



Another High Stake for Kosovo: Haradinaj's Government Challenging Agenda

This publication is supported by:

The Democratic Society Promotion (DSP) Project - Funded by the Swiss Cooperation Office in Kosovo (SCO-K) and the Ministry of Foreign Affairs of Denmark (DANIDA) and managed by the Kosovar Civil Society Foundation (KCSF). The content of this publication is the responsibility of the Balkans Policy Research Group and does not represent SCO-K's, DANIDA's or KCSF's position.

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Author: Balkans Policy Research Group

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“The government of Ramush Haradinaj inherits a large and very challenging agenda. The mood and the context are not very favorable. The list of tasks presents the priorities that do matter for the citizens, institutions, international partners and Kosovo's European agenda”

Three months after the June 11 elections, Kosovo elected the government on 9 September. The vote of the PDK-AAK-NISMA winning coalition-led government was made possible only with support of the New Kosovo Alliance (AKR) of Behgjet Pacolli, and of all 20-minority seats representing Serbs, Bosnians, Turks and RAE. Vetëvendosje (Self-Determination) movement with 32 and LDK with 25 seats, in a protest boycotted the voting of the government. Sixty-one out of 120 members of the assembly voted the cabinet of Ramush Haradinaj. With a slim majority, against a very strong opposition, Haradinaj's government may live long only if it performs well.

The plate of issues is large, it involves tasks to fulfill the requirements for visa liberalization with EU, implementation of the Stabilization and Association Agreement (SAA) and the European Reform Agenda, reform of public administration, improvements on education and health, progress on the fight against corruption, including review of the rule of law sector and improving economic growth and employment. The dialogue with Serbia presents another big challenge for the government and the assembly.

Relations between the PAN ruling coalition and the opposition (Vetëvendosje and LDK) will remain tensed. Continued political fragmentations between key political actors, threatens the performance of the government and may cut the mandate of Haradinaj-led government short. Likewise unconsolidated, fragmented relations and agendas within the ruling coalition between PDK, AAK, NISMA and AKR, are equally threatening. This time, the government depends on the 10 votes of the Serb representatives that are largely in the control of and can trigger the fall of the government any time the Serbian leadership in Belgrade may want to.

Despite the weaknesses in numbers, Haradinaj can deliver on many issues and reforms; mobilise the government sectors and increase the accountability of the ministers and office holders. Haradinaj wants to address domestic issues of good

governance, deliver services, health, implementation of the SAA and other reforms with a priority. He has less interest on the dialogue with Serbia and is willing to pass the issue to President Thaçi.

The prime minister, however, needs an improved relation with the opposition for a growing agenda that require broader political base, border demarcation with Montenegro, the implementation of the Brussels agreements, transformation of Kosovo Security Forces, foreign policy and other important reforms. It will not be easy to build constructive relations with the opposition; all political actors in the government and the opposition have largely conflicting agendas and their history of years of animosities, hate and tensions, will unlikely go away anytime soon.

Snap elections of 11 June [were fair and democratic](#), with minor shortcomings. Parties obeyed to their [commitment for fair and democratic election and recognition of results](#). Compelled by the [Constitutional Court ruling of July 2014](#) political parties engaged in unprecedented pre-election partnerships; LDK invited AKR of Pacolli and Alternativa of Gjakova mayor Mimoza Kusari for a joint coalition. PDK leader, Kadri Veseli invited AAK of Ramush Haradinaj and NISMA of Fatmir Limaj, giving an end to long-standing rivalries between former war-era leaders. NISMA had fragmented from PDK only in 2014. Like never before, the PDK leader Kadri Veseli nominated Ramush Haradinaj of AAK for prime minister. Vetëvendosje movement ran alone.

Results surprised the political scene; many voters changed their mind. The coalition of PDK, AAK and NISMA (PAN) came first but lost considerable support; all together, they won 39 out of 120 seats. PDK of Kadri Veseli lost most. Vetëvendosje of Visar Ymeri doubled the votes becoming the second party with 32 seats. LDK of former Prime Minister Isa Mustafa, and their partners, AKR of Behgjet Pacolli and the newly established Alternativa of Gjakova Mayor Mimoza Kusari, ended third with 29 seats. Belgrade-backed Srsпка Lista won 9 out of 10 guaranteed seats for the Serb minority. Other 10 seats for minorities are shared between Turks and RAE minorities.

Kosovo's growing nation quest for change, helped Vetëvendosje to double the support from 16 to 32 seats in the new parliament. Vetëvendosje challenged the long domination of PDK and LDK. Not all protest votes in support of Vetëvendosje will stay with them, though trends are evident. The upcoming local elections in October will present a clearer picture and better projection.

