

March 2008

VOLUME 64 NUMBER 3 £2.50

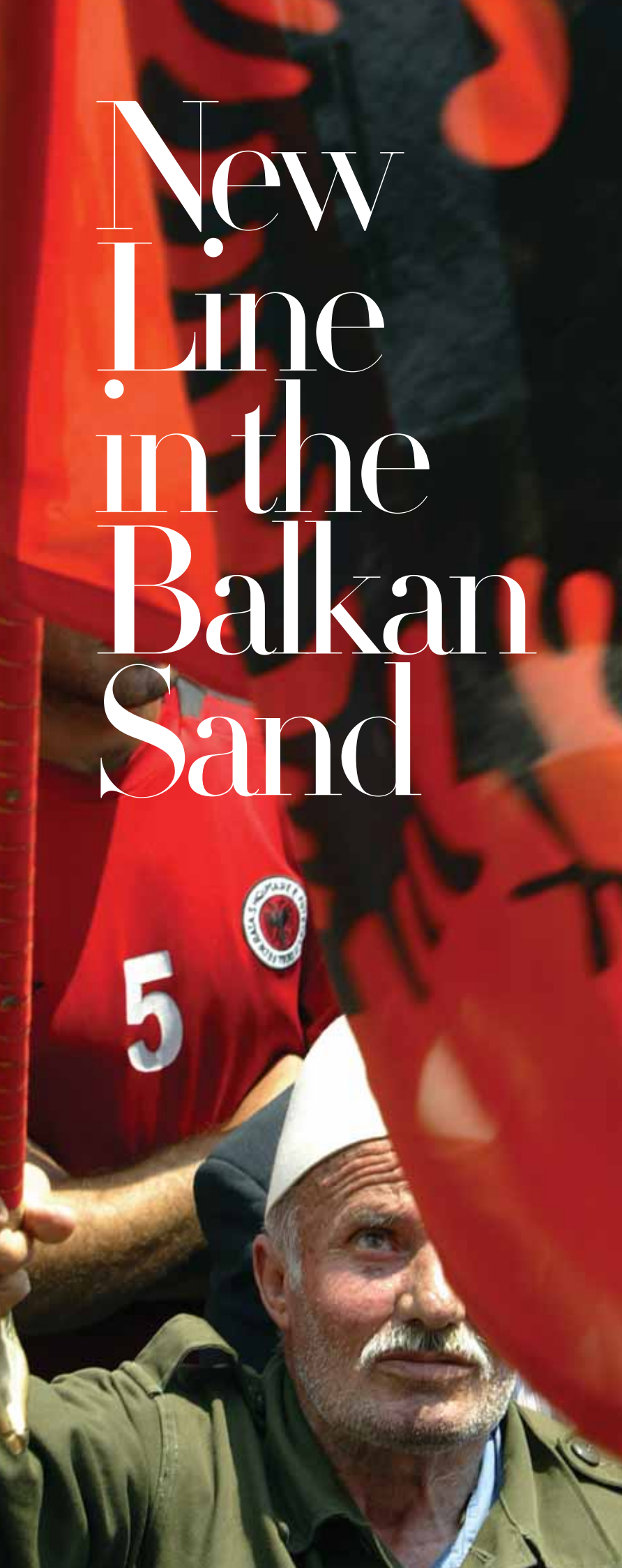
The world today



**IRAQ: FIVE YEARS ON
CLIMATE ON THE RUNWAY
CHINA: OLYMPIAN TASK**



CHATHAM HOUSE INDEPENDENT THINKING ON INTERNATIONAL AFFAIRS



New Line in the Balkan Sand

KOSOVO

James Pettifer, RECENTLY STANLEY J SEEGER VISITING FELLOW

Obstacles to Kosovo independence have fallen one by one. There are certain to be economic opportunities for the new country, but many challenges too. The new Russia and its eastern European friends will make sure life is as difficult as possible for all concerned.

a LONG TIME AGO, WHEN HE was United States President, George Bush Senior threatened the then-President of former Yugoslavia, Slobodan Milosevic, with retaliation if he brought war to Kosovo, calling the province border 'a line in the sand'. Almost nine years ago, bleary eyed refugees wandered back into the centre of its capital Prishtina. They found smoking piles of rubble, retreating Serbian military and British paratroopers setting up headquarters behind sandbags.

Now there is a different world. That museum, which was once full of squaddies smoking Lambert and Butler, hosts learned archaeological exhibitions. The main street running through

central Prishtina is pedestrianised and spick and span with flagpoles ready for independence day. US rapper 50 Cent held an exuberant concert in the stadium before Christmas. A few years ago war criminal Arkan used to land his helicopter in it when he was head honcho for Milosevic in Kosovo.

Kosovo has suffered so many ups and downs in the interim that it is hard for seasoned Balkan watchers to believe it is actually happening. New Prime Minister, ex-Kosovo Liberation Army political chief, Hashim Thaci held talks in January with heads of NATO and the European Union (EU) foreign relations supremo Javier Solana in Brussels about the recognition process.

It is likely that Kosovo would already be independent if it were not for the Serbian elections in February and the need to avoid giving ammunition to the more nationalist candidate, Tomislav Nikolic, inheritor of the ultra-right Radical Party. The Radicals led in the first round against incumbent Boris Tadic, who was able to keep them out of power by gaining votes from smaller groups in the second round.

