

NORTH KOSOVO: DUAL SOVEREIGNTY IN PRACTICE

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NORTH KOSOVO: DUAL SOVEREIGNTY IN PRACTICE

EXECUTIVE SUMMARY

The dispute between Kosovo and Serbia is most acute in Kosovo's northern municipalities. The North has not been under effective control from Pristina for two decades; its sparse and predominantly rural Serb population uniformly rejects integration into Kosovo. Though small and largely peaceful, it is the main obstacle to reconciliation and both countries' European Union (EU) aspirations. A Kosovo-Serbia dialogue mediated by the EU began on 8-9 March 2011 and is likely over the coming months to look at some of the consequences of the dispute for regional cooperation, communications, freedom of movement and the rule of law. For now, however, Belgrade, Pristina and Brussels have decided that tackling the North's governance or status is too difficult before more efforts are made to secure cooperation on improving the region's socio-economic development, security and public order.

For some time, the North will remain in effect under dual sovereignty: Kosovo's and Serbia's. Kosovo seeks to rid the region of Serbian institutions, integrate it and gain control of the border with Serbia. It is willing to provide substantial self rule and additional competencies as suggested under the Ahtisaari plan, developed in 2007 by the then UN Special Envoy to regulate Kosovo's supervised independence. But local Serbs see the North as their last stand and Mitrovica town as their centre of intellectual and urban life. Belgrade will continue to use its influence in the North to reach its primary goal, regaining the region as a limited victory to compensate for losing the rest of its former province.

Serbia and Kosovo institutions intersect and overlap in the North without formal boundaries or rules. The majority Serb and minority Albanian communities there live within separate social, political and security structures. They have developed pragmatic ways of navigating between these parallel systems where cooperation is unavoidable. Yet, in a few areas – notably criminal justice – cooperation is non-existent, and the only barrier to crime is community pressure.

Northern Serbs across the political spectrum overwhelmingly cleave to Serbia. However, Belgrade and the Northern political elites belong to different parties and are bitter

rivals. Apart from the technical work of managing the North, they share only one common interest: keeping Pristina out and blocking any international initiative that could strengthen common Kosovo institutions, notably police and courts. Two other groups, former local leaders who retain strong influence behind the scenes and an organised crime underworld focused on smuggling, share this one overriding goal. Belgrade prosecutes criminals and rivals selectively, allowing others room to operate; their presence in the North provides plausible deniability for many of its actions.

Observers in Pristina and friendly capitals see Serbia's massive payments to the North as a major obstacle to the region's integration into Kosovo. As long as Serbian money sustains their way of life, Northerners have little incentive to compromise. Yet, Kosovo's own constitution expressly permits Serbian funding for education, medical care and municipal services, provided it is coordinated with Pristina, which currently it is not. Only the small amounts that support Serbian police and court systems directly undermine Kosovo's integrity.

Virtually all Northern Serbs reject integration into Kosovo and believe their institutions and services are far better than what is offered south of the Ibar River, especially in education and health care. Recent scandals in Pristina, such as alleged massive corruption in the governing PDK party and a December 2010 Council of Europe report claiming implication of top Kosovo officials in organ trafficking, reinforce this view. Serbs distrust Pristina, believing that rights and protection promised now would be quickly subverted after integration. They are willing to cooperate with Pristina individually but not to accept its sovereignty. The North is subject to none of the pressures that brought a measure of integration to Kosovo's southern Serb enclaves, and its views show no sign of softening.

Like Kosovo as a whole, the North suffers from a reputation for anarchy and domination by gangsters and corrupt politicians. And as in the rest of Kosovo, the reputation is largely false. Crime rates are similar and within the European mainstream; urban Mitrovica has more than its share of offences, the rural municipalities much less. Neighbour-

ing Albanian-populated districts fall between these two Serb-held areas in rates for violent and property crimes. The real problems are contraband and intimidation directed at political and business rivals and anyone associated with Pristina.

Well-established Albanian-Serb networks, nevertheless, smuggle goods, free of duty and tax – especially diesel fuel – from Serbia via the North to southern Kosovo. The trade supports a criminal elite that, while small in the regional context, is still large enough to dominate Northern Kosovo. Curtailing this smuggling would benefit all and is achievable with the tacit support of Belgrade and most Northern Serbs. Some goods remain in the North, however, and residents feel no sympathy for policies that would enforce their separation from Serbia.

Nowhere is the North's dual sovereignty as problematic as in law enforcement. Rival Kosovo and Serbian systems each have only partial access to the witnesses and official and community support they need. The Kosovo police lack the community's trust and have a poor reputation. Serbia's police are barred by a UN Security Council resolution and operate covertly. Serbian court judgments and orders are enforceable only in Serbia itself and are limited in practice to civil matters and economic crimes. Kosovo's Mitrovica district court technically has jurisdiction north and south of the Ibar but is paralysed and can hear only a handful of cases, judged by internationals from EULEX, the EU's rule of law mission. The insistence of Kosovo and international community representatives that the Mitrovica court can only fully function after Serbs accept its authority in the North adversely affects Kosovo Albanians in the south and undermines the sense that rule of law is the priority.

The North suffers from a near-total absence of productive employment and depends on state subsidies for its survival; rule of law is weak. These problems are real but insignificant compared to the North's effect on Kosovo and Serbia. Neither can join the EU while the North's status is in dispute. Addressing local problems by improving on pragmatic solutions already in place and finding a framework for criminal justice acceptable to the local population would likely perpetuate its uncertain status, by keeping it distinct from the rest of Kosovo. Belgrade and Pristina should use the EU-facilitated talks to consider autonomy for the North in exchange for Serbia's recognition of Kosovo statehood, as Crisis Group recommended in August 2010. If the political will for this comprehensive compromise is lacking, the parties should not allow the dispute to block progress in other areas. They should instead seek flexible, interim solutions to improve law enforcement, customs collection, and allocation of financial aid in the North.

Pristina/Mitrovica/Brussels, 14 March 2011

NORTH KOSOVO: DUAL SOVEREIGNTY IN PRACTICE

I. INTRODUCTION

Northern Kosovo (“the North”), including the municipalities of Leposavić, Zubin Potok and Zvečan, and a small part of Mitrovica municipality north of the Ibar River, is about one-tenth of Kosovo’s territory (approximately 1,000 square kilometres) and 3 per cent of its population.¹ With no census since 1991, it is estimated that between 55,000 and 65,000 Serbs and 6,000 to 10,000 non-Serbs, mainly Albanians and Bosniaks, live there, predominantly along the north bank of the Ibar in Mitrovica, in one large village (Çabër/Čabra) in Zubin Potok and in a few small settlements in Leposavić.²

Small and mainly rural though it is, the North consists of regions with different histories and mentalities and that have scant historical ties to Kosovo’s Albanian majority.³ Urban Serbs from across Kosovo, a large student population, and many economically challenged internally displaced persons (IDPs) live in Mitrovica. Zvečan (once part of Mitrovica municipality), is still largely a suburb of that city. In Zubin Potok, administratively part of Montenegro at times in the twentieth century, Montenegrin dialects are still common, and society is clan based. Most of northernmost Leposavić municipality was part of the neighbouring Serbian municipality of Raška until 1956, when it was transferred to Kosovo to increase the number

of Serbs there. It is pastoral and relaxed, its Serbian population having long had almost no contact with Albanians.

While Serbs lived throughout Kosovo, the 1999 war and 2000 anti-Serb reprisals transformed Mitrovica into the new hub of Kosovo Serb life. Its large hospital and a new university, displaced from Pristina, is where many seek medical treatment and higher education. Investment from Serbia flows disproportionately to the North and is visible throughout its sparsely populated, rocky, rural areas. A new flood of Serbs, fleeing the March 2004 riots, reinforced its lead role.⁴

A Kosovo Serb political elite developed, taking influential positions in state institutions increasingly supported by Serbia.⁵ When Kosovo independence was declared on 17 February 2008, Northern Serbs quickly distanced themselves from the new state.⁶ In May 2008, Serbia organised local elections in Kosovo Serb areas for the first time, resulting in the re-election of the mayors of the three pre-existing municipalities of Zvečan, Zubin Potok and Leposavić and creation of a new Mitrovica municipality.

The Kosovo government and states that recognise it refer to the northern municipalities as “parallel” authorities. This is misleading. The municipal governments were elected outside the framework of the UN Interim Administration Mission in Kosovo (UNMIK),⁷ whose chief,

¹ For background on the North and its evolution since 1999, see Crisis Group Europe Reports N°131, *UNMIK’s Kosovo Albans: Tackling Division in Mitrovica*, 3 June 2002; and N°165, *Bridging Kosovo’s Mitrovica Divide*, 13 September 2005.

² Extrapolating from the number of primary school children gives an estimate of 54,482 Serbs, to which some of the large university population (9,000 students) should be added. School enrolments taken from Organisation for Security and Cooperation in Europe (OSCE) municipal profiles at www.osce.org/kosovo/43753. The extrapolation methodology follows “A post-industrial future? Economy and society in Mitrovica and Zvečan”, European Stability Initiative, 30 January 2004.

³ According to the UN High Commissioner for Refugees (UNHCR), there were 7,317 internally displaced Albanians (IDPs) in the Mitrovica region, along with 6,957 Serbs and 232 Roma; “UNHCR Statistical Overview”, January 2011. IDPs are from all regions of Kosovo, though most Albanians resided in northern Mitrovica town.

⁴ The Serb enclaves south of the Ibar once had a larger population than the North, but it has declined more rapidly. Exact population figures are unavailable, and the two populations are probably similar.

⁵ Serbia was still extending its institutions – power, telephony and administrative offices – into the North as late as 2007. “Development of new parallel structures in Kosovo Serbian inhabited areas”, UN code cable made available to Crisis Group, 15 October 2007.

⁶ Gates 1 (Jarinjje) and 31 (Brnjak), the crossing points between the North and Serbia proper (considered border posts by Kosovo and mere checkpoints by Serbia) were burned in February 2008, the court was shut down, and Serbian flags were displayed at Kosovo Police Service stations.

⁷ Municipal authorities, elected under UNMIK supervision, existed throughout Kosovo until 2008. After the declaration of independence, municipal governments ceased to recognise UNMIK authority but continued operating as local authorities

Joachim Rucker, declared the May 2008 polls illegal but did not annul them. The Kosovo government also declared them illegal but extended the mandates of the elected officials, except in the newly formed Mitrovica municipality, since most of the same people who had operated under the UNMIK framework were re-elected.⁸ Since then, UNMIK administration has in effect ceased to operate throughout Kosovo, except in Mitrovica, where it overlaps with the Serbian municipal administration. The Serbian municipalities are the only authorities north of the Ibar; nothing is truly parallel to them. They operate pretty much as if in Serbia, although with resident UNMIK officials, who mainly communicate with minorities and have no executive powers.

According to the UN, UNMIK is still the only legitimate source of civilian authority in Kosovo. All sides exploit this legal fiction to their benefit. Serbia does not allow Kosovo representatives to join any international bodies without an UNMIK chaperone, yet holds elections and operates administration in the North in violation of UN rules. Northern Serbs ignored UNMIK before 2008, because they wanted to distance themselves from the provisional Pristina government then operating under UN auspices; after independence they quickly hoisted UN flags. Pristina, the International Civilian Office (ICO) that oversees Kosovo's "supervised independence" and friendly capitals all rule out any restoration of UNMIK authority north of the Ibar, yet complain that Serbian institutions there violate UNMIK law.⁹ UN Security Council Resolution 1244, which ended the war of 1999 and established UNMIK, describes and regulates a situation that no longer exists.¹⁰ The Council's inability to replace it with a new

of the new Kosovo state; south of the Ibar, new municipal governments were elected under Kosovo law in November 2009.

⁸ Originally appointed by UNMIK, the mayors of Zubin Potok and Zvečan were re-appointed (within the Kosovo system) by Prime Minister Hashim Thaçi, then elected within the Serbian system that provides most of their funds and local legitimacy. Extraordinary elections in Leposavić in 2009, however, produced a change in leadership Pristina does not recognise. For more on the period after February 2008, see Crisis Group Europe Reports N°200, *Serb Integration in Kosovo: Taking the Plunge*, 12 May 2009; N°204, *The Rule of Law in Independent Kosovo*, 19 May 2010; and N°206, *Kosovo and Serbia after the ICJ Opinion*, 26 August 2010.

⁹ For the ICO and supervised independence, see Crisis Group Europe Reports N°182, *Kosovo: No Good Alternatives to the Ahtisaari Plan*, 14 May 2007; N°185, *Breaking the Kosovo Stalemate: Europe's Responsibility*, 21 August 2007; N°188, *Kosovo Countdown: A Blueprint for Transition*, 6 December 2007; and N°196, *Kosovo's Fragile Transition*, 25 September 2008. Crisis Group interviews, Kosovo government, ICO and U.S. officials, Pristina, December 2010-February 2011.

¹⁰ Resolution 1244 also authorised KFOR, the NATO-led peacekeeping mission that remains throughout Kosovo. Its role is under pressure from member states, eager to draw down forces

resolution tailored to the 2011 situation erodes the UN's authority and contributes to insecurity in and around the North.

