

EARLY WARNING REPORT KOSOVO

Report # 15

Political and institutional stability

Economic and social stability

Inter-ethnic relations

Public and personal security

October – December 2006

The views expressed in this report are those of the experts and respondents and do not necessarily represent the views of either UNDP or USAID.

In this report, "Kosovo" refers to the UN administered territory according to UN Security Council Resolution 1244.

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Selected Economic Indicators

	Jan-Mar 2005	Apr-Jun 2005	Jul-Sep 2005	Oct-Dec 2005	Jan-Jun 2006	Jul-Sep 2006	Oct-Dec 2006	Trendi
Population (in ,000) (a)	1,999*			2,033**				↗
GDP growth rate (annual), % (a)	0.3			3				↗
GDP per capita, € (a)	1,120 (a)			1,117 (a)				↘
KCB, million € (b)	641.5			713.2 (l)				↗
Workers' remittances, million €	281.0 (a)			318.0 (a)				↗
Foreign assistance, million € (a)	462.0 *			465.0 *				↗
KPST fund, million € (c)	145.8 (Dec)			167.5 (May) (d) 177 (Sep)(k) 213.0 (Dec) (k)				↗
KTA fund, million € (e)	113.1 (Dec)			234.9 (Apr) 256.1 (Aug) (h) 275.0 (Dec)				↗
Bank deposits, million €	704.8 (Feb)	731.2 (May)	765.8 (Aug)	809 (Nov)	844.6 (Apr) (e)	881.6 (Aug) (h)	926.4 (Dec)	↗
Commercial bank loans, million €	356.5 (Feb)	400.1 (May)	401.8 (Aug)	435.7 (Nov)	459.7 (Apr) (e)	476.4 (Aug) (h)	636.6 (quarter)	↗
Trade balance, million €	-219.1 (Jan-Mar)	-308.5 (Jan-Apr)	-723.4 (Jan-Aug)	-1028.4 (Jan-Nov)	-537.5 (Jan-Jun)	-761.3 (Jan-Aug) (j)	-1235.3 (Dec)	↗
Registered job-seekers (j)	303,095 (Jan)	311,230 (May)	314,446 (Aug)	319,721 (Dec)	323,201 (May)	324,835 (Sep)	326,026 (Dec)	↗
Consumer Price Index, % (compared to May 2002) ***	101.4 (May)	100.0 (May)	98.5 (Aug)	101.9 (Nov)	102.9 (May)	101.3 (Aug) (f)	102.6 (Nov)	↗
Basic pensions (per month), €	40	40	40	40	40	40		↔
Voluntary returns	2,126			1,608 (g)				↘

* Estimated

** Projected

*** In January 2006, SOK changed the methodology for compiling CPI. Therefore the comparison of currently produced CPI with the CPI from before January 2006 is not possible

Sources:

a) IMF (2007), IMF Aide Memoire of the IMF Staff Mission to Kosovo, February 19-27, 2007

b) MEF (2006), Budget 2006, MEF, Government of Kosovo, Prishtinë/Priština.

c) KPST (2005), Annual Report 2005, KPST, Prishtinë/Priština.

d) Assessment obtained from KPST through e-mail.

e) BPK (2006), Monthly Statistics Bulletin, No. 56, BPK, Prishtinë/Priština, April 2006.

f) SOK (2006), Price Statistics Division, Consumer Price Index, SOK, Government of Kosovo, Prishtinë/Priština.

The rest of the figures are from UNDP (2006), Early Warning Report No. 12: October - December 2005, UNDP, Prishtinë/Priština, op. cit.

g) United Nations High Commissioner For Refugees Kosovo.

h) BPK (2006), Monthly Statistics Bulletin, No. 56, BPK, Prishtinë/Priština, August 2006.

i) Ministry of Labor and Social Welfare, 2006.

j) This is the trade deficit for the period Jan-Aug 2006, Statistical Office e of Kosovo

k) This figure is reported at KPST's website, date of release February 7th, 2007

(l) CBAK (2007). Monthly Statistics Bulletin for December 2006. No (64). Prishtina

Selected Indicators from the Opinion Poll

	Jan-Mar 2005 a)	Apr-Jun 2005 a)	Jul-Sep 2005 a)	Oct-Dec 2005 a)	Jan-Jun 2006 a)	Jul-Sep 2006 c)	Oct-Dec 2006 d)	Trend
Political pessimism, % ("very dissatisfied" or "dissatisfied" with current political trends)	38.6	35.8	41.0	40.2	43.4	38.7	48.92	↗
Economic pessimism, % ("very dissatisfied" or "dissatisfied" with current economic trends)	71.1	69.9	68.8	73.3	76.0	70.0	76.2	↗
Willingness to protest due to economic reasons, %	62.9	63.5	57.4	69.3	62.8	44.0	42.8	↘
Willingness to protest due to political reasons, %	48.9	48.4	45.4	56.2	45.5	30.6	30.93	↔
Satisfaction with UNMIK's performance*, %	29.7	41.4	34.5	35.9	30.5	29.9	28	↘
Satisfaction with SRSG's performance*, %	81.2	81.7	69.8	72.0	70.5	34.5	43.56	↗
Satisfaction with PISG's performance*, %	81.2	67.7	48.7	51.0	43.3	27.2	27.16	↔
Satisfaction with Assembly's performance*, %	73.7	63.0	59.0	56.2	45.4	43.0	25.64	↘
Satisfaction with KFOR's performance*, %	81.0	87.3	84.3	86.3	81.0	83.6	77.52	↘
Satisfaction with KPS performance *, %	86.9	84.4	84.5	84.2	81.8	81.5	72.52	↘
Feelings of insecurity ("Somewhat unsafe" or "very unsafe" while outdoors)	38.1	36.6	36.7	42.9	35.5	42.7	38.64	↘

* includes "satisfied" and "very satisfied"

Sources:

a) UNDP (2006), *Early Warning Report No. 12: October – December 2005*, UNDP, Prishtinë/Priština, op. cit.

b) UNDP (2006), *Opinion Poll: January – June 2006*.

c) UNDP (2006), *Opinion Poll: July – September 2006*.

d) UNDP (2006), *Opinion Poll: October - December 2006*

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List of Acronyms

BPK	Banking and Payments Authority of Kosovo	LDK	Lidhja Demokratike e Kosoves/ Democratic League of Kosovo
BIRN	Balkans Investigative Reporting Network	MEF	Ministry of Economy and Finance
CA	Collective Agreement	MEM	Ministry of Energy and Mining
CBAK	Central Banking Authority of Kosovo	MoH	Ministry of Health
CPI	Consumer Price Index	NATO	North Atlantic Treaty Organisation
EAR	European Agency for Reconstruction	OPS	Office for Public Safety
EC	European Council	ORA	Partia Reformiste/Reform Party
EFC	Economic and Fiscal Council	OSCE	Organisation for Cooperation and Security in Europe
ESI	European Stability Initiative	PDSRSG	Principal Deputy Special Representative of the Secretary General
EU	European Union	PISG	Provisional Institutions of Self Government
EUPT	European Union Planning Team for Kosovo	PER	Project on Interethnic Relations
EWR	Early Warning Report	RTK	Radio Televizioni i Kosovës (Public TV Broadcaster of Kosovo)
EWS	Early Warning System	SEE	South-East European
ICG	International Crisis Group	SOEs	Socially Owned Enterprises
IMF	International Monetary Fund	SOK	Statistical Office of Kosovo
ISSR	Internal Security Sector Review	SRS	Special Representative of the Secretary General
JIU	Judicial Inspection Unit	SSDAT	Security Sector Development Advisory Team
KEK	Korporata Energjetike e Kosovës (Energy Corporation of Kosovo)	UN	United Nations
KFOR	Kosovo Force	UNMIK	United Nations Interim Administration Mission in Kosovo
KIPRED	Kosovar Institute for Policy Research and Development	UNOSEK	United Nations Office of the Special Envoy for Kosovo
KJPC	Kosovo Judicial and Prosecutorial Council	UNSC	United Nations Security Council
KPC	Kosovo Protection Corps		
KPS	Kosovo Police Service		
KTA	Kosovo Trust Agency		
LDD	Lidhja Demokratike e Dardanisë/Democratic League of Dardania		

Foreword

This edition of the Early Warning Report (EWR) is the fifteenth in the series that commenced in August 2002, under the sponsorship of United States Agency for International Development (USAID) and the United National Development Programme (UNDP). Covering the period from October to December 2006, the report follows the tradition of previous reports by examining the evolving situation in Kosovo under four main areas covering political, socio-economic, interethnic, and security issues. A particular feature of Reports of EWS Project Phase IV is that every quarterly report will draw from the expertise of a diverse pool of analysts.

This edition of the Early Warning Report is published in a period of intensive and important developments with the ongoing negotiations regarding the final status of Kosovo dominating the political situation. In this regard, continued monitoring of early warning indicators may prove to be a necessary toll for obtaining insight into potential conflict-causing factors as well as the opinion of Kosovo people on the negotiations' process.

The EWR Number 15 includes four topics: political and institutional stability, the socio-economic situation, interethnic relations and personal and public security. The analysis of these issues is primarily based on data from a public opinion survey carried out by the "UBO Consulting" during the second half of December 2006. This extensive survey measures the perceptions of citizens on the main issues that preoccupy Kosovo's society. Some important highlights of the survey are:

- K-Albanians and K-Serbs continue to be deeply divided in their preference for Kosovo's future political status. Independence of Kosovo within present borders remains the preferred option among K-Albanians (96%) while the majority of K-Serb respondents (79%) stated that Kosovo should be an autonomous province within Serbia.
- After a short decline in economic pessimism to 70% in September 2006, results show an increase to an all time high level of economic pessimism (76%); a level comparable to polls conducted in June 2006 (76%) and March 2004 (75%).
- Several aspects of interethnic relations have shown improvements, most important one being the decrease in the number of K-Serb respondents considering Serb-Albanian relations as tense and without improvements and the increase in the number of K-Serbs willing to work and live with K-Albanians.

While the report might be of interest to the general reader, its primary intention is to provide monitoring and conflict prevention proposals for action by key actors within PISG and local leadership, development actors, United Nations Interim Administration Mission in Kosovo (UNMIK) and the International Community. All conclusions and proposed recommendations enlisted in this report are a result of several rounds of discussions with experts from diverse areas, backgrounds, and institutional settings.

We remain confident that the set of analyses presented in EWR Number 15 will stimulate much thought and discussion among readers and that it will attract appropriate attention from the relevant political and other actors in Kosovo. It gives us great pleasure, therefore, to extend our appreciation and gratitude to the contributing experts that participated in discussions and provided their insights, perspectives, and interpreted the results of opinion poll, and to all those who supported us in the process of completing this edition of EWR.



Frode Mauring
Përfaqësues rezident i UNDP-së

Executive Summary

- K-Albanians and K-Serbs continue to be deeply divided in their preference for Kosovo's future political status. Independence of Kosovo within present borders remains the preferred option among K-Albanians (96%) while the majority of K-Serb respondents (79%) stated that Kosovo should be an autonomous province within Serbia. Only some 8% of K-Serb respondents see partition of Kosovo as the best solution for the final status whereas in June 2006, 46.5% of K-Serbs favored this option.
- Compared to September 2006, satisfaction with the performance of the main institutions has dropped. The biggest decrease is with regard to the Kosovo Assembly, a drop of some 20% followed by the Kosovo president, which saw a drop of some 10%. In December 2006, PISG have seen their lowest approval ratings to date, with satisfaction level for PISG being in the high 20%.
- After a brief decline in economic pessimism to 70% in the September 2006 opinion poll, results for this reporting period show an increase to 76% - one of the highest levels since earlier polls conducted in June 2006 (76%) and March 2004 (75%). During the period September to December 2006, poll results showed political pessimism to be 49% overall. This is the highest the rate has been since July 2002, at which time 52% of respondents were not satisfied with the political direction of Kosovo.
- Readiness of respondents to protest for political and economic reasons has continued its declining trend.
- Unemployment has surpassed Kosovo's unresolved political status as the pivotal problem facing Kosovo. In December 2006, unemployment was seen by 35% of respondents as the most important issue facing Kosovo, while 32% of respondents reported that Kosovo's unresolved political status was the most important issue facing Kosovo which is a drop of 5% compared to September 2006. Poverty was cited by 16% of respondents, an increase of 2% since September 2006.
- Marked improvement in interethnic relations is seen in the most recent survey, where approximately 70% of K-Serb respondents agree to live on the same street with K-Albanians, which is an increase of some 25 % compared to September 2006 and 50% compared to December 2005. Also, a high number of K-Serb respondents (approximately 75%) agree to work and live in the same town or village with K-Albanians. A 10% decline in the readiness of K-Albanians to work and live close to K-Serbs has also been noted.
- An indicator of improvements of the interethnic situation is the major decrease in the number of K-Serb respondents considering Serb-Albanian relations as tense and without improvements. In December 2006 some 23% K-Serbs considered relations tense and would continue to be such, which is some 35% lower than in September 2006.
- Increasing trend of K-Serb "satisfaction" with the work of local security institutions such as KPS and KPC. Compared to September 2006, satisfaction with the performance of KPS is by 7 percentage points higher and 3 percentage points for TMK.
- A decrease of some 27 percentage points is seen in K-Serbs assessment of the security situation as "unsafe". In December 2006, all ethnicities in Kosovo had similar assessments of the security situation, which represents a marked improvement compared to previous reporting periods.

