia to Serb recipients living and working in



Graffiti with a Serbian eagle expressing Serb resistance in north Mitrovica – “Kosovska Mitrovica: No way back from here”.

Kosovo, even if they already receive a Kosovo salary—a situation that Kosovo and Serbia have tried to tackle in their dialogue. Details are still unclear, but the possible termination of Serbian support is a source of fear and tension among Serbs living in economically-challenged Kosovo. This direct transfer, approximately EUR 500 million in total, may have to be relinquished by Serbia and channeled via the Association/Community of Serb Municipalities. However, as at the time of writing, the structure of the Association/Community of Serb Municipalities is still in doubt. Public services supplied by Serbia, such as telecommunications, media and energy, have been a source of dispute between Kosovo and Serbia, and Serb-run institutions around justice and civil service must be dismantled or transformed in favor of provision by Kosovo, which requires legal and administrative infrastructures still not yet fully viable. Thus populist resistance to implementation is as much a pragmatic reaction as it is an emotional one.

At the political level, resistance to the Brussels Agreement is seen not only in the ambiguous attitude among actors in Serbia, who simultaneously announce their compliance with the Agreement and refuse formal acknowledgement of Kosovo as they work towards keeping Kosovo Serbs on their side, but also among those in Kosovo. Direct examples of resistance include electoral candidates who refuse to swear Kosovo state oaths. More harmful perhaps are the indirect examples, like the Kosovo Albanian political leaders who fail to offer an appealing narrative aimed at binding the communities and the lack of preparation that has prevented officials from moving quickly enough to create viable services and governance frameworks to ensure transition away from Serb-run structures. The end result could be a slow unraveling of the Brussels Agreement’s purpose of unifying the opposed camps.

4.2 Security drivers

EMBEDDED TRANSNATIONAL ORGANIZED CRIME

While inter-ethnic tensions pose the most serious short-term risk to Kosovo's integrity, the far greater moderate-to long-term security threat lies in the extent to which transnational organized crime is rooted within the political system. The magnitude of the problem constitutes not only a hazard to Kosovo's domestic stability, but also to stability at both the regional Balkans and wider European levels.

Organized crime and corruption remain the biggest challenges to rule of law in Kosovo across its political, security, economic and social sectors. Among officials interviewed, there appears to be a consensus that the problem is most concentrated in the link between politicians and organized crime. Daily reports in newspapers document investigations, arrests or indictments of government workers who dabble in racketeering and influence peddling. Bribery is the status quo and links to international organized crime syndicates are common. Even though United Nations Office on Drugs and Crime reports indicate an overall decrease in drug trafficking, interviews with Kosovo Police officers yielded observations that the problem appears to be on the rise again, especially in relation to narcotics, due to the presence of Albanian gangs as well as the strategic position of Kosovo. According to estimates, Albanian organized crime networks control most of the European heroin trade and Kosovo serves as a key distribution way-station between Turkey, Afghanistan, Pakistan and EU markets.¹¹ Due to their global diaspora, Albanian mafia groups are widespread, with advanced logistics structures and links to narco-cartels throughout the Americas and Asia.¹² But Albanians are not alone: north Kosovo's strategic position as a transit route for illegal goods has allowed both Serbs and Albanians to overcome their ethnic divisions to cooperate and profit from political instability and lawlessness—a form of inter-ethnic cooperation that remains robust today.

Officials tend to rank the organized crime threat across three levels. At the bottom are the least powerful: the procurement thugs who deal in petty theft and serve as muscle to bigger players. In the middle are the local gangs who aid and abet the smuggling networks that keep the black economy humming, whether in cigarettes, fuel, or stolen cars. At the top of the criminal food chain are formidably powerful gangs whose activities extend to the illicit flow of drugs, human trafficking and weapons, among other things.

EU and United States officials believe they must undertake the 'necessary evil' of engaging politicians with questionable backgrounds, because they simply see no other alternative. However, as transnational crime networks grow in relative power to governments and their capacity for command and control, Kosovo faces the predicament of becoming a courtesan state if it cannot manage significant breakthroughs in administrative competence, inter-ethnic integration, rule of law and legal enforcement.

DEVELOPMENT OF MILITARY/NATIONAL DEFENSE FORCE

Since the war in 1999, Kosovo has been primarily reliant upon the NATO-led Kosovo Force (KFOR) for its security and defense. The establishment of the Kosovo Security Force (KSF) in 2009 was designed to round out KFOR's mission by fulfilling emergency needs: search and rescue; explosives and hazardous material disposal; and firefighting. But now that KFOR is obligated to adjust troop levels as its mission winds down, the transformation of the KSF into a fully-fledged armed force constitutes yet another wedge driving Kosovo's Serbs and Albanians

apart. In March 2014, Kosovo announced its intent to start developing the Armed Force of Kosovo (AKF), starting with 5,000 active troops and 3,000 in reserve, with the expectation that the AKF would be fully operational by 2024.¹³

To Albanians, a robust military represents the icing on the cake of state-building: a signifier of strength and legitimacy, as well as a vital symbol of sovereign identity. To Kosovo Serbs, however, the establishment of a Kosovo military is a source of fear: a weapons-bearing totem of Albanian control over Serb life and one that could turn against them in the future.

Both Albanians and Serbs have enormous reservations over the departure of KFOR troops: they are generally seen as a source of security and stability, even if their presence is resented by Serbs (especially in north Kosovo) as evidence of their defeat and subsequent subjugation by the Albanians. Uncertainty over the as yet unfulfilled promise of an armed force raises questions over leadership capacity and how equality of treatment will be extended, whether within the forces or at their hands.

NATO and the United Nations both reacted to the announcement with cautious apprehension, reminding Kosovo that United Nations Security Council Resolution 1244 remains in effect and that NATO prefers Kosovo to wait until it has reassessed the level of its engagement. The United States Embassy, however, was among the first to welcome the development in Kosovo's security sector.

Beyond these concerns lie more practical considerations: it will take significant time and financial resources to build a military force in Kosovo, which must be done in parallel with other complicated state-building initiatives. Given the jockeying that characterizes Kosovo politics, estimates of the viability of a working military that represents all of Kosovo's constituencies remain optimistic.

INSUFFICIENT DOMESTIC SECURITY CAPACITY

One of the tangible successes of the Brussels Agreement so far is the transformation of the Kosovo Police force. While limited progress on customs and excise agreements for north Kosovo's Serb municipalities has been seen and progress in the justice system and on integration seem stalled at the start of 2014, the slow but steady headway in the Kosovo Police's evolution has been a small sign of hope.

