



# IFIMES

International Institute for Middle East and Balkan Studies

## 2007



Today, humanity faces many challenges. Science and research are key tools to help overcome them, but without investment they will not succeed. In the European Union, we are acutely aware of this and we are striving to create a society and an economy based on knowledge, which encourages competition in science and

research. Crucial to this is the building of strategic partnerships that strengthen our research potential, increase critical mass, and ensure results that benefit us all. We want to make the EU a knowledge leader, a field which is – and will be – an important source of economic strength and a way to further enhance our reputation, our sincerity and our attractiveness, globally.

The economic crisis has brought us face to face with new challenges and questions, but also new opportunities. But only if we are prepared enough.

This of course also holds true for research into social science and more generally about our societies and the people in them. Attentive and critical analysis of social, political, economic, and cultural phenomena will make a crucial contribution to the overall development of our increasingly interconnected global societies.

I am therefore particularly glad to introduce the new IFIMES Yearbook. IFIMES is an internationally acclaimed and respected organisation which has chosen to focus on two regions which are key to the European's Union's plans to be a true global actor: the Middle East and the Western Balkans.

If we take a brief glance at the titles of the 2007 contributions, distributed by the IFIMES throughout its network, one can see at once the importance, breadth, and complexity of the work involved. There is a real depth of expertise and understanding in their work.

# **IFIMES**

## **2007**

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East and Balkan Studies, Tivolska 50,  
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[www.ifimes.org](http://www.ifimes.org)

**For the Publisher:** Bakhtyar Aljaf

**Editor:** Zijad Bećirović

**Translated by:** IFIMES

**DTP and cover page** Printing Office Mišmaš, Adamičeva 4,  
Šmarje Sap, Slovenia, EU

**Printed by:** Printing Office Mišmaš, Slovenia, EU

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Today, humanity faces many challenges. Science and research are key tools to help overcome them, but without investment they will not succeed. In the European Union, we are acutely aware of this and we are striving to create a society and an economy based on knowledge, which encourages competition in science and research. Crucial to this is the building of strategic partnerships that strengthen our research potential, increase critical mass, and ensure results that benefit us all. We want to make the EU a knowledge

leader, a field which is – and will be – an important source of economic strength and a way to further enhance our reputation, our sincerity and our attractiveness, globally.

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Critical thinking is an important tool, in every field. This is especially true for social science analysis, where 'variables' occur often unpredictably, making them very difficult to measure with any de-

gree of certainty. The results of this research must therefore be combined with those from other fields, particularly the natural sciences, technical fields, and others. In this way, science that is applicable to day-to-day political, cultural, and economic practice can become the driving force for wider social understanding and development.

This is an illustration of how the Lisbon strategy contributes to the development of new and more effective strategic guidance for EU science and research. I am particularly pleased to see the increasing attention dedicated to science in the EU. Research is becoming increasingly seen as a good long-term investment, rather than short-term cost: this is how it should be.

EU enlargement in 2004 provided a real developmental boost, which also encouraged interest in science and research. We have shown that the EU model is a successful one, which in turn shows how successful integrated cooperation and association can work for other countries. Special emphasis needs to be placed on the strategic interests of the Western Balkan countries for closer association with, and full membership of the EU. The EU has been developing strategies for better cooperation with these countries with a view to their eventual full membership. And I am glad that individual Western Balkan countries know just how important science and research can be for their future and for all our futures, and that they continue to invest both money and resources in them.

If we all work together to create a true knowledge society our collective uncertainty can be replaced by confidence. IFIMES' contribution to this is both important and unique. Its research contributes to the future accession of the Western Balkans countries and encourages the growth of civil society, which will benefit them domestically as well as internationally. I wish there were more institutes like the IFIMES contributing such imaginative and useful research.

**Janez Potočnik**  
European Commissioner for  
Science and Research

## INFO ABOUT THE IFIMES INSTITUTE

**IFIMES** – International Institute for Middle-East and Balkan studies, based in Ljubljana - Slovenia, gathers and selects various information and sources on key conflict areas in the world. Based on the selected information, the Institute analyses mutual relations among parties with an aim to promote the importance of global conflict resolution of the existing conflicts and the role of preventive actions against new global disputes.

Idea to establish IFIMES Institute is a reflection of our common reality and the needs of the world to reach for common solutions – now more than ever in the past. Common interests and bonds among different policies, nations, religions, world regions and diverse interest parties in the unipolar world are essential. Constant search for differences and rejections is like searching for a needle in a pack of hay, while insisting on cooperation and respect for diversity provides a chance to create a better world.

The area of research and work of IFIMES Institute is the Middle East (Gulf states) and the Balkans (South-Eastern Europe), where relations among different entities are based on religious, ethnic, national and racial grounds. Associates of the Institute are respected experts, scientists, managers, journalists and researchers, who are introducing younger colleagues from all over the world to work, with a purpose of additional education, promotion of knowledge and scientific achievements with an emphasis on the political and economic connections within the region, among the regions and on the global level.

The IFIMES Institute is through organizing seminars, symposiums, conferences, round tables, (with participants from various interest groups: scientists, politicians, managers, representatives of religious institutions, journalists, artists and others), performing analyses, studies and projects, as well as through its own publications presenting the results of its work and achievements, also targeting leading international media.



The IFIMES Institute regularly issues its Miscellany for the previous year in the English language and distributes it mainly abroad (foreign diplomatic missions, presidents of states and prime ministers, governments, EU, USA, international organizations, media, and companies).

IFIMES Institute cooperates with relevant institutions from the USA, EU, Gulf states and countries from South-Eastern Europe on projects, studies and analyses prepared individually or based on specific demands from a known party. The activities of IFIMES are especially directed towards the areas of international (foreign) politics and economy, international relations, counselling the state institutions, companies and individuals and more.

IFIMES Institute is searching for and recommending political solutions to the governments of the world, especially and foremost for the regions of the Balkans and the Middle East.

The International Institute IFIMES is a partner of:

- World Security Network, New York ([www.worldsecuritynetwork.com](http://www.worldsecuritynetwork.com))
- Globalvision News Network, New York ([www.gvnews.net](http://www.gvnews.net))
- Mejdunarodniyi obchestveniyi fond »Eksperimentalniyi tvorcheskiyi centr«, Kurginyana Center«, Moscow ([www.kurginyan.ru](http://www.kurginyan.ru))

The Global Development Network from Washington has marked the relevancy of the researches performed by IFIMES with the relevancy rate of 93,00%. ([www.gdnet.org](http://www.gdnet.org))

Member of Council of IFIMES are: president prof. dr. Robert J. Donia (University of Michigan and adviser of ICC in Hague), Victor Jackovich (US Ambassador, president of Jackovich International Ltd), prof. dr. Munther Al Fadhal, (University of Stockholm and London, adviser of PM of KRG), dr. Mohammed Sulivany (Supreme Court Judge of Iraq's Kurdistan federal region), dr. Sandra Bašić Hrvatinić (University of Ljubljana), dr. Jernej Pikalo (Univer-

sity of Ljubljana), prof. dr. Mirko Pejanović, (Dean of the Faculty of Political Sciences of the Sarajevo University and member of the War Presidency of the Republic Bosnia and Herzegovina (1992 – 1995), Breda Razdevšek (Attorney from Ljubljana), Janez Škrabec (founder and director of the Riko Group).