Methodology

The Kosovo Early Warning System Project is a component of UNDP's regional early warning framework. The project aims to build the capacity of local analysts to foresee potential crises, and to advise crisis prevention policies. The Reports are intended as strategic planning, response, and policy tools for development and peace-building actors in Kosovo by deriving recommendations for preventive measures from trend analysis and the monitoring of key sector indicators of fundamental conflict-causing factors. The Early Warning System Project is a UNDP regional initiative; at present most SEE UNDP Programmes produce Early Warning Reports (EWS) on a periodic basis. The Kosovo Reports are co-funded by USAID and UNDP. The Kosovo Early Warning Reports are produced quarterly.

The Kosovo Early Warning Report Nr: 15 is written by the local UNDP team based on the results of Expert Group meetings and on statistical analysis of an opinion poll conducted by UBO consulting during the second half of December 2006. The survey

was based in face-to-face interviews, and included 1,258 respondents: 857 K-Albanians, 209 K-Serbs, and 192 respondents from Other minorities (52 Bosnian, 15 Gorani, 39 Turk, 25 Ashkali, 40 Roma, 21 Egyptian). The sample was selected through

random sampling method and was stratified on the basis of geographic regions that are based on telephone area codes (7) and municipalities (30) and urban rural ratio (1:1).

Chapter 1:

KOSOVO'S INSTITUTIONAL AND POLITICAL STABILITY

I. Satisfaction With Kosovo's Institutions

Trends in satisfaction levels with Kosovo institutions are shown in Figure 1 below. Of particular note is the current and general decline in satisfaction levels. Overall, compared to September 2006, satisfaction with the main governing institutions in Kosovo has decreased; the only exception is the satisfaction with

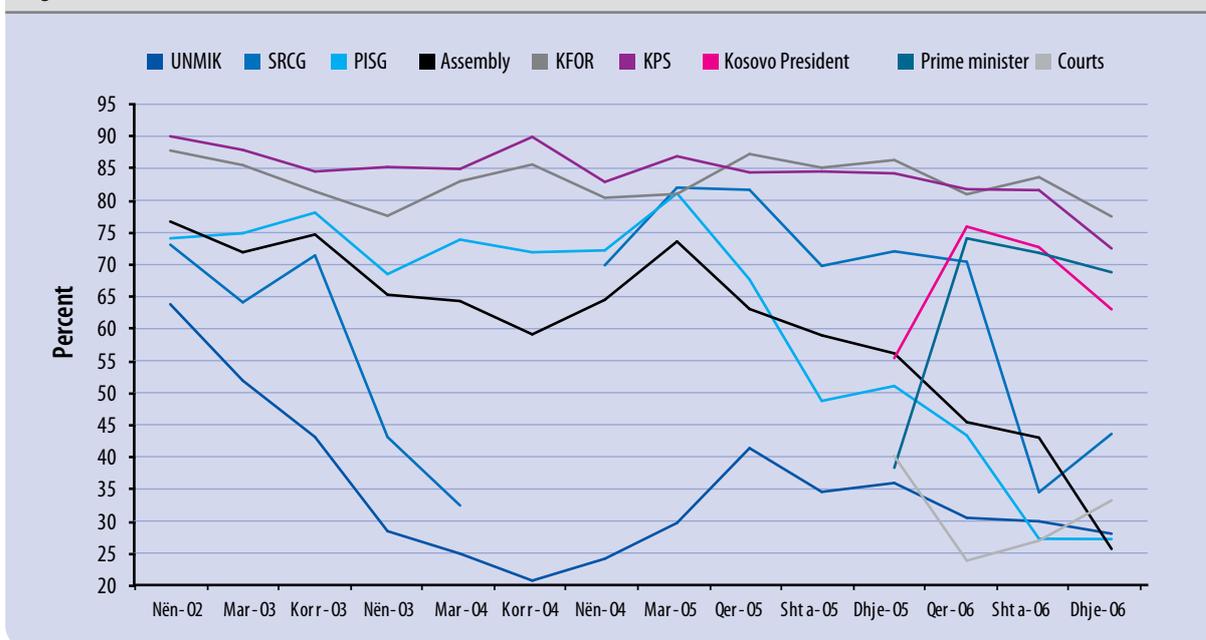
vice (KPS), which have enjoyed satisfaction levels of around 80% for the past four years, are at their lowest approval ratings of 77% and 72%, respectively. The level of satisfaction with the performance of the KPS fell by 9% from September 2006 to December 2006.

Dissatisfaction with Kosovo's political direction

During the period September to December 2006, poll results showed political pessimism to be 49% overall. This is the highest the rate has been since July 2002, at which time 52% of respondents were not satisfied with the political direction of Kosovo.

As seen in Figure 1.2 below which depicts satisfaction with Kosovo's political direction by region, Gjilan/Gnjilane and Ferizaj/Urosevac have the highest levels

Figure 1.1 Level of satisfaction with the work of main institutions in Kosovo



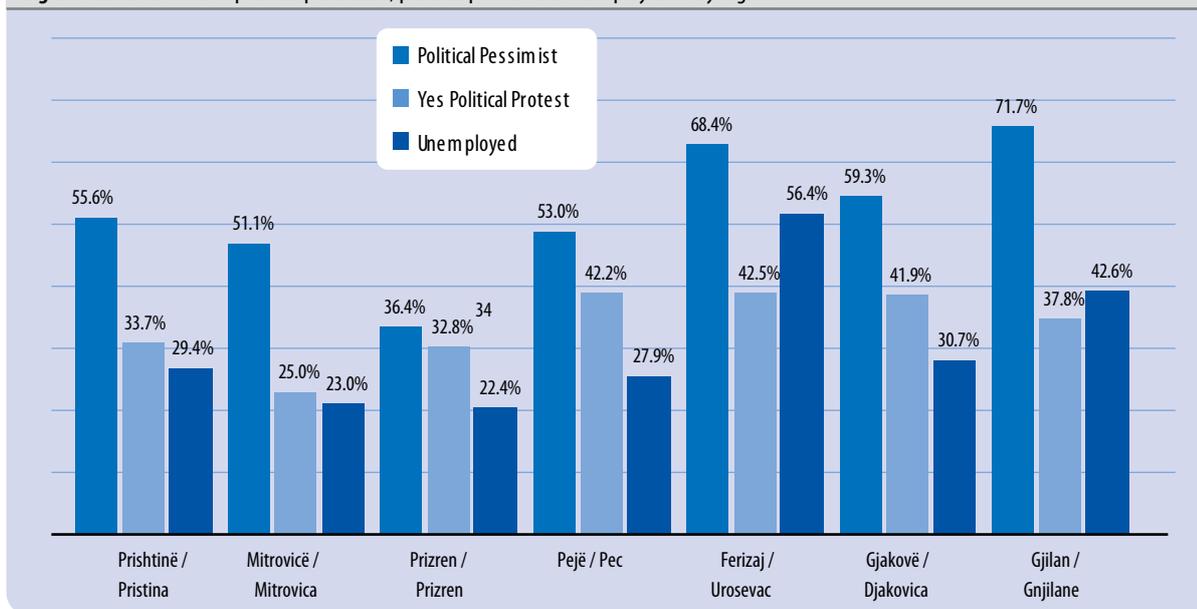
the performance of the Special Representative of the Secretary General (SRSG) which saw an increase from 34% to 43% during this reporting period. As of December 2006, the Kosovo Assembly, the Provisional Institutions of Self Government (PISG) and UNMIK have the lowest approval ratings among the institutions ranked, with 26%, 27% and 28% respectively. This is the first time since the Early Warning Report was first published in November 2002, that the Kosovo Assembly has received lower approval ratings than UNMIK.

Satisfaction with the PISG continued to drop and has reached the lowest levels since November 2002; a decrease of 54% has been recorded since March 2005 when the satisfaction level was 81%. It is important to note that even KFOR and the Kosovo Police Ser-

vice of dissatisfaction. In Gjilan/Gnjilane and Ferizaj/Urosevac, 72% and 68% of respondents, respectively, stated that they were dissatisfied with Kosovo's political direction, whereas only 36% of respondents from Prizren/Prizren stated the same.

Although Gjilan/Gnjilane and Ferizaj/Urosevac are the most dissatisfied regions in Kosovo, Ferizaj/Urosevac, Pejë/Peç and Gjakovë/Djakovica are the regions with the highest readiness to protest for political reasons with approximately 42% of respondents from each indicating that they would protest due to current political reasons. It is important to note that a high rate of respondents in both Ferizaj/Urosevac and Gjilan/Gnjilane were unemployed when the opinion poll was being carried out. High dissatisfaction in Gjilan/Gnjilane may also be due

Figure 1.2 Distribution of political pessimism, political protest and unemployment by region



to the ongoing discussions on decentralization which will affect this region the most. In addition, there were some protests in Gjilan/Gnjilane against the decentralization process during the polling period. On the other hand, dissatisfaction in the Ferizaj/Urosevac region can perhaps be related to the split within the Democratic League of Kosovo (LDK) that affected the governing coalitions in most municipalities with the new party the Democratic League of Dardania LDD getting a majority in some municipal assemblies.

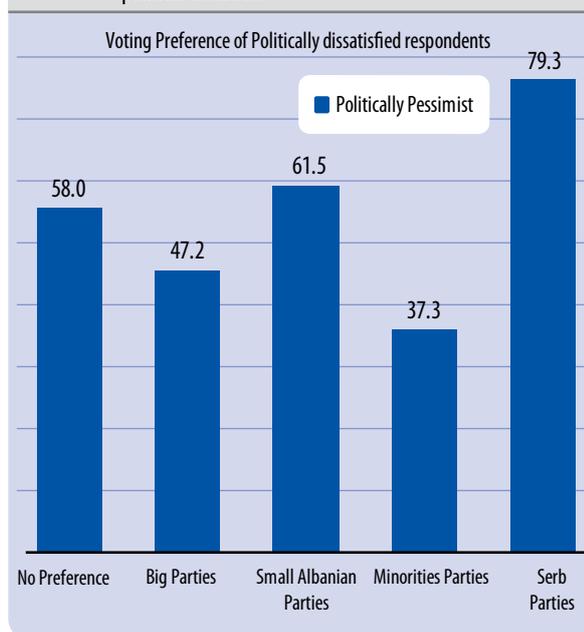
Characteristics of Politically Dissatisfied Respondents

Satisfaction with the political situation is closely related to satisfaction with the economic situation¹. Based on opinion poll data, 77% of respondents who indicated that they were not satisfied with Kosovo’s current economic direction also indicated that they were dissatisfied with Kosovo’s political course.

Survey results show that voters for “Small K-Albanian parties”² tend to be dissatisfied with Kosovo’s political developments, whereas those that support “Big K-Albanian parties” are less dissatisfied with Kosovo’s political direction. Analyzing the political pessimism and voting preferences of respondents as depicted in Figure 1.3 below, the majority of people who indicated that they will vote for K-Serb parties also indicated that they are dissatisfied with Kosovo’s political direction. Those who stated that they will vote for Non-

Serb minority parties are the most optimistic about the political direction in which Kosovo is heading.

Figure 1.3: Voting preference of respondents dissatisfied with political situation



There is a clear association between respondents who indicated that they were not satisfied with Kosovo’s political developments and their readiness to protest. Of those that declared that they would protest because of political reasons, 64% were not satisfied with Kosovo’s political course.³

¹ Correlation is significant at the 0.01 level (2-tailed) with Pearson Correlation of 0.339

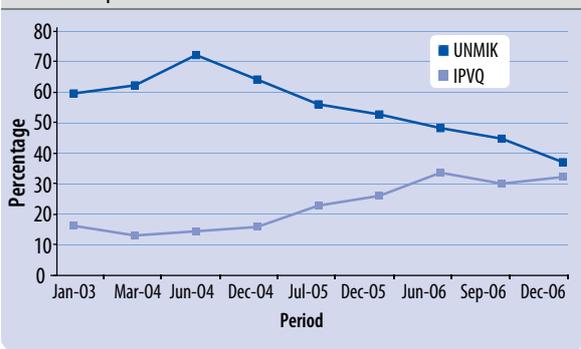
² Parties are classified based on their seats in Kosovo’s parliament. A classification “Big K-Albanian” party includes parties in the Kosovo Assembly with more than 2 seats (LDK, PDK, AAK, and ORA). Classification “Small K-Albanian” parties include parties within Kosovo Assembly with 2 or less seats and those outside of Assembly.

³ Correlation is significant at the 0.01 level (2-tailed) with Pearson Correlation of 0.131

II. Responsibility for Kosovo's political situation

Thirty eight percent of respondents still hold UNMIK responsible for the current political circumstances. On the other hand, as shown in Figure 1.4 below some 31% consider the PISG to be to responsible. It is interesting to note that the percentage of people holding UNMIK responsible for the political situation has been decreasing while those holding the PISG responsible are on the increase. In June 2004 around 72 % of respondents believed UNMIK to be responsible for the political situation while only 15% thought the same for the PISG.

Figure 1.4: Trend of respondents holding PISG responsible for Kosovo's political situation



As shown in Figure 1.5 below respondents in Gjilan/Gnjilane and Prizren/Prizren, overwhelmingly regarded UNMIK as the institution being responsible for the current political situation. This is interesting considering the contrasting views of respondents in Gjilan/Gnjilane and Prizren/Prizren on Kosovo's political direction as discussed in section I above. Other regions in Kosovo have a more equal attribution of responsibility for the current political situation to UNMIK and the PISG.

Respondents who hold UNMIK responsible for Kosovo's political situation are more willing to protest than respondents who hold PISG responsible for Kosovo's political situation (as shown in Figure 1.6).