A major challenge facing the Kosovo Police has been the integration of 280 members of the former Serbian Interior Ministry Police into the Kosovo Police force's ranks. The Serbian Interior Ministry Police was the only group that could claim respect and legitimacy among Serbs in Kosovo for the provision of security. Even if they were initially regarded as sell-outs by local Serbs for working with the Kosovo Police, protracted tolerance of Serbian Interior Ministry Police officers and the general increase in police officers as a result of the integration is seen as one factor in the 5% decrease in petty crime and inter-ethnic incidents in north Kosovo at the start of 2014.¹⁴ Indeed, the Kosovo Police's mixed forces set a potential example for cooperation among Serbs and Albanians. Observers note how such changes are, to a limited degree, incrementally gaining acceptance. However, problems are never far away: in March 2014, Kosovo Police officers raided and arrested an alleged ring of Kosovo Police officers and a Serbian Interior Ministry Police officer in possession of weapons, explosives and USB flash drives containing sensitive information on Kosovo Police officers.



The integration of Serbian Interior Ministry Police members in the Kosovo Police could improve law enforcement in north Kosovo.

Despite small steps forward, domestic security capacity in north Kosovo is still insufficient. Narcotic availability is increasing and Kosovo Police are concerned about being overwhelmed by well-financed and powerful forces that they are ill-equipped to tackle. Youth violence is also rising: unemployment and the unfocused energy it generates are combining with football hooliganism and right-wing movements like *Образ* and *Наси 1389* to form a volatile mixture. Without a functional court system and clearly defined administrative standards and jurisdictions, whatever advances the Kosovo Police can currently claim may evaporate before the EU, Pristina and Belgrade can agree and install frameworks.

4.3 Economic drivers

ENDEMIC CORRUPTION

Corruption is the grease that keeps the gears of Kosovo's economy moving. Every variety of transaction, from the most basic domestic exchanges to multi-million dollar infrastructure deals, can involve nepotism, bribes, influence currying or racketeering. In north Kosovo, residents joke about the '3, 5, 7' routine—a method by which people will ramp up a bribe to get something done by first offering 3,000 units of currency (whether Euros or Serbian dinari), then if that fails 5,000, capping it off at 7,000, a point upon which business is usually mutually agreed.

At the public level, corruption is so ingrained that boundaries separating what constitutes ethical from unethical behavior have lost meaning for the average person. Doctors describe patient appointments that end with people aggressively foisting money on them (beyond service fees) in the belief that good treatment requires bribes. In the Kosovo Serb community, corrupt practices,

often involving interlocutors or financial sponsors in Serbia, are seen as a mechanism of survival in an environment in which they feel threatened. In the majority Albanian culture, the emphasis on family loyalty means that personal connections often trump objective choices, whether in employment or trade.

On one hand, these cultural differences further segregate Serbs from Albanians: Albanian clan networks put Serbs at a disadvantage due to greater clientelist leverage among families within Kosovo. However, on the other hand, external Serb patronage networks create one of the few environments in which Kosovo Serbs and Albanians do not have trouble cooperating: wealthy Serb businessmen seeking to import goods or illicit materials into Kosovo work in tandem with Albanian organized crime gangs for the mutual profit of both groups.

Corruption affects transactions at all levels in both north and south Kosovo: few infrastructure projects, construction and real estate developments, or uses of foreign aid have come to fruition squeaky-clean. Residents accept this state of affairs with a shrug, knowing that there is neither rule of law nor cultural norms strong enough to counteract such behavior. Apart from the practical barriers to foreign direct investment, this 'business as usual' attitude perpetuates inequality, keeps aspirations low and prevents citizens from developing entrepreneurially—a necessity for jump starting Kosovo's economy. The net effect is a frayed social fabric in which the wealthy, the connected and the powerful exert their influence beyond the interdiction of police, politicians and foreign actors, mainly because the latter must be in league with the former to operate within Kosovo in the first place.

DECREASE IN EXTERNAL AID

Kosovo is facing a looming economic crisis: the foreign financial aid and practical assistance it has received since 1999 will be reduced faster than the economy can be stimulated to compensate for this loss. In 2008 when Kosovo declared its independence, international donors pledged assistance of EUR 1.2 billion for the period of 2009–2011.¹⁵ Europe, the largest donor, has been making incremental increases in aid since 2011: allocating EUR 68.7 million in 2011, EUR 70 million in 2012 and EUR 71.4 million in 2013.^{16,17} The United States, the second largest donor, allocated USD 85.4 million in 2011, USD 66.7 million in 2012 and USD 57.6 million in 2013.¹⁸ Budget restrictions among donors, coupled with the expectation that money spigots cannot endlessly be allowed to run for Kosovo, mean that the downward trend in aid will continue.

Course-plotting for external aid budget allocations rested greatly on the recommendations of the International Steering Group. But when its administrative body, the International Civilian Office, shut down its operations in Kosovo in 2012 (a step deemed necessary in preparing Kosovo to stand on its feet) Kosovo observers working in that office became alarmed that many of the benchmarks determining what had been achieved and what was still required for Kosovo's economy to operate had been equivocated.

As it stands today, Kosovo still receives approximately 7.5% of its GDP from external aid programs, and a whopping 15% from remittances.¹⁹ Resource extraction accounts for 60% of Kosovo's economy and its industrial infrastructure is in dire need of modernization, with less-than-salutary prospects for investment given the rule of law and corruption barriers. Employment prospects, especially for a country with 40% youth unemployment, remain a challenge.²⁰

To add to Kosovo's economic woes, it is reported that its debt at the end of 2013 was almost

double what had been reported two years before. Kosovo receives loans from both commercial banks and international institutions. In 2009, Prime Minister Thaçi reported Kosovo's total debt as only EUR 249 million; at the end of 2011 it was EUR 253 million. Due to Kosovo's considerable increase in domestic debt during 2012 (EUR 73.3 million) and 2013 (EUR 152.5 million), Thaçi calculated the public debt of Kosovo at the end of 2013 to be EUR 476 million.²¹ Unless Kosovo's leaders—in cooperation with each other, an informed public and external partners—take a radically different approach in addressing the approaching budget gaps, Kosovo will face economic cascade effects that it is not yet ready to tackle.

