

# **SERB INTEGRATION IN KOSOVO: TAKING THE PLUNGE**

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## SERB INTEGRATION IN KOSOVO: TAKING THE PLUNGE

### EXECUTIVE SUMMARY AND RECOMMENDATIONS

More than a year after Kosovo declared independence, integration of its Serb minority remains a key challenge. For Belgrade, isolating Serbs from Kosovo institutions is a main plank in its policy of undermining the independence of its former province. A further crucial goal is to stem the Serb exodus, by providing for their needs there. Belgrade has devoted significant resources to this end, but with only limited success, especially south of the Ibar River, where the majority of Kosovo Serbs live. Parallel Serbian municipalities there operate only to a limited extent and have largely been unable to meet the needs of Serb communities. The Kosovo government and international bodies are pressing ahead with decentralisation as the best way to engage Serbs in the institutions of the new state and persuade them they have a future in it. They need to show sensitivity towards Serb concerns. References to Kosovo's status should be avoided, and Serb participation should not be presented as a triumph for independence.

Contrary to Belgrade's boycott calls, Serbs have in increasing numbers found ways of engaging pragmatically with Kosovo institutions, relying on them for services, applying for Kosovo official documents and accepting Kosovo (as well as Serbian) salaries. Belgrade's policy of opposing all engagement has proved unrealistic for Serbs in the south, who, living among Albanians, have found there is no choice but to deal with the society around them.

The Serbian government's approach has become even more difficult to sustain with the severe budgetary constraints resulting from the global economic crisis. Its funding of the Kosovo Serbs has included salary supplements and other perks for public sector workers, as an inducement to remain in Kosovo, but it has been forced to cut back, further reducing its leverage and control.

Ultimately, such financial incentives do not contribute to a sustainable future for Serbs in Kosovo. Providing for the educational needs of Serbs there through to university, for example, may mean jobs for teachers, but it does not create the conditions for young people to remain. Once they graduate, many leave for Serbia. The

long-term future of Serbs can be secured only through integration in Kosovo institutions and society.

The Serbian government elected in May 2008 adopted a new approach to Kosovo and has in general given Serbs there greater leeway to find their own practical solutions for daily problems. This positive approach should be extended to include an end to support for parallel structures that have been rife with corruption. Belgrade should not sustain hardline elements, particularly in northern Kosovo, which hinder constructive Serb engagement in Kosovo, block the return of displaced people and hold up attempts to introduce the rule of law.

The planned decentralisation offers the best way to integrate Serbs in Kosovo, while enabling them to retain cherished links with Serbia. According to the blueprint laid out in the Ahtisaari plan, new Serb-majority municipalities should be created, with enhanced competencies in education, healthcare and culture. Belgrade would continue to provide technical and financial support to the Kosovo Serbs, but this should be transparent and coordinated with the Kosovo authorities. The Serbian government should not hinder decentralisation and should, at least tacitly, encourage Kosovo Serbs to engage in the process.

There is considerable Serb interest in decentralisation, especially south of the Ibar. However, many hesitate to participate in a process they fear would implicitly acknowledge Kosovo's independence. Belgrade's stance is critical, as most Serbs would be reluctant to take part in the face of its opposition. It is unrealistic to demand that decentralisation be neutral regarding Kosovo's status, as Belgrade would wish. Pristina's Ministry of Local Government Administration (MLGA) will have to be involved. But there is scope for meeting Serb concerns, while playing down the status issue.

International bodies should likewise adopt a low-key approach. The International Civilian Office (ICO) has an important role in decentralisation. This is troubling to most Serbs and anathema to Belgrade, which risks undermining the entire process. The ICO should remain

in the background, allowing the MLGA to take the lead. As part of its regular work with local authorities and support for minority rights, the mission of the Organisation for Security and Cooperation in Europe (OSCE) should be involved on the ground in the practical implementation of decentralisation within its existing mandate. Everything should be done to encourage Kosovo Serbs to involve themselves with Pristina's institutions.

## **RECOMMENDATIONS**

### **To the Government of Kosovo:**

1. Make decentralisation a central priority, while adopting a low-key approach stressing the local significance of the process and avoiding rhetoric linking it to implementation of independence.
2. Emphasise the benefits of decentralisation to the whole community at the local level, with an active outreach campaign aimed at all ethnic groups, not just Serbs.
3. Take steps to demonstrate the benefits of decentralisation to Serbs, through investment projects carried out in a way that involves and empowers Serb local government representatives.

### **To the Government of Serbia:**

4. Do not discourage moves by Kosovo Serbs to engage in the decentralisation process or cooperate with Kosovo institutions including the Kosovo Police, following instead the example of Serbs south of the Ibar to seek pragmatic accommodations.
5. Provide technical and financial assistance to the Kosovo Serbs without undermining Kosovo institutions or isolating Serbs from the society around them; engage with the Kosovo authorities at a technical level to find ways of supporting Serbs constructively within Kosovo.
6. Cease support for parallel Serbian municipal structures in Kosovo that have largely failed to provide for the needs of Kosovo Serbs.
7. Withhold support from individual Serbs against whom evidence exists of corrupt or criminal activities and, in cooperation with the European Union rule of law mission (EULEX), hold them legally accountable.

### **To the Kosovo Serbs:**

8. Engage pragmatically with Kosovo institutions, notably the Ministry for Local Government Administration (MLGA), so as to achieve the benefits of decentralisation.

### **To the International Community:**

9. Facilitate dialogue between Kosovo institutions and local Serbs and persevere in encouraging dialogue between Belgrade and Pristina on matters affecting the Kosovo Serbs.
10. The EU should use its leverage over Serbia, as a would-be member, to insist that it act constructively in Kosovo, cease support for parallel structures and not oppose Serb integration in Kosovo structures.
11. The ICO and its head, the International Civilian Representative (ICR), should advise and work with the Kosovo government on the decentralisation process but stay in the background.
12. The OSCE mission, with its extensive field presence, should, as part of its regular work with local authorities and in support of minority rights, engage in the practical, on-the-ground implementation of decentralisation.
13. EULEX in particular should promote the establishment of a safe and stable environment to support the return of displaced persons throughout Kosovo, including Albanians to the north, and bolster Albanian support for decentralisation by providing tangible evidence of progress in integrating the north.

**Pristina/Brussels, 12 May 2009**

## SERB INTEGRATION IN KOSOVO: TAKING THE PLUNGE

### I. INTRODUCTION

In the ten years since Belgrade ceded Kosovo to UN and NATO control, integration of the Serbs into Kosovo's political life has been one of the greatest challenges. Since the former Serbian province's declaration of independence in February 2008, this challenge has become still more complicated. The rejection of Kosovo's independence by the vast majority of its Serb inhabitants has been encouraged by Belgrade, which has developed and, since February 2008, extended a framework of parallel structures that provide Serbs with tangible evidence of the continued presence of the Serbian state and hope that one day Kosovo's independence may be overturned. This hope is also kept alive by Belgrade's diplomatic activities, above all through the case it brought at the International Court of Justice in October 2008 seeking to have the independence declaration ruled illegal. It is encouraged by the support of Russia and by five EU member states that have not recognised Kosovo.

By supporting Serbian institutions, Belgrade has sought to provide for the needs of the Kosovo Serbs in fields such as education, healthcare, welfare and infrastructure. Its aim has been to improve Serbs' prospects in Kosovo and so to encourage them to remain there, despite the many difficulties they have faced. This report examines the effectiveness and wisdom of the policy.

The picture is complicated, and varies considerably among the scattered Serb communities in different parts of the country. In four northern municipalities, adjacent to Serbia itself, the Kosovo state is barely present. In the north, Serbian parallel municipalities elected after the independence declaration function much as municipalities in Serbia. They are recognised neither by most of the international community in Kosovo nor by the Kosovo government. In the southern Serb enclaves, the picture is different. In general, the parallel municipalities function to a much more limited extent. Surrounded by Albanians, Serbs in the south have, to a greater or lesser extent, had to find ways of reaching a pragmatic accommodation with the Kosovo

state. Many have hedged their bets. Officials often accept salaries from both Belgrade and Prishtina/Pristina.<sup>1</sup>

The principal strategy of the Kosovo government and the international community for promoting Serb integration is decentralisation in line with the plan of former UN envoy Martti Ahtisaari for Kosovo's supervised independence. Designed to give Serb-majority municipalities a significant measure of autonomy, it attempts to balance integration with granting Serbs a high measure of control over their day-to-day affairs. It also allows Belgrade to exercise its legitimate interest in supporting and financing Kosovo Serb institutions and activities without destructively isolating Serbs from their Kosovo surroundings.

The increasing tendency of Serbs south of the Iber/Ibar River to seek pragmatic ways of engaging with Kosovo institutions is a positive development. There is considerable but fragile interest in decentralisation, and Serbs remain wary. Few are ready to accept Kosovo's independence, and most continue to look to Belgrade for support and political guidance. For many Serbs, as for Belgrade, decentralisation is deeply problematic due to its association with Ahtisaari's plan for Kosovo's independence. For the same reason, most are reluctant to cooperate with the International Civilian Office (ICO), created in line with the Ahtisaari plan as the main international body charged with overseeing Kosovo's transition to full independence.

While decentralisation is in principle attractive to many Serbs in the south, many are put off by the involvement of the ICO, as well as Kosovo's Ministry of Local Government Administration (MLGA). Decentralisation offers a great opportunity for Serbs to find a satisfactory future in Kosovo. But if it is not carried out successfully, and if Serbs do not participate in credible numbers, the prospects for integration will be set back, and the positive trend of greater Serb engage-

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<sup>1</sup> Many place names in Kosovo have two forms, an Albanian and a Serbian. In most instances this report gives both names. In the cases of Prishtina/Pristina and the Iber/Ibar River, however, after an initial use of both names, this report will, for the sake of convenience, use only the form that has more common usage in English, namely Pristina and Ibar.

ment with Kosovo institutions may be reversed. This report explores ways for the Kosovo authorities and the international presence in Kosovo to approach decentralisation so as to encourage Serbs to participate and avoid antagonising and alienating them.

## **II. BELGRADE AND THE KOSOVO SERBS BEFORE INDEPENDENCE**

The experience of Kosovo's Serbs after Belgrade withdrew in 1999 was traumatic. Fear fuelled by revenge attacks led to a large exodus that year.<sup>2</sup> The map of Serb presence has changed significantly since then. A cluster of municipalities north of the Ibar, adjacent to Serbia itself, and focused on the north of the divided city of Mitrovica, remained firmly under Serb control and to a considerable extent continued to function as part of Serbia. With the exception of north Mitrovica, most urban Serbs left in 1999, with the last remaining pockets in Pristina and Prizren doing so after anti-Serb riots in March 2004. Many rural Serb settlements remained, especially in the centre and east. In the west, where the conflict was particularly bitter, only small, isolated pockets survived.

The majority of Kosovo Serbs live south of the Ibar, where the biggest Serb enclave is centred on Gracanica, in central Kosovo, close to Pristina. Sitting on the main Pristina-Gjilan/Gnjilane road, Gracanica was for a time after 1999 protected by roadblocks mounted by the NATO-led KFOR. Tensions have significantly decreased, the roadblocks are gone, and the enclave is now less isolated. The largely rural population was augmented by members of the Serb Pristina elite, who decamped there in 1999 and helped establish new Serbian institutions, notably the medical centre and schools.

Eastern Kosovo was relatively calm both during the conflict and afterwards. Large tracts of land there are mainly owned by Serbs, so that, for example, the Albanian-inhabited town of Gjilan/Gnjilane is surrounded by Serb-inhabited rural areas. This was reflected in the Ahtisaari plan's proposal for three new predominantly Serb municipalities to be created in the east, Ranillug/Ranilug, Klllokot/Klokot and Partesh/Partes, while a fourth, Novoberda/Novo Brdo, was to be more than doubled in size, taking in surrounding Serb rural areas. Tensions were high in 2000-2001 during the brief conflict in the Presevo Valley, across the border in Serbia, when local Serbs were unable to move regularly between Kosovo and Serbia.

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<sup>2</sup>The Internal Displacement Monitoring Centre estimates that there are some 207,000 registered displaced persons in Serbia, plus another 20,000 unregistered Roma displaced there, as well as 20,000 displaced persons in Kosovo. [www.internal-displacement.org/8025708F004CE90B/\(httpPages\)/22FB1D4E2B196DAA802570BB005E787C?OpenDocument&count=1000](http://www.internal-displacement.org/8025708F004CE90B/(httpPages)/22FB1D4E2B196DAA802570BB005E787C?OpenDocument&count=1000). According to the UN High Commissioner for Refugees, there were 16,117 minority returns to Kosovo in 2000-2006. [www.unhcr.org.yu/utills/File.aspx?id=35](http://www.unhcr.org.yu/utills/File.aspx?id=35).

Shterpce/Strpce, in the south, is an ethnically mixed municipality with a Serb majority boosted by people displaced from nearby towns such as Prizren and Ferizaj/Urosevac. Situated near the Brezovica ski resort, the area was hurt by the damage the conflict did to the tourism industry. The prospects for a tourism revival make this the Serb enclave with perhaps the brightest future in Kosovo.

Since the establishment of rule by the UN mission in Kosovo (UNMIK), Belgrade has sought to maintain its control over the affairs of Kosovo's Serbs, both to encourage them to stay, and to emphasise that the Serbian state is still present, as tangible evidence of the claim that Kosovo remains its province. However, successive Belgrade governments pursued different strategies in relation to Kosovo, with varying degrees of engagement. Goals toward the former province have been entwined with other factors, including competition among political parties and the significant opportunities for personal gain that have ensued as resources were poured into Kosovo.

### A. THE END OF THE MILOSEVIC ERA

In 1999, the remnants of the Serbian authorities in Kosovo retreated into rural enclaves. Many initially refused interaction with the new international administrators, whom they often referred to as "occupiers".<sup>3</sup> Prominent members of the Milosevic regime in Kosovo, such as Zoran Andjelkovic, focused mainly on staunching the exodus, while the government in Belgrade, whose possibilities and funds were limited by the post-war reconstruction effort, tried to encourage the Kosovo Serb elite to stay by offering double salaries, first to those employed in the health service, then to those in other state institutions, such as schools.

While Kosovo Serbs associated with the Milosevic regime remained aloof from the new international administrators, others were ready to engage with them, and with Kosovo Albanians, in order to seek better conditions for the Serb population. These efforts were led by Momcilo Trajkovic, the president and founder of the Serbian Resistance Movement (SPOT), a former ally of Milosevic who turned against him in the early 1990s. Together with Bishop Artemije in Gracanica, he met not only with UNMIK and Albanian representatives, but also with high-level international figures, including U.S. President Bill Clinton and Secretary of

State Madeleine Albright.<sup>4</sup> Trajkovic was denounced as a traitor by those still loyal to Milosevic's Socialist Party of Serbia (SPS).

### B. COVIC AND THE CCK

With the fall of Milosevic in October 2000, Momcilo Trajkovic seized the chance to take on a more meaningful role. SPOT was part of the nineteen-member Democratic Opposition of Serbia (DOS) bloc that toppled Milosevic. As the only Kosovo Serb in the coalition, he was appointed head of the Yugoslav Committee for Kosovo and Metohija. Its function was to maintain the Serbian state's presence in Kosovo and provide a link between the population and the government in Belgrade. However, the DOS government, with many higher priorities, did not initially have much time, energy or money for Kosovo. According to a former Kosovo Serb politician, the budget for Trajkovic's committee was a mere DM 30,000 (some €15,000),<sup>5</sup> mostly to maintain offices with fewer than a dozen employees.

Momcilo Trajkovic was heavily criticised by other Kosovo Serbs and was accused of corruption and nepotism.<sup>6</sup> The fact that he placed the committee's headquarters in his home village of Llapllasella/Laplje Selo met with widespread disapproval. Criticism came in particular from the Serbian National Council (SNV), which included prominent Serbs from around Kosovo.<sup>7</sup> Many Serbs questioned whether his actions were in line with official Belgrade policy or his own initiatives. Belgrade's lack of attention to Kosovo was worrying to many.<sup>8</sup>

The short conflict with an ethnic Albanian insurgency in the Presevo Valley presented the DOS government

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<sup>3</sup> Crisis Group interview, non-governmental organisation (NGO) activist, Gracanica, September 2007.

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<sup>4</sup> Crisis Group interview, former Kosovo Serb politician, Belgrade, June 2008.

<sup>5</sup> Ibid.

<sup>6</sup> Conclusions of a Serbian National Council (SNV) meeting in Gracanica, 1 June 2000.

<sup>7</sup> The SNV was formed in northern Kosovo in 1998. It included representatives of various political parties, but not the then ruling SPS. In 1999, after the conflict, it spread across Kosovo, Bishop Artemije was named as its head, and prominent Kosovo Serb leaders from south of the Ibar joined. Divisions opened in the SNV in 2000, when Rada Trajkovic, a leading Gracanica-based figure, and Bishop Artemije joined the Provisional Administrative Council of Kosovo against the wishes of the majority of the SNV's northern wing. Since then, the SNV has been split between its more powerful northern wing and Rada Trajkovic's wing in central Kosovo.