Honorary President of IFIMES is Stjepan Mesić,  
President of Republic of Croatia

Directors of IFIMES are Bakhtyar Aljaf and Zijad Bećirović.

Ljubljana, December, 2007



**IRAQ:**

## **TOLERANCE AND DIALOGUE ARE THE BASES TO A PEACEFUL FEDERAL IRAQ**

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. Dr Munther Al Fadhal, Member of the Council of the International Institute IFIMES, in his article "Tolerance and Dialogue are the Bases to a Peaceful Federal Iraq" points to the condition for the success of achieving a peaceful Iraq.*

**dr. Munther Al-Fadhal**

**Member of the Council of the International  
Institute IFIMES**

Let me start with the reference to the Noble Peace Prize, stating that peace is the law of life, which achieves security, stability and development for people. It is, however, impossible to achieve peace among human beings without a coexistence that is based on tolerance, dialogue and renunciation of violence and terrorism, because the culture of hatred and vengeance can only bring destruction and pave the way for creating political violence and tragedies among societies.

After the fall of Nazism in the Second World War and despite the experiences of peoples and humanity, the world was exposed to many armed conflicts and violation of human rights. The absence of democracy, peaceful transformation of power, tolerance among different religions and rule of law are the reasons behind such conflicts.

Since the First World War took place, the International Community has been considerably concerned about the fundamental

rights of the mankind. Therefore, the necessity of paying respect to the human rights has steadily been increased despite armed conflicts that arise amongst people. Afterwards, the human beings appear as defenders of the international law to avoid the violation of their inalienable rights regardless to their nationality, belief, color, race or religion.

In Iraq, the demised dictatorial regime dangerously violated human rights in the last four decades. The deadly regime committed many international crimes in Kurdistan, such as: the use of banned weapons in the city of Halabja, in a campaign called "Anfal," the mass extermination and execution of Faiyli Kurds and Barzani. Also, the Shiite Arabs were exposed to extermination campaigns especially during and in the wake of their uprising in 1991, after the liberation of Kuwait, where the fate of thousands of them ended in mass graves. Many holy sites were destructed in operations of revenge by the dictatorial regime. Being war-monger the former regime started regional wars and threatened the peace. It is important to mention that even some of the Sunni Arabs have not been excluded from such campaigns.

With the help of the Coalition Forces, the liberation of Iraq in April 9th, 2003, indicated the end of the dictatorial regime. Afterwards, a national government was established that gave the Iraqi state a new form and redefined it to a voluntary union, which is a Federal Republic. According to the new permanent constitution all citizens are equal and all the resources will be distributed justly among the inhabitants. Though, the same constitution was accepted by the Iraqis in a national referendum, we maintain our reservation because it does not mention The International Declaration of Human Rights as one of its chapters. Moreover, the constitution may contain partial discrimination between the sexes as it has ignored the rights of women that should be equal to the rights of men.

The constitution fails to achieve the establishment of a civil society and democracy entirely. However, we tried to bridge such gaps

during our participation in the Drafting Committee; yet, we encountered many difficulties due to the presence of some people who are infected by national fanaticism and religious extremism. The dark period of the previous regime has demised; yet, the forces of terror, with regional and internal support, commit many crimes against humanity in central and southern parts of Iraq, because they apply the policy of extremism and the hatred. Those groups believe in the language of violence and apply it against the human rights. Hundreds of innocent civilians fell daily as victims of the sectarian violence. Therefore, the people of Iraq are in desperate need of support from the international community.

The situation, however, is quite different in Iraqi Kurdistan, specifically in the three governorates that are enjoying a self-rule since 1991; peace and security prevail there. The Regional Government of Kurdistan is working tirelessly to secure the region, something every visitor to the region witness coexistence, tolerance, religious pluralism and respect, which pays to the holy sites. Besides, women are playing a considerable role in the governmental institutions and in the society as well.

The Kurdish people suffered oppression to a large extent under the repressive regimes that ruled Iraq and stood against their ambitions for freedom and independence. Despite all harsh circumstances, the Kurds continued their struggle towards democracy to be able to live safely in their homeland. It is the result of the culture of tolerance, which Kurds learnt from the Immortal leader Mustafa Barzani and was maintained by the President of Kurdistan Region, Massoud Barzani. Such motives are clear through his continuous calls for a national reconciliation among the Iraqis and to transform Kurdistan to an oasis of peace and security in the middle of an area that is ignited by violence. His Excellency expressed his beliefs frankly in an interview when he said, "Our success in Kurdistan is due to our desire to prevent the culture of retaliation."

Therefore, President Barzani initiated many national reconciliation

conferences for the people of Iraq in Hewler, the capital of Iraqi Kurdistan. Clearly, without national reconciliation, which is a form of tolerance, dialogue and renunciation of terrorism, it is impossible for Iraq to stabilize and for Iraqis to live in peace. His Excellency, Mr. Jalal Talabani, the President of Iraq, also a veteran Kurdish leader, is playing an active role in the Iraqi government to precede dialogue and national reconciliation despite many obstacles. Also, the Shiite parties are playing an active role in this matter.

Since the agreement of Prevention and Punishment of the Crime of Genocide that the United Nations adopted in 1948 prohibits amnesty to such related criminals and they will be deprived of their constitutional immunity. The process of the national reconciliation in Iraq excludes war criminals. Therefore, anyone accused of such crimes must be trialed in a court in accordance to the standards of the international criteria of fair trials. Based on this, the former president of Iraq and a number of his aids are tried for committing international crimes.

The ordeal of violence, through which Iraq is passing, is the result of the incorrect policies of the former authoritarian regime against the Iraqis. Eventually, that policy created a tendency among some people to react violently against the members of the ruling Baath Party after the liberation of Iraq in 2003. The Committee of De-Baathification has been formed and it already has been a target of lots of controversies. Some personalities think that the idea of such a committee disagrees with the principles of human rights and contradicts the principles of the national reconciliation. Other personalities, however, believe that the purpose of such a committee is to eradicate the ideology of the Baathism in Iraq rather than to root out the members of the Baath party, because the former dictatorial regime obliged many Iraqis to join the brutal dissolved party by using means of threatening and frightening.