EXTREME TRADE IMBALANCE

Kosovo's economic fundamentals serve as an effective indicator of where its leadership must target efforts. In 2012, Kosovo exported goods and services amounting to EUR 270 million. In contrast, imports were approximately EUR 2.5 billion in 2012, a reflection of one of Europe's worst import-export trade imbalances.²²

Of total imports, the largest category at 21% is comprised of mineral resources (much of it in the form of fuels and by-products). Food, beverages and other comestibles account for the second largest category at 12%. The remainder is split among imports of base metals, industrial equipment and other miscellanea.²³

As of the third quarter of 2013, the trade imbalance flattened slightly, marking a small improvement: Kosovo's account deficit in the second quarter of 2013 stood at EUR 147.6 million, representing an annualized growth in the trade deficit of 4.2%; however, by the third quarter the trade deficit had shrunk by 4.6%. According to the Central Bank of Kosovo, this was due to a 3% decline in imports during the third quarter of 2013, a total of EUR 1.8 billion. Exports experienced third quarter annual growth in 2013 of 9.4%, amounting to EUR 224 million.²⁴

Given Kosovo's unique economic difficulties, small increments such as these are always good news. However, Kosovo's undeniably excessive import reliance must be viewed as a target for fiscal triage if it hopes to solidify its independence. Identifying targets in Kosovo's heavy industry sector, given the amount of technical infrastructure investment and time they require to come online, will be insufficient, although this remains the focus of politicians. Without prioritizing more comprehensive approaches to building knowledge economy services and paying attention to the financing structures and educational investment this requires, Kosovo may continue to make small short-term gains in its trade deficit at the risk of its long-term economic future.

4.4 Socio-cultural drivers

STATE CONTROL LEGACIES

Kosovo's legacy as part of the former Yugoslavia and its navigation under waves of communist and socialist rule manifest in a myriad of social norms. The most potent aspect of this legacy is a psycho-social effect with serious implications for Kosovo's economic and political future. Education, healthcare and social welfare programs, such as state pensions, were understood as entitlements by Serbs and Albanians living in the former Yugoslavia. The paternalism of state structures shaped public expectation to a degree that even residents too young to recall the pre-war years or claim 'Yugonostalgia' speak today of their 'right' to receive hand-outs in employment, higher education, and medical care—a marked contrast to the 21st Century reality

that citizens of other European states must now confront. The flashpoint sensitivities around pensions and subsidy payouts that Kosovo's Serbs expect Serbia to maintain (and the source of contentious politicking through which Kosovo leaders must plough) represent the most tangible example of populist prerogative. The formation of newly independent states so quickly after the upheaval of the Balkan wars deprived inhabitants of the transition period eastern European countries underwent as they struggled to build new, post-socialist economic, political and social contracts based on Europe's liberal, free market values.

The consequence of this jarring shift continues to resonate today: public mistrust of political processes leads to low voter turnout; observers intuit media coverage as serving vested interests or as outright propaganda; and the kind of self-sufficiency that breeds enterprise building—a vital prerequisite for growth in Kosovo's economy—is seen as less preferable than obtaining a public job. Both Serbian and Kosovan politicians perpetuate this mentality through campaign promises to uphold welfare benefits and offer unrealistic employment and economic goals, only to backpedal on these promises once they are elected and financial reality kicks in. All of this preserves a cycle of public mistrust and resignation that, unless broken, will keep Kosovo in an economically and politically stagnant deadlock.

'BRIDGE GENERATION' EFFECTS

Kosovo will soon enter the fourth year since the rubble-strewn barricade was erected on the bridge over the Ibër/Ibar river. The barricade, constructed by Kosovo's ethnic Serbs in protest after Kosovo's ethnic Albanian Special Police units tried to take charge of two administrative checkpoints in the northern towns of Jarinje/Jarinje and Brnjak/Bërnjak in mid-2011, now has vegetation growing across its expanse.

While this barricade may measure Kosovo's ethnic separation in years, the de facto separation between the two communities can now be gauged in decades: it has been 14 years since Kosovo's Serbs fled to the north and many of Kosovo's Albanians fled from the north to the south after their homes and businesses were torched and razed in the chaotic wake of NATO's 1999 air campaign. To many citizens, the bridge represents a dividing line that can never be crossed. In practical terms, the bridge and its barricade have spawned a generation-long period of segregation whose socio-cultural residue is emerging in north Kosovo's youth.

The youth bulge in Kosovo is significant: of its population of 1.8 million, approximately half are younger than 25 years old. Rather than serving as a precedent for a new generation breaking away from Kosovo's unhappy past, this demography is sinking deeper into its mire. The unemployment conditions for this group are the worst in Europe: estimates suggest 73% of working-age citizens under 24 are unemployed and current prospects suggest the trend is downward. Of the 30,000 young people who seek work annually, less than 8,000 find any.²⁵

Adding to the employment picture, ethnic Serbs in Kosovo face more obstacles as a minority. Their language and culture have not yet been adequately represented, and education conditions are extremely difficult. Diploma accreditation is in limbo across Kosovo. Many young ethnic Serbs voice fear of what they can expect when they 'cross the bridge' or come into contact with ethnic Albanians, even if their actual personal experience when they do intermingle is peaceful. Parental influence over children, especially if ethnic Serb families have experienced losses during the war, can perpetuate stereotypes and apprehension. This influence is magnified by political messages and media from Serbia, leading to reluctance among younger residents to



The barricade on the main bridge in Mitrovica is a reminder of the segregation with which people in Mitrovica have lived for 14 years.

trust their personal experiences. Some outlets in which young people can sublimate energy not otherwise engaged in work or study, such as gang-like sports clubs that mix violence with nationalist slogans, allow young people to vent their frustration in destructive ways against those they see as their oppressors.

Without jobs and strong education prospects that honor their experience, a hopelessness and mistrust has settled in among young people. Many ethnic Serbs plan to leave Kosovo as soon as they can, rather than attempt to build in an environment they view as a ghetto where the odds are stacked against them, physically encircled by roadblocks and barricades. But these Serbs may be unprepared to find that, if they leave, what awaits them is not necessarily better than what they left behind.

EMERGENCE OF FUNDAMENTALISM

To say that Kosovo is undergoing Talibanization, as some conservative Western outlets have declared, is both paranoid and an over-reach. Although 95% of the population identifies as Muslim, the mostly Albanian (but also Bosniak, Turk and other minority ethnicities) Muslims have adhered to constitutional secularism, under which faith remains separate from governance. Historically, Kosovo's Islamic communities have aligned more with the West than the Middle East or Asia with regards to the expression of faith within society. However, tendrils of fundamentalism have emerged within Kosovo, in places like south Mitrovica, among other places.

