

Kosovo

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Capital: Pristina
Population: 1.8 million
GNI/capita, PPP: n/a

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	Yugoslavia		Kosovo							
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	3.75	3.75	5.25	4.75	4.75	4.75	4.50	4.50	4.25	4.50
Civil Society	3.00	2.75	4.25	4.00	4.25	4.25	4.00	4.00	3.75	3.75
Independent Media	3.50	3.25	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.75
Governance*	4.25	4.25	6.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	5.75	5.75	5.75	5.50	5.25	5.50	5.75
Local Democratic Governance	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.25	5.00	5.00
Judicial Framework and Independence	4.25	4.25	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Corruption	5.25	5.00	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75
Democracy Score	4.00	3.88	5.50	5.32	5.36	5.36	5.21	5.14	5.07	5.18

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTES: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

EXECUTIVE SUMMARY

Throughout 2010, Kosovo remained subject to a perplexing array of governing authorities, with elected Kosovar officials overseen by the International Civilian Representative (ICR)/EU Special Representative (EUSR) and supported by the EU Rule of Law Mission (EULEX). The UN's Interim Administration Mission in Kosovo (UNMIK) maintained its presence in municipalities north of the Ibar river, which remained outside of Pristina's control. The Republic of Serbia continued to support parallel governing structures in Kosovo's ethnic Serb-dominated northern municipalities.

International missions continued to reconfigure themselves throughout 2010. NATO-led Kosovo forces (KFOR) downsized and the International Civilian Office representative (ICO) focused on implementing the Ahtisaari Comprehensive Status Proposal. The EUSR gained considerable authority to advise EULEX on its executive mandate, yet little practical impact was observed.

On July 22, the International Court of Justice (ICJ) ruled that Kosovo's unilateral declaration of independence from Serbia in February 2008 did not violate international law.¹ The much-anticipated ruling did not significantly alter the international support base for Kosovo's independence. Only eight new countries recognized Kosovo's independence in 2010 (two following the ruling), bringing the total to 72. Acknowledging the ICJ decision, the EU and Serbia cosponsored a resolution calling for dialogue between Kosovo and Serbia. The EU will facilitate the talks, and Brussels shows increased interest in strengthening its foreign policy role in the region.

Kosovo's biggest achievement in 2010 was the continued implementation of the decentralization package, which led to the creation of three new Serb-majority municipalities in 2009, and another—Partesh—in 2010. Partesh saw an impressive Serb turnout in its first municipal elections, indicating that many Serbs are beginning to feel included in Kosovo's state-building efforts. However, there were no major successes in these efforts throughout the year. While the national debate over corruption increased in 2010, efforts to combat the problem yielded minimal results. The government continued to interfere with Kosovo's public broadcaster and pressure private media. The state's central role in the economy continued, with major capital investment projects led by the government.

In September, Kosovo's Constitutional Court ruled that President Fatmir Sejdiu could not simultaneously serve as state president and head of his party, the Democratic League of Kosovo (LDK), prompting his resignation and setting the stage for an institutional crisis that consumed the rest of the year. Tensions between the Democratic Party of Kosovo (PDK) and LDK escalated rapidly until October 15, when LDK abruptly left the government, leaving PDK without a coalition

partner or parliamentary majority. With PDK unable to form a new coalition within the constitutionally-specified 45-day period, early general elections were scheduled for February 2011 and then rescheduled for December 2010 after 66 out of 120 deputies—including many members of the PDK—gave a vote of “no confidence” in the PDK’s minority government.

The December early elections were the first to be organized by Kosovo authorities and were seen as a test for the new democracy; ultimately, election observers found evidence of electoral fraud in at least six municipalities, and re-votes were ordered for January 2011.

National Democratic Governance. The coalition government led by Prime Minister Hashim Thaçi of the PDK governed ineffectively and nontransparently until October, when it collapsed. Efforts to integrate the northern municipalities of Kosovo stalled throughout the year, and EULEX’s investigations of high-profile corruption cases were not followed by prosecutions or verdicts. After the resignation of President Fatmit Sejdiu, rising tensions between PDK and its junior coalition partner, former President Sejdiu’s LDK, reached fever pitch. In early October, Prime Minister Thaçi attempted to adopt a privatization strategy for the most profitable company in Kosovo, Post and Telecommunications of Kosovo (PTK) J.S.C., without a quorum. On October 15, LDK withdrew from both the ruling coalition and the government, resulting in a no-confidence vote and early elections. The December early elections were flawed, and consequently rescheduled for January 2011. *Owing to the government’s continued failure to improve its performance, Kosovo’s national democratic governance rating worsens from 5.50 to 5.75.*