<sup>8</sup> Crisis Group interviews, leading figures in the SNV at the time, Leposaviq/Leposavic, September 2007; Gracanica, April 2008.

with its first serious test. It formed a coordination centre headed by Deputy Prime Minister Nebojsa Covic, a member of DOS and former Milosevic ally, tasked with calming the situation without the heavy-handed use of force.<sup>9</sup> Covic's skill in bringing an end to the conflict impressed the international community, and Belgrade saw an opportunity for applying the experience in Kosovo as well.

The Coordination Centre for Kosovo and Metohija (CCK), headed by Covic, was set up in August 2001, signalling a sharply increased engagement in Kosovo on the part of the DOS government. It established offices in Serb areas around Kosovo and was the body through which Belgrade engaged with the international community there. The CCK aimed to include a broad cross-section of Kosovo Serb political factors, such as the then-mayor of north Mitrovica, Oliver Ivanovic, the leading figure in then-President Vojislav Kostunica's Democratic Party of Serbia (DSS) in Kosovo, Marko Jaksic, and leading Kosovo Serb intellectuals. Opposition figures were included, notably the SPS's Andjelkovic.

The diverse body struggled to define a clear strategy. Jaksic and Andjelkovic opposed Serb participation in November 2001 elections for Kosovo's provisional institutions of self-government (PISG), which Covic favoured. Seeing his Federal Committee for Kosovo and Metohija supplanted, Momcilo Trajkovic publicly joined in the criticism.<sup>10</sup> In line with Covic's policy of promoting the integration of Serbs in Kosovo society, Serbs participated in those elections. Until 2004, Serb deputies of the coalition "Povratak" ("Return") sat in the Kosovo parliament, and Serb ministers joined the Kosovo government. Povratak took part in Kosovo's 2002 local elections. But following the March 2004 anti-Serb riots, Serb deputies withdrew from the PISG, and hardliners such as Jaksic, who had opposed participation from the outset, felt vindicated.

The CCK struggled to overcome its internal differences. Some saw Covic as a favourite of the West, pushed into prominence after his success in Presevo. They considered that his support for Serbs' participation in the first PISG elections and for their integration confirmed that he was in effect implementing the Western plan for Kosovo. The opponents of participation in the 2001 elections were outvoted in the CCK, but the divisions undermined Covic's efforts to find a functional agreement with UNMIK.<sup>11</sup>

The cracks widened as Covic used the CCK as an extended wing of his party.<sup>12</sup> Despite the party's relative weakness in Serbia itself, he established local offices across Kosovo and drew in prominent Kosovo Serb politicians, including Oliver Ivanovic. At the same time, Covic increasingly abandoned his conciliatory stance, adopting populist rhetoric about the struggle to reestablish Serbian control in Kosovo.<sup>13</sup> With a much increased budget, the CCK became the address through which funds and investment from Belgrade were channelled to Kosovo.<sup>14</sup> However, much of the money did not reach those who needed it, and it was widely perceived that people affiliated with Covic's party benefited the most.<sup>15</sup>

Although Covic succeeded in building the influence of the Serbian state in Serb areas of Kosovo, he achieved this essentially through methods similar to those employed by Milosevic, ensuring that the disbursement of funds and support from Belgrade was based largely on party loyalty. The fall of the DOS government in late 2003 and the formation of a government led by the DSS in early 2004 meant Covic's days in Kosovo were numbered. He was identified as an appointee of the late Prime Minister Zoran Djindjic. The new government's attitude to him was shown when it refused, in March 2004, to accept his report on the CCK's financial dealings.<sup>16</sup> That month Kosovo was engulfed in violence, and such issues remained in the media

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<sup>9</sup> Covic was a prominent businessman and politician throughout the 1990s. Valued by Milosevic as a manager, he was briefly mayor of Belgrade, but he became one of Milosevic's loudest critics and formed his own party, the Democratic Alternative (DA). In January 2000, he was a founder of the DOS. In Presevo, he marginalised extremists on both sides and, in cooperation with the international community, negotiated an end to hostilities. Crisis Group Europe Report N°116, *Peace in Presevo: Quick Fix or Long Term Solution?*, 10 August 2001; also Crisis Group Europe Report N°186, *Serbia: Maintaining Peace in the Presevo Valley*, 16 October 2007.

<sup>10</sup> Branislav Krstic, *Amputirano Kosovo – Odbrana Miloševića koja traje* [*Amputated Kosovo – The Ongoing Defence of Milosevic*] (Belgrade, 2006), p. 60.

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<sup>11</sup> Ibid, pp. 55-60; Crisis Group interview, former Kosovo Serb politician, Belgrade, June 2008.

<sup>12</sup> Covic renamed the DA the Social Democratic Party. It was able to cross the threshold for parliamentary representation only in alliance with others.

<sup>13</sup> Crisis Group interview, former Kosovo Serb politician, Belgrade, June 2008.

<sup>14</sup> Crisis Group interview, Randjel Nojkic, the Serbian Renewal Movement (SPO), Gracancia, May 2008.

<sup>15</sup> "Za 25,000 Srba po 200 eura iz Beograda?" ["25,000 Serbs to receive 200 euros from Belgrade?"], *Blic*, 20 March 2008.

<sup>16</sup> A member of Djindjic's Democratic Party (DS) cast the only vote in the report's favour in the parliament's Kosovo Committee.



background,<sup>17</sup> but the government dried up the CCK's funds.<sup>18</sup> When he departed in the summer of 2005, Covic left behind a system that had been marginalised by the new government, but it was quickly revived and adapted by his rivals.

### C. THE DSS GOVERNMENT AND KOSOVO

From the removal of Covic to the formation of a government headed by President Boris Tadic's Democratic Party (DS) after the May 2008 Serbian parliamentary elections, the DSS led Belgrade's policy on Kosovo. As prime minister from 2004 to 2008, Kosovo was the overriding issue for Kostunica. Internationally, this meant stepping up diplomatic efforts, focused on Russian support for an uncompromising line. Parliamentary resolutions were passed affirming Serbia's claim, and the constitution adopted in November 2006 asserted that Kosovo was a province of Serbia. For the DSS, all else, including EU membership, was subordinated to recovering Kosovo.

In Kosovo itself, the DSS moved to seize the levers of control over the Serbs. Sanda Raskovic-Ivic, a senior party figure and daughter of Jovan Raskovic, a Serb leader in Croatia at the beginning of the 1990s, replaced Covic as head of the CCK. However, on the ground in Kosovo, Jaksic emerged as the key figure. A prominent doctor and director of the Mitrovica hospital, he was a loyal member of the DSS from its founding in the early 1990s. With the support of Belgrade, he ensured that Serb institutions, above all in the north, came under DSS control. Almost all CCK coordinators were from the DSS and its junior ally, the New Serbia (NS) party, and all were in tune with the DSS line. DSS personnel were placed in many key institutions, such as schools and medical centres. A Kosovo Serb political elite, based mainly in the north, began to emerge. In addition to Jaksic, another central figure was his fellow doctor from the Mitrovica hospital, Milan Ivanovic. He had been a member of the SPS during the Milosevic era and in 1999 joined the SNV, becoming its president in the north after its split.

The system of patronage that Covic had begun developing was thus adopted by the DSS, which built a much stronger network.<sup>19</sup> Despite concerns in Belgrade about

the opacity of the disbursement of funds for Kosovo, attempts to introduce greater controls were firmly resisted by the leading figures in Mitrovica. Raskovic-Ivic and the head of her economics team, Nenad Popovic, both senior DSS figures, failed in their efforts to introduce a system of public tenders for investments and to make the system of financing more transparent. Hardline Serb leaders in Mitrovica pushed to have them removed,<sup>20</sup> and campaigned vigorously in favour of the tough DSS policy on Kosovo. Frequent demonstrations were held in Mitrovica, and there were fierce verbal attacks on Serb political opponents, including Tadic, as well as against Pristina and the international community.

Another important element in the control exercised by Jaksic and the DSS was the continued, low-key presence of Serbian security structures. This violated UN Security Council Resolution 1244 and was officially denied by Belgrade. However, various sources have estimated the number of Serbian police in Kosovo, on the payroll of the Serbian interior ministry (MUP), at around 400.<sup>21</sup> They do not wear police uniforms or perform usual police functions. In some cases, especially in the south, it seems Belgrade has simply carried on paying salaries, while the officers mainly report what is going on in their areas, who is meeting whom and the like. Other Serbian security agencies are also believed to be active in Kosovo, although this, too, is denied in Belgrade.

In the north, the MUP took on an important role during the DSS period. Although the ministry officially has no presence, its office in north Mitrovica operates more or less openly. Jaksic, contrary to Belgrade's official line, has acknowledged the MUP presence.<sup>22</sup> During the DSS period, that party controlled the MUP in Belgrade through Interior Minister Dragan Jovic. Its chief in the north, Dragan Delibasic, was closely aligned with the SNV. The MUP there played a crucial organising role in responding to perceived challenges from the south or the international community and in orchestrating violent incidents. For example, Delibasic oversaw Serb actions during the March 2008

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<sup>17</sup> On the March 2004 violence, see Crisis Group Europe Report N°155, *Collapse in Kosovo*, 22 April 2004.

<sup>18</sup> Nebojsa Covic, *Na Teškom Putu [On a Hard Road]* (Belgrade, 2004), p. 345.

<sup>19</sup> Unlike Covic's party, which was only ever a small player in Serbian politics, the DSS, after Kostunica became Yugo-

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slav President in 2000, significantly increased its membership, often at the expense of the SPS. As the government party after 2004, committed to defending Kosovo for Serbia, the DSS, with its control of the CCK, built a significant network in Kosovo.

<sup>20</sup> Crisis Group interviews, Dusan Janjic, director, Ethnic Relations Forum, Belgrade, April 2008; DSS official, Strpce, May 2008; Kosovo Serb politician, Mitrovica, May 2008.

<sup>21</sup> Crisis Group interviews, Kosovo Serb journalists, Mitrovica, September 2007; Gracanica enclave, July 2008; former UNMIK official, Mitrovica, January 2009.

<sup>22</sup> JUGpress, 5 January 2009.

riots in north Mitrovica directed against UNMIK's effort to secure the regional courthouse.<sup>23</sup>

Following the January 2007 parliamentary elections in Serbia, a new coalition government was formed including the DS and the DSS, with Kostunica continuing as prime minister.<sup>24</sup> At DSS insistence, a new Kosovo ministry was formed. This reflected the central importance the DSS attached to Kosovo, especially given the pending resolution of its status. The CCK was incorporated into the new ministry, which was headed by the co-chair of the Serbian delegation at the Vienna talks on Kosovo's status, Slobodan Samardzic, who became a DSS vice-president. Raskovic-Ivic and Popovic having fallen out with the Serb leaders in the north, Jaksic reportedly argued strongly for Samardzic's appointment.<sup>25</sup> Raskovic-Ivic was replaced as CCK head in June 2007 by Vuko Antonijevic from Leposaviq/ Leposavic, in northern Kosovo, a close DSS ally of Jaksic.

Samardzic took on the role that Covic had filled of representing Belgrade internationally on issues related to Kosovo, as well as responsibility for formulating state policy. However, on the ground in Kosovo, he largely left matters to Jaksic and Milan Ivanovic, who firmly controlled the CCK through the network of regional coordinators. Their power was based on control of patronage and funds for investment projects from Belgrade, distributed through the CCK, as well as their links with Kostunica and Samardzic in Belgrade.

The CCK coordinators were not always popular with the local population and were often accused of corruption and nepotism.<sup>26</sup> However, most tried to get on

their good side, given the job opportunities and hand-outs they controlled. Another factor that caused some resentment among Serbs south of the Ibar was the CCK's focus on the north, where the most powerful DSS figures in Kosovo were based, and the justified perception that the north was strongly favoured over the southern Serb enclaves in the disbursement of funds.<sup>27</sup> During the campaign for the May 2008 elections, the DS accused the DSS of channelling Kosovo money only to its members or sympathisers.<sup>28</sup>

Following the January 2007 parliamentary elections, the DS, as the governing party with the most parliamentary seats, attempted to challenge DSS pre-eminence in Kosovo, hoping to expand its base there and establish its own influence. In December 2007, the government voted to include CCK coordinators from other coalition partners, the G17 Plus party and the DS, as well as the DSS. Although he voted for the decision, Samardzic refused to accept the other parties' coordinators. As a result, rival coordinators, supported by their parties in Belgrade, did all they could to prevent each other from performing their duties. For example, in Viti/Vitina, the DSS coordinator confiscated official stamps and the official vehicle to prevent the new DS coordinator from doing his job.<sup>29</sup> Reportedly Samardzic refused to meet a CCK district coordinator from a party other than the DSS.<sup>30</sup>

In this environment, there was no coherent state policy for promoting development. Rather, parties competed for control of patronage, with politics amounting to little more than populist slogans. As patronage opportunities expanded, there was a rush to join parties in the hope of securing employment. Much as during the Milosevic era, Kosovo Serbs were heavily dependent on the Serbian state for jobs, social security payments and investment. The patronage system that had evolved was highly corrupt, dividing the population between those who thrived thanks to their political connections and those who were left without. Under DSS rule, hardline Serb leaders in the north controlled the main levers of power and economic opportunity.

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<sup>23</sup> Witnessed by Crisis Group, Mitrovica, March 2008.

<sup>24</sup> The DS emerged from the January 2007 elections stronger than the DSS. After protracted negotiations, a government was formed with Kostunica remaining as prime minister, while the DS took the most ministerial portfolios. The coalition was a difficult compromise, forced upon both parties by their desire not to allow the far-right Serbian Radical party (SRS) into power. It was beset by severe differences and lack of trust, and there was little cooperation among ministries that were treated as the fiefs of the parties that controlled them.

<sup>25</sup> According to Dusan Janjic, Crisis Group interview, Belgrade, April 2008, confirmed by two prominent Kosovo Serb political figures, April and May 2008.

<sup>26</sup> A Serb journalist in the Gracanica enclave described the CCK coordinators as "thieves and crooks ... most of them don't even have a high school diploma, and yet they are the ones representing Serbia on the ground in talks with foreign diplomats". Crisis Group interview, July 2008. Serb officials in one enclave claimed that the CCK coordinator

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had stolen 20 million dinars (€900,000 at the then exchange rate). Crisis Group interviews, January and February 2008.

<sup>27</sup> Crisis Group interview, Serb journalist, Gracanica enclave, July 2008.

<sup>28</sup> Crisis Group interview, Goran Bogdanovic, Mitrovica, May 2008.

<sup>29</sup> Crisis Group interview, Zoran Kremarevic, DS CCK coordinator for Viti/Vitina municipality, Verboc/Vrbovac, April 2008.

<sup>30</sup> Crisis Group interview, Goran Arsic, CCK central Kosovo district coordinator, Gracanica, February 2008.

### III. THE SERBS IN INDEPENDENT KOSOVO

In 2008 three events transformed the position of the Kosovo Serbs in relation to both Pristina and Belgrade: Kosovo's declaration of independence on 17 February; the victory of the DS-led "For a European Serbia" (ZES) coalition in Serbia's 11 May parliamentary elections; and the holding, also on 11 May, of Serbian local elections in Kosovo, creating parallel municipal structures not recognised by Pristina or the international community.

Upon the declaration of independence, Belgrade pressed Serbs to end all participation in Kosovo institutions. Only a few Serbs had continued to participate at national level after the 2004 violence, and they were generally regarded as unrepresentative by most in the Serb community.<sup>31</sup> At the local level, participation did continue. Schools and hospitals received funding from the Pristina budget, and many Serb employees accepted Kosovo salaries. This was outlawed by Belgrade during the Vienna talks on Kosovo's status in 2006, when Raskovic-Ivic instructed state employees to choose between their Serbian and Kosovo salaries.<sup>32</sup> Even then, some Serbs continued to take Kosovo salaries.

As Kosovo's November 2007 national and local elections were boycotted by almost all Serbs, the Special Representative of the UN Secretary-General (SRSG) extended the mandates of Serb local officials who had been elected in 2002 to work in the official Kosovo municipal structures. The quota system established by UNMIK gave Serbs proportional representation in municipal authorities and created Local/Minority Community Offices (LCOs or MCOs) in the enclaves that

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<sup>31</sup> The Serb boycott of Kosovo's 2007 parliamentary elections was almost complete. However, guaranteed minority seats ensured there were Serb representatives in parliament. Slobodan Petrovic's Independent Liberal Party (SLS) and Slavisa Petkovic's Serbian Democratic Party of Kosovo and Metohija led five Serb parties which entered parliament. They formed two caucuses, also including Bosniak and Gorani representation. The SLS is a member of the ruling coalition, with ministerial positions for communities and returns and for labour and social welfare.

<sup>32</sup> It was felt in Belgrade that accepting money from Kosovo institutions weakened the Serb negotiating position in Vienna. According to Randjel Nojkic, a prominent Kosovo Serb critic of the DSS from Gracanica, who participated in the Vienna talks, the Pristina delegation shamed their Serb counterparts, asking how it was that they did not recognise Kosovo institutions when they accepted money from the Kosovo budget. *Blic*, 25 November 2008.

linked the local population to the municipal authorities they came under.