The Central Election Commission (CEC) certified results only one month after the elections, on 8 July; long delays on publication of results reflect the weakness of the electoral system. The delay however did not matter; parties were not ready to

constitute the institutions. Kosovo was heading towards another political stalemate with leaders unwilling to compromise and cooperate.

[The Constitution Court ruling \(2014\)](#) gave the right to the party or coalition who won the largest number of votes to elect the speaker of the parliament and the right to nominate the prime minister. Yet, PAN was short of numbers. Calls of Veseli and Haradinaj on LDK to join a broad-based government went in vain. LDK refused any form of cooperation with PDK-led coalition; anger with the PDK support for the opposition-led [vote of no-confidence against the LDK government](#) is still fresh. Mustafa also refused cooperation with Albin Kurti; Vetëvendosje had caused [unseen hardship to the government of Isa Mustafa](#) between 2015 and 2017. With a rapidly growing public support, Vetëvendosje leadership feels no need for compromise with anyone.

In these circumstances, earning the support of AKR's Behgjet Pacolli was the only option to form the government. Negotiations took weeks. AKR used the leverage of 'Kingmaker' to negotiate a wealthy deal with PAN; with only three MPs (one resigned) AKR won the post of the first deputy prime-minister and four ministries, ministry of foreign affairs, ministry of internal affairs, ministry of environment and spatial planning and ministry of economic development.

The government of Ramush Haradinaj includes an agreement of four Albanian parties, the Srpska List and other minority parliamentary groups. This might complicate matters on the governing plan. Division of resources, unconsolidated policies, and many contradictory views and agendas will make it difficult to build the cohesion, Haradinaj needs so much. However, in the first weeks, the prime minister has shown strong leadership of the government.

The government and the opposition contest the legitimacy of each other and their policies. For the ruling parties, the opposition aims to obstruct the work of the government. The opposition criticizes the government for being dependent solely on Belgrade; Haradinaj's government depends on ten Serb minority votes. Political relations are caught into another election, this time much more tensed.

Two weeks after the government was formed, its agenda got caught into another elections. The campaign for the local elections began on 21 September; elections will take place on 22 October. The unexpected and unpleasant June results have raised stakes for the upcoming elections. Parties will fight harder this time: PDK and LDK have to prove the trends of June elections wrong; Vetëvendosje aims to repeat the success of general elections and consolidate its support.

The government promises a dynamic agenda of priorities. Yet, the intense electoral discourse will keep the ruling parties busy with the campaign distracting officials from their tasks, and allow the opposition to harden their stance vis-a-vis the government and their policies.

The cabinet of Ramush Haradinaj inherited a large and very challenging agenda. The mood and the context are not very favorable. The list below presents the priorities that do matter to the citizens, institutions, international partners and Kosovo's European agenda:

Border demarcation with Montenegro – Prime Minister Haradinaj made a robust decision on his first day in the office. The government discharged the state commission on demarcation of borders. He had fought against for years. The newly appointed commission comprised largely of those who opposed the early agreement indicates Haradinaj's position; it is almost certain that he will not approve the current agreement and will seek renegotiation. Kosovo and Montenegro signed the border agreement in August 2015; the latter ratified in December 2015, ahead of membership to NATO. AAK of Haradinaj together with Vetëvendosje and NISMA refused the agreement from the outset.

The government decision on the new commission may have pleased many Kosovo citizens but disappointed [Europeans and the U.S.](#) Kosovo failed to earn the support of the Montenegrin government for the review of the border agreement. During the visit in Podgorica, Foreign minister Pacolli admitted that “the ratification of the border demarcation with Montenegro is impossible at the moment” despite international calls to do so. Montenegrin government showed no will to revise the agreement; it is a closed deal for Podgorica, was said..

The issue has become complicated and almost unresolvable; at least not soon. The government decisions pleased part of the opposition, Vetëvendosje, and annoyed the other part, LDK. Yet, it is more important how the prime minister's decision will reflect on relations between the ruling parties, with PDK who supports the current border agreement, signed by former PDK leader and the President in office, Hashim Thaçi. PDK ministers favor ratification of the current agreement; for them public

support depends on the delivery of the visa-free regime with the EU, their leaders have long promised.

Demarcation with Montenegro remains one of the two criteria for the EU to grant the visa liberalization to Kosovo. Track record on the fight against corruption and organized crime is the other criteria that Kosovo has, however, some progress. The new government should not repeat the mistakes of their predecessors. Any sustainable solution on demarcation with Montenegro requires an inclusive process; Haradinaj shall include all political entities, larger pool of experts and civil society in search of quick outcome on this growing controversial issue. His government cannot hold should it fail to deliver visas next year.