In spite of the disparate opinions amongst Iraqis regarding the process of De-Baathification and the national reconciliation,

whose aim is to reach a social peace, there are many principles and previous reconciliation examples to follow, for instance the experiment of South Africa. Without considering such principles, we cannot talk about reconciliation, stability or about the achievement of peace and harmony in our society. The idea of the De-Baathification in Iraq is supported by Article Seven of the current Iraqi Constitution, which considered the idea of Baathism similar to the idea of Nazism and the excommunicating thought of the terrorists.

It can be argued that the successfulness of any attempt for reaching reconciliation and dialogue in Iraq must be based on drawing distinction among the following-mentioned three components in Iraq:

1. **The Ba'athists and Non-Ba'athists War Criminals:** The list includes those who committed international crimes such as war crimes and other crimes against humanity, i.e., the crimes, which have been committed by the former president and a number of his aids who undergo trials in Iraq now. Such criminals must be punished according to the Iraqi law and other related international agreements that are signed by Iraq. It is impossible to have reconciliation and dialogue with them with accordance to the Prevention and Punishment of the Crime of Genocide. It is noteworthy to mention that the crimes, which are currently committed by the terrorists in Iraq, belong to this category.
2. **The Baathists affiliated with the former regime but have not committed any crimes:** We believe that there is no objection to reconciliation with them and taking benefit from them provided that they only recognize their previous mistakes publicly before the people of Iraq and declare dissociation from the Baath Party and the crimes of the former regime. So, reconciliation is the foundation of social peace, security, harmony and stability and will lead to put an end to violence and individual retaliation. We basically mean that reconciliation must be done with these people after the trial of Saddam



and his aids, to be able to itemize each part and deal with them on legal bases. It should neither be allowed for the Baath Party to return to the political arena nor to be regarded as a part of the political pluralism.

1. **Other Criminals:** Common crimes are the result of an anti-law behavior that are mentioned in the Iraqi Penal Code provided that they neither threaten international security and peace nor extend their influence out of the country, such as: stealing, rape, killing, torture...etc. There are many criminals who belong to this category. Those criminals were in jail before the liberation of Iraq but the regime released them before its fall to shake the new security situation. Therefore, they must be prosecuted for their crimes.

According to the First Article of the Iraqi constitution, the system of the government is to be federal, and Article 118 of the constitution deals with the establishment of regional federations. The reasons for the resurgence of the idea of federalism is due to the importance of democratic values, paying respect to human rights, especially the rights of the minorities and the failure of the totalitarian regimes. It has also related to new economic and political variables and the relative concept of sovereignty of the states, which became non-absolute (limited).

Many Shiite parties desire to implement the successful experience of Kurdistan in management and achievement of security, i.e., splitting Iraq to federal regions. However, there are many opponents to federalism in Iraq, as they prefer to implement a central government similar to the former regime and claim that federalism will split Iraq to several small countries.

The different perceptions about federalism have caused many conflicts to the Iraqi people. Therefore, intensive dialogue is necessary to bridge the gaps among them, as the constitution itself rules out federalism to be the system of the government. It is important to mention that federalism is implemented in many

countries simply because the idea of unity is the best mechanism to create room for every part to participate in the government, especially in a multi-national country like Iraq. Applying federalism in Iraq will certainly bring peace and stability to the country.

One of the contentious topics that is noteworthy to mention is Kirkuk, which is the key to democracy and peace in Iraq. The city of Kirkuk was exposed to the policy of Arabization under the former Iraq regime, particularly by Saddam's regime. The original inhabitants of the city were expelled from their homes and were replaced by Arabs. Article 140 of the Iraqi constitution has drawn the Road Map to solve this problem. To respect the rights of the Kurds and the people of Kirkuk, the implementation of Article (140), which contains plan and schedule, is very crucial because it guarantees the historical coexistence among Iraqis.

The core obstacle to dialogue and reconciliation are certain parties who are currently participating in the political process in Iraq owing to their reject to dialogue and reconciliation. They desire to amend or abrogate the constitution, which was passed in a referendum, to retreat the process of De-Ba'athification, pave the way for the return of the former regime highly placed persons, a central authority besides that they want to support terrorists and withdrawal of the allied forces.

The ongoing trial of the former dictator Saddam and his aids is neither an obstacle to dialogue, tolerance and national reconciliation nor against social peace among Iraqi elements. It is, however, the result of the implementation of the international laws and treaties that must be followed and respected. Never... it is not a political trial, because demanded international criteria are part of its formation and international and Iraqi Penal Code rules out the punishment of criminals and the compensation of the victims. Therefore, we believe that Saddam's trial is a fair trial, and it will eventually decrease the level of violence and pave the way for a national reconciliation.

We believe that feasible dialogue between the people of Iraq will be possible through mutual respect and recognition of the rights of every sect, especially the rights of Kurds, Turkmen, Chaldeans and Assyrians. Also, it is imperative for the Arabs in Iraq in particular and in the Arab Nation in general to understand the reality of the existence and history of Kurds in the region: The Kurdish people in Iraq are part of the Kurdish Nation, not the Arab Nation, they have existed in the region for thousands of years and their history precedes the history of Arabs, Persian and Turks. Therefore, any proper and successful dialogue between Arabs and Kurds must be based on the above-mentioned facts.

The human rights issue continues to be a leading reason behind many conflicts in the modern era, due to the policies of the totalitarian regimes in some countries of the world that render the absence of democracy and the rule of law. So it is the duty of the international community to intervene and protect such rights to avoid conflicts and protect international peace and security. As the Secretary General of the United Nations, Mr. Kofi Annan, underlined, the violation of human rights is a leading factor that threatens the security and peace of the world.

Let me, at this place, also remind us of a statement made by the philosopher John Locke, "Whenever Totalitarianism ends, the rule of law beings." And without voluntarily respect to the law to build a civil society that is far from violence and terrorism, it will be impossible to build democracy and social peace in Iraq.

To conclude, I would like to quote the statement of the 16th President of the United States, Abraham Lincoln in 1863, to describe the current Iraq, which is plagued by violence, to build democracy: "The Government of the people, by the people, for the people, shall not pass away from the Earth".