Protesting due to Political Situation

Since December 2005, when opinion poll results showed all time high rates of willingness to protest for political reasons, the rates have continuously declined (Figure 1.7). In December 2006 the willingness to protest for political reasons remained relatively unchanged from the level of September 2006 for K-Albanians (37%) and saw small increases for K-Serbs (33%

Figure 1.5 Political responsibility by region

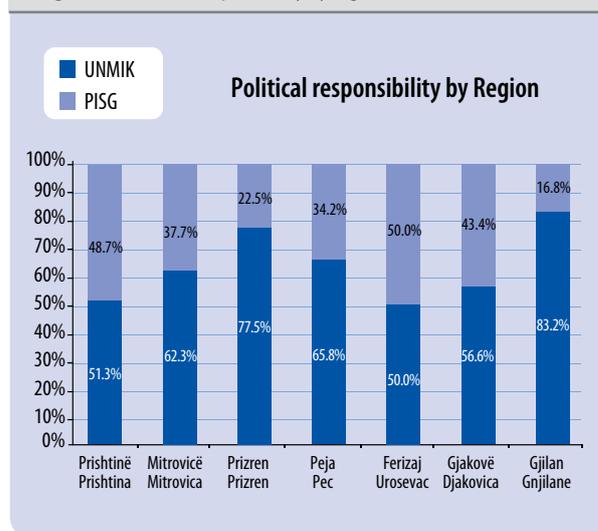
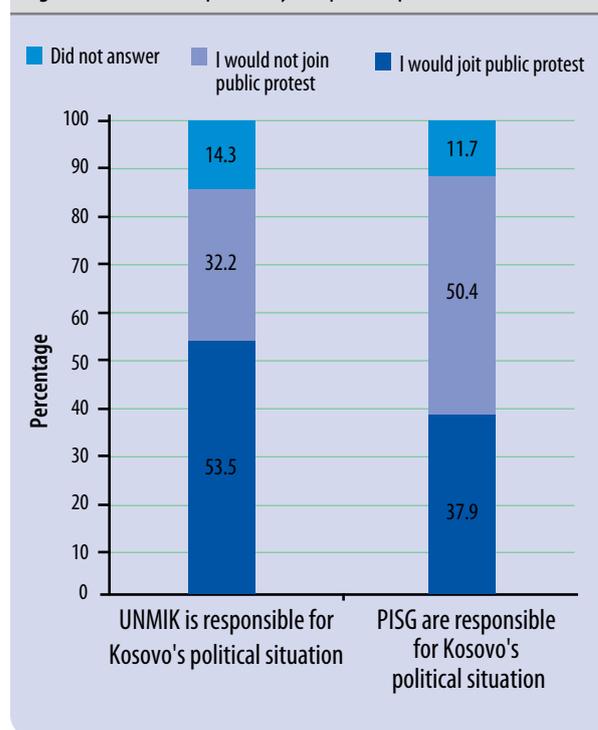


Figure 1.6 Political responsibility and political protest



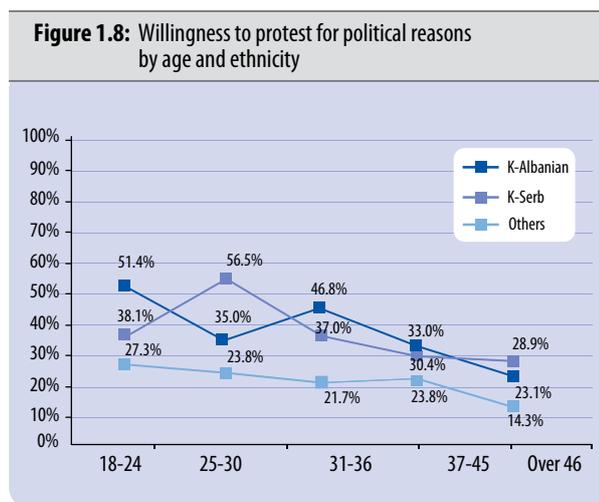
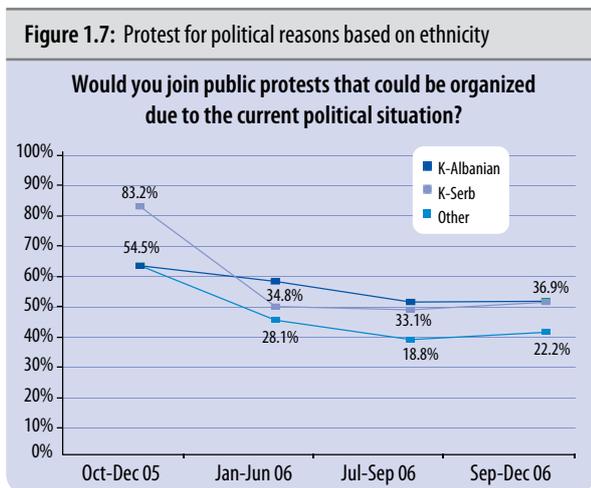
to 37%) and other minorities⁴ in Kosovo (19% to 22%). As shown in Figure 1.8 the 18-25 age group among K-Albanians and the 25-30 age group among K-Serbs has reported a significantly higher willingness to protest than other age groups⁵. According to Expert Group conclusions⁶, willingness

⁴ "Other minorities" or other ethnicities" is used throughout this document to refer to: Bosnian, Goran, Turk, Roma, Ashkali and Egyptian respondents, and does not include K-Serb respondents.

⁵ Association is significant at the 0.01 level (2-tailed) with a p-value of (0.000) using Pearson's Chi-Square

⁶ In order to analyze EWS 15 Opinion Poll results, Experts from various fields were invited to a focus group. Detailed information on participants is provided at the beginning of the report.

to protest is mostly correlated to the resolution of the status of Kosovo. Willingness to protest (both economic and political) began to decline with the recent unfolding of the roadmap as marked by the Kai Eide Report and the appointment of President Ahtissari as Head of UNOSEK as well as the start of negotiations in Vienna. Since December 2005 a continuous drop in willingness to protest was observed (see Figure 1.8).



III. Opinions for the best solutions for future status and the negotiation process

Opinions for the best option for future status

Regarding the best option for Kosovo’s future status, most responses remained the same as in September 2006. Approximately 89% of respondents (Table 1.3) indicated that independence for Kosovo would be the best option for Kosovo’s political status. Five percent of responders indicated that an autonomous province within Serbia would be the best solution and 3% said that unification with Albania would be the best

solution. Based on ethnicity, 96% of K-Albanians consider independence as the best choice for Kosovo. Approximately 79% of K-Serbs have indicated that the status of an autonomous province within Serbia would be the best option. The majority (77%) of other minorities have indicated that the best option for the future of Kosovo would be its independence within present borders while some 16% of other minorities stated that they don’t know what the best solution for Kosovo would be.

Compromises

When asked about eventual compromises regarding the final status of Kosovo, approximately 96% of K-Albanians and other minorities disagreed with the possibility that new municipalities be created along ethnic lines. The majority of K-Serbs (62%) however agree that municipalities should be created using ethnic criteria. No K-Albanian respondents and only 3% of other minorities, would agree with a final status that excludes the creation of a Kosovo Army (Kosovo Armed Forces), while 86% of K-Serbs would agree with this option. The majority of all ethnicities in Kosovo agree to have KFOR troops in charge of security, only 32% of K-Albanians, 34% of K-Serbs and 21% of other minorities disagreed with this.

Tabela 1.1: Zgjidhjet më të mira për Kosovën sipas përkatësisë etnike të të intervistuarve

Which solution do you think is the best for the future political status of Kosovo?	Which solution do you think is the best for the future political status of Kosovo?		
	K-Albanian	K-Serb	Other
Independence of Kosovo within present borders	96	0.5	76.6
Partition of Kosovo	0.1	7.7	2.1
Same as now (International protectorate)	0.1	5.7	1.6
Unification with Albania	2.5	0	0
Confederate state within Serbia, such as Montenegro	0.2	1.9	0
Autonomous province within Serbia	0	78.5	2.1
Don't Know	0.6	5.3	16.1
No Answer	0.5	0.5	1.6
Total (%)	100	100	100

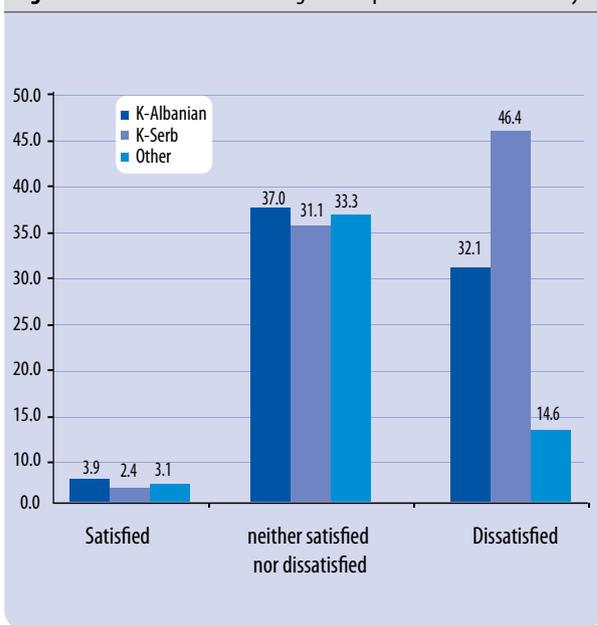
Negotiation process

All ethnicities in Kosovo seem to be dissatisfied with the final status negotiation process. Only 4 % of K-Albanians, 2 % of K-Serbs and 3% of other minorities

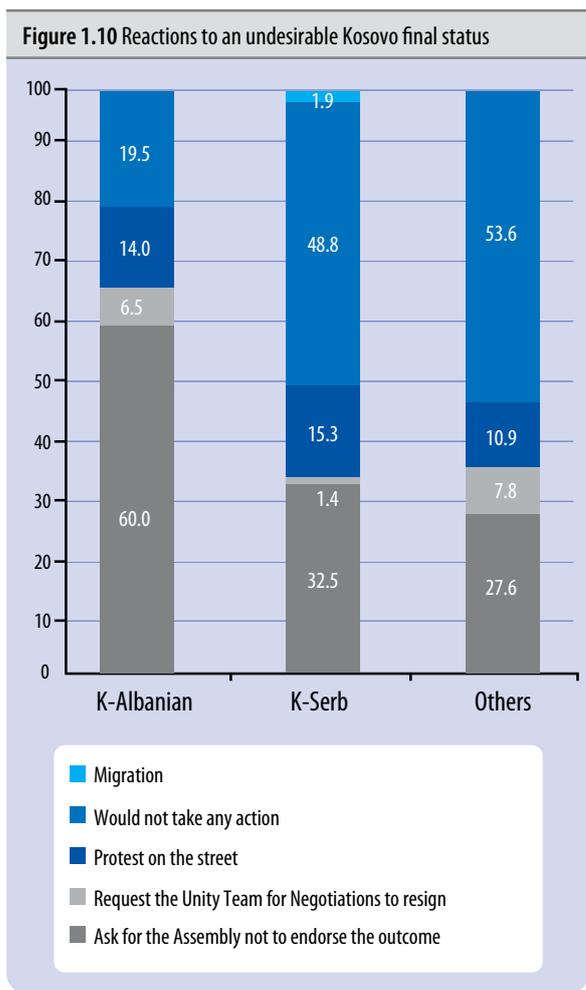
reported satisfaction with the process (Figure 1.9). K-Serbs have the highest level of dissatisfaction, followed second by K-Albanians, while just 15% of other minorities expressed dissatisfaction. The majority of K-Albanians and other minorities are neither satisfied nor dissatisfied with the process.

According to Expert Group⁷ discussions the high level of dissatisfaction may be due to the fact that K-Serbs and K-Albanians have diametrically opposing preferences for status and any attempt at compromise has so far resulted in dissatisfaction. Other minorities are the least dissatisfied due perhaps to their lack of involvement in the conflict and the lack of identification with either side.

Figure 1.9 Satisfaction with the negotiation process based on ethnicity



When respondents were asked what their eventual reaction would be to an unsatisfactory final solution for Kosovo, most respondents from all ethnicities, stated that they would “Ask for the Assembly not to endorse the outcome” or would “not take any action” (Figure 1.10). Some 2% of K-Serb respondents have declared that they would migrate if they are not satisfied with Kosovo’s final status while the majority of K-Serbs (48.8%) declared they would not take any action. A bigger majority of other minorities (53.6%) also declared they would not take any action. The majority of K-Albanians (60%) if not satisfied would ask the Assembly not to endorse such an outcome. Some 14% of K-Albanians, 15% of K-Serbs and 11% of other minorities, stated that they would protest on the street if they are dissatisfied with the status decision.



IV Political pessimism and the decline of satisfaction with institutions

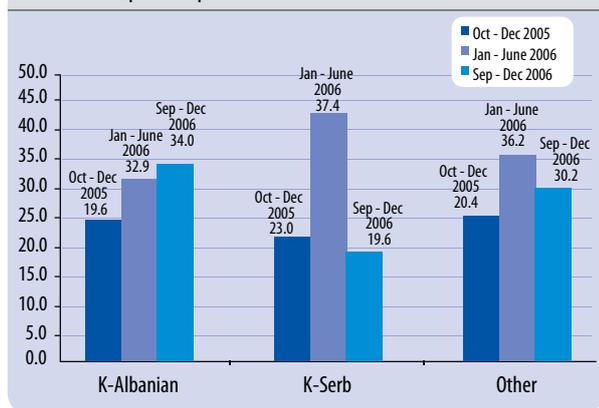
Decrease in Citizen Participation

Several issues seem to be related with the political dissatisfaction of respondent’s and their dissatisfaction with the work of institutions in Kosovo and most importantly the lack of political preference or the tendency not to vote. For example, political dissatisfaction may result in the under-reporting of corruption as people may expect that no one will act on such information. It is also considered that low satisfaction levels with institutions and high political pessimism may impact on the participation of citizens in decision making. For example, an increasing trend has been observed in the percentage of respondents who do not want to vote or who are undecided for whom they will vote⁸.

