

# **SERBIA: MAINTAINING PEACE IN THE PRESEVO VALLEY**

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## **SERBIA: MAINTAINING PEACE IN THE PRESEVO VALLEY**

### **EXECUTIVE SUMMARY AND RECOMMENDATIONS**

Southern Serbia's Albanian-majority Presevo Valley is one of the rare conflict resolution success stories in the former Yugoslavia. Outwardly, it is increasingly normal, with no major incidents in over three years. Yet, tensions linger: massive unemployment is still the single largest problem but the shadow of Kosovo's future status darkens the political landscape. How Kosovo's final status is determined in the next months will have a profound impact. If formal partition or large-scale violence accompanies independence, the peace could unravel; in a worst case scenario, ethnic cleansing in southern Serbia would be accompanied by significant, cross-boundary, two-way refugee flows. All parties – local Albanian politicians, the Serbian government and the international community – need to work with greater urgency on developing the region's economy and ensuring that developments in Kosovo do not disrupt its peaceful progress.

In 2001 the international community – NATO, the U.S. and the Organisation for Security and Cooperation in Europe (OSCE) in particular – working in close cooperation with Serbia's authorities, successfully negotiated an end to an armed Albanian insurgency in the valley (the Konculj Agreement). Since then substantial donor and Serbian government investment has created noticeable albeit slow progress, including the formation of multi-ethnic local governments, joint Albanian-Serb police patrols and improvements in the Albanian-language media. Importantly, for the first time since 2000 Albanians participated in national politics, electing a representative to Serbia's parliament in the January 2007 elections. Nevertheless, education reform and integration of Albanians into the judiciary and other public organs remain disappointing.

Grievances abound on both sides. Most local Albanians feel peace has not delivered an end to tensions with Serb security forces or the promised prosperity. Serbs feel the Albanians are a disloyal, irredentist minority, which continues to flout Serbian sovereignty and endanger what has traditionally been an economically important north-south trade route. In some instances Albanians, when exercising their newly found majority power against Serbs, fuel charges of reverse discrimination.

All Presevo Valley Albanian politicians want to join Kosovo and have adopted a platform demanding that the valley's three municipalities be awarded to it in the event Kosovo is partitioned. But those same politicians mostly know this is not realistic: Belgrade and its security forces will not permit it. In the event anti-Serb violence breaks out in Kosovo, both Albanian and Serbian extremists may wish to foment incidents in the valley, Albanians in the hope of uniting it with Kosovo or pressuring Belgrade to give up partition and Serbs with the hope of using the cover of violence next door to ethnically cleanse the valley. Some in Serbia wish to see population transfers between Kosovo's Serbian enclaves and southern Serbia.

Kosovo's unresolved status and Belgrade's resulting lack of clear policy direction are hampering the political and economic changes needed to move forward on many critical issues in the area, for Serbs and Albanians alike. As life has seemed to become more normal, donor interest has declined; Belgrade wants to close the special Coordination Body (CB) that supervises implementation of the Konculj Agreement and transfer its competencies to the regular government institutions.

For now at least, southern Serbia's Albanian politicians and population eschew any violent attempts to achieve union with an independent Kosovo, but rogue elements operating from Kosovo may wish to stir the pot. To maintain the hard-won peace in the difficult days ahead, the international community will need to be engaged, pressing both Belgrade and Albanian politicians to fulfil all aspects of the Konculj Agreement, while focusing more attention on the local economy. At the same time, the Serbian government should revitalise the Coordination Body (CB), which despite its problems, performs a valuable function.

### **RECOMMENDATIONS**

**To Contact Group Embassies (France, Germany, Italy, Russia, the UK and U.S.) in Belgrade and the OSCE:**

1. Continually urge all parties in southern Serbia to refrain from violence, no matter what happens in Kosovo.

**To the NATO Mission in Kosovo (KFOR):**

2. Prevent in all circumstances Albanians from ethnically cleansing Serbs from the Kosovo enclaves and any would-be insurgents from crossing the boundary between Kosovo and southern Serbia.

**To UNDP and International Donors:**

3. Extend the life of the MIR2 development program and work with the governments of Serbia, Kosovo and Macedonia on programs to develop the economies in Vranje, Skopje and Pristina in order to better and more fully integrate the multi-ethnic population of southern Serbia into economic, social and political life in those urban centres.

**To the Government of Serbia:**

4. Improve the effectiveness of the Coordination Body, including by involving civil society

organisations in its operations, and extend its life until at least 2010.

5. Prevent security forces, both formal and informal, from taking revenge on southern Serbia's Albanian population in the event Kosovo declares independence.
6. Stop and begin to reverse the impact of discriminatory employment and investment practices in southern Serbia.

**To Albanian Politicians in Southern Serbia:**

7. End the boycott of the Coordination Body, cooperate fully with it, participate in Serbian political life, particularly national elections, and avoid provocative display of Albanian national symbols.

**Belgrade/Pristina/Brussels, 16 October 2007**

## SERBIA: MAINTAINING PEACE IN THE PRESEVO VALLEY

### I. INTRODUCTION

In May 2001, the Serbian republic government and what was then still the Yugoslav government<sup>1</sup> – helped by strong NATO mediation – reached a settlement with commanders of the Liberation Army of Presevo, Medvedja and Bujanovac (UCPMB), thus ending a seventeen-month, low-grade insurgency by ethnic Albanians in the three Serbian municipalities east of the Kosovo boundary line.<sup>2</sup> The Albanians signed what became known as the “Konculj Agreement” and pledged to “demilitarise, demobilise, disarm and disband” the UCPMB in exchange for guarantees that their fighters would be amnestied, refugees allowed to return, a multi-ethnic police force formed and Albanians integrated into public institutions from which they had been excluded for decades.<sup>3</sup> A detailed blueprint, with goals and timelines, was drawn up by Serbia’s then deputy premier, Nebojsa Covic (the “Covic Plan”).<sup>4</sup>

Albanians are a majority in Presevo and Bujanovac and – at least on paper – a sizeable minority in Medvedja. Decades of institutionalised discrimination were extended and sharpened by Slobodan Milosevic in the late 1980s. In an unofficial referendum organised by their leaders in

1992, an overwhelming majority of ethnic Albanians in the Presevo Valley expressed the desire that their part of southern Serbia join Kosovo. During and after the Kosovo conflict, state security forces and police harassed this local population, in some cases torturing and executing civilians. The history of abuse, combined with the 1999 success of their ethnic kin in Kosovo, gave many Albanians reason to support the small groups of fighters who began to organise under the banner of the UCPMB in early 2000, with support from Kosovo Liberation Army (UCK) elements inside Kosovo, to attack police and army units.

In 2001, after fighting in which about 100 people were killed and 12,500 Albanians fled the area, NATO convinced UCPMB commanders to lay down their arms in exchange for Serbian government guarantees. In May of that year, the Yugoslav army (VJ) and interior ministry units (MUP) began a phased reoccupation of the Ground Security Zone (the area within five kilometres of Kosovo, demilitarised by Serbian forces after the 1999 Kosovo war), in which the post-Milosevic government demonstrated that it had largely abandoned the former regime’s heavy-handed tactics. Since then, a significant number of Albanian refugees have returned to the three municipalities, primarily their more mountainous, western regions.<sup>5</sup> Serbian military deployments – present and projected – emphasise defence of Presevo as apparently the country’s highest defence priority.<sup>6</sup>

Travelling to the Presevo Valley today, one cannot help but observe that, outwardly, there have been remarkable changes since the insurgency ended. A visitor with no knowledge of that period would be hard pressed to find

<sup>1</sup> The Federal Republic of Yugoslavia, which included only Montenegro and Serbia, was formed in 1992 and replaced in 2003 by the State Union of Serbia and Montenegro, which in turn dissolved into its component republics in June 2006 after Montenegro voted in a referendum for independence. See Crisis Group Europe Briefing N°44, *Montenegro’s Referendum*, 30 May 2006.

<sup>2</sup> Crisis Group has written three earlier reports on the Presevo Valley: Europe Report N°116, *Peace in Presevo: Quick Fix or Long Term Solution?*, 10 August 2001; Europe Report N°152, *Southern Serbia’s Fragile Peace*, 9 December 2003; and Europe Briefing N°43, *Southern Serbia: In Kosovo’s Shadow*, 27 June 2006.

<sup>3</sup> The demilitarisation statement was signed by Shefqet Musliu of the UCPMB and Shawn F. Sullivan, NATO Head of Office in the Federal Republic of Yugoslavia, in Konculj, 20 May 2001.

<sup>4</sup> The pledges of the Serbian and Yugoslav authorities were outlined in a May 2001 joint statement of the government’s Coordination Body (CB) for Southern Serbia and the Republican and Federal governments. The complete Covic Plan was publicly released as a small booklet, “Program for the Solution of the Crisis in the Pcinja District”, 2001.

<sup>5</sup> There is no official tally of the refugees, and estimates vary. The situation is complicated by the inability to count precisely who has gone abroad as a guest worker and who has resettled in Kosovo. Many who have permanently resettled elsewhere returned temporarily for the 2002 census, primarily in Medvedja. The OSCE estimates that very few have permanently returned to Medvedja and that as many as 2,500 still remain outside that municipality. Figures for Bujanovac and Presevo are more difficult to calculate given the constant flux of students and guest workers and family members that come and go between Kosovo and the Presevo Valley. Crisis Group interview, Martin Brook, OSCE field officer, Bujanovac, October 2007.

<sup>6</sup> See Crisis Group Europe Report N°174, *An Army for Kosovo?* 28 July 2006, p. 25

signs of anything out of the ordinary. The anti-tank barriers and police checkpoints are gone. Substantial infrastructure investments seem to have paid off: the formerly deeply pot-holed roads have been repaved, even away from the main urban areas.<sup>7</sup> The police and army presence, though still significant, is far less obtrusive. New construction is everywhere: private homes, gas pumps, hotels, restaurants, even the occasional business or shop. The valley seems at peace, its towns and villages vital, its markets lively. With each passing year there is an increased feeling of security and normalcy.

During summer months the streets are crowded with the late model, expensive German cars of guest workers returning on holiday from the European Union (EU). Long lines of vehicles in wedding processions seem the rule, as the vacationing returnees choose the summer months for courtship and marriage. The impression is of peace, calm and energy.

But off the beaten path, in the mountains to the west, many small villages are still empty, their residents having either fled, been driven out by Serbian security forces or departed for economic reasons. Along the top of these mountains runs the boundary with UN-governed Kosovo, which is likely to declare independence shortly after the 10 December 2007 reporting deadline for the Contact Group's troika.<sup>8</sup>

Whether the Presevo Valley avoids negative spillover from Kosovo independence depends on several factors. These include whether Serbia's dysfunctional and distracted government is willing and able to be proactive in providing adequate institutional mechanisms to resolve Albanian grievances and rein in nationalist paramilitary elements and their sympathisers within its security structures; whether Kosovo is formally partitioned and, if so, whether ethnic violence results; and how Presevo Valley Serbs and Albanians respond to the developments.