Activist Islamic influence in Kosovo has arisen via three key areas in which Salafist guidance holds sway: humanitarian reconstruction aid, imam training and literature distribution. One of the principal international aid donors helping to rebuild Kosovo's mosques and schools destroyed

in the wars has been the Saudi Joint Committee for the Rebuilding of Kosovo and Chechnya (SJCRKC). Saudi Arabia's Wahhabist orthodoxy has been linked to a variety of militant Islamic movements. In the more remote areas of Kosovo, where the international community was inclined to delegate reconstruction in Muslim communities to faith-based organizations like the SJCRKC, Wahhabist teaching and literature distribution was permitted to flourish unchecked.²⁶

The profile of the Kosovo Islamic Unification Movement (LISBA), an Islamist political party officially registered in 2013, is on the rise. LISBA aims to appeal to a new generation of young Kosovo Muslims: the disaffected, the unemployed and those in the more remote areas of the country, whose war-damaged schools and mosques were rebuilt with Saudi and Qatari aid financing, which enabled the spread of fundamentalist teachings in once-moderate communities. Through social media forums (especially Facebook), LISBA has waged a war of words that has agitated the secular majority of Muslims by taking a contentious stance in opposition to the influential, politically and socially moderate Islamic Community of Kosovo (BIK). LISBA has raised the temperature on a variety of issues. In 2014, LISBA misrepresented a legislative proposal calling for volume reduction in the *azan* (Muslim call to prayer) to bring environmental noise in line with EU standards as an attempt to ban *azan*—a disinformation campaign intended to manipulate public opinion against the proposal as well as against the BIK, which worked with Kosovo's Ministry of the Environment to create the bill and establish broadcast standards for automated transmission of *azan*.²⁷ Although fundamentalism is largely unpopular with the Kosovo Muslim majority and LISBA is still insignificant as a political force, its ability to gain attention through provocation in an environment where media sophistication is low and people are seeking outlets for their frustrations should be watched more carefully. Without a consolidated effort from both Kosovo's political leaders and their international partners to reinforce constitutional secularism, ethnic tensions may resurface, this time magnified by sectarian ideologies and the global financing and violence they often bring. ♦



© Matthew Hemmas

Prizren/Prizren in south Kosovo; most Muslims in Kosovo adhere to secularism.

5. Pivotal issues

Daily life for all Kosovo residents consists of several major challenges. Basic public services such as clean drinking water, waste disposal, and consistent power supply are unreliable. Health matters serve as another example: lack of access to good quality medical care forces people from Kosovo to move around for health care, including to Albania or Serbia. From Kosovo's south, some Albanians quietly cross the İber/İbar river to access better medical care from doctors they trust in the Serb-majority towns of the north. However, conditions in the north are not necessarily better. Anecdotal reports of surges in cancer cases, especially lung, colon-rectal, breast and ovarian cancer, are reported among doctors working in north Kosovo who see patients from both the north and south.²⁸ Without access to research facilities to determine the causes of these surges, doctors can only speculate, citing the disease factors of stress and exposure to environmental toxins (including the depleted uranium used in the bullets and armor expended by NATO forces during the bombing campaign of 1999) as likely culprits.²⁹ Despite these adverse conditions, both doctors and teachers have observed an increase in the birth rate among Kosovo Serbs.³⁰

The future of north Kosovo will be strongly influenced by rates of development across key sectors throughout not only the north, but also Kosovo and the broader region. Below are brief snapshots of issues in key sectors likely to have the greatest impact on the future of Kosovo's northern municipalities:



Doctors working in the hospital in north Mitrovica have observed an increase in birth rate among Kosovo Serbs.

5.1 Water

After the 1999 war, much of the water management infrastructure in Kosovo was of poor quality. Today, clean and reliable water supply and sewage infrastructure remain the most immediate public service challenge faced by residents. The largest reservoir by far is Gazivode/Gazivodë, which supplies drinking water to large parts of Kosovo as well as water for the two main power plants, Kosovo A and B, near Prishtinë/Priština. Gazivode/Gazivodë is located mostly in the northern Serb majority municipality of Zubin-Potok/Zubinpotok, but also partly on Serbian territory, leaving Kosovo potentially dependent on Serbia for such a critical need. Dependency extends to domestic water arrangements as well: drinking water for the northern municipalities of Zvečan/Zveçan and north Mitrovica is channeled from Zubin-Potok/Zubinpotok, first through south Mitrovica (from the Shipol/Šipolje water factory) before it is returned to the north. Consequently, the Serb-majority areas of Zvečan/Zveçan and north Mitrovica are dependent on the Albanian-majority area of south Mitrovica for their drinking water. Regardless of flow dependencies, demand outstrips supply: people in both north and south Kosovo have lived with water rationing for years. Changes in weather patterns have reduced the overall amount of precipitation that feeds Kosovo's three main reservoirs. One basin in particular, Badovc/Badovc, has been identified as critically deficient. As a result, the Prishtinë/Priština area is especially vulnerable to water shortages.³¹

Challenges in the water system include the overall availability of water, the integrity of the national pipe system (water transport results in massive losses through leakage) and the quality of drinking water.³² Water sector reconstruction is treated as a priority investment for EU donor financing instruments—a distinct contrast to the miniscule investment in water infrastructure made by the



Gazivode/Gazivodë lake in Zubin-Potok/Zubinpotok in north Kosovo is the main water reservoir for Kosovo.

Government of Kosovo.³³ Despite the EU's efforts, the water sector in Kosovo continues to suffer from underinvestment because of the government's insufficient political will: the government has failed to establish water as an investment priority and lacks personnel and technical skills within its institutions. Kosovo remains far from compliance with EU standards in water resources and water management—standards which it is estimated by the EU will require a minimum of EUR 60 million in investment annually for the next ten years for Kosovo to even get close to meeting.³⁴ Kosovo risks future unrest if this basic service remains unaddressed. As the largest water source is located in north Kosovo and shared with Serbia, such unrest could easily affect inter-ethnic relations and relations between Serbia and Kosovo.

5.2 Power

Kosovo is almost entirely dependent on coal burning for power generation. Its electricity comes from lignite coal, the dirtiest type of coal fuel to burn, but a resource in which Kosovo is naturally wealthy; Prishtinë/Priština, where the economy has been heavily dependent on the extraction of coal and similar resources, is also the regional site of the main power plants, Kosovo A (due to be closed once a new power plant is built, although this process has been dragging for several years) and Kosovo B.