⁷ In order to analyze EWS 15 Opinion Poll results, experts from various fields were invited to a focus group. Detailed information on participants is provided at the beginning of the report.

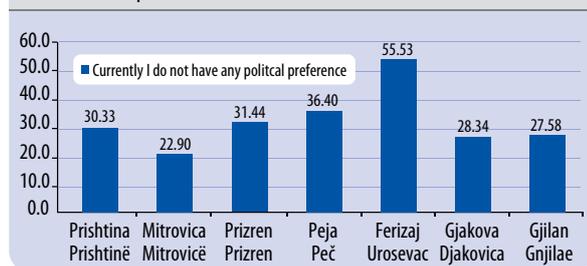
⁸ UNDP (2006), Opinion Poll: October – December 2006.

Figure 1.11: Percent of respondents who do not have any political preference



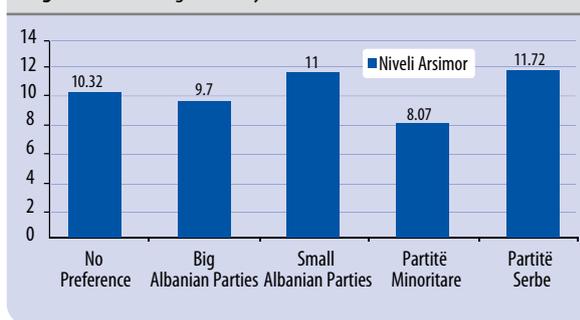
In December 2006 the number of K-Albanian respondents with no political preference (as shown in Figure 1.11) has increased by 14% as compared to October 2005. As seen in Figure 1.12, the majority of respondents from Prizren/Prizren, Pejë/Pec, Ferizaj/Urosevac and Gjilan/Gnjilane seem to be undecided about their voting preference, whereas respondents from Prishtinë/Prishtina are the most decided in this regard.

Figure 1.12: Percent of respondents by region lacking political preference



Furthermore it is important to note that politically undecided respondents generally have a higher level of education than those who have political preferences. When looking closely at the characteristics of voting, it can also be seen that undecided voters have approximately 0.7 years more schooling than those who have political preferences. Specifically, voters for small K-Albanian parties have an average of 11 years of education, whereas voters for larger K-Albanian parties have an average of 9.7 years of education. The average education for respondents that have no party preference is 10.3 years, whereas for K-Serbian party voters it is 11.7 years. Minority party voters have an average of 8 years of education (Figure 1.13).

Figure 1.13: Voting trends by education



V. Conclusions

According to Expert Group discussions the following are the worrying trends from opinion poll that need special attention:

- Increases in dissatisfaction with the work of governing institutions, particularly that of Kosovo Assembly.
- Increase in dissatisfaction with political situation.
- High regional variability in dissatisfaction with institutions and political direction of Kosovo.
- High political pessimism in regions affected by decentralization process.
- High number of people undecided on voting preference, specifically those who will not vote or do not know for whom to vote.
- Diametrically opposing views of K-Albanians and K-Serbs on the preferred option for final status of Kosovo.
- Very low satisfaction with negotiation process among all ethnicities.

The following factors have been identified by Expert Group discussions as elements contributing to institutional and political instability:

- Loss of qualified civil servant especially from central institutions and agencies.
- Lack of controls and procedures during the recruitment process of civil servants as well as restructuring processes.
- Lack of democratic tradition and processes within political parties leading to exclusion of opposition and political fragmentation and split of parties.
- Loss of legitimacy of some municipal governments as a result of changes in political scene, as in some municipalities' party voted and party heading the local government are different.

- Splits within political parties and the resulting animosities are believed to have an impact on the follower base by creating tensions among supporters of opposing parties.

Possible alarming scenarios identified by Expert Groups:

- Low levels of satisfaction with the work of local institutions poses a problem when implementing policies and laws. Because of the public's low satisfaction with the work of institutions, policies and strategies may fail and tax collection and other forms of revenue collection will face low support.

Quote 1.1: "Ferizaj/Urosevac and Gjilan/Gnjilane are considered to have suffered the most from the split within LDK maybe that is the reason why respondents from this region have the highest political pessimism rates."

- According to Expert Group discussions a worrying trend within the PISG institutions is the loss of qualified professional civil servants. At present, there is a trend for civil servants to seek employment outside the public sector with many departments in the public sector losing their most qualified staff especially those that have received the most training and skill development. This poses a serious threat to any gains made in public sector development.
- In addition, most donor activities with regard to institutional capacity building are decreasing or have already ended meaning that the loss of skilled staff may well lead to problems especially when considering the ongoing transfer of competencies from UNMIK to local institutions. With the conclusion of UNMIK's mandate, new laws will have to be passed and applied and the efficiency and success of this process will depend on the availability of skilled staff. In this regard actions should be taken in order to stop the loss of qualified civil servants and the threat of institutional degradation.
- The development of the private sector is contributing to this problem as civil servants are increasingly attracted to better employment opportunities and higher private sector salaries. In addition, younger well trained civil servants often find employment in the international sector or apply for further professional education through grants and scholarships offered by different donor schemes. These factors in addition to the emigration of quali-

fied workers to other European countries are affecting the capacity of the public sector in Kosovo.

- Expert group discussions concluded that political parties are directly contributing to dissatisfaction with Kosovo institutions and thus institutional instability. The main reason is the lack of a democratic process within parties which leads to splits. The last case in this regard was the split in the LDK Congress in December that resulted in the creation of a new party composed of dissenting LDK members. Although there were threats that members of this new party would leave the Kosovo Assembly and withdraw their support for the coalition government at a very critical period in the negotiation process for the future status of Kosovo, these predictions were not realized. However such developments do have negative and destabilizing effects.
- Minority Expert Group participants consider that the high number of K-Serbs that are undecided on whom to support politically is because K-Serbs are divided between Belgrade and Kosovo Serb leaders and may believe that if they vote in Kosovo elections it may mean that they are supporting its independence.

Quote 1.2: "We had three directors leave in the past eight months. Usually they stay for at least one year."

- Expert group discussions noted that the LDK split occurred at a crucial time for Kosovo. The status negotiations may further aggravate relations as the newly created LDD party although represented in the Kosovo Assembly is not part of the Unity Team or the negotiation process. The party may well try to gain from dissatisfaction with the status talks by, for example, criticizing the outcomes of the talks and the work of the Unity Team and trying to gain support from those disappointed from the status process but not willing to support Vetevendosje. This may well create further fragmentation within the K-Albanian political arena.

In order to address the institutional and political stability issues the following actions are recommended by Expert Group:

- Experts believe that if institutions were to develop transparent policies and be responsible in their policy implementation, citizens may react to such positive developments by participating and fulfilling their part of the duty.

- A “corruption” fighting mechanism is needed to be in place. This mechanism would need to have executive powers in scrutinizing the work of institutions and offices.
- A mechanism which allows the change and adaptation of laws and regulations so as to guarantee institutional stability (Recruitment and Procurement)
- The development of “User Friendly” policies and procedures to support citizen’s initiatives to pay taxes, pay their electricity or to obtain building permits. It is important for these procedures to be uncomplicated, easy to use, easy to follow and efficient. It is important to remove complicated procedures that compel the end-user (citizen) to bypass the law.
- If a solution is to be found for this issue, the main reasons for the trend will need to be addressed, namely the low salaries of public servants, a lack of career development alternatives within the PISG institutions, and the lack of alternative benefits for civil servants like access to long term credit.
- Strategies for attracting qualified staff and public servants must be designed and competitive salaries, advancement opportunities, lucrative contracts with benefits (may include better health care coverage, housing etc.) should be provided.
- Training models which assure that invested resources in new servants stay within the organization, such as through the training of all staff ranks and capacity training should be provided based on need.

BOX 1.2	Reasons for Public Sector Capacity Loss:
<ul style="list-style-type: none"> • Low salaries for civil servants • Lack of advancement opportunities within the public sector • Increased civil servant capacities resulting in higher salary expectations • Increased private sector capacities, thus attracting qualified civil servants by providing better benefits, • Politically motivated hiring and firing 	

BOX 1.1	Loss of Legitimacy:
<p>“In some municipalities where LDK had the majority in municipal assemblies, the loss of municipal representatives to the new party LDD has compromised the legitimacy of local government. This development combined with the postponement of municipal elections can pose a serious threat to the legitimacy of some municipal governments and thus to citizen partnership and participation.”</p>	

Chapter 2:

KOSOVO'S ECONOMIC AND SOCIAL STABILITY

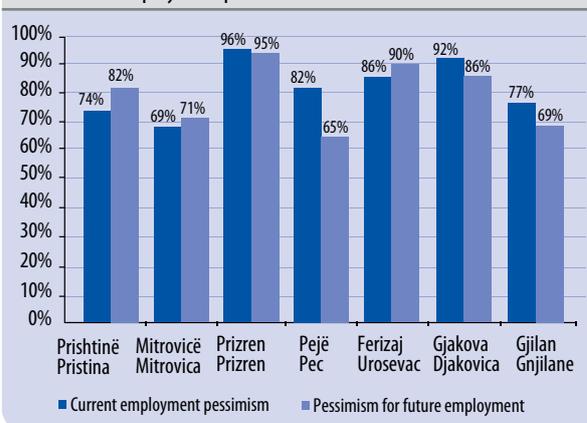
I. Attitudes towards kosovo's economy

After a brief decline in economic pessimism to 70% in the September 2006 opinion poll results for this reporting period show an increase to 76% - a return to the high levels of June 2006 (76%) and March 2004 (75%). Other indicators including dissatisfaction with employment opportunities and the family economic situation of respondents show similar levels of increasing pessimism.

As shown in Figure 2.1, it is apparent that all regions are dissatisfied with current employment opportunities. However Prizren/Prizren and Gjakovë/Djakovica are the most dissatisfied regions, where 96% and 92% of respondents respectively, declared dissatisfaction with the current employment situation. The regions that have shown the least dissatisfaction with the employment situation include Pristina, with 74% and Mitrovicë/Mitrovica with 69% dissatisfaction.

Similarly, respondents are pessimistic about employment possibilities in their respective area for the first six months of 2007. Comparing perceptions on present employment conditions and future employment conditions respondents in Pristina, Mitrovicë/Mitrovica and Ferizaj/Urosevac are most pessimistic as they think that employment conditions will deteriorate, whereas those in Pejë/Pec and Gjiilan/Gnjilane think that employment conditions will improve.

Figure 2.1: Attitudes towards "Current" and "Future" employment possibilities

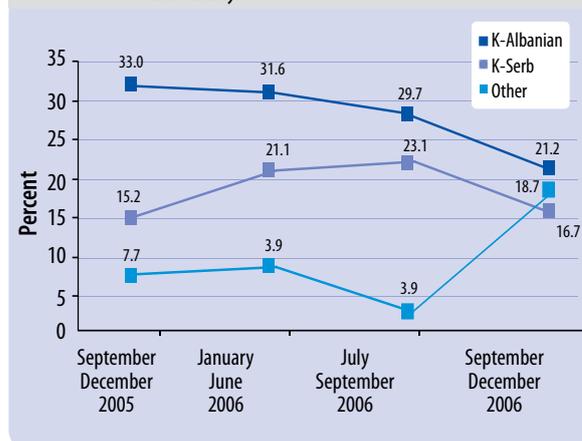


Satisfaction with their household's economic situation

Some 20% of survey respondents stated that their household's economic situation is satisfactory whereas approximately 31% stated that they were dissatisfied. This latter figure includes 9% of respondents that were very dissatisfied with their household's economic situation.

The level of satisfaction of K-Albanians in relation to the condition of their family's economic condition has seen an 8% decline since the July-September survey (Figure 2.2). Currently K-Albanians in comparison to other ethnicities are the most satisfied with their family's economic situation. The least satisfied are members of other minorities in Kosovo (except K-Serb).

Figure 2.2: "Satisfaction" of respondents with the economic situation of their family



Unemployment has surpassed Kosovo's unresolved political status as the pivotal problem facing Kosovo. In December 2006, unemployment was seen by 35% of respondents as the most important issue facing Kosovo, while 32% of respondents reported that Kosovo's unresolved political status was the most important issue facing Kosovo which is a drop of 5% compared to September 2006. Poverty was cited by 16% of respondents, an increase of 2% since September 2006.

Assessment of business conditions

The majority of survey respondents assessed that Kosovo's current business conditions are unfavourable (Table 2.1). Just 3% of K-Albanian, 8% of K-Serbs and 5% of other minorities stated that they consider conditions to be favourable for business.

Table 2.1: Assessment of business conditions

Respondent's assessment of current business conditions?	K-Albanian	K-Serb	Other
	%	%	%
Unfavourable	63.13	49.76	65.10
Neither favourable nor unfavourable	13.77	35.41	12.50
Favourable	2.57	8.13	4.69
Don't Know	19.25	2.87	17.19
No Answer	1.28	3.83	0.52
Total	100	100	100

Kosovo's consolidated budget

There are considerable differences among ethnicities in their assessment of key issues regarding the management of Kosovo's consolidated budget (see Table 2.2). The majority of K-Albanians (54%) believe that "careless spending in luxury goods" is the main problem with the management of Kosovo's budget, whereas the majority of K-Serbs (28%) believe that the main issue is "insufficient capacities and expertise". Of important note, is the large number of respondents from all ethnicities that indicated they "Don't Know" what is the main problem in the management of Kosovo's budget.