Abused by all, the UN still does important work in Kosovo. It facilitates cooperation that would otherwise founder on the parties' irreconcilable positions. EULEX, the EU rule of law mission, could only deploy throughout Kosovo by accepting the notional superiority of UNMIK in its dealings with Belgrade and the North – though with Pristina, it operates under the plan named for Martti Ahtisaari, the former UN Special Envoy who developed it in 2007 to regulate Kosovo's supervised independence, and that was largely integrated in Kosovo's constitution. The UN's "six point plan", a compromise hammered out by Secretary-General Ban Ki-moon, Serbian president Boris Tadić and then-EU High Representative Javier Solana, was meant to regulate policing, justice and customs procedures under EULEX authority in the North. Rejected by Kosovo, it has since been undermined by Serbia, especially on customs issues.

The UNMIK Administration Mitrovica (UAM) still functions, much to the dislike of Pristina and many in the international community. Its international staff is small, and about half its 123 employees also work for the (Serbian) Mitrovica municipality. UAM provides international legitimacy for the Serbian municipality decisions it approves, mostly as a matter of course. Long considered redundant, it is now the object of two overlapping international efforts. The ICO would like to see it evolve toward a new municipality in the North, anticipated in the Ahtisaari plan. UNMIK itself is eager to revitalise the UAM Advisory Board, which has not met for years. The Board mirrors the composition of the Serbian municipal assembly. If supplemented with additional representatives for non-Serbs, it could serve as a bridge between Kosovo authorities and the Serbian municipality, easing cooperation and communication.¹¹

In practice, Serbia and Kosovo both exercise partial sovereignty over the North. Civil administration, health, education, public services and land use regulation all run on Serbian rules, leading some local observers to deny that there is "even a shred of Kosovo" in the North.¹² Yet the police wear Kosovo uniforms, report ultimately to Pristina and occasionally deliver Serb suspects to an Albanian

for needs elsewhere, and from Serbia, which seeks to modify the Kumanovo ceasefire agreement (1999), which bars its police and armed forces from Kosovo territory.

¹¹ Crisis Group interview, Serb NGO activist, Mitrovica, 17 February 2011.

¹² Crisis Group focus group, Mitrovica, 17 February 2011.

judge sitting in Vushtrri, south of the Ibar.¹³ Serbian police, prosecutors and judges work, too, but out of uniform and without any coercive authority.¹⁴ Shops accept and give change in both euros (legal tender in Kosovo) and Serbian dinars. Kosovo and Serbian power companies provide electricity and try, without much success, to collect payments. The border with Serbia flickers in and out of sight depending on who is crossing and the mood of the officers. For Serbs, it is a mere “administrative boundary” within Serbia, one they can cross without passports; for Kosovars and foreigners, it is a formal international line. In practice, the predominantly Serb KP officers at the border seldom even stop passenger buses plying the Mitrovica-Belgrade route.¹⁵

In many ways, sovereignty is determined by individual identity and choice. Most non-Serbs in the North access Kosovo government services, either through local community offices (LCOs) or by driving south of the Ibar; Albanian schools use the Kosovo curriculum and answer to the Kosovo education ministry. The LCOs dispense municipal services and often deal directly with Pristina, but for some issues they need mediation of a municipal government. Serbian officials in Zvečan and Zubin Potok (who also hold UNMIK-era appointments extended by Kosovo) put on a Kosovo hat for those cases and sign off on LCO paperwork.¹⁶

This report focuses on current realities in the North: local attitudes, Belgrade’s influence, Pristina’s limited attempts to engage, international strategy and problems in law enforcement, justice and border controls. It builds on previous reporting on Kosovo’s Serbs and the North, on Kosovo’s transition to independence and its relations with Serbia. In March 2011 Belgrade and Pristina started an EU-facilitated dialogue to address the practical problems that have developed due to their disagreement over Kosovo’s status. The North is not on the agenda, yet progress in most areas will produce change there as well. Kosovo and Serbia are far apart on the North’s status and future, and the topic will remain acute for a long time. This report provides the background for policy discussions on the North and recommends implementation of interim solutions to improve law enforcement, customs collection and the provision of financial assistance.

¹³ Crisis Group interviews, Mitrovica municipal prosecutor and judge, Vushtrri, 21 January 2011.

¹⁴ Police and court orders issued by Serbian institutions are enforceable north of the border in Serbia.

¹⁵ Even the Kosovo Police (KP) implicitly recognise this fragmented reality, seldom stopping buses to and from Belgrade used mostly by Northern Serbs, but recording immigration and emigration of Albanians and foreigners. Repeated Crisis Group observations, Leposavić border post, 2009-2011.

¹⁶ Crisis Group interviews, Albanian Local Community Office officials, Çabër (Çabra) and Lipë (Lipa), 13 January 2011.

II. BELGRADE’S INFLUENCE IN THE NORTH

A. POLITICS

Until mid-2008 the North was dominated by the Democratic party of Serbia (Demokratska stranka Srbije, DSS), whose prominent local leaders included: Marko Jakšić, member of Serbia’s parliament and director of the Mitrovica medical centre; Milan Ivanović, deputy mayor of Zvečan; and Vuko Antonijević, senior official of Belgrade’s Kosovo and Metohija ministry. The Zvečan, Zubin Potok and Leposavić mayors were all DSS members.¹⁷ They controlled many aspects of day-to-day life, such as construction, the buyouts of Albanian houses and property in the North, employment, local businesses and IDP aid allocation.

DSS ideology is based on defending Serbia’s territorial integrity. It rejects partition of Kosovo and accuses President Tadić and the Democratic party (Demokratska stranka, DS) of secretly negotiating for that result with the U.S.¹⁸ The DSS tries to keep the North as free as possible of Kosovo government and international influence. Some local observers believe its strategy is premised on the assumption that “Mitrovica is in the centre of attention only while it is a gray zone. Once the issue of Kosovo is settled, it will become just another poor southern town”.¹⁹

The DSS lost the May 2008 Serbian elections. Eager to move EU accession forward, the new DS-led government in Belgrade favoured a more relaxed Kosovo policy. Its strategy for the North was to secure EULEX deployment as a status-neutral mission under a UN umbrella and prevent a violent reaction from DSS structures. In late 2008, it moved against illegal DSS activities in Kosovo, culminating in the arrest of Milorad Todorović, a senior party official. The pressure worked, and EULEX was deployed, but the DSS was enraged, and tensions with Belgrade grew.²⁰ The long-time internal affairs ministry (Ministarstvo unutrašnjih poslova, MUP) commander in the North and

¹⁷ As were a majority of municipal coordinators established by Belgrade’s Coordination Centre across Kosovo. Before Serbia’s local elections in Kosovo in May 2008, it dealt with Kosovo Serbs through the Coordination Centre, whose local coordinators served as the link between the population and Belgrade. See Crisis Group Report, *Serb Integration in Kosovo*, op. cit.

¹⁸ Crisis Group interview, Serb politician, Serbian National Council, Mitrovica, November 2010.

¹⁹ Crisis Group interview, Serb professor, Mitrovica University (officially “Pristina University temporarily displaced in Kosovska Mitrovica”), Mitrovica, September 2007.

²⁰ The May 2008 Serbian local elections were also held in Kosovo, despite being against UN Security Council Resolution 1244. The DSS won in all the Northern municipalities.

DSS ally, Dragan Delibašić, was removed.²¹ Radenko Nedeljković (DS), a Jakšić critic, was appointed to head the Mitrovica District, imposing some control over the DSS-led municipalities. After a car carrying the new minister for Kosovo, Goran Bogdanović (DS), was stoned near Leposavić on 27 June 2009, Jakšić was blamed and fired from his hospital position.

As the DS controls Serbian funding, DSS mayors in Zubin Potok and Zvečan cooperate with it. When Leposavić and Mitrovica proved more difficult, Belgrade imposed “temporary measures” and forced new elections that the DS won in Leposavić in late 2009 and in Mitrovica in mid-2010. But the party’s political cadres were weak and inexperienced, and the municipalities were in essence run by Nedeljković’s Mitrovica District. Pristina felt the Serbia-run elections were a violation of its sovereignty, while Belgrade claimed they would reduce the influence of hardliners. By mid-2010, it was clear that Belgrade was not interested in prosecuting and removing the most prominent DSS officials in the North, who had long been identified by the international community as the biggest problem. Belgrade preferred to keep them in play to contrast with its own “moderate” policies and as a reminder of what the alternative could be.

Under the DS, fuel smuggling declined, impromptu roadside petrol stations were dismantled, and several large smuggling chains were broken, with dozens of arrests in late 2009. MUP control on the Serbian side of the two Northern gates strengthened. Large, angry rallies in northern Mitrovica, once a regular feature of life in the divided city, declined and then stopped. Yet financial crime continued, now in more sophisticated forms, such as tax fraud exploiting Serbia’s VAT exemption for Kosovo.²²

In the last quarter of 2010, however, the DSS took back control of the Mitrovica municipality, in coalition with the Serb Progressive Party (Srpska napredna stranka, SNS) and two dissidents from the Social Democratic Party (Socijaldemokratska partija Srbije, SDP). Jakšić, significantly weakened since 2008, was seen as the coup’s mastermind.²³ As in the past, he himself took a back seat, letting the more popular but less experienced SNS provide municipal leadership. Nevertheless, the DSS

is calling the shots, and the North remains the only place in Serbia where the party has survived intact. Having access to a municipal budget worth over €6 million will strengthen its position further.

Serbia’s control over the North is partial, and many of the elements that most worry the international community and Pristina – DSS hardliners and organised criminals – have kept their autonomy. Belgrade derives advantages from this: incidents can be blamed plausibly on “hardliners”. But the DS has weakened them and cut much of their access to Serbian funds. Toppling the power vertical set up by the DSS in 2000-2008, when rule was often based on fear, is not complete. But even if this happens, Northerners are unlikely to embrace Pristina. Popular displeasure with the DSS is not linked to its position on Kosovo but to its corruption, other illegal activities and cronyism.

B. MONEY

Serbia spends some €200 million annually on the North, down from over €300 million in the middle of the previous decade.²⁴ This sustains the Kosovo Serbs’ way of life. They are grateful, though those who receive little – pensioners, the unemployed and self-employed – resent the well-connected elite’s wealth. Pristina and international officials argue the aid destroys any local appetite for integration with Kosovo and should be more transparent.²⁵ Others believe it not only harms Kosovo’s integrity but also goes against the interests of average Northern Serbs by sustaining an isolated, lawless environment and funding criminals, who harass the people it is meant to help.²⁶ If the funding declined sharply, some would have to be replaced by Kosovo or international sources, and job losses and emigration would ensue.

Mitrovica University is home to some 9,000 students²⁷ and costs between €30 million and €35 million annually.²⁸

²¹ “Smenjen Delibašić nastala konfuzija” [The dismissal of Delibašić created confusion], JUGpress, 5 January 2009.

²² Several techniques are in use, including claiming VAT refunds for non-existent goods, for goods that never leave Serbia or for goods exported to Kosovo and re-imported to Serbia; Crisis Group interview, international official, Mitrovica, February 2011.

²³ Thanks to long-term lobbying and, according to some, large cash payments, Jakšić is considered to have caused the breakup by encouraging two local deputies of the Social Democratic Party to leave the ruling coalition.

²⁴ Crisis Group interviews, Serbian government official, Belgrade, 6 December 2010; senior Western diplomat, Pristina, 5 November 2010. This comes out roughly to €3,636 per person. In contrast the EU provides €37.29 per capita in Instrument for Pre-accession Assistance (IPA) funding to Kosovo.

²⁵ Crisis Group interview, Serb opposition politician, Mitrovica, 25 November 2010.

²⁶ Crisis Group interview, international official, Pristina, 11 February 2011.

²⁷ Crisis Group interview, Serb professor, Mitrovica University, Mitrovica, 25 December 2010.

²⁸ Crisis Group interview, Serbian government official, Belgrade, 7 December 2010. Administrative staff receive between €350 and €400 a month; the lowest paid docents, at the Faculty of Philosophy, earn between €1,000 and €1,200; Crisis Group interview, Serb professor, Mitrovica University, Mitrovica, 24 November 2010.

Salaries are higher than the Serbia standard. Not all this money stays in the North; about 70 per cent of faculty commute from Serbia or elsewhere, spending little time in Mitrovica.²⁹ But its impact on the region is significant, as students, professors and staff support the city's shops, bars and apartment rental market. The university is also a symbol of Serbia's commitment to staying in the North – the whole campus was built from scratch. It is determined to be seen as a modern and progressive institution, with close ties to regional and European universities. Its new facilities are superior to much larger university centres in Niš, Kragujevac, Novi Sad and, in some respects, even those in Belgrade. But students complain bitterly about the administration and faculty, who are often traditional and nationalistic, barely competent in their fields or prone to favouritism.³⁰ Graduates lack job opportunities, and many leave Kosovo in search of work after completing their degree.³¹

Primary and secondary education cost Serbia even more, an estimated €45 million per year. Officials in Belgrade and on the ground admit there is deliberate overstaffing of the 21 elementary and nine high schools, primarily by IDPs who worked in education before the war.³² In rural Leposavić, 127 teachers have only 566 secondary school students; some rural schools are even more overstaffed.³³ Large sums are spent on salaries and other benefits, including school books and equipment for all pupils. Reconstruction and refurbishment of buildings, most of which were in poor condition, continues. The Serbian education ministry has an office in Mitrovica to oversee a system that is key to keeping Serb families from emigrating.