Ljubljana, Januar 08, 2007

## **Human rights in The International Criminal Justice System:**

### **PUNISHING VIOLATIONS OF FUNDAMENTAL HUMAN RIGHTS IN THE INTERNATIONAL CRIMINAL JUSTICE SYSTEM**

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. Ms Darja Škodnik, M.Sc., Member of the International Institute IFIMES, in her article "Punishing Violations of Fundamental Human Rights in the International Criminal Justice System" explores various cases of the international criminal system and points to the conclusion that universal jurisdiction shall hold the promise of a greater justice.*

**Darja Škodnik, M.Sc.**

**Member of the International Institute IFIMES**

## **INTRODUCTION**

We are undoubtedly living in a world that is inter-related, a world in which justice is truly indivisible. We cannot turn a blind eye to crimes committed, whether in Rwanda, Yugoslavia, Sierra Leone, Cambodia, Iraq or Africa, merely because they are in distant lands. What affects one group of people in one part of the world affects all of us, not only in a humanistic sense but also in a policy, political and economic sense. The administration of criminal justice is an investment in peace, security and justice and an important safeguard against abuses of power, which affect life, liberty, and the physical integrity of individuals. Without this protection and limitation on the potential abusive exercise of power by states, democracy could not exist. It is a primary effort of the international community to protect fundamental values through a system of international criminal justice. International criminal accountabil-

ity mechanisms have emerged as a consequence of particularly atrocious events that have occurred in various parts of the world and because of the pressure of world public opinion and certain concerned governments. The doctrine of universal jurisdiction asserts that certain crimes are so heinous that their perpetrators should not escape justice regardless of the location of the crime or the nationality of the perpetrator or victim. Universal jurisdiction holds the promise of a greater justice.

We must not underestimate the reality of causes of armed conflicts such as the competition for resources, human greed and manipulation of religious beliefs. All of these contribute to violations of international humanitarian law. And while contemporary armed conflicts are often described as “low intensity conflicts,” their human cost, in particular among civilians, can be enormous. Irregular forces of different kinds fight today’s armed conflicts. Targeting civilians and spreading fear among them has become common. If nation states fail to devise mechanisms, international criminal jurisdiction is of critical importance. Atrocities must not go unpunished (Türk: 2006).

International protection of human rights has increased in the last century, due in part to the increased recognition that a number of nations share many fundamental legal values and expectations. There are currently international courts capable of adjudicating international crimes such as the International Criminal Court (ICC), the International Criminal Tribunal for the former Yugoslavia (ICTY), the International Criminal Tribunal for Rwanda (ICTR), the Special Court for Sierra Leone and the Special Panels for Serious Crimes (in East Timor), Iraqi Special Tribunal etc. In addition, numerous domestic courts are involved in crimes of a transnational nature, including terrorism, drug and human trafficking, hijacking, and money laundering.

International criminal tribunals have, beside the very important role in punishing crimes, also an important role in contributing to the development of international criminal law. It is also significant that these institutions have been shaped by political leaders and diplomats rather than by jurists with expertise in internation-

al and comparative criminal law and procedure. Unlike national judicial systems, international ones have grown out of a vacuum and operated essentially in a vacuum. Experiences of those, who worked in these institutions, were brought from national legal systems, which are not easily transferable to international legal institutions mainly because of its doctrinal differences or the logic of the legal systems from which they emanate.

All legal systems aim at discovering the truth in accordance with certain rules. As Dr Cherif M. Bassiouni states, whether or not a person accused of an international crime is or is not found guilty depends on rules of procedure and evidence and not on the generalities of whether such a person should have been tried and for what international crime. The outcome of all international criminal trials will be determined by the evidence, which the prosecution presents and the standards this evidence has to meet and not by whether the accused is an unpopular defendant or whether his policies and politics were good, bad, or indifferent. Evidence is what counts (May and Wierde: 2002).

Bringing perpetrators of the most heinous crimes to justice is the responsibility of civilized people. We must enhance awareness of our responsibility, all the more so because we failed so many times in the past. As UN Secretary General Kofi Anan said, what we must not do is deny or even stay unmoved by what is happening around us. We must remember the victims of the past atrocities whom the world abandoned. Now is the time when we think of the possible victims of today and the future. We look them in the eye and say: "You, at least, we must not fail."

## **THE INTERNATIONAL MILITARY TRIBUNAL AT NUREMBERG AND THE INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST IN TOKYO**

Can Holocaust trials that are organized to serve extralegal ends by educating the public, shaping collective memory and protecting

historical truth, also maintain their legal integrity? Nuremberg was designed to serve two ends: to render justice for all victims of Nazi aggression, and to educate the world about the unprecedented crimes of the Third Reich. Balancing these two objectives proved problematic for the participants. The tension between the prosecution's "desire to submit extreme outrages to the rule of law" and the court's "refusal to permit the law to be misshapen by its contact with atrocity" was the central issue in Nuremberg trial (Hilary: 2001). The international military tribunals established after World War II remain the most celebrated international criminal courts in history. Under the Allies' November 1943 Moscow Declaration, minor Nazi war criminals would be judged and punished in the countries where they committed their crimes, while the major war criminals, whose offenses have no particular geographical localization would be tried and punished by joint decision of the Governments of the Allies. On August 8, 1945, the Allies signed the London Agreement by which they adopted the Charter of the International Military Tribunal. In addition to the Nuremberg Tribunal, several thousand Nazi war criminals were tried before national courts or before tribunals administered by the Allies after the war. In January 1946, the Allies created the International Military Tribunal for the Far East in Tokyo, which, unlike the tribunal at Nuremberg, was established by unilateral proclamation, that of General Douglas MacArthur, Supreme Allied Commander. As in the case of Germany, alongside the Tokyo Tribunal's work, national tribunals tried thousands of Japanese for war crimes (Ratner and Abrams: 2001).

The trials were prepared on the assumption that an inescapable responsibility rests upon nation states to conduct an inquiry, preferably in association with others, but alone if necessary, into the culpability of those, whom there is probable cause to accuse of atrocities and other crimes. The only course was to determine the innocence or guilt of the accused. The incredible events were established by credible evidence. Nuremberg was about absolute conflict, about reasserting humanity in the face of inhumanity. Many groups and individuals, for a variety of reasons and motives,

have questioned the validity of the court. It was argued that the Tribunals could not be regarded as a court in the true sense because, as its members represent the victorious Allied nations, they must lack that impartiality, which is an essential in judicial procedure. According to this view only a court consisting of neutrals, or, at least, containing some neutral judges, could be considered to be a proper tribunal. As no man can be a judge in his own case, so no allied tribunal can judge a case in which members of the enemy government or forces are on trial. Attractive as this argument may sound in theory, it ignores the fact that it runs counter to the administration of law in every country. A prisoner has the right to demand that his judges be fair but not that they shall be neutral. The post-War tribunals played a critical role in revealing to the world evidence of the brutal atrocities committed by the Axis powers. Moreover, the Nuremberg and Tokyo Tribunals unquestionably represented major steps in the elaboration and enforcement of international criminal law.