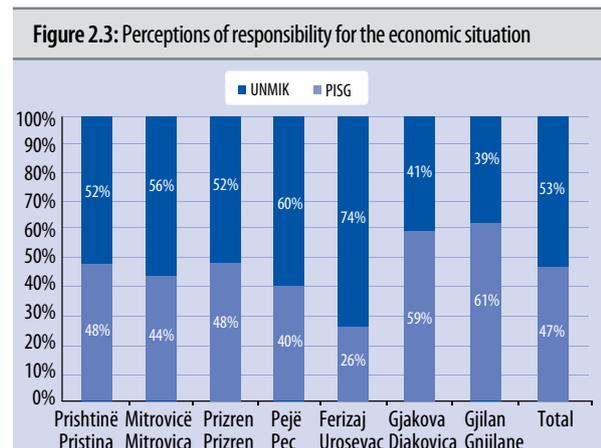
Table 2.2: Main problems in the management of Kosovo Consolidated Budget

	K-Albanian	K-Serb	Other
	%	%	%
Insufficient capacities and expertise	8.98	28.23	7.29
Careless spending on luxury goods	54.26	18.18	37.50
Non-transparent spending	12.95	12.92	10.42
Too many public sector employees	1.87	11.00	3.65
Don't Know	20.19	17.70	39.06
No Answer	1.75	11.96	2.08
Total (%)	100	100	100

II. Responsibility for economic situation, economic protests and voting patterns

Responsibility for the Economic Situation

The majority of survey respondents consider the Provisional Institutions of Self-Government (PISG) to be responsible for Kosovo's economic situation. Regarding this perception there is a wide variability among regions. In Ferizaj/Urosevac the overwhelming response (74%) was that the PISG are to be held responsible for Kosovo's current economic situation. Closely resembling this response are respondents from Pejë/Pec, where 60% stated the same. On the other hand, approximately 60% of respondents from Gjilan/Gnjilane and Gjakovë/Djakovica, consider that UNMIK is responsible for Kosovo's economic direction. Other regions, with the exception of Gjilan/Gnjilane and Gjakovë/Djakovica, consider the PISG responsible for Kosovo's economic direction (Figure 2.3).



Protest due to Current Economic Situation

Although the majority (45%) of survey respondents stated that they would not join public protests over the current economic situation, some 40% of them did state that they would join such protests if they were organized.

When responses on readiness to protest due to economic reasons are analyzed with responsibility on the economic situation and by region, it is observed that those who hold UNMIK responsible for the economic situation are more inclined to protest than those holding the PISG responsible. However this trend is not universal in all regions of Kosovo, for example, in Mitrovicë/Mitrovica those holding UNMIK responsible are 2.03 times more inclined to protest than those holding the PISG responsible; in Gjakovë/Djakovica the difference is 16%. The opposite is true for respondents in Gjilan/Gnjilane region where those holding

the PISG responsible for the economic situation are 2.3 times more inclined to protest than those holding UNMIK responsible. In other regions there are no big differences in this regard.

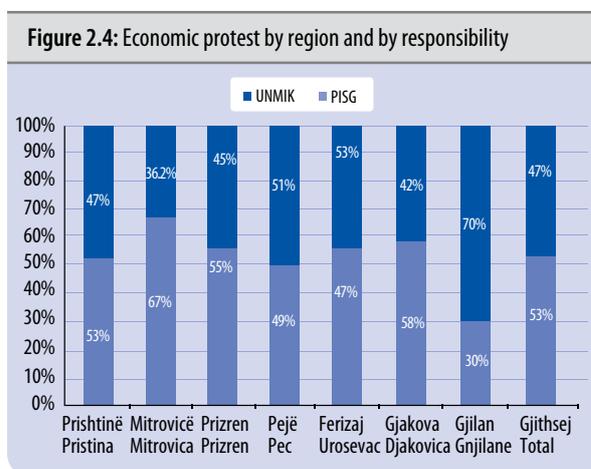


Table 2.3: Responses to how respondents would express dissatisfaction with the current economic situation

Responses	K-Albanian	K-Serb	Other
	%	%	%
Through an assembly member	28.82	38.76	23.44
By writing to the authorities	9.68	3.83	4.69
By writing to the newspapers	7.58	1.91	2.60
By protesting on the street	16.57	12.44	14.06
Would not take any action	37.34	43.06	55.21
Total (%)	100	100	100

As seen in Table 3, the majority of respondents stated that if they were dissatisfied with Kosovo’s current economic situation, they would not take any action. Some 29% of K-Albanians, 39% of K-Serbs and 23% of other minorities stated that if they were dissatisfied with the economic situation they would respond through their assembly member. Some 17% of K-Albanian respondents, 12% of K-Serb and 14% of other minorities stated that they would express dissatisfaction through protest in the street.

Willingness to protest due to economic reasons is closely related with perceptions about the economic situation; those who are dissatisfied with the economic direction of Kosovo are much more inclined to protest (by 77%) than those who are satisfied with the economic situation. At the same time it is important to point out the correlation between the readiness to protest for economic reasons and the readiness to protest for economic reasons, where as shown in Table 2.4, some 95% of respondents that declared that they would protest for economic reasons also stated that they would protest for political reasons.⁹

Importantly, a large majority (70%) of respondents from Gjilan/Gnjilane, that hold PISG responsible for Kosovo’s economic situation, have declared willingness to protest because of economic reasons, which is some 37% higher than the willingness of respondents in Mitrovicë/Mitrovica where 33% stated that they would protest. These two regions represent the two most opposing responses to the economic situation and protest. In other regions approximately 45% of respondents stated that they would protest about the economic situation.

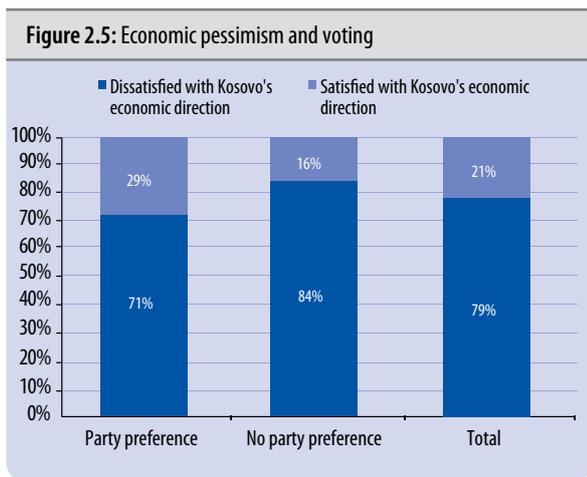
Table 2.4: Correlation between Political and Economic Protest

	Political Protests	
	No	Yes
Economic Protests	No	82.5%
	Yes	17.5%
		100%

Economic Pessimism and Voting

Bearing in mind that employment and other economic issues are currently considered the most important issues facing Kosovo by survey respondents, these issues will play a major role in future election. As can be seen in Figure 2.5, some 84% of respondents that do not have any party preferences or will not vote are dissatisfied with Kosovo’s economic direction, in contrast to some 71% of respondents with party preferences. In this regard it can be concluded that economic pessimism is associated and may lead to lower political participation.

⁹ Correlation is significant at the 0.01 level (2-tailed) with Pearson Correlation of 0.745



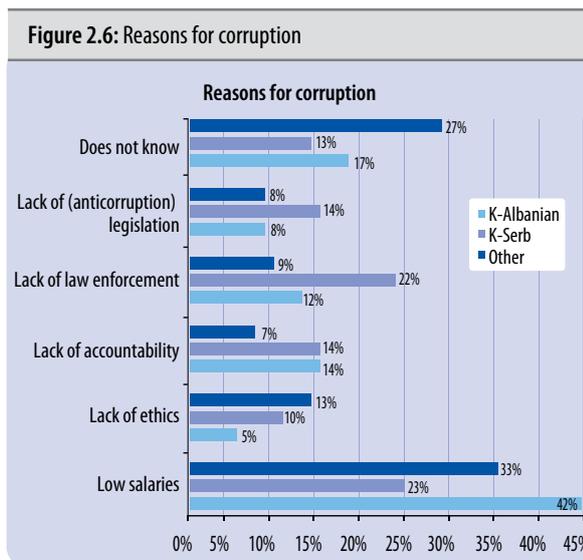
Respondents that have no party preference and those that intend to vote for small K-Albanian¹⁰ parties are approximately 15% more dissatisfied with Kosovo's economic direction than voters who intend to vote for big K-Albanian parties, and 17% more dissatisfied than those who intend to vote for small non-Serb minority parties (Table 2.5).

Table 2.5: Satisfaction and Dissatisfaction with Kosovo's economic direction

	Parties Classification				
	No Preference	Big K-Albanian Parties	Small K-Albanian Parties	Other (non-Serb) Minority Parties	K-Serb Parties
Satisfied	15.7%	29.8%	15.4%	32.1%	23.3%
Dissatisfied	84.3%	70.2%	84.6%	67.9%	76.7%
Total (%)	100.0%	100.0%	100.0%	100.0%	100.0%

Perceptions of Reasons for Existence of Corruption

As can be seen in Figure 2.6, "low salaries" was the top reason given for the existence corruption by all ethnic groups (K-Albanians - 42%, K-Serbs - 23% and other minorities - 33%). Some 22% of K-Serbs, 12% of K-Albanians and 9% of other minorities consider that lack of law enforcement is the main reason for corruption. Fourteen percent of K-Albanian and K-Serb respondents indicated lack of accountability as the main reason for corruption.



III. Conclusions of expert group on economic issues.

The results of the Early Warning Opinion Poll for October-December 2006 were analyzed with the help of Expert Groups. In order to receive a comprehensive critical analysis of Opinion Poll results, experts from various disciplines including economists, lawyers, statisticians and social scientists were invited to Expert Group meetings where findings were discussed and following conclusions were reached through brainstorming sessions.

According to an expert, an example of an inapplicable law is the one regarding collective labor contracts which is on hold since 2005, and only parts of this law are applied by public institutions (e.g. maternal leave) while within private sector the law is not implemented and there is no plan for implementation not are there controls to enforce and monitor the implementation

According to the Expert Group the following issues are worrying trends in opinion poll data that warrant special attention:

- The increase in the number of people dissatisfied with the economic situation in Kosovo.
- The high number of people dissatisfied with employment opportunities.
- The high number of people dissatisfied with their households economic situation.

¹⁰ Parties are classified based on their seats in Kosovo's parliament. Classification "Big K-Albanian" parties include parties in the Kosovo Assembly with more than 2 seats (LDK, PDK, AAK, and ORA). Classification "Small K-Albanian" parties include parties within Kosovo Assembly with 2 or less seats and those outside of Assembly.

- The high number of people assessing current business conditions as unfavourable.
- The widespread perception that careless spending on luxury goods and non-transparent spending is the main problem with the Kosovo consolidated budget.
- The perception that corruption is a result of low salaries.
- That unemployment has surpassed “insecurities on the final status of Kosovo” as the main issue of concern, and “poverty” is the third most important issue. Based on these trends and bearing in mind that Kosovo’s final status will be determined within months, it is expected that in future Kosovo citizens will focus even more on economic issues.
- A troubling fact is the correlation between education and economic pessimism. As shown in Table 2.6, respondents that are economically pessimistic have an average of 10.21 years of education versus those that are not pessimistic who have an average of 9.91 years of education.

Table 2.6: Economic Pessimism and average years of education

	Years of Education
Satisfied Economically	9.91
Economically Dissatisfied	10.21

The following issues have been identified as potential problems in the economic situation and potential contributing factors to negative perceptions in that regard:

- The lack of appropriate analysis by Kosovo institutions on the impact and applicability of new laws and legal frameworks in terms of the financial and human resources needed for their successful application.
- Insufficient (and at times non-existent) actions and policies to increase the capacity of institutions for the implementation of existing and new laws.
- The lack of financial and human resources for proper application of legislation.

At times Kosovo’s final status is seen as a miracle solution to unemployment, corruption and other issues faced by Kosovo

- The trend that many important laws, especially those related to the economy, have stagnated in their implementation phase.
- The fact that Ahtisaari’s package will undoubtedly require new legal requirements adding a

substantial burden to the already weak and inefficient implementation of legal systems and frameworks.

- High expectations among the population that the final status will bring prosperity and solve many economic issues faced by Kosovo.
- That in the short term at least, the resolution of the final status and the resultant downsizing of the international presence in Kosovo may lead to more economic problems.
- The continued existence of many barriers for economic development including: (i) weak infrastructure (energy, water, transport, etc.), (ii) lack of entrepreneurship, (iii) high miss -investments mainly due to lack of new ideas, (iv) an underdeveloped private sector especially in manufacturing and agriculture (v) the small market and problems for penetration into the international market due to lack of capacity and legislative and geographical barriers.

Possible challenging scenarios identified by the EWS Expert Group:

- The current economic situation may result in respondent’s low satisfaction toward governing institutions, possibly leading to loss of trust and a loss of legitimacy of governing institutions. This could hinder citizens to carry out their civic duties such as payment of taxes, electricity bills and other public services which will in turn hamper economic development.
- The worsening of the economic situation might result in lower satisfaction with the governing institutions, with a direct impact on Kosovo’s social stability.
- Trust in the governing institutions is crucial for social and economic development. For example, the readiness of citizen’s to pay taxes and public utility bills, is directly related with perceptions of transparency and accountability of governing institutions.
- Despite initial progress in reconstruction and recovery, the economic situation in Kosovo is still far from satisfactory. More vigorous growth in productive investments and production (agriculture and manufacturing sectors) is required to offset the decline of international injections and to ensure Kosovo continues on a recovery growth path.