Electoral Process. In response to the state government crisis, Kosovo held early general elections on December 12. In at least six municipalities, election results were invalidated by fraud, while the Central Elections Commission (CEC) ordered a recount of 40 percent of all ballots due to complaints by political parties and civil society representatives. Observed irregularities included technical problems, family and group voting, and reports of intimidation of domestic election observers. After the December vote, the Election Complaints and Appeals Panel (ECAP) forwarded more than 190 complaints to the prosecutor’s office for investigation. As the first general elections organized in post-independence Kosovo, they revealed that Kosovo remains an immature democracy. *Owing to significant shortcomings in the conduct of general elections, Kosovo’s electoral process rating worsens from 4.25 to 4.50.*

Civil Society. The financial sustainability of Kosovo NGOs weakened in 2010. NGOs continued to monitor the legislative branch, rule of law, and corruption, but local efforts to increase voluntary donations were minimal, and the government did little to stimulate support for such initiatives. Cooperation between non-state actors existed, yet this was mainly ad hoc and reactive, as was cooperation between NGOs, the legislative branch, and the government. *Overall, the environment for the civic sector continued to be unfriendly; Kosovo’s civil society rating remains 3.75.*

Independent Media. During 2010, the Kosovo government failed to enforce constitutional provisions that guarantee freedom of media and expression. Journalists and independent media were subject to threats, as well as pressure from state and international institutions. Employees at two high-profile independent daily newspapers were frequent targets of threats. Law enforcement agencies and the Kosovo judiciary produced no verdicts in these cases, and professional associations have had little impact in improving the conditions for media. The government continued to control the public broadcaster, RTK, and to influence private media through selective advertising. *Owing to a continued decline in the position of journalists and insufficient implementation of constitutional guarantees on media freedom, Kosovo's independent media rating worsens from 5.50 to 5.75.*

Local Democratic Governance. A noteworthy success in 2010 was the creation of the Partesh municipality—the fourth new Serb-majority municipality to be established since mid-2009. These new districts, with their high turnout of Kosovo Serb voters in the late 2009 and 2010 elections, posed a growing challenge to the Serbian national government's parallel structures north of the Ibar River. Overall, local governance improved in 2010, with authorities continuing to devolve powers to municipal governments. However, the Ministry of Local Government Administration identified numerous shortcomings in the newly completed legislative framework on decentralization, and as a result extended the official implementation period by two years. Municipal governments are not yet fully functional, as they lack adequately trained and experienced staff. *Despite increased opportunities for citizen representation and continued improvements in the functionality of local government, significant challenges remain to consolidating this progress by turning formal improvements into operational gains; therefore, Kosovo's local democratic governance rating remains at 5.00.*

Judicial Framework and Independence. The Constitutional Court issued a groundbreaking independent decision on the exclusivity of the presidency, which led then president Fatmir Sejdiu to resign in order to maintain his position as leader of LDK. However, the judiciary as a whole continued to experience structural weaknesses in 2010. By year's end the government had drafted and called for a vote on a number of important laws to start judicial reform, but judicial independence and prosecutorial autonomy remained fragile due to delays in approving the laws. The vetting and reappointment of judges and prosecutors—a key element of judicial reform—was initiated, but the government interfered in the final appointments. The Kosovo Judicial Council (KJC) failed to protect the appointment process. Courtrooms in Kosovo have fewer judges and prosecutors than other countries in the region, and depend on their EULEX counterparts. *Due to limited progress on attempted improvements and the lack of political will for further reforms, Kosovo's judicial framework and independence rating remains at 5.75.*

Corruption. Mechanisms and laws have been created to limit the entanglement of public officials in economic affairs, but there is a lack of political will to implement them. The state of corruption dominated public discourse in 2010, largely fueled by EULEX's investigation of high-profile suspects (so-called "big fish"). However, almost none of these investigations had resulted in indictments or convictions by year's end. The mission kicked off its investigation of the Ministry of Transport, Post and Telecommunications with a dramatic raid on the ministry offices and its officials' homes, but charges were not brought against Minister Fatmir Limaj or his colleagues by year's end. The only high-profile indictment of the year was that of Hashim Rexhepi, governor of the Bank of Kosovo, who was arrested in July and charged with bribery and misuse of his official position. A new public procurement law adopted in December still does not meet EU standards. *Pending evidence that increased investigations of corruption will lead to increased convictions, Kosovo's corruption rating remains at 5.75.*

Outlook for 2011. The upcoming dialogue between Kosovo and Serbia may improve regional stability and cooperation. However, many worry that the process will be manipulated by interests in Serbia to pursue Kosovo's partitioning. The EU's role as a facilitator of this dialogue may be weakened by its lack of a unified position on Kosovo, whose sovereignty five member states still do not recognize.¹ Domestically, Kosovo will struggle to keep its government coalition stable in the aftermath of the January 2011 elections. The new government's main challenge will be to rally the political will to successfully combat corruption and organized crime. The international missions will need to take concrete steps to fully implement their executive mandate, both in the northern municipalities and south of the Ibar River, to build a state in Kosovo with functional rule of law.