The Mitrovica health centre employs some 1,600, on an annual budget of €16.5 million.³⁴ It has long been associated with hard-line politics: Jakšić was the director for years, and it was involved in one way or another in all major anti-Kosovo incidents in the North.³⁵ To the over-

whelming majority of Northerners, however it is the cornerstone of the Serbian presence, as it offers jobs and top medical facilities.³⁶ All other medical centres in the Northern municipalities are under its management, and it works closely with centres in the southern enclaves. It considers itself superior to anything in the Albanian health system. Management points out that there are a dozen Albanian employees, "which is a dozen more than there are Serbs employed in the Pristina health centre", and that in the past year 871 non-Serbs received treatment at the hospital, in addition to 587 who visited its clinics in other parts of the North.³⁷

Municipal budgets are much smaller; Mitrovica's the largest, is €6.4 million per year.³⁸ UAM's budget of €2.7 million also helps pay salaries and supports public utilities, such as sanitation and water. Belgrade funds some construction projects (IDP housing, schools, sports halls and roads), though most high-priority projects have been completed, so this spending has drastically fallen. It also provides loans to companies operating in the North (as it does throughout other Serb areas of Kosovo) and underwrites loans taken out by the municipalities, notably €9 million to build a water supply system for Mitrovica, Zubin Potok and Zvečan.

Truly controversial spending is comparatively limited. Several million Euros are believed to go to the MUP every year, assuming there are about 200 clandestine officers in northern Kosovo.³⁹ Most of these do nothing substantively harmful, though their mere presence is in violation of Security Council Resolution 1244. Some work in the MUP office in Mitrovica, issuing Serbian documents, including driving licenses and ID cards; others guard public buildings. But some of the 200 are "hard" MUP, who presumably organise violent protests, recruit thugs and commit arson and bomb attacks. Their salaries and expenses probably add up to €1 million or less.

The North, benefiting from unprecedented infrastructure development since 1999,⁴⁰ enjoys advantages over neighbour-

²⁹ Crisis Group interview, Serb professor, Mitrovica University, Mitrovica, 24 December 2010; Crisis Group focus group, university students, 17 February 2011.

³⁰ Crisis Group focus group, university students, Mitrovica, 17 February 2011.

³¹ Ibid.

³² Crisis Group interview, Serbian government official, Belgrade, 6 December 2010.

³³ OSCE municipal profiles, September 2009, op. cit.

³⁴ By comparison, the health centres in Kragujevac and Niš, both of which cover large areas and have half a million patients a year, employ 2,200 and 2,988 people respectively. Health centre Niš data is at: www.ekapija.com/website/sr/page/245749; health centre Kragujevac data is at: www.kc-kg.rs/o-nama/klinicki-centar-danas.html.

³⁵ The most often cited example is the use of ambulances to raise alarms across Mitrovica and Zvečan in order to ensure crowds gather; examples include the attempted takeover of the

Mitrovica courthouse by UN forces in March 2008 and the opening of a Kosovo government civil registry office in spring 2010.

³⁶ The health centre has nine operating theatres, and its seventeen departments can perform any surgery except cardio- and neuro- surgery.

³⁷ Crisis Group interviews, Mitrovica health centre official, Mitrovica, 26 November 2010; Albanian physicians and patients, south Mitrovica, January 2011.

³⁸ Crisis Group interview, local Serb politician, Mitrovica, 17 February 2011.

³⁹ Estimates of MUP strength in the North vary; Kosovo's internal affairs minister estimated up to 200 non-KP officers. Crisis Group interview, Bajram Rexepi, Pristina, 17 November 2010.

⁴⁰ In 2007, Zubin Potok municipality became the highest recipient per capita of Serbia funds under the National Investment

ing Serbian municipalities that are struggling economically.⁴¹ Jobs came with the subsidies, and a fair portion of construction tenders went to cheaper Albanian firms, Northern politicians note.⁴² But projects and money are running out, and it is becoming increasingly obvious that the North needs production capabilities, not only infrastructure.

The bulk of the €200 million that Belgrade pumps in annually goes to salaries and pensions for some 19,500 Serbs that are much higher than in the rest of Kosovo.⁴³ Northerners are worried that funding has decreased and will continue to do so.⁴⁴ Until 2007, employees in the North regularly obtained a “double salary”, 200 per cent of what people doing the same job in Serbia earned. This was reduced to 150 per cent in early 2010, and a law that would curtail other benefits and set clear guidelines against holding two or more jobs may soon be adopted.⁴⁵ Nevertheless, the money from Belgrade dwarfs all international and Pristina aid in the North.

Northern reliance on the public sector is in stark contrast to the rest of Kosovo, where the private sector is developing.⁴⁶ Some private initiative emerged in 2010 – a few companies from Serbia opened shops with local partners, but the numbers are small compared to enterprises in the south. The Serbian Chamber of Commerce in Mitrovica North offers no projects, seminars or incentives; its work revolves around maintaining databases. A business association registered in both Kosovo and Serbia in March 2010 with the help of the UN Development Programme (UNDP) and around 30 businessmen mainly does fund-

Plan. Crisis Group interview, focus group, Zubin Potok, 30 November 2010.

⁴¹ Serbia has invested in building and reconstructing roads, most symbolically one that weaves through rocky hills between Mitrovica North and Zubin Potok, without passing through Albanian-inhabited areas. It also paid for schools, health centres, sports halls, IDP housing, apartment blocks and new churches in Mitrovica North and Leposavić.

⁴² Crisis Group interviews, Serb politicians, Zubin Potok, Mitrovica, Zvečan, December 2010.

⁴³ Crisis Group interviews, international official, Mitrovica, 9 December 2010; Serbian government official, Belgrade, 6 December 2010.

⁴⁴ Crisis Group interviews, Zubin Potok, Mitrovica, Leposavić, Zvečan, November/December 2010.

⁴⁵ Crisis Group interview, Serbian government official, Belgrade, 6 December 2010.

⁴⁶ Kosovo Serbs have historically relied on state jobs and funding, a characteristic that increased after 1989, when Kosovo’s autonomy was abolished and the local Serb population started living off Belgrade handouts. Albanians’ presence in public institutions stopped post-1989, and they have subsequently developed their private sector. However, while jobs in state institutions in the past were popular above all due to their security, they are now financially very lucrative.

raising and investment training. That emerging Northern businesses are more likely to cooperate with southern partners is especially evident in areas like computer retail.⁴⁷ Yet, public sector salaries are generally higher,⁴⁸ indicating that Serbian state funding undermines private sector growth and economic development.⁴⁹

Kosovo and Serbian banks both operate in the area, but neither offers a full range of services. By far the most popular bank in Mitrovica is the Komercijalna Banka, whose ATM machine gives out only Serbian dinars and where everyone is on the Serbian state payroll. However, the Mitrovica branch only provides salaries; for loans, clients need to go to Serbia. Raiffeisen and Pro Credit banks, which operate within the Kosovo system, have large and modern branches but few clients. They offer loans, sometimes even to non-account holders, but cannot process Serbia salary payments and in most cases require Kosovo or UNMIK documents to even open an account.⁵⁰

Much of today’s Serbian funding was foreseen under the Ahtisaari plan. Whether this heavy state funding and the resulting bloated public sector are sustainable and actually beneficial for long-term socio-economic development is debatable. But the Ahtisaari plan explicitly envisages Serbia funding municipal institutions to cover education, health, pensions and grants.⁵¹ It also says, however, that

⁴⁷ Crisis Group interview, Serb businessman, Mitrovica, 8 December 2010.

⁴⁸ “My salaries of €600 a month are good even by Belgrade standards, let alone Mitrovica or Pristina, yet all my employees with any skill leave for much better paid jobs in Serbia-financed institutions”. Ibid.

⁴⁹ Some public enterprises, such as the Lola Fot factory in Lešak, turn a profit. Crisis Group interview, Serbian government official, Belgrade, 6 December 2010. But most factories, such as Ivo Lola Ribar in Zubin Potok, are closed, while those that are working, such as the timber processing factory Hrast in Leposavić or the Trepča administration, record big losses and serve only to ensure that employees do not lose their jobs. Crisis Group interview, focus group, Zubin Potok, 30 November 2010.

⁵⁰ Crisis Group interviews, Raiffeisen and Pro Credit bank officials, Mitrovica, 8 December 2010. People receiving salaries from Pristina institutions as well as from Serbian ones still use the trusted method of waiting for a year’s pay to accumulate before opening a bank account, withdrawing the money then closing the bank account. Many pensioners are under less scrutiny if they receive payments from both and thus first wait in line at the Komercijalna Banka for their Serbian pension before walking 200 metres to the Bosniak Mahalla and the local NLB Bank branch to collect their Kosovo pension. Raiffeisen bank accepts either Kosovo ID’s or expired UNMIK ID’s, while Pro Credit will accept a Serbian ID only if the holder’s domicile is Kosovo.

⁵¹ The “Ahtisaari plan” refers in this report to the overall scheme contained in the Ahtisaari Report and Comprehensive Proposal for a Kosovo Status Settlement, read together. UN

Serbia should declare its aid to Pristina, use Kosovo banks and accept other conditions that it refuses because it does not recognise Kosovo's independence. Serbian funds and their destination are not the problem – the lack of coordination with Kosovo is, and this is what Belgrade should change. Only the small amount spent on Serbian police, courts and security services flatly violates both the Ahtisaari plan and Resolution 1244.

III. (DIS)INTEGRATION

Few Serbs accept Kosovo independence. South of the Ibar, many participate in Kosovo's institutions, accepting integration within the Ahtisaari plan's terms but without explicitly endorsing separation from Belgrade. Serbs in the south voted in the December 2010 Kosovo elections in numbers approaching those of their Albanian neighbours and greater than those in the last "parallel" polls organised by Serbia. In the North, however, Serbs reject both integration and independence.⁵² Only two Serbs voted in the December 2010 elections; no local candidates stood for office. The most recent Serbian elections, those of May 2010 in north Mitrovica, attracted heavy turnout approaching 80 per cent.⁵³

Northern hostility to Pristina is deeper than the status dispute. Serbs overwhelmingly reject integration "into Kosovo society as it is now".⁵⁴ Months of interviews across the political spectrum found no Serbs who favoured integration – willing acceptance of Kosovo sovereignty and participation in its institutions. A small minority said that if integration was inevitable, it was because "we are in Kosovo"; otherwise they saw no reason to cooperate with Pristina.⁵⁵ The language barrier reinforces division. Since 1999, there has been no bilingual education on either side of the Ibar, and younger Albanians and Serbs communicate in English. Older Serbs in the northern municipalities are far less likely to speak or understand Albanian than their kin in the southern enclaves.

Albanians, Serbs and international observers give different causes for Serb rejection. For many Albanians and some leading embassies, the fault is Belgrade's.⁵⁶ In this view, Northern Serbs will remain intransigent as long as they

Special Envoy Maarti Ahtisaari submitted these documents to the Secretary-General in March 2007, who in turn forwarded them to the Security Council with his approval. Serbian funding of health and education is discussed in Articles 7, 10 and 11 of Annex III.

⁵² Crisis Group interview, UN Development Programme (UNDP) official, Pristina, 17 November 2010.

⁵³ Crisis Group interview, DS official, Mitrovica, 16 February 2011. The campaign for these elections featured repeated visits by top Serbian opposition leaders, including the moderate Serbian Progressive Party (SNS, Srpska napredna stranka), and rhetoric heavily slanted to nationalistic themes, with scant or no reference to practical, local concerns. Crisis Group observations, Mitrovica, May 2010.

⁵⁴ Crisis Group interview, prominent Serb businessman and politician, Mitrovica, 23 November 2010.

⁵⁵ Crisis Group interview, Serb opposition politician, Mitrovica, 25 November 2010.

⁵⁶ Crisis Group interview, Isa Mustafa, leader of LDK, Pristina, 18 November 2010. 46 per cent of Albanian respondents named "the influence of Belgrade" as the main cause of tense inter-ethnic relations, with Serbs' reluctance to integrate in second place (16 per cent); "Early Warning Report 28: Kosovo", UN Development Programme (UNDP), April-June 2010, p. 25.

feel supported by the Serbian capital.⁵⁷ If that support weakens, integration would follow. But this is premised on Brussels making it “clear to Belgrade that its EU future depends on real cooperation on Kosovo”.⁵⁸ Admittedly, if Serbia accepts Kosovo’s territorial integrity, the North is too small and weak to resist accommodation with Pristina. Yet, Serbs overwhelmingly cite Albanians’ “insufficient efforts” to woo them, followed by their own community’s rejection of Kosovo society, as the leading causes of poor inter-ethnic relations; only a handful believes Belgrade is an important factor.⁵⁹ For them, Belgrade is not holding back Northern interest in integration: that interest does not exist.