In response to the independence declaration, Belgrade decided that Serbia's 11 May local elections would be held in Kosovo as well. While Serbian parallel structures had existed in the security, education and health sectors since 1999, the parallel municipalities were a new departure that established bodies operating in direct competition with official Kosovo municipal structures. Their aim was to isolate Serbs from the institutions of independent Kosovo to the greatest degree possible. Neither the Kosovo government nor UNMIK recognised the elections, which the latter insisted were illegal under UN Security Council Resolution 1244, which established UNMIK.<sup>33</sup> For Belgrade, the independence declaration was already a violation of that resolution, and it saw establishing Serbian state structures as affirmation that Kosovo was part of Serbia.

#### A. A NEW GOVERNMENT IN BELGRADE

The 11 May elections produced complicated results. While the SRS and the DSS took control of the new parallel municipalities in Kosovo, the DS emerged victorious at national level in Serbia, forming a government in July 2008 with allies that included the SPS. In a further move to reinforce the DSS and SRS on the ground, at the initiative of Jaksic and following the 11 May local elections, an Assembly of the Union of Municipalities in Kosovo and Metohija was formed that was controlled by those two parties.<sup>34</sup>

The new Belgrade government adopted a different approach to Kosovo. The foreign ministry took responsibility for representing Serbia's position on Kosovo internationally, and the Kosovo ministry no longer played a leading role in diplomatic efforts. It was left to look after the interests of Serbs on the ground. During the coalition negotiations, there were suggestions it might be scrapped, but it was retained, although with an altered role.<sup>35</sup>

In a departure from previous practice, the government decided that Kosovo Serbs should take care of their

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<sup>33</sup> UNMIK press release, 11 May 2008.

<sup>34</sup> Jaksic and Milan Ivanovic had called for provincial elections (seeing Kosovo as a province of Serbia). Having opposed this, Samardzic eventually agreed to the new body, with each municipality sending its delegates. Crisis Group interview, DSS official, Belgrade, June 2008. The body is only advisory.

<sup>35</sup> Crisis Group interview, Kosovo Serb politician, Belgrade, June 2008.

own affairs, and all senior positions in the ministry were given to them. This signified a greater readiness in Belgrade to let people from Kosovo find the best ways to resolve the issues affecting them on the ground. In effect, and in part by default, given the lower interest displayed by the new government in Kosovo affairs, Kosovo Serbs were granted greater scope to reach pragmatic accommodations with the Albanians among whom they lived.

The incoming Kosovo minister, Goran Bogdanovic, and State Secretary Oliver Ivanovic had both long been critics of the DSS government and its SNV allies, whom they accused of corruption and abuse in Kosovo. On taking office, Bogdanovic promised to deal with those who “live off Kosovo and their patriotism”.<sup>36</sup> But his DS party had polled only 11 per cent in the 11 May elections in Kosovo. He owed his position to its strength nationally, not to a political base in Kosovo. During the Povratak period, he was agriculture minister in the PISG, an association that undermines his credibility among many Kosovo Serbs.<sup>37</sup>

Oliver Ivanovic came to prominence in 1999, when he organised the bridge watchers, a group that played a key role in dividing Mitrovica. Fluent in English and Albanian, he later acquired a reputation for flexibility and pragmatism and became a favourite interlocutor for the international community. His association with Covic, whose party he joined, left him without a political base in Belgrade after the latter’s removal. More recently, he joined G17 Plus, the junior partner in the DS-led electoral coalition.<sup>38</sup> Zvonimir Stevic of the SPS was appointed to head the CCK. Milosevic’s old party had strong roots among the Kosovo Serbs from the earlier era. While much of its support migrated to the SRS and the DSS after its leader’s fall, the SPS was well placed following return to government to rebuild its base in Kosovo. Stevic became the second state secretary upon the ministry’s reorganisation in December 2008.<sup>39</sup>

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<sup>36</sup> B92, 15 July 2008, [www.b92.net/info/vesti/index.php?yyyy=2008&mm=07&dd=15&nav\\_id=308603&nav\\_category=640](http://www.b92.net/info/vesti/index.php?yyyy=2008&mm=07&dd=15&nav_id=308603&nav_category=640).

<sup>37</sup> Crisis Group interview, Kosovo Serb journalist, Gracanica enclave, December 2008.

<sup>38</sup> His detractors hold his changes of political allegiance against him. Crisis Group interview, DSS figures, Mitrovica, December 2008.

<sup>39</sup> The reorganisation included the appointment of advisers on returns, international cooperation, Serbian activities on the ground and local governance. It was supposed to distinguish the new government from its predecessor, which appointed over 100 advisers in the ministry without specifying their areas.

In September 2008 it was decided to move the CCK’s headquarters from Mitrovica to Gracanica, in what was meant as a demonstration of the end of the previous government’s focus on the north and a visible sign of the Serbian government’s presence in the south. Stevic is himself from central Kosovo.<sup>40</sup> The five district coordinators were taken out of the CCK and began operating under the local self-government ministry.<sup>41</sup> Nevertheless, full control over local Serb affairs in Kosovo remained with Serbia’s Kosovo ministry.<sup>42</sup>

There has been some evidence of competition among representatives of different coalition partners under the new government. Patronage has continued to be of critical importance. Stevic stresses the role of the CCK, which he heads. Under him, the CCK hired new staff in Gracanica, and he used it as a base for the SPS’s revival in central and southern Kosovo, building a party-controlled patronage network to replace the system inherited from the previous government. For example, Stevic has had significant influence in the education sector, an important source of jobs. The education minister in Belgrade, Zarko Obradovic, is his party colleague, and he began placing figures associated with the SPS in senior education positions in central and eastern Kosovo.<sup>43</sup>

Others assert that the CCK practically no longer exists, is fully integrated in the Kosovo ministry and is only kept going in name so not to offend Albanians by using that ministry’s “logo”.<sup>44</sup> In any case, officials of different parties in the ministry, whether they stress the role of the CCK or the district coordinators, have been united in trying to end abuses associated with officials connected to the previous government and to exercise control over the elected parallel structures domi-

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<sup>40</sup> Crisis Group interview, Serb journalist, Gracanica enclave, December 2008.

<sup>41</sup> Crisis Group interview, Goran Arsic, Central Kosovo district coordinator, Gracanica, December 2008.

<sup>42</sup> Crisis Group interview, a senior Kosovo ministry official, Mitrovica, February 2009. Minister of Local Self-Government Milan Markovic confirmed that the district coordinators only formally come under his ministry and that the Kosovo ministry is responsible for all Serb local government affairs in Kosovo. Crisis Group interview, Belgrade, March 2009.

<sup>43</sup> Crisis Group interview, journalist, Gracanica enclave, December 2008. SPS figures have been appointed as regional education heads for central and east Kosovo. This information was confirmed by Stevic, Crisis Group interview, Belgrade, December 2008.

<sup>44</sup> Crisis Group interview, a senior Kosovo ministry official, Mitrovica, February 2009. A former Kosovo Serb politician in central Kosovo claimed that the CCK operated “only virtually”. Crisis Group interview, Gracanica, December 2008.

nated by the SRS and the DSS. Funds from Serbia's National Investment Plan are disbursed to municipalities. According to a Kosovo ministry official, the district coordinators are supposed to control expenditure to ensure the money goes where intended.<sup>45</sup>

The system inherited from the DSS period was not dismantled; rather, control has been divided among the ruling parties. The district coordinators and the CCK have tried to extend their control over the remaining structures of the previous government, while avoiding open conflict with their local opponents. Dealing with the entrenched, determined hardline leaders in the north without a confrontation has proved especially difficult.

## B. THE STRUGGLE OVER LOCAL GOVERNMENT

A priority for the new Serbian government was to wrest control at the local level from those who had dominated Kosovo Serb society under DSS rule. This was made more difficult by the fact that the SRS and DSS controlled the parallel structures elected in May 2008. Those parallel structures have operated with varying degrees of effectiveness. In much of the country they have had to compete with the official Kosovo local structures, which have continued to function to a greater or lesser extent.

The establishment of parallel municipalities was smoothest in the three northern Serb-majority municipalities of Zvečan, Leposavić and Zubin Potok, where the newly elected parallel structures took over the premises and tasks that had been performed by the official municipalities before the elections. Similarly, the parallel municipality established in Serb-controlled Mitrovica North fulfils the local government functions there.<sup>46</sup> These municipalities were all along closely tied with Serbia, and Pristina's impact on their operations was always slight.

South of the Ibar the situation has been very different. Parallel municipalities have for the most part lacked the capacity to operate in any real sense. Parallel municipal bodies were formally established even in areas that currently have no Serb population, such as Gjakova/Djakovica and Malisheva/Malisevo, elected by displaced Serbs, presently mainly in Serbia. The municipal officials are based in Mitrovica, Gracanica or Serbia and

have no means of doing their jobs.<sup>47</sup> The lack of Serbs in such areas, however, did not deter elected officials from forming public companies and naming directors. For example, the parallel municipality of Ferizaj/Urosevac, which is based 35km away in Gracanica, created eleven positions, although it had no possibility of functioning.<sup>48</sup>

Those parallel municipalities that do contain Serbs but where Albanians are in the majority, such as Pristina (based in Gracanica) and neighbouring Lipjan/Lipljan, have functioned only to a limited extent. They pass applications for Serbian documents, such as identity cards, passports and birth and death certificates, to the relevant authorities in Serbia, who issue the documents and send them back. The parallel municipalities also distribute social welfare and state pension payments, although they cannot perform important duties relating to cadastral records.

Key communal responsibilities foreseen by Serbian law, such as the water system and public transport,<sup>49</sup> cannot be performed by parallel local governments located in village enclaves remote from the urban areas they theoretically represent. This has not stopped them, however, from making appointments to public bodies that are supposed to carry out such communal duties. Numbers employed in local government rose following the 11 May Serbian local elections.<sup>50</sup> The parallel Kamenica municipality based in Ranilug/Ranilug grew to over 140 employees, while Gracanica reached nearly 900.<sup>51</sup> In the southern enclaves, the only major projects that have been realised have been the construction of new municipal buildings.<sup>52</sup> Municipal projects

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<sup>47</sup> Crisis Group interview, Serb journalist, Mitrovica, June 2008. Internally Displaced Persons (IDPs) from the areas in question were able to vote from Serbia.

<sup>48</sup> Crisis Group interview, Kosovo ministry official, Belgrade, January 2009.

<sup>49</sup> "Law on Communal Responsibilities", Republic of Serbia Official Gazette, nos. 16/97 and 42/98, Article 4, 1997.

<sup>50</sup> Crisis Group interview, Goran Arsic, central Kosovo district chief, Gracanica, December 2008.

<sup>51</sup> Crisis Group interviews, parallel municipality officials and Serb officials in Kamenica municipality, Ranilug/Ranilug and Kamenica, February 2009. Statement by Bogdanovic in *Politika*, 8 April 2009.

<sup>52</sup> A new building was erected in Kufce e Eperme/Gornje Kusce, where the parallel Gjilan/Gnjilane municipality is based, as well as in Prelluzhe/Priluzje for the parallel Vushtrri/Vucitrn municipality, and construction is underway in Ranilug/Ranilug for the Kamenica municipality. An old warehouse was adapted to house the parallel Pristina municipality in Gracanica.

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<sup>45</sup> Crisis Group interview, a senior Kosovo Ministry official, Mitrovica, February 2009.

<sup>46</sup> A prominent member of the parallel municipality elected in May 2008 had headed the advisory board for the north of the UNMIK administration in Mitrovica.

in Gracanica have included art exhibitions and a Miss Kosovo beauty pageant.<sup>53</sup>

Smaller parallel municipalities in the east also struggle, receiving very limited funds and having no capacity to collect their own revenue. Petar Aksic, mayor of the parallel Gjilan/Gnjilane municipality based in the village of Kufce e Eperme/Gornje Kusce, said that only the northern municipalities and Shterpce/Strpce had their own revenue sources. He said his municipality received only 50,000-100,000 dinars (€550-€1,100) per month on top of staff salaries from the Kosovo ministry.<sup>54</sup> In Novoberda/Novo Brdo, a mixed Serb-Albanian area, it was claimed that the parallel Serbian municipality did little beyond paying salaries to a few under-employed staff and distributing welfare payments.<sup>55</sup>

Having moved the CCK office to central Kosovo, Stevic set about dealing with SRS-led parallel municipalities there. Several decisions of the Pristina municipality, in Gracanica, were suspended, notably on the formation of new public bodies, appointed mainly on the basis of party membership or family or personal connections. Among others, the parallel Pristina municipality had formed new bodies for municipal film-making and theatrical productions.<sup>56</sup> Many local government positions are largely fictitious. They include an “Adviser to the Municipal President on Spatial Planning” in Ferizaj/Urosevac (based in Gracanica) and an “Adviser to the Municipal President on Sports and Youth Programs” in Pristina (based in Gracanica).<sup>57</sup> People hired under such job-creation schemes often do not even reside in Kosovo.<sup>58</sup>

The Serbian government expressed the intention to reduce the employees in municipalities without Serbs,

such as Gjakova/Djakovica, Malisheva/Malisevo and Kacanik.<sup>59</sup> Stevic favoured suspending two parallel municipalities, in central Kosovo (Pristina and Obiliq/Obilic, based in Plementin/Plementina) that hired without announcements and replacing them with temporary administrations.<sup>60</sup> But it was decided not to proceed at that point, as that would have meant new elections after only six months.<sup>61</sup>

Facing continued defiance from the parallel municipality in Gracanica, Bogdanovic announced that funds for salaries would be withheld. He complained that, despite warnings from the Kosovo ministry, the municipality had not cut salaries as decided in Belgrade and continued to hire new staff.<sup>62</sup> Finally, at the beginning of April 2009, it was decided to suspend Pristina and Peja/Pec, based in the village of Gorazdec/Gorazdevac, and to appoint five-member temporary councils, effective from 13 April.<sup>63</sup> In protest, the SRS organised a blockade of the municipality building in Gracanica and challenged the decision in court.<sup>64</sup>

After Kosovo declared independence in 2008, the then DSS-run Kosovo ministry launched a campaign calling for Serbs to turn their backs on the new state's institutions. It promised that those who left jobs in Kosovo municipalities would be looked after by Serbia. It intended to shift people to the payrolls of the relevant Belgrade ministries, but did not secure a budget allocation or the agreement of ministries controlled by other parties. The DSS also planned to pay as many as 25,000 Serbs €200 per month as an inducement not to leave Kosovo.<sup>65</sup> However, because there was no government consensus, the promises of jobs and assistance were not kept.

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<sup>53</sup> “Miss Kosovska Devojka” (“Miss Kosovo Girl”), alluding to the legendary Kosovo Girl, who gave succour to wounded Serbian soldiers after the 1389 Battle of Kosovo. Crisis Group interview, parallel municipality official, Gracanica, 24 February 2009.

<sup>54</sup> *Beta*, 16 October 2008. Also Crisis Group interview, former Kosovo Serb politician, Ranillug/Ranilug, November 2008.

<sup>55</sup> Crisis Group interview, Serb opponents of the DSS-SRS controlled parallel municipality in Novoberda/Novo Brdo, Pristina, January 2009.

<sup>56</sup> Crisis Group interviews, Zvonimir Stevic, Belgrade, December 2008; Serb journalist, Gracanica enclave, December 2008.

<sup>57</sup> Crisis Group interview, Serb journalist, Gracanica, November 2008.

<sup>58</sup> “Odselili se sa Kosova a zadržali duple plate” [“Despite moving away from Kosovo, they are still receiving double salaries”], *Blic*, 6 April 2008.

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<sup>59</sup> Crisis Group interview, Goran Arsic, central Kosovo district coordinator, Gracanica, December 2008.

<sup>60</sup> Crisis Group interview, Zvonimir Stevic, Belgrade, December 2008. In Obiliq/Obilic municipality, the mayor also used school funds to hire new personnel. Crisis Group interview, Kosovo ministry official, Belgrade, January 2009.

<sup>61</sup> Crisis Group interview, Kosovo ministry, Belgrade, December 2008.

<sup>62</sup> *BETA*, 1 March 2009; and “Na Kosmetu obustavljene plate opstinama koje kriju podatke” [“Payment withheld from municipalities in Kosovo which hide data”], *Politika*, 2 March 2009.

<sup>63</sup> Crisis Group interview, Goran Arsic, central Kosovo district coordinator, Gracanica, April 2009.

<sup>64</sup> Crisis Group interview, Dejan Dimitrijevic, member of the temporary council, Gracanica, April 2009.

<sup>65</sup> “Za 25,000 Srba po 200 evra iz Beograda?” [“200 euros a month from Belgrade for 25,000 Serbs?”], *Blic*, 30 March 2008.