This report assesses the security and political situation in southern Serbia and the potential for spillover from the Kosovo status negotiations. It also addresses economic development, which all observers consider the single most important factor impacting on long-term stability.

## II. ETHNIC AND ADMINISTRATIVE COMPOSITION

The Presevo Valley is a region of strategic economic importance to Serbia. More properly known as the upper Morava Valley, it is relatively fertile, with tall mountains to the east separating it from Bulgaria and lower mountains to the west separating it from Kosovo. Part of the range and basin topography that characterises the Balkans, it is an increment of the historic land corridor that leads from Central Europe's Pannonian plain and gives Serbia access via Macedonia to the Greek port of Thessaloniki, long a key transshipment point for its imports and exports. It contains Serbia's main north-south rail line and is the route for a projected major motorway, Corridor 10, connecting Greece to Central Europe. It could also be the route of possible future oil or natural gas pipelines.

The municipalities of Presevo, Medvedja and Bujanovac are located in the Republic of Serbia, bounded by Kosovo to the west and Macedonia to the south. Presevo and Bujanovac are part of the Pcinje administrative district (Pcinjski Okrug) centred in Vranje; Medvedja is part of the Jablanica district. They have Serbia's largest concentration of ethnic Albanians. According to the 2002 census, the ethnic composition is:<sup>9</sup>

	Serbs	Albanians	Roma
<b>Presevo</b>	2,984 (8.55%)	31,098 (89.09%)	322 (0.92%)
<b>Bujanovac</b>	14,782 (34.14%)	23,681 (54.69%)	3,867 (8.93%)
<b>Medvedja</b>	7,163 (66.57%)	2,816 (26.17%)	109 (1.0%)

Medvedja, completely rural, has only about 10,000 residents. Prior to the recent conflict, some 70 per cent were Serbs, the remainder Albanians. However, almost all the Albanians fled to Kosovo, and only some 800 have returned. Albanians came back by bus to vote in the 4 June 2006 municipal elections, but in relatively small numbers, and their parties won only seven of the 35 council seats.<sup>10</sup>

<sup>7</sup> Since 2001 the lion's share of investment in the three municipalities has gone to infrastructure projects, in particular road work. See the Serbian Government Coordination Body's publication "Socio-ekonomska analiza opstina Presevo, Bujanovac i Medvedja", August 2007.

<sup>8</sup> See Crisis Group Europe Report N°185, *Breaking the Kosovo Stalemate: Europe's Responsibility*, 21 August 2007.

<sup>9</sup> See "Zavod za statistiku 'Saopštenje CH31'", Republic of Serbia, Br. 295, god.LII, 24 December 2002. Each municipality also has a statistically insignificant number of other minorities.

<sup>10</sup> The two Albanian parties are the Party for Democratic Action (PDD), which won four seats, and the Party for Democratic Integration (PDI), which won three seats. Crisis Group interview, Martin Brook, OSCE field officer, Bujanovac, September 2007. The PDI is a marginal party that advocates uniting the Presevo

The top four vote getters for mayor were all Serbs. Given the demographics in Medvedja and the lack of enthusiasm among Albanian refugees in Kosovo for returning, there seems little possibility of a destabilising irredentist movement in the municipality. Its politics largely falls into patterns seen in similar regions of Serbia, where local politicians form coalitions often distinct from ethnic considerations, based largely on local needs and conditions. Indeed, in Medvedja the mayoral post was won not by an ethnic party but by the leader of a local citizens' group, "For Upper Jablanica".

Bujanovac has the most complex ethnic balance, approximately 55 per cent Albanian, 34 per cent Serb and 9 per cent Roma. Mayor Nagip Arifi claims that in addition to the 42,330 residents counted in the census, there are 10,760 Albanian guest workers in Western Europe, who, if included, would change the ethnic balance to 64 per cent Albanian and 27 per cent Serb.<sup>11</sup> In the town centre, the three groups live in almost equal numbers, though the large settlement of Veliki Trnovac (around 10,000) is almost entirely Albanian. Presevo is almost 90 per cent Albanian.

The usually absent guest workers have a significant impact on economic life. Each municipality also has a statistically insignificant number of other ethnicities.

Long-term demographic trends seem to favour the Albanians. Serbia is a greying nation, with an average age of 38.9 years in central regions and Vojvodina. In southern Serbia the average age is even greater, with the exception, due to the high Albanian birth rates there, of Bujanovac and Presevo.<sup>12</sup> Of Bujanovac's 1,400-plus high school students, slightly over 900 are Albanians, and only some 500 are Serbs. There is a similar imbalance in the six Albanian and four Serbian elementary schools.<sup>13</sup>

The entire south of Serbia is impoverished, across ethnic lines. Many villages lack electricity, telephones, water and paved roads. The absence of economic opportunities and the closure of state-owned companies have forced many local residents to seek jobs in urban areas or abroad. This population outflow, combined with ethnic cleansing during the 2000-2001 insurgency and an aging Serbian population, seems to be taking its toll throughout the region. In recent years seven Serbian villages, all without electricity and outside the Ground Security Zone, were

depopulated, entirely through natural processes. Nine Albanian villages in the Ground Security Zone were also depopulated.<sup>14</sup>

The Serbian government is often perceived as biased against Albanians. In the past this was certainly true. Since the Konculj Agreement, tensions have decreased substantially but official discrimination continues in some areas, and the legacy of decades of discrimination will not be undone overnight.

The regional administrative centre in Vranje is dominated by Serbs, most of whom continue to support extreme nationalist political parties and policies and are often virulently anti-Albanian. Its government is still controlled by the Socialist Party of Serbia (SPS) and the Serbian Radical Party (SRS), whose leaders – the late Slobodan Milosevic and Vojislav Seselj, respectively – were indicted for war crimes by the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague.<sup>15</sup> The interior ministry still has police in Vranje who served in Kosovo and may have been associated with war crimes and atrocities there during 1998-1999. Their presence concerns many Albanians.

Official discrimination is most evident in the Serbian government's investment in the three municipalities, which clearly favours areas where Serbs have a prospect of maintaining their majority. In 2006 Belgrade invested substantially more per capita in Medvedja municipality than in the two Albanian majority municipalities. Presevo, with an 8.5 per cent Serbian population, received only 35 per cent of the per capita investment of Medvedja, where Serbs are 68 per cent of the population. Bujanovac,

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<sup>14</sup> "Nestaju Sela na jugu Srbije", *Politika*, 27 February 2007.

<sup>15</sup> In the January 2007 parliamentary elections, the SRS received 31.7 per cent, the SPS 12.63 per cent in Vranje. In the December 2002 Serbian presidential elections, Seselj received 73 per cent of the vote in Vranje, B92, 26 December 2003. All statistics are from the CeSID web site, [http://www.cesid.org/rezultati/sr\\_jan\\_2007/img/opstine\\_srbija-rezultati\\_107.xls](http://www.cesid.org/rezultati/sr_jan_2007/img/opstine_srbija-rezultati_107.xls). Vranje is dominated politically and economically by a former Milosevic ally, Dragan Tomic, who controls the city's most significant employer, the Simpo Company. The court system is notoriously corrupt, and local Serb human rights activists assert that collusion between officials is rampant. Under Milosevic's constitution, Serbia became far more centralised, as Belgrade removed all real budgetary and revenue control from the local municipal administrations. Serbian domination of the regional administration in Vranje means that Albanians from the three municipalities often feel they have little prospect of gaining a fair hearing from regional institutions. Faced with the corrupt and anti-Albanian administration in Vranje, they increasingly call for decentralisation similar to what they see proposed for Serbs inside Kosovo. Crisis Group interviews, Suzana Anti-Ristic, human rights activist, and Vojkan Ristic, journalist, July 2007.

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Valley with Kosovo. Its voters are primarily Medvedja refugees who have settled permanently in Kosovo.

<sup>11</sup> Crisis Group interview, Nagip Arifi, Bujanovac Mayor, July 2007.

<sup>12</sup> "Vojvodina kao gerontoloski centar", *Dnevnik*, 23 September 2007.

<sup>13</sup> Crisis Group interview, Nagip Arifi, Bujanovac Mayor, July 2007.

34 per cent Serb, received only 32 per cent of the per capita investment of Medvedja.<sup>16</sup>

	2006 CB <sup>17</sup> Investment per capita (Euros)	2000-2006 CB Investment per capita (Euros)
<b>Presevo</b>	71.76	374.17
<b>Bujanovac</b>	65.86	327.73
<b>Medvedja</b>	205.72	1786.17

This suggests Belgrade is using state funds to favour areas on the basis of ethnicity, while expecting donors to make up shortfalls. Some of this substantial discrepancy may come from the difference in population, making any unit of investment appear somewhat greater in Medvedja than it otherwise might (e.g., a kilometre of road), but indications available to Crisis Group suggest the community does indeed receive a disproportionate share of public investment in the region. This does not go unnoticed by the Albanians, and it makes them feel like second-class citizens.

Another area where bias is all too evident is employment. In Bujanovac, the effects of decades of discrimination are clearly visible. Yet, while old tensions endure, new ones are being created as the Albanian mono-ethnic municipal government tries to wrestle, often ham-fistedly, with the legacy of decades of institutionalised discrimination.

The numbers are telling in the municipality's state-owned and recently privatised enterprises. The water bottler Heba has 518 employees, of whom 500 are Serbs; the non-Serbs all work on the loading dock. The tobacco factory employs 200, of whom 195 are Serbs, even though most of the tobacco is grown by Albanians. The Megal company employs 189, of whom only thirteen are Albanians.<sup>18</sup>

The figures are similarly striking in municipal and governmental bodies. In the local Red Cross, 49 of 53 employees are Serbs. In the health centre, Albanians are only 48 of the 245 employees. In public companies such as the post office (PTT), electric distribution (EPS) and forestry, approximately 5 per cent are Albanians. One of ten judges in the municipal court is Albanian and one of

seven in the criminal court. The health and other municipal inspection services employ no Albanians. In the local tax administration, only four of 34 are Albanians. Two of 38 in the police administration are Albanian. The police force itself, however, is far better integrated, with 105 Albanians and 185 Serbs, though all commanders are Serbs.<sup>19</sup>

The perceptions of bias is aggravated in Bujanovac by the nature of the current governing coalition. In the 4 June 2006 city assembly election, Albanian parties took 22 of the 41 seats (Party of Democratic Action, PDD, thirteen; Party for Democratic Progress, PDP, nine), while Serb parties won seventeen (SRS, twelve; DOS coalition, five).<sup>20</sup>

Rather than create a multi-ethnic coalition government with Serbs and Roma, the two Albanian parties, headed by Mayor Nagip Arifi (PDD) and Jonuz Musliu (PDP) acted against the advice of the Organisation for Security and Cooperation in Europe (OSCE) and created a mono-ethnic city government. This has resulted in Serbs being replaced in many key functions, particularly in the city assembly.

