

## MITROVICA: KOSOVO'S LITMUS TEST

ESI Discussion Paper  
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***Litmus test:** A test using a single indicator to establish the nature of a substance*

Mitrovica is Kosovo's litmus test. It is here that the Guiding Principles set down by the Contact Group – no partition, decentralisation, return and a multiethnic Kosovo – will face their toughest test. It is in Mitrovica that the Kosovo leadership must prove that its commitment to a multiethnic society is more than rhetorical.

On 4 May, Mitrovica and municipal boundaries will be on the agenda of the status talks in Vienna. In recent weeks, there has been renewed and often heated debate over competing proposals for this divided town. ESI organised a special conference on Mitrovica with Wilton Park in Vienna on 30 March, where we outlined our proposals for a lasting solution for the town:

1. Move as quickly as possible to a permanent solution for Mitrovica that enables local institution-building to begin, without another transitional international administration. Another temporary solution at this stage would simply defer the hard decisions to a point in time when international influence will be weaker, and the international presence on the ground reduced. It would ensure that Mitrovica remains a flashpoint in Kosovo politics. The international community should play a strong, indeed reinforced, role in Mitrovica in coming years in two areas: security and economic development. It should not be involved in municipal governance directly.

*The parties to the talks in Vienna should accept the creation of a new municipality of North Mitrovica, comprising the territory currently under UN administration. Such a municipality would obviously need to comply with Kosovo laws and regulations like any other municipality, including full respect for property rights and support for returns.*

2. Make the acceptance and implementation of a permanent solution to Mitrovica a test of the willingness of the Kosovo government to deliver on its promises of

decentralisation, and to protect Kosovo Serbs against extreme elements within the Kosovar Albanian community.

*Preparations to transfer authority from the UN-run administration to an appointed North Mitrovica municipal executive should start this summer, in parallel to status talks. The administration of a new municipality of North Mitrovica should be in place before the final status process comes to an end, to be followed by municipal by-elections early next year.*

3. Make clear that UNMIK, KFOR and any international successor mission will respond strongly to any attempts to use force to influence the political destination of northern Kosovo. The Contact Group's commitment to "no partition" of Kosovo needs to be underlined by deploying more international troops in the area North of the Ibar while status talks are underway, with a commitment that they will remain in place for as long as required in the post-status period.

*International security provisions must be stepped up immediately to send strong and clear signals to hardliners on both sides that violence will not prevent the implementation of a political settlement. The creation of a separate North Mitrovica municipality must not lead to a legal vacuum north of the Ibar.*

4. Future cooperation between the two municipalities of the town, Mitrovica and North Mitrovica, should be based on clear economic incentives, and should be a condition for international donor support. Donors should closely coordinate their efforts, and should insist on working with a Mitrovica Regional Development Agency, that will include representatives from Mitrovica, North Mitrovica and Zvecan municipalities.

*The international community should significantly raise its profile when it comes to economic and social developments in the town. The UN should appoint a high level Mitrovica Development Coordinator as a visible face of its commitment to development of the town, who would bring together international donors, the Kosovo government and Serbia as 'strategic donor' for Kosovo Serbs. The 'Friends of Mitrovica' group of donors would need to be revived.*

*One flagship project to be pursued by the Mitrovica Development Coordinator could be a feasibility study on an international South East European University in Mitrovica, similar to the multilingual university successfully developed in Tetovo (Macedonia).*

## Why Mitrovica Matters

The key to Kosovo's future lies with a small piece of territory less than three square kilometres in size. All of the most pressing issues in the final status talks come to a head in Mitrovica. North Mitrovica is the last part of Kosovo still under direct international administration. Decentralisation is yet to occur, return and property rights remain a source of tension, security structures have been found sorely wanting, and institutions on the ground – local and international – have failed to mount an effective response to the town's deepening economic crisis.<sup>1</sup>

There are many reasons why Mitrovica matters so much to the future of a multiethnic Kosovo. An estimated 18 percent of Kosovo Serbs live north of the river Ibar in North Mitrovica and the municipality of Zvecan (with another 18 percent in Leposavic and Zubin Potok).