Consequently many Serbs returned to work in the Kosovo institutions, while others protested. In the eastern enclaves, Serbs left the Kosovo Police (KP) and municipal authorities en masse. But the officials in some municipalities came back to work relatively quickly, having realised that the promises of compensation from Serbia's budget were not being kept.<sup>66</sup> In Gračanica, Serbs employed in the Pristina municipality refused to leave their positions without concrete guarantees from Belgrade that they would be looked after.<sup>67</sup>

In May 2008, prison workers from Lipjan/Lipljan, who had not received the expected salaries from the Belgrade justice ministry, demonstrated in Gračanica.<sup>68</sup> In Viti/Vitina municipality, 23 Serb employees were left without either work or help from Belgrade. At the end of February 2009, they blocked the parallel municipality building in the village of Verboc/Vrbovac, complaining that Belgrade had not honoured its pledge to take care of them.<sup>69</sup> Further protests were held in early March at the CCK office in Gračanica by former local government employees from Viti/Vitina and Gjiilan/Gnjilane. Stevic told the protesters that the call for people to leave their jobs was a political reaction to the independence declaration, made without detailed analysis and the necessary financing.<sup>70</sup> Protests have also been held in Ranillug/Ranilug, where people called for officials to be paid smaller salaries, so that the money saved could be distributed to the unemployed.<sup>71</sup>

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<sup>66</sup> In Kamenica municipality, the majority of Serbs returned after a 27-day boycott, while in Gjiilan/Gnjilane the boycott lasted almost five months. Of those who did not return, seven former Kamenica municipality workers found jobs with the parallel municipality set up in Ranillug/Ranilug, while four from Gjiilan/Gnjilane found work in the parallel municipality in Kufce e Eperme/Gornje Kusce, and five remained unemployed. Crisis Group research, Kamenica and Gjiilan/Gnjilane, February 2009.

<sup>67</sup> An LCO official said that "Belgrade asked us to break both our legs but could not show us the promised crutch we needed to be functional again", Crisis Group interview, Gračanica, February 2009.

<sup>68</sup> Crisis Group interview, demonstrators in Gračanica, May 2008.

<sup>69</sup> Tanjug, 27 February 2009; and "I dalje protest u Vitini" ["Vitina Protests Continue"], B92, 4 March 2009, [www.b92.net/info/vesti/index.php?yyyy=2009&mm=03&dd=04&nav\\_id=348222&nav\\_category=640](http://www.b92.net/info/vesti/index.php?yyyy=2009&mm=03&dd=04&nav_id=348222&nav_category=640)

<sup>70</sup> "Gračanica: protesti zbog posla" ["Gračanica: protests over jobs"], B92, 5 March 2009, [www.b92.net/info/vesti/index.php?yyyy=2009&mm=03&dd=05&nav\\_category=640](http://www.b92.net/info/vesti/index.php?yyyy=2009&mm=03&dd=05&nav_category=640).

<sup>71</sup> "Ranilug: sit gladnom ne veruje" ["Ranilug: hunger trusts no promise"], B92, 4 March 2009, [www.b92.net/info/vesti/index.php?yyyy=2009&mm=03&dd=04&nav\\_category=640&nav\\_id=348190](http://www.b92.net/info/vesti/index.php?yyyy=2009&mm=03&dd=04&nav_category=640&nav_id=348190).

For the most part, Kosovo municipalities have shown forbearance toward Serb colleagues since independence.<sup>72</sup> Quotas for Serb participation in local government and funding for Serb areas mostly remained the same,<sup>73</sup> and investment in Serb communities continued.<sup>74</sup> However, the picture is less positive in Gjiilan/Gnjilane, where Serb municipal officials complain that they have been "degraded" by their Albanian colleagues, their quotas have been slashed, and that they do not receive anything from tax revenues.<sup>75</sup>

In most areas south of the Ibar, the official Kosovo municipalities, through their LCO staff, have continued performing most of the duties affecting the everyday life of ordinary Serbs. They issue Kosovo documents and deal with cadastral matters,<sup>76</sup> carry out everyday tasks such as snow clearance<sup>77</sup> and help Serbs deal with the courts. For such matters Serbs south of the Ibar have generally recognised that they cannot ignore the reality that exists outside their enclaves. Thus many have obtained Kosovo documents, including passports, and registered vehicles with their local municipality.<sup>78</sup> Many have hedged their bets, using both Serbian and Kosovo services and obtaining the docu-

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<sup>72</sup> Crisis Group interviews, Serb municipal officials, Kamenica, and LCO officials, Gračanica, February 2009.

<sup>73</sup> The quota for Kamenica was reduced from 26 per cent to 24 per cent due to Serb non-participation in the November 2007 Kosovo elections. However, the quota is respected and the funds split accordingly. The Pristina municipality strictly adheres to its quota of 4.1 per cent participation and funding for minorities.

<sup>74</sup> Kamenica municipality officials told Crisis Group the municipality had invested almost €9 million in the Serb community since 1999. Crisis Group interview, February 2009. The LCO office in Gračanica claimed that "more has been done in this area in the past seven years than in the past three decades", Crisis Group interview, February 2009.

<sup>75</sup> While the Serb quota is officially 19.4 per cent, the correct proportion may be less than 15 per cent, and Albanian municipal officials claim it should be decreased to 10 per cent. Crisis Group interviews, Gjiilan/Gnjilane; and LCO officials, Kufce e Eperme/Gornje Kusce, February 2009.

<sup>76</sup> Kosovo government officials, noting in January 2009 that hundreds of Serbs were applying for Kosovo documents, saw this as evidence they were recognising the new reality in Kosovo. *Infopress*, 9 January 2009.

<sup>77</sup> Heavy snowfall in early 2009 left numerous Serb villages in eastern Kosovo stranded. In the Kamenica region, the parallel municipality lacked the equipment to clear it, and the snow was removed by the official Kamenica municipality. In Kufce e Eperme/Gornje Kusce, the nearby parallel municipality of Novoberda/Novo Brdo helped out with a snow-clearing vehicle provided by Belgrade. Crisis Group interview, municipal officials, Kufce e Eperme/Gornje Kusce, February 2009.

<sup>78</sup> Crisis Group interview, registry office, Drajkovc/Drajkovce (Shterpe/Strpe municipality), February 2009.

ments of both. As noted, many are not averse to working for Kosovo institutions and accepting their salaries, especially when they see that Belgrade is not in a position to help.

Most Serbs value highly their connections with the Serbian state, its institutions and services. For education and healthcare, as well as Serbian documents, they look to Belgrade. However, Serbian parallel municipalities in Kosovo are not only illegal but, as described above, largely ineffective. The interests of Serbs, as many are increasingly recognising, are better served by pragmatic engagement with Kosovo institutions. That is not to say that the treasured links with Belgrade need be given up. But they should be set on a different basis that meets Serbs' needs without seeking fruitlessly to compete with Kosovo institutions. The current Belgrade policy, inherited from the DSS, is aimed above all at maintaining the symbolic presence of the Serbian state. It has not worked. Seeing that Belgrade cannot adequately meet their needs, many Serbs south of the Ibar are already seeking their own ways of reaching an accommodation with Kosovo.

In the southern, ethnically mixed municipality of Shterpce/Strpce, competition between the official and parallel municipalities is particularly sharp. Following Kosovo's independence, all but one of the Serb members – the mayor – withdrew from the official municipal assembly.<sup>79</sup> After the 11 May Serbian local elections, the head of the new parallel municipality entered the building and took the office of his official counterpart. Thus, the official and the parallel municipal structures exist side-by-side in the same building, not cooperating or communicating, but avoiding provocations or confrontations. All the Serb staff left the official municipality following independence, but replacements were recruited, so that Serbs were again in the majority among the municipal workers.<sup>80</sup>

Unlike other municipalities south of the Ibar, Serbs are in the majority in Shterpce/Strpce. The parallel municipality has managed to function to a greater degree than elsewhere in the south, and the official municipality has struggled in the face of the competi-

tion.<sup>81</sup> The official administration issues Kosovo documents and takes care of cadastral matters. However, public companies are in the hands of the parallel municipality, which runs them either from its own budget or with funds from Belgrade.<sup>82</sup> Despite claims by the official municipality that only it provides services, international officials on the ground assert that the local population "needs and uses the parallel municipality more".<sup>83</sup>

### C. THE NORTH

The Serb-controlled north is of particular concern to the Kosovo government and the international community due to fear of creeping partition. Pristina's writ does not run there, and the international presence is tenuous. The ZES government in Belgrade has also struggled to assert itself there since taking office. Jaksic and Milan Ivanovic have remained deeply entrenched since independence, their position shored up by the 11 May 2008 election of local governments controlled by the SRS and the DSS that are hostile to the new Belgrade government. Demonstrations against Tadic were common in Mitrovica in the run-up to Serbia's February 2008 presidential election.<sup>84</sup> His government initially opted to avoid inflaming the situation in the north as far as possible. He did not oppose formation of the Assembly of the Union of Municipalities,<sup>85</sup> and the government mostly ignored its activities and declarations, as it did a December petition against deployment of the EU rule of law mission, EULEX.<sup>86</sup>

The Belgrade government did take steps to weaken its opponents on the ground. Delibasic was dismissed as

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<sup>79</sup> Stanko Jakovljevic was the local DS leader in Shterpce/Strpce. Having defied Belgrade by staying in his post as the mayor of the official municipality, he was nevertheless paid for a further six months as municipal coordinator by his party colleague, Bogdanovic, though Belgrade was supposed to have no dealings with him after he accepted the jurisdiction of Pristina.

<sup>80</sup> According to the director of administration of Shterpce/Strpce Municipality, by February 2009, 41 of 64 staff were Serbs. Crisis Group interview, Shterpce/Strpce, February 2009.

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<sup>81</sup> Crisis Group interview, international official, Shterpce/Strpce, February 2009.

<sup>82</sup> Crisis Group interview, parallel municipality official, Shterpce/Strpce, February 2009.

<sup>83</sup> Crisis Group interviews, municipal officials, Shterpce/Strpce, January 2009; and international official, Shterpce/Strpce, February 2009.

<sup>84</sup> Crisis Group observations, November and December 2007.

<sup>85</sup> He said he would not oppose it, so long as it did not behave as parallel Serb structures had in Croatia in the early 1990s. "Ja nisam drzava" ["I am not the state"], *Vreme*, 17 July 2008.

<sup>86</sup> EULEX was deployed on 9 December 2008, including in the north, with the agreement of Belgrade. That followed a statement by the UN Secretary-General to the Security Council on UNMIK reconfiguration and EULEX deployment under UN auspices. Although Belgrade secured international acceptance that EULEX would be status neutral and not implement the Ahtisaari plan, Kosovo Serb leaders associated with the DSS and the SRS opposed deployment, insisting they would deal only with UNMIK.



MUP chief on 15 November. Since then, the MUP office in north Mitrovica appears to have been less confrontational with the international community, to the obvious chagrin of Jaksic. During violent incidents in north Mitrovica at the end of December 2008/beginning of January 2009, plain-clothes MUP officers appeared to try to calm matters down and disperse the masked youths who were attacking Albanian properties.<sup>87</sup>

Hardline elements in north Mitrovica were accused of taking advantage of and manipulating the violent outburst.<sup>88</sup> In the face of threats to their control in the north, and even to their liberty, the violence appeared to be a demonstration of their continuing strength and ability to cause trouble. Afterwards, Jaksic complained that the removal of Delibasic as head of “our police” had brought confusion and “a weakening of the defence of the town”, and that new people “with yellow markings” had come (referring to the DS party colour).<sup>89</sup>

In another move, in November 2008 a former Samaradzic adviser, Milorad Todorovic, was arrested on suspicion of corruption.<sup>90</sup> Todorovic, like Jaksic and Milan Ivanovic, worked in the health sector, responsible for centres in east Kosovo. A prominent member of the DSS and close to Jaksic and Milan Ivanovic, he was one of the most influential Serb politicians south of the Ibar during the Kostunica period and participated in several rounds of the status negotiations in Vienna.<sup>91</sup> Also in November, it was reported that Jaksic and Milan Ivanovic had been called for interviews to the MUP headquarters in Belgrade. Ivanovic claimed that Belgrade was planning to arrest them and other Kos-

ovo Serb leaders, to neutralise their opposition to the deployment of EULEX.<sup>92</sup>

These moves came during a sustained media campaign in Serbia alleging the abuse of government funds for Kosovo. At the beginning of November, the Belgrade daily *Blic* asserted that there was no control over money disbursed there.<sup>93</sup> Bogdanovic expressed suspicion about the regularity of the disbursements, saying the fact that some 40 billion dinars (almost €500 million) were being spent annually for a population of only 120,000 Serbs was itself grounds for suspicion. He said evidence was being collected, and he expected other ministries involved in the disbursements would also introduce controls. A National Bank of Serbia source in Gracanica told *Blic* that the money often ended up in “phantom” bank accounts.

It appeared there was a determined effort from Belgrade to undermine and perhaps eventually remove the DSS and SRS figures who had clung to power in Kosovo, especially in the north, following the change of government in Serbia. Samaradzic said he suspected the campaign was aimed at destroying the reputation of the DSS before the EULEX deployment was discussed in the Serbian parliament.<sup>94</sup> While numerous international officials expressed hopes that the removal of Jaksic and Milan Ivanovic might transform the situation in the north, Belgrade has proceeded with caution, not wanting to risk inflaming matters.

The hardline northern leaders have signalled that they are still powerful and capable of stirring up trouble if challenged. But, lacking their previous privileged links with the Belgrade government, they may be vulnerable. They themselves express confidence, Jaksic declaring that a visit by Kosovo Minister Bogdanovic was “irrelevant”.<sup>95</sup> Nevertheless, there is evidence even in the north that some Serbs may be inclined to keep their options with Pristina open. According to Kosovo government sources, in late 2008, 32 municipal workers in one northern municipality opted to resume receiv-

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<sup>87</sup> Crisis Group interviews, Kosovo Serb politician, Gracanica, January 2009; Serb official, Kosovo ministry, Belgrade, January 2009. A Serb journalist in Mitrovica described MUP officers as lazy and irrelevant. Crisis Group telephone interview, January 2009.

<sup>88</sup> Rada Trajkovic pointed out that Serbs had been responsible for attacks on firemen fighting a blaze and a television crew filming the incident. *VIP Daily News Report*, 6 January 2009. EULEX chief Yves de Kermabon said the incidents in north Mitrovica were being used to raise tensions there. *VIP Daily News Report*, 15 January 2009.

<sup>89</sup> Quoted in “Smenjen Delibašić nastala konfuzija” [“The dismissal of Delibasic created confusion”], JUGpress, 5 January 2009.

<sup>90</sup> B92, 21 November 2008, [www.b92.net/info/vesti/index.php?yyyy=2008&mm=11&dd=21&nav\\_id=329994](http://www.b92.net/info/vesti/index.php?yyyy=2008&mm=11&dd=21&nav_id=329994). A Serb journalist in Kosovo claimed he was picked up by undercover Serbian MUP officers in north Mitrovica and escorted to Vranje, where the official arrest took place. Crisis Group interview, Gracanica enclave, December 2008.

<sup>91</sup> Todorovic was eventually released.

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<sup>92</sup> *Kurir*, 18 November 2008. The article cited the Pristina daily *Express* as source of the news Jaksic and Ivanovic had been questioned. A senior official in Serbia’s Kosovo ministry would not confirm or deny they were under investigation but said he was sure they would be, given the irregularities in the disbursement of funds. Crisis Group interview, February 2008.

<sup>93</sup> “Nema kontrole za novac na KiM” [“There is no control over the money for Kosovo and Metohija”], *Blic*, 2 November 2008.

<sup>94</sup> Quoted in *Press*, 25 November 2008.

<sup>95</sup> *Blic*, 6 January 2009.

ing Kosovo salaries.<sup>96</sup> In two northern municipalities, Serb officials continue to carry out duties, such as authorising budgets, as representatives of the official Kosovo local government, as well as of the parallel Serbian authority.<sup>97</sup>

#### D. SERBS IN THE KOSOVO POLICE

Belgrade's pressure on Serbs to leave Kosovo institutions following independence had the most dramatic effect in the ranks of the Kosovo Police (KP), the most multi-ethnic Kosovo institution. People were told that those who stayed in the police would be considered "enemies of the state".<sup>98</sup> As a result, according to KP data, 342 Serb staff left and were suspended on full pay by the Kosovo government.<sup>99</sup> The campaign had the greatest impact in eastern and central Kosovo, where all staff were on paid suspension, except for a small number who had returned to work.<sup>100</sup>

As with municipal workers, the unfulfilled promises that Belgrade would look after Serb KP officers who stopped working brought tensions. In November 2008, suspended Serb officers in the east protested Belgrade's failure to fulfil its promise to take them on. Bogdanovic told them that their status in the KP would be resolved following the deployment of EULEX in early December.<sup>101</sup>

The anxiety of the suspended officers was raised when, in January 2009, it was suggested that after one year

of paid suspension, they might lose their jobs, and the Kosovo interior ministry would hire new Serb KP officers.<sup>102</sup> The Kosovo government announced in mid-April an extension to the end of June of the deadline for suspended Serb KP officers to return to work.<sup>103</sup> The government, via EULEX chief Yves de Kermabon, asked Belgrade not to stop officers returning to work. Deputy Prime Minister Hajredin Kuci expressed confidence that if any Serbs did not return by the deadline, many others would come forward to replace them.<sup>104</sup> A further cause of Serb dissatisfaction was that, in the absence of Serb officers, KP patrols were being carried out by Albanians, leading to tensions with local Serbs.<sup>105</sup>

In contrast, Serb KP officers in Shterpce/Strpce and in the north remained in uniform. In the north, some defiantly displayed Serbian flags in front of the KP stations.<sup>106</sup> Serb police officers there continued to report to the UNMIK regional command, and then to EULEX after UNMIK's reconfiguration. Since January 2009, a minimum level of communication has been restored between Serb police in the north and the KP regional command in Mitrovica South. The Serb stations report to the regional command via EULEX, and representatives attend meetings of the regional command in the south.<sup>107</sup> However, Serb officers do not accept the authority of the regional command. Most KP members in the north receive salaries from the Serbian budget as well.