This Albanian government has begun to shift employment patterns to reflect local demographics. Whereas in 2002 only four of 120 municipal employees were Albanians and one Roma, today 58 of 137 are Albanians and five Roma. Few, if any, Serb municipal employees speak Albanian, especially those who interface with the public.

This increase in minority representation has come with a price. To change the ethnic balance on a limited municipal budget, the Serb director of the health centre, the president of the governing board of the kindergarten, the secretary of the municipal assembly and the directors of the governing boards of the directorate for construction were dismissed.<sup>21</sup>

<sup>19</sup> Ibid. In Presevo, where Albanians make up nearly 90 per cent of the population and have long controlled the municipal government, the ethnic balance in municipal and public sector jobs roughly reflects local demographics. For example, its pre-schools have 64 employees, of whom 56 are Albanian, seven Serb and one Roma. In the public company Moravia, 41 of 47 employees are Albanian. At the Cultural Centre 28 of 32 employees are Albanian, four are Serbs. Crisis Group interview, Ragmi Mustafa, July 2007.

<sup>20</sup> Both the Serb and Albanian blocs lost one seat to the Roma, who had previously either not voted, split their votes among different Roma parties that failed to pass the threshold, or had voted for Serb or Albanian parties.

<sup>21</sup> The municipal assembly also wanted to dismiss the directors of the pharmacy, the sports centre and the tourism organisation but a split within Musliu's LDP caused four of its delegates to leave the party and boycott sessions, leaving it unable to function, as the Albanian parties refuse to create a working majority with the Serbs. Crisis Group interview, Martin Brook, OSCE field

<sup>16</sup> See the CB document "Socio-ekonomska analiza opstina Presevo, Bujanovac i Medvedja", August 2007. To try and balance out these discriminatory practices, between 2000 and 2005 international donors invested €314 per capita in Presevo, €276 in Bujanovac and €95 in Medvedja.

<sup>17</sup> Coordination Body (CB) of the Serbian government.

<sup>18</sup> Crisis Group interview, Nagip Arifi, Bujanovac Mayor, July 2007.



This prompted an outcry from a local human rights organisation and the local Orthodox Church, which feel that Serbs are now the targets of reverse discrimination.<sup>22</sup> Members of a number of Serbian political parties (DSS, DS, SPO, G17+, SDP and SPS) sent a protest letter to Belgrade in February 2007 complaining that 80 per cent of municipal financing is going to Albanians.<sup>23</sup> Albanian politicians respond that this is necessary to undo decades of discrimination. It is not surprising that Serbs, who ran Bujanovac unilaterally for most of the twentieth century, complain when they begin to lose their jobs, particularly given the poor local economy and the resultant inability to use those positions to award political patronage. But the heavy-handed manner in which the Albanians have taken over the municipality has not helped matters.

### III. NATIONAL GAINS, LOCAL LOSSES

In 2007 southern Serbia's Albanian population took a significant step towards further integration into national political life with the election of Riza Halimi to Serbia's parliament. The election showed not only a willingness to pursue closer political engagement with Belgrade but also perhaps a growing acceptance that Presevo's future lies within Serbia, not Kosovo. The election illustrated clearly the political fault lines among local Albanians.

Albanians in the Presevo Valley are far from unified politically; most of their disputes are a legacy of the 2000-2001 insurgency. Halimi, then Presevo's mayor, led moderate forces urging cooperation with Belgrade, while the UCPMB, impatient with his non-confrontational style, was divided into Presevo and Bujanovac wings, which supported Ragmi Mustafa's Democratic Albanian Party (PDA) and Jonuz Musliu's PDP. A PDA founder, Shaqir Shaqiri, told Crisis Group that the UCPMB branch in Presevo "invested in PDA and its leader against Riza Halimi".<sup>24</sup>

The split continues and has been aggravated by the emergence of splinter parties, such as Skender Destani's Democratic Union of the Valley (DUD), made up of those who opposed Halimi's allegedly authoritarian leadership of the PDD, and Orhan Rexhepi's PDP faction, comprised of former UCPMB insurgents and their sympathisers, as well as defectors from Musliu's PDP. The primary reasons for fragmentation often involve how "patriotic" one side is, or how willing it is to cooperate with Belgrade on integrating Albanians into Serbian political life. Other differences involve personalities and possibly business interests.

#### A. PROBLEMATIC PARLIAMENTARY PARTICIPATION

Serbia's January 2007 parliamentary elections were held under new rules that permitted minority parties to avoid the 5 per cent threshold. In practical terms it meant that Albanians had a chance of gaining one or two seats, depending on voter turnouts.<sup>25</sup>

Albanian parties had boycotted all parliamentary elections since the insurgency in 2000, concerned that participation

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officer, Bujanovac, October 2007; "Albanci na svim pozicijama", *Glas Javnosti*, 10 February 2007.

<sup>22</sup> Svetislav Velickovic, president of the Committee for Human Rights, and Bogoljub Milosavljevic, representing the local Orthodox Church, sent a letter to the Serbian government in February 2007 protesting the sacking of Serbs and their replacement by Albanians. "Albanci na svim pozicijama", *Glas Javnosti*, 10 February 2007.

<sup>23</sup> "Program razvoja Bujanovca neprihvatljiv za Srbe", *Politika*, 20 February 2007.

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<sup>24</sup> Crisis Group interview, Shaqir Shaqiri, July 2007.

<sup>25</sup> Had such a threshold been in place earlier, it would have been approximately 15,400 votes for the December 2003 parliamentary elections and 19,100 for the December 2000 parliamentary elections. Voter turnout could have made the threshold higher or lower.

would signal acquiescence to Serbian sovereignty, a calculation similar to that of Kosovo Albanians under Ibrahim Rugova in the 1990s. The international community saw this election as an opportunity to integrate Albanians more fully into Serbia's political life and urged the Albanian parties to form a coalition with a single list. The OSCE and the U.S. and UK embassies in Belgrade offered support. Yet, old enmities and partisan calculations made it difficult for the major players to agree.

On 22 November 2006, the OSCE brought together the representatives of the Albanian political parties in the Bujanovac and Presevo municipal assemblies in an effort to get them to agree to form a coalition to contest the elections. Only Halimi's PDD was prepared to declare its intent to participate, and then only provisionally, while it waited to see what others would do.<sup>26</sup> Another OSCE-sponsored meeting a week later brought no result, other than Halimi saying his party would enter the elections alone if no agreement was reached with the other parties.<sup>27</sup>

Continued arm-twisting by OSCE and the two embassies paid off on 4 December, when the four main parties signed an agreement in the OSCE's Bujanovac office to form a coalition, "the Albanians of the Presevo Valley", with Halimi first on the list, Mustafa second, Musliu third and Destani fourth. If the coalition won two only seats, the second would be shared by Mustafa and Musliu, who would each serve two years.<sup>28</sup>

But the coalition rapidly fell apart. On 15 December Mustafa pulled out, followed a week later by Musliu, who said in a press release that participation "could be very destructive, especially after the resolution of the status of Kosovo as an independent state".<sup>29</sup> Despite efforts by the OSCE and significant private arm-twisting by the U.S. embassy, neither could be persuaded to return. That left only Halimi's PDD and Destani's DUD in the coalition, with Destani replacing Mustafa and Presevo Mayor Nagip Arifi replacing Musliu on the list.

U.S. Ambassador Michael Polt and UK Ambassador Steven Wordsworth publicly urged the Albanians to vote, as did many other EU embassies. The coalition received 16,953 votes, just sufficient to pass the threshold of 16,077 and gain one seat. Had Musliu and Mustafa not boycotted, the Albanians would probably have won a second. After the election, Halimi and representative of three other

minority parties formed a deputies club in parliament to maximise their influence on minority issues.<sup>30</sup>

## B. WHY THE BOYCOTT?

Musliu and Mustafa claimed a boycott was the only way to do something about the gendarmerie's presence, economic underdevelopment, failure to achieve collective rights for Albanians and problems over use of the Albanian language and national symbols.<sup>31</sup> The boycott reopened old wounds between the PDD, PDA and PDP and left many speculating about Mustafa's and Musliu's inconsistent behavior. Two factors were frequently cited: the influence of exiled former UCPMB members in Gnjilane/Gjilan in Kosovo, and the Presevo-based Fluidi trading company, operated by Mustafa Selajdin, which does extensive business with Kosovo.

Both Musliu and Mustafa were involved in the political arm of the UCPMB during 2000-2001 and maintain close ties to the exiles. Halimi, Destani and Arifi claim that the two often do the bidding of those exiles, who tend to be more extreme than those who remained in the valley.<sup>32</sup> Mustafa told Crisis Group he has close contact with the Gnjilane/Gjilan exiles but they have no influence in Presevo.<sup>33</sup>

As with most Presevo Valley politicians, Mustafa identified with a Kosovo political party, in this case Hashim Thaci's PDK.<sup>34</sup> His original decision to participate may have been caused by pressure from Thaci and Kosovo President Fatmir Sejdiu, who reportedly urged him to cooperate with the U.S. embassy.<sup>35</sup> In addition to maintaining good relations with the Americans, the former UCPMB associated with the PDK may have had another motive: not wishing to see Halimi, an ally of the PDK's rival LDK, win a seat.<sup>36</sup> However, Mustafa's decision to participate hurt his image in Presevo, where he had run for mayor by portraying Halimi as a "Belgrade-

<sup>26</sup> "Albanske stranke danas o izborima", *Agencija Vranje Press*, 28 November 2006.

<sup>27</sup> "Albanci bez dogovora o zajednickoj listi", *Agencija Vranje Press*, 29 November 2007.

<sup>28</sup> "Halimi nosilac liste za republike izbore", *Agencija Vranje Press*, 5 December 2006.

<sup>29</sup> "I PDP napustio Koaliciju Albanaca", *Agencija Vranje Press*, 22 December 2006.

<sup>30</sup> The three parties are: the Alliance of Vojvodina Hungarians (SVM), List for Sandzak (LzS), Union of Roma of Serbia (URS).

<sup>31</sup> "Halimi: Podrska proevropskoj opciji", B92, 4 January 2007.

<sup>32</sup> Crisis Group interviews, Halimi, Destani and Arifi, 2003, 2005, 2006, 2007.

<sup>33</sup> Crisis Group interview, Ragmi Mustafa, July 2007. Yet others claim that he is under the influence of Fluidi (see below).

<sup>34</sup> PDK is the Democratic Party of Kosovo. Halimi admits his PDD was always close to Ibrahim Rugova's LDK, and he profited from this relationship for many years.

<sup>35</sup> Crisis Group interview, Martin Brook, OSCE field officer, Bujanovac, July 2007.