In order to address the problems within the economic sector the following actions are considered essential by the Expert Group:

- Kosovo and international institutions in Kosovo should be actively involved in raising Foreign Direct Investments (FDI) in Kosovo.
- Kosovo and international institutions in Kosovo should fully support and promote Private Sector Development (PSD) such as supporting start up companies, and establishing policies targeting the development of specific areas of the private sector.
- The Kosovo government should develop policies conducive to Private Sector Development (PSD), given the latter's necessity for facilitating economic growth.

"Artisaari's package will add another burden to the already weak and inefficient legal system."

- More effort is needed to undertake analysis on the economic impact and applicability of laws in terms of the financial and human resources necessary for their application.
- With the decision on final status looming, Kosovo institutions must now concentrate their attention on economic issues as these will become the prime concern of people.
- Better transparency and accountability of governing institution is a precondition for trust and for the fulfillment of citizen duties.
- The youth should be considered a key factor for economic development and any economic development strategies should give special attention to this part of society.
- In order to support the passage of the Kosovo economy from recovery to sustainable growth, governing institutions should work on policies that support trade and access to regional and global markets and should apply policies to eliminate barriers to investment as well as attracting foreign and local investment.

Chapter 3:

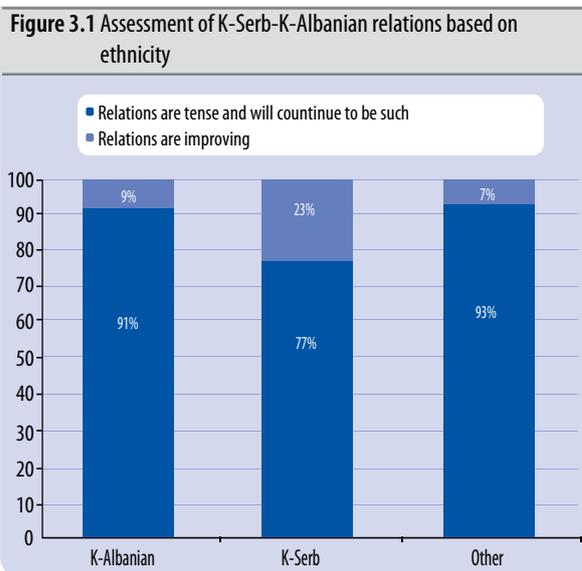
INTERETHNIC RELATIONS

I. Main trends

Perceptions of interethnic relations

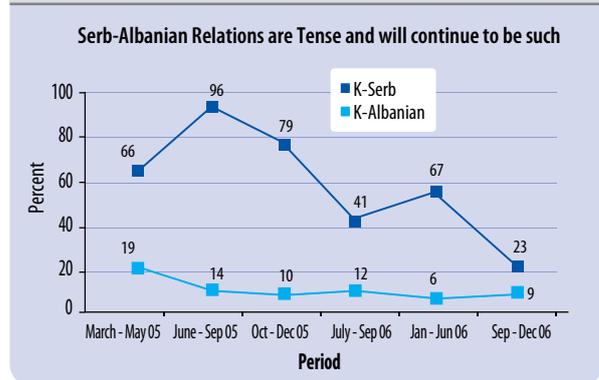
Overall EWS opinion poll results show promising developments with regard to perceptions of interethnic relations. Positive trends in interethnic indicators are especially significant for K-Serb respondents. Although there is still a large percentage (23%) of K-Serbs respondents that consider interethnic relations to be tense and not improving at all, as can be seen in Figure 3.1 the majority (77%) consider that there have been positive developments and improvements. During the July-September 2006 survey, 41% of K-Serb respondents considered K-Serb-K-Albanian relations to be tense and not improving, which is 18% higher than in the December opinion poll. Currently some 9% of K-Albanian respondents and 7% of other (non-Serb) respondents believe K-Serb-K-Albanian relations are tense without improvements.

Overall, K-Albanians and other minorities have a more positive perception of K-Serb-K-Albanian relations, with approximately 92% of them considering there are improvements.



Opinion poll results indicate a change in the attitude of K-Serbs in the perception of their relations with K-Albanians. During October-December 2005, approximately 79% of K-Serbs considered their relations with K-Albanians to be tense with no hope for improvement, whereas in December 2006 just 23% of K-Serbs had the same opinion (Figure 3.2).

Figure 3.2: Trend of respondents considering K-Serb-K-Albanian relations to be tense and not improving



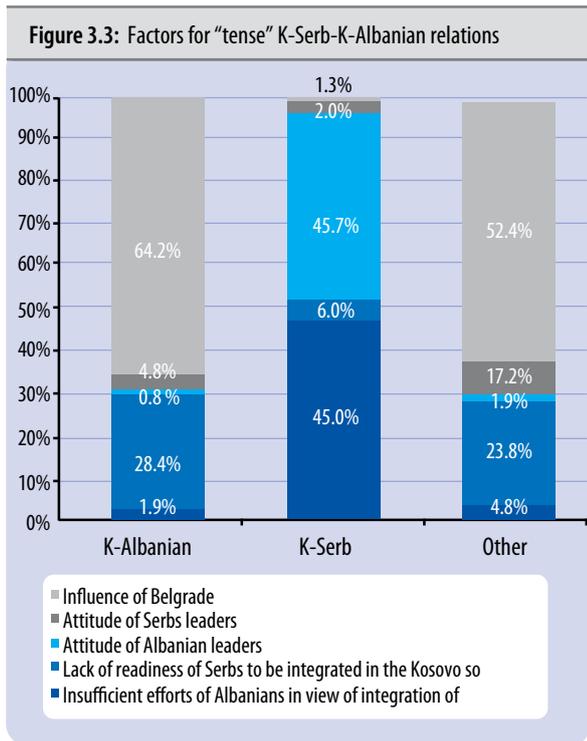
The majority of K-Serbs living in Prishtinë/Prishtina region and regions other than Mitrovicë/Mitrovica consider that K-Serb-K-Albanian relations are improving. However, as can be seen in Table 3.1, K-Serb respondents from Mitrovicë/Mitrovica are divided in this regard, with only half believing that relations are improving. The majority of K-Albanian and other (except K-Serb) minority respondents from all regions of Kosovo consider that K-Serb-K-Albanian relations are improving.

Table 3.1: Respondents from Prishtinë/Prishtina, Mitrovicë/Mitrovica and other regions and their assessment of K-Serb-K-Albanian relations

	Albanians (%)	Serbs (%)	Other (%)
Relations are improving			
Prishtinë/Prishtina region	96	84	100
Mitrovicë/Mitrovica region	97	50	87
Other regions	80	82	88

When asked about the responsibility for tense interethnic relations, K-Serb respondents consider that K-Albanians and K-Albanian leaders are responsible for the current interethnic tension. On the other hand, K-Albanians consider that current tense interethnic relation are influenced by Belgrade followed by the unwillingness of K-Serbs to be integrated into Kosovo society. Other ethnicities consider the influence of Belgrade as the main factor contributing to interethnic tensions, while opinions about other factors are split between the unwillingness of K-Serbs to be integrated into the current society and the lack of efforts by K-Albanians to integrate K-Serbs (see Figure 3.4).

There is an interesting relation in regard to watching the news and perceptions of interethnic relations. K-Serbs who think that relations are tense and will continue to be such are more likely to watch news than those who think that relations are improving. On the other hand among K-Albanians there is a trend that



those not watching the news are more likely to think that relations are tense.

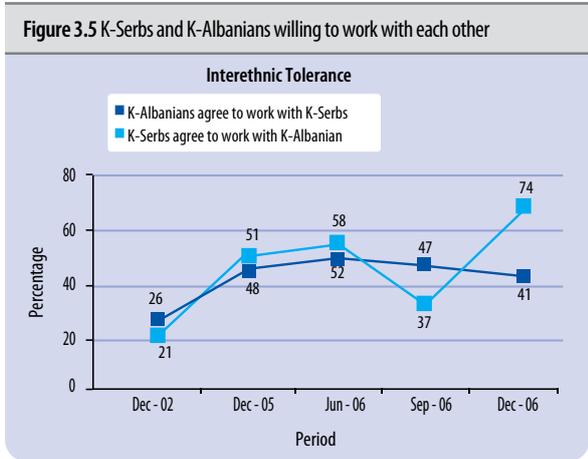
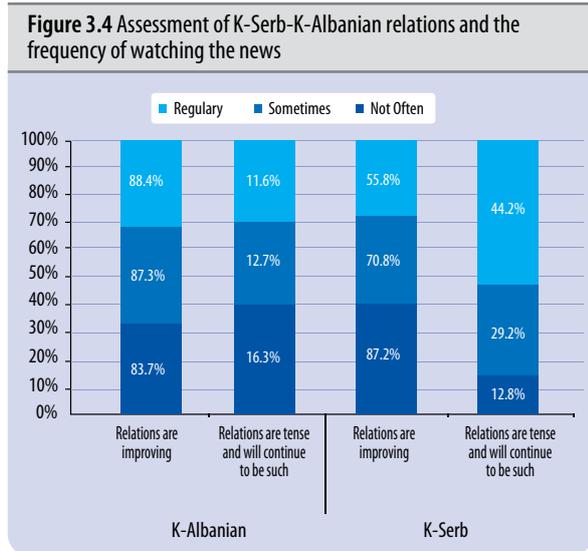
Overall K-Albanian respondents that have said they follow the news sometimes or regularly have a better image of Serb- Albanian relations than the K-Albanian respondents who said they rarely follow the news. The majority of respondents that don't know about relations between K-Serbs and K-Albanians rarely follow the news, which may indicate that the news plays an important role in conveying information on Serb- Albanian relations.

According to opinion poll data, the more time K-Serbs spend following the news, the worse their perception of interethnic relations. Specifically, K-Serbs who do not watch the news are a bit more positive about interethnic relations than those that watch news sometimes and much more positive than those who watch news regularly (Figure 3.5).

The latest poll shows that 74% of K-Serbs are willing to work with K-Albanians, which is the highest since December 2002 (see Figure 3.6). However, there is a declining trend in this regard among K-Albanians. In the December poll 41% of K-Albanian respondents reported that they would agree to work with K-Serbs, marking a drop of 6 % compared to September 2006.

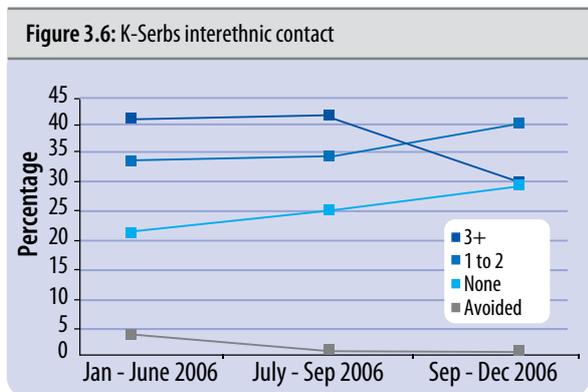
II. Interethnic contact

There is a slight decrease in the percentage of K-Serbs that had contact with other ethnicities and a corre-

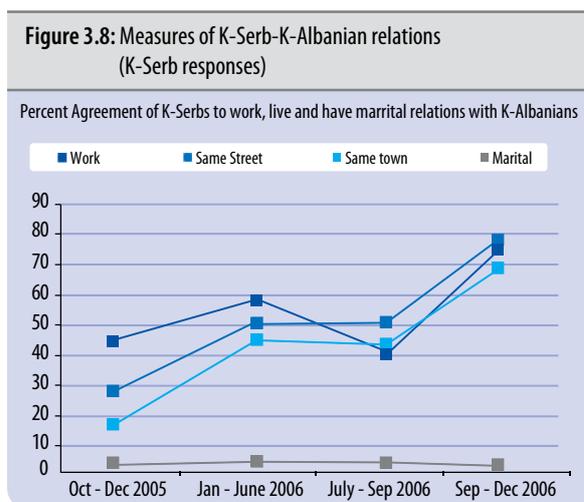
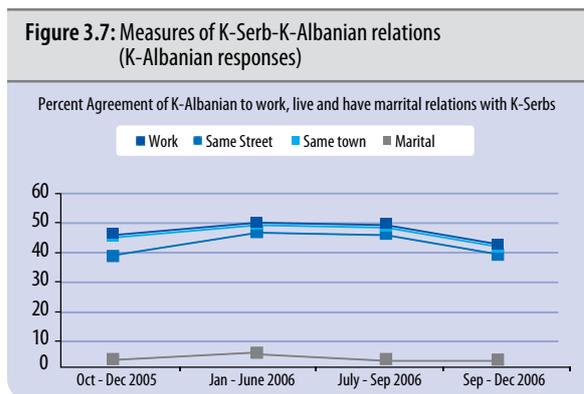


sponding increase of those that did not have contact in the last three months (September to December 2006). On a positive note, the number of those avoiding contact has dropped to almost zero (Figure 3.7).

The majority of K-Albanians, some 75%, indicated that they had no contact with other ethnicities during the months of September to December 2006.



Steady positive increases in several measures of inter-ethnic relations can be seen for K-Serb respondents as depicted in Figure 3.8. The most recent survey results show that approximately 70% of K-Serb respondents agree to live on the same street with K-Albanians, which is an increase of some 50% compared to December 2005. Also, a high number of K-Serb respondents (approximately 75%) agree to work and live in the same town or village with K-Albanians. The only indicator for interethnic relations that is unchanged is the readiness of K-Serbs to have marital relations with K-Albanians, where only some 3% are ready to do so.



Contrary to trends among K-Serbs toward readiness to work and live close to K-Albanians, there has been a steady decrease since June 2006 among K-Albanian respondents in this regard. As seen in Figure 3.9, currently approximately 42% K-Albanian respondents agree to work and live in the same street or town with K-Serbs. Only some 1% of K-Albanians have stated that they would agree to marital relations with K-Serbs.