In Shterpce/Strpce, Serb KP officers stayed on and continued to report to the regional command in Ferizaj/Urosevac. While some doubted Belgrade's guarantees that they would be looked after, officers in Shterpce/Strpce were not subjected to the same kind of pressure to leave experienced elsewhere. In the Serb-majority town, it was feared that if they stood down, more Albanian police would be deployed there.<sup>108</sup> In a

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<sup>96</sup> Crisis Group interviews, Albanian LCO for the municipality in question, Mitrovica, January 2009; official, public services ministry, Pristina, January 2009.

<sup>97</sup> Crisis Group interviews, Albanian LCO for the municipalities in question, Mitrovica, January 2009; official, public services ministry, Pristina, February 2009.

<sup>98</sup> Serbian government official in a town hall meeting in Ranillug/Ranilug on 17 February 2008, as reported to Crisis Group by a Serb doctor, Kamenica, March 2008.

<sup>99</sup> As of 16 March 2009, 324 KP staff were on paid suspension, including 29 civilians. Among them were a sub-colonel, a major and two captains; seventeen officers and one civilian had returned to work. Data provided by Kosovo Police.

<sup>100</sup> From the Gjilan/Gnjilane regional command, which covers the east of Kosovo, as of mid-March 2009, 129 were on suspension, and three had returned to work. In the Pristina regional command, which includes Gracanica, Lipjan/Lipljan and Fushe Kosova/Kosovo Polje, 114 Serb officers were on suspension, and eleven had returned. *Ibid.* The local police chief in Gracanica is a Serb.

<sup>101</sup> *VIP Daily News Report*, 1 December 2008. However, Belgrade's hope that a solution could be found within the framework of the six-point plan negotiated with the UN, which opened the way to EULEX's deployment, was unrealistic, since Pristina rejected the plan.

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<sup>102</sup> *Politika*, 16 January 2009.

<sup>103</sup> *Koha Ditore*, 16 April 2009.

<sup>104</sup> Crisis Group interview, Deputy Prime Minister Hajredin Kuci, Pristina, April 2009.

<sup>105</sup> Crisis Group interview, Rada Trajkovic, Gracanica, April 2008. Oliver Ivanovic complained of unwise moves by the previous Serbian government, taken to score political points, with the result that Gracanica was now policed by Albanian officers. *VIP Daily News Report*, 11 September 2008.

<sup>106</sup> The day after independence, a Serbian flag was displayed on the police station in Zvecan. Crisis Group observation.

<sup>107</sup> Crisis Group interview, KP regional spokesperson, Mitrovica, March 2009.

<sup>108</sup> Serbs particularly feared the special Regional Office Supporting Unit (ROSU). Crisis Group interview, DSS politician, Shterpce/Strpce, April 2008.

sign of Belgrade's efforts to tighten control of the parallel institutions in Shterpce/Strpce, in early 2009 Serb officers from the KP station there began signing contracts with the Serbian MUP over the border in Leskovac that gave them Serbian salaries, much like their colleagues north of the Ibar.<sup>109</sup>

## E. BELGRADE'S FINANCING OF THE KOSOVO SERBS

Belgrade's funding for the Kosovo Serbs serves a number of purposes: to encourage them to remain in Kosovo; to provide visible evidence of the Serbian state's continued presence; and for politicians to maintain control through patronage networks. Key services funded are healthcare, education, social welfare and local governance, as well as infrastructure investment. Most of this comes from the budget of the relevant ministries in Belgrade. Kosovo Serbs see such support as tangible evidence of the Serbian state's continuing presence and that Serbia has not abandoned them. They often assert that these services are essential to their remaining in Kosovo. They trust Serb doctors and teachers and are suspicious that Albanians want to take over "our hospitals and schools".<sup>110</sup>

The large majority of Kosovo Serbs, from pensioners to educated professionals, directly benefit from Belgrade's largesse. Kosovo Serbs have long been highly dependent on the Serbian state. Under communism, full employment was kept up in inefficient factories, and under Milosevic, almost all state jobs went to Serbs. That dependency has been further entrenched since 1999, ensuring that Kosovo Serbs look to Belgrade for political guidance.

The payment of double salaries to public sector employees was intended as an incentive to qualified professionals to stay on and ensure services for the Serb population.<sup>111</sup> In 2003 the DS government of Zoran Zivkovic, who succeeded the assassinated Djindjic, expanded the provision of double salaries for healthcare workers inside Kosovo to cover all those in state institutions.<sup>112</sup> Accurate data regarding the number of

employees in Kosovo paid from the Serbian budget have been hard to come by, even for the Kosovo ministry.<sup>113</sup>

Double salaries for officials in Kosovo became especially controversial after the ZES-led government came to power, as Belgrade media exposed abuses associated with the practice and the lack of control over hiring. In many cases individuals received two or more double salaries.<sup>114</sup> Directors of hospitals and clinics allegedly also received salaries as university professors. A Serb municipality president reportedly held four positions simultaneously, three paid out of the Belgrade budget (one by the CCK as coordinator for the municipality and two for teaching positions in schools in Kosovo). The fourth salary came from the Kosovo budget, for his position as mayor. Some who receive double salaries allegedly do not even reside in Kosovo, thus defeating the object of the practice, and many do not carry out the functions they were supposedly hired for. Vacancies have not been announced, and competitions for jobs not held. Rather, appointments have been in the gift of the CCK.

Such practices have been going on for years. As noted, a previous attempt by Raskovic-Ivic to introduce greater transparency was blocked by opposition from north Kosovo leaders. Tackling corruption and taking on entrenched interests among the Kosovo Serbs risked inviting questions about one's commitment to Kosovo.<sup>115</sup> During the period of DSS rule in Belgrade, it was that party's own people in Kosovo who were benefiting. It has further been alleged that part of the Kosovo funds made their way back to Belgrade officials.<sup>116</sup>

The ZES-led government said it intended to rationalise spending, curb corruption and clearly identify Kosovo's welfare needs.<sup>117</sup> Previous attempts to survey

<sup>109</sup> Crisis Group interview, senior Serb official, Shterpce/Strpce, February 2009.

<sup>110</sup> Crisis Group interviews, Mitrovica, Gracanica, Ranillug/Ranilug, Shterpce/Strpce, Brestovik, and Gorazhdec/Gorazdevac, September 2007 and June 2008.

<sup>111</sup> Crisis Group interviews, Dusan Prorokovic, state secretary, Kosovo ministry, Belgrade, November 2007; and Rada Trajkovic, director of the health centre, Gracanica, May 2008.

<sup>112</sup> People working in Kosovo but living outside received a supplement of 50 per cent to their normal salary.

<sup>113</sup> A senior official in the Kosovo ministry said he did not have full data on the number of employees with supplemented salaries. Crisis Group interview, Mitrovica, February 2009. According to information from the relevant ministries, there were some 5,200 Serb local government employees in Kosovo, 6,744 healthcare workers and 4,211 school teachers. Figures published in *Politika*, 2 March 2009.

<sup>114</sup> "Bogaćenje na Kosovskim mukama" ["Getting rich on Kosovo's hardships"], *Blic*, 21 September 2008. The details that follow in the text come from that article.

<sup>115</sup> Crisis Group interviews, Dusan Janjic, April 2008; Serbian journalist, Belgrade, October 2008; Belgrade university professor, October 2008.

<sup>116</sup> Crisis Group interviews, Dusan Janjic, April 2008; Kosovo Serb journalist, Mitrovica, October 2008.

<sup>117</sup> Crisis Group interview, Zvonimir Stevic, Belgrade, October 2008.

those needs did not bear fruit,<sup>118</sup> and it is questionable how serious they were. The new government has appeared more determined. The Kosovo ministry began investigating alleged abuses.<sup>119</sup> While precise data is not available, Oliver Ivanovic said in February 2009 that about 20 per cent of the 5,500 salaries paid by the ministry looked suspicious. The people concerned were threatened with losing their salaries unless proper explanations were provided. Ivanovic noted that the investigation would also cover the significant sums allocated to infrastructure projects and added that the health and education ministries should participate in it.<sup>120</sup>

In December 2008 and without waiting for the Kosovo ministry to complete its study of welfare needs, the finance ministry announced that salaries paid to Kosovo Serb public employees would be reduced from 200 per cent to 150 per cent of the rate paid in Serbia.<sup>121</sup> The decision was driven by budgetary strains caused by the global financial crisis.<sup>122</sup> The government slashed its 2009 Kosovo budget by 36 per cent.<sup>123</sup>

The reduction in salaries brought complaints from some quarters and claims that it would lead to departures from Kosovo. The director of the health centre in Gracanica, Rada Trajkovic, said that while the move might affect some decisions about whether to remain, Kosovo Serbs should share the burden of “belt-tightening”.<sup>124</sup> Jaksic added his voice to those of doctors threatening to leave as a result of the cut, claiming that some had already left.<sup>125</sup> After months of media articles about abuses of the double salaries in Kosovo, it is unlikely that such complaints received much sympathy in Serbia. Given the country’s budget crisis, it could not be expected that Belgrade would be able to continue funding Kosovo at the old level, quite apart from the corruption issue.

It is highly questionable whether Belgrade’s funding of the education and healthcare sectors in Serb areas has achieved its goal of keeping Serbs in Kosovo. The liberal distribution of funds has also brought neither effective education nor efficient availability of health-care.

## 1. Education

Under previous governments, the Belgrade education ministry tended to be hands-off, turning a blind eye to waste and corruption.<sup>126</sup> Some village schools have been maintained despite having more teachers than pupils,<sup>127</sup> but the aim of keeping professional Serb staff in Kosovo has not always been realised. Many teachers actually live outside Kosovo, often arranging their work schedules to enable them to spend less time there, for example by swapping shifts with colleagues.<sup>128</sup> Such practices have been possible due to the desultory nature of school inspections.<sup>129</sup> Corruption has been rife. It has been claimed that positions on education boards or as school principals have been for sale.<sup>130</sup> Nevertheless, the results of Belgrade’s investment in education in Kosovo are visible, and schools are often in good condition and well supplied.<sup>131</sup>

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<sup>118</sup> Crisis Group interview, Dusan Prorokovic, state secretary, Kosovo ministry under the DSS, Belgrade, November 2007.

<sup>119</sup> *Press*, 25 November 2008.

<sup>120</sup> *Kurir*, 9 February 2009. The article claimed Bogdanovic had not received responses to requests for information from the health and education ministries.

<sup>121</sup> The announcement of the reduction was made by Finance Minister Diana Dragutinovic, on the Kaziprst show, B92, 10 December 2008. Higher salaries are paid to officials in Kosovo as an inducement to stay there.

<sup>122</sup> *VIP Daily News Report*, 11 December 2008.

<sup>123</sup> Kosovo ministry website, 24 December 2008, [www.kim.sr.gov.yu/cms/item/news/rs.html?view=story&id=9345&sectionId=8](http://www.kim.sr.gov.yu/cms/item/news/rs.html?view=story&id=9345&sectionId=8).

<sup>124</sup> *VIP Daily News Report*, 11 December 2008; and Crisis Group interview, Rada Trajkovic, Gracanica, December 2008.

<sup>125</sup> *Kurir*, 11 February 2009.

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<sup>126</sup> Crisis Group interview, education ministry official, Belgrade, November 2007. The official was reluctant to discuss abuses, treating Crisis Group’s questions with suspicion.

<sup>127</sup> Crisis Group found in September and October 2007 that a school in Zubin Potok municipality, north Kosovo, had three pupils and eleven teachers. In Kamenica municipality there was a primary school with eight students and sixteen teachers.

<sup>128</sup> In some cases, even principals, especially in small enclaves, take “slow weeks” off in Serbia. Crisis Group interview, high school principal, Peja/Pec municipality, February 2008. Goran Arsic, central Kosovo district coordinator, estimated the number of teachers who returned to Serbia at the weekend at around 60 per cent. Crisis Group interview, Gracanica, May 2008. The teacher in a small village near Peja/Pec to which some displaced Serbs had returned was living in Montenegro and working only two days per week (the school had three pupils). Crisis Group research, village of Bestovik, February 2008.

<sup>129</sup> There is an education ministry office in Mitrovica North. School inspections are approximately every six months, and serious efforts to uncover shortcomings have generally been wanting. Crisis Group interviews, school principals, Shterpce/Strpce, Ranillug/Ranilug, Gorazhdec/Gorazdevac, September–December 2007.

<sup>130</sup> Crisis Group interview, Serbian journalist, Belgrade, June 2008. He claimed that a post as school principal in Kosovo could be bought for €5,000.

<sup>131</sup> A primary school in Ranillug/Ranilug visited by Crisis Group was fully refurbished, its 335 students taught by a staff of 50, of whom 46 lived in the area, according to the

A secondary school in Shterpce/Strpce illustrates anomalies that have arisen from a policy of boosting employment without controls over hiring. The school serves some 560 pupils from a wide area. Of 98 teachers employed there in 2007, 38 had other jobs as well, mostly at the local medical centre.<sup>132</sup> Thus, some received two double salaries, amounting to some €3,000 per month in total.<sup>133</sup>

In the north, the majority of teachers live in Kosovo. State employees have been offered apartments in buildings constructed under the DSS government as an incentive to reside full-time.<sup>134</sup> But there, too, investments in school facilities have often been irrational. Only five of fifteen schools in Mitrovica North have functioned properly, with a reasonable ratio of teachers to students. Others were kept open despite having nearly as many teachers as students. In one case, a fully staffed school reportedly did not have a single pupil.<sup>135</sup>

Education standards have suffered from the lack of controls. School officials seek to present their results as positively as possible, so that it is reportedly practically impossible for anyone to fail a class before university. Teachers and professors are instructed to pass even the worst students.<sup>136</sup> In smaller enclaves, close family relations between teachers and students create conflicts of interest that often result in favouritism and poor performances being rewarded with good grades.<sup>137</sup>

In higher education, too, policy has been driven by the overriding concern to help Serbs stay in Kosovo.<sup>138</sup>

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school principal. The principal said up to 90 per cent of pupils went to university, mostly in Nis or Mitrovica. Crisis Group interview, November 2007. The small town of Zubin Potok, in the north, has received significant investment and has large, well equipped schools.

<sup>132</sup> Crisis Group interview, secondary school official, Shterpce/Strpce, October 2007.

<sup>133</sup> Crisis Group interview, Serbian journalist, Shterpce/Strpce, 24 October 2007.

<sup>134</sup> Apartment blocks are being built in the ethnically mixed Bosniak Mahalla district of north Mitrovica, on land purchased from Bosniaks, Romas and Albanians. They are intended for healthcare and education sector employees. Crisis Group interviews, Mitrovica, September and October 2007.

<sup>135</sup> The school in question was originally based in Mitrovica South. It maintains a teaching and administrative staff but has no pupils. Crisis Group interview, Serb journalist, Mitrovica, October 2008.

<sup>136</sup> Crisis Group interview, prominent Kosovo Serb politician and former high school teacher, Shterpce/Strpce, April 2008.

<sup>137</sup> Crisis Group interview, DS official, Gracanica, January 2008.

<sup>138</sup> Crisis Group interview, Dusan Prorokovic, state secretary, Kosovo ministry, Belgrade, November 2007.

As in the educational system, the approach has produced irrational decisions, questionable results and much corruption. Following the 1999 conflict, Serb professors in the University of Pristina moved to Serbia, where the Serbian-language part of the university was reestablished. However, in late 2001, Belgrade decided to establish the university in Mitrovica and return all the faculties to Kosovo.<sup>139</sup> Faculties have also been established in other Serb enclaves, for example, engineering in Kufce e Eperme/Gornje Kusce, near Gjilan/Gnjilane, and English and literature in Ranillug/Ranilug, in Kamenica municipality. Both villages lack paved roads but have new university buildings.<sup>140</sup> The faculties in the enclaves are mostly served by visiting professors from Serbia or Mitrovica.

Students from the Kosovo enclaves get free accommodation and tuition. However, the expansion of the university in Mitrovica has also attracted students from Montenegro, Bosnia and Serbia.<sup>141</sup> Salaries that are higher than in Serbia, as well as apartments and benefits that include free accommodation, transport, meals and daily allowances when in Mitrovica, have encouraged many professors to live in that city.