*Where Kosovo Serbs live, based on primary school enrolments (2003)<sup>2</sup>*

<b>Municipality</b>	<b>Primary school pupils</b>	<b>Percentage of total</b>
Gjilan / Gnjilane	1,936	13.5
Leposaviq / Leposavic	1,819	12.7
<b>North Mitrovica</b>	<b>1,630</b>	<b>11.3</b>
Kamenice / Kamenica	1,325	9.2
Prishtina / Pristina	1,229	8.6
Shterpce / Strpce /	1,217	8.5
Zveqan / Zvecan	981	6.8
Lipjan / Lipljan	969	6.7
Zubin Potok	869	6.0
Vushtrri / Vucitrn	619	4.3
Viti / Vitina	474	3.3
Obiliq / Obilic	408	2.8
Fushe Kosove/Kosovo Polje	348	2.4
Peja / Pec	180	1.3
Novoberde / Novo Brdo /	164	1.1
Rahovec / Orahovac	137	1
Istog / Istok	33	0.2
Skenderaj / Srbica	30	0.2
<b>Total</b>	<b>14,368</b>	<b>100.0</b>

<sup>1</sup> For details and background on Mitrovica see the ESI website and previous reports, including *A Post-Industrial Future? Economy and Society in Mitrovica and Zvecan*, 1 February 2004. [www.esiweb.org](http://www.esiweb.org). Two years ago, ESI also presented a proposal to deal with Mitrovica before the solution to the status issue. At the time ESI suggested to merge North Mitrovica with Zvecan municipality. The proposal was based on the notion that such a merger would ensure a clear Serb-majority *even* if all Albanians were to return to their homes in North Mitrovica, something that was then seen as a threat by local Serb politicians. However, as long as there are no restrictions on movement or limitations to property rights as part of any settlement, it does not matter whether North Mitrovica and Zvecan are one or two Serb majority municipalities.

<sup>2</sup> For details and more background on Serb realities in Kosovo, see ESI report: *The Lausanne Principle*, [www.esiweb.org](http://www.esiweb.org)

With the exception of North Mitrovica, the world of urban Kosovo Serbs has entirely disappeared. There are no more than a handful of Serbs left in Pristina, Pec, Prizren or any of the other larger towns, leaving North Mitrovica with its hospital and university as the last remaining urban foothold. This explains why Mitrovica has become so important – both economically and symbolically – for the Kosovo Serb community.

Furthermore, Mitrovica has an ominous history of communal violence. The most recent riots in March 2004 showed that Mitrovica remains Kosovo's most dangerous flashpoint, where a single spark can touch off widespread violence. A stabbing incident on the bridge on 27 March has once again highlighted the dangers. There are justified concerns that any turning point in the status process (either a breakdown or a breakthrough) could precipitate renewed violence here that would spill over into other regions.

### **Towards a permanent solution**

On 7 April, former mayor of Mitrovica and Kosovo's first Prime Minister, Bajram Rexhepi, presented a 'Mitrovica Strategy' to the Kosovo Albanian leadership. The proposal foresaw the creation of two sub-municipal units, in the South and North, governed jointly through a single Executive Council, which would be run by an international administrator for the coming years.

On 19 April, the Kosovo Negotiation Team has taken an even bolder step forward by proposing the creation of three or four new Serb-majority municipalities, including a new municipality in North Mitrovica, but including a special international role in the administration of the town. In a TV debate on Mitrovica on 26 April, Bajram Rexhepi appealed to leaders on both sides that: "This is the last moment to give Mitrovica a chance. Mitrovica was not given a chance for the last seven years"

These proposals have provoked heated reactions. Parts of the Kosovo media branded Rexhepi's proposal as 'un-Albanian' for making too many concessions to the Serbs. Local politicians in South Mitrovica publicly condemned the proposal, arguing that the city must be reunited at all costs. Milan Ivanovic, representative in the Serb National Council, announced that Serbs would not accept any status other than a separate municipality, responsible directly to Belgrade.

Faced with apparently intractable positions, some international policymakers have been quietly calling for the issue to be kicked further down the road, for fear that any decision might trigger a violent reaction. ESI believes that it is an illusion to believe that the problem of Mitrovica will become easier to solve as final status talks approach their conclusion. It is likely that implementing a settlement would be even more difficult in a post-status environment, when international leverage over the political process will have declined. Most importantly of all, further delay would be missing an opportunity to make early progress on one of the most controversial issues within the status talks.

The outlines of the strategic dilemma are clear. Kosovo Serbs fear living within a reunified, Albanian-controlled town, and being displaced from their last urban

stronghold. Kosovo Albanians fear that a division of Mitrovica would be a step towards the partition of Kosovo.

One way forward would be for the Pristina delegation to make a unilateral offer on the municipal boundary. This would resolve one of the key standards and fulfill a precondition to a final status solution. It would be an opportunity for the Kosovo Albanian leadership to demonstrate their willingness to address Kosovo Serb concerns. It might strengthen the hand of those Kosovo Serb politicians who see their future within Kosovo politics.

There are two main concerns holding back the Albanian side from making this offer. First, Pristina fears that the creation of a new Serb-controlled municipality in North Mitrovica could create a legal vacuum north of the Ibar, where hardliners could once again set up paramilitary formations to harass citizens and block returns. The second fear concerns the international community. Pristina doubts that the international commitment to supporting Mitrovica's multi-ethnic future will translate into meaningful assistance. Without concrete measures, selling a painful compromise to the majority population in the South will be more difficult.