MAIN REPORT

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.75	5.75	5.75	5.50	5.25	5.50	5.75

State-building efforts by Kosovo authorities and international missions in 2010 were hampered by the weak and nontransparent performance of the government, and by a growing divide between the parties of the ruling coalition. Kosovo’s northern municipalities remained outside Pristina’s influence in 2010, and the international missions made slow progress in delivering their mandates.

As Kosovo’s Law on Government had yet to be adopted in 2010, the government continued to work under an UNMIK regulation. In April, Prime Minister Hashim Thaçi restructured the government, replacing several ministers and creating a new Ministry of European Integration. However, the changes proved symbolic rather than substantive.

The Assembly (parliament) of Kosovo adopted a set of laws on parliamentary hearings and the rights and responsibilities of members of parliament (MPs). Parliamentary hearings were attended by government representatives, but ministers usually chose not to attend. The sessions had limited impact, and the legislature’s overall scrutiny of the executive branch was weak, marked by government interference in the Assembly’s agenda and activities. The Assembly secretariat strengthened the research capacities of committees, but the oversight competencies of legislative working groups were rendered meaningless by the dominant vote of the governing coalition. Meanwhile, recruitment of professional staff for the committees was impeded by the government’s unwillingness to pay additional salaries. NGOs advocated for amendments to the new public procurement law that would require the signatures of administrative and political staff on high-value contracts, but this provision was not included in the final version of the law. Although the Assembly held final budget approval, MPs loyal to the ruling coalition hijacked the process, underscoring the legislature’s lack of autonomy from the executive branch. The European Commission (EC) 2010 progress report also noted that the Office of Auditor General needs more financial independence, as the government continues to influence it through budgetary control.²

In July, the government officially adopted the National Security Strategy drafted by the International Civilian Representative (ICR)/EU Special Representative (EUSR). The Security Council established by the law was criticized for not engaging NGOs in an advisory capacity. Meanwhile, the Assembly Committee on Security failed to fulfill its mandate—ministers often missed public debates, and the debates themselves were conducted in the absence of any substantive dialogue with civic groups.

In the area of public administration reform, the Assembly passed laws in 2010 on civil servants' salaries and the establishment of an Independent Oversight Board for appointments of senior officials. However, the EC's 2010 report on Kosovo criticized the government for continuing to delay significant public administration reform, calling it "a major challenge for Kosovo."³ Most public administrators are politicized and loyal to the parties of the PDK-LDK coalition, following the lead of their respective ministers. The same is true of the boards of Kosovo's biggest public companies.

In September, Kosovo's Constitutional Court ruled that President Fatmir Sejdiu could not simultaneously serve as state president and head of his party, the Democratic League of Kosovo (LDK). President Sejdiu surprised everyone by choosing to step down as president and maintain his leadership of LDK. Bitterness surrounding both the ruling and the resignation further damaged the relationship between LDK and Prime Minister Thaçi's Democratic Party of Kosovo (PDK), derailing effective compromise on several controversial issues.

One such instance was the planned privatization of Kosovo's most profitable company, Post and Telecommunications of Kosovo (PTK). In addition to liberalizing Kosovo's telecommunications market, the privatization of PTK would free up substantial capital for investment in government-led infrastructure development projects such as the construction of a highway between Kosovo and Albania. However, the timing of the sale of PTK has been divisive, with LDK and opposition parties claiming that there are no major investors interested in buying the company at this moment, and that the government would lose by selling while the global economy is still in crisis. In the wake of President Sejdiu's resignation, hostility between PDK and LDK overwhelmed the Assembly debate at which the government had promised to reach agreement on the timing of PTK's privatization. The LDK moved to postpone the debate, but Prime Minister Thaçi insisted that the strategy be put to a vote. The strategy passed, but without a quorum, as LDK and opposition parties left prior to the start of voting; results of the vote were annulled on the following day. During her visit to Pristina later in late October, U.S. Secretary of State Hillary Clinton voiced support for PTK's privatization, noting that economic reforms of this kind are necessary to cement Kosovo's democratic transition and combat endemic corruption.⁴

Discussion of PTK was interrupted when the LDK unexpectedly left both the coalition and the government on October 16, less than three weeks after President Sejdiu's resignation. On November 2, a motion sponsored by MPs from the opposition Alliance Kosova e Re (AKR) led to a no-confidence vote and the dissolution of the Assembly. Early general elections were called for December 2010, despite the fact that Sejdiu's resignation already meant that early elections were planned for February 2011. A number of PDK MPs supported the no-confidence measure, predicting that a short and hastily organized campaign season would work in favor of the incumbent power structure.