As in other areas of the Belgrade-funded public sector in Kosovo, higher education has been open to abuses. A major scandal broke in 2007, when it emerged that over 1,000 falsified degrees were awarded between 1999 and 2004, for prices ranging from €1,500 to €3,000. Among the alleged recipients were police, municipal coordinators, school directors and senior political officials. It was further claimed that the education ministry and police were slow to react.<sup>142</sup> Another cause for concern at Mitrovica University is the presence of the hardline bridge watchers, many of whom are enrolled as students though they do not attend classes.<sup>143</sup>

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<sup>139</sup> Its full name is the "University of Pristina, Temporarily Located in Kosovska Mitrovica".

<sup>140</sup> Ranillug/Ranilug had 170 students in 2007/2008. Crisis Group interview, education official, Ranillug/Ranilug, November 2007.

<sup>141</sup> In 2008/2009, more than 10,000 students are enrolled. <http://pr.ac.rs/index.php/home/o-univerzitetu/univerzitet-danas>.

<sup>142</sup> "U Mitrovici kupljeno 1,000 diploma" ["1,000 diplomas bought in Mitrovica"], *Blic*, 15 March 2007; "Pretili su mi pištoljem zbog lažnih diploma" ["Gun threats over fake diplomas"], *Blic*, 17 March 2007.

<sup>143</sup> Crisis Group interview, Mitrovica NGO activists, September-October 2007. The bridge watchers came to prominence in 1999-2000, when they guarded the Ibar crossings against Albanian intrusion. As time passed, they became increasingly thuggish and established themselves as the main troublemakers in Mitrovica, with close ties to the SNV.

It is highly questionable whether Serbia's support of higher education has achieved its aim of keeping young people in Kosovo. In February 2009 the heads of four parallel municipalities in east Kosovo appealed to Belgrade for help in stemming the exodus. They cited poor infrastructure and lack of jobs as key reasons for the outflow.<sup>144</sup> Higher education in Kosovo does not help provide the employment opportunities that might keep more young people, especially university graduates, from leaving. The main opportunities that do exist are in the already bloated public sector: local government, education and healthcare.

The job prospects of young Serbs, especially in the enclaves, would be better served by integration into the wider Kosovo society. The Kosovo public sector is trying to include Serbs, as well as members of other national minorities, by keeping vacancies specifically for them, but uptake is often disappointing.<sup>145</sup> For the time being, positive discrimination policies enable Serbs to be employed in the public sector without knowing the Albanian language, but in the longer term integration means that Serbs will need to learn Albanian. This has become a bigger challenge in recent years, as increasing segregation of the Serb and Albanian communities since Milosevic has meant that younger generation Serbs are less likely to know the language than their elders. By educating Serbs in a purely Serbian environment in which they do not learn the Albanian language, Belgrade's policy actually damages the prospects for young people to stay in Kosovo.

## 2. Healthcare

The same priorities underpin Belgrade's healthcare policy for the Kosovo Serbs. Providing medical care in Serbian institutions has meant opening oversized clinics even in small villages. Opportunities have abounded for overstaffing and hiring on the basis of

family or political connections.<sup>146</sup> The set-up is wasteful and irrational and results in both Serbs and Albanians travelling for treatment, even though a suitable facility run by the other side is near. Kosovo Serbs place high value on having healthcare within the Serbian system, believing, rightly, that Serbian medical facilities are superior to those of the Kosovo government. That even the smallest villages have well-supplied medical centres means that the local population is satisfied, and any disgruntlement about abuses is muted.

Shterpce/Strpce has an impressive medical centre, with Serb doctors displaced from Ferizaj/Urosevac and Prizren. Despite the enclave's small size, it employs some 300 staff, up from 120 in 1999.<sup>147</sup> This compares with 217 staff at the hospital in nearby Ferizaj/Urosevac, a significantly larger urban centre.<sup>148</sup> Previously, people from Shterpce/Strpce needing more serious treatment would have travelled to Frizaj/Urosevac or Pristina. Now, thanks to investment by Belgrade and a Norwegian NGO, they have an expensive medical facility far beyond local needs. Albanians in the municipality use a small primary healthcare clinic provided by the Kosovo government, although they reportedly do sometimes go to the Serbian centre.

The two largest medical centres in Serb areas are in Mitrovica North and Gracanica. Both are overstaffed.<sup>149</sup> According to its director, Rada Trajkovic, the Gracanica centre boasts "the latest medical technology".<sup>150</sup> Despite allegations of large-scale corruption in both hospitals, no charges have been brought. Recently it was reported that the Gracanica centre had recorded 11,000 operations since 1999, roughly one for every adult Serb in central Kosovo. A hospital management worker reportedly said the actual number had been

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During their heyday, they were based in the Dolce Vita cafe, next to the main Mitrovica bridge. As everyday tensions cooled, they withdrew from sight. Well organised, they have identity cards and a hierarchical structure. Today they are visible only during outbreaks of violence, as during the 17 March 2008 events at the courthouse, in which they were prominent. Crisis Group interview, Serb journalist, Mitrovica, August 2008. For background, see Crisis Group Europe Reports N°155, *Collapse in Kosovo*, 22 April 2004, and N°165, *Bridging Kosovo's Mitrovica Divide*, 13 September 2005.

<sup>144</sup> "Kosovski Srbi traže pomoć" ["Kosovo Serbs seek help"], *Danas*, 12 February 2009.

<sup>145</sup> For example, the telecoms company PTK has unfilled slots for Serbs, and KEK is offering employment to Serb engineers and technicians. Crisis Group interview, Fahredin Maqastena, director for distribution, KEK, Pristina, March 2009.

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<sup>146</sup> The medical centre in Gracanica, a rural settlement, employs 650 people, slightly more than the major urban centres of Gjilan/Gnjilane or Peja/Pec. Crisis Group interviews, Serb journalist, Gracanica enclave, November 2008; LCO office, February 2009; also information from the Kosovo health ministry, January 2009.

<sup>147</sup> In 2007 47 of the staff were doctors or specialists. Crisis Group interview, health centre official, Shterpce/Strpce, October 2007.

<sup>148</sup> Information from the Kosovo health ministry, February 2009.

<sup>149</sup> According to the European Stability Initiative (ESI), the Mitrovica hospital employed 1,100 people, up from 670 in the 1990s, when it covered an area of around 200,000 inhabitants. "A Post-industrial Future? Economy and Society in Mitrovica and Zvecan", ESI, 2004, [www.esiweb.org/pdf/esi\\_document\\_id\\_61.pdf](http://www.esiweb.org/pdf/esi_document_id_61.pdf).

<sup>150</sup> Crisis Group interview, Rada Trajkovic, Gracanica, November 2008.

under 1,000. An anonymous official said the figures had been inflated because the health ministry provided funding based on the number of operations. Abuses reportedly also involve medicine supplies.<sup>151</sup> Questions have likewise been raised about the amount of fuel and money expended on official medical centre vehicles in Kosovo Serb areas.<sup>152</sup>

The Mitrovica centre has an important political dimension. Jaksic and Milan Ivanovic are the senior managers at the hospital. Medical staff are reportedly expected to show political loyalty by attending SNV demonstrations.<sup>153</sup> Nursing and non-medical staff are on short-term contracts that discourage dissent.<sup>154</sup> The facility has been involved in some of the key events in Mitrovica over the past decade and is seen by many as the centre of decision-making by the hardline Serb leadership in the north.<sup>155</sup> Most people in the city found out about the courthouse raid by UNMIK police on 17 March 2008 thanks to ambulances that drove around town, empty of patients but with sirens blaring when the operation began. It has even been claimed that they carried arms to those most heavily involved in the violence.<sup>156</sup>

### 3. Infrastructure investment

While the majority of Serbian funding for Kosovo goes toward salaries in the education and healthcare sectors, some of the most striking examples of corruption have concerned investments, for example in infrastructure projects. One type of abuse has been the practice of multiple applications for the same project. With several actors providing funds, including Pristina, Belgrade, donors and NGOs, and with communication between them often wanting, opportunities have been plentiful. A lack of open tenders or inspections in the disbursement of Belgrade's funds has left ample room for manipulation. Contracts have been handed out on the basis of cronyism and nepotism, with final figures often inflated in order to split the

profits.<sup>157</sup> The previous Belgrade government adopted a quick procedure for selecting contractors, which meant that the legally prescribed procedures for tenders were bypassed in allocating contracts, and there was no transparency.<sup>158</sup>

Ineffective inspections have allowed Serb coordinators on the ground to pass off donor-funded projects as their own. For example, a children's playground in Dobrotin was built by Finnish KFOR in 2007. The municipal coordinator sent a request to Belgrade for funding a similar project in the same place. It was approved, and subsequent inspections were shown the already constructed KFOR playground. Where Belgrade's money went is unknown.<sup>159</sup> LCOs also reportedly sometimes requested money from UNMIK for projects carried out by the CCK.<sup>160</sup>

Funds have sometimes been received from both Belgrade and Pristina for the same project. The cleanup of the Gracanka River between Gracanica and Llaplasella/Laplje Selo was financed from the Kosovo budget. The LCO in Gracanica accepted the money from the Kosovo government but reportedly did not follow the terms set by Pristina, which in turn did not follow up. At the same time, the CCK reportedly sought and received funding from the Serbian government for the same cleanup.<sup>161</sup> In Shushica/Susica, a €45,000 cultural centre was reportedly financed by both the Serbian government's National Investment Plan (NIP) and the Kosovo culture ministry.<sup>162</sup>

Another example concerns the sewage systems that were to be built in the central Kosovo villages of Kuzmin and Batushe/Batuse. Although both systems required only partial work, the projects were presented for complete new infrastructure and significantly over-priced.<sup>163</sup> They were the fifth such requests for the two villages in three years – requests having been approved in 2005

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<sup>151</sup> "Na operacijama i lekovima krali novac" ["Stealing money on operations and medical supplies"], *Blic*, 26 November 2008.

<sup>152</sup> Crisis Group interviews, Shterpce/Strpce, Gracanica and Mitrovica, May-June 2008.

<sup>153</sup> Crisis Group interviews, two international officials, Mitrovica, September 2007; Serb journalist, Mitrovica, December 2007.

<sup>154</sup> Crisis Group interview, international official, Mitrovica, September 2007.

<sup>155</sup> Crisis Group interview, Oliver Ivanovic, Mitrovica, March 2008.

<sup>156</sup> Crisis Group interviews, intelligence sources, Mitrovica and Pristina, April 2008.

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<sup>157</sup> Deals on the ground have often been sealed by nothing more than a handshake. A municipal coordinator was said to have given almost all contracts in his municipality to a friend in one village without a public tender. Crisis Group interview, CCK official, Gracanica, May 2008.

<sup>158</sup> "Kosovo paravan za pljacku drzave" ["Kosovo a way to steal from the state"], *Blic*, 20 April 2008; Crisis Group interview, Goran Arsic, central Kosovo district coordinator, Gracanica, April 2008.

<sup>159</sup> Crisis Group interview, CCK official, Gracanica, May 2008.

<sup>160</sup> Crisis Group interviews, Dragan Petrovic, NGO activist, Gracanica, September 2007 and January 2008.

<sup>161</sup> Crisis Group interview, Serb journalist, Gracanica enclave, July 2008.

<sup>162</sup> Crisis Group interview, Serb journalist, Gracanica enclave, December 2008

<sup>163</sup> Crisis Group interview, CCK official, Gracanica, May 2008.

and 2007 and funded by both Belgrade and Pristina. After the story was leaked to the media in April 2008,<sup>164</sup> the Kosovo ministry ordered the funds to be used for a power station in Kuzmin and a water filter factory in Batushe/Batuse, a village without even a proper waterworks system. In order to clamp down on such abuses, Belgrade would need to coordinate on projects with others, including the Kosovo authorities. The Ahtisaari plan presented ways in which this could be done (see below).

Inspections and audits tend to be infrequent and half-hearted. As a result, money approved has not always been spent as intended. For example, in Batushe/Batuse in 2006, funds for a school fence were allegedly used to build a house for an official's daughter next to the school. Although documents asserting that the fence had been built were submitted, there is no proper fence at the school.<sup>165</sup> Similarly, upon taking up his position, the municipal coordinator for Fushe Kosova/Kosovo Polje, Dejan Nedeljkovic, requested an inspection, because he found that the construction of chapels in Bresje and Batushe/Batuse was financed twice by the NIP.<sup>166</sup>

## F. KOSOVO SERBS ALSO LOOK TO PRISTINA

As noted, since 2006 the Serbian government has sought to bar Kosovo Serbs from receiving funds from Pristina institutions as well as Belgrade. This response to Kosovo's impending independence was intended to signal Serbs' non-participation in and isolation from Kosovo institutions. Public sector workers had to decide whether to be on Belgrade's or Pristina's payroll. Serb workers were required to sign documents pledging allegiance to Serbian institutions, together with proof that their Kosovo bank accounts had been closed.<sup>167</sup> Pristina kept their names on salary lists and put the money into a special trust account instead of the closed bank accounts. Kosovo institutions thus continued to

maintain they were multi-ethnic, and Kosovo Serbs had opportunity to claim salaries retroactively.

However, Belgrade's attempt to isolate Serbs from Kosovo institutions was unsuccessful. Increasing numbers have flouted the instruction and resumed taking Kosovo salaries. Having closed their Kosovo bank accounts as required, some simply opened new ones.<sup>168</sup> This trend picked up in 2007, and records show a large increase in the first half of 2008.<sup>169</sup> This may indicate that, with Kosovo's independence declaration, many Serbs concluded it would be best to engage with both Belgrade and Pristina. Another surge in Serbs re-submitting new bank details occurred in early 2009,<sup>170</sup> probably connected with the Serbian government's decision to reduce the double salaries of those working in Kosovo. For example, a Serb hospital specialist who refused to sign a contract with the Kosovo authorities in July 2008 agreed when offered the opportunity again in January 2009.<sup>171</sup>

In general, more are resuming Kosovo salaries in the education sector than in healthcare. This may be partly because the Kosovo health ministry never agreed to the high numbers on the healthcare payroll in Serb areas and would likely not agree to pay all of them. Also, medical centres are generally more tightly controlled by their directors.<sup>172</sup> Decisions to accept Kosovo salaries are individual, with some opting to receive the second salary and others refusing.<sup>173</sup> Many have taken advantage of the possibility to receive their salaries retroactively from 2006.<sup>174</sup>

While many Serb teachers have resumed their Kosovo salaries, few have signed contracts with the Kosovo municipalities, though numbers vary from place to

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<sup>164</sup> "Kosovo paravan za pljacku drzave" ["Kosovo a way to steal from the state"], *Blic*, 20 April 2008; Slobodan Samar-dzic, television appearance on Poligraf, B92, 5 May 2008.

<sup>165</sup> Crisis Group interview, Serb journalist, Mitrovica, April 2008. Crisis Group saw no proper fencing around the school.

<sup>166</sup> "Kosovski 'projekti' izgovor za pljacku drzave" ["Kosovo 'projects' an excuse to steal from the state"], *Blic*, 11 May 2008.

<sup>167</sup> Crisis Group interviews, LCO offices, Kamenica and Gjilan/Gnjilane, February 2009. All 280 Serb teachers in Kamenica municipality signed up, and 347 teachers in Gjilan/Gnjilane municipality. According to the Kosovo public services ministry, 4,261 accounts were closed.

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<sup>168</sup> Crisis Group interview, Serb journalist, Gracanica enclave, July 2008.

<sup>169</sup> Information provided to Crisis Group by Kosovo government sources, February 2009.

<sup>170</sup> Information provided to Crisis Group by a Kosovo government source, February 2009. Out of 4,300 Serbs who closed their bank accounts in 2006, only 761 had yet to re-open them by February 2009. Information from the public services ministry, February 2009. A Serb municipal official claimed "there are queues of Serbs in front of Kosovo banks at the beginning of each month". Crisis Group interview, Serb official, Kamenica, February 2009.

<sup>171</sup> Crisis Group interview, Gjilan/Gnjilane municipality official, February 2009.

<sup>172</sup> Crisis Group interview, LCO official, Gracanica, February 2009.

<sup>173</sup> Crisis Group interview, international official, Shterpce/Strpce, February 2009.

<sup>174</sup> For this, a middle-man is often used, who takes 15 to 20 per cent of the total sum. Crisis Group interview, international official, Shterpce/Strpce, February 2009.



place.<sup>175</sup> If Kosovo municipalities were to try to force Serb employees to sign contracts, they would risk antagonising people who have already gone against Belgrade's wishes by accepting Kosovo salaries, a significant development for Pristina. The Kosovo salary is much lower than what Serb employees receive from Belgrade, hence Kosovo institutions are understandably wary of issuing ultimatums to Serb workers.