Even though Northerners admit that they suffer from high unemployment, crime, an uncertain future and neglect by international organisations, they believe life is better north of the Ibar. The North has suffered “ten years of anarchy, yet our system is [still] more organised than the south, and our services are much better”. This sense of well-being is partially sustained by a decade of Serbian investment – Northern Kosovo municipalities are much better-equipped than comparable southern Serbian ones – and by relatively high public-sector salaries. The achievements of EU and U.S. aid elsewhere in Kosovo seem paltry in contrast. Who, northerners wonder, “wants to integrate into an inferior system”?⁶⁰

There is little trust. Serbs are convinced they would face heavy discrimination if they accepted integration. A doctor at the Mitrovica health centre complained: “attempts at integration are aimed at destroying us”. Becoming part of the Kosovo health system would mean a drastic job loss, with many positions eliminated, others filled by Albanians, resulting in Serb emigration, they say. Interlocutors do not understand why Albanians’ preferences should outweigh theirs: “Albanians did not want to live under Serb rule, and we don’t want to live under their rule”.⁶¹

Civil society representatives agree: why do Albanians have “the right to leave my country, while I don’t have the right to stay?”⁶²

The small community of independent businessmen is far readier to interact with Kosovo institutions.⁶³ Non-governmental organisations (NGOs) also cooperate with southern colleagues and the Kosovo government.⁶⁴ Yet, their leaders complain about being coerced to register with Pristina by international agencies such as UNDP, as a condition for funding. Many accept money from Pristina as long as it comes without strings, but fear that they will be ostracised by the community they wish to serve if they do so publicly. Even among this cosmopolitan group there is the sense that Pristina has failed to make “a single goodwill gesture toward the Serbs since 1999”.⁶⁵ Money is not the answer. In the recently-opened civil registry office, local officials complain: “Pristina and the internationals just want to throw money at the Serbs so they can write reports about ‘successful integration’. That is not the way to go”.⁶⁶

International officials argue that though Serb participation in Kosovo political life once seemed impossible, southern Serbs voted in large number in the November 2009 local and December 2010 national polls. Popularly-elected Serbs in Kosovo’s government may help persuade Northern Serbs to participate.⁶⁷ Others reason by analogy: if southern resistance was surmountable, then Northern hardliners can soften over time. But this overlooks fundamental differences. Scattered in enclaves and surrounded by areas under Kosovo state authority, southern Serbs had little long-term alternative to integration.⁶⁸ Northerners get all they need – documents, health, education, salaries, most goods and services – locally or across the porous border with Serbia and cross the Ibar only for occasional shopping or socialising. Many never cross. None of the forces that propelled southern integration exist in the North.

Northerners see their region as the “victim of an international experiment” devised by actors with little or no knowl-

⁵⁷ The former UN regional representative in Mitrovica worried that “for many people in Pristina it remains an *idée fixe* that the northern Serbs only resist [Kosovo] independence because of Belgrade’s ‘interference’ or the negative influence of the ‘radical’ leaders. These people believe... that a real show of force, or maybe some arrests, will break this hold and free the Serbs to accept the benefits of the new Kosovo. This is simply not accurate”. “Kosovo – a struggle over who gets the north”, interview with Gerard Gallucci, Transconflict (www.transconflict.com).

⁵⁸ “Kosovo: Strategy for northern Kosovo an important step in the right direction”, cable from U.S. embassy Pristina, 29 January 2010, as made public by Wikileaks.

⁵⁹ “Early Warning Report 28”, op. cit., p. 25.

⁶⁰ Crisis Group focus group, Zubin Potok, 30 November 2010.

⁶¹ Crisis Group interview, Mitrovica health centre official, Mitrovica, 25 November 2010. In part, this fear is based on reality: the health centre is highly overstaffed for the small region it serves; see above.

⁶² This reflects the widely shared view that the North remains part of Serbia and is not seceding from Kosovo; Crisis Group focus group, Zubin Potok, 30 November 2010.

⁶³ Crisis Group interview, Serb businessman, Mitrovica, 8 December 2010.

⁶⁴ Crisis Group interviews, Sadri Ferati, local government administration minister, Pristina, 22 November 2010; Kosovo civil registry office official, Mitrovica, 24 November 2010.

⁶⁵ Crisis Group focus group, Zubin Potok, 30 November 2010.

⁶⁶ Crisis Group interviews, Kosovo civil registry office officials, Mitrovica, 24 November 2010.

⁶⁷ “Kosovo: Strategy for Northern Kosovo”, op. cit.

⁶⁸ Crisis Group Report, *Serb Integration in Kosovo*, op. cit., and Crisis Group Europe Briefing N°56, *Kosovo: Štrpce, a Model Serb Enclave?*, 15 October 2009.

edge of its conditions. Integration “sounds very aggressive to us”, suggesting a desire to control and dominate, they say.⁶⁹ Explanations based on preserving Kosovo’s territorial integrity ring hollow; for Northerners, it is Serbia’s integrity that was violated, by the same actors (Pristina and many NATO members) who now lecture on the importance of borders.

A. THE “STRATEGY FOR THE NORTH”

Two main concerns drive international policy on the North. Avoiding partition is paramount. Many fear that changing Kosovo’s borders, whether by partition or exchange of territories, could lead to the dismemberment of neighbouring Macedonia and destabilise the western Balkans.⁷⁰ Protecting the Kosovo government from nationalist pressure is also important. “For ten years we told the Kosovars to trust us – ‘let us handle the situation and we will protect you’ – and now the government of independent Kosovo is increasingly asking us when we are going to make good on that commitment”, warned a senior diplomat.⁷¹ The government’s failure to exercise sovereignty over the North provokes frequent criticism both within the governing coalition and from opposition parties across the political spectrum.

Key players – the ICO and the U.S. embassy, consulting with EULEX and several EU missions – crafted a “Strategy for the North” to meet these concerns. It took shape late in 2009 and was endorsed by the Kosovo government early in 2010.⁷² Several of its 33 recommendations have been implemented, though with little effect, and its most ambitious goals seem more remote than ever. Its troubles are instructive, as it still guides international policy toward the North.

The Strategy aims to marginalise and weaken the “parallel” Serbian institutions, establish and strengthen legitimate Kosovo institutions and reinforce law enforcement in the North. It does not contemplate use of force against Serbian entities or imposing Kosovo officials. The idea has been to show Northern Serbs they are in Kosovo, not Serbia, encourage them to cooperate with Pristina and

make the Serbian municipal governments irrelevant.⁷³ To achieve this, it proposed actions in three areas: rule of law, municipal government and economic development.⁷⁴

The rule of law recommendations involve EULEX and are the most grounded and least controversial, but implementation is painfully slow. EULEX has slightly increased its visibility in the North, notably by a program of night-time traffic stops (“Operation Night Owl”), and doubled its judges at the Mitrovica courthouse. Yet, visibility is still low;⁷⁵ Night Owl has had little impact, netting only a few illegal guns.⁷⁶ There has been no progress on the main benchmarks: hiring Albanian and Serb judges for the Mitrovica court and collecting customs fees at the Northern gates.

Pristina and the international community set more ambitious goals for municipal government. They planned to introduce Kosovo institutions into the North, use them to funnel generous funds to communities and build a cadre of skilled, respected local leaders, culminating in new elections. This involved setting up three new entities in Mitrovica. A Civil Registry Office (CRO) opened in the ethnically mixed Bosniak Mahalla neighbourhood. It was to issue Kosovo documents and host a small, mixed Serb and Albanian team to promote decentralisation by multi-ethnic projects and small-scale investment, mainly through NGOs. It was also to host the Municipal Preparatory Team (MPT) for North Mitrovica, tasked with laying the foundations for a new municipality within the Kosovo system.⁷⁷ Finally, the EU opened an office (the “EU House”), meant to increase visibility and coordinate policy.

These plans stumbled at the first step. The opening of the CRO was met by Serb demonstrations that spiralled out of control, with one death. The CRO is seldom visited,⁷⁸

⁷³ Crisis Group interview, senior EU diplomat, 2 December 2010.

⁷⁴ Recommendations one to six cover law enforcement; seven to 23 deal with North Mitrovica and 24 to 30 with the other three municipalities; 31 to 33 address the social and economic situation. “Strategy for Northern Kosovo”, ICO paper made available to Crisis Group, 19 January 2010.

⁷⁵ Crisis Group saw only one patrol in four weeks of intensive travel through the North between November 2010 and February 2011.

⁷⁶ Crisis Group interview, EU official, Brussels, 20 January 2011.

⁷⁷ The MPTs are part of the decentralisation process laid out in the Ahtisaari Plan, which mandated the creation of five new Serb (and one new Turkish) majority municipalities with enhanced competencies. MPT members are internationally appointed but paid by the Kosovo government. Their job is to survey infrastructure and training needs, organise the new municipality, negotiate with parent municipalit(ies), and explain the process to residents.

⁷⁸ During a Crisis Group visit in November 2010, the Civil Registry office consisted of three nervous officials guarded by a KP detachment; a KP office for motor vehicle registration that re-

⁶⁹ Internationals’ fear of visiting the North is a perennial complaint. Crisis Group focus group, Zubin Potok, 30 November 2010.

⁷⁰ See Crisis Group Report, *Kosovo and Serbia after the ICJ Opinion*, op. cit., pp.14-17. Surveys have found strong support among Albanians throughout the region for including parts of Macedonia in a common Albanian state, if Kosovo and Albania were to unite; Gallup Balkan Monitor (www.balkan-monitor.eu).

⁷¹ “Kosovo: Strategy for Northern Kosovo an important step in the right direction”, op. cit.

⁷² Crisis Group interview, Prime Minister Hashim Thaçi, Pristina, March 2010.

though by the end of 2010, it had implemented four modest projects in the North and organised a conference in Macedonia that attracted 100 NGOs from both sides of the Ibar.⁷⁹ Coordination with the MPT could be better; it is dismissed as “people unknown to the public, with no standing in the community”.⁸⁰ Efforts are further hampered by accusations of corruption and nepotism in grant making.⁸¹ Pristina is responsible for managing the offices and staffs; its laxity is seen as a demonstration of its disinterest in making engagement with the North work.

The MPT ran into so much intimidation and harassment that its members could not work publicly.⁸² The team was reduced to trivial projects: distributing free firewood to IDP camps, setting up Christmas lights and organising a photo competition.⁸³ Its largest project has been renovating the playground at the Mitrovica North kindergarten, completed on 26 January 2011. The playground is tolerated, but the sign attributing it to the MPT drew a crowd that delayed the opening ceremony.⁸⁴

With even modest investment running into opposition and its members driven underground, the MPT could not move on to its main task: preparing for municipal elections. Neither the KP nor EULEX were effective in protecting its members from violent intimidation. Unrealistically, the Strategy suggested promoting Kosovo elections as status neutral, arguing that “the biggest hurdle facing decentralisation in the north is the perception that the creation of the new municipality of Mitrovica North requires acceptance of Kosovo’s independence”.⁸⁵ The MPT website, which seems to have been written in English and translated imperfectly into Serbian and Albanian, makes scarcely any reference to Kosovo.⁸⁶ The next steps – fol-

lowing up on Mitrovica elections with similar moves in the three Northern municipalities – were not tried.⁸⁷

Not only is the majority of the local population opposed, but the funds on offer are less than Belgrade’s and distributed to relatively unknown community leaders prone to infighting. Government spending that directly benefits Serbs, such as the €2.7 million for the Mitrovica North administration, is seldom noted and admittedly a fraction of what Belgrade offers. When Pristina steps in, it is often to reaffirm sovereignty in ways that locals view as harassment, such as the January 2011 order to confiscate Serbian vehicle licence plates with northern municipality codes and the 2010 shutdown of Serbian mobile telephone antennae south of the Ibar.⁸⁸

When international organisations, working with the Kosovo government, attempt to support projects in the North, they encounter status and contracting problems. The U.S. Agency for International Development (USAID), for example, has established a €5 million trust account for the North,⁸⁹ with up to €1 million for activities in support of the Mitrovica North MPT, in addition to ongoing projects in economic development, rule of law and media. Projects are to be implemented with the MPTs in the Decentralised Effective Municipalities Initiative (DEMI). But Belgrade insists that Serbian municipalities approve them, and USAID refuses to work with them.⁹⁰ Local Serb authorities are suspicious, however, feeling the aim is to pave the way for Ahtisaari plan decentralisation.⁹¹

Each project can cause tensions, and the situation is the same in Zvečan, Leposavić and Zubin Potok, for which

ported about five visits per week; and a branch of the local government affairs ministry (MLGA).

⁷⁹Projects implemented included “Sports for All”, a cancer prevention scheme for the Roma population, televised debates and an ecology venture. Crisis Group interview, Kosovo Civil Registry Office official, Mitrovica, 24 November 2010.

⁸⁰Crisis Group interview, Kosovo Civil Registry Office official, Mitrovica, 24 November 2010.

⁸¹Crisis Group interview, Serb NGO activist, Mitrovica, 24 November 2010.

⁸²The Mitrovica North MPT is the only one whose membership has not been made public on the ICO website (www.ico-kos.org) or its own (www.mpt-mn.org). Members spent part of 2010 being trained at capacity-building seminars in the U.S. Crisis Group interviews, U.S. embassy official, Belgrade, 21 April 2010; Serb NGO activist, Mitrovica, October 2010.

