



## Born under a bad sign

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When Kosovo declares its independence on Sunday, the territory's veteran guerrillas will celebrate by flying the traditional black-and-red eagle flags that unite ethnic Albanians everywhere. The fighters who clashed with Serbia's security forces in 1999 will unfurl the banners over homes, shops and petrol stations. In the south, they will hang a huge flag over the picturesque Kacanik Gorge, the link from Kosovo to Macedonia and the rest of the Balkans.

But those guerrillas who attend the official ceremony in Pristina, Kosovo's drab capital, may be disappointed. There will be no eagles on the flags at the official independence celebrations. Indeed, there may be no flags at all.

Under the oversight of the United Nations, which has run the troubled province since 1999, and the European Union, which is due to supervise Kosovo after the UN leaves, the authorities are choosing a flag that could unite the Albanian majority and the Serb and Roma minorities.

They have yet to decide on a final version. With an independence declaration, a national anthem and a constitution to write and so much else to prepare, it is unclear whether the new emblem will be ready for Sunday. Fadil Muliqi, secretary of the veterans' association in Podujevo, in northern Kosovo, puts a brave face on things: "We fought for our eagle and that will always be our flag. But now we have a new state, so we need a new flag."

It is an uncertain birth for a country with an uncertain future. When UN officials took control of Kosovo in 1999 after Nato expelled the forces of Slobodan Milosevic, then Serb leader, they wanted to lay the ground for a final settlement of the Kosovo question - the last unresolved dispute left from the Yugoslav wars.

They hoped that, by delaying a settlement for a few years, they would allow time for the ethnic Albanian majority of nearly 2m to negotiate a lasting agreement with the remaining ethnic Serb minority of between 100,000 and 120,000 and the democratic leaders in Belgrade who overthrew Mr Milosevic. They also hoped that, given time, the west and Russia, Serbia's traditional ally, would resolve deep differences over Kosovo - and combine to support a UN-authorized settlement.

But the disagreements are as bad as ever. The Kosovo Serbs and Belgrade refuse to accept independence and the Kosovo Albanians reject anything less. Meanwhile, arguments between Russia and the west have multiplied over gas supplies, missile defence and western criticism of the Kremlin's authoritarian rule. In December, the US

and leading EU states abandoned efforts to win over Russia to a UN-sponsored settlement - and backed plans for unilateral independence that will be swiftly recognised by the US, Kosovo's strongest international backer.

With Cyprus opposed to independence and a few other states voicing doubts, the EU will not recognise Europe's newest country collectively but will allow members to do so individually. In practice, the support of the UK, France, and Germany and other large members means the EU can deploy a supervisory mission and distribute EU aid. But it will not be the ringing endorsement the Albanians sought. Muhamet Hamiti, a senior Kosovo political adviser, admits: "Kosovo's independence . . . will not be the ideal our leaders had in mind. Sometimes reality defeats you."

For Kosovo's ethnic Albanian leaders, the political starting point is the supervised independence plan unveiled last year by Martti Ahtisaari, the UN envoy, which will be embedded into the constitution. This envisages international supervision, devolution and protection for minorities and for historic buildings.

But big doubts remain. First, while the plan allows for a 120-day period for transferring power from the UN mission to the new EU-supervised Kosovo government, the legal basis is unclear. The UN resolution that created the UN mission remains in force - and Russia will defend it.

Next, while the EU insists it is not taking over from the UN as Kosovo's supreme authority, Peter Feith, the veteran Dutch diplomat who is to be the union's special representative, will have tough powers, including rights to veto legislation and sack public officials. The EU will ask Mr Feith to take a hands-off approach but much will depend on the ethnic Albanians' readiness to stick to the Ahtisaari plan.

Some EU members have already raised concerns about the Union's exit strategy. As well as Mr Feith's team of 200, Brussels is deploying a law-and-order mission of 3,000, including police, judges and prosecutors. Aside from the political headaches, the EU could get bogged down dealing with poverty, corruption and organised crime. "It may take a couple of years but hopefully we won't stay there for ever," an EU official said this week.

In the last resort, Kosovo's 16,000 Nato-led troops will maintain order. The province has not seen serious violence since ethnic Albanians attacked Serb enclaves in 2004 and the UN does not expect any outbreaks now. But there are no plans to reduce troop numbers.

Kosovo's ethnic Serbs are concerned about their security, despite the international community's assurances. Many younger and better-educated Serbs fled to Serbia proper long ago, leaving behind the old, the sick and the poor. The 50,000 in the north will almost certainly stay put but those in the south, often in enclaves of a few hundred people, may feel vulnerable. Belgrade has repeatedly warned that Serbs will be driven out but it has simultaneously urged them to remain - as proof of Serbia's right to Kosovo.