The two plants together generate insufficient reliable power across the entirety of Kosovo; outages are frequent and remain an impediment to economic growth, which is dependent on a reliable electricity supply. In north Kosovo, residents get their power supply from Serbia via the Electrical Power Utility Serbia through the Valaç/Valaq substation, which used to be operated by

Energy Corporation of Kosovo (KEK), until 2009, when it was taken over by Elektromreža Srbije (which operates Serbia's transmission network) under the pretext of securing power for north Kosovo Serbs—another example of the north-south division in Kosovo. Negotiations in late 2013 resulted in an agreement to return control over the Valaç/Valaq substation to KOSTT (the current transmission network operator in Kosovo) and allow Electrical Power Utility Serbia to establish a company in Kosovo, according to Kosovo law and tax administration, thus permitting an agreement with KOSTT and the Kosovo Energy Distribution and Supply Company (KEDS) to distribute electricity to consumers in north Kosovo.³⁵

KEK, Kosovo's main power generation, transmission and distribution company, has a less-than-stellar track record in power supply and is considered one of Kosovo's most corrupt organizations.³⁶ Since the end of the war, more than EUR 500 million has been invested in KEK, which is estimated to have a turnover of over EUR 1 billion, and an additional EUR 550 million has been allocated to more than 500 tenders since 2007. Some of these tenders have been investigated by the EU as money funnels to members of the so-called 'Balkan Energy Mafia'³⁷. In 2013, the Kosovo government privatized the electricity transmission and distribution branches. Most recently, Kosovo energy consumers learned that the aforementioned KEDS (owned by the Turkish company Calik & Limak, which privatized KEK's distribution) was using rigged digital electric meters to charge for unused energy—a fact discovered by Kosovo's Ministry of Trade, but not officially announced. Distribution of the digital meters has since been suspended, but many still remain connected throughout Kosovo.³⁸ Serbian companies, interestingly enough, have benefited the most from KEK. Even in areas where KEK can supply sufficient power, it is obligated to fulfill contracts with Serbian power companies, which import energy to Kosovo at significantly higher prices—a curious case of Serbian-Kosovan cooperation, which, while a volatile proposition in the political sphere, seems to be quite natural when illicit profits are at stake.³⁹

5.3 Education

As in many other areas, education in Kosovo is divided between the Serbian and Kosovan systems. All communities in Kosovo suffer from problems in the education sector. These vary from lack of available pre-school education options, to double shifts in school buildings and facilities, uncertain degree accreditation, and insufficient qualified teachers.

These problems are found at every level throughout the system, from pre-school to higher education.⁴⁰ Bilingual teaching is not part of any mandatory curriculum in Kosovo: a lack of personnel, investment and political will obstruct this important development, even though all recognize the positive contribution it would make to Kosovo's social and economic future. Higher education has been especially prone to corrupt practices: in early 2014, reports of articles based on fabricated scientific research by a university rector triggered student protests, leading to his resignation. Despite this result, students announced they would continue their struggle for more transparency and less corruption within the university system.⁴¹

The education system in north Kosovo is mostly Serbian—although the Albanian community there attends Kosovan schools. Teachers and parents alike rail against possible integration in the Kosovan system: they note its poor quality and the lack of clarity on curricular reform and diploma accreditation. Serbs cite fear of the conversion from the Serbian to Kosovan education system as their principal reason for considering leaving north Kosovo: they worry

their children will no longer learn Serb history and culture. Civic education, a critical necessity for transforming the post-conflict social environment, so far remains optional in Serbian schools, as an alternative to religion.⁴² Post-conflict damage and internal displacement have forced the Albanian community in the north to set up schools in shipping containers in some areas, where supplies and recreation space are virtually non-existent.

The university in north Mitrovica (the University of Pristina temporarily settled in Mitrovica) is a key issue for Kosovo Serbs. Concerns over curricula and diploma accreditation are common, but Serbs also express unease over the extent to which the university will remain attractive for students from Serbia or other countries in the Western Balkans. Presently, students moving to north Mitrovica receive generous scholarships; their presence affects both the local economy as well as the social atmosphere of the north. Serbs may not want a Kosovo university diploma for themselves or their children, but they also do not want to lose the influx of students—most of whom may find they can no longer apply these diplomas towards a job back home. Serbia and Kosovo reached an agreement in the dialogue about diploma accreditation back in 2011, but details of this agreement and its implementation are not publically known, not even among university staff.

Perhaps most significantly, improvements in the education system will go for naught unless employment capacity in Kosovo increases. As one university official in north Mitrovica said: “I am preparing waiters.”⁴³ That said, the most pressing infrastructural investments will require technically proficient workers, skilled in the kinds of industrial and mechanical fields that remain decimated post-conflict. Current education and employment opportunities hardly match—a fact that sustains the vicious cycle of overeducated and underemployed young people who cannot fit their skills into the areas with the most opportunities.

5.4 Media and telecommunications

Kosovo’s most destructive problems are prolonged by the lack of objective and verifiable information disseminated through non-partisan, reliable public media outlets. The segregated structure of Kosovo’s Serb and Albanian communities and their respective linguistic and interest-led concerns impede the propagation of media services that can serve all communities in Kosovo in an economically viable way. North Kosovo residents can watch Serbian channels (including RTS, TV Prva and B92), local TV channels (Most and Mir), and international services (such as CNN, BBC and Al Jazeera). The availability of hard news coverage on local issues, however, is negligible. Vested political influence plays a role here: some prominent Serb-language media outlets in Kosovo are owned and run by conglomerates in Serbia, which often have direct connections with political parties or politicians. Some Serbs perceive this information to be increasingly censored. However, local media is equally impaired: reliable background information is difficult to collect; local investigative journalism is hard to fund; and hard local news poses a security risk to journalists, as the pressure and violence reporters experience when revealing inconvenient information currently goes unpunished. As a result, many news-gatherers in Kosovo censor themselves.⁴⁴ Reports of self-censorship among both media workers and residents in north Kosovo have especially increased since the start of the dialogue between Serbia and Kosovo.



The presence of students of the university in north Mitrovica positively affects the local economy and social atmosphere in the city.

The alternative culture of information that prevails in north Kosovo is transmitted via informal networks of trusted friends and family and the Internet (in the case of the latter, mostly through social networks and media portals⁴⁵). In one focus group of young Serbs from north Kosovo, when asked where respondents got their local news, the majority of hands pointed at one respondent, whose sister is known for self-publishing a popular Facebook page that tracks local events in north Mitrovica and elsewhere.