<sup>36</sup> LDK is the Democratic League of Kosovo. Crisis Group interviews, former UCPMB members, Gnjilane/Gjilan, July 2007.

controlled politician”.<sup>37</sup> UCPMB veterans and other activists became very vocal. The preseva.com web page carried “numerous expressions of anger”.<sup>38</sup> Mustafa, in other words, was subjected to conflicting pressures.<sup>39</sup>

In discussions with Presevo Valley politicians and Gnjilane/Gjilan UCPMB exiles, the Presevo-based Fluidi trading company was frequently cited. Destani, Halimi and Arifi have maintained for years that it finances Mustafa and Musliu and also maintains close ties with the UCPMB exiles in Gnjilane/Gjilan. Similar views were expressed by international observers based in the valley. All indicated that Fluidi had significant behind-the-scenes influence in local politics.<sup>40</sup> A former UCPMB member claimed to Crisis Group that Fluidi “cannot run business in Gnjilane/Gjilan without the protection of Mustafe Shaqiri and two other local commanders”.<sup>41</sup> Shaqiri told Crisis Group he was “close” to Fluidi;<sup>42</sup> two prominent Albanian politicians said Mustafa took the decision to withdraw from the coalition under pressure from the exiles.

Others are more uncertain and focus on Fluidi itself. Members of the UCPMB exile community in Gnjilane/Gjilan told Crisis Group that Fluidi, whose business mostly operates in Kosovo, strongly suggested to Mustafa that he stay out of the election. A close relative said Mustafa was under Fluidi’s “permanent control” in the period leading up to the elections.<sup>43</sup> Inside Kosovo the story is being spread that Mustafa was physically beaten inside the Fluidi compound.<sup>44</sup> Former UCPMB members in Gnjilane/Gjilan claimed Fluidi’s business in Kosovo could have experienced difficulties had Mustafa participated in the elections. An UCPMB exile told Crisis Group that “since all know Fluidi is financing Ragmi Mustafa, you could

have seen the Fluidi compound bombed” as a result of dissatisfaction had Mustafa’s stayed in the elections.<sup>45</sup>

Mustafa’s decision to boycott – although strengthening his standing with the UCPMB veterans and other hardliners – may have made him vulnerable on another front. Thaci and the PDK appear to have frozen relations with the PDA as a consequence.<sup>46</sup> In the meantime, Mustafa has been replacing many old UCPMB activists with persons without a UCPMB background. The U.S. and UK embassies have refused to meet with either Musliu or Mustafa since the boycott. U.S. prestige is very high among the Albanians, and interlocutors indicated that its displeasure is weakening Mustafa at the grassroots level, where Albanians see America as a guarantor of eventual Kosovo independence.

### C. A NEW DECLARATION

On 29 September 2007, representatives of the valley’s five largest parties met to discuss forming the long-anticipated national council. Prior to the meeting it was evident that consensus was still lacking, and it was thought little would emerge. However, fourteen men were elected to serve as an Albanian “presidency” until a consensus can be reached on a national council. The meeting also produced a political declaration, to serve as the new political bottom line for the valley’s Albanian politicians. It hailed the Ahtisaari plan as the only possible compromise for Kosovo, called for implementing the principles of that plan also in the valley and an increase in the international presence in the valley, said the parties would continue working towards a national council and criticised the government’s Coordination Body as dysfunctional.<sup>47</sup>

While establishing a political lowest common denominator, the meeting and resulting declaration underlined the deep divisions among the Presevo Albanians that will no doubt continue to weaken their position vis-à-vis Belgrade. Serbia dismisses the declaration as merely an attempt to increase pressure on it over Kosovo status.<sup>48</sup>

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<sup>37</sup> Crisis Group interview, former UCPMB member, July 2007. The municipal assembly initiated a recall vote, which Halimi lost. Halimi’s party boycotted the subsequent mayoral election, for which the turnout was an unusually low 6,489 voters (21 per cent). Crisis Group correspondence, Tom Thorogood, MIR2 Program Manager, September 2007.

<sup>38</sup> Crisis Group interview, former UCPMB member, July 2007.

<sup>39</sup> Crisis Group interviews, former UCPMB members, Gnjilane/Gjilan, July 2007. Although Sejdiu and Thaci advised them to participate in the elections, others in the PDK suggested a boycott.

<sup>40</sup> Crisis Group interviews, Riza Halimi, Skender Destani and Nagip Arifi, July 2007. Crisis Group interviews, Martin Brook, OSCE field officer, Bujanovac, July 2007.

<sup>41</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

<sup>42</sup> A former UCPMB commander told Crisis Group he was “close” to Fluidi. Crisis Group interviews, Gnjilane/Gjilan, July 2007.

<sup>43</sup> Crisis Group interview, July 2007.

<sup>44</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

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<sup>45</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

<sup>46</sup> Crisis Group interviews, former UCPMB members, Gnjilane/Gjilan, July 2007.

<sup>47</sup> Deklarate Politike e KKSHLP, 29 September 2007.

<sup>48</sup> “Reakcije na deklaraciju Albanaca”, B92, 1 October 2007.

#### IV. THE FLOUNDERING COORDINATION BODY

Presevo Valley's current administrative status was established by the "Covic Plan",<sup>49</sup> which sought to redress years of institutionalised discrimination and convince ethnic Albanians they had an interest in abandoning dreams of "eastern Kosovo" and becoming good citizens of Serbia. Due to numerous failures by Belgrade authorities, however, many Albanians feel that the peace plan has not fully delivered on either an end to tensions with the security forces or increased prosperity.

The lead institution for dealing with southern Serbia is the Coordination Body (CB), which originated in 2000 as the joint Yugoslav Federal and Serbian Republic Coordination Body to manage counter-insurgency in the valley. It had six generals and four civilians then, all Serbian/Yugoslav officials, who were to coordinate the activities of the Joint Security Forces (army and interior ministry). After the Konculj Agreement, its focus shifted, and it became responsible for the Covic Plan, with Covic himself as head. The CB initially had final say in all events – political, cultural and social – in the valley but this has been modified to reflect decreased tensions and the unlikelihood of renewed armed conflict.

For the first few years, there were no Albanians on the CB, as its main purpose was to coordinate the efforts of the Serbian government and its security forces. Many Albanians considered cooperation with it traitorous. In January 2002 the OSCE began roundtable discussions with three to four representatives from each side on issues such as recognition of diplomas, amnesty for former fighters, economic aid grants and human rights. These

resulted in specific action plans, building on which the OSCE suggested reconstructing the CB to include permanent members representing all relevant ministries, the army and police, a secretariat with ten community members, the mayors of the three municipalities as vice-presidents and a president. This was done in early 2005.<sup>50</sup>

The reorganisation proved problematic for some Albanian politicians. Those who decided to cooperate openly found that when the CB failed to deliver, they lost credibility with their electorate. This affected then Presevo Mayor Halimi, who lost a recall vote, and caused a split within Musliu's nationalist PDP in Bujanovac.

The present head of the CB is Minister for Labour and Social Policy Rasim Ljajic, who is also president of Serbia's Council on Cooperation with The Hague Tribunal.<sup>51</sup> A Bosniak from the Sandzak region, his is the unenviable role of mediator between an uninterested Belgrade, which often views southern Serbia through the prism of the Kosovo conflict and whose security organs tend to treat the Albanians as a hostile population, and

<sup>49</sup> The plan's four pillars were: 1) "elimination" of threats to "state sovereignty" and "territorial integrity"; 2) security, freedom of movement and the right to return to the Presevo Valley, conditioned on the disarmament and disbanding of "terrorists" and "demilitarisation of the region"; 3) "development of a multiethnic and multi-confessional society"; and 4) economic and social development.<sup>49</sup> It foresaw a three-year implementation period and "integration of the Albanians in[to] the political, government and social system" within two years, including changes in the laws on elections and self-government and ethnically mixed police patrols. Belgrade offered to end discrimination against Albanians in politics and public sector employment. The international community – particularly OSCE, NATO and the U.S. embassy in Belgrade – has played a crucial role in keeping the peace and implementing the plan, along with two key donor agencies, UNDP, including the MIR program as it leads, and the Cooperative Housing Foundation (CHF). Many non-governmental and multilateral organisations have played important supporting roles in reconstruction, refugee return, democratisation and media training.

<sup>50</sup> From the outset of its operation, significant problems existed, and by early 2003 it was apparent the CB was functioning poorly, due also to Serbia's increasing preoccupation with Kosovo and the fact that CB head Nebojsa Covic was trying to juggle both portfolios, with Presevo usually getting the short end. The CB suffered further after Premier Vojislav Kostunica's Democratic Party of Serbia (DSS) took office in early March 2004 and began a power struggle with Covic. In late December 2004, the CB was placed under the control of the Coordination Centre for Kosovo, which Covic also led. This failed to improve matters. The CB received new life only in January 2005, following the shooting death of Dashnim Hajrullahu, a sixteen-year old Presevo Albanian youth, by the army in the border zone with Macedonia. In response to Albanian protests, the Serbian government radically changed its composition, appointing six deputy chairmen, who included then State Union Minister for Human and Minority Rights Rasim Ljajic, the mayors of the three municipalities, a retired general, Ninoslav Krstic, a police representative, Milisav Markovic, and representatives from line ministries. Covic continued to serve as its head amid worsening relations between him and Kostunica until he was dismissed on 25 August 2005 and replaced on 1 September by Ljajic. On 18 March 2006 a key Albanian political group, the PDP (Democratic Movement for Progress), withdrew in protest over what its leader, Jonuz Musliu, said was failure to "fulfil the political, economic and other expectations of Albanians". The CB suffered a worse blow on 12 April 2006, when Ljajic resigned. His resignation was followed by that of the CB vice-president, Dusan Spasojevic, and an announcement from the acting Presevo mayor, Ragmi Mustafa, that he was suspending cooperation with it. It remained leaderless until June 2006 when, following Montenegro's independence referendum, Belgrade transferred it from the State Union to the Republic government and asked Ljajic to return.

<sup>51</sup> Because he is a Bosniak, Ljajic is often given responsibilities that ethnic Serb politicians shy away from for fear of negative voter reaction.

dissatisfied local Albanian politicians, who complain about unfulfilled economic promises, the slow pace of integration and hostile police behaviour. With only limited policy influence, he frequently finds his most effective interlocutors in embassies and the international organisations and agencies dealing with southern Serbia. His other responsibilities prevent him from devoting full energies to the CB.