⁸³Mitrovica North MPT website, www.mpt-mn.org.

⁸⁴Crisis Group interview, Serb NGO activist, Mitrovica, 1 February 2011.

⁸⁵“Strategy for Northern Kosovo”, *op. cit.*

⁸⁶The only significant references to Kosovo are in the “Important Documents” section, where links point to the (English-only) versions of five Kosovo laws.

⁸⁷The Strategy recommended establishing “Advisory Councils” for the three Northern municipalities, in lieu of MPTs, because the latter only operate to form new municipalities, not to shepherd existing ones from Serbia’s system to Kosovo’s. This would require amending the law on local self-government.

⁸⁸The Kosovo government removed Serbian mobile telephone transmitters south of the Ibar in 2010. Serbs rejected Pristina’s explanation, that Serbian operators were unregistered in Kosovo and were causing losses for legally registered operators, and saw it instead as a move aimed at pressuring them. In the North, they guarded Serbian antennas and blew up those belonging to Kosovo’s IPKO and Vala operators. In January 2011, Pristina began confiscating new Serbian car plates with Kosovo municipal codes. EULEX quickly facilitated a temporary compromise and defused tensions.

⁸⁹Crisis Group interview, Serb NGO activist, Mitrovica, 1 February 2011.

⁹⁰USAID has worked around these restrictions by going through NGOs and others; in one case, it purchased equipment for an NGO that placed it in the Mitrovica University health centre, while retaining ownership; Crisis Group email correspondence, USAID, 10 March 2011.

⁹¹Crisis Group interview, senior Serb official, Mitrovica, 25 January 2011.

USAID/Pristina has allocated €3 million to €3.5 million. Locals are tempted but unhappy at the conditions and worried participation will be seen as integration.⁹² While local authorities expressed interest in building three school annexes,⁹³ there is no progress because USAID refuses to sign contracts with Serbian municipalities that refuse to be bypassed.

Investment from the European Commission Liaison Office (ECLO) is more “status neutral” and thus more to Serbian taste. Its €27 million investment plan for the whole of Kosovo, including the North, received prominent Serbian press attention. A health clinic is being built in Zubin Potok and a water sanitation plant in Leposavić,⁹⁴ though the Strategy recommended caution about such projects, warning donors against legitimising the Serbian municipalities or replacing Serbia’s own declining contributions.

Winning Serbs’ loyalty with infrastructure spending would be an uncertain proposition at best, and the Strategy does not come with the funding needed to make a serious attempt. The ICO Mitrovica office has identified over €100 million in projects in Mitrovica town alone, a sum greater than total EU and U.S. assistance to Kosovo. International assurances notwithstanding, only a tiny fraction of this sum has been appropriated. Nor have the Strategy’s authors shown the political will to implement it. An “international policy board” to coordinate action on the North has never met.⁹⁵ The EU House, in an office suite above the Mitrovica KP station, has few visitors.

The fundamental problem with the Strategy is that it is built on a contradiction. Its appeal is pitched at empowering Serbs to “promote the interests of their communities”, yet Serbs see their primary interest as rejecting Kosovo and remaining loyal to Serbia. It fails even to acknowledge that it strikes at this basic Serb interest. It also assumes that Belgrade can be persuaded not to obstruct Northern Serbs’ rapprochement with Kosovo but devotes no attention to how this might be done.

A few of the Strategy’s components survive but will require much greater commitment from the international

community and Pristina if they are to have a good effect. ICO’s investment plans deserve support, and EULEX is working in the North and could do much more. Yet, it will face a choice between reinforcing Kosovo’s judicial system and actually improving the rule of law in the North and will have to tread carefully.

B. SENDING A MESSAGE: THE MITROVICA CEMETERY

To build trust and confidence, Kosovo authorities need to be attentive to culture and religious symbols, such as the Serb Orthodox cemetery in Mitrovica, on the Albanian, south, bank of the Ibar.⁹⁶ The main Albanian cemetery is in the North and intact. The Serb cemetery is devastated, hundreds of headstones in shards and the chapel at its centre desecrated and burned.⁹⁷ Most of the damage dates to 1999 and March 2004, but also to 2007 and 2008. The site is unguarded and open to sporadic vandalism, some allegedly perpetrated by residents of a neighbouring Ashkali settlement apparently seeking to ingratiate themselves with Albanians by lashing out at Serbs.⁹⁸ Northern Serbs often cite the two cemeteries as signs of their tolerance and Albanian hostility.⁹⁹ The Kosovo authorities’ failure to repair and secure the graveyard sends a terrible message to Northern Serbs: this is what your future will look like, once you have integrated.

Several attempts to repair the cemetery have foundered on political symbolism and pride. The ICO notes that “every attempt to solve the problem gets stuck when the two sides start arguing over who has legitimacy”.¹⁰⁰ Mitrovica municipal officials have insufficient funds for a full repair and complain that Serbs refuse to cooperate. The municipality says it cleans the gravesites twice a year.¹⁰¹ The cemetery is also cleaned by Serbs whose dead are buried there, most often on All Soul’s Day, when organised visits, under police escort, take place. The Orthodox Church argues that most initiatives by the southern municipality and internationals “have taken place without

⁹² Crisis Group focus group, Zubin Potok, 25 November 2011.

⁹³ Primary schools Sveti Sava, Žerovnica village, Zvečan Municipality; Banović Strahinja, Banjska village, Zvečan Municipality; Vuk Karadžić, Zvečan, Zvečan Municipality. Crisis Group interview, Serbian government official, Belgrade, 21 January 2011.

⁹⁴ “EU Finansira Nove Infrastrukturne Projekte na Kosovu” [EU Finances New Infrastructure Projects in Kosovo], *Politika*, 2 February 2011.

⁹⁵ The policy group was to coordinate the ICO, EULEX, ECLO, KFOR, USAID and UNMIK, as well as the “Quint” embassies (France, Germany, Italy, UK and U.S.).

⁹⁶ The predominantly Orthodox southern cemetery also serves the small Catholic community.

⁹⁷ Crisis Group site visit, November 2010. According to the Orthodox Church, 868 headstones are destroyed and need replacement; another 713 are lightly damaged and can be repaired; Crisis Group interview, Serbian Orthodox priest, Mitrovica, 25 January 2011.

⁹⁸ Crisis Group interview, Serb NGO activist, Mitrovica, 17 February 2011. The Ashkali are Albanian-speaking Roma.

⁹⁹ Crisis Group interviews, Northern politicians, September-January 2010/2011.

¹⁰⁰ Crisis Group interview, international official, Mitrovica, 26 January 2011.

¹⁰¹ Crisis Group interview, senior Kosovo municipal official, Mitrovica, 12 January 2011.

any consultation with us... they cannot do this without us".¹⁰² Northerners want repairs to involve the northern Mitrovica authorities, whom the south does not recognise. Southerners believe the Church and Serb leaders deliberately refuse cooperation because the ruined cemetery serves as a valuable symbol against integration.

The desecration of the chapel and gravestones is Pristina's to address – the likely perpetrators and the site are within its jurisdiction. However obstructive or unreasonable the Church or Northern officials may be, Pristina has the authority to order the repairs. The persistent failure to do so and guard against vandalism suggests that this is simply not a priority, and, therefore, neither is Serbian integration.

It may already be too late to repair the damage to public trust. Serbs largely avoid the southern cemetery; burials now mostly go to new graveyards in the North.¹⁰³ Indeed, several families exhume relatives from the southern cemetery each month for re-burial in the North. But the problem is soluble; Mitrovica's church was repaired in an (uncontroversial) UNESCO project years ago. The solution requires attention at a higher level – local authorities on both sides are too entrenched – and cooperation between trusted international representatives, Bishop Teodosije of the Diocese of Raška-Prizren, which includes Kosovo, and the Pristina government, backed by donors. Until then, the south Mitrovica municipality should repair the fence around the cemetery and install video cameras to deter more vandalism.

C. THE CONSTRUCTION WAR

Many Northern Serbs are IDPs from elsewhere in Kosovo, and many Albanians who once lived north of the Ibar are displaced to Mitrovica and points south. Though IDP returns are still controversial throughout Kosovo, open violence is rare, but both communities use the reconstruction of IDP housing as a subtle weapon to maintain the ethnic balance.

Violent demonstrations met early attempts to build housing for Albanian returnees in the Kroj i Vitakut (Brdjani) hamlet in Mitrovica. High-level mediation – and intervention by EULEX riot police firing tear gas – allowed construction to proceed, and dozens of houses are available for settlement. Interspersed through this tiny hamlet,

however, are several four- and five-storey apartment blocks, prepared for Serbian IDPs.¹⁰⁴

Mitrovica Serbs fear an influx of Albanians, especially in peripheral neighbourhoods to the west that, if connected and taken over, could jeopardise Serb control of the town centre. No such influx is visible. Instead, many restored Albanian homes appear vacant, and anecdotal evidence suggests they are meant for sale to Serbs. Zvečan officials are especially nervous about a large building under construction in the hamlet of Vidimiriq, overlooking their town.¹⁰⁵ They speculate it is meant for a Kosovo riot police (or Kosovo Security Force) base that could be used for an eventual offensive against the North. Currently just a private building, the site is "the best possible location if anyone wants to launch an attack on Zvečan" and is near an important transmission tower for Serbian mobile telephony, television and internet services.¹⁰⁶

The fate of apartments built for Serbs who fled Croatian troops in August 1995 and are still displaced shows how little room there is for return. The flats were quickly occupied and usurped by other Serbs – themselves displaced from Svinjare village in South Mitrovica.¹⁰⁷ The Svinjare Serbs all owned homes rebuilt by the international community but refused to live in them, terrified by Albanian intimidation (or persuaded to sell).

¹⁰² Crisis Group interview, Serbian Orthodox priest, Mitrovica, 25 January 2011

¹⁰³ Catholic burials still take place but very few Orthodox, *ibid*; Crisis Group interview, Serb NGO activist, Mitrovica, 17 February 2011.

¹⁰⁴ Crisis Group observations, Kroj i Vitakut (Mitrovica), February 2011.

¹⁰⁵ Crisis Group interview, international official, Mitrovica, 2 December 2010. Vidimiriq (Vidomirić) is an Albanian-majority hamlet assigned by the Ahtisaari plan to the southern Mitrovica municipality. Southern Mitrovica municipal officials state the house is nothing more than a private dwelling; Crisis Group phone interview, 10 March 2011.

¹⁰⁶ Crisis Group interview, international official, Mitrovica, 8 December 2010.

¹⁰⁷ Crisis Group interview, Serbian official, Zvečan, 2 December 2010.

IV. CRIME: A COMMON PROBLEM

There is no effective criminal justice system in the North, and the civil justice system is fragmented, its judgments unenforceable.¹⁰⁸ Kosovo police (KP) lack respect, expertise and support; their relations with regional superiors south of the Ibar and with the judiciary are strained. Serbian police, barred from Kosovo by Resolution 1244, lurk in plainclothes but have no enforcement powers. Kosovo courts have not operated in the North since independence, apart from a trickle of cases handled by EULEX judges. Serbian courts operate in judges' apartments, handling civil matters, but unable to enforce their judgments. Northern Serbs resent depictions of their region as crime-riddled and anarchic, however.¹⁰⁹ Local mayors and opposition activists – some themselves the victims of violence – argue that the image is propagated as a cover for integration through imposition of Kosovo rule of law institutions.¹¹⁰

Bleak as it is, the North's weak rule of law has not produced an explosion of criminal activity, though residents fear the growing influence of a gangster elite. Northerners uniformly desire a more orderly and secure environment. A Mitrovica university official complained that despite the proliferation of law enforcement agencies in the area – the KP, the Serbian MUP and civil defence, EULEX, NATO's KFOR and UNMIK – none could help against thugs and intimidation. The only practical option is to visit the Number One restaurant, an informal meeting-place for the Northern elite and to seek help from influential locals there.¹¹¹

The international community has made rule of law a priority, but it means different things in different places. For Pristina, the highest priority is control over customs and the border posts, followed by extension of Kosovo's legal system to the North – measures that northern Serbs reject. For them, rule of law means cutting down on petty crime and prosecuting Mitrovica's criminal gangs. The EU set up EULEX in large part to take over security from the UN, but, as noted above, it is mostly invisible in the North: Crisis Group saw one foot patrol in two weeks of touring, and that was next to the main Mitrovica bridge. EULEX participates in joint checkpoints with KFOR but is overshadowed by the military, and these – "Operation Night Owl" – are of dubious use. Attempts to arrest criminals have had little success – some were immediately released

on legal technicalities, others turned out to be the wrong persons. Tensions are rising over KFOR as well. Once seen as the guarantor of security by local Serbs, it is now viewed more suspiciously due to the expansion work underway at the Nothing Hill base near Leposavić.