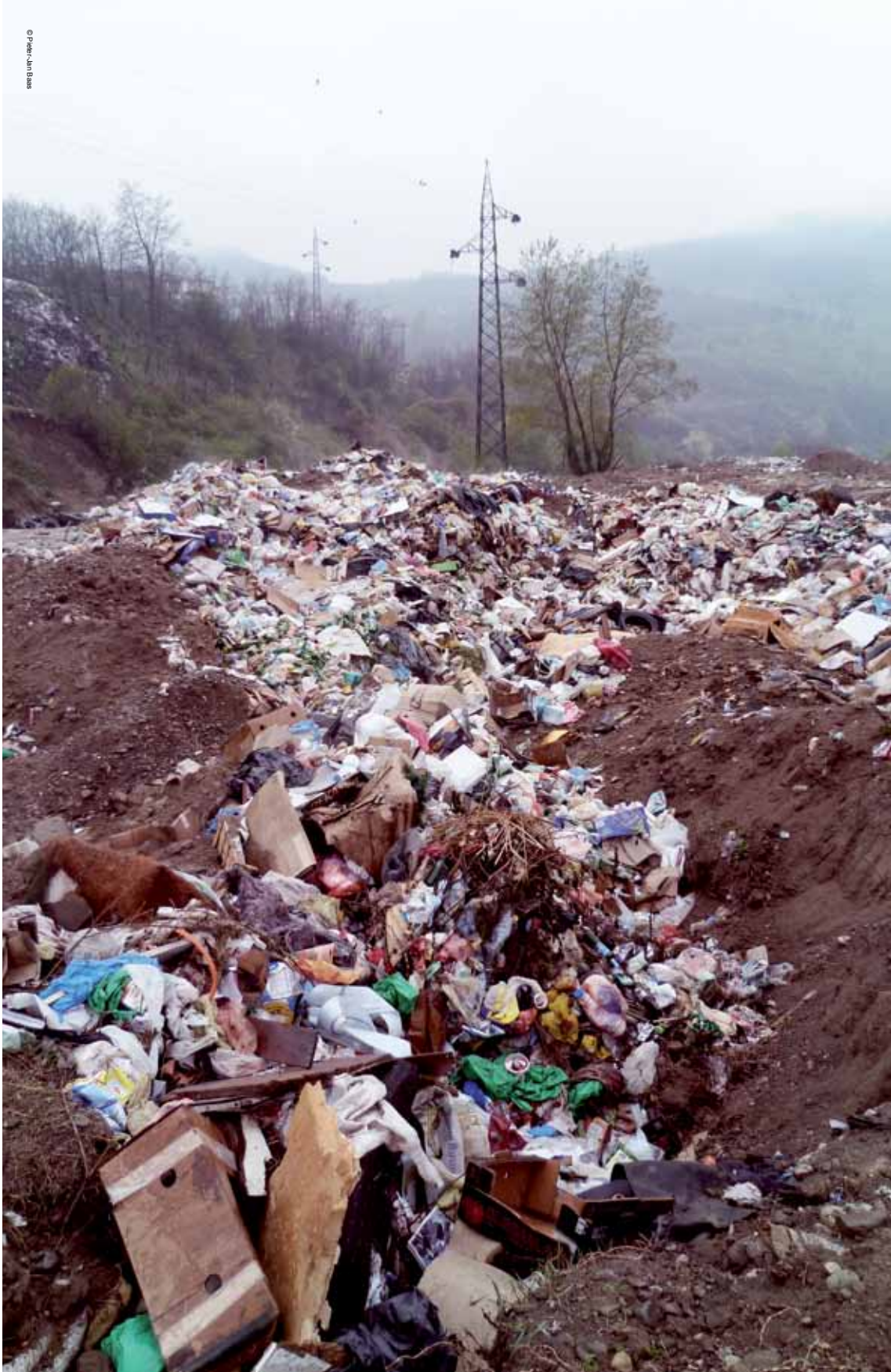
Politicization has extended to the telecommunications sphere. Much political haggling has occurred between Pristina and Belgrade over the provision of services in Kosovo by Serbian operators, as well as international three-digit dialing codes. In September 2013, an agreement was reached over Kosovo's own country code as well as permission for Serbian operators to continue supplying services in north Kosovo. But, as with so many Kosovo-Serbia agreements-in-principle, details have yet to be fully negotiated and finalized. Among the sensitivities and sticking points is the fact that Kosovo is not a member of the International Telecommunications Union, a pre-requisite for applying for the coveted international three-digit dialing code (+383 in Kosovo's case).

5.5 Heavy industry

Kosovo's economy and history are permanently linked with mining and metallurgy, which account for most of its heavy industry exports. The Trepça/Trepča mining complex that straddles north and south Mitrovica has produced lignite coal, lead, silver, zinc and gold since the beginning of the 20th Century. At its height, it employed 23,000 people in Kosovo and accounted for 70% of its gross domestic product (GDP).⁴⁶

But, since the 1999 war ended, production at the mines has never returned to pre-war levels. In the interim, the mine's infrastructure has deteriorated under neglect. Former plant engineers say that any hope of running it as a viable business would require the drilling of at least one new mine as well as a portal entry to it.⁴⁷ Estimates of the cost to repair and invest in new smelters and refineries sufficient to justify operation at a bare bones level are conservatively valued at a minimum of USD 650 million.⁴⁸ Meanwhile, rumors fly in north Kosovo that the Trepça/Trepča complex in north Mitrovica has been bought by a shadowy consortium assisted by the United States, and will conduct angled drilling from Serbia into the ore veins as a way of circumventing the legal obstacles of setting up a company in Mitrovica, where jurisdiction over business registration remains entirely unclear. The actual facts involve an agreement concluded between an American company based in Chicago, Illinois known as New Generation Power LLC and Serbia in 2013, which have led to New Generation Power undertaking a feasibility study on the mine.⁴⁹

In addition to the Trepça/Trepča complex, the Ferronikeli smelter and coal mine complexes around the Prishtinë/Priština area to the south comprise most of Kosovo's remaining heavy industry activity. In addition to the underinvestment and post-conflict refurbishment issues that the mining and smelting operations face, the waste and pollution problems they generate are even worse. The combustion of lignite releases almost 1.6 million tonnes of toxic ash annually⁵⁰ and mining from Trepça/Trepča has generated an untreated tailing slag heap in Mitrovica that leaches toxic chemicals into both the groundwater and soil, as well as directly into the Ibër/Ibar river.⁵¹ With little prioritization of, and investment in, effective industrial and residential waste management, public health conditions are likely to worsen, especially in the municipalities of north and south Mitrovica, Zvečan/Zveçan and in the area around Prishtinë/Priština, as the effects of pollutants take their toll on the population and the arable land used for agriculture. ♦



© Pesho Jani Bana

A temporary waste pile in north Mitrovica on the bank of the Ibër/Ibar leaks into the river; public health conditions could worsen if residential and industrial waste management remain unaddressed.