ERA and SAA – In November 2016, the Government of Kosovo approved a plan of priority reforms into the so-called [European Reform Agenda](#) to be implemented largely throughout 2017. ERA is part of the high-level Kosovo-EU dialogue and the action plans gained the support of the assembly. ERA foresees improvement in three areas; *Good governance and rule of law, competitiveness and investment climate, employment and education*. Little progress was made and much remains to be implemented. Obstructed by continuous political crisis and snap elections the government failed to undertake reforms; often had no will to take actions. The implementation of both [SAA](#) and ERA requires top government coordination and political will. If taken seriously, ERA has the potential to change the policy-making dynamics in the institutions. Prime minister showed signs of commitment to the EU agenda; in his first days, he gathered the inter-ministerial working group on ERA and the ministerial council for European integration. He pledged to hold weekly coordination meetings and implement ERA priorities.

On 29 September, the government implemented, at least partially, one key ERA requirement; it fired board members and directors of the independent agencies and public companies, appointed by the previous governments. The Anti-Corruption Agency found that these names [were politically affiliated and appointed in violation of the law](#). Isa Mustafa government had refused to implement the opinion.

Changes in the legislation framework are urgent. Finances of political parties remain fundamentally non-transparent; there is still incomplete work on the law on suspension of public officials indicted for corruption, conflict of interest of public officials and members of independent agencies. ERA should not be left aside; it should be pursued and adopted into the new government agenda; it should include a new timeframe to be implemented throughout 2018. It has value only as a package and the new government should strongly pursue its implementation, and the parliament

should monitor the progress. The government has implemented less than half of SAA short-term measures planned for the first year. Key measures are not implemented, laws and by-laws. The government and EU continue to negotiate budgetary support for implemented indicators. Kosovo risks losing the money should it fail to speed the implementation.

Association of Serb Municipalities – Coupled with the border demarcation agreement, the Association of Serb Municipalities (ASM), signed in August 2015 caused [unprecedented crisis](#) threatening the viability of the country's institutions. The agreement provoked reactions from the opposition, which led to the use of the tear gas in the Assembly. The Constitutional Court found the [agreement largely in violation with the constitutional spirit](#). The LDK-led government was reluctant to implement; it feared, reactions from the opposition and the public. The Agreement on the association reached the peak of controversy over the dialogue with Serbia, at home. Poor relations between the government and the opposition made it impossible to advance implementation

With a little more courage, Haradinaj's government can implement the association agreement. Serb representatives have more trust on him and his partner Kadri Veseli. The opposition will find it hard to oppose implementation of this new body, should it respect the court ruling. To make the process smooth, the government should launch a roadmap for full implementation; it should include broad consultations, involvement of all actors, a clear timetable and benchmarks for the formation of this hybrid institution.

The sooner Kosovo implements the association the better. Leaving the agreement unimplemented, it may roll into the more comprehensive agreement in the upcoming second phase of the dialogue with Serbia, making it much more complex and harder to accept. Implementation of this and other agreements, would restore Kosovo's image proving that a Serb association does not divide Kosovo, but rather strengthen links of the Serb citizens with the Prishtina government and would increase the public trust on the dialogue. Kosovo should intensely work on the implementation of other agreements, judiciary, telecom, freedom of movements and insist on the implementation of the energy agreement and withdrawal of Serbia-funded institutions, both in the hands of Belgrade.

The government should also work on the full integration of the former civil protection members and the integration of the former MUP civil staff. The Ministry of Interior Affairs should urgently establish the civil registry offices in northern municipalities; northern Kosovo Serbs are in desperate need to obtain civil registry and other personal documents.

The government should make sure it creates conditions for full exercise of this right for the Serb community who are transferring from one system to another.

Dialogue with Serbia – Like elsewhere, there is a growing policy focus on domestic issues. Addressing state-building, corruption, rule of law, unemployment help parties raise public support. Kosovo leaders are less inclined to talk about the dialogue with Serbia; citizens do not like the subject and it is a very unpopular topic. Previous government was reluctant to implement the agreements, exclusively negotiated by President Hashim Thaçi, in the capacity of prime minister.

This summer, Presidents of Kosovo and Serbia began preparations for another lengthy and complex phase of normalization. Local dynamics in Kosovo are not great. The unknown content of what the next package of normalization involves further frustrates local politicians and the public.