Throughout the year, international missions continued to reconfigure. Kosovo Forces (KFOR) downsized, and the ICO focused on implementing the Ahtisaari

Comprehensive Status Proposal. The EUSR gained considerable authority to advise EULEX on its executive mandate, but there was little observable impact. EULEX was unable to ensure rule of law in the northern part of Kosovo, where Belgrade maintains parallel institutions, but it managed to spearhead the fight against corruption and organized crime in the territory south of the Ibar River. EULEX announced efforts to fight corruption by going after so-called “big fish”—government officials suspected of misconduct. Though the public welcomed the campaign, it resulted in few corruption-related prosecutions or verdicts.

In a positive development, after the International Court of Justice (ICJ) ruling on Kosovo’s unilateral declaration of independence, the EU acknowledged the decision by cosponsoring a resolution with Serbia calling for dialogue between Pristina and Belgrade. The European Union (EU) will facilitate the talks in its ongoing effort to exercise greater influence in the region.

The Serb minority community south of the Ibar further integrated with Kosovo institutions during the year, highlighted by the high 65 percent turnout of Serb voters in local elections in the Partesh municipality; this continued a trend from 2009, when 10 times as many Serbs voted in local elections for newly-created municipalities than in polls organized under UNMIK administration. To address the power vacuum north of the Ibar River, the government, supported by the International Civilian Representative (ICR), drafted the strategy on integration of northern municipalities, but it was put on hold due to the early election.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		5.25	4.75	4.75	4.75	4.50	4.50	4.25	4.50

The November 2010 no-confidence vote and subsequent dissolution of Kosovo’s Assembly triggered a constitutional provision for early general elections in December. Thus the first general elections organized by Kosovo authorities were assembled in great haste by the Central Elections Commission (CEC), whose president warned that the quality of the process would be difficult to guarantee.⁵

Before the December elections, the CEC certified 29 political organizations to compete, representing Albanian, Kosovo Serb, Bosnian, Turkish, Montenegrin, Roma, Ashkali, Egyptian, and Gorani interests. In the run-up to the elections, Kosovo’s second largest political party, LDK, also underwent internal elections, replacing its leader, former Kosovo President Fatmir Sejdiu, with Isa Mustafa, the mayor of Pristina. The biggest surprise of the brief campaign period was the participation of the Vetëvendosje (Self-Determination) movement, a radical party led by Albin Kurti, which demands the international community’s disengagement from Kosovo, and the newly-formed Fryma e Re (New Spirit), a center-right party initiated by well-known, Western-educated civic leaders. Both new parties criticized the previous government’s dominance in the economy and its public procurement

activities for breeding corruption, and Kosovo's exclusion from the EU's visa free zone.

The largest group of election observers was a coalition of 11 local NGOs called "Democracy in Action," with a total of 4,896 local representatives. Two NGOs quit the coalition a day after the elections, accusing it of failing to report properly on irregularities or to inform the public objectively.⁶ Some 300 observers from ENEMO, the EU Special Representative, and the EU Parliament also monitored the elections. In total, the Kosovo CEC certified 32,135 local and international political or diplomatic observers.

Earlier in the year, Kosovo's Assembly had adopted amendments to the Law on General Elections clarifying the complaints and appeals procedures after irregularities were observed during the 2009 local elections. However, despite these amendments and numerous specific recommendations by the OSCE, evidence of electoral fraud in the December 2010 voting was found in at least six municipalities. Due to the many complaints filed by political parties and civic groups, and suspiciously high turnout in a number of municipalities,⁷ the CEC decided to recount 40 percent of the ballots. It also demanded re-votes—scheduled for January 9, 2011—in the municipalities of Skenderaj, Drenas, and Deçan, and partial re-votes in Malisheva and Lipjan. Kosovo's Supreme Court annulled the voting in the Municipality of Mitrovica on the basis of irregularities at 16 polling stations and scheduled a new vote for January 23, 2011.

The voting process drew criticism from international observers, as well. U.S. Ambassador Christopher Dell issued an official statement on observed irregularities, such as cast ballots outnumbering the number of signatures in the voters' book in the Skenderaj municipality, traditionally a stronghold of Kosovo's leading political party, PDK. Other irregularities included technical problems, family and group voting in around 36 percent of polling stations visited by the European Network of Election Monitoring (ENEMO), and some reports of intimidation of election observers. ENEMO called the voting process "bad or very bad" in almost 11 percent of the polling stations visited.⁸ After the December 12 general elections, the Election Complaints and Appeals Panel (ECAP) forwarded more than 190 complaints to the prosecutor's office for further investigation. The head of Mitrovica District and the mayors of four Kosovo Serb-majority municipalities north of the Ibar River had called on Serbs to boycott the elections, and three polls in northern Kosovo had been closed due to "intimidating obstruction."⁹ Polls were not boycotted in the southern part of Kosovo, where nine Kosovo Serb entities registered and competed in the elections.