6. Conclusion

The purpose of the scenarios produced in this report is to enable decision makers to craft policies accounting for as many different options as possible; the scenarios may also enable citizens to take better informed action to shape their own future. No single scenario described trumps any other. Such an interpretation would be an injustice to the diversity of views held by the people consulted for this report. The scenarios are neither predictions nor linear forecasts of one future; rather, the actual real future will probably consist of elements of all four scenarios. Kosovo and Serbian policymakers, the international community and civil actors of all communities will need to exert commitment, effort and goodwill to avoid some of the negative implications of these scenarios in the pursuit of making north Kosovo a better place to live in 2020. The grassroots recommendations after the Executive Summary offer suggestions for how to achieve this.

To improve the quality of life for all people living in north Kosovo and the wider region, the relationship between Kosovo and Serbia must develop sustainably and Kosovo must respectfully accommodate all communities. These challenges are interlinked with many others: respectful accommodation requires rule of law, good governance, employment opportunities and reconciliation among communities. The improvement of Kosovo-Serbia relations requires overcoming many painful issues from the past and reaching out to the Kosovo Serb community, which is quickly perceived as making too many concessions among the Kosovo Albanian community.

The authors of this report would like to emphasize an observation and recommendation: the Serb community in north Kosovo needs a careful, iterative and consultative process to determine its position. Within the Kosovo Albanian community, strongly-felt impatience and discontent has taken root resulting from lack of progress in many areas. The most pressing

matters consist of high-level corruption, lack of economic opportunities, Kosovo's unfinished status and its effects and a perception widely spread of the Kosovo government making unreciprocated concessions to Serbia. Dissatisfaction has reached such levels that popular unrest could be sparked by minor triggers, endangering positive steps with relation to the north. Therefore, efforts should not only be directed to north Kosovo or the Serb community, but systemically towards improvements in other parts of Kosovo as well. Most importantly, one community's interests cannot be sacrificed at the expense of the other's. ♦

Endnotes

- 1 In this report, south Kosovo is used to refer to the territory south of the Ibër/Ibar river.
- 2 'Pristina' is used when referring to the capital of Kosovo as a political entity, but Prishtinë/Priština is used when referring to it as a geographic location.
- 3 This report uses double names (the Albanian and the Serb names) for cities and geographical landmarks: e.g., Prishtinë/Priština and Ibër/Ibar river. For north and south Mitrovica, English terms are used.
- 4 http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/brochures/kosovo_2013.pdf, p.3
- 5 At the time of writing only urgent civil cases (divorces, child care) were still handled by Serb run courts.
- 6 Focus group, Gračanica/Graçanicë, 26 January, 2014
- 7 Focus group, north Mitrovica, 23 January, 2014
- 8 Interviews with EULEX officials and, OSCE officials in north Mitrovica and Prishtinë/Priština, and several focus groups in north Mitrovica, 23–27 January, 2014
- 9 Different interviews in north and south Mitrovica, 23–27 January, 2014
- 10 The numerous legal technicalities that both Kosovo and Serbia face with regards to implementation of the Association/Community of Serb Municipalities are amply enumerated by Ilir Deda and Ariana Qosaj-Mustafa in their July 2013 paper for KIPRED, Deda, I; Qosaj-Mustafa, A (2013) The implementation of agreements of Kosovo-Serbia Political Dialogue. KIPRED Policy paper No.4/13, http://www.kipred.org/advCms/documents/22356_The_Implementation_of_Agreements_of_Political_Dialogue_e.pdf (24 May, 2014)
- 11 European Monitoring Centre for Drugs and Drug Addiction and EUROPOL (2013) EU drug markets report: A strategic analysis, <https://www.europol.europa.eu/sites/default/files/publications/att-194336-en-td3112366enc-final2.pdf>, (10 October, 2013)
- 12 United Nations Office on Drugs and Crime (2011) Drug situation analysis report: South Eastern Europe, http://www.msb.gov.ba/dokumenti/DSAR_SEE_published.pdf (22 July, 2013)
- 13 Unrepresented Nations and Peoples Organization (2014) Kosovo: Intentions to establish an army contested by Serbia, <http://www.unpo.org/article/16936>, (12 March, 2014)
- 14 Information corroborated in separate interviews with officials within the Kosovo Police as well as international security agencies, north Mitrovica, 23–24 January, 2014
- 15 Wiese, J (2012) 'In Kosovo, international community looks to shift role.' Devex, 15 October 2012, <https://www.devex.com/news/in-kosovo-international-community-looks-to-shift-role-79446> (20 September, 2013)
- 16 European Union Office in Kosovo (nd) European external action service technical and financial cooperation, http://eeas.europa.eu/delegations/kosovo/eu_kosovo/tech_financial_cooperation/index_en.htm (8 January, 2014)
- 17 European Commission (nd) Enlargement—Kosovo financial assistance, http://ec.europa.eu/enlargement/instruments/funding-by-country/kosovo/index_en.htm (8 January, 2014)
- 18 Devex, 15 October 2012
- 19 Embassy of Switzerland in Kosovo (2013) Economic report Kosovo April 2013, 10 September 2013, http://www.s-ge.com/en/filefield-private/files/42915/field_blog_public_files/18995 (20 September, 2013)
- 20 Ibid., http://www.s-ge.com/en/filefield-private/files/42915/field_blog_public_files/18995
- 21 'Kosovo's public debt up 16% y/y to EUR 475.7mn at end-2013.' Intellinews, 6 February, 2014, <http://www.intellinews.com/kosovo-1311/kosovo-s-public-debt-up-16-y-y-to-eur-475-7mn-at-end-2013-28663/> (24 May, 2014)
- 22 Op cit., http://www.s-ge.com/en/filefield-private/files/42915/field_blog_public_files/18995
- 23 Op cit., http://www.s-ge.com/en/filefield-private/files/42915/field_blog_public_files/18995
- 24 Central Bank of Kosovo (2013) Quarterly assessment of the economy No. 4/Q3, December 2013, http://www.bqk-kos.org/repository/docs/2014/Q3%202013_el.pdf (3 February, 2014)
- 25 European External Action Service (2013) Strategy paper for Kosovo 2014–2020 (draft version September 2013), p.11, http://eeas.europa.eu/delegations/kosovo/documents/press_corner/20131025_draft_csp_for_kosovo_24101_3_en.pdf (30 September, 2013); http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/brochures/kosovo_2013.pdf, p.34
- 26 Blumi, I (2005) Political Islam among the Albanians: Are the Taliban coming to the Balkans? Kosovar Institute For Policy Research and Development, http://www.kipred.org/advCms/documents/14714_Political_Islam_Among_the_Albanians_Are_the_Taliban_coming_to_the_Balkans.pdf (20 September, 2013)