## **THE INTERNATIONAL CRIMINAL TRIBUNAL FOR FORMER YUGOSLAVIA AND THE INTERNATIONAL CRIMINAL TRIBUNAL FOR RWANDA**

The Security Council, pursuant to its Chapter VII authority, created both International Criminal Tribunal for Former Yugoslavia (ICTY) and International Criminal Tribunal for Rwanda (ICTR). By invoking Chapter VII, the Security Council obliges all UN member states to cooperate with the Tribunal and to honor any lawful requests it makes for assistance under its statute. The International Criminal Tribunal for Former Yugoslavia authority is to prosecute and try four clusters of offences: grave breaches of the 1949 Geneva Conventions: violations of the laws or customs of war, genocide and crimes against humanity, committed on the territory of the former Yugoslavia since 1991.

The ICTY and national courts have concurrent jurisdiction over serious violations of international humanitarian law committed



in the former Yugoslavia. However, the ICTY can claim primacy over national courts and may take over national investigations and proceedings at any stage if this proves to be in the interest of international justice. Although judicially independent, the ICTY must rely on international cooperation in order to successfully carry out its mandate. Cooperation by states or international organisations is vital to the collection of evidence as well as to the detention and transfer of accused persons. States also offer indispensable co-operation in the relocation of sensitive witnesses or the enforcement of sentences handed down by the Tribunal.

On November 8, 1995, UN Secretary General Kofi Annan submitted to the Security Council a statute for the International Criminal Tribunal for Rwanda, stating that he was convinced that “the prosecution of persons responsible for serious violations of international humanitarian law would contribute to the process of national reconciliation and to the restoration and maintenance of peace.” The Security Council established ICTR (located in Arusha, United Republic of Tanzania) for the prosecution of persons responsible for genocide and other serious violations of international humanitarian law committed in the territory of Rwanda and in neighbouring states in 1994. Rwanda’s only realistic hope of bringing most of the major instigators of the genocide to justice is through the Tribunal.

The exact impact that the ICTR will have on the application of international humanitarian law and the legal prerogatives of the UN Security Council acting under Chapter VII of the UN Charter will be determined by actual political and judicial experience, by the reactions of states and the ability of the Tribunal to gain custody over and prosecute a significant number of major criminals. Together with ICTY tribunals will influence the way many states view the causes of grave humanitarian crimes and possible strategies for achieving peace and national reconciliation.

The mass murders in Rwanda and the former Yugoslavia did not arise spontaneously. Persons in positions of power who sought

to gain personal advantage through violent and hideous means instigated them. Unless these persons are made to account for their crimes against humanity, the reconciliation necessary for the reconstruction of these torn societies may not be possible. If the Tribunals not accomplish their main prosecutorial objectives, their creation will still have a lasting effect on the application of humanitarian law to both international and domestic conflicts. They also will have accomplished the significant task of putting international humanitarian law and human rights squarely on the international agenda.

## **THE SPECIAL COURT FOR SIERRA LEONE AND THE IRAQI SPECIAL TRIBUNAL**

Internationalize criminal courts might be viewed as more domestic and less of an external imposition and may help to assist in the long-term capacity building of the domestic judiciary or at least of staff directly involved in its activities. Alternatively, an international body with domestic grafts may be preferable, as it may be viewed as more impartial and as a sign that the international community has taken a genuine interest. It is also important to recognize that hybrid tribunals have limitations. They seldom have the power to command the extradition or surrender of suspects that the ad hoc tribunals do. Proponents of the mixed or hybrid tribunal suggest that hybrid tribunals, which are composed of domestic and international judges and often utilize a combination of domestic and international law, can evade the risk of political manipulation that domestic courts face. Unlike international tribunals, they may be better suited to the needs of countries emerging from conflict. Populations may be disappointed when they find that hybrid tribunals, like their more international counterparts, simply cannot address all the needs of fractured societies. They may do better than international courts at reaching victims and society, but they may not do a great deal more for reconciliation or judicial reconstruction. The Lomé Peace Agreement of 7 July 1999 officially ended Sierra Leone's eight-year civil war, granted

amnesty to the combatants, and provided for the establishment of a Truth and Reconciliation Commission (TRC) to facilitate the country's healing process. Following renewed fighting, the government of Sierra Leone and the UN have concluded a bilateral agreement establishing an ad hoc Special Criminal Court for Sierra Leone (SCSL) in 2002 for prosecuting those most responsible for the commission of serious crimes against the international humanitarian law and the laws of Sierra Leone during the civil war. The Special Court is a treaty-based international judicial institution with which all Sierra Leonean institutions must cooperate and with whose orders they must comply. It operates under international law but with a mixture of local and international judges.

The simultaneous establishment of a TRC and a Special Court in Sierra Leone to redress massive human rights violations during the civil war demands complementary and mutual respect of their distinct but related functions. The Court and the TRC fulfill compatible roles in ensuring accountability. The Special Court, on one hand intends to punish individual perpetrators, namely those who bear the "greatest responsibility," including the planners and instigators of the terrible violence. The mandate of the TRC, on the other hand, is to investigate the causes, nature, and extent of the violence (Wierde and others: 2002).

The Special Court for Sierra Leone is an institution formally separate from the domestic legal system, an international body with domestic judges, and some elements of domestic criminal law, attached to the international body. Nonetheless, the Special Court, which has jurisdiction over crimes against humanity, war crimes, and various offences under Sierra Leonean national law, as currently empowered, lacks the ability to induce the authorities of third world states to comply with its orders and has limited temporal jurisdiction thereby allowing a number of accused to escape justice. Moreover, the concerns for the financing of the organization are substantially eroding the credibility of the institution, especially as large numbers of potential accused have been languishing in jail for significant periods without being for-

mally charged. On December 2003, Iraq's US-appointed Government promulgated the Statute of the Iraqi Special Tribunal (IST) in order to establish the legal framework for the prosecution of high-level members of the Ba'ath regime for genocide, war crimes and crimes against humanity. The Iraqi Special Tribunal was announced by the Iraqi Governing Council appointed by the Coalition Provisional Authority's Administrator, Paul Bremer on July 13, 2003. A few days later, Saddam Hussein was captured. On one hand, a hybrid tribunal serves a rehabilitative role of reviving the local Iraqi judicial system through involving Iraqi judges. On the other hand, the active participation of international judges provides the crucial perception and legitimizing fabric of a fair and impartial trial.

The Iraqi tribunal, however, can prosecute only Iraqi nationals and residents. The statute of the Governing Council does permit, if it deems necessary, the appointment of non-Iraqi judicial officers. The court is required to have international advisers and monitors, but they will advise and monitor, not judge. In view of the foreseeable shortcomings of the tribunal, a 'rule of law' and transparency compliant tribunal must be created.