International organisations have few tools at their disposal. Insofar as reinforcing the police and judiciary means integrating them closer with Kosovo institutions, local people would feel alienated. Strengthening the links between the Northern KP and Pristina headquarters would weaken police credibility and increase suspicions they are disloyal to their people. Delaying court proceedings for the greater Mitrovica region pending installation of the disputed district court on the north bank keeps the pressure for integration on but cripples prosecutions on both banks, allowing criminals to operate with impunity. Cracking down on Serbian police and judicial institutions operating covertly and in violation of Resolution 1244 would weaken Serbia's influence but remove the only jurisdiction that can effectively tackle intra-Serbian financial crime.

A. CRIME IN THE NORTH

Northern Kosovo has long suffered from a reputation as a gangster paradise where ordinary citizens cower in fear, yearning for rule of law – a Balkan version of Somalia, afflicted by a "rash of smuggling and organised crime", overseen by a "thuggish and criminalised Serb leadership".¹¹² The reality is very different. Crime rates are generally low. Rural and sparsely populated by ageing, tightly knit communities, Leposavić, Zvečan and Zubin Potok are arid soil for petty crime and too impoverished for organised crime.

North Mitrovica is the exception: there, many Serbs fear leaving home after dark.¹¹³ Original residents are outnumbered by IDPs, many without jobs, and a large student population. Its frontline status underpins a tense atmosphere. In 2010, the KP registered seven cases of grand larceny in Zubin Potok compared to 74 in Mitrovica; Leposavić had eight cases of light bodily injury, while Mitrovica had 50.¹¹⁴ Domestic violence is underreported throughout Kosovo – Albanian women fear complaining to police, while Northern Serb counterparts do not know

¹⁰⁸ See also Crisis Group Report, *The Rule of Law in Independent Kosovo*, op. cit., pp.18-21.

¹⁰⁹ Crisis Group focus group, Zubin Potok, 25 November 2010.

¹¹⁰ Ibid; Crisis Group interview, Serbian official, Zvečan, 1 December 2010.

¹¹¹ Crisis Group interview, DS official, Mitrovica, 24 November 2010.

¹¹² Crisis Group interview, diplomat, Pristina, 5 November 2010; cable from U.S. embassy Pristina, 23 February 2009, as made public by Wikileaks.

¹¹³ "Mitrovicë/a Public Opinion Survey", UNDP, November 2010, p. 24.

¹¹⁴ KP Mitrovica regional headquarters annual report made available to Crisis Group, February 2011. KP statistics are unreliable; see Crisis Group Report, *Rule of Law in Independent Kosovo*, op. cit.

whom to approach.¹¹⁵ Even so, despite an increase in reported cases in Leposavić and Zubin Potok in 2010, domestic violence is more serious in Mitrovica town.¹¹⁶

Nevertheless, while Mitrovica is more dangerous than the rest of the North, its crime rates are only slightly above the Kosovo average. Serious crimes like murder are too rare to permit conclusions about trends,¹¹⁷ but the most frequent offenses – light bodily injury and petty theft – do allow comparisons. In north Mitrovica, the former declined from about three cases per 1,000 residents in 2009 to less than two in 2010; the latter, from six to less than four. These rates are higher than in Kosovo-controlled south Mitrovica (about 1.2 and 2.4 per thousand in 2010, respectively); although those elsewhere in the North are much lower. All three municipalities (Leposavić, Zubin Potok and Zvečan) had less than one case of injury per 1,000 in 2009 and 2010 and low theft rates.¹¹⁸ Overall, reported rates for light bodily injury were slightly lower in the Serbian-controlled northern part of the Mitrovica region than in the Kosovo-controlled southern parts, and theft rates slightly higher, but the differences were not major.¹¹⁹

Ordinary crime in the North is no more a problem than elsewhere in Kosovo, but the region is distinct in several categories, notably smuggling and political intimidation. Economic crime, discussed in the next section, is rampant; statistics are unavailable because the Northern KP does not investigate or report it. Profits from smuggling, however, are sufficient to sustain a largely non-violent yet still thuggish and pernicious criminal underworld that is exceptionally influential in the North's small community. Smuggling from Serbia through the North into other parts of Kosovo necessarily involves Albanian partners, but their influence is weaker because of the larger territory involved.

Intimidation and harassment target the small Northern political, economic and social elite: opposition politicians, NGO activists, business rivals and anyone publicly asso-

ciated with Kosovo institutions. A prominent businessman complained that “literally everything and anything can happen here. Fear is spreading; those working for and with Kosovo institutions are being attacked, but who is to guarantee this won't spread to others?”¹²⁰ Serbs cooperating with Pristina report threatening phone calls. A smaller number – including at least one businessman and NGO activist well-connected in Belgrade and without Pristina links – have had cars burned or suffered explosive attacks on home and property.¹²¹ Several grenade attacks targeted customs officers and KP, after news that border controls were tightening. The only Serb member of the Kosovo Assembly living in the North, Petar Miletić, was shot in both knees on 5 July 2010. The head of the single Northern party to register for the December 2010 Kosovo elections was attacked fifteen times; one provoked a heart attack, and his embryonic party quit the polls.¹²² None of these crimes have been solved.

Some evidence suggests links between political and non-political crimes. Unknown assailants murdered Hakif Mehmeti (an Albanian) on 8 September 2010, allegedly for drug-related reasons; Šefko Salković, a Bosniak whose home was scheduled to host a Kosovo polling station, was shot to death in Leposavić four days before the December election; And three Serbs were shot in Lešak around the same time. The crime scenes featured similar details, including bullets from the same type of gun and getaway vehicles found burned.¹²³

Crisis Group observed open drug dealing on Mitrovica University's campus on several occasions. Heroin is cheap, indicating a large supply; cocaine is expensive and hard to find, while marijuana is “just part of university life”.¹²⁴ Yet, students report few serious effects from the drug trade, apart from the damage it does to addicts and their families.¹²⁵ International observers do not consider that the drug problem has reached epidemic proportions such

¹¹⁵ Crisis Group interview, KP officer, Mitrovica, January 2011. An NGO activist in Leposavić suggested police hardly noted twenty domestic violence cases she registered. Crisis Group interview, 1 December 2010.

¹¹⁶ KP annual crime report, op. cit.

¹¹⁷ The broader Mitrovica region recorded nine murders in 2010, four in the North (one each in Mitrovica and Zvečan, two in Leposavić), all involving victims with a serious criminal background.

¹¹⁸ Crisis Group analysis based on KP annual crime report made available to Crisis Group, Mitrovica, February 2011.

¹¹⁹ Crime rates for the rest of Kosovo were unavailable, but police and EULEX officials consider them comparable to the North's; Crisis Group interviews, Mitrovica and Pristina, November-December 2010.

¹²⁰ Crisis Group interview, prominent Serb businessman and politician, Mitrovica, 23 November 2010.

¹²¹ The KP classifies explosions and the like as “causing public danger” and reported 52 cases in Mitrovica, with another 52 in the other three municipalities; KP annual crime report, op. cit.

¹²² Crisis Group interview, Serb opposition politician, Mitrovica, 25 November 2010.

¹²³ Crisis Group interview, prosecutor, Vushtri, 21 January 2011. Serbian authorities arrested five suspects, including two MUP officers, in connection with the Lešak shootings, also allegedly drug-related.

¹²⁴ Crisis Group interview, international official, Mitrovica, 8 December 2010, Crisis Group focus group, Mitrovica, 17 February 2011.

¹²⁵ Crisis Group focus group, Mitrovica, 17 February 2011.

that it is responsible for high crime or extensive family breakdowns and homelessness.¹²⁶

Inter-ethnic crimes are rare, and often have economic motives. A series of attacks on an Albanian-owned bakery in Zvečan, once thought to be ethnic harassment, turned out to be extortion.¹²⁷ Young Serbs and Albanians occasionally fight in and around the mixed Bosniak Mahalla and Mikronaselje (Kodra e Minatrove) neighbourhoods. Moments of political tension sometimes lead to inter-ethnic crime. A popular Bosniak paediatrician died on July 2 2010 from wounds sustained in a grenade explosion during a demonstration against the opening of a Kosovo government office in the Mahalla.

B. ECONOMIC CRIME

Like its political status, the North's economy is murky and distinct from that of both the rest of Kosovo and of Serbia. The North is "one large duty free zone", largely outside Kosovo's and Serbia's revenue systems.¹²⁸ Pristina sees its lack of control over the two Northern border posts and the ineffective customs regime as a key gap in its sovereignty. Northerners believe they are part of Serbia and regard imposition of customs as forcible separation from their homeland that they would resist by force. While much opposition comes from smugglers, even progressive Serbs flatly reject Kosovo customs.¹²⁹ Belgrade formally accepts the international consensus that Kosovo is a single customs area but refuses to allow the government to collect revenue, insisting that only UNMIK is so authorised.¹³⁰

Smuggling used to be even more widespread. That of fuel reached its peak in 2007, when Crisis Group observed trucks parked outdoors in daytime as canisters and minivans were filled and sent back into Serbia to re-sell petrol in towns like Raška and Kraljevo. Since the new govern-

ment was formed in Belgrade in mid-2008, these activities have been curtailed, with many arrests in 2010.¹³¹ But diesel is still much cheaper at the North's improvised fuel stations than elsewhere in Kosovo or in Serbia.¹³² Kosovo has set up customs checkpoints along the Ibar, while Serbia tries to block goods that have entered the North free of VAT and other taxes from returning to Serbia.¹³³ Belgrade and Pristina are doing what they can to stop the North from harming their respective budgets, but their efforts have little impact on goods that remain in the North.¹³⁴ This allows small and medium-sized businesses to make larger profits on their goods than in neighbouring Serbia – there are no fiscal receipts or taxes, while prices are relatively the same.¹³⁵

Kosovo loses €30 million to €40 million annually in revenue at the Northern gates.¹³⁶ Up to 85 per cent of imports through the North are destined for Kosovo south of the Ibar.¹³⁷ Some importers pay customs at the terminal in south Mitrovica, as they are instructed by EULEX officials at the border to do, but seven out of ten do not. Fuel remains the most smuggled commodity, followed by building materials, medicines, cars, food, drink and other

¹²⁶ Crisis Group interview, international official, Mitrovica, 16 February 2011.

¹²⁷ Crisis Group interviews, KP officer, Mitrovica, 12 January 2011; prosecutor, Vushtrri, 21 January 2011.

¹²⁸ Crisis Group interview, international official, Mitrovica, 8 December 2010.

¹²⁹ Crisis Group interviews, EULEX officer, Leposavić, 17 February 2011; EULEX Mitrovica regional staff, Mitrovica, 16 February 2011; Crisis Group focus group, Mitrovica, 17 February 2011.

¹³⁰ UNMIK established a separate Kosovo customs area under its authority; in 2008, it transferred responsibility for customs to the Kosovo government. Customs duties are the largest revenue source for the Kosovo budget. On two occasions, Special Representative of the UN Secretary-General Lamberto Zannier certified Kosovo's customs stamps (which make no reference to the Republic of Kosovo) as compliant with Resolution 1244. Nonetheless, Serbia refuses to accept them.

¹³¹ With good cooperation between MUP Serbia and EULEX, there have been over 60 arrests for smuggling near the two Northern gates since 2008. Another way this was done was by imposing stricter controls on who buys and transports fuel into the North.

¹³² As low as €0.73 a litre, compared to €1.10 or more in Kosovo and still more in Serbia

¹³³ The controls have become so strict that even replacing faulty products or sending them back to Serbia for maintenance is proving impossible. Crisis Group interview, Serb businessman, Mitrovica, 8 December 2010.

¹³⁴ While Pristina's losses from the North stem from a lack of customs collections at Gates 1 and 31, Belgrade's losses up until 2008 came mostly from goods entering the North tax free and being smuggled back into Serbia and sold at reduced prices.

¹³⁵ Prices in the North, despite being free of taxes, are higher than in Albanian stores across the Ibar. Crisis Group has observed small items like chocolate bars being some 5-7 euro cents cheaper in the south; bigger items like washing machines are up to one fifth cheaper. While south Mitrovica has numerous furniture and home appliances stores, the North's situation is the opposite; the owner of the only home appliance store on North Mitrovica's main street told Crisis Group on 8 December 2010 that people buy TV's and stoves in either the South or Serbia, and "prices in the North are higher because there is no market, and those who come here to buy do so only when it is an emergency".

¹³⁶ The Kosovo customs service estimated a shortfall of €30 million; Crisis Group phone interview, Adriatik Stavilevci, spokesperson, Pristina, 23 December 2010. EULEX customs officials estimate a weekly loss of €750,000 (€39 million per year). Crisis Group interview, international official, Mitrovica, 16 February 2011.

¹³⁷ Crisis Group interview, international official, Mitrovica, 16 February 2011.

goods.¹³⁸ Some everyday items are also cheaper in Northern shops,¹³⁹ but most are more costly or entirely unavailable. The Northern market is tiny, and retailers lack the economies of scale available in Belgrade or Pristina. Worse, smuggling sustains criminal networks on both sides of the Ibar. If only a fraction of the millions of euros involved goes to payouts and bribes, it is enough to undermine the local economy.