Under the Ahtisaari plan, Belgrade will be free to finance public services in the ethnic Serb enclaves, as it has done since 1999. So life may not change significantly - and could remain impoverished and uncertain. Mladjan Dinkic, Belgrade's economy minister, pledges increased aid: "Serbia will treat those [Serb-inhabited] parts as part of Serbia, will not accept independence and will act as if nothing happened."

Much will depend on the economy of what is the poorest part of the former Yugoslavia, with more than half the population living in the countryside. According to a recent survey, only 47 per cent of men and 10 per cent of women have jobs. Every year, 25,000-30,000 young people come on to the labour market in a territory with Europe's highest birth rate. Gerald Knaus, president of the Berlin-based ESI research institute, says: "Kosovo's people cannot support themselves."

The new country will remain dependent on foreign aid, which has accounted for about 20 per cent of gross domestic product, and on migrants' remittances. The EU and other donors have pledged to greet independence with €700m-€1bn (\$1.46bn, £740m) in new aid. Kosovo's new government, headed by Hashim Thaci, a US-oriented ex-guerrilla commander who took power after recent elections, has warned the population not to expect immediate economic gains. Zenun Pajaziti, interior minister, recently told citizens: "Your lives are not going to be different the next day."

Diplomats have long been concerned about the impact of Kosovo's independence on neighbouring states. But these worries have receded since 1999, with the steady advance of EU and Nato integration in the region, solid economic growth and the passage of time since the wars. Montenegro's peaceful separation from Serbia in 2006 was a confidence-building event.

In Macedonia, where the ethnic Macedonian majority co-exists uneasily with an ethnic Albanian minority of about 25 per cent, the government sees Kosovo's independence as vital to regional stability. Macedonia pins great hope on its bid to join Nato this spring, along with Albania and Croatia.

In Bosnia, a dysfunctional state divided between Croat-Muslim and Serb entities, there are fears that Serb leaders, goaded by Belgrade, might reinforce their own independence claims. But Bosnia's international supervisors hope the lure of a Stabilisation and Association Agreement, the first step to EU membership, will maintain political calm.

Meanwhile, Serbia is in crisis. Boris Tadic, the liberal, pro-EU president, won re-election last month but defeated Tomislav Nikolic, his nationalist challenger, by only a narrow margin. Vojislav Kostunica, the nationalist-leaning prime minister, then blocked Mr Tadic's plan to sign a key agreement with Brussels. The result is deadlock, with parliamentary elections possible.

Belgrade has forsworn resorting to violence but has devised an action plan, which could include a trade blockade, although no details have been disclosed. Kosovo's biggest fear is a cut in electricity imported via Serbia. In an interview this week Mr Kostunica condemned independence as a form of "legal violence that has never happened since the UN has existed".

Behind him stands Russia, which condemns unilateral action as illegal. Sergei Lavrov, the foreign minister, said this week that independence would be a violation of international law and a threat to European security. Russia's policy not only makes a satisfactory local settlement impossible but also transforms Kosovo into a serious east-west dispute. As Dmitry Trenin, a Moscow-based analyst, says: "While Kosovo is not the cause it could become one of the symbols of new divisions on the global level."

Moscow is interested in defending Serbia as an old ally, but rather more in extending its economic position in the Balkans. This month it signed agreements with Belgrade to buy control of NIS, Serbia's biggest oil refinery, and route a key regional gas pipeline through Serbia.

However, the Kremlin has more important issues at stake. First, although it does not say so publicly, it worries Kosovo's independence might set a precedent for separatists in Russia, including Chechnya's rebels. Next, albeit in a somewhat contradictory way, it would like to use Kosovo as a precedent for dealing with separatist conflicts in the former Soviet Union, notably in Transdniestria in Moldova, and in Abkhazia and South Ossetia in Georgia. Mr Trenin argues Moscow is unlikely to respond to Kosovo's independence by recognising any of these breakaway territories. But it could use the threat to do so as a weapon, especially against the western-oriented Georgia.

Finally, the example of Kosovo can serve Moscow's effort to portray itself as a defender of international law. The Kremlin is keen to restore Russia's superpower status and realises this cannot be done on energy revenues alone. Moral stances also matter. When the west presents itself as the defender of democracy, it is useful to have a countervailing position - protecting the law will do very well.

Given that Kosovo is less important to the world's powers than issues such as Iraq and Iran, at some point they may lose interest in this troubled corner of the Balkans. But for the foreseeable future, the east-west conflict will prevent the best way of easing Kosovo's difficult birth - a return to the UN. That in turn will complicate the new country's best hope - rapid EU integration. Once the weekend parties are over in Kosovo and the flags come down, the reality of independence could be uncomfortable, even for those who fought for it.