Saddam Hussein appeared in court on July 1, 2004 and pleaded innocent to numerous crimes, including the invasion of Kuwait. On October 19, 2005, he was on trial for the 1982 massacre of 148 people in Dujail after a failed assassination attempt against the then-Iraqi president. The Iraqi government executed Hussein as punishment for his role in the 1982 Dujail massacre on December 30. Saddam is the first leader from an Arab and Middle Eastern country to be executed. We can only presume that would have been better for Iraqi unity, if the trial had been held in the international court. There would have been no death sentence, and Saddam Hussein would not be seen as a martyr in some quarters. However, with the strong feelings on both sides of this issue in Iraq, a trial outside of Iraq would also not be accepted. This is a no win situation for everyone involved.

The principle of universal jurisdiction is based on the notion that

certain crimes are so harmful to international interests that states are entitled and even obliged to bring proceedings against the perpetrator, regardless of the location of the crime or the nationality of the perpetrator or victim. It is an important principle that those who commit war crimes or systematically violate human rights should be held accountable. But the consolidation of law, domestic peace, and representative government in a nation struggling to come to terms with a brutal past has a claim as well.

National laws should ensure that the national courts can prosecute anyone suspected or accused of the crimes whatever their official capacity at the time of the alleged crime or anytime thereafter. There is also no immunity for war crimes, crimes against peace, and crimes against humanity. They stand outside the limited immunity offered to a former head of State and cannot be regarded as a function of a head of State.

## **THE INTERNATIONAL CRIMINAL COURT**

The International Criminal Court (ICC) continues as the first comprehensive criminalization of acts of violence committed during internal and external wars sufficiently abhorrent to warrant international regulation. It is the result of a process, which has sharpened the boundaries of international humanitarian law.

The Rome Statute establishing the ICC came into force on July 2002 (Den Hague), heralding a global commitment to hold dictators and other perpetrators of gross violations accountable for their crimes. The ICC is a treaty-based organisation governed by the countries that have ratified or acceded to its' treaty, the Rome Statute. Yet the ICC's reach is limited. Under its statutes, it cannot bring a prosecution unless the accused's country of origin is "genuinely unable or unwilling" to do so. Sudan, for example, insists that it is perfectly capable and willing to try those responsible for Darfur atrocities and refuses to co-operate with the court. The ICC may not prosecute crimes committed before its incep-

tion in 2002, and it has jurisdiction only over nationals of countries, which have ratified its statutes. The exception to this rule is if the Security Council refers the matter to the ICC, as in the case of Sudan, a non-member. The ICC is further hampered by the refusal of many of the world's worst human-rights violators to sign up to it. Zimbabwe, Cuba, Uzbekistan, North Korea, Syria, Belarus and Saudi Arabia are all non-members. The United States, China and Russia, all three veto-wielding permanent members of the Security Council, are not the signatories of the Rome Statute.

The ICC continues as the first comprehensive criminalization of acts of violence committed during internal and external wars sufficiently abhorrent to warrant international regulation. The Rome Statute's moral, political and legal meaning, as well as the "world peace, security and well-being," is the result of a process, which has sharpened the boundaries of international humanitarian law. In addition to the very important role in punishing crime, the Tribunals have an important role in contributing to the development of international criminal law.

The jurisdiction of the ICC is not chronologically or geographically limited but does not have jurisdiction over crimes committed before the Rome Statute become effective. The ICC, as a permanent Court, is an independent international organisation, which investigates and brings to justice individuals who commit the most serious crimes of international concern as genocide, war crimes and crimes against humanity. The ICC is meant to complement national legal structures, and will act only when the national systems are either unwilling or genuinely unable to proceed. The cases before the ICC may be referred by the United Nations Security Council under the Chapter VII of the UN Charter regardless of where or by whom the crime or crimes in question were committed; a situation may be referred to the Prosecutor by a country that has ratified the Rome Statute, or the Prosecutor may initiate an investigation on the basis of information received but, may only pursue it with the approval of the Pre-Trial Chamber of the Court. The preamble of the ICC Rome Statute has moral, po-

litical and legal meanings: “World peace, security and well-being”, the values of the UN Charter. This is valuable for the welfare of the world as whole. As a result, some definitions of war crimes in the Statute were expanded. The Court has jurisdiction limited on the biggest criminal activities of the international community. In accordance with the Rome Statute, the Court has jurisdiction over the crime of genocide, crimes against humanity, war crimes and crimes of aggression.

## CONCLUSION

Universal jurisdiction holds out the promise of greater justice, but the jurisprudence of universal jurisdiction is disparate and disjointed. In the wake of mass atrocities and of oppressive rule, national judicial systems have often been unable or unwilling to prosecute serious crimes under international law. International legal obligations call upon states to adopt legislation to enable the exercise of universal jurisdiction and to include provisions for universal jurisdiction in all future treaties.

Global public opinion is way ahead of the position of governments. It reflects an instinct of justice that ordinary people believe in. Anyone who feels that we have been victimized by a crime seeks justice as a human being. Certainly, in a society that has been raked by civil strife and by war where terrible crimes have been committed, people call for justice. We are speaking of massive killings of civilians, of systematic rape, of destruction of private property, of looting, of torture. We are speaking of the types of crimes, which no one who has any sense of humanity will want to see benefit from impunity.

Despite the millions of acts of genocide, crimes against humanity, war crimes, cases of torture, extra judicial executions and “disappearances” committed since the end of the Second World War, only a handful of individuals have been brought to justice by national courts in the territories or jurisdictions where they occurred. Suspects should be brought to justice in the states where

they are found, extradited to a state able and willing to do so in a fair trial without the death penalty or other cruel, inhuman or degrading treatment or punishment, or surrendered to an international criminal court.

International law is our common heritage from the nineteenth and twentieth centuries. International criminal law evolves through the process that led the United Nations from Nuremberg and Tokyo, through the ICTY, the ICTR, to the Special Court for Sierra Leone, Iraqi Special Tribunal and finally to the International Criminal Court based on previous experiences. Nearly 80% of the government delegations at the Rome Diplomatic Conference on the International Criminal Court supported the proposal of the Republic of Korea to give the ICC the same universal jurisdiction that all states have under international law. However, as a result of a political compromise designed to encourage certain states to ratify the Rome Statute or at least not to oppose it, the Statute does not include such jurisdiction. The exercise of universal jurisdiction is one small but very important part of a much broader effort to end impunity at the national and international levels for such crimes. At the national level, states continue to have the primary responsibility for bringing to justice those responsible for crimes under international law.