## G. PRISTINA TURNS UP THE PRESSURE

In early 2009, and especially since the first anniversary of Kosovo's independence declaration in February, there have been signs that the Kosovo government's patience with the slow pace of Serb integration is wearing thin and that it is increasingly inclined to raise the pressure for Serbs openly to accept the new state and end their dependence on Belgrade. This impatience could already be seen in the threat to replace the suspended police officers. At a UN Security Council session devoted to Kosovo on 23 March 2009, Foreign Minister Skender Hyseni clashed with President Tadic, accusing Belgrade of supporting parallel, illegal and criminal structures in Kosovo.<sup>176</sup>

Following the independence anniversary, the Kosovo government began to take measures to reduce Belgrade's influence, at least south of the Ibar, refusing permission to Serbian officials to enter Kosovo unless they first cleared the visit with Pristina. Accepting this condition would mean acknowledging the institutions of the Kosovo state, which Serbian officials refuse to contemplate. On 20 February, it was announced that Bogdanovic had been refused permission to visit and that if he tried to enter without permission, he faced arrest.<sup>177</sup> Belgrade officials had been accustomed to informing UNMIK of their visits to Kosovo, for which UNMIK arranged a police escort (in recent years provided by the KP). On this occasion, it passed Bogdanovic's request to the Kosovo authorities, who asked that he explain the purpose of his visit. When an explanation was not forthcoming, permission was denied.

Further rejections of visits by Serbian officials ensued. When, in mid-March, parliamentarians were turned back at the border, UNMIK said it had passed the

announcement of the visit to EULEX, which had in turn referred it to the Kosovo authorities. An EULEX spokesperson said it was for the Kosovo government to decide on such requests.<sup>178</sup> Bogdanovic defiantly asserted that Serbian officials would continue to visit Kosovo, but he expressed hope that UNMIK and EULEX would help resolve the issue was undercut by their denials of responsibility.<sup>179</sup> Under international pressure, Pristina did not object to a visit by Tadic to Decani monastery on 17 April, Orthodox Good Friday. But this was seen as a private religious visit and an exceptional case. Moreover, despite Belgrade's insistence that no permission for the visit was sought from the Kosovo government, it would not have gone ahead without clearance from Pristina.<sup>180</sup>

The impression that pressure on Serbs was mounting was fuelled by widespread, lengthy power cuts in some Serb areas, sometimes lasting for many days.<sup>181</sup> The issue of power cuts in Serb villages had inflamed passions in earlier Kosovo winters, too. Despite assurances from the electricity provider, KEK, that Serb villages are not targeted and that Albanian villages also suffer, Serbs have claimed they are one more type of pressure on them to leave Kosovo.<sup>182</sup> KEK, which is soon to be privatised, has insisted that its sole motivation is to collect overdue electricity payments and to re-schedule years-old debts. It explains the cuts as part of a policy not to repair damaged connections to villages with long-overdue debts.<sup>183</sup> The issue has been politicised, as some Serb villages, encouraged by Belgrade, refused to sign contracts with KEK for debt repayment, arguing that to do so would imply recognition of the institutions of an independent Kosovo.<sup>184</sup>

Parallel municipalities in central and eastern Kosovo organised demonstrations over the cuts, resulting in a violent clash with Kosovo police at the village of Shillova/Silovo, near Gjilan/Gnjilane, in March 2009.<sup>185</sup> Local leaders threatened escalation, including a mass

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<sup>175</sup> While more than 80 teachers had signed contracts with the Kamenica municipality as of February 2009, those receiving Kosovo salaries in Pristina, Gjilan/Gnjilane and Shterpcë/Strpce had only outdated UNMIK contracts. Information from Kosovo government sources, Kamenica and Pristina, February 2009.

<sup>176</sup> *Koha Ditore*, 24 March 2009.

<sup>177</sup> *Koha Ditore*, 21 February 2009.

<sup>178</sup> *Koha Ditore*, 17 March 2009.

<sup>179</sup> *VIP Daily News Report*, 30 March and 6 April 2009.

<sup>180</sup> Crisis Group interview, Deputy Prime Minister Hajredin Kuci, Pristina, April 2009.

<sup>181</sup> In March 2009, up to 14 of 73 Serb villages in eastern Kosovo were without electricity, as were Babimoc/Babin Most, Plementin/Plementina and Prelluzhe/Priluzje, north of Pristina.

<sup>182</sup> "Stević: Isključenja struje kao novi pritisak" ["Stević: power cuts a new form of pressure"], *Danas*, 30 January 2009.

<sup>183</sup> Crisis Group interview, Fahredin Maqastena, KEK director of distribution, Pristina, 11 March 2009.

<sup>184</sup> *Politika*, 10 March 2009.

<sup>185</sup> *Beta*, 9 March 2009.

exodus.<sup>186</sup> Whipped up by hardline elements in the Serb parallel structures, the issue risked undermining the emerging, though fragile, willingness of some Serbs to seek a pragmatic accommodation with Kosovo institutions.

Belgrade called on international bodies to help resolve the issue by allowing the Serbian energy company, EPS, to provide electricity to the Kosovo Serbs, a long-standing proposal that Pristina would accept only if EPS were to register as an electricity provider in Kosovo. Representatives of the parallel municipalities refused to deal directly with KEK, taking their demands for a solution instead to Belgrade, which had no means of finding one on the ground. By contrast, Serbs working in official municipalities met with KEK to find practical solutions, such as in villages in Kamenica municipality where power was reconnected in March.<sup>187</sup>

By early April, hopes were raised that a comprehensive solution could be found, according to which electricity would be restored to all Serb communities, all electricity used from January 2009 would be paid for, and contracts – without Republic of Kosovo letterheads – would be signed to regulate future supply and payment.<sup>188</sup> While further power cuts to Serb villages were reported later in the month, electricity to most villages was restored by early May after they had signed a collective agreement with KEK.<sup>189</sup> But this was not the case in four eastern municipalities where local Serbs refused the KEK agreement. On 10 May, up to 1,000 Kosovo Serbs clashed with the KP in Kamenicë/Kamenica leading to injuries and arrests.<sup>190</sup>

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<sup>186</sup> Threat made by an official of the parallel Vustrri/Vucitrn municipality, *VIP Daily News Report*, 12 March 2009.

<sup>187</sup> “Sednica zbog problema sa strujom” [“A meeting over problems with electricity”], *B92*, 22 March 2009, [www.b92.net/info/vesti/index.php?yyyy=2009&mm=03&nav\\_id=35148](http://www.b92.net/info/vesti/index.php?yyyy=2009&mm=03&nav_id=35148).

<sup>188</sup> Crisis Group phone interview, Fahredin Maqastena, KEK director of distribution, Pristina, 7 April 2009. Bogdanovic expressed hope that a solution had been found, on the basis that the contract would not include Kosovo state emblems. *VIP Daily News Report*, 6 April 2009.

<sup>189</sup> Serb villages paid a one-time instalment of €26 (\$35) per household. “Vecini sela ukljucena struja” [“Electricity back in most villages”], *B92*, 4 May 2009, [www.b92.net/info/vesti/index.php?yyyy=2009&mm=05&dd=04&nav\\_category=640&nav\\_id=358766](http://www.b92.net/info/vesti/index.php?yyyy=2009&mm=05&dd=04&nav_category=640&nav_id=358766).

<sup>190</sup> “Serbs, Kosovo police clash, 20 hurt”, *B92*, 11 May 2009. [http://www.b92.net/eng/news/politics-article.php?yyyy=2009&mm=05&dd=11&nav\\_id=59062](http://www.b92.net/eng/news/politics-article.php?yyyy=2009&mm=05&dd=11&nav_id=59062). The local Serbs want to sign an alternative agreement with the Serbian Electric Power Industry (EPS).

#### IV. DECENTRALISATION: A WAY FORWARD FOR THE SERBS

Many Serbs, especially in the south, increasingly realise that boycotting Kosovo institutions altogether and relying solely on Belgrade is not viable in the long run. Interest in reaching some form of pragmatic accommodation with Kosovo institutions, while avoiding acknowledging the country’s independence, is high. Despite the official Belgrade policy of non-participation in Kosovo institutions, many Serbs have in fact made such accommodations, either by accepting Kosovo salaries or by fulfilling their obligations to the Kosovo state by acquiring necessary documents, such as birth certificates, identity papers, and vehicle registration and cadastral papers.

In these circumstances, decentralisation, giving them a significant measure of autonomy in running their day-to-day lives, has considerable attraction to many Serbs south of the Ibar.<sup>191</sup> In Shillova/Silovo one complaint about decentralisation was that the village was not included in any of the new Serb-majority municipalities foreseen by Ahtisaari, so there would be no benefit to it.<sup>192</sup> Sometimes interest in decentralisation is expressed even by Serbs in the parallel municipal structures.<sup>193</sup> Rada Trajkovic argues that decentralisation is an important step in enabling a Kosovo Serb leadership to emerge, so that Serbs on the ground will be empowered to make decisions affecting their lives. She has also pressed the authorities in Belgrade to recognise the importance of the process.<sup>194</sup>

##### A. DECENTRALISATION IN THE AHTISAARI PLAN

The Ahtisaari plan puts forward a good blueprint for realising significant Serb autonomy. It provides for “enhanced municipal competencies” for Serb-majority municipalities in areas such as education, healthcare and cultural affairs, and proposes the creation of several new municipalities in which Serbs would be in a

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<sup>191</sup> For many Serbs in the eastern enclaves, a positive aspect of decentralisation is that it acknowledges that Serbs own the majority of the land in the area. Crisis Group interviews, Ranillug/Ranilug, Kamenica, Shillova/Silovo and Verboc/Vrbovac, May 2008 and February 2009.

<sup>192</sup> Crisis Group interview, former DS official, Kamenica, March 2008.

<sup>193</sup> Crisis Group interview, DSS official, Shterpce/Strpce, January 2009.

<sup>194</sup> Crisis Group interview, Rada Trajkovic, Gracanica, January 2009.

majority.<sup>195</sup> It suggests mechanisms for Belgrade to cooperate with and provide financial and technical assistance to those municipalities, and it allows for the partnership of municipalities in broader associations.<sup>196</sup>

The manner of such cooperation with Belgrade should be very different from current practice, according to which Belgrade has treated Serb areas as if they were part of Serbia and sought to undermine Kosovo's independence. Agreements between municipalities and Belgrade should, according to Ahtisaari, be notified to Kosovo's Ministry of Local Government Administration (MLGA), which would review and, if necessary, amend them to ensure compliance with Kosovo legislation. Financial assistance would be provided through bank accounts certified by Kosovo's central banking authority and would be reported to the central treasury.

The model of enhanced decentralisation contained in the Ahtisaari plan was negotiated with representatives of Belgrade and the Kosovo Serbs during the Vienna status talks led by Ahtisaari. It was accepted by the Serb side on the basis that Serb autonomy would be within a Kosovo that was itself autonomous within Serbia. So although the envisaged decentralisation was in itself largely agreeable to Serb representatives, they rejected the political context in which it would be implemented.

## B. DECENTRALISATION CHALLENGES

Despite Kosovo Serbs' interest in decentralisation, they see the proposal as problematic on several grounds:

- ❑ Even those few Serbs familiar with the detail of the proposal and who acknowledge that it has much to commend it, reject it because it forms part of the Ahtisaari plan for independence.<sup>197</sup> Any association with the Ahtisaari plan makes even the most reasonable suggestion toxic for most Serbs.
- ❑ Among the majority of Serbs not familiar with the detail of the Ahtisaari plan, there is widespread

misunderstanding and suspicion that decentralisation would entail an Albanian takeover of their schools and hospitals.<sup>198</sup>

- ❑ Serbs mostly reject the involvement of the ICO in implementation of decentralisation, as envisaged by the Ahtisaari plan. The plan lays down that the International Civilian Representative (ICR), together with the Kosovo authorities, should ensure that the "structures required for the establishment and functioning" of the new municipalities are put in place, including the appointment of municipal preparatory teams (MPTs).<sup>199</sup> Because the office originates in the Ahtisaari plan, and they perceive the ICR, in contrast with other international actors in Kosovo, as an out-and-out advocate of independence, it is difficult for most Serbs to contemplate cooperation with the ICO or participation in its initiatives.
- ❑ Since they reject Kosovo's independence, Belgrade and many Kosovo Serbs also reject cooperation with its state institutions in principle, so the unavoidable involvement of the MLGA presents an obstacle that would need to be overcome.

Following independence, and in line with the Ahtisaari plan, legislation to enable decentralisation was enacted in Kosovo.<sup>200</sup> The government set up a working group, co-chaired by the local government administration minister and the ICR and including the relevant ministries and international agencies. The MLGA embarked on an outreach campaign, including visits to Serb villages, to explain the decentralisation process. It had some limited success in involving Serbs, notably those who had already shown a willingness to participate in Kosovo institutions, as well as some civil society representatives. Those who continued to participate in Kosovo institutions hope to play an important role in the MPTs.<sup>201</sup>

However, while there is interest in decentralisation among Serbs south of the Ibar, many remain suspicious of the association with the Ahtisaari plan and reluc-

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<sup>195</sup> Annex III, Articles 4, 12 and 13 of Ahtisaari's comprehensive settlement. An attachment to Annex III delineates the new municipalities of Gračanica in central Kosovo, Ranilug/Ranilug, Partesh/Partes, Klllokot/Klokot in the east and Mitrovica North, as well as the expanded municipality of Novobërda/Novo Brdo, enlarged to take in surrounding Serb-inhabited areas. Three other municipalities in the north, as well as Shtërpce/Strpce in the south, already had Serb majorities; their boundaries are unchanged.

<sup>196</sup> Ibid, Annex III, Articles 9, 10 and 11.

<sup>197</sup> Crisis Group interview, Kosovo Serb official in the Belgrade government, Mitrovica, February 2009.

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<sup>198</sup> Numerous Crisis Group interviews, ordinary Serbs around Kosovo, including healthcare and school staff, 2007 and 2008.

<sup>199</sup> Annex III, Article 12 of the comprehensive settlement.

<sup>200</sup> The three key laws were on local government, municipal boundaries and municipal financing. This and the following information are from a Crisis Group interview, MLGA official, Pristina, January 2009.

<sup>201</sup> Crisis Group interviews, LCO offices Kamenica and Gjiilan/Gnjilane municipalities, February 2009. Despite the outreach, a Serb journalist said most Serbs were very poorly informed about decentralisation. Crisis Group interview, Gračanica enclave, April 2009. Anecdotal evidence from Crisis Group's contacts with Serbs supports this.

tant to participate without Belgrade's approval. As the ministry and the ICO set about forming the MPTs, there were serious questions about whether Serb members would be seen as having legitimacy in their community.<sup>202</sup> A former local government administration minister warned that decentralisation would not be sustainable without the participation of credible Serb representatives.<sup>203</sup> An ICO representative said that the process could not start without acceptance by those to whom it is dedicated.<sup>204</sup> Ahtisaari's deputy in the Vienna status talks, Albert Rohan, said decentralisation should be put on hold until Serbs had accepted the Ahtisaari plan and Kosovo's independence.<sup>205</sup>

Some on the Kosovo government side question the basis for deciding which Serbs are legitimate, asserting that the next local elections will determine that.<sup>206</sup> But if decentralisation is followed by a low turnout in local elections, in which only those Serbs who have been participating in Kosovo institutions until now take part, the entire process may be discredited.

Decentralisation is also controversial among Albanians. Albin Kurti, leader of the "Vetevendosje" ("Self-determination") movement, which opposes international tutelage for Kosovo, warned that the creation of new Serb municipalities, without first dismantling Belgrade's parallel structures, risked repeating the Mitrovica North situation.<sup>207</sup> In late April, he publicised a petition signed by around 700 residents of the villages Llabjan/Labljane (Novoberda/Novo Brdo) and Pasjak (Gjilan/Gnjilane), expressing strong opposition to decentralisation.

There was much reluctance to accept decentralisation among Albanians. It may be that some in the Kosovo government would be happy to see it fail.<sup>208</sup> Not only would it weaken central government control, but it would also perpetuate and extend Serb autonomous areas in which Albanians would be in a minority. The present local government administration minister, Sadri Ferati, pointed out that Albanians would prefer independence without decentralisation, whereas Serbs would

prefer the opposite. He added that it is difficult for Albanians to accept the concept, including new Serb-majority municipalities, so long as Serbs do not acknowledge Kosovo's independence.<sup>209</sup>

A further difficulty concerns the situation in the Serb-controlled north. While there is considerable Serb interest in decentralisation south of the Ibar, the prospects for pressing ahead with decentralisation in the north in the near future appear much weaker. But Albanians regard implementation only in the south as problematic, since it would appear to harden the division of the country.<sup>210</sup>

Ferati expressed concern that the north's non-participation would feed separatist ambitions there. While the process could proceed more rapidly in the south, he said, it would be hard to sustain without some progress in the north. He stressed that enabling the return of even a small number of Albanians there would help.<sup>211</sup> This will continue to be difficult, however, without political change in the area, including the removal from power of hardline leaders.

From late April 2009, an attempt to rebuild 20 Albanian houses in a north Mitrovica suburb (Kroi I Vitakut/Brdjani) led to violent Serb protests,<sup>212</sup> which were met by a robust response from EULEX and KFOR.<sup>213</sup> Serb representatives claim that in 2000 they agreed with UNMIK that any return and reconstruction would be done reciprocally.<sup>214</sup> On 4 May, Serbs representatives proposed that reconstruction commence on some sixteen Serb houses and all KFOR forces and EULEX police withdraw.<sup>215</sup> The protests came to a halt on 11

<sup>202</sup> The process of forming the MPTs got under way in March 2009. *Koha Ditore*, 19 March 2009.