To address both of these fears, some members of the Negotiation Team suggested the appointment of an international administrator who would oversee the implementation of a political settlement during the transition period, and ensure that international attention would remain focused on Mitrovica. Albanian leaders would also like to see an increased presence of KFOR and international police as a signal to hardliners on both sides that security concerns are taken seriously.

This paper supports calls for a stronger international role in a post-status Mitrovica as far as security and development issues are concerned. However, anything that creates a special administrative arrangement for Mitrovica should be resisted.

Giving an international administration a direct role in local governance would prolong Mitrovica's anomalous position and keep the town trapped in a transitional status. There would be very little incentive on either side to invest the efforts required to make a complex power-sharing arrangement functional. On the contrary, hardliners on both sides would treat the status of the town as still 'up for grabs'. They would work to undermine the position of the international administration, while keeping tensions simmering, in the hope of forcing a more favourable political arrangement in the future. In short, a Mitrovica under temporary international administration would not be solved at all. It would continue to be a chip in a large strategic game.

A future international administrator will be no better equipped than past UN administrators to 'force' both sides to cooperate or to prevent a politically motivated boycott of joint institutions. For the past seven years, even with substantial numbers of international troops and police at its disposal, UNMIK has struggled to exercise any real authority in Mitrovica. There is no reason to believe that a future mission, whether UN or EU, would fare any better in the absence of a final political settlement.

### Mitrovica as a development challenge

Rather than introducing awkward power-sharing arrangements, the most promising way of getting the municipalities to work together would be to identify their shared economic interests, and condition international assistance on a degree of cooperation.

There is an underlying awareness on both sides that social and economic conditions in the divided town are steadily deteriorating.<sup>3</sup> As former Prime Minister Rexhepi, once mayor of Mitrovica, put it in 2004: “Mitrovica is a town whose light is flickering, with the perspective of death, and this goes for both sides.”

Life in North Mitrovica is sustained almost entirely by external subsidies from both Belgrade and Pristina. The most significant economic factor in the North is transfers from the Serbian budget.<sup>4</sup> The economic situation in South Mitrovica is even worse. Nowhere in the Western Balkans has the collapse of socialist industries been as complete as in Mitrovica. Socially owned enterprises, which once provided more than 19,000 jobs, now offer just over 1,000 jobs in the South. The private sector consists almost solely of micro-enterprises – kiosks, tax drivers, car mechanics and small construction firms.<sup>5</sup>

The outlines of the economic and social predicament of Mitrovica region are clear. As things stand, a return to ‘normality’ is a bleak prospect indeed. There might be a sharp decline in the number of foreigners living and spending money in Mitrovica, and fewer donor projects than today. If the lifeline of external subsidies provided by both the Serbian and Kosovar budgets were cut, Mitrovica would have little to look forward to but continued depopulation and economic decline. Any reduction in transfers from Belgrade, in particular, could lead to an exodus of the Serbian elite. In the long term, the Serbs of North Mitrovica have as much to fear from economic decline as they do from inter-communal violence.

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<sup>3</sup> ESI research in 2004 showed that both North and South Mitrovica have faced a steadily declining population over the past decade. The 1991 census revealed a sharp drop in the number of Serbs and Montenegrins in Mitrovica during the 1980s, from 13,544 to 10,698 (a fall of 21 percent). The 1990s brought heavy emigration of Kosovo Albanians and the war of 1999 generated not just massive refugee flows, but also movements of population from rural to urban areas and between the north and south of Kosovo. Many Serbs from other parts of Kosovo arrived in Northern Mitrovica. ESI’s estimate for the total resident population of North and South Mitrovica in 2003 (not counting foreigners or some 2,000 students in North Mitrovica) is 82,264. For details and background see ESI report: *A Post-Industrial Future? Economy and Society in Mitrovica and Zvecan*, 1 February 2004, [www.esiweb.org](http://www.esiweb.org).

<sup>4</sup> ESI research in 2004 showed that the Serbian budget supported some 4,100 employees, as well as providing social transfers to some 2,400 people. This constituted more than 60 percent of total cash income. Altogether, an estimated €1.6 million were flowing in from Serbia to Northern Mitrovica and Zvecan every month in the form of public sector salaries and transfers. For more details see also [www.esiweb.org](http://www.esiweb.org).

<sup>5</sup> ESI research from 2003 and 2004, partly updated in March 2006. For more details see also ESI, *A post-industrial future? Economy and society in Mitrovica and Zvecan*, 1 February 2004 ([www.esiweb.org](http://www.esiweb.org)).

International diplomats have long spoken of the need for an economic revival in Mitrovica. However, the resources have not arrived at anywhere near the scale required and have failed to reach the local population.