With the support of the EEAS Chief Federica Mogherini, Presidents of Kosovo and Serbia, Hashim Thaçi and Aleksandar Vučić will lead the dialogue. In Serbia, this is more applicable. In Kosovo, President Thaçi would need a broad support; he aims to construct a team of unity representing institutions, key political entities and civil society. Prime Minister Haradinaj supports Thaçi's lead on the dialogue, but it may not be enough. Opposition parties still refuse cooperation with President Thaçi; them and other segments of the government request an enhanced role of the executive on the dialogue with Serbia; a senior political figure should lead the government office for the dialogue with Serbia, said a government official. Under Haradinaj, the Ministry of Dialogue in charge for implementation and coordination of the dialogue with Serbia was dismissed.

Kosovo has no choice but to prepare for an intense and lengthy dialogue with Serbia; soon, leaders of the government and from the opposition would need to make important decisions. The civil society is willing to engage in support of the dialogue.

Rule of Law – Rule of law remains weak and inefficient. Haradinaj admitted [that corruption and weak rule of law is epidemic \[...\] to the fade of hope](#). His cabinet, however, includes few senior officials with court cases against them. Corruption, influence in hiring, lack of efficiency, low number of judges and prosecutors, limited capacities, dysfunctional governing bodies of the rule of law result on record low trust in the judiciary among the public institutions; [77.5 per cent of Kosovars perceive courts as highly influenced by politics and corruption](#). Pressure for a comprehensive reform of the rule of law sector is growing. To improve the performance and the public perception of the judiciary, Kosovo Government needs to make several steps,

primarily ensuring no political interference and budgetary increase.

The upcoming functional review of the rule of law institutions should include arrangements that ensure more accountability, transparency, access to justice, and eliminate dysfunctionalities. Amending the criminal code will not suffice. Drastic changes in the administration of judiciary should be considered. Increasing the number of judges and prosecutors is key. The new government should increase the budget for the Kosovo Judicial and Prosecutorial councils; vetting and training of the administrative staff is vital. Introducing early retirement package for judges and administration will open the path for new trained and competent professionals to join the judiciary. The new structures of the oversight bodies should include high-level inspection units.

Public Administration Reforms – Kosovo has all institutions in place; in many areas more than needed but it functions poorly; a fragmented and politically affiliated administration fails largely to deliver. It is heavily politicized with weak capacities in particular at management level. *The laws on civil service, organization of public administration and law on salaries* that regulate the functioning of the public administration, part of the package of European Reform Agenda, have been in process for years. Respective governments were reluctant to implement. The reforms aim to address weaknesses on management, policy planning, coordination, monitoring, reporting and the current disproportionate scheme of salaries and benefits.

The new government must conclude the legislation package with priority. Reforms in public administration are also requirements for direct budgetary support; EU pledged 25 million euro in eight different stages. Full implementation will be possible only if the government secures broader political support, a senior government official warned.

Education – Kosovo's education is drawn into corruption and political interference, involving business, money and interest. The poor performance of [Kosovo in the PISA test](#), should serve as a wake-up call. Education is a topic that received little attention by the international community in the past. Similarly to public administration, education has been heavily neglected and all governments have used this large public sector employer as a source of gaining political support. In spring 2017, interests of politicians and owners of the education private sector obstructed the adoption of a new law on higher education.

Trends must change and the new government should commit to reform all levels of education in Kosovo. If proved so, donors are willing to commit investments in reforms. The EU is willing to mobilise other financial institutions. Little is known in

public about the appointed Minister of Education. For many being Minister of Education and at the same time running for Mayor of Prishtina in the local elections, does not offer a promising start. Yet, good planning, strong government support and political, would put the reforms on track.

Health – Health sector is another heavily corrupted public service. It involves multiple-layers of institutions, sectors, doctors and private interests. Isa Mustafa's government failed to establish the health insurance scheme and reform the health service. The law on mandatory health insurance should pass and primary health care services must respond to the public needs. Before those reforms take place, the new government should take steps that drastically improve the management of health centers; investigation and discharges are needed. Prime Minister Haradinaj claimed that the focus of the new government will be the healthcare; symbolically, he visited the Clinical Center on his first day of work.

The new Minister of Health, an influential political actor, has a chance and should take vigorous measures to change management structures and conclude reforms. Worryingly, [four patients died](#) on suspicious circumstances in surgery rooms, two days before Haradinaj took office, showing the need for attention and reforms. The incident is an evidence of systematic failures of the health service and management; the case involves corruption, including the central procurement review and failure of responsible institutions. The new minister and the government must hold accountable all responsible persons. Changes should include reform of management structures.