Ljajic is assisted by two vice-presidents with strong Belgrade connections, the newcomer Nenad Popovic, responsible for economic and security matters, and Nenad Djurdjevic, responsible for investment. Both also have other government portfolios.<sup>52</sup>

Ljajic enjoys respect and goodwill among Serbs, Albanians and the international community alike; there is really no one else in Serbia with similar credibility among ethnic minorities. International observers in the region, however, claim he is too busy with other duties and that the latest reorganisations robbed the CB of strong local leadership. They fear there are no longer strong personalities inside the body who could defuse a crisis. There is a sense among Albanian leaders that Ljajic does not have Covic's political clout, and they want a contact who is both more engaged and powerful.<sup>53</sup>

Belgrade continues to ignore the CB and often fails to engage Albanian politicians seriously. Presevo Mayor Mustafa told Crisis Group he has better access to government ministries in Macedonia, Albania and Kosovo than in Belgrade and has been able to get the latter to receive him only with OSCE help.<sup>54</sup> Musliu claims all attempts to get Serbian officials at ministerial level or higher to visit meet with silence.<sup>55</sup>

The CB is frequently attacked by Albanian politicians, who rightly charge it fails to live up to its responsibilities. Some fear too close cooperation might earn them a reputation as Quislings. This has led to several boycotts over the years. Significantly, however, all Albanian politicians interviewed by Crisis Group acknowledged a clear need for a functional institution and said they wanted to support the CB but hoped Belgrade would invest the political capital to make it work properly.<sup>56</sup>

The Albanians, however, share some of the blame for the CB's dysfunctional status. Beginning with the January 2005 reorganisation, the Serbian government acted in good faith to improve it but was undermined by Albanian politicians who saw advantage in a more confrontational stance. This has led to gamesmanship, with many jockeying to avoid being branded as collaborationist. Even though Presevo Mayor Mustafa, considered to have close ties to the UCPMB, has officially withdrawn support from the CB, he continues to work closely with it behind the scenes. Several Albanian politicians claimed he meets frequently with Popovic.<sup>57</sup>

Belgrade further weakened the CB's prestige on 8 September 2007, when it announced a decision to reorganise and streamline it. This decision was undertaken without consulting the three mayors, all of whom were vice-presidents of the CB, or the local Albanian and Serb political parties. Halimi, the lone Albanian deputy in Serbia's parliament, loudly protested not the substance of the reorganisation but the manner in which it had occurred, in particular that his PDD, the largest Albanian party in the valley, had not been consulted. The party's leadership voted demonstratively to withdraw cooperation. In fact, that withdrawal was only rhetorical.<sup>58</sup> The Albanian mayors of Presevo and Bujanovac subsequently agreed to the government's plans, although they agreed with Halimi's criticism of the procedure.<sup>59</sup>

The recent reorganisation, as well as the inclusion of Djurdjevic, indicates that Belgrade is, at least publicly, still serious about making the CB function. Yet, the CB was supposed to operate for only three years, and the Serbian government is increasingly asking itself when it will be able to close it and incorporate its activities into the regular line ministries.<sup>60</sup> Albanian politicians want to keep it,<sup>61</sup> and given the often unresponsive nature of Serbia's institutions and the communication difficulties between the security forces and Albanians, it still serves a very valuable function. Belgrade should not rush to shut it down, especially as difficult days are ahead with Kosovo.

<sup>52</sup> Popovic also runs a thriving private company, ABS Holding, as well as dealing with Kosovo economic development

<sup>53</sup> Crisis Group interviews, two international interlocutors, July 2007.

<sup>54</sup> Crisis Group interview, Ragmi Mustafa, Presevo Mayor, July 2007.

<sup>55</sup> Crisis Group interview, Jonuz Musliu, PDP leader, July 2007.

<sup>56</sup> Crisis Group interviews, Ragmi Mustafa, Presevo Mayor, Nagip Arifi, Bujanovac Mayor, Riza Halimi, PDD leader, and Jonuz Musliu, PDP leader, July and September 2007.

<sup>57</sup> Crisis Group interviews, Skender Destani, Ragmi Mustafa, Rasim Ljajic, Nenad Popovic and Riza Halimi, July and September 2007.

<sup>58</sup> Crisis Group interview, Riza Halimi, PDD leader, September 2007.

<sup>59</sup> Crisis Group interviews, Rasim Ljajic, Riza Halimi and Nenad Popovic, September 2007, Martin Brook, OSCE field officer, Bujanovac, October 2007.

<sup>60</sup> Crisis Group interview, Rasim Ljajic, July 2007.

<sup>61</sup> Crisis Group interviews, Nagip Arifi, Riza Halimi and Ragmi Mustafa, July and September 2007.

## V. KOSOVO AND PRESEVO

The southern Serbia question involves more than the fate of three small municipalities. There is a potential for wider regional instability stemming from events in and around Presevo. Spillover from the southern Serbia conflict was a key factor in the outbreak of the 2001 crisis in Macedonia and again in the brief September 2003 clash in the northern Macedonian town of Vaksince.<sup>62</sup> In 2001 the then UN Special Envoy for the Balkans, Carl Bildt, warned that any escalation of fighting in the valley could lead to renewed ethnic cleansing of non-Albanians from Kosovo and drag in the ethnic Albanian regions of northern Macedonia.<sup>63</sup>

Several factors make the Presevo Valley potentially unstable. Although the insurgency ended six years ago, sporadic armed attacks on Serbian security forces continued well into 2003. Former Presevo Valley insurgent commanders have told Crisis Group they sent approximately 50 men to Vaksince during the brief altercation that year between Albanians and Macedonian security forces. The former UCPMB insurgents maintain close ties with the former UCK; a particularly vocal group is located in and around the Kosovo town of Gnjilane/Gjilan.

### A. TIT FOR TAT: THE VALLEY AND MITROVICA

Southern Serbia's Albanians are united in their desire to join Kosovo but also realise it is unlikely to happen. On 14 January 2006 all the Albanian assembly members from the three municipalities adopted a platform calling for Albanians in southern Serbia to be given a high degree of decentralisation and territorial autonomy, strikingly similar to what Belgrade seeks for Kosovo Serbs. They stated that "in the case of...eventual changes of [Kosovo] borders, the assemblymen will work towards the unification of the Presevo Valley with Kosovo".<sup>64</sup> The document referenced the outcome of the 1992 referendum.

<sup>62</sup> Crisis Group interview, former UCPMB commander. The best analysis of the links between southern Serbia and the Macedonia conflict of 2001 is "Crisis in Macedonia: Minority Politics in Southeast Europe", Ethnobarometer, working paper 6, Rome, January 2002.

<sup>63</sup> Crisis Group Europe Report N°149, *Macedonia: No Room for Complacency*, 23 October 2003.

<sup>64</sup> Presevo Declaration, 14 January 2006, in Crisis Group's possession. The signatories appeared well aware of political realities: only five of the 65 favoured the term "East Kosovo", indicating a willingness to use language less inflammatory to Serbs. The document was clearly prepared with assistance from Pristina, in particular from Vetton Surroi. Crisis Group interviews,

This remains the official position of all Albanian political parties. Albanian politicians refer to it regularly, particularly when the Serbian media discusses partition of Kosovo, and they occasionally refer to their region as "East Kosovo". It was reiterated in the 29 September 2007 declaration of the Albanian party assembly. Kosovo Albanian politicians in Pristina draw a link between the future of the Serb-inhabited territory north of the River Ibar in Kosovo and that of the valley, primarily as a counterweight to Belgrade's effort to divide the UN-administered territory.<sup>65</sup> Presevo Valley Albanians believe the Pristina politicians are using their cause to score points in Kosovo, to help the Albanians in Presevo and to sober Belgrade about partition.

After the Kosovo Assembly members unanimously adopted the Ahtisaari plan on 5 April 2007,<sup>66</sup> many Kosovo Albanian politicians tended to agree that the valley would have to remain in Serbia. Yet, many of them see it as a chess piece in the larger game. If formal partition occurs, Presevo could become a national cause for Kosovo Albanians. Their parties would likely then compete with each other to champion compensation for the loss, while Presevo Albanian politicians would likely respond by asserting unification with Kosovo.<sup>67</sup>

A senior official in the Albanian southern half of Mitrovica, the divided city in northern Kosovo, reflected this when he told Crisis Group that "the only way to let northern Serbs go with Serbia is if the Gazivode [Gazivoda] Lake remains in Kosovo and the entire Presevo Valley is joined to Kosovo, while at the same time no new [Serb] municipalities would be added south of the Ibar...if the north is not compensated with Presevo Valley, I will join Vetevendosje",<sup>68</sup> the nationalist movement led by Albin Kurti. An official of Ramush Haradinaj's AAK party<sup>69</sup> told Crisis Group that if Kosovo was partitioned, "we will not give it up for nothing", clearly referring to Presevo,<sup>70</sup> while a PDK official said that "if Belgrade

Martin Brook, OSCE field officer, Bujanovac, and Riza Halimi, PDD leader, 2006 and 2007.

<sup>65</sup> Crisis Group Europe Report N°165, *Bridging Kosovo's Mitrovica Divide*, 13 September 2005.

<sup>66</sup> Europe Crisis Group Report N°182, *No Good Alternatives To The Ahtisaari Plan*, p. 6.

<sup>67</sup> Crisis Group interviews, Halil Selimi and Sadik Ademi, Pristina, July 2007.

<sup>68</sup> Crisis Group interview, Mitrovica, 13 September 2007.

<sup>69</sup> Former Kosovo Liberation Army commander Ramush Haradinaj was briefly Kosovo's prime minister before being indicted for war crimes in March 2005. See Crisis Group Europe Report N°163, *Kosovo after Haradinaj*, 26 May 2005. His Alliance for the Future of Kosovo (AAK) partners the larger LDK in Kosovo's provisional government.

<sup>70</sup> Crisis Group interview, AAK officials, July and September 2007.

supports the north, the international community cannot pressure Pristina to refrain from supporting the Presevo Valley".<sup>71</sup>

Some Kosovo Albanian politicians have sought to help their ethnic kin in the valley. A member of Veton Surroi's ORA party<sup>72</sup> noted that "we are seeking opportunities to help them that will be regulated by law", while another noted that the most Kosovo could realistically do is offer an education assistance fund. Pristina is planning to support a number of Presevo Valley students at its university, provided they agree to return and work in the valley for at least five years. The hope is that this will build capacity in the local municipalities.<sup>73</sup>

There are significant differences between Kosovo and southern Serbia, however, most noticeably that the latter is separated from Kosovo by mountains and does not fall within its natural geographical boundaries. Serbian security forces are posted along the tops of ridge lines, controlling transit.

Serbia has made good faith efforts to end the insurgency peacefully and accommodate the Albanian population's demands. This has occurred with careful international supervision, which has generally given Belgrade a passing grade. Any attempt to join the Presevo Valley to Kosovo would meet strong international opposition. Yet pressures still exist for unification. On 1 April 2007, Sali Salihu of the Bujanovac branch of Ragmi Mustafa's DPA called for unification of "East Kosovo" with Kosovo. In so doing, he seems to have gone too far for Mustafa, who called him on the carpet and referred publicly to his comments as an April Fool's joke.<sup>74</sup>

On 15 June 2007, the two most nationalist of the Albanian politicians, Presevo Mayor Mustafa and Bujanovac Deputy Mayor Musliu, called for UCPMB veterans and their supporters to rally in Presevo for union with Kosovo. Only approximately 100 persons showed up, waving the Albanian flag and singing the Albanian national anthem.<sup>75</sup> The low turnout has been interpreted by other Albanian

politicians as a sign that this issue has little popularity at present among the majority of Albanians in the valley.<sup>76</sup>

Indeed, that population appears unhappily reconciled to remaining in Serbia, even if Kosovo becomes independent. Mustafa publicly stated in April 2006 that "Albanians have said farewell to weapons forever" and committed himself and his party to acting within the political process.<sup>77</sup> More recently, both Mustafa and Musliu told Crisis Group there will be no violence, even if Kosovo is formally partitioned, and that though they will not give up the goal of joining Kosovo, they will work for change through political means.<sup>78</sup> Musliu did add, however, that if Serbs used violence against them, Albanians would respond with violence.