<sup>203</sup> Crisis Group interview, Lufti Haziri, deputy president, Democratic League of Kosovo (LDK) and former local government administration minister, Pristina, January 2009.

<sup>204</sup> Statement by Raphael Naegeli, head, ICO Community Affairs Unit, at a conference hosted by the MLGA, 19 February 2009, reported in *Zeri*, 20 February 2009.

<sup>205</sup> *Lajm*, 24 February 2009.

<sup>206</sup> Crisis Group interview, MLGA official, Pristina, January 2009.

<sup>207</sup> *Zeri*, 9 February 2009.

<sup>208</sup> Crisis Group interview, Western diplomat, Pristina, January 2009.

<sup>209</sup> Crisis Group interview, Sadri Ferati, local government administration minister, Pristina, January 2009.

<sup>210</sup> Crisis Group interview, Lufti Haziri, former local government administration minister, Pristina, January 2009.

<sup>211</sup> Crisis Group interview, Sadri Ferati, local government administration minister, Pristina, January 2009. An international official said the government would be ready to proceed at different paces in different parts of Kosovo, if it could see some progress in the north. Crisis Group interview, Pristina, January 2009.

<sup>212</sup> Initial attempts to start the reconstruction were halted by Serb demonstrators in early April and postponed but the Kosovo government, which together with the south Mitrovica municipality is financing and supporting the return of IDPs, pushed ahead and work began on 24 April 2009.

<sup>213</sup> The use of tear gas and shock bombs has caused some injuries amongst the demonstrators.

<sup>214</sup> Crisis Group phone interview, Kosovo Serb official representing the Brdjani Serbs, 5 May 2009.

<sup>215</sup> Kosovo Serb representatives are continuing their daily demonstrations while awaiting a response to their proposal. An additional problem that could arise is the financing of the repairs of the Serb houses. In the highly tense political

May after the Kosovo Serbs reached an agreement with UNMIK – and indirectly with EULEX – allowing for the reconstruction of five Serb houses.<sup>216</sup>

In face of the caution exhibited by most Serbs, implementation of decentralisation has slipped. If their suspicion could be overcome, decentralisation would present the best possible way for Serbs to be integrated in Kosovo, while satisfying their wish for autonomy and links with Belgrade. It should be possible to address some Serb fears, notably regarding an Albanian takeover in Serb areas.

Primary healthcare and primary and secondary education would be municipal competencies. In addition, certain Serb majority municipalities would gain enhanced responsibilities. In Mitrovica North, with its university, higher education would be handled by the municipality. Mitrovica North, Gracanica and Shterpce/Strpce would each be responsible for their secondary healthcare.<sup>217</sup>

As noted, cooperation with and funding from Serbian institutions would be permitted.<sup>218</sup> Schools would be able to teach in the Serbian language, with curriculums and text books from the Belgrade education ministry. In case the Kosovo education ministry objected to a particular curriculum or text book, the matter would be referred to an independent commission, three of whose seven members would be Serb deputies in the Kosovo parliament and one of whom would be an international representative.<sup>219</sup> Albanians living in Serb-majority municipalities would have access to municipal facilities, but education and healthcare in Serb areas would be mainly run by Serbs for Serbs, with Belgrade's involvement.

The association of decentralisation with the Ahtisaari plan is a more difficult obstacle.<sup>220</sup> Oliver Ivanovic said

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environment it is unlikely that the Serbs would accept Pristina funding for it. Crisis Group phone interview, North Mitrovica Serb official representing the Kroj I Vitakut/Brdjani Serbs, 5 May 2009.

<sup>216</sup> Tanjug, 11 May 2009. [www.tanjug.rs/VestDana.aspx?en](http://www.tanjug.rs/VestDana.aspx?en)

<sup>217</sup> Annex III, Articles 3 and 4 of the comprehensive settlement.

<sup>218</sup> Annex III, Articles 10 and 11 of the comprehensive settlement.

<sup>219</sup> Annex III, Article 7 of the comprehensive settlement. According to the Ahtisaari Plan, the international representative should come from the ICO. The remaining three members of the commission would be nominated by the Kosovo education ministry.

<sup>220</sup> An international official told Crisis Group that, during an outreach exercise in a local Serb community, a Serb requested

Serbs would participate in local Kosovo elections only if that did not imply recognition of Kosovo's independence.<sup>221</sup> Such status-neutral decentralisation and local elections might be possible, a senior Serbian official said, if the ICO and the MLGA were not involved, and if they were not under the Kosovo flag. He described the involvement of the ICR, Peter Feith, as a mistake, as he is seen as implementing the Ahtisaari plan for independence.<sup>222</sup> Oliver Ivanovic has suggested that decentralisation be overseen instead by the Organisation for Security and Cooperation in Europe (OSCE) or the Council of Europe.<sup>223</sup>

Though involvement of the MLGA in decentralisation and local government is unavoidable, as is the involvement of Kosovo's election commission, this should not be an intractable problem, since there is widespread willingness among Serbs south of the Ibar to engage pragmatically with the Kosovo authorities. Serbs often express concern that Pristina might present their participation in local institutions as a triumphant step in the march of independence. However, Kosovo's status need not and should not be raised in the context of local government.

While decentralisation would be implemented in line with the Ahtisaari plan, the chances for it to succeed would be greater if approached in a low-key manner, without flag-waving or references to independence or Ahtisaari. It is in the interest of both sides for decentralisation to work. Serbs should not be unnecessarily antagonised by the Kosovo government. Securing their participation in local institutions would indeed be an important success for Kosovo, but if it is presented as a victory for independence, most Serbs would likely not participate, and decentralisation would fail.

The difficulty posed by the ICO's central role is inescapable. That office has a symbolic significance, given its association with the implementation of independence. Its officials point out that some Serbs do talk to them, but their claims of success in reaching out to Serbs are sometimes overly optimistic.<sup>224</sup> The fact remains

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that the name "Ahtisaari" not be mentioned. Crisis Group interview, Pristina, January 2009.

<sup>221</sup> *Express*, 15 January 2009.

<sup>222</sup> Crisis Group interview, senior Belgrade official, Mitrovica, February 2009.

<sup>223</sup> *VIP Daily News Report*, 30 March 2009.

<sup>224</sup> Some leading local Serbs said that while they would meet representatives of the office or anyone else, they would not cooperate with the ICO. Crisis Group interviews, Prelluzhe/Priluzje, Verboc/Vrbovac and Kufce e Eperme/Gornje Kusce, April 2009.

that the antagonism of most Serbs to the office hampers efforts to advance decentralisation.<sup>225</sup>

In the absence of a positive stance by Belgrade, or at least tacit acceptance, implementation of decentralisation is hugely challenging, even south of the Ibar.<sup>226</sup> Even if the Serbian government, in line with its current approach of allowing Kosovo Serbs to regulate their day-to-day lives on the ground, were inclined to give a nod to participation, the process would likely still face the wrath of the hardline, rejectionist opposition in the DSS and the SRS and their Kosovo allies. Some internationals favour taking a tough line with Serbia, insisting that if it wants to make progress in its candidacy for EU membership, it should play a more positive role in Kosovo. However, the lack of consensus on Kosovo independence within the EU itself means such a line is unlikely to materialise soon.

The risk that failed decentralisation might set back Serb participation in Kosovo institutions more generally is widely understood in the Kosovo government and the international community. The ICO has taken the view that conditions may be no better in the future and is keen to press ahead, hoping that, once established, the MPTs may be able to win more Serbs over by producing demonstrable benefits.<sup>227</sup> Some other internationals, while wary of indefinite delay, are more cautious about moving before success is assured.<sup>228</sup>

The Kosovo government received suggestions from some international officials that it should consider postponing the local elections that are due to be held by November 2009.<sup>229</sup> Bearing in mind the risk of Serb non-participation, Pristina and ICO officials said in early April that the timetable for those elections and the decentralisation process are separate.<sup>230</sup> If the elections were to be held in the new municipalities established consistent with the Ahtisaari plan, this distinction might be difficult to sustain. If broad Serb participation in local elections were in doubt, holding them within the old, pre-decentralisation boundaries might be a worthwhile option, as in such circumstances

a boycott need not mean a failure for yet-to-be implemented decentralisation.<sup>231</sup>

The key question is what steps can be taken to increase the chances of Serb participation. As discussed, the origin of the decentralisation concept in the Ahtisaari plan can easily be played down. While Kosovo government institutions cannot be excluded from the process, all sides should also play down the status issue, which is of no practical relevance in the context of local government.

### C. THE INTERNATIONAL COMMUNITY'S ROLE

While it is questionable whether the ICO is the best-placed international entity to take the lead in decentralisation, finding an alternative is scarcely easier. The OSCE mission has an extensive field presence throughout Kosovo, including staff with long experience of dealing with municipal authorities. The ICO has built a limited field presence, but it does not match that of the OSCE, and it makes little sense for it to duplicate that organisation's network.<sup>232</sup> The idea of the OSCE mission assuming responsibility for implementation in the field has much to commend it from a practical standpoint, but it would be politically difficult.

Though the Kosovo government has no objection to working with the OSCE at the local level,<sup>233</sup> it balks at the idea that the status-neutral OSCE mission would take over a key element of the Ahtisaari plan.<sup>234</sup> That mission is handicapped by the insistence of Serbia and Russia, both member states of the organisation, that it maintain strict status neutrality and neither cooperate with Kosovo institutions nor work within Kosovo laws.<sup>235</sup> Some Western officials question whether the

<sup>225</sup> Crisis Group interview, international official, Pristina, January 2009.

<sup>226</sup> Bogdanovic warned that decentralisation would not succeed without Belgrade's backing, and it would never be acceptable to Serbs if implemented on the basis of the Ahtisaari plan. *VIP Daily News Report*, 24 April 2009.

<sup>227</sup> Crisis Group interview, ICO officials, Pristina, January and April 2009.

<sup>228</sup> Crisis Group interviews, diplomats from two Western embassies, Pristina, March 2009.

<sup>229</sup> Crisis Group interview, senior government official, Pristina, March 2009.

<sup>230</sup> *Koha Ditore*, 4 April 2009.

<sup>231</sup> Deputy Prime Minister Hajredin Kuci said that, if necessary, local elections could be held within the old municipal boundaries. Crisis Group interview, Pristina, April 2009.

<sup>232</sup> The ICO has a sub-office in Mitrovica South and regional offices in Peja/Pec, Prizren, Gjilan/Gnjilane and Pristina.

<sup>233</sup> Deputy Prime Minister Hajredin Kuci has praised the work of the OSCE mission in areas such as human rights, minority rights and democratisation. *Koha Ditore*, 28 March 2009.

<sup>234</sup> Crisis Group interviews, Deputy Prime Minister Rame Manaj, Pristina, March 2009; Deputy Prime Minister Hajredin Kuci, Pristina, April 2009.

<sup>235</sup> Crisis Group interviews, Western and other diplomats, Pristina, March 2009.

OSCE can operate in any meaningful way when so restricted.<sup>236</sup>

Giving a role to the OSCE would be possible only if Belgrade, and by extension Moscow, were willing to adopt the same pragmatic approach to engagement with Kosovo institutions as many Kosovo Serbs. The mission should not replace the ICO in the decentralisation process nor take over functions that are the responsibility of the MLGA and the ICO. But neither Pristina nor Belgrade and Moscow should object if it were to work with local authorities on practical implementation of decentralisation for the benefit of all ethnic groups, within the framework of its regular cooperation with those authorities and support for minority rights. This could be done within the existing mission mandate.

Another possibility, that the ICO could hand over full responsibility for decentralisation to the MLGA, is ruled out by both international and Kosovo government officials. A Western diplomat said that while the ICO's "touch could be as light as possible", and the MLGA should take the lead on decentralisation, international supervision is still required concerning any issues in the Ahtisaari plan.<sup>237</sup> Deputy Prime Minister Rame Manaj said Pristina could not implement decentralisation without the international community.<sup>238</sup>

Nevertheless, the ICO and the ICR personally should adopt as low-key approach as possible. While the ICO is included in the Inter-ministerial Working Group for Decentralisation, it should ensure that the MLGA is visibly in the lead. The ICO's visible public engagement is the surest way of provoking a negative reaction to decentralisation from Belgrade that would in turn discourage Serb participation in Kosovo.

## V. CONCLUSION

Belgrade's policy of seeking to provide for all the needs of the Kosovo Serbs and isolate them from the wider Kosovo society is failing. South of the Ibar Serbs themselves have increasingly found that constructive engagement with the Kosovo authorities is unavoidable, and they have been defying Belgrade's order to boycott them in droves. While the situation in the north is such that it is more practical for Serbs to turn their backs on Kosovo institutions, the results have been negative there as well, as the region has fallen prey to instability, frequent outbreaks of violence and widespread criminality.

The increasing indications that Serbs, especially south of the Ibar, are ready to seek pragmatic solutions and to build a future within Kosovo, rather than in isolation from it, provides hope that a solution can be found that will enable Serbs to live in peaceful co-existence with their Albanian neighbours. The Pristina government and the international community should do all they can to demonstrate to Serbs that they have a positive future in Kosovo. Belgrade should give up an ultimately fruitless policy that does not contribute to a sustainable future for Serbs in Kosovo, but rather precipitates a Serb exodus.

Decentralisation, including meaningful Serb participation, is the best hope for Serb integration in Kosovo's institutional life. There is no easy way to address Serb objections to dealing with Kosovo institutions. Eventually those who want to build a future in Kosovo will have to take the plunge and work within its institutional framework. Everything should be done to encourage such a development and to avoid unnecessarily discouraging it. Serbs need to be coaxed, and if the process is to succeed, sensitivity will need to be shown to their concerns. The prize is worth a certain amount of patience.

**Pristina/Brussels, 12 May 2009**

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<sup>236</sup> Crisis Group interviews, two Western embassy diplomats, Pristina, March 2009.

<sup>237</sup> Crisis Group interview, Western diplomat, Pristina, March 2009.

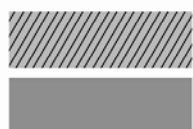
<sup>238</sup> Crisis Group interview, Pristina, March 2009.

## APPENDIX A

### MAP OF KOSOVO AND ITS SERB COMMUNITIES



Produced by Crisis Group



New Serb-Majority Municipalities Under The Ahtisaari Plan

Other Serb-Majority Areas



## APPENDIX B

### GLOSSARY OF ABBREVIATIONS AND ACRONYMS

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CCK	Coordination Centre for Kosovo and Metohija, an arm of the Serbian government in Kosovo
CSP	Comprehensive Status Proposal of UN Envoy, Martti Ahtisaari
DOS	Demokratska Opozicija Srbije (Democratic Opposition of Serbia), a 19-party coalition which toppled the Milosevic regime in 2000
DS	Democratic Party, led by Serbia's President Boris Tadic
DSS	Democratic Party of Serbia, led by former Prime Minister Vojislav Kostunica
EU	European Union
EULEX	EU Rule of Law Mission in Kosovo
EUSR	European Union Special Representative
G17	An initiative of prominent economic experts that became a political party in 2002, currently headed by Mladjan Dinkic, a junior partner of the DS led ruling coalition in Serbia
ICJ	International Court of Justice
ICO	International Civilian Office
ICR	International Civilian Representative, the ICO chief
KEK	Kosovo Energy Cooperation, the publicly owned electricity utility
KFOR	NATO-led Kosovo Force
KP	Kosovo Police
LCO	Local Community Office. Set up to represent non-majority communities in Kosovo municipalities under the UNMIK system, they continue to operate.
MCO	Municipal Community Office, to represent non-majority community interests in the Kosovo municipalities
MLGA	Kosovo Ministry of Local Government Administration
MPTs	Municipal Preparatory Teams, for the new Serb-majority municipalities as envisaged in the CSP
MUP	Serbian Ministry of Internal Affairs
NATO	North Atlantic Treaty Organisation
NIP	National Investment Plan, formed by the Serbian government and operated by the Ministry for NIP. Its aims are to provide development across Serbia through infrastructure projects and investment.
NS	New Serbia, a political party allied to Kostunica's DSS, led by Velimir Ilic
PISG	Provisional Institutions of Self-Government, Kosovo's government in the UNMIK system
PTK	Post and Telecom of Kosovo
OSCE	Organisation for Security and Co-operation in Europe
ROSU	Kosovo Police Regional Operation Supporting Unit
SLS	Serbian Liberal Party, a small Kosovo Serb party that joined Kosovo's government
SNV	Serbian National Council
SPOT	Serbian Resistance Movement, a party formed by Momcilo Trajkovic and one of the founding members of DOS
SPS	Socialist Party of Serbia, formerly led by Slobodan Milosevic, now junior coalition partner of the DS
SRS	Serbian Radical Party, hardline national party founded by Vojislav Seselj
UN	United Nations
UNMIK	UN Interim Administration Mission in Kosovo
ZES	For a European Serbia, a pre-election coalition headed by the DS which won the May 2008 parliamentary elections in Serbia