Of the initial and recounted votes deemed legitimate by CEC, 32 percent went to PDK, 25 percent to LDK, 13 percent to Vetëvendosje, 11 percent to AAK, and 7 percent to AKR. Neither LDD, FER, nor Fryma e Re reached the 5 percent threshold required for representation in the Assembly. The overall voter turnout for the general elections was 45.29 percent, a significant increase over the 2009 local elections. Following the announcement of certified results from scheduled re-votes in January 2011, the Assembly must be constituted within 30 days.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		4.25	4.00	4.25	4.25	4.00	4.00	3.75	3.75

The global economic crisis has forced budget cuts on many local NGOs, causing them to rely on existing funding or implement donor-backed initiatives. Only a few NGOs received government assistance in 2010, with the vast majority relying on private donations. Locally-led efforts to increase voluntary domestic financial contributions and volunteerism were minimal in 2010, with NGOs continuing to depend on international donors such the European Commission or the U.S. Agency for International Development. Donations by the business sector are not sufficiently encouraged through incentives, although all legal entities and individuals may deduct 5 percent of taxable income through contributions to NGOs.

In general, the government’s attitude toward NGOs remains unfriendly, and any cooperation in 2010 between NGOs and either the executive branch or the legislature in 2010 was mainly ad hoc. The EC’s 2010 progress report noted that neither government policymakers nor the legislative branch sufficiently utilized the expertise of NGOs. The capacity of NGOs in Kosovo to scrutinize laws and draft legislation remains very limited.

In March 2010, the government applied pressure to several outspoken NGOs, especially those calling for investigation and prosecution of high-profile corruption cases. Ilir Deda, the executive director of KIPRED, a local NGO, drew official criticism for his contribution to an article in the *Economist* magazine on corruption in Kosovo.¹⁰ A government spokesperson and several media outlets called Deda’s comments “anti-state”—a charged accusation in a state still struggling to consolidate its sovereignty.¹¹ Seventeen NGOs quickly signed a letter condemning this “lynching” rhetoric.¹² Hajredin Kuçi, Kosovo’s vice-prime minister, subsequently apologized in a debate on local television, saying the spokesperson had been misunderstood.

In June, 14 local NGOs signed a joint letter to the EU High Representative for Foreign Affairs and Security Policy, Lady Catherine Ashton, on issues related to rule of law in Kosovo. They asked EULEX to deliver concrete results in combating corruption, and several civic leaders subsequently spoke on the issue in the EU Parliament. NGOs also organized a coalition to respond to plans by the government to amend the 2009 Law on Freedom of Association in Non-Governmental Organizations, and they advocated successfully against planned government restrictions.

In preparation for the December general elections, three directors of well-known Kosovo NGOs left their positions to form a new political party, Fryme e Re (New Spirit). The party entered the political scene simultaneously with Vetëvendosje (Self-Determination), a movement which had been active in civil society since 2005, but had never registered for candidacy in an election. Several other organizations reacted skeptically to these new parties, seeing them as a sign of the growing politicization of civil society and a cynical use of civic activism as

path into mainstream politics. Kosovo's political scene has long been dominated by leader-based parties, like the LDK under Ibrahim Rugova, the PDK under Hashim Thaçi, and the Alliance for the Future of Kosovo (AAK) under Ramush Haradinaj. As a result, is it difficult for new leaders to emerge and influence decision-making. Nevertheless, these new parties freshened Kosovo's political scene.

Media played an increased role in promoting respect for civil society in 2010. Individual outlets began to seek independent analysis and commentaries from civic groups. Depending on the relative level of independence of the particular outlets, statements by NGO analysts were aired and well balanced.

Trade unions in Kosovo have minimal impact. The Independent Trade Union of Kosovo has been active since 1990, but it has struggled to protect workers' rights, often lacking consistency and succumbing to government pressure. An effective tactic of the PDK has been to support the creation of other parallel unions, thereby undermining the membership and negotiating position of the Independent Trade Union.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.75

Media freedom regressed in 2010, as the government continued to pressure media and failed to implement constitutional provisions to protect journalists. The 2010 EC progress report asserted that journalists remain vulnerable to partisan and ownership interests, and confirmed that the media structure is "conducive to strong political interference."¹³ Political interference has been noted in both public and private media. Reporters Without Borders has called the influence of Prime Minister Thaçi and his PDK party "obvious and increasing, particularly in public television, which remains the country's leading media in terms of its sheer size and the influence it has over the population."¹⁴

In 2010, government interference continued at Kosovo's only public broadcaster, Radio Television of Kosovo (RTK). RTK operates as a self-managing organization led by a General Director who is answerable to a non-political Board of Directors. Kosovo's government controls most of the managerial positions at RTK, but has not established a funding mechanism for its operation. The broadcaster depends on a six-month emergency fund, which is renewed twice a year. Without secure or independent funding, RTK has lost much of its stature, viewed increasingly as a state TV station that merely transmits government activities.