For all the heat being generated by the Kosovo status issue, valley Albanians have done little to organise politically for their goals. Serbia's constitution and laws permit ethnic minorities to form national councils, which Bosniaks, Hungarians and Croats have done. The issue of an Albanian national council has been a political hot potato in the valley. Some say it is a good thing and would help Albanians gain further influence in Serbian politics. Others consider it collaborationist and brand those who favour it as traitors. Interestingly, the positions of politicians tend to vary, depending on whether they are in power. Mustafa opposed a national council for years. Now that he is Presevo's mayor, he has been trying to bring the Albanian parties together to form one. His opponent, Halimi, who for years pressed for a national council, still favours it, but the two are deadlocked over how their parties would be represented.<sup>79</sup> An attempt to form a national council on 29 September 2007 again failed, due to the parties' inability to agree on power sharing.

## B. WILD CARDS: GNJILANE/GJILAN AND ETHNIC CLEANSING

In spite of the commitment of local politicians to peaceful means, outside factors could destabilise the valley. There is a significant diaspora of refugees and ex-UCPMB members in exile in Kosovo, primarily around the town of Gnjilane/Gjilan. Former UCK and UCPMB insurgents retain close ties and are known to be somewhat more radical than those who remained behind. Close ties also exist between some Presevo Valley politicians and Kosovo

<sup>71</sup> Crisis Group interview, Fehmi Mujota, Pristina, September 2007.

<sup>72</sup> Newspaper publisher, TV station owner and journalist Veton Surroi's ORA ("Time" or "Clock") party won 6 per cent of the vote in the October 2004 elections. It is considered to represent the urban intelligentsia.

<sup>73</sup> Crisis Group interviews, Pristina, June-July 2007.

<sup>74</sup> "Mustafa: Salihu je postupio naivno", *Politika*, 4 April 2007. "Autonomija ili specijalni status", *Blic*, 3 April 2007.

<sup>75</sup> "Veterani traze pripajane Kosovo juga Srbije", *Politika*, 16 June 2007.

<sup>76</sup> Crisis Group interviews, Skender Destani, Nagip Arifi, Bujanovac Mayor, and Riza Halimi, PDD leader, July 2007.

<sup>77</sup> As quoted in "Izgradnja poverenja na jugu Srbije", B92, 23 April 2006.

<sup>78</sup> Crisis Group interviews, Ragmi Mustafa, Presevo Mayor, and Jonuz Musliu, PDP leader, July 2007.

<sup>79</sup> "Poziv Musliju nije stigao", *Glas javnosti*, 7 June 2007; "Halimi: Musliju Skuplja poena", *Politika*, 7 June 2007.

political parties. Some of the organised crime figures and businessmen who operate between Kosovo and the valley could find circumstances in which heightened tensions and instability might work in their favour, and might be tempted to instigate actions to that end. Serbian security forces allied with nationalist political elements inside Serbia could respond in the event of Kosovo Albanian attacks on Kosovo Serb enclaves by driving Albanians out of the valley, in the hope this would be tolerated internationally as an unavoidable consequence of the Kosovo status process.

Ragmi Mustafa claims that over 6,500 people left Presevo for Kosovo during the insurgency, and there are at least 100 former UCPMB members left in the Gnjilane/Gjilan area who are associated with UCK veterans associations in the region. They have been separated from the valley for six years and have by and large established themselves economically inside Kosovo.<sup>80</sup> Some are involved in trading with the valley. Crisis Group interviewed a number of these ex-fighters for this report.

A former UCPMB commander in Gnjilane/Gjilan claims to have intensified contacts with Kosovo and Macedonia veterans associations in recent months,<sup>81</sup> which could be significant since the insurgencies in Macedonia, the Presevo Valley and Kosovo have usually drawn on a common pool of recruits. A former UCPMB member noted that if anything happens in the valley, it will have to come from outside, and “those willing to take up arms have to come to Kosovo or Macedonia” to organise.<sup>82</sup> Another thought it would be appropriate to “build an impression of violence ... in the valley” in order to motivate and mobilise its Albanians.<sup>83</sup> A yet more extremist former insurgent said, “after Kosovo status, the Presevo Valley is next”.<sup>84</sup>

Yet, most former insurgents seem to have lost their appetite for further violence. One noted that “realistically Presevo Valley is lost ... I am not going to support fights anymore. I am now taking care of my family, and the only help I can offer will be political”.<sup>85</sup> Two said there was no support for violence from Kosovo political parties.

The exiles disagree on the steps that should be taken if Kosovo independence is accompanied by formal or violent partition. While some hope Presevo might gain something with the resolution of Kosovo status, “it is not the right time to think of the valley, today. Kosovo status has to be resolved first”.<sup>86</sup> Some think the valley should only fight politically, others that Albanians there should prepare to take up arms in the event Kosovo is partitioned or Serbian security forces act aggressively.

Should there be a formal partition of Kosovo following a declaration of independence, or if the small Albanian communities in north Mitrovica and the three Kosovo municipalities above it are expelled,<sup>87</sup> it is possible Kosovo Albanians may try to drive inhabitants of the Serbian enclaves south of the Ibar out of Kosovo. In February 2007 the influential Serbian Academy of Arts and Sciences released a book entitled *Kosovo and Metohija: Past, Present and Future*.<sup>88</sup> It contains a large article with maps discussing partition and desired population flows, including the movement of the Serb enclaves’ inhabitants to the Presevo Valley.<sup>89</sup> A senior figure close to Premier Kostunica told Crisis Group “a humanitarian exchange of populations” was desirable.<sup>90</sup> Very few Kosovo Serbs would wish to move to Presevo but such an artificially directed movement would face the valley’s Albanians with a new, radicalised and far larger Serb population.

Many Albanians with whom Crisis Group spoke expressed fear that Serbian security forces and paramilitary groups associated with nationalist parties might decide to ethnically cleanse the Presevo Valley under cover of events in Kosovo, or at the very least introduce an increasingly strict police regime. Most Albanians, however, are confident that the international community would be able to prevent an ethnic cleansing.

A former UCPMB member noted that it would not be easy to drive the Albanians out of the valley and that Serbia would need to use major force.<sup>91</sup> If the valley’s Albanians were forced to leave, some in the Presevo municipality might flee to Macedonia, while many others might go towards Kosovo.<sup>92</sup> Another former UCPMB member

<sup>80</sup> Crisis Group interview, former UCPMB member in Gnjilane/Gjilan, July 2007. He stated: “I have no property in Presevo. All my property is in the Karadak and in Gnjilane/Gjilan”.

<sup>81</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

<sup>82</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

<sup>83</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

<sup>84</sup> Crisis Group interview, former UCPMB, UCK, and NLA member in Gnjilane/Gjilan, July 2007.

<sup>85</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

<sup>86</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

<sup>87</sup> For background, see Crisis Group Report, *Bridging Kosovo’s Mitrovica Divide*, op. cit.

<sup>88</sup> Serbian Academy of Arts and Sciences, *Kosovo and Metohija: Past, Present and Future* (Belgrade, 2006).

<sup>89</sup> Milomir Stepic, “The Territorial Division of Kosovo and Metohija: The Question of Geopolitical Merit”, in *ibid*, pp. 485-509.

<sup>90</sup> Crisis Group interview, Belgrade, February 2007.

<sup>91</sup> He failed to note that such force is, however, already in place.

<sup>92</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.



threatened that “if the valley Albanians are forced to leave, we will force Kosovo Serbs to leave in the direction of Macedonia”.<sup>93</sup>

Whether a distracted international community would be able to protect the valley’s Albanians is uncertain, as is whether the refugees would willingly permit the Serbian government to channel them in that direction. What is certain is that there are no significant present threats to the valley’s stability. The Albanian politicians, fearing reprisals and possible ethnic cleansing, seem to wish to keep it that way; Halimi and Musliu go out of their way to stress that the Albanians are peaceful.<sup>94</sup> Serbia’s security forces appear confident they have matters well in hand. Interior Minister Dragan Jovic noted that in 2006 and 2007 “there have been no terrorist attacks on the army and police”.<sup>95</sup> Defence Minister Dragan Sutanovac and Ljajic insist the situation is peaceful and there are no present threats.<sup>96</sup>

## VI. OUTSTANDING ISSUES

Perhaps the single greatest achievement in the Presevo Valley involves the sharp reduction in human rights abuses, such as beatings, killings and arbitrary detentions. Almost without exception, Albanians in politics and human rights organisations told Crisis Group the situation continues to improve. Asked to cite high-profile, negative incidents, every Albanian interlocutor said that with the exception of the January 2005 shooting of Dashnim Hajrullahu, they could think of nothing in the previous three years. The combined efforts of the Serbian government, international community and Albanian politicians have made real progress.

That progress can be seen in the Presevo municipality, where on 12 January 2007 the army turned responsibilities for the Macedonian border over to the police at Cakanovac, not far from where Hajrullahu was killed two years earlier. This was welcomed by Albanian politicians, including Presevo Mayor Mustafa.<sup>97</sup> Nonetheless, a host of problems remain. The ability to resolve them and so achieve a state of self-sustaining security is hampered by the refusal of the LDP and PDA to engage openly with the Coordination Body, and by the lacklustre performance of that institution.

### A. ALBANIAN CONCERNS

Many of the concerns of Albanian politicians have been documented in previous Crisis Group reports.<sup>98</sup> In spite of the improved behaviour of the security forces, there are still complaints about the occasionally heavy-handed tactics of the interior ministry’s paramilitary gendarmerie special units that patrol the roads and towns, and raid homes of persons suspected of engaging in insurgency-related matters, such as hiding military weapons.<sup>99</sup> There are also complaints about the basing of army and gendarmerie units in town centres and civilian buildings. Albanians do, however, give high marks to the multi-ethnic police force, the result of an OSCE-led effort, although they would like it to take over more of the serious police work from the gendarmerie.

The Serbian government is constructing a large military base at Cepotin, five kilometres outside Bujanovac, with the intention of relocating its security forces away from the town centres and so reducing opportunities for

<sup>93</sup> Crisis Group interview, former UCPMB member, Gnjilane/Gjilan, July 2007.

<sup>94</sup> “Halimi: na jugu Srbije stabilno”, *Danas*, 31 August 2007.

<sup>95</sup> “Bezbedno u kopnenoj zoni”, *Politika*, 11 July 2007.

<sup>96</sup> “Na jugu Srbije Stabilno”, *Glas Javnosti*, 11 July 2007; “Ljajic: bezbedno na jugu Srbije”, *Blic*, 10 August 2007.

<sup>97</sup> “Policija preuzela karaulu”, *Politika*, 13 January 2007.

<sup>98</sup> See Crisis Group Report *Southern Serbia’s Fragile Peace* and Crisis Group Briefing, *In Kosovo’s Shadow*, both op. cit.