Kosovo Albanians and Serbs cooperate in the trade. Crisis Group observed a convoy of trucks pass the Leposavić border post and drive south into Zvečan municipality, avoiding the Kosovo customs terminal and ending at an isolated and abandoned industrial site. There, trucks off-loaded goods into large warehouses, watched by drivers of expensive late-model cars with Serbian license plates and at least one KP officer in an official car. Other, smaller trucks and vans from Kosovo arrived in the area, loading goods bound for the south.¹⁴⁰ Diesel is stored in other locations, including some abandoned facilities of the vast Trepča mining conglomerate.¹⁴¹ Northern KP tolerate smuggling because the Serb community does not see it as a crime. In September 2010, local police released a petrol station owner caught with a truckload of smuggled fuel, although his only defence was “I have nothing to declare; this is Serbia”.¹⁴²

In this joint Serb-Albanian smuggling enterprise, the people involved are generally well-known. Random inquiries in Mitrovica shops – including one directly under the UNMIK office – prompted referrals to known smugglers offering transport of large quantities of contraband food and alcohol to Pristina.¹⁴³ Although small compared to regional big fish, criminal gangs in the North are also involved in drug and human trafficking, mostly facilitating transit.¹⁴⁴

Northern KP do not investigate smuggling and report very few cases compared to south Mitrovica. Cracking down on smuggling would have to involve EULEX customs and police and navigating through the politically charged symbolism of customs and border control. EULEX will remain under pressure from Pristina to take full control of the Northern border, implement Kosovo customs and thus reinforce Kosovo sovereignty. Doing so, however, would provoke strong, probably violent Northern reaction, against not only KP agents at the gates but also EULEX itself.

Taking control of customs need not be so controversial. Breaking the hold of the Albanian and Serb gangs that control contraband is a goal Belgrade, Pristina and ordinary Northerners can all share. Serbia has agreed to treat all Kosovo as a separate customs territory, and UNMIK has certified Kosovo customs as compatible with its own status-neutral mandate and Resolution 1244. Northern society has no love for the criminals who profit from smuggling and use their gains to intimidate and harass their (Serb) neighbours. EULEX action against them would raise its reputation in the North, if taken without overt reference to Kosovo sovereignty. This could involve adoption of an interim regime, such as an internationally-managed escrow account to hold customs revenue pending final agreement on its disposition. Enforcement focusing on the North-south trade would be much more popular than imposition of customs and excise tax on household goods consumed in the North.

C. THE KOSOVO POLICE

The KP are the only clear representatives of Kosovo statehood in the North. Northern KP are mostly Serbs; working for a Kosovo institution, they are distrusted by the local population, Pristina and Belgrade alike. Fewer than 10 per cent of Mitrovica Serbs trust the KP (compared to 84 per cent of Mitrovica Albanians), and even fewer (3.4 per cent) see it as their main source of security.¹⁴⁵ Local Serbs complain that the KP are unwilling to investigate crimes they report.¹⁴⁶ Many suspects arrested for theft and domestic violence are recidivists who believe, usually correctly, they will not be prosecuted.¹⁴⁷ Local thugs seem to have little fear of police and have at-

¹³⁸ EULEX estimates about €400,000 in fuel duties are lost weekly, followed by €200,000 in construction materials and €150,000 in all other goods; Crisis Group interviews, international official, Mitrovica, 16 February 2011; international official, Mitrovica, 8 December 2010.

¹³⁹ Crisis Group observations, Mitrovica, Zvečan, Pristina and Novi Pazar, February 2011.

¹⁴⁰ Crisis Group observations, Leposavić and Zvečan, 17 February 2011.

¹⁴¹ An incident early in EULEX's mandate, when one million litres of fuel brought in by train from Serbia disappeared in five hours, suggests large storage capacities. Crisis Group interview, international official, Mitrovica, 16 February 2011.

¹⁴² Crisis Group interview, international official, Mitrovica, 8 December 2010. The driver had been detained by a regional KP unit operating north of the river.

¹⁴³ Crisis Group observations, Mitrovica, 17 February 2011.

¹⁴⁴ Crisis Group interview, senior KP officer, Mitrovica, 23 November 2010.

¹⁴⁵ “Mitrovicë/a Public Opinion Survey”, UNDP, November 2010, pp. 23-24. Most Mitrovica Serbs list KFOR (52.3 per cent), followed by the “Serbian police” (35.2), as their main source of security.

¹⁴⁶ Crisis Group interview, Serb opposition politician, Mitrovica, 25 November 2010.

¹⁴⁷ Crisis Group interviews, senior KP officer, KP officer, Mitrovica, 23 November 2010.

tacked and beaten officers.¹⁴⁸ In such a hostile environment, it is hard to get a witness to testify.¹⁴⁹

Serbia monitors the Northern KP, many of whom are covertly on the payroll of its MUP, directly and through local mayors. Kosovo wants them further integrated into the KP hierarchy. Yet, the local population only agrees to cooperate with them insofar as they have nothing to do with Pristina. Searching for the middle ground, the Northern KP have become vulnerable and largely ineffective.

For Pristina, and integration advocates generally, the KP are a tempting instrument. Belgrade cannot easily challenge the police, which have residual international legitimacy as an UNMIK-created institution. Northern Serbs still refer to them by the pre-independence name “Kosovo police service” (KPS); for them (and likely many Serb officers), police are status-neutral. Headquarters tries to shift this view, by introducing Albanian officers into the North. In February 2010, the KP border police chief, Behar Selimi, announced plans to use joint Serb-Albanian patrols at the green border (the unmarked boundary between the North and Serbia, outside the two formal crossing points) and to deploy Albanian officers to the Leposavić and Zubin Potok gates.¹⁵⁰ More recently Mitrovica regional headquarters set up mixed patrols in the North. Both actions provoked resistance. Northern Serbs do not reject Albanian KP *per se*; they have long been in northern stations, dealing with the Albanian enclaves. They object to the message the initiatives send: Albanian officers working throughout the North and on the borders make it plain they (and by extension all police) answer to Pristina.

Northern lore holds that UNMIK refused to hire the bulk of the region’s pre-war (Serbian) police, instead taking unqualified, marginalised individuals willing to sell out.¹⁵¹ The KP’s lingering reputation as a job for losers contributes to public distrust.¹⁵² The image is partly unfair and sustained by Serbian officials eager to downplay Pristina’s influence. KP officials argue that Northern police are as experienced and as good as their southern counterparts, even if in recent years they have attended fewer

training sessions.¹⁵³ Most of the former Serbian police hired for the KP in 2001 deployed to the North.

The KP is under some pressure from Belgrade, which wants it to be ineffective in the North to slow the extension of Kosovo institutions.¹⁵⁴ Caught between Belgrade and Pristina, it mostly fails at crime fighting. Prominent Serbs complain it cannot protect them or investigate crimes against them.¹⁵⁵ Attacks on targets associated with Pristina are too politically sensitive; the KP has made no arrests regarding them and appears to be making no real effort. Organised crime gangs seem to have protection from current or former political leaders and cosy relations with the KP.¹⁵⁶ The police’s poor reputation and Kosovo insignia mean that few witnesses are willing to come forward, even when crimes happen in public.¹⁵⁷ The KP go after petty thugs and ordinary crime, but with little effect because, as explained below, the paralysed courts cannot prosecute more than a handful of the most serious offenders and release the rest.¹⁵⁸

Serbian leaders, arguing they need a well-trained community force, have called on EULEX to set up a special Serb police unit for the North. They also urge greater reliance on MUP veterans.¹⁵⁹ Northern Serbs want EULEX to assume UNMIK’s role, insulating them from Pristina.¹⁶⁰ Their argument is that law enforcement is dysfunctional due to Pristina, so the solution is to reduce ties to the minimum. The Kosovo government and influential embassies contend the opposite: the Northern KP need closer links to Pristina, less interference from Belgrade. Many Northern KP are secretly on the MUP payroll, and some claim Belgrade is buying the KP’s ineffectiveness, especially against organised crime.¹⁶¹

¹⁴⁸ Crisis Group interview, senior Serbian official, Mitrovica, 1 December 2010.

¹⁴⁹ Crisis Group interview, senior KP officer, Mitrovica, 23 November 2010.

¹⁵⁰ Crisis Group interview, Behar Selimi, head of KP border police directorate, Pristina, 10 February 2010.

¹⁵¹ Crisis Group focus groups, Zubin Potok, Mitrovica, Zvečan, November-December 2010.

¹⁵² *Ibid.* A respondent told ICO interviewers the police “does nothing; they aren’t educated”; “Report of Focus Groups with citizens in northern Kosovo”, ICO, August 2010, p.13.

¹⁵³ Crisis Group interview, KP officer, Mitrovica, 12 January 2011.

¹⁵⁴ Crisis Group interviews, senior Western diplomat, Pristina, 5 November 2011; international official, Leposavić, 1 December 2010.

¹⁵⁵ Crisis Group interview, Serb opposition politician, Mitrovica, 25 November 2010.

¹⁵⁶ Northern KP stations reported no new organised crime cases after early 2010; “Technical Assessment Report: Kosovo under UNSCR 1244”, UN Office on Drugs and Crime, April 2010. Crisis Group observed a senior KP officer attend a christening party organised by one of the most notorious Northerners in January 2009.

¹⁵⁷ Crisis Group interview, senior KP officer, KP regional headquarters, Mitrovica, 23 November 2010.

¹⁵⁸ “The Mitrovicë/Mitrovica Justice System: Status update and continuing human rights concerns”, OSCE Mission in Kosovo, January 2011.

¹⁵⁹ Crisis Group interview, senior Serb official, Zvečan, 1 December 2010.

¹⁶⁰ Crisis Group interview, EU official, Brussels, 20 January 2011.

¹⁶¹ Crisis Group interviews, senior Western diplomat, Pristina, 5 November 2010; Bajram Rexhepi, internal affairs minister, Pristina, 17 November 2010; KP officer, Mitrovica, 12 January 2011.

Both views subordinate the rule of law to the political battle over the North's status. The Northern KP are victims of this tug of war. Some Albanian officers sympathise with their Northern Serb colleagues, acknowledging their difficult position. Living among a population that overwhelmingly rejects Kosovo's independence and government, KP officers are seen by some as occupiers or collaborators.¹⁶² The more Pristina presses them to act as its representatives, the less tenable their position becomes. In January 2011, the internal affairs ministry ordered the KP to begin confiscating Serbia-issued license plates with northern municipality codes. A station commander who warned his superiors that the order "would completely delegitimise us in the eyes of the people here" refused the order and was suspended. Once this became known, there was an outpouring of support for him from locals, and he was later reinstated.¹⁶³

The four Northern stations report to a regional command based in south Mitrovica. Relations with the regional headquarters improved in 2010. Northern station commanders meet the regional commander weekly, with EULEX present,¹⁶⁴ and officers file regular reports up the chain of command to Albanian superiors. However, better communication has not translated into better results. Trust still breaks down over the Ibar. Headquarters suspects that Serbian officers only report on uncontroversial crimes, filtering out sensitive information on MUP orders.¹⁶⁵ Serbian mayors are exerting more influence over KP commanders.¹⁶⁶ For their part, Northern officers complain that the regional HQ takes over all major cases, cutting them out but leaving them to take the blame if there are no results.¹⁶⁷

The KP's ability is limited; they cannot easily cooperate with municipal authorities, because they are part of the Serbian system.¹⁶⁸ They refused a request from the mayor of Zubin Potok to evict Serbs who had usurped apartments meant for others. Most cars in the North carry old Serbian plates – or no plates at all – and the KP cannot fine them or deal with accidents. Even if they could, a Kosovo court ruling is not enforceable in the North or in Serbia.¹⁶⁹

Apart from the KP staff allegedly on the MUP payroll, Serbia's police maintain an unknown number of plain-clothes personnel in the North.¹⁷⁰ These MUP officers are barred from Kosovo by Resolution 1244, and Serbian officials steadfastly deny their presence.¹⁷¹ Pristina and many in the international community see the MUP as the major obstacle to successful integration of the North,¹⁷² but for years, Serbs have minimised its role while Pristina has exaggerated it. The MUP is a fact of life in the North; Crisis Group has witnessed a group of residents debating "which police to call" to resolve a financial dispute. According to locals, it is often the MUP that is turned to for sorting out incidents like domestic violence and other inter-community issues.¹⁷³

The MUP has a civilian office in Mitrovica that issues Serbian documents.¹⁷⁴ All its employees are MUP, including several guards/doormen. Other officers protect public institutions, such as the post office and medical centre. Some former MUP personnel from Kosovo still draw salaries but do no real work.¹⁷⁵ As noted, many believe covert MUP agents have helped organise violent episodes, such as demonstrations against UNMIK at the Mitrovica court in March 2008 and after the March 2004 riots. Victims tend to blame arson and explosive attacks in the North on MUP elements.¹⁷⁶ Though no evidence of this has come to light, shadowy MUP activities remain the topic of speculation.

The role of the MUP inside the KP is also disputed. Senior KP officers at regional and local level deny that any of them also work for the MUP.¹⁷⁷ Yet, local Serbian authorities have cordial relations with some KP commanders, while other officers who carry out orders from Pristina have their cars set on fire.

Serbia obstructs law enforcement in other ways, often without a clear rationale. EULEX cannot execute wiretaps in the North, for example, because Serbia's telecommuni-

¹⁶² Crisis Group interview, KP officer, Mitrovica, 23 November 2010.