Pressure on private media increased in 2010, as well. The government is the largest media advertiser, so governing bodies at the local and central level often controlled the editorial content of newspapers through the allocation of state-sponsored ads. The newspaper that benefited most from this type of advertising continued to be *Infopress*, which has the lowest share of the market but is a strong arm of the PDK.¹⁵

Threats against independent media increased in 2010. The Koha Group, which broadcasts Kohavision TV and publishes the daily newspaper *Koha Ditore*, was particularly targeted. On May 22, a poster was hung in Pristina's main street proclaiming "UDB Street Veton and Flaka Surroi," associating the names of the founder and current managing director of Koha Group with the acronym of the former Yugoslav secret service. Earlier in the year, another *Koha Ditore* journalist was threatened by a former Kosovo Liberation Army commander after writing an article criticizing the government's decision to grant amnesty to certain prisoners, including the commander's son. Authorities advised the journalist not to press charges.¹⁶ The home of Časlav Milisavljević, editor in chief of Radio Kosovska Mitrovica, was attacked twice in 2010, the second time with an explosive device.¹⁷ In November, a host on TV Klan Kosova was assaulted by a former member of parliament, Gani Geci, because the host would not allow Geci on air.¹⁸

Additionally, the South and East Europe Media Organization (SEEMO) strongly condemned the behavior of UN Special Representative of the Secretary General Lamberto Zannier toward Agron Bajrami, chief-editor of *Koha Ditore*, in reaction to an October article describing the reconstruction of a bridge in northern Kosovo that was eventually banned by UNMIK officials. In a phone call, Zannier threatened to sue Bajrami but did not challenge the accuracy of the report. Another independent daily, *Zeri*, received pressure and threats from both the government and state-owned companies. Two of its investigative reporters, Arbana Xharra and Lavdim Hamidi, were threatened after producing reports on corruption within PTK. Public companies in which the state owns a majority of shares (and whose board members were overwhelmingly appointed by the state), refused to publish ads in *Zeri* or grant interviews to its reporters. As threats against individual journalists increased in 2010, authorities failed to ensure a safe media environment. Law enforcement agencies and Kosovo's judiciary delivered no verdicts in such cases. Furthermore, there is inconsistency between the Law on Defamation and Insults and Kosovo's criminal code, creating legal uncertainty on its provisions.

Internet-based media proliferated during the year, but their impact remains low. Blogging in Kosovo is still nascent. In 2010, according to the Telecommunication Regulatory Authority of Kosovo, around 30 percent of families had regular internet access.¹⁹

Though Kosovo lacks a Freedom of Information Act, it does have a Law on Access to Official Documents. Authorities, however, do not respect this law. Surveys by civic groups have shown that requests to access public documents rarely receive a response, and media organizations criticize the government's lack of transparency. Reportedly, information on financial data, water management, electricity, land development, building permits and new business premises is "completely closed off to inquiry."²⁰ The Association of Professional Journalists of Kosovo (APJK), Press Council of Kosovo (PCK), and Independent Media Commission (IMC) have raised their voice against political interference in independent media. However, this effort has not improved the freedom of media and expression in Kosovo.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.25	5.00	5.00

Local governance in Kosovo has improved under the decentralization process, which entered its final phase of implementation in 2010. As an important element of the official Comprehensive Proposal for Kosovo Status Settlement (also known as the Ahtisaari plan, after UN Special Envoy Martti Ahtisaari), the decentralization process has affected some 35 laws, which have been drafted or amended to devolve decision-making powers to municipalities and to ensure functional local self-government. In 2010, the Kosovo Assembly passed the Law on Civil Servants, which regulates the quality of services that municipalities provide citizens. With this, the Ministry of Local Government Administration (MLGA) declared the legislative framework for local governance complete. In April, however, the MLGA extended the action plan for implementing decentralization by another two years, having identified shortcomings in the legislation caused by the speed of its adoption.

As part of its regular monitoring of the capacities of municipalities, the MLGA also analyzed public services and made recommendations, one among them being that municipalities should increase public participation in decisions regarding investment of municipal capital. However, the MLGA has limited capacity to oversee implementation of its recommendations, which are not necessarily prioritized by the municipalities. The 2010 EC progress report noted that the MLGA and the municipalities interpret self-government legislation differently, which hinders cooperation between central and local authorities. Overall, the government has strengthened its capacity to oversee the implementation of decentralization, but challenges remain.