COMMAND ECONOMY

Why is all this finally happening now, with the inevitable crunching of western relations with Serbophile Russia? This is linked to several factors, of which the most important are the absence of any other alternative policy that will satisfy the aspirations of the 95 percent ethnic Albanian majority, and the fact that delay in settling Kosovo's political status linked to the 'tilt' towards Serbia by President George Bush's administration in the 2000-2003 period, only enabled Russian regional influence to grow rapidly.

In the background is the reality that the streets protests which brought down Milosevic never dislodged the old ruling elite from power completely – only the Milosevic circle – and many old habits die hard in Serbian politics.

Spin about the so-called coloured revolution in Ukraine and elsewhere took over from rationality and the post-Milosevic period was never clearly thought through. Within months of the end of Milosevic, almost every western lever capable of influencing Belgrade was thrown away, from admission to international financial bodies to most travel restrictions.

Yet, in the absence of a full cleansing process, many of the old government structures were untouched. The revival of Russia has been a beacon of light for this old order, with the reality of cheap energy from Gazprom and a Moscow take-over of key energy industry assets going through in the last two weeks.

The revival of the command state capitalist economy in Russia and its continuation in China, has set a model for Serbs to follow, with what naïve Europeans often see as benign institutional capacity – a large state machine compared to other Balkan countries – actually an ideal structure for the return of a state-guided economy.

It is sometimes forgotten in western Europe that Serbia is a large producer of primary commodities, particularly grain, timber, beverages and meat, and has benefited greatly from the recent boom in world commodity prices. EU membership is much less important, as a result, with the possibility of food production quotas a very unwelcome prospect for Serbian agribusiness. In terms of energy, Europe has little to offer Serbia, compared to Russia, and its agriculture depends, above all, on plentiful cheap diesel.

LONG DARK SHADOW

Against this background, the question inevitably arises as to how far the new Russia will be allowed to spread its influence in the southern Balkans. Only intense US pressure prevented a Gazprom deal with Albania in 2005-2006. Russian interests have been investing heavily in Montenegro and somewhat less so in Macedonia.

Kosovo has a central strategic position in the southern Balkans and the prospect of its independence with a strongly pro-American majority population is more and more attractive for NATO. Protecting the legitimate interests of the remaining Serbs also provides a reason for a heavy NATO military presence in post-independence Kosovo, as the much-criticised plan by former Finnish President Martti Ahtissari indicated early last year.

It is still unclear whether Kosovo will be allowed to have an army after independence. NATO is planning for the long-haul. Kosovo is surrounded by countries like Bulgaria and Romania where Russian President Vladimir Putin still has many levers to pull. Bulgaria, in particular, is falling under the long dark shadow of Gazprom. EU membership has been irrelevant in these processes.

Change had to come on the ground in Kosovo. In any case, The United Nations UNMIK administration there has had many problems throughout its nine year existence. It is suffering from mission fatigue and the absence of a clear role as more and more responsibilities are handed over to the Kosovans.

Riots in early 2004 showed that as long as the Kosovo Serbs and their religious Orthodox buildings were seen by the majority population as the main obstacle to independence, they would



have no long term future. Western hopes of a deal between Belgrade and Prishtina hit the buffers in longwinded and empty two-year talks in Vienna.

Kosovo has complied fully with the International Criminal Tribunal for the former Yugoslavia at The Hague, with an ex-Kosovo Liberation Army leader like Ramush Haradinaj surrendering voluntarily to the legal authorities, in marked contrast to the problems of co-operation the Tribunal has had with Serbia.

Independence is not going to be a panacea for regional problems, although it is an essential step towards full stabilisation. Economic stability will take time. The major resources in Kosovo are minerals, particularly the massive newly-discovered deposits of lignite coal, which are some of the largest in the whole of eastern Europe. There are also reserves of lead, zinc, uranium, silver, gold and copper, and timber.

Agriculture may benefit from climate change compared to the Mediterranean lands, and Kosovo has fairly plentiful water supplies. In a generation, Kosovo could become a major electricity exporting country, in a power hungry region. But the investments needed are long term and even under the most benign conditions would take time to come to fruition.

REAL FRIENDS

Many local observers feel that Kosovo will be threatened by a Serbian-inspired economic and cultural embargo in the post-independence period,

with barriers to key grain imports a major issue. Serbia supplies over 85 percent of the flour for Kosovo bread, and a high proportion of meat. It may also be hard for Kosovo to join some international organisations.

Serbia is replacing all its old passports, as Russia did a few years ago. This will destroy the last vestiges of the old Yugoslav travel patterns for Kosovans. There will be pressure from Belgrade on fellow-Orthodox neighbours like Romania – which have already said they do not welcome independence – to join the boycott. Russia will almost certainly add its not inconsiderable weight to these campaigns.

Kosovo Albanians will soon find out who their real friends are. In their own hearts, most feel only the US is in that category, with a small European annexe reserved for Britain, Austria, Switzerland, Germany and a few others, and another for friendly Balkan countries like Slovenia and Montenegro.

Under President Nicolas Sarkozy, France has moved to a much more positive stance on Kosovo. 'Latin' Europe, particularly Italy and Spain, and Orthodox nations like Greece and Cyprus have a lot to prove.

Life on the boundary of the defined zone of major influence of the new Russia may not be either easy or prosperous, but as even Prime Minister Kostunica of Serbia said on one occasion, 'every Kosovar Albanian has the word independence carved on his heart'.