Donors should support a political settlement in Mitrovica with a major commitment of resources. Preparations for this too should already be launched before this summer. As soon as is feasible, resources should be programmed on the basis of a Mitrovica regional development plan, covering North and South Mitrovica and Zvečan municipalities, prepared by a Regional Development Agency in which all these municipalities would be represented. Participatory programming of donor assistance would provide the mechanism through which regional cooperation could be re-established. This would be much more likely to succeed than any artificial, inter-municipal administrative body.

One flagship project for the economic future of Mitrovica that has been gaining currency in recent times is the idea of a multilingual and international South East European University. The university established in Tetovo in 2001, just as Macedonia was on the brink of civil war, has been an enormous success. It has brought together students from both Macedonian and Albanian communities, helping to stabilise the town and provide much-needed jobs and capital. After an initial investment from international donors, the South East European University in Tetovo is now self-financing. ESI believes that this success could be replicated in Mitrovica. Details of this proposal can be found in the annex.

### **Annex: Mitrovica as a university town**

There is one initiative donors could launch which would immediately present a very different vision for Mitrovica: a multiethnic university town.

Such a proposal has been presented by ESI at various international meetings in recent months, and there appears to be genuine interest among some core donors. A coalition of donors should explore the idea of setting up a high-quality, multi-lingual South East European University in Mitrovica. If a feasibility study were initiated soon, a new university could open its doors as early as October 2007.

The decision to establish the South East European University in Tetovo was taken in July 2000. Construction began in April 2001, just as Macedonia was on the brink of civil war. Although tensions had been highest in the Tetovo region, classes began on 29 October 2001.

This ambitious project has transformed the image of Tetovo from a hot bed of Albanian discontent to an attractive university town. In just over a year, an international, multi-lingual university emerged on the site of an apple orchard, formerly used by the Agricultural High School in Tetovo. Today the university has about 6,000 students. High quality education, modern curricula and subjects not offered by other Macedonian universities also succeeded in attracting close to 2,000 non-Albanian students to a town that is 70 percent Albanian. The university is recognised as one of Macedonia's top educational facilities.

There are many concrete lessons from this unique success story. In Tetovo, a coalition of donors raised close to €40 million for construction and operations. The US alone contributed nearly half of this. Some €2.5 million from the European Agency for Reconstruction are currently being used to expand the university's facilities. Tuition fees ensure that the university is self-financing, with a number of European governments, including the Norwegian, Austrian and Dutch, providing targeted scholarships. There was also a leading public face behind this success story: Max van der Stoep, then OSCE's High Commissioner for National Minorities, helped build international and local support for the University.

Kosovo has a desperate need to expand and modernise its tertiary education. Locating a new university in Mitrovica would ensure future employment for the city, while attracting a new generation to the town. According to a classic textbook on regional economics, universities

“have a substantial economic impact on the regions in which they are located. They employ many workers, occupy large areas of land and spend a substantial amount in the local economy. In addition to the effect they have on the local economy through the multiplier effects of their

expenditure, universities can have much wider effects through the outputs they produce such as knowledge, skills and amenities".<sup>6</sup>

Mitrovica is already on the way to a university town. With the relocation of ten faculties of the Serbian-managed University of Pristina to Northern Kosovo, mostly to North Mitrovica, the university has become an important part of the local economy.<sup>7</sup> An estimated 3,500 students are seriously pursuing their studies; of those, some 2,000 live in Mitrovica. The university employs some 1,060 people, out of which 750 are teaching staff. While most professors do not actually live in Mitrovica, the university still brings in a considerable flow of money. Students and professors rent apartments, spend money in the local shops and bring life to the town. The university was also by far the biggest investor in Mitrovica over the last three years: three new student dormitories have been constructed, an old one refurbished and a fifth is under construction. Other new buildings in Mitrovica include the rectorate, the philosophical faculty, a building for the medical faculty in the hospital compound and a building providing accommodation for 45 teaching staff.

Building on this, ESI proposes to set up a second, multi-lingual university (*in addition* to the Serb university in the North) as a top-quality private non-profit institution, offering courses meeting demands which are not serviced presently within the Kosovo education system (Environmental Studies, European Integration Studies, etc.).

The idea was discussed in detail at the joint ESI-Wilton Park Conference in Vienna. Several European governments expressed an interest to help mobilise funds to explore the idea further. As a first step, a feasibility study would need to be completed and a leader similar to Max van der Stoel identified who could push the idea. With sufficient international financial backing and support of the government, classes could start as early as October 2007.

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<sup>6</sup> Regional Economics and Policy, Third edition, Harvey Armstrong and Jim Taylor, 1985, p.18

<sup>7</sup> Mitrovica hosts the technical faculty, the law faculty, the philosophical faculty, the faculty of natural sciences and the medical faculty.

*Annex: Map of Mitrovica*