Municipalities increased their efforts to implement local government legislation in 2010. According to the MLGA, most have prepared budget proposals for 2011 and budgetary projections for 2012–13 in accordance with legal deadlines and procedures. However, the municipalities, including the new ones, face a shortage of professional human resources. Most have no mid- or long-term development strategies, and do not engage the public in decision-making processes, as required by law.

The Serb-majority municipalities of Gračanica, Klokot-Vrbovac, and Ranilug—created in 2009 as another element of the Ahtisaari plan—continued to work on making their new assemblies and local governments fully functional in 2010. A fourth new municipality, Partesh, was created in early 2010 and held municipal elections on June 20. More than 65 percent of registered Kosovo Serb voters in Partesh participated in the June 2010 election. The high turnout was quite remarkable, considering that Serbs had boycotted previous UNMIK-organized elections.

Serbia continued to fund parallel structures in the new municipalities, including the operation of Serbian security and intelligence services. In Serb-majority municipalities the Serb population uses parallel education, health, and

public services. Serbia committed a total of €42 million (US\$58 million) to these parallel structures in its 2010 state budget. The Kosovo government has allocated about €2 million (US\$2.7 million) for the new Serb-majority municipalities, on top of any investments by the local authorities. However, neither the government nor the international missions offer a strategy or guidance on how to deal with the parallel structures.

Moreover, the success of Kosovo’s decentralization, which has contributed to reconciliation between Albanians and Serbs, has been limited to areas south of the Ibar River. Northern municipalities remain outside of Pristina’s control, and authorities have not yet succeeded in creating the municipality of Mitrovica North, as foreseen by the government’s strategy. The group responsible for creating this municipality continues to work under the MLGA, supported by the ICO.

In May 2010, Serbia organized parallel local by-elections in northern Mitrovica, although voter turnout was under 30 percent. In July, the decision by the MLGA and the Ministry of Interior Affairs (MIA) to open a branch office for civil registration in northern Mitrovica drew resistance from the local Serb community. Violent protests erupted, with one reported fatality from the detonation of a grenade.²¹ By the end of the year, Kosovo authorities had put the strategy for integrating northern Kosovo on hold due to the institutional crisis. The upcoming EU-led dialogue between Serbia and Kosovo is expected to address the social and security issues facing the Serb and Albanian populations in the northern municipalities.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75

In 2010, Kosovo’s justice system continued to suffer from structural weaknesses, and more than 200,000 civil and criminal cases remained unresolved. The Constitutional Court’s groundbreaking ruling on the legitimacy of President Sejdiu’s simultaneous leadership positions was one of very few noteworthy judicial decisions of 2010.

During the year Kosovo did adopt a number of important laws designed to facilitate judicial reform: the Law on Courts, the Law on State Prosecution, the Law on Kosovo Prosecutorial Council, and the Law on the Kosovo Judicial Council (KJC). However, these laws were adopted almost three years after the deadline set by the constitution, and are not expected to take effect until 2013. Reforms also included pay raises for judges and prosecutors, but to implement the raises the government must allocate extra budget resources in 2011.

Several cases have been reported of suspects being held in long pretrial detention, especially in the north, and a backlog of cases has limited the capacity of the District Court of Mitrovica to effectively deliver rule of law in Kosovo. The EC progress report also criticized implementation of the 2008 Kosovo Law on Pardon, noting that the president had pardoned 62 prisoners in 2010, including prisoners not qualified for conditional release.²²

Kosovo courtrooms have three to five times fewer judges and prosecutors than other countries in the region, including Serbia, Montenegro, and Croatia. In October, the Independent Judicial and Prosecutorial Commission completed the general vetting process for judges and prosecutors. In the last round of appointments, Acting President Jakup Krasniqi exercised the presidential right to veto several of the candidates proposed by the KJC; the KJC supported his changes, thereby jeopardizing the independence of the process.

The Ministry of Justice (MoJ) continued to act with limited professional capacities in drafting laws, depending instead on international expertise. Following the restructuring of the government in April 2010 a new Minister of Justice was appointed in June 2010. However, neither the ministry's performance nor its capacities had improved at year's end.

In 2010 EULEX judges and prosecutors continued to pursue their executive mandate in the fight against organized crime, war crimes, and corruption, with EULEX's chief verdicts focused on war crimes cases inherited from UNMIK. The mission prioritized the investigation of senior officials in corruption and organized crime cases last year, but progress was slow. In 2010, EULEX began to investigate Nazim Bllaca, who said in November 2009 that he had committed a dozen political and economic crimes as a former member of SHIK, the informal Kosovo Intelligence Service supported by figures close to PDK. Bllaca was kept under house arrest for a year until November, but by end 2010 no charges had been brought by the EU mission, demonstrating the reluctance of Kosovo institutions and EULEX to execute their mandates in political and organized crime cases.