The ICC promises to be a test for the further development of humanitarian law, international criminal law, and human rights law in the early years of the new century. Although it is not free of potentially crippling compromises, it takes a great step forward in the recognition of what constitutes an "international crime," and that its standards of accountability, procedure and punishment are much more clearly defined than ever before in any international legal regime. International criminal justice can strive to do better, particularly as it deepens in confidence and maturity. With no doubt in our minds we can deliberate that international tribunals will also punish the crimes as well as contribute to the evolution of international criminal law recognized by civilized nations.



As Robert H. Jackson, Prosecutor at the Nuremberg Trials warned in his opening statement, “The wrongs which we seek to condemn and punish have been so calculated, so malignant, and so devastating that civilization cannot tolerate their being ignored, because it cannot survive their being repeated.”

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Ljubljana, Januar 15, 2007



## Parliamentary elections in Serbia:

### TADIĆ-KOŠTUNICA SECRET AGREEMENT?

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. On the occasion of the early parliamentary elections in Serbia which are to take place on 21 January 2007 IFIMES has prepared an analysis of the political situation in Serbia with a special emphasis on the Tadić-Koštunica secret agreement. The most relevant and interesting sections from the comprehensive analysis are given below:*

In Serbia, 6.652.105 voters will be eligible to vote the 250-member parliament at 8.462 voting venues at the forthcoming parliamentary elections scheduled for 21 January 2007.

The Republic Electoral Commission has officially announced 20 party and coalition lists:

1. **DS-Democratic Party** – Boris Tadić,
2. **G17 Plus** – Mlađan Dinkić,
3. **LDP-Liberal Democratic Party – GSS-Civic Alliance of Serbia-SDU-Social Democratic Union-LSV-League of Social Democrats of Vojvodina** – Čedomir Jovanović,
4. **SRS-Serbian Radical Party** – Dr Vojislav Šešelj,
5. **DSS-Democratic Party of Serbia-New Serbia** – Dr Vojislav Koštunica,
6. **PSS-Strength of Serbia Movement** – Bogoljub Karić,
7. **SPO-Serbian Renewal Movement** – Vuk Drašković,
8. **SVM-Alliance of Vojvodina Hungarians** – Jožef Kasa,
9. **PUPS-Party of United Pensioners of Serbia** – Dr Jovan Krkobabić-SDP-Social Democratic Party– Dr Nebojša Čović,
10. **Coalition List for Sandjak** – Dr Sulejman Ugljanin,
11. **SPS -Socialist Party of Serbia**,
12. **Branko Pavlović** – “Because it has to be better”,

13. **Coalition “Vojvodina Parties”** – Mr Igor Kurjački,
14. **Roma Union of Serbia** – Dr Rajko Đurić,
15. **Reformist Party** – Dr Aleksandar Višnjić,
16. **DZS - Democratic Community of Serbia** – Dr Obren Joksimović,
17. **Albanian Coalition from Preševo Valley**,
18. **Social Democracy** – Nenad Vukasović,
19. **Coalition “Hungarian Union”** – Andraš Agošton – Dr Pal Šandor,
20. **Roma Party** – Šajn Srđan.

According to the valid Election Law which was adopted in 2000 and amended in 2004, members of parliament are voted in the Republic of Serbia as one election unit while the mandates are awarded in proportion to the number of votes obtained. The amendments to the former Law appropriately regulate the allotment of mandates to the political parties of ethnic minorities if they do not surpass the 5% threshold. The political parties of ethnic minorities will instead have to pass the “natural threshold”, which is determined by dividing the number of valid votes by 250 members of parliament for each seat, which represents, depending on the turnout, from 12.000 to 16.000 votes.

The election campaign is predominantly marked by the antagonism between the two opposing political blocks: “the democratic block” and “the Milošević-regime block” (SRS and SPS).

Serbian Radical Party (SRS) lead by the Hague defendant Vojislav Šešelj is undoubtedly the strongest political party in Serbia. Judging from the general situation SRS will most probably be the winner of the elections but it will not participate in the formation of the new government of Serbia.

The already complicated political scene in Serbia is further aggravated by the non-transparency and various secret agreements concluded between the political leaders. According to the information available to the IFIMES International Institute, the secret

agreement between Serbian President Boris Tadić (DS) and Prime Minister Vojislav Koštunica (DSS) contains a common goal – to remain in power. Thus, under the secret agreement the DS-DSS post-election coalition would be formed, enabling Koštunica to become prime minister again and Tadić to remain president of Serbia. However, this would lead to certain stagnation or retrogression of Serbia and even slow down the development of democratic processes in Serbia and endanger its Euro-Atlantic integration.

### **SRS WINS, OTHERS FORM THE GOVERNMENT!**

There is no doubt that the new Serbian parliament will be composed of the Serbian Radical Party, Democratic Party, Democratic Party of Serbia-New Serbia, LDP-GSS-SDU-LSV-Coalition – Čedomir Jovanović as well as of the political parties of ethnic minorities (whose number of seats will depend exclusively on the response of ethnic minority voters). However, it is very uncertain if G17 will cross the 5% threshold – according to the latest public opinion polls G17 is losing its voting body which is dispersing to another two parties: DS and LDP. G17 Plus and its leader Mladan Dinkić conducted an unconvincing campaign focused on fighting corruption and the leader's self-promotion while the public was aware of numerous corruption affairs and scandals associated with G17 Plus.

A significant number of former SRS voters are expected to opt for the stifled nationalistic right-side gathered around Koštunica. The latter has, together with Foreign Minister Drašković (SPO), made certain statements related to the territorial aspirations over Bosnia and Herzegovina which are slowing down or even jeopardising Serbia's accession to Europe.

According to the majority of researches Vojislav Koštunica could most probably become the new (old) mandatary although his Democratic Party of Serbia (DSS) would win less votes than Tadić's



Democratic Party (DS). Koštunica's two main pre-election trump cards are fighting for Kosovo as a constituent part of Serbia and the adoption of the new Constitution. However, the fact is that Kosovo has not been a constituent part of Serbia since 1999 when the United Nations Security Council Resolution 1244 defined the legal status of Kosovo as an international protectorate under the full administration of UNMIK and provisional Kosovo authorities. In the preamble to the new Serbia's constitution which was adopted within a very short time Kosovo is defined as an integral part of Serbia, which does not reflect the real situation.

Actually, President Tadić does not want a "strong" man from his party in the Prime Minister's position, so DS announced Božidar Đelić as the new mandatary. Vojislav Koštunica's party (DSS) expected this move from DS resulting from the secret agreement. DSS estimated that as a non-charismatic personality Đelić was DS's weak point who should be discredited in order to reduce DS's voting body in the last moment. This was DSS's strong trump card to get closer to DS during the recent days of the campaign. Koštunica's goal is to remain in the position of prime minister. By proposing Đelić as the new prime minister Tadić obviously supports Koštunica's goal, or else DS would have proposed someone more competent and closer to Boris Tadić. Đelić was intentionally announced as the candidate for the future prime minister since he was involved in an affair as the former finance minister when he returned the money from the extra profit tax to the controversial businessman Bogoljub Karić (PSS).