¹⁶³ Crisis Group interview, Serb KPS officer, 26 January 2011.

¹⁶⁴ Crisis Group interviews, senior KP officers, Mitrovica, 23 November 2010.

¹⁶⁵ Crisis Group interview, KP officer, Mitrovica, 12 January 2011.

¹⁶⁶ Crisis Group interview, international official, Mitrovica, 2 December 2010.

¹⁶⁷ Crisis Group interview, Serb KP officer, 26 January 2011.

¹⁶⁸ Regional headquarters tolerates low-visibility public safety contacts, but public meetings between KP and Serbian authorities provoke immediate, intense reactions. Crisis Group interview, KP officer, 23 November 2010.

¹⁶⁹ Crisis Group interview, judge, Vushtrri, 21 January 2011.

¹⁷⁰ Kosovo's internal affairs ministry believes there may be "up to 200" MUP in the North; Crisis Group interview, Bajram Rexhepi, internal affairs ministry, Pristina, 17 November 2010.

¹⁷¹ Crisis Group interview, senior Serbian official, Mitrovica, 24 November 2010.

¹⁷² Crisis Group interview, international official, Mitrovica, 26 January 2011.

¹⁷³ Crisis Group focus group, Zubin Potok, 26 November 2010.

¹⁷⁴ Passports are issued in a separate MUP centre in Belgrade.

¹⁷⁵ Crisis Group interview, Serb KPS officer, Zvečan, 26 January 2011.

¹⁷⁶ Crisis Group interview, Serb opposition politician, Mitrovica, 26 November 2010.

¹⁷⁷ Crisis Group interviews, senior KP officer, KP regional headquarters, Mitrovica, 23 November 2010; Serb KPS officer, Zvečan, 26 January 2011.

cations companies provide service there and Serbia refuses to issue the necessary approvals.

D. THE JUDICIARY

The North has only minimal court services. The Mitrovica courthouse closed in February 2008, when an UNMIK operation to re-take it from protesting Serbian employees went wrong, and a UN policeman was killed.¹⁷⁸ This caused problems well beyond Serb-held areas, as the Mitrovica district court also covered the mostly Albanian-populated municipalities of Skenderaj and Vushtri and the southern half of Mitrovica itself.¹⁷⁹

EULEX reopened the court in December 2008, but all attempts to appoint local Albanian and Serb judges have failed. As a result, six EULEX judges and four prosecutors, working through interpreters, deal only with serious and sensitive inter-ethnic crimes.¹⁸⁰ The Albanian judges and prosecutors work part time, “in exile” in nearby Vushtri, and only do pre-trial hearings, not actual trials.¹⁸¹ The district court refuses to accept appeals from municipal judgments;¹⁸² cases originating in the Kosovo Albanian municipalities are transferred to other courts.¹⁸³ Apart from the Mitrovica municipal court, likewise in Vushtri, there are no municipal courts for the North operating within the Kosovo legal system. The court for minor offences – responsible for many quality-of-life issues like disorderly conduct and traffic violations – limps along with one judge instead of the planned seven.¹⁸⁴

The KP complain that they often cannot find the EULEX prosecutor or reach the local prosecutor in Vushtri.¹⁸⁵ Northern Serb officers frequently go through EULEX to report to Albanian prosecutors but are willing to assist with investigations and collect evidence. Cooperation on uncontroversial cases such as domestic violence is good, with three to four cases per week, and the KP have enforced several court rulings.¹⁸⁶ Whole categories of crime, however, do not make it to prosecutors: there are virtually

no contraband or smuggling cases, and no traffic cases unless Kosovo-licensed cars (a rare sight) are involved.

The whole region’s criminal justice system is paralysed. Albanians, a majority in the region, suffer from this more than Serbs.¹⁸⁷ A large majority of EULEX’s criminal cases in Mitrovica concern Albanian defendants from the southern parts of the jurisdiction. Much of this problem could be relieved and rule of law brought to a wide area by relocating the district courthouse south of the Ibar. The mayor of Mitrovica has offered to rent premises, but neither the Kosovo government nor the Kosovo Judicial Council (KJC) agree, fearing it would signal surrender to the Northern Serbs.¹⁸⁸

The result is crime goes largely unprosecuted in the southern portion of the region, too. Prosecutors take only urgent cases; judges do not organise hearings or process cases.¹⁸⁹ Some 3,000 traffic summons from south Mitrovica alone sit at the court.¹⁹⁰ The similar crime rates on both banks of the Ibar may simply reflect the ambient level of criminality, unchecked as it is in both areas. The southern municipalities of Skenderaj and Vushtri at least have working municipal courts and are somewhat better off. In southern Mitrovica and the North, however, criminals have no reason to fear the police. Arrest on any but the most serious offence will lead either to immediate release or to a case being filed and forgotten until the statute of limitations has expired. Habitual offenders know this, and recidivism is high.

Serbia’s 2009 judicial reform closed down all but one municipal and one high court for Kosovo, both in Zvečan and with jurisdiction theoretically extending throughout Kosovo but in practice limited to the North. Pending cases were transferred to other courts in Serbia, and some have now returned to the Zvečan high court. Serbian judges never stopped working, hearing civil matters in their offices and apartments. In 2010, the Serbian courts returned gingerly to criminal cases, working with a public prosecutor and the MUP.

The Zvečan court’s criminal caseload is limited, however. Unable to operate openly, the MUP lacks the powers needed to go after violent criminals.¹⁹¹ The presence of

¹⁷⁸ The courthouse complex includes both municipal and district courts. See Crisis Group Report, *The Rule of Law in Independent Kosovo*, op. cit., p. 20, fn. 225.

¹⁷⁹ Each has a population larger than the whole of the North.

¹⁸⁰ EULEX judges had finished 40 criminal cases by the end of October 2010. “The Mitrovicë/Mitrovica Justice System”, op. cit.

¹⁸¹ Ibid; Crisis Group interview, judge, Vushtri, 22 December 2010.

¹⁸² “Programme Report 2010”, EULEX, p. 37.

¹⁸³ The Mitrovica municipal court in exile in Vushtri mostly does pre-trial procedures but, unlike the district court, also hears a few cases (25 in 2010); Crisis Group interview, judge, Vushtri, 21 January 2011.

¹⁸⁴ Crisis Group interview, judge, Vushtri, 21 January 2011.

¹⁸⁵ Crisis Group interview, prosecutors, Vushtri, 21 January 2011.

¹⁸⁶ Crisis Group interviews, judge and prosecutor, Vushtri, 21 January 2011

¹⁸⁷ Crisis Group interviews, judge and prosecutor, Vushtri, 21 January 2011; see also Crisis Group Report, *The Rule of Law in Independent Kosovo*, op. cit., pp. 19-21.

¹⁸⁸ Crisis Group interview, judge, Vushtri, 22 December 2010.

¹⁸⁹ Crisis Group interviews, judge and prosecutor, Vushtri, 21 January 2011

¹⁹⁰ Crisis Group interviews, senior Kosovo municipal official, KP officer, Mitrovica, 12 January 2011.

¹⁹¹ There are exceptions; the Zvečan court claimed to have a completed case file on a Serb-on-Serb murder also under investigation, without much success, by EULEX; the suspect is allegedly seeking to parlay a hoped-for EULEX acquittal into

the KP means that MUP officers get to crime scenes after they have been worked over by other investigators, with evidence removed. Financial crimes are easier. Corrupt company directors and public officials, used to years of impunity, cannot hide in the North as easily as petty criminals can, and they are subject to arrest as soon as they cross into Serbia. The court also files Interpol warrants; as one judge put it, “if another state enforces my orders, then yes, I am a judge”, even in irregular and improvised circumstances.

V. CONCLUSION

The North is important for two broad reasons: it is disorderly and troubled, and as the main bone of contention between Pristina and Belgrade, it disrupts the wider region. The two reasons are related – ineffective local law enforcement makes it easier for drugs and other contraband to flow into Kosovo, Serbia and beyond – but distinct. Both sets of problems are soluble, but the best solutions for each tend to exacerbate the other.

Trying to integrate the North into Kosovo’s state framework by suppressing Serbian institutions and extending ones connected to Pristina would make the North’s governance troubles worse. This is because Serbian institutions, though internationally illegitimate, are broadly supported by the local population and do real work. Given Northern Serbs’ comprehensive rejection of Pristina’s authority, Kosovo institutions cannot practically replace Serbian ones. Reinforcing the Northern KP and courts and linking them more firmly to Pristina, would make them less acceptable to locals and thus less effective. Pressing forward with integration, with the justification that it responds to Northerners’ real need for good government and the rule of law, would be a hollow policy that would push the area deeper into anarchy. Attempts to compel Belgrade to give up on the North would heighten locals’ anxiety and sensitivity to any hint of Kosovo authority.

The international community can help cut down on smuggling, prosecute gang leaders and protect civil society, and it can foster economic opportunities. But this requires clearly separating these tasks from the broader status question. Until a comprehensive Kosovo-Serbia accord is within reach, status-based objections serve no one’s interest. All concerned should seek Northern solutions to Northern problems. Placing customs revenue under temporary international management should be acceptable to Pristina. Belgrade and Pristina should coordinate the level and content of the aid and financing they give the North. Setting up cooperation between Serbian and Kosovo police and a court with jurisdiction for the North is more challenging.

International policy on North Kosovo has three aims: no use of force, no change of borders, and no frozen conflict.¹⁹² Each principle is important; violation of any one would have serious consequences. The difficulty is that for the foreseeable future, it is impossible to achieve all three at the same time. Without force or border change, the area will remain in limbo, its residents loyal to Serbia, its land claimed by Kosovo. The North will not accept

immunity in Serbia on grounds of double jeopardy. Crisis Group interview, presiding judge, Zvečan high court, Zvečan, 17 February 2011.

¹⁹² Public talk by Pieter Feith, EU Special Representative and ICO Representative, Utrecht, 16 December 2010.

Pristina's authority peacefully, and neither Pristina nor the international community has articulated a persuasive rationale to convince them to integrate or even accept broad autonomy within Kosovo.

Perpetuating the status quo in the North is the most likely and least bad of these options; but it is still very bad. Better would be for Belgrade and Pristina to agree to a comprehensive solution to their dispute, including greater autonomy for the North inside Kosovo in exchange for Serbian recognition. But neither Belgrade nor Northern Kosovo Serbs are ready to sign on, and the international community has few levers with which to exert pressure. The impasse not only keeps Serbia out of the EU and Kosovo out of the UN, but also poisons domestic politics in Kosovo and gradually undermines Albanians' acceptance of the strictures of the Ahtisaari plan. Limiting the damage in the North and working toward a gradual change should be priorities. For a start, international actors – primarily EULEX – together with Belgrade and Pristina should improve northern security and public order, using the EU-facilitated dialogue to resolve as many issues as possible and build trust.

Over the longer term, if the North is to remain part of a Kosovo that is itself integrated into the regional and wider international community, on good terms with its neighbours, several things will have to happen. Pristina will have to develop a vision of Kosovo statehood that appeals to Northern Serbs on their own terms and focuses on their wellbeing. The international community will have to sign up for a long, costly and frustrating project. The balance of messages from Pristina to the North will have to shift decisively from the punitive and coercive to the attractive. Belgrade will have to stop instrumentalising the North and its residents to undermine Pristina sovereignty and start seeing it as a forum for cooperation on their common road to eventual EU membership. Only when both states recognise that they have not only their own, but also shared interests in the North and are willing to address them as equals will they be able to resolve the Balkans' most serious territorial dispute.

Pristina/Mitrovica/Brussels, 14 March 2011

APPENDIX A

MAP OF KOSOVO



APPENDIX B

GLOSSARY

CEFTA	Central European Free Trade Agreement
DS	Democratic Party, currently leading part of governing coalition of Serbia
DSS	Democratic Party of Serbia, opposition party in Serbia, very influential in North Kosovo
ECLO	European Commission Liaison Office to Kosovo
EU	European Union
EULEX	European Union Rule of Law mission to Kosovo
EUSR	European Union Special Representative
ICO	International Civilian Office, which oversees Kosovo's "supervised independence" as mandated by the Ahtisaari Plan
ICR	International Civilian Representative, the senior official in charge of the ICO and endowed with executive authority under the Ahtisaari Plan and Kosovo's constitution
IDP	Internally displaced person
KFOR	NATO mission to Kosovo
KJC	Kosovo Judicial Council
KP	Kosovo Police, formal name in post-independence Kosovo
KPS	Kosovo Police Service, name used under UNMIK and still preferred in North Kosovo
LCO	Local Community Offices established in ethnic minority areas
MPT	Municipal Preparatory Team, responsible for organising new municipalities with Serb majorities as mandated by the Ahtisaari Plan
MUP	Ministry of Internal Affairs of Serbia
OSCE	Organisation for Security and Cooperation in Europe
Quint	The informal group of U.S., UK, France, Germany and Italy
UAM	UNMIK Administration of Mitrovica
UN	United Nations
UNDP	UN Development Programme
UNHCR	Office of the UN High Commissioner for Refugees
UNMIK	UN Interim Administration Mission in Kosovo
USAID	United States Agency for International Development