Overall, the EULEX mission has a poor track record of investigating and prosecuting crimes, which continues to hamper effective rule of law in Kosovo. EULEX has some 20 prosecutors and 30 judges deployed in Kosovo, and the judicial system is dependent on them. EULEX struggles to act on its executive mandate, partly because the EU lacks a unified position on Kosovo, as five member states still do not recognize its independence.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Yugoslavia		6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75

The debate over corruption dominated public discourse in 2010, fueled by EULEX's high-profile investigations of corruption among Kosovo government officials. This followed the 2009 announcement of the mission's hunt for so-called "big fish" (high-ranking suspects) in response to growing public anger over a history of impunity in organized crime and corruption cases during UNMIK's administration.

In April 2010, EULEX raided the offices and private premises of Fatmir Limaj, the Minister of Transport, Post and Telecommunications, and a member of the PDK party. The government's immediate reaction was to condemn EULEX, but less than a month later Prime Minister Thaçi announced he would be taking a leading role in the fight against corruption.

No charges were brought against Minister Limaj or his colleagues in 2010. By October, EULEX had delivered only three organized crime and four corruption verdicts. The only high-profile indictment of the year was that of Hashim Rexhepi, governor of the Bank of Kosovo, who was arrested in July and charged with bribery and misuse of his official position. Local and international institutions made no confiscations of funds obtained via graft in pending or decided corruption cases.

The government's entanglement in Kosovo's economy remains highly problematic, with public procurement remaining a key element of corruption in the country. According to the 2010 EC progress report on Kosovo, although private consumption contributed to growth in 2008, in 2009 and the first half of 2010 growth was "almost entirely driven by government consumption and investment."²³ The government's growing dominance within the economy has weakened the environment for foreign direct investment (FDI), which fell again in 2010. The World Bank's 2011 report on ease of doing business notes the difficulty of starting a business and obtaining construction permits. It also lists enforcement of contracts and protection of investors as the weakest guarantees of the state.²⁴

With the value of public procurement contracts signed amounting to almost €482 million in 2010 (an amount which does not include spending for the multi-year, Morine-Merdare highway project, valued at almost €660 million),²⁵ stricter accountability mechanisms are needed to curtail the scope for corruption. Kosovo's public procurement law does not comply with EU standards, and procurement officers are frequent targets of political interference. The government adopted a new law on public procurement in December 2010, but it does not address the EC progress report's recommendations to improve accountability mechanisms for superiors, including the specific provision lobbied for by civil society groups that political staff signatures should be mandatory on high-value contracts.²⁶ The Office of General Auditor found that its recommendations for procurement oversight and implementation have not been strictly followed, either—institutions have not held officials accountable for their actions; nor has there been real progress in disentangling the political elite from economic ventures. In 2010, the Law on the Declaration of Assets of Public Officials was adopted along with the Law on Financing of Political Parties, and the process of recording the declared assets of senior officials began. Although discrepancies were found between asset declarations and actual incomes in a few cases, the 2010 EC progress report noted that the Agency Against Corruption, the judiciary, and prosecutors did not sufficiently investigate the reported discrepancies.

Two days after the seriously flawed December 12 general elections, Dick Marty, a member of the Parliamentary Assembly of the Council of Europe (COE), proposed a draft report on alleged organ trafficking that accused, among others, former Prime Minister Thaçi of leading this illicit trade during and after NATO intervention in 1999. The report was adopted on December 16 by the COE Legal Affairs Committee and set for approval by the COE Parliamentary Assembly of January 24, 2011. The draft report spurred wide reaction. Acting President Jakup Krasniqi called the report "racist" for depicting Kosovo as "clan-based."²⁷ In an

interview on Albanian TV Klan on December 24, 2010, Thaçi threatened to sue Marty and publish the names of Albanian individuals who had helped to draft the report. EULEX—which has an official mandate to fight organized crime, including human trafficking—initially hesitated to take up Marty’s allegations. However, at year’s end, Marty was asked by the mission to submit evidence.

The Agency Against Corruption is sufficiently staffed and funded by the Assembly to exercise its mandate on administrative investigations of public officials. The government’s newly adopted anticorruption strategy and action plan for 2009–2011 may also yield results. Implementation, however, remains a problem, and the political will to use existing laws and policies to combat corruption was low in 2010. Kosovo also lacks legislation on witness protection and regional agreements to implement witness protection programs.

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- ¹ As of December 31, 2010, 22 of 29 EU member states had formerly recognized Kosovo’s independence. The states declining to do so were Cyprus, Greece, Romania, Slovakia, and Spain. See “European Parliament urges EU members to recognise Kosovo,” SETimes.com, 9 July 2010, http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2010/07/09/feature-01.
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