- 27 Bislimi, B (2014) 'Kosovo's 'Noise Pollution' bill riles religious communities.' Radio Free Europe Radio Liberty, 10 February, 2014, <http://www.rferl.org/content/kosovo-noise-pollution-religion-muezzin/25258781.html> (10 February, 2014)
- 28 Interview with north Kosovo medical workers, north Mitrovica, 23 January, 2014
- 29 North Kosovo medical workers, 23 January, 2014
- 30 North Kosovo medical workers, 23 January, 2014. While Kosovo still maintains a high birth rate compared to the average in other European states, the most recent official data (2011) shows a slight fall. Anecdotal information from interviews suggests pockets of high fertility, such as a reported 1,000 births during 2013 in one Serb municipality alone (Gračanica, which has an approximate population of 11,000).
- 31 Kosovo Ministry of Environment and Spatial Planning (2011) Water security for Central Kosovo—WEAP model activities report, <http://siteresources.worldbank.org/INTKOSOVO/Resources/WEAP.pdf> (29 January, 2014)
- 32 Ministry of Environment and Spatial Planning and Kosovo Environmental Protection Agency (2010) Report: The state of water in Kosovo, http://www.ammk-rks.net/repository/docs/raporti_ujerave_2010-angl.pdf (15 March, 2014)
- 33 The EU supplies funding for various water supply infrastructure projects, with two of them—water treatment plants in the village Shipol/Šipolje near south Mitrovica and in Prishtinë/Priština—currently ongoing at a cost of over EUR 15 million. The EU annually distributes EUR 5 million to support all municipalities in Kosovo to improve water, sewage and other infrastructure as part of its Municipal Infrastructure program. The EU has also provided support to the National Institute for Public Health for a drinking water quality monitoring laboratory, as well as the Hydro-Meteorological Institute of Kosovo for the supply of state of the art equipment for monitoring and laboratory analyses of the quality of air, water and soil. The EU is also currently funding a Technical Assistance project in the Ministry of Environment to help develop a Water Strategy Investment Plan for the next 10 years (EU office email, 4 March, 2014).
- 34 EU office in Kosovo email, 4 March, 2014
- 35 Email from EU official, 10 April, 2014
- 36 Muhamet, M; Beqiri, E (2006) 'Corruption in Kosovo—features, opinions and challenges.' The Anti-Corruption Action Plan: Social and Economic Necessity for Kosovo, Kosovo Anti-Corruption Agency and OSCE, Prishtinë/Priština, p.17, <http://www.akk-ks.org/repository/docs/OSCEbooklet-%20ACactionplan-Dec06.pdf> (5 September, 2013)
- 37 Bunjaku, Q; Duriqi, V (2012) 'Kosovo corruption corporation-KEK.' Preportr, 4 August, 2012, <http://preportr.com/en-us/Public-assets-and-privatization/Kosovo-Corruption-Corporation-KEK-176> (10 September, 2013)
- 38 Veliu, E (2014) 'KEDS plaçk masive me njehsorë.' Zeri, 25 February, 2014, <http://www.zeri.info/artikulli/27575/keds-plack-masive-me-njehsore> (25 February, 2014)
- 39 Bunjaku, Q; Duriqi, V (2012), *ibid.*
- 40 Ministry of Education Science and Technology (2010) Kosovo education strategic plan 2011–2016, http://www.entwicklung.at/uploads/media/2c_Kosovo_Education_Strategic_Plan_EN_FINAL_DRAFT.pdf (24 March, 2014)
- 41 Deutsche Welle (2014) Students lead wide-ranging protests in Kosovo, 13 February, 2014, <http://www.dw.de/students-lead-wide-ranging-protests-in-kosovo/a-17427474> (24 March 2014); BalkanInsight (2014) Kosovo students vow new protests over fraud, 10 February, 2014, <http://www.balkaninsight.com/en/article/kosovo-students-to-continue-protests> (24 March 2014)
- 42 Civic education is mandatory within the Kosovan educational system.
- 43 Interview in north Mitrovica, 24 January, 2014
- 44 Focus group in north Mitrovica, 23 January, 2014
- 45 Examples are Novi standard magazine, Nase novine, SRPski FBReporter and Facebook pages Kosovska Mitrovica and Tehnicka skola
- 46 Trepça (2010) Trepça, ready for exploitation, <http://www.trepca-akp.com/2010/01/trepca-ready-for-exploitation/11/> (20 January, 2014)
- 47 Interviews conducted with mining engineers and former Trepça employees, North Mitrovica, 27 January, 2014
- 48 Synovitz, R (2013) 'Kosovo's economy still struggling five years after independence.' Radio Free Europe Radio Liberty, 14 February, 2013, <http://www.rferl.org/content/kosovo-economy-struggling/24901946.html> (20 September, 2013)
- 49 Savic, M (2014) 'Serbia seeks investment in Trepca mines ahead of Kosovo talks.' Bloomberg, 17 May 2014, <http://www.bloomberg.com/news/2013-05-17/serbia-seeks-investment-in-trepca-mines-ahead-of-kosovo-talks.html> (22 May, 2014)
- 50 Bexhet, M et al. (2012) 'Vegetation of the ash dump of the Kosova a power plant and the slag dump of the Ferronikeli Smelter in Kosovo.' Research Journal of Environmental Earth Sciences 4(9): 823-834, September 2012, <http://maxwellsci.com/print/rjees/v4-823-834.pdf> (3 February, 2014)
- 51 Zoi Environment Network on behalf of United Nations Environment Programme (2010) Case study on lead and heavy metal contamination in Mitrovica, Kosovo: Environmental risks from abandoned mining and mineral processing operations in Northern Kosovo (first draft), Geneva/Amsterdam, http://www.chem.unep.ch/pb_and_cd/documents/unep_mitrovica_case_study.pdf (3 February, 2014) ♦



PAX

Codebaldkwartier 74
3511 DZ Utrecht
The Netherlands

www.paxforpeace.nl
info@paxforpeace.nl
+31 (0)30 233 33 46

P.O. Box 19318
3501 DH Utrecht
The Netherlands