Transformation of KSF into an Army – Kosovo leaders insist on transformation of Kosovo Security Forces into an army. The debate over the issue raises emotions and is largely seen as a sovereignty and state-building component. Ahtisaari Comprehensive Status Proposal gave Kosovo the right to have a small army of 5000 active and 2500 reserve troops. The transformation was set to take place after five years, should KSF reach its full operational capabilities. Under constitutional provisional arrangements, Kosovo Security Force has limited mandate. Transformation requires constitutional changes, which can be made only with the consent of 2/3 of all minorities. Serb representatives, instructed by Belgrade, object to Kosovo having an army and refuse legal changes. Early in the spring, President Thaçi attempted to [change the mandate of the KSF through a law](#). International partners, U.S., EU and NATO [fiercely reacted](#).

The new government plans to adapt the law on transformation of security forces this year; at least this what the legislation package presents. If pursued, the government will face similar objections by the international community. Friends of Kosovo and key

NATO allies fully support Kosovo's right to have an army, but want a lengthy, concise and inclusive roadmap for an orderly creation of the armed forces. This means that the Government and political parties need to be patient and consistent; it will require a consensus not only on the kind of army Kosovo wants to have, but also on the process of transformation which may take years. The complex agenda requires a careful walk with minorities. Cooperation, lobbying and advocating for support from international partners, is equally important.

Cooperation with IMF - Kosovo has no stand-by agreement with IMF in force. It expired in early August this year. The government received 170 out of 185 million EUR committed to the program between 2015- 2017. The program focuses on [fiscal sustainability, legislation reforms and expenditure, in particular on war veteran pension schemes](#). Former Minister of Finance Avdullah Hoti, and Minister of Social Welfare Arban Abrashi, had implemented considerable part of the program and made progress toward resolving the pension scheme for war veterans. The Government and the IMF set an expenditure limit for veterans at 0.7 per cent of the EUR 6, 2 billion country GDP; in real figures the government is allowed to spend around EUR 43 million. Yet, political ambitions and early elections obstructed both, the financial stability and the reform on the veterans' social scheme. The LDK-PDK government of Isa Mustafa, had presented an inflated budget for 2017, and continued to pay uncategorized pensions for veterans. With the mid-year budget review, the new government continued to pay veterans in violation with the provisional agreement for budgetary expenditure for this social scheme, which was set to be at 38 million for 2017; pensions for veterans, however were lower in August.

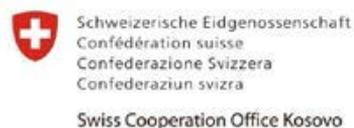
Haradinaj's government should urgently rearrange the pension scheme on the basis of the early government commitments. The new Minister of Finance announced plans to reduce the budget projection for 2017 with more realistic figures. Budgetary increase is highly dependent on the ability to fight the grey economy, which reportedly, makes over 30 per cent of the GDP. Tax evasion at the borders and largely inside the country is a key source of the informal economy. Prime Minister Haradinaj should be pressed to make progress on the issue. None of his policies on health, education, etc., will bear fruit with the current budgetary resources. The new government should immediately seek a new program with IMF; any new arrangement should prioritise the fight against the large grey economy. Reform the social schemes is also important.

Foreign Affairs: Kosovo is losing ground in the area of foreign affairs. It pursues EU related affairs- implementation of the SAA and ERA, but little has been said about the foreign policy or regional issues. Prime Minister Haradinaj presented no plan or a

policy in this area. Foreign Affairs Minister, Pacolli prioritised lobbying for more recognition. This fall, Kosovo withdrew bids for membership to INTERPOL and UNESCO against Serbia's aggressive lobbying. It was a wise move, but in the view of many, the decision reflects the failure of the successive governments to consolidate a sustainable foreign policy agenda. Kosovo's foreign policy should be spared from the never-ending domestic political instability that continues to derail the much needed progress on advancing diplomatic recognitions and membership to international organizations. Like with the EU integration, the foreign policy, regional cooperation, dialogue with Serbia should become topics of national policies and involve daily cooperation between the government and the opposition.

Other pressing issues relate to investments in the energy sector. The new government should also increase interest on the Berlin Process agenda; it should evaluate the programs and projects. A new senior cabinet official should be appointed to coordinate and prepare the government for the next meeting agenda ahead of the London summit.

Note: Balkans Policy Research Group also works on many priorities listed in this policy article. We monitor and do in-depth research on key topics of policymaking in Kosovo. A number of policy reports (including feasible recommendations) will be published in the coming months.



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