<sup>99</sup> Serbs, too, complain that the police treat them in a heavy-handed fashion, indicating that the problem may not be entirely ethnically motivated.

provocation. Work was halted for two years due to a lack of funds but the government has announced that new money has become available and construction will resume.<sup>100</sup> Until it is completed, however, complaints will continue. Ironically, Albanian politicians oppose the base, fearing it will cement the security forces' grip on the valley.

Education remains another area of contention, although improvements are slowly being made. The lack of Albanian-language textbooks harmonised with the Serbian school year is a problem. On the positive side, a new Albanian high school has opened in Bujanovac, and in December 2006, then Serbian Education Minister Slobodan Vuksanovic, in cooperation with the OSCE, reached an agreement to open a teachers college in Bujanovac as a branch of the University of Nis. It will enable prospective Albanian teachers to receive training in their own language. The program appears to be on hold, however, until the new Belgrade government confirms it.

The lack of university instruction in Albanian at present results in approximately 350 valley students studying in Kosovo, Albania and Macedonia. Universities in Albania have set aside 52 places for students from the valley.<sup>101</sup> Recently a dispute erupted in Medvedja over the local high school's refusal to accept two Albanian students who had returned from Kosovo, on the claim that Serbia does not recognise documents from Kosovo schools. Although the issue was resolved in favour of the students, Serbia's longstanding refusal to recognise Kosovo documents and diplomas continues to cause problems.

Serbian attitudes toward Albanians are highly visible in the Belgrade media, both print and electronic, which consistently carry stories that portray them negatively and frequently refer to them as "Islamic fundamentalist terrorists". This alienates the Albanians and spreads fear among Presevo Valley Serbs. The government could reduce tensions in southern Serbia by encouraging the state-influenced media to tone down anti-Albanian remarks. Unfortunately, these will only increase when Kosovo declares independence.

The issue of refugee return to the areas along the boundary with Kosovo is also touchy for Albanians but they seem unwilling to push it, in part because there are few economic opportunities, and many have now established themselves elsewhere. Albanians are pressing for the introduction of bilingual identity cards for the three municipalities. A project was delayed by the January elections and the

formation of the new government but such cards are now being issued, although there is substantial confusion, and Albanian politicians are not satisfied.<sup>102</sup>

Perhaps one of the greatest Albanian fears is of being cut off from Kosovo, economically and culturally. Many worry Belgrade might close the border after independence, making contact with family and business partners more difficult. A border closure is likely but Serbian companies export significant quantities of food to Kosovo, and internal pressure would probably force Belgrade to open the border to commercial traffic or face losing a valuable market.

## B. SERBIAN CONCERNS

Serbs in the valley also have complaints about the behaviour of the security forces, although they welcome them as a buffer against what they consider Albanian lawlessness. Serbs also complain about the education system and the lack of textbooks harmonised to the school-year curriculum. They harbour grievances against the Albanians, which – because of their status as the official majority group inside their mother country – are often inadequately addressed or passed off as bias against the minority. Their main concerns are twofold: they feel Albanians are disloyal and that the Albanians wish to overwhelm them demographically and join Kosovo.

The repeated references of Albanian politicians to "East Kosovo" worry Serbs. Calls for linkage between a possible Kosovo partition and the fate of the valley concern many, as does Albanian support for the unpopular Ahtisaari plan.

Serbs see Albanian disloyalty in numerous incidents. The Albanian flag flying over the large marble grave of Ridvan Cazimi, known as Commander Leshi, on the main road at the entrance to Veliki Trnovac, is considered an open provocation. When the Serbian government opened the new Albanian-language high school in Bujanovac, the Albanian national anthem was played, much to the consternation of donors and Serbian government officials in attendance. On 28 November 2006, Albanian national day, Albanian students removed the Serbian flag from the Vuk Karadzic Cultural Centre in Bujanovac, then broke into the Bujanovac municipal building across the street, beat up the Serb doorman and hung the Albanian flag from the upper floor. The same day in Presevo a crowd gathered on the main square to listen to a Mustafa speech, then

<sup>100</sup> Minister of Defence Sutanovac estimates the cost of completing the base is one billion dinars (€12.65 million). "VS treba Cepotin", *Glas javnosti*, 2 July 2007; "Spremni za Rusiju," *Vecernje novosti*, 27 February 2007.

<sup>101</sup> "Jezicke i druge barijere", *Danas – Vikend*, 5 May 2007.

<sup>102</sup> Application forms are bilingual, and the cards have the phrase "Identity Card" in Serbian and Albanian on the outside. Inside all data is still in Serbian, albeit in the Latin alphabet. Crisis Group interviews, Skender Destani, Martin Brook, OSCE field officer, Bujanovac, and Riza Halimi, PDD leader, September 2007.

entered the municipal building and replaced the Serbian flag with the Albanian one. On 20 April 2007 the Presevo municipal assembly attempted to rename the main square as the Square of Fallen Warriors, a clear reference to the UCPMB.<sup>103</sup> Albanian reluctance to learn Serbian and the unwillingness of some politicians, such as Musliu, to speak it without an interpreter also cause consternation.

Many incidents have the effect of intimidating local Serbs. In Presevo in December 2006, two Albanians attacked a Serb in a café for no apparent reason. Both were merely fined the equivalent of €100. In April 2007 three masked Albanians crossed from Kosovo into the Medvedja municipality, beat a 74-year-old man and a 69-year old woman and stole 150 sheep, ten cows and several goats from them.<sup>104</sup> The fourteenth-century Serbian Orthodox Church of St. Constantine the Great and St. Jelena near Veliki Trnovac is repeatedly vandalised by local Albanians and has been attacked twice in 2007, most recently in September.

Most troubling, on 4 August approximately ten armed men wearing the black uniforms and masks associated with the UCPMB/UCK stopped and robbed numerous vehicles on the mountainous road near the Konculj border crossing with Serbia. During the 2000-2001 insurgency UCPMB members in this area were notorious for extorting money and robbing Albanians who wished to pass between Kosovo and Presevo Valley. After pinning down a regular police patrol sent to investigate, they engaged in a fire fight with the gendarmerie, which killed one of the robbers. The UCPMB sympathiser Jonuz Musliu, who was driving to Kosovo at the time, was among those shot at by the bandits.

The appearance of this group, which is said to have operated like a military unit, led some Serbian analysts to say it was designed to send a message to Belgrade about the fragility of peace in the valley and the risks it would run should it try to partition Kosovo.<sup>105</sup> There can be little doubt the bandits hoped to profit from the heavy traffic of returning guest workers in fancy cars carrying large sums of undeclared euros, Swiss francs and U.S. dollars. The vast majority of those robbed were ethnic Albanians.

Serbs are also concerned about what they view as Albanian lawlessness. Albanians in the region frequently rely on extra-legal means to settle disputes. Several incidents in 2007 have raised attention throughout Serbia. On 3 April a

bomb was thrown at the Presevo municipal building. On 1 June a hand grenade was thrown into the yard of Bujanovac Mayor Arifi. On 7 August two brothers were gunned down in a café in Presevo over a question of family honour. The cumulative effect of such incidents creates a climate of distrust towards Albanians that could enable extremists to mobilise local Serbs against the valley's Albanians at the time of Kosovo independence.

## C. EVERYONE'S CONCERN: THE ECONOMY

Regardless of nationality, everyone agrees the economy is in terrible condition. This is in large part due to the Tito-era program of economic development, which promoted the construction of state and socially-owned enterprises throughout the countryside, as opposed to clusters in urban areas. This created an incentive for people to remain in rural areas instead of moving to urban centres to seek work. As a result, the former Yugoslavia did not begin urbanisation in earnest until the mid-1980s.

A more traditional form of development would have meant that many of the twelve socially-owned enterprises and factories Presevo had and the fourteen Bujanovac had would have been in nearby urban centres, such as Skopje, Vranje or Pristina. The Presevo Valley would then have become depopulated through a natural process of urbanisation, and the rural Albanian and Serb population would have been largely assimilated into the urban populations, leaving Presevo and Bujanovac as villages with only a few hundred residents.

Instead the two municipalities are kept alive economically by the presence of the old, socially-owned enterprises (some of which are now privatised), which employ primarily Serbs, and by the remittances of the many guest workers. The latter keep the Albanian population up but the local Serbs, who tend to emigrate to the major urban centres within Serbia, have been dwindling in numbers.<sup>106</sup>

Albanian politicians claim that unemployment in Bujanovac is close to 60 per cent<sup>107</sup> and in Presevo around 70 per cent.<sup>108</sup> CB figures indicate that Presevo's unemployment is actually 60 per cent and Bujanovac 42 per cent<sup>109</sup> But the figures do not reflect the many persons employed only on paper in idle, socially-owned enterprises.

<sup>103</sup> "Umalo trg OVK u Presevu", *Kurir*, 14 June 2007.

<sup>104</sup> "Grupa Albanaca napala porodicu Zdravkovic", *Agencija Vranje Press*, 4 April 2007.

<sup>105</sup> "Zoran Dragisic: Pljacku iskoristili za slanje poruke", *Danas*, 7 August 2007; "Drumski razbojnici" nose poruku Pristine", *Glas javnosti*, 7 August 2007; "Juzni divlji zapad", *Politika*, 7 August 2007.

<sup>106</sup> Serbs and Albanians lived in roughly equal numbers in Presevo at the end of World War II.

<sup>107</sup> Crisis Group interview, Nagip Arifi, Bujanovac Mayor, July 2007.

<sup>108</sup> Crisis Group interviews, Riza Halimi, July and September 2007.

<sup>109</sup> See the CB document "Socio-ekonomska analiza opstina Presevo, Bujanovac i Medvedja", August 2007.

The only bright spots in the local economy seem to be the Heba bottled water plant in Bujanovac, which is expanding production, the Bujanovac tobacco processing factory, the construction of a new customs zone at the border crossing with Macedonia inside Presevo municipality and the hoped-for completion of Serbia's stretch of the Corridor 10 motorway that connects Thessaloniki to Belgrade.

Private investors appear to be staying away due to the valley's reputation for instability, questions about the loyalty of the Albanians, the poor infrastructure and paucity of resources. The extent of disinterest was evident on 16 February 2007, when the auction of the socially-owned Presevo glass processing factory Kristal failed because no one showed up.

