

*Nations in Transit 2007*  
Kosovo/UNMIK-Administered

<b>YUGOSLAVIA</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<i>Electoral Process</i>	<i>n/a</i>	5.00	5.50	4.75	3.75	3.75
<i>Civil Society</i>	<i>n/a</i>	5.00	5.25	4.00	3.00	2.75
<i>Independent Media</i>	<i>n/a</i>	4.50	5.75	4.50	3.50	3.25
<i>Governance</i>	<i>n/a</i>	5.00	5.50	5.25	4.25	4.25
<i>Constitutional, Legislative, &amp; Judicial Framework</i>	<i>n/a</i>	5.00	5.75	5.50	4.25	4.25
<i>Corruption</i>	<i>n/a</i>	<i>n/a</i>	6.25	6.25	5.25	5.00

**Kosovo**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Electoral Process	5.25	4.75	4.75	4.75
Civil Society	4.25	4.00	4.25	4.25
Independent Media	5.50	5.50	5.50	5.50
Governance	6.00	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
National Democratic Governance	<i>n/a</i>	5.75	5.75	5.75
Local Democratic Governance	<i>n/a</i>	5.50	5.50	5.50
Judicial Framework and Independence	6.00	5.75	5.75	5.75
Corruption	6.00	6.00	6.00	6.00
<b>Democracy Score</b>	<b>5.50</b>	<b>5.32</b>	<b>5.36</b>	<b>5.36</b>

**EXECUTIVE SUMMARY**

The top priority for Kosovar and international structures in 2006 was the ongoing process of resolving Kosovo's status. The country continued to be governed based on UN Resolution 1244, the legal basis for the international civil administration (UNMIK) and the international military presence in Kosovo (KFOR). Kosovo and Serbia, through international mediation, conducted a series of talks in Vienna but have not managed to bring attitudes closer to reaching an agreement. The history and horrors of the past, as well as the current dynamics in the field, are essential determinants in the final status outcome.

In the first round of Vienna talks held in February 2006, the basic powers of municipalities in the health, education, culture, judicial, police, and social welfare fields were discussed. The parties did not disagree on which fields should be arranged on a municipal basis, though there were disagreements over the autonomy of municipalities regarding these powers. The second round was held in March, where financing municipalities, inter-municipal cooperation, and the cooperation of municipalities with the Serb majority in Belgrade were discussed.

The third round of talks was held in April, where a document prepared by UNOSEC<sup>i</sup> was discussed that covered decentralization principles, powers of the municipalities, and other

issues that inspired strongly opposing stands. The fourth round in May took up the discussion of creating new municipalities and correcting the borders of municipalities with Serb majorities. In this round, a kind of agreement was reached on some criteria for the creation of new municipalities, addressing the needs of Kosovar, Serb, Gora, Roma, and other minority communities.

The fifth round of talks in late May discussed protecting cultural heritage. The Kosovar side argued that the protection of worship and cultural heritage establishments should not be carried out with special measures or linked to the general decentralization plan, while the Serb side asked for this issue, among others, to be partly resolved by the decentralization plan. The sixth round was held at the end of the month and discussed the economy, privatization, and Kosovo debts. Minority rights were first discussed in the August round of talks.

It was widely expected that Kosovo's status would be settled by the end of 2006. But the approval of the Serbian constitution and announcement of new elections in Serbia led to a consensus for postponing the Kosovo final status proposal until after the elections in Serbia. However, this prolongation is not expected to change the stands of the Kosovar and Serb parties; neither is it anticipated that a status agreement will be reached based on the Vienna talks. It is clear that the status settlement will be an imposed solution with some form of independence but also with an international presence remaining in Kosovo.

### **National Democratic Governance**

The negotiation process for determining Kosovo's future status was the main focus for every segment of the society. The country's time, effort, and energy were oriented towards Vienna, towards the "Unity Team," led by mediator Martti Ahtisaari. Kosovo has had a very weak government ever since it was established, but it has managed to be a stable one. The stability of the government does not derive from stable structures but rather from the status talks and pressure from the international community, in particular the U.S. and EU diplomatic offices in Prishtina. Personnel changes encouraged more open debate in the parliament though not enough, and rarely did MPs debate beyond their own political party agendas. *Kosovo's rating for national democratic governance remains unchanged at 5.75.*