Table 3.2: Contact with other ethnicities in the past 3 months

	K-Albanian (%)	K-Serb (%)	Other (%)
Yes I have had contact	20.1	69.9	74.5
No contact	79.9	30.1	25.5
Total	100	100	100

III. Who is pessimistic about interethnic relations?

Which K-Serbs are pessimistic?

As can be seen in Table 3.3, K-Serb respondents that stated they are currently unemployed have a better opinion of K-Serb-K-Albanian relations compared to those who are employed.

Table 3.3: K-Serb-K-Albanian relations and employment (K-Serb responses)

K-Serb Responses	Employed (%)	Unemployed (%)
Relations are improving	68.5	81.1
Relations are tense and will continue to be such	31.5	18.9
Total (%)	100	100

It is important to point out that K-Serb respondents from Mitrovicë/Mitrovica have the worst opinion of K-Serb-K-Albanian relations compared to K-Serb respondents from Prishtinë/Prishtina and other regions inhabited by K-Serbs.¹¹ As Table 3.4 describes, some 82% of K-Serb respondents from the Prishtinë/Prishtina region consider K-Serb-K-Albanian relations to be improving at some scale¹² whereas some 40% of K-Serb respondents from Mitrovicë/Mitrovica consider K-Serb-K-Albanian relations to be tense without any hope of improvements.

Which K-Albanians are pessimistic?

When K-Albanian respondents were asked to categorize their consideration of K-Serb-K-Albanian relations (see Figure 3.10), a high variability of responses among regions was observed. Some 40% of respondents from Gjakovë/Gjakova and 25% of respondents from Pejë/Pec stated that they considered K-Serb-K-Albanian relations to be tense with no improvements in sight. On the other hand, the most positive attitude about K-Serb-K-Albanian relations came from respondents in Gjilan/Gnjilane, where all respondents declared that interethnic relations are improving.

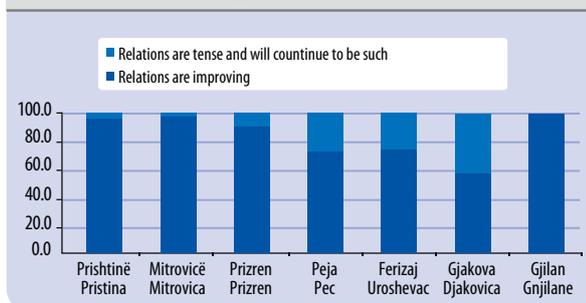
¹¹ Further detailing of K-Serb responses to other regions (besides Prishtinë/Prishtina and Mitrovicë / Mitrovica) could not be done due to the low number of K-Serb respondents from individual regions.

¹² Improvement includes: Relations are tense: 1. "but there are some improvements"; 2. "considerable improvements"; 3. "relations are not so tense"; 4. "relations are not tense at all".

Table 3.4: K-Serb-K-Albanian relations by region (K-Serb responses)

	Prishtinë / Pristina (%)	Mitrovicë / Mitrovica (%)	Other Regions (%)
Relations are tense and will continue to be such	15.5	40.3	12.7
Relations are improving	82.8	40.3	57.0
Don't Know	1.7	16.7	16.5
No Answer	0.0	2.8	13.9
Total (%)	100.0	100.0	100.0

Figure 3.9: K-Serb-K-Albanian relations by Region (K-Albanian responses)



K-Albanian respondents from rural areas seem to have the worst attitude toward K-Serb-K-Albanian relations. As compared to respondents from urban areas, those from rural areas are twice as likely to consider K-Serb-K-Albanian relations to be tense and without hope of improvement. On the other hand, a greater number of K-Albanians consider that there is some form of improvement of K-Serb-K-Albanian relations. Opinion poll results also show that twice as many K-Albanian women than men don't know about K-Serb-K-Albanian relations.

K-Albanian respondents who are unemployed and not seeking employment had the worst impression of K-Serb-K-Albanian respondents, with 27% of them stating that they considered K-Serb-K-Albanian relations to be tense and without improvement. Respondents that are unemployed and are seeking employment, those working in the private sector, pensioners and housewives had more positive impressions of K-Serb-K-Albanian relations.

It is interesting to observe that the level of satisfaction with the economic direction of Kosovo does not seem to influence the attitude towards K-Serb-K-Albanian relations.

IV. Conclusions of expert group on interethnic issues

According to the Expert Group, convened to analyze the results of the EWS opinion poll, the following trends highlighted by the opinion poll results are of concern and require special attention:

- The relatively high number of K-Serbs assessing K-Serb-K-Albanian interethnic relations “as tense and without improvements in the future”.
- A higher number of K-Serb respondents from Mitrovicë/Mitrovica region assessing K-Serb-K-Albanian relations as “tense and without improvements in the future relations” as compared to K-Serb respondents from other regions in Kosovo.
- Opposing views of K-Serbs and K-Albanians on the main factors affecting interethnic tensions. That Belgrade is considered by K-Albanians, as a factor fueling interethnic tensions while K-Serb respondents consider that K-Albanians and their leaders are responsible for the current interethnic tension (Figure 3.3.)
- The decline of willingness among K-Albanians to work and live in the same street with K-Serbs.
- A higher likelihood among K-Serbs that follow the news frequently to have a worse perception of interethnic relations as compared to those that follow the news rarely.
- Opposing views of K-Serbs and K-Albanians about who is responsible for tense interethnic relations and the tendency to blame each other in this regard.
- Low percentage of K-Albanians having any contact with other ethnicities.

The following issues have been identified by Expert Group discussions as potential problems contributing to negative interethnic perceptions:

- The decline in the number of refugees returning to Kosovo and Internally Displaced Persons (IDPs) returning to their homes in Kosovo.
- The continued lack of integration of K-Serbs into Kosovo institutions.
- Lack of stronger efforts for coordination between Kosovo institutions and Serbian institutions for the facilitation of the return of IDP's and refugees and especially the lack of effort to utilize the current high level of readiness among all ethnicities to accept the return of refugees and IDP's.

- The perception among K-Albanians that decentralization may lead to ethnic segregation.

Possible scenarios identified by Expert Group discussions:

- Lack of contact between K-Serbs and K-Albanian may pose a problem to reconciliation and hinder any chance of improvement of interethnic relations. The lack of contact and interaction between the ethnicities can pose a problem especially in a crisis situation where rumors and the inability to communicate with the other side may create a situation like that of March 2004.
- Given the disparate attitudes of K-Serbs and K-Albanians on Kosovo's final status, and the attitude of some 20% of K-Serbs that relations are tense with no chance of improvement, there is a possibility that K-Serbs may become further isolated if an unsatisfactory final status is reached.
- If K-Serbs continue to hold K-Albanians responsible for poor interethnic relations this may lessen the chance of improvement in relations. The fact that K-Albanians see Belgrade as a main factor influencing interethnic relations, could present a window of opportunity for the improvement in relations, at least from the K-Albanian side. After Kosovo's final status is determined, the impact of Belgrade on K-Serbs could well be weakened and in such an environment K-Albanians may express more readiness to interact with K-Serbs.
- One important factor for the integration of K-Serbs into Kosovo institutions is the creation of a conducive environment for their participation in the decision-making processes. According to discussions during the negotiation process this

should be achieved through the decentralization process. However all initiatives will be highly dependent on the perceptions of K-Serbs about interethnic relations and the security situation.

In order to address interethnic issues the following actions are recommended as necessary by the Expert Group:

- Allocate considerably more time to the Serbian language audience in Kosovo's public television station or better still establish a Serbian language television station in Kosovo, which is financed by the PISG and international donors. Minority Expert Group members stated that institutions should add a Serbian language channel to the Kosovo RTK (i.e. RTK2).
- Provide incentives (such as tax breaks) for K-Albanian and other businesses to open business units in Mitrovicë/Mitrovica region and other municipalities with a K-Serb population. Such actions would help allow economic development and interest to bridge the interethnic gap.
- Work more with the media in order to address negative perceptions and stereotypes of both K-Albanians and K-Serbs as a means of normalizing relations and integrating K-Serbs into Kosovo institutions and society.
- Minority Expert Group participants consider that the high number of K-Serbs that are undecided on whom to support politically is because K-Serbs are divided between Belgrade and Kosovo Serb leaders and may believe that if they vote in Kosovo elections it may mean that they are supporting its independence (See Chapter 1).

Chapter IV.

PUBLIC AND PERSONAL SECURITY

Satisfaction with Security Institutions

Overall satisfaction with the work of institutions in charge of security in Kosovo is high. Satisfaction with KFOR is 77% and with the KPS it is 73%. On the other hand satisfaction with the courts is relatively low at only 19% (see Figure 1.1).

Overall satisfaction among K-Albanian respondents with security institutions is at approximately the same level as in July 2004. However, and as seen in Table 1.4, satisfaction with the performance of the KPS is at the lowest level since July 2004, whereas satisfaction with UNMIK police, is somewhat higher than the level of July 2004. Satisfaction with KFOR is lower than during the previous periods however at almost 81%, the approval rate still remains high. As shown in Figure 1.1 (Chapter I), since 2002 when the first EWS opinion poll was carried out, Kosovo Courts have never reached a satisfaction level higher than 28% (March 2003) and currently this level has dropped to some 19%, which mark the second lowest approval level, second only to June 2006, when approximately 16% of respondents were satisfied with the performance of Kosovo courts.

Importantly and as can be seen in Figure 4.1, opinion

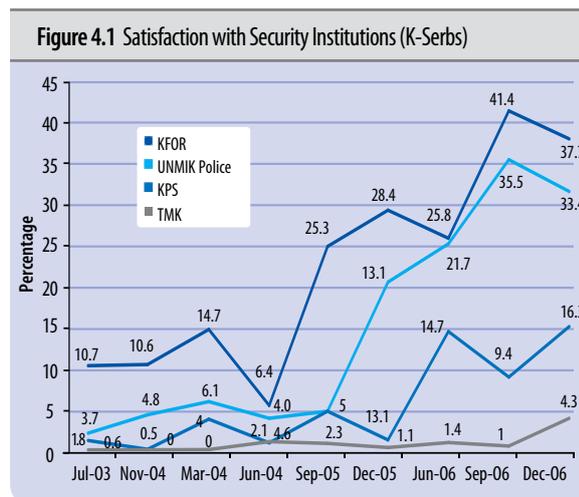


Table 4.2: Assessment of Community – Police relations

	K-Albanian (%)	K-Serb (%)	Other (%)
Very good	9.8	0.0	6.3
Good	53.3	23.0	53.6
Neither good nor bad	20.4	22.5	21.9
Bad	1.9	22.0	3.1
Very bad	0.9	3.3	0.5
Don't Know	13.1	18.7	14.1
No Answer	0.6	10.5	0.5
Total (%)	100.0	100.0	100.0

Respondents that assessed community relations with police as negative were asked why they felt that way.

Table 4.1: Satisfaction with Security Institutions (K-Albanians)

K-Albanians	Jul-04	Nov-04	Mar-05	Jun-05	Sep-05	Dec-05	Jun-06	Sep-06	Dec-06
KFOR (%)	85.6	85.7	84.9	92.9	89	90.3	85.1	86.7	80.9
UNMIK Police (%)	44.2	41.6	54.7	63.7	61.1	56.9	51.1	59.9	52.6
KPS (%)	89.9	88.2	92.7	90.3	90.3	89.4	86.6	86.4	76.5
TMK (%)	96.4	95.9	96.9	90.3	95.2	96.2	93.4	91	83.4

poll results show that satisfaction with security institutions among K-Serbs has been steadily increasing. KFOR, UNMIK Police and the KPS have of late received their highest approval ratings since July 2004. Currently, approximately some 38% of K-Serbs are satisfied with the performance of KFOR, and around 33% with the performance of UNMIK Police. Satisfaction with KPS is currently 16%, which is an increase of 13% since July 2004.

The majority of K-Albanian and other minority (except K-Serb) respondents in this Opinion Poll, consider that community-police relations are good, whereas K-Serbs respondents are split between a positive and negative assessment of community and police relations (See Table 4.2).

Most K-Albanian respondents were divided on the reasons for bad relations including “fear of revenge”, “lack of trust in police bodies” and “people’s disinterest in cooperating with the police” (Table 4.3). K-Serb respondents on the other hand, overwhelmingly stated that “lack of trust in police bodies” and “people’s disinterest for cooperation” are the main reasons for their negative opinions about current police – community relations.

Feelings of Safety

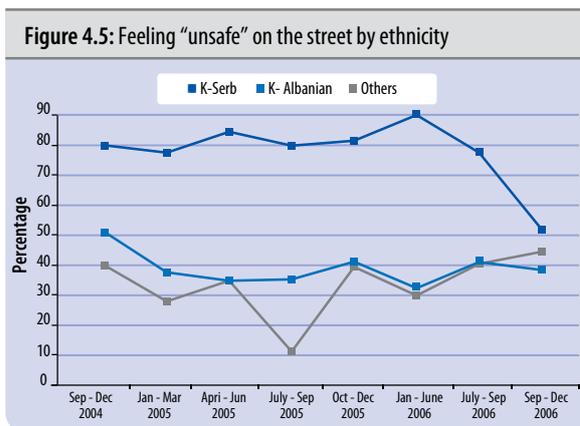
As shown in figure 4.5, although K-Serbs today feel less unsafe than in the past, they still feel more unsafe than K-Albanians and other minorities living in Kosovo. Some 52% of K-Serbs feel unsafe in the street,

Table 4.3: Reason for bad community police relations

	K-Albanian (%)	K-Serb (%)	Other (%)
Fear of the revenge	26.8	6.0	34.7
Lack of trust in police bodies	17.7	41.0	18.4
Police bodies do not show interest for that	14.1	13.0	6.1
People are not interested for cooperation	20.7	37.0	16.3
Don't Know	13.1	3.0	24.5
No Answer	7.6	0.0	0.0
Total (%)	100	100	100

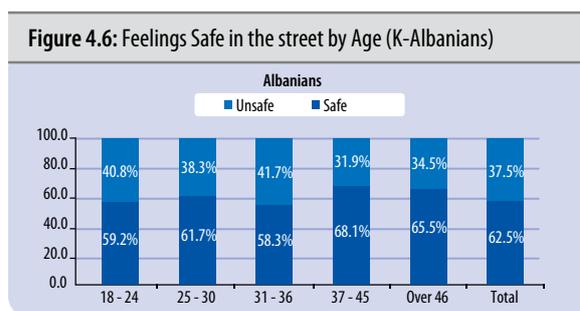
which is 38% less than during the period of January-June 2006 and 28% less than during the period of September-December 2004.