Since the insurgency ended, donors have played a significant role in addressing the valley's concerns, providing 45 per cent of the total investment in both Bujanovac and Presevo municipalities between 2000-2005, as well as 17 per cent in Medvedja. They have included the U.S. Agency for International Development (USAID) and a number of EU governments, as well as the UNDP-led MIR program, which consists of UNDP, the EU, Austria, Norway, the Swedish International Development Agency (SIDA) and the Serbian government. Foreign donations have been in gradual decline, dropping 69 per cent by the end of 2005 from their 2002 peak. CB donations also peaked in 2002, then dropped by 72 per cent over the next three years, though registering a slight increase in 2006.<sup>110</sup> The current CB budget is not yet available but Halimi claims it was cut in half from 2006.<sup>111</sup> The 2007 MIR2 budget is €1.09 million for all three municipalities.<sup>112</sup>

In addition to the funds donated by the CB and foreign donors, the Serbian government's controversial, off-budget National Investment Plan has earmarked or already spent €6.7 million for the three municipalities in 2006-2007. Yet again, the pattern is discriminatory, with Bujanovac getting €36 per capita, Presevo €91 and Medvedja €99.<sup>113</sup>

All this assistance may represent nothing more than a bandage on an arterial wound. On the basis of the value added tax, Serbian authorities calculate that the country's gross national income in 2005 was \$2,057 per capita, while in Bujanovac it was 27 per cent that, \$571; in Medvedja 16 per cent, \$347; in Presevo 14 per cent, \$288.<sup>114</sup> Gross income actually rose in the three

municipalities from 2000 to 2004 but began to fall in 2005 though it was continuing to rise in the rest of Serbia. The extreme poverty is shared by Serbs and Albanians. In eleven municipalities (including Medvedja, Presevo and Bujanovac) in the two southern Serbian counties of Peinje and Jablanica, numerous villages lack electricity, running water, paved roads and telephones.<sup>115</sup>

Economic reality appears to dictate that without substantial foreign or central government support, both Presevo and Bujanovac must empty out, as is now happening in other rural parts of Serbia and the former Yugoslavia. Serbs, with their aging population and educational and employment opportunities in urban areas of Serbia, are likely to be a smaller and smaller minority in Bujanovac and Presevo, while maintaining their numerical superiority in Medvedja. While Albanians will win the demographic struggle in Bujanovac and Presevo, those municipalities will shrink if guest worker remittances fall. Without the tensions associated with Kosovo independence, the valley would merely be another rural area struggling with the challenges of modern economics and urbanisation.

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<sup>110</sup> Ibid.

<sup>111</sup> "Nema vise nesuglasica medju albanskim politicarima", *Danas*, 1 October 2007.

<sup>112</sup> Crisis Group correspondence, Tom Thorogood, MIR2 program manager, September 2007.

<sup>113</sup> "Socio-ekonomska analiza", op. cit.

<sup>114</sup> These numbers may be wildly misleading, as compliance with tax laws in Bujanovac and Presevo is very low.

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<sup>115</sup> The other municipalities are Bojnik, Lebane, Leskovac, Bosilegrad, Vladicin Han, Vranje, Surdulica and Trgoviste.

## VII. CONCLUSION

Any future instability in southern Serbia could come from either the Presevo Valley exiles in the Gnjilane/Gjilan region of Kosovo or Serbia's response to Kosovo independence. It is difficult to imagine Rasim Ljajic, with all his other responsibilities, being able to take the necessary steps to make the CB function much better by the end of 2007. Belgrade, which seems intent on pursuing a course that could lead to partition of Kosovo, may enter a prolonged state of confusion following an independence decision. It is also quite likely Kosovo independence would find Serbia with an angry government and populace, tempted to lash out at vulnerable targets.

Following the March 2004 Kosovo riots, in which Albanians engaged in an anti-Serb pogrom,<sup>116</sup> Belgrade permitted Serb mobs to torch two mosques, although to its credit it acted responsibly in stopping paramilitary groups that were en route to Kosovo.<sup>117</sup> The internal reaction to Kosovo independence could prove to be far more visceral, irrational and violent, with some Serbs wishing to take revenge or launch ethnic cleansing to prevent a loss of more territory. How the government would respond, if able to respond at all, is uncertain, much less what Serbia's notoriously independent-minded security structures might do. At the least, minorities, particularly Albanians, could find themselves the object of revenge attacks.

So too, UCPMB exiles in Kosovo may wish to foment trouble in the valley in response to a formal or violent partition of Kosovo, even though this would be at the expense of the local Albanian population.

The Pcinje District is home to many Kosovo Serb refugees, over 3,500 in Bujanovac alone. There are also numerous former and current police and paramilitary members who served in Kosovo during the 1998-1999 war. The Serbian Radical Party and its associated paramilitary formations are a wild card. The Kosovo government and international community should discourage Kosovo Albanians from attacking Kosovo Serbs, either as a reaction to perceived threats of partition or out of the perception that their ethnic kin in Presevo are being mistreated.

The Serbian army, MUP and government appear to be acting far more responsibly towards southern Serbia's minority populations than in the not distant past. Indeed, it is slightly surprising – and perhaps also an indication

as to how out of touch Belgrade is with diplomatic currents – that the government is not touting its success at turning around insurgency in southern Serbia as a potential model for perpetuating its continued authority in Kosovo. All together, however, there are numerous factors in both Kosovo and southern Serbia that could trigger ethnic cleansing and new refugee flows.

Given the dangers on the horizon, the international community should step up its political engagement in the Presevo Valley. Donors, however, are weary, and interest is waning. Programs such as MIR2 are declining and projected to be phased out over the next two years. This sends the wrong message to both Serbs and Albanians. Instead, donors should maintain their programs and engage representatives of civil society from all ethnic groups, including women and youth groups, in implementing existing ones and creating additional ones. Projects should emphasise education, economic enterprise and agricultural development.

Much depends on reactivating the CB. Although not a cure-all, it is needed to facilitate dialogue between Serbs and Albanians in what are certain to be tense months. The international community will need to pressure the Presevo Valley Albanian politicians who are boycotting the institution, particularly Ragmi Mustafa and Jonuz Musliu, to participate openly in its work. At the same time, the Serbian government should be urged both to involve civil society organisations more in the CB's operations and to create institutional safeguards that would give the Presevo Valley Albanians a secure environment in the event a Kosovo status decision brings an unwanted backlash. Again the CB is crucial, given the strong representation of Serbia's security structures in its membership.

**Belgrade/Pristina/Brussels, 16 October 2007**

<sup>116</sup> See Crisis Group Europe Report N°55, *Collapse in Kosovo*, 22 April 2004.

<sup>117</sup> Crisis Group interview, Serbian security official, 11 May 2006.

## APPENDIX A

## MAP OF SERBIA



This map is adapted by the International Crisis Group from Map No. 4268 Rev. 1 (April 2007) by the Cartographic Section of the Department of Peacekeeping Operations. The town Medvedja has been added, Lake Gazivoda and the Presevo Valley have been indicated, and country and entity names have been changed to reflect Crisis Group terminology. The location of all additional features is approximate.



## APPENDIX B

### ABOUT THE INTERNATIONAL CRISIS GROUP

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The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 130 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made available simultaneously on the website, [www.crisisgroup.org](http://www.crisisgroup.org). Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policy-makers around the world. Crisis Group is co-chaired by the former European Commissioner for External Relations Christopher Patten and former U.S. Ambassador Thomas Pickering. Its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

Crisis Group's international headquarters are in Brussels, with advocacy offices in Washington DC (where it is based as a legal entity), New York, London and Moscow. The organisation currently operates twelve regional offices (in Amman, Bishkek, Bogotá, Cairo, Dakar, Islamabad, Istanbul, Jakarta, Nairobi, Pristina, Seoul and Tbilisi) and has local field representation in sixteen additional locations (Abuja, Baku, Beirut, Belgrade, Colombo, Damascus, Dili, Dushanbe, Jerusalem, Kabul, Kampala, Kathmandu, Kinshasa, Port-au-Prince, Pretoria and Yerevan). Crisis Group currently covers some 60 areas of actual or potential conflict across four continents. In Africa, this includes Burundi, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia,

Guinea, Liberia, Rwanda, Sierra Leone, Somalia, Sudan, Uganda, Western Sahara and Zimbabwe; in Asia, Afghanistan, Bangladesh, Indonesia, Kashmir, Kazakhstan, Kyrgyzstan, Myanmar/Burma, Nepal, North Korea, Pakistan, Philippines, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Turkmenistan and Uzbekistan; in Europe, Armenia, Azerbaijan, Bosnia and Herzegovina, Cyprus, Georgia, Kosovo and Serbia; in the Middle East, the whole region from North Africa to Iran; and in Latin America, Colombia, the rest of the Andean region and Haiti.

Crisis Group raises funds from governments, charitable foundations, companies and individual donors. The following governmental departments and agencies currently provide funding: Australian Agency for International Development, Austrian Federal Ministry of Foreign Affairs, Belgian Ministry of Foreign Affairs, Canadian Department of Foreign Affairs and International Trade, Canadian International Development Agency, Canadian International Development Research Centre, Czech Ministry of Foreign Affairs, Dutch Ministry of Foreign Affairs, Finnish Ministry of Foreign Affairs, French Ministry of Foreign Affairs, German Foreign Office, Irish Department of Foreign Affairs, Japanese International Cooperation Agency, Principality of Liechtenstein Ministry of Foreign Affairs, Luxembourg Ministry of Foreign Affairs, New Zealand Agency for International Development, Royal Danish Ministry of Foreign Affairs, Royal Norwegian Ministry of Foreign Affairs, Swedish Ministry for Foreign Affairs, Swiss Federal Department of Foreign Affairs, Turkish Ministry of Foreign Affairs, United Kingdom Foreign and Commonwealth Office, United Kingdom Department for International Development, U.S. Agency for International Development.

Foundation and private sector donors include Carnegie Corporation of New York, Carso Foundation, Compton Foundation, Ford Foundation, Fundación DARA Internacional, Iara Lee and George Gund III Foundation, William & Flora Hewlett Foundation, Hunt Alternatives Fund, Kimsey Foundation, Korea Foundation, John D. & Catherine T. MacArthur Foundation, Charles Stewart Mott Foundation, Open Society Institute, Pierre and Pamela Omidyar Fund, Victor Pinchuk Foundation, Ploughshares Fund, ProVictimis Foundation, Radcliffe Foundation, Sigrid Rausing Trust, Rockefeller Philanthropy Advisors and Viva Trust.

**October 2007**

## APPENDIX C

### INTERNATIONAL CRISIS GROUP REPORTS AND BRIEFINGS ON EUROPE SINCE 2004

*EU Crisis Response Capability Revisited*, Europe Report N°160, 17 January 2005

*France and its Muslims: Riots, Jihadism and Depoliticisation*, Europe Report N°172, 9 March 2006 (only available in French)

*Islam and Identity in Germany*, Europe Report N°181, 14 March 2007

#### BALKANS

*Monitoring the Northern Ireland Ceasefires: Lessons from the Balkans*, Europe Briefing N°30, 23 January 2004

*Pan-Albanianism: How Big a Threat to Balkan Stability?*, Europe Report N°153, 25 February 2004 (also available in Albanian and Serbian)

*Serbia's U-Turn*, Europe Report N°154, 26 March 2004

*Collapse in Kosovo*, Europe Report N°155, 22 April 2004 (also available in Albanian and Serbian)

*EUFOR: Changing Bosnia's Security Arrangements*, Europe Briefing N°31, 29 June 2004 (also available in Bosnian)

*Serbia's Changing Political Landscape*, Europe Briefing N°32, 22 July 2004 (also available in Serbian)

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