### **Electoral Process**

The electoral process was practically frozen in 2006. The postponement of the elections for political reasons for up to a year demonstrated the lack of respect for this institution among decision-makers in Kosovo. Though the decision was brought by SRSG, the two parties in power did not hide their delight in the postponement of the mandate. The Kosovo authorities are acquiring competences in the technical aspects of the elections, but political decisions about whether to hold elections still lie within the UNMIK mandate. Against many calls from civil society groups, Kosovo does not yet have a single electoral law. *Kosovo's electoral process rating remains at 4.75.*

## **Civil Society**

Civil society in Kosovo has still not reached the expected level of development. The NGO sector is large and has variety but still depends entirely on foreign funds and is far from independent. The large number of NGOs did not help to define their individual missions, while activities that should normally have developed did not, due to the status talks. This is more of an excuse, since some courageous NGOs initiated activities in the anticorruption field. Unfair competition for funds damages the strength and development of the sector and discourages the formation of NGO cooperative networks. *Owing to the lack of significant changes, the rating for civil society remains at 4.25.*

## **Independent Media**

The year was marked by the development of the media legal framework. A Media Institute was established and is expected to graduate the first trainees in 2007. However, pressures against the media were very much evident. Journalists were the victims of physical assaults, and the government used advertising revenues to condition the media sector. The media regulatory authority is finally functional, and a multiethnic Press Council with competences to enforce fines for newspapers that violate the law has been established. The Kosovo population still turns to television as its main source of information, while newspaper sales are dismal. *Despite the development of a legal framework and the establishment of a Media Institute, attacks on journalists and pressure on the media persisted, therefore Kosovo's independent media rating remains at 5.50.*

## **Local Democratic Governance**

Decentralization is understood as devolution of power from the central to the local authorities. This was the hardest “nut to crack” in negotiations about the future status of Kosovo, and approaches were tailored to accommodate the needs of the Serb minority. The debate is still going about what competences should be awarded to the newly established Serb municipalities, and the chief concerns relate to the law and order and security spheres. A local governance legal framework was not developed during 2006, and local governments are still deemed as mere branches of the central government. Because of the status negotiations, the Ministry for Local Governance was more focused on providing input to the status negotiation team than to the needs and issues of the local level. *Kosovo's rating for local democratic governance remains unchanged at 5.50.*

## **Judicial Framework and Independence**

The process of promulgating laws in Kosovo has improved, but this could not be said for their implementation. The work of the Assembly Committees has also strengthened, but parliament is still dependent on the will of political parties. Ambiguities in legislative competences pose significant obstacles to the implementation of legislation. The court system has not reached the desired level of development. This is due to the small number of judges, too few trained judges, and insufficient protection for judges and witnesses.

*Owing to the lack of implementation of the numerous laws recently adopted, Kosovo's rating for judicial framework and independence remains at 5.75.*

## **Corruption**

Corruption in Kosovo is widespread. Measures to curb government corruption were virtually nonexistent in 2006, while civil society has increased direct pressure on political institutions. However reports show that organized crime as a breeding ground for corruption is still a serious problem in the country. Though the Anti-Corruption Agency is now established, the lack of political will to fight corruption within the central government and legislature is not conducive to the Agency's effective functioning. Politics in Kosovo remains a business of clans, and political parties are far from operating with transparency. *As a result of the lack of political will to fight widespread corruption, Kosovo's corruption rating remains at 6.00.*

## **Outlook for 2007**

The year 2007 is expected to witness the final resolution of the status of Kosovo. It is clear that no agreement will be reached between Kosovo and Serbia. Rather, it is anticipated that the solution will be imposed based on a new UN Security Council Resolution, which is expected to be adopted in March 2007. UN mediator Martti Ahtisaari will make public his package on the future status of Kosovo following the 2007 elections in Serbia. Kosovo is expected to become an independent state internationally supervised but no longer directly governed by UNMIK.

The resolution of Kosovo's status, however, is not going to solve the country's many accumulated problems and social tensions, which might be the biggest threats to its stability. An agreement on creating a broader coalition government composed of the four largest Kosovo Albanian parties may be reached, with the support of international factors. But even if this broader government coalition is created, it will not be able to bring about notable changes in the economy or other important sectors. This is because the 2007 elections will likely be focused on the merits of Kosovo's status resolution, which might polarize the Kosovo Albanian society, and the parties outside the Unity Team might run against the status settlement (especially its plan for decentralization).

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<sup>i</sup> The United Nations Office of the Special Envoy of the Secretary General for the future status process for Kosovo has been established in Vienna to support the activities of Mr. Martti Ahtisaari, the Secretary-General's Special Envoy.