It is important to note that Other minorities (except K-Serbs) in Kosovo now feel more unsafe than they did during the period of January-June 2006. Currently some 45% of Other minorities feel unsafe in the street, which is similar to the attitude of K-Albanians towards safety in the streets.

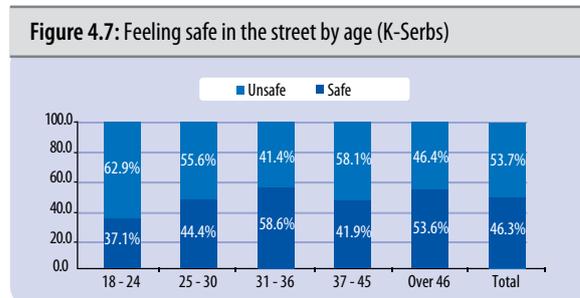


Factors Influencing feelings of Safety

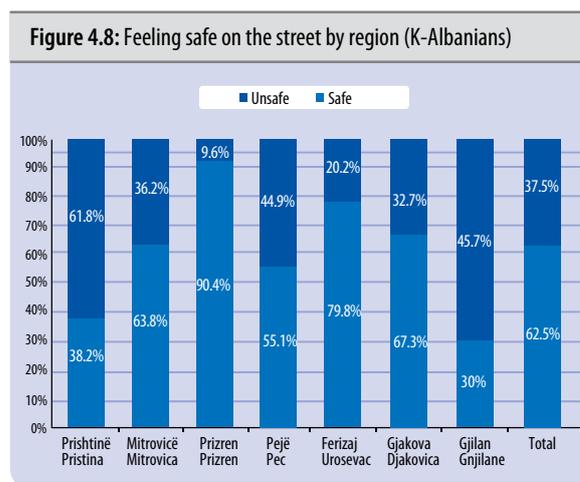
Among K-Albanian respondents those aged 37-45 seem to feel safest on the street. Respondents aged 18-24 and those aged 31-36 had the lowest feeling of safety compared to other age groups (Figure 4.6).



K-Serbs that feel most unsafe in the street are those aged 18-24 with around 63% of this age group declaring that they feel unsafe in the street. The majority of K-Serbs aged 31-36 and those over 46 feel safe in the street (Figure 4.7).



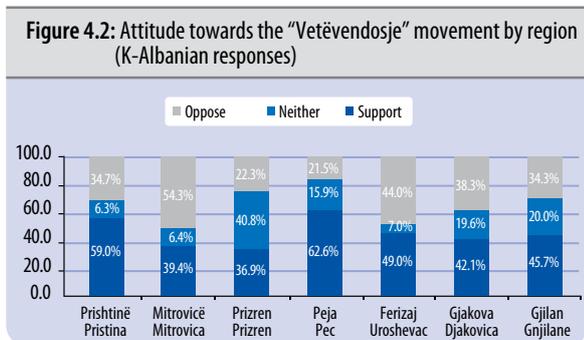
Although most K-Albanians feel safe in the street, this feeling is not shared in all regions in Kosovo. Prishtinë/Pristina as the capital of Kosovo has 20% more respondents that feel unsafe in the street than those that feel safe. On the other hand, as depicted in Figure 4.8 respondents from Prizren/Prizren feel the safest, together with those from Ferizaj/Urosevac, Gjakovë/Djakovica and Mitrovicë/Mitrovica.



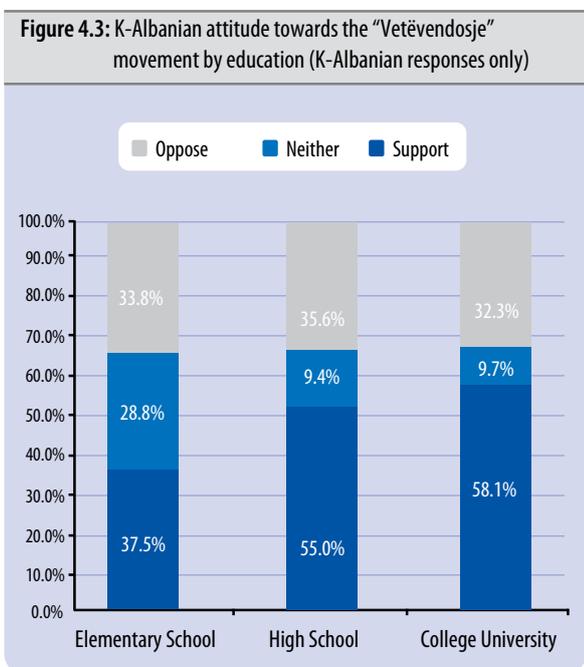
Vetëvendosje

Compared to the trend of support during the earlier part of 2006 for the "Vetëvendosje" movement, in this most recent Opinion Poll, all options of "support" for "Vetëvendosje" have registered a decline while the option "I do not support" has increased since June 2006 (Figure 4.2). K-Albanian respondents from Prishtinë/Pristina and Peja/Pec showed the most support for "Vetëvendosje" with some 15% of K-Albanian respondents in Prishtinë/Pristina and about 13% in Peja/Pec saying they fully support "Vetëvendosje" and would join the movement if they were invited. These two regions, together with Ferizaj/Urosevac and Gjilan/Gnjilane had the highest percentage of respondents

that support “Vetëvendosje” but would not join its activities. On the other hand respondents from Mitrovicë/Mitrovica and Gjakovë/Djakovica showed the least support for “Vetëvendosje”, with some 54% of respondents from Mitrovicë/Mitrovica and 38% from Gjakovë/Djakovica declaring that they do not support “Vetëvendosje”.

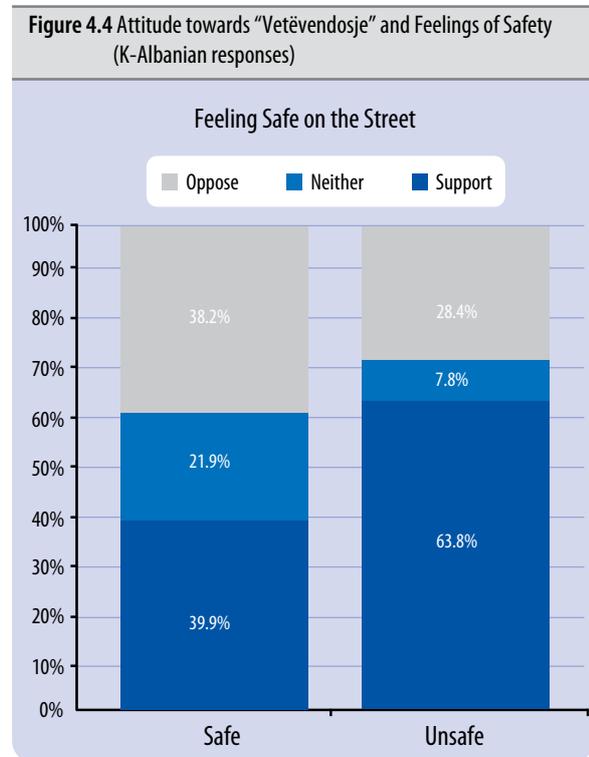


It is interesting to see that the attitude towards “Vetëvendosje” varies when the level of education of respondents is examined. Respondents that support “Vetëvendosje” the most are those with high school or university education. As seen in Figure 4.3, 58% of respondents with college education said that they support “Vetëvendosje”, this figure includes some 11% that said they would join “Vetëvendosje” if invited. The least support for “Vetëvendosje” came from respondents with elementary school education, where only 38% stated some sort of support for “Vetëvendosje”.



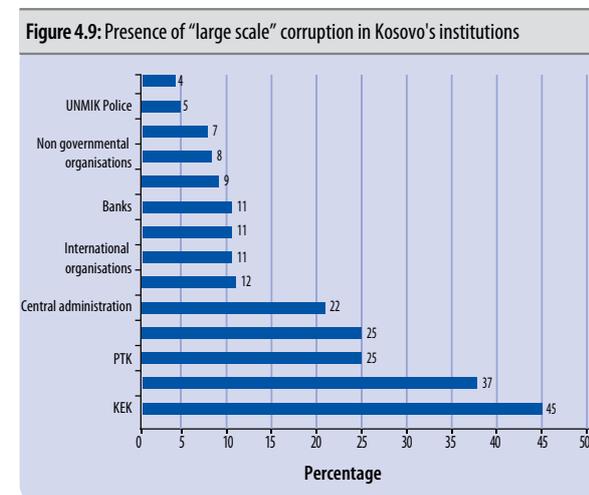
An interesting trend is observed when comparing the attitude of K-Albanians towards “Vetëvendosje” and their feeling of security as depicted in Figure 4.4. The most support for “Vetëvendosje” comes from K-Alba-

nian respondents that feel unsafe in the street while the strongest opposition comes from those that feel safe. Almost twice as many respondents that feel unsafe fully support “Vetëvendosje” and would join them if invited.

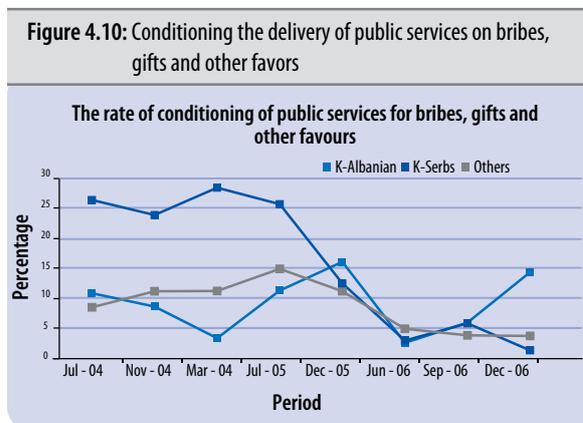


Perception of corruption and the conditioning of service delivery

Regarding perceptions on the existence of “large scale” corruption, results indicate that KEK and the KTA remain the top two institutions in this regard, with PTK and the Healthcare sector such as Hospitals sharing third place. As shown in Figure 4.9 Kosovo’s central administration is ranked fourth amongst institutions with a large presence of corruption.



Regarding actual experiences of “corruption” and bribery, approximately 2% of K-Serbs indicated that bribes, gifts and other favors were demanded in order for them to access public services. This shows a slight decrease since September 2006 when some 3% reported experiencing the same and a marked decrease since March 2005 when a peak of 23% reported this experience. The percentage of K-Albanians who stated that bribes were demanded of them in exchange for public services has remained relatively constant at 4% since July 2000. Some 10% of respondents from ethnicities other than K-Albanian and K-Serb have stated that bribes, gifts and other favors were a condition for them to access public services. This marks a 5% increase in this experience for other ethnicities in Kosovo (Figure 4.10).



IV. Conclusions of expert group on security issues

According to the Expert Group convened to discuss the results of this EWS Opinion Poll, the following are worrying trends that require special attention:

- The high level of insecurity (i.e., feeling unsafe on the street) among K-Serbs in Kosovo and by K-Albanian respondents in the Prishtinë/Prishtina region.
- Low levels of satisfaction with the work of the courts.
- Decrease in satisfaction with the work of the security institutions.
- Current levels of readiness to protest for political reasons.
- Decrease of K-Albanians readiness to work in the same workplace with K-Serbs (Table 3.8).
- Decrease of K-Albanians readiness to live in the same neighborhood with K-Serbs (Table 3.8)
- High levels of perception concerning the presence of corruption.

The following issues have been identified as potential problems contributing to public and personal security issues:

- The overall reaction to Kosovo's final status.
- K-Albanians response to decentralization plans and Internally Displaced Persons (IDP) returns.
- The continued existence of K-Serb parallel structures.
- Dissatisfaction among members of “Vetëvendosje” with Kosovo's political developments and the occurrence of protests with a tendency to turn violent.

Possible scenarios identified by the Expert Group:

- K-Serb reaction to Kosovo's final status and threat of mass migration as reported in some media.
- K-Albanians accumulated dissatisfaction with institutions and the eventual reaction to an unsatisfactory final status decision including the threat of violent protests and potential escalation of the situation.
- Tensions in the regions affected by decentralization, such as Gjiilan/Gnjilane.

The Expert Group recommends the following actions as necessary to address difficult interethnic issues and negative perceptions in that regard:

- UNMIK and Local Kosovo institutions should be actively involved in strengthening Police – Community cooperation
- Start awareness campaigns that aim to clarify the position of K-Serbs in post-status Kosovo.
- Undertake specific activities that explain the Artisaari proposal to Kosovo residents in a language and manner they understand.
- The Kosovo Government and international security agencies in Kosovo should strengthen their attempts to address regional safety concerns, through community-sensitive interventions.