DSS's and Koštunica's greatest defeat was the dissolution of the State Union of Serbia and Montenegro while their greatest failure was the unfulfilled promise to bring war crime suspect Ratko Mladić to the Hague Tribunal. Thanks to the "cohabitation" with Tadić and probably also to the support from the national minority deputies Koštunica may become the alleged election winner and occupy the position of the prime minister. This leads Serbia to the situation in which there is no absolute winner. Thus Serbia will remain a party state regressing to the position of a few years ago.

The realisation of the Tadić-Koštunica secret agreement would destroy the results of democratic mechanisms which are the basis for the functioning of modern societies.

## **LDP ON THE RISE**

The campaign led by the LDP-GSS-SDU-LSV Coalition brought the forgotten former vice-prime minister Čedomir Jovanović back into the political scene. The extremely expensive and polished campaign under the slogan "It depends on us" targets the young and unsatisfied population and especially the voters supporting DS. They have very clear political goals related to the modernisation of Serbia into a well regulated state of the European Union. The Liberal Democratic Party achieved greatest success in this campaign and became a serious opposition force in Serbia. Moreover, LDP has proven to have the capacities for further strengthening its share of the voting body. Čedomir Jovanović and his coalition partners believe DS to be their only appropriate partner since they did not agree to be a part of Vojislav Koštunica's government in the former assembly. Moreover, Boris Tadić (DS) and Čedomir Jovanović (LDP) are using special political rhetoric on Kosovo in order to prepare the Serbian public for the moment when Kosovo's independence is announced.

## **SERBIA CAN NOT BE A UNITARIAN STATE**

The IFIMES International Institute estimates that certain problems of ethnic minorities will be resolved through the anticipated regionalisation of Serbia. Regionalisation will enable certain specific problems related to minority communities in Serbia to disappear which will facilitate Serbia's accession to Europe and the European funds from which regions can draw enormous financial resources. As a matter of priority Serbia should resolve the status of Albanians in the southern Serbia (Preševo, Medveđa, Bujanovac), the status of Hungarians in Vojvodina and the status

of Sandžak. Analysts believe that the social circumstances and the multiethnic nature of the Serbian society have eliminated the possibility for Serbia to remain a unitarian state and that regionalisation is of vital importance.

## **G17 PLUS UNDER THE ELECTION THRESHOLD**

It is uncertain whether G17 Plus will become a parliamentary party again. It would not be surprising if it does not cross the threshold – for quite some time the party does not seem to be functioning as it used to. Dinkić eliminated from the party all those whom he felt to be his political rivals or who opposed him. Koštunica is taking advantage of this situation – he is not attacking Dinkić and G17 Plus since he believes that by winning more votes for his party Dinkić would reduce the votes given to the Democratic Party. DSS applies the same politics to LDP and Čedomir Jovanović who hopes to win the votes of DS's voters.

In this colourful division of seats it is also possible to have new elections instead of the new government in Serbia. Since Serbia's new constitution lays down the time limit for forming the Government, the Parliament should be set up within one month after the election results are announced and the new Government should be formed within two months after the Parliament is set up. Therefore it may be possible that a minority government is formed into which the parties of ethnic minorities might not enter. This "formation" of the government will again not be a stable one, which means that Serbia will return to the situation which it was facing three years ago. This would not be a good scenario for Serbia which after the assassination of Prime Minister Zoran Đinđić needs a new big step towards Europe.

The IFIMES International Institute believes that Tadić-Koštunica secret agreement would mean Serbia's regressing to the position of a few years ago which may lead to the weakening of the democratic political block and contribute to further destabilisation of

the situation in Serbia. Serbia's prospects for joining the European Union and the possibility for its modernisation would become even more distant from the apathetic voting body. The greatest responsibility for the situation in Serbia resulting from the Tadić-Koštunica secret agreement would be borne by President Tadić.

Ljubljana, 17 January 2007



**KOSOVO:****KOSOVO AWAITING FORMAL  
INDEPENDENCE**

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. Drago Flis, an albanologist and commentator for foreign policy for Radio Slovenia, analyses the current situation related to the resolving of the Kosovo status. His article entitled "Kosovo awaiting formal independence" is published in full.*

**Drago FLIS**

Albanologist and commentator for foreign policy

The adoption of the new Serbian constitution which determines Kosovo as an inalienable part of Serbia as well as the intensive campaign for the elections which took place on 21 January 2007 were the two factors which reduced the possibilities for an amicable solution of the Kosovo issue last year. The international negotiation team of the former Finnish President Martti Ahtisaari actually stated the pre-election campaign as the reason for postponing the publication of its document which is to resolve the issue.

A part of the Serbian pre-election campaign was also taking place in Kosovo, though only in its Serbian enclaves, especially in the territory north of the bridge over the river Ibar which divides Kosovska Mitrovica. The Albanian majority in Kosovo once again boycotted the Serbian elections. The Albanian politicians expected from the elections nothing more than even greater obstinacy on the Serbian side which will most probably reflect in tactically

delaying the formation of the new government in order to postpone the solution of the crisis.

After several negotiation rounds between the Serbian and the Kosovo Albanian sides Ahtisaari's office in Vienna (UNOSEK) postponed the publication of its document due to Serbian elections. After the elections it first submitted the document to the Kosovo Contact Group and to the two involved sides. Although the document is still of confidential nature, some mediatory channels and agencies have revealed that it is based on the recognition of the right to self-determination – which of course means independence, though subject to a certain time schedule. In view of the fact that the whole group, with the exception of Russia, supports Ahtisaari's idea, it is possible to predict that the whole process will result in complete independence, i.e. Kosovo's constitutionality, with certain limitation regarding the concrete implementation of the sovereignty which will remain subject to control for some time.

The EU diplomacy still hopes that Belgrade and Priština agree on a compromise after the election, which means pushing the whole issue back to the beginning. Talks between Serbia and Kosovo will probably be necessary, but they will only be relevant as negotiations between two neighbouring states trying to regulate their relations burdened with a heavy mortgage from the past.

Negotiations on decentralisation, religious and cultural heritage and economic relations were held at intervals throughout the whole of last year in Vienna, though without any results. At the beginning, the courteousness of otherwise separate appearances of both delegations arouse hopes for the progress, but it soon became clear that they are merely repeating the diametrically opposite positions. Encouraging statements for the media made by UN special envoy Ahtisaari as well as by his deputy Albert Rohan proved to be only the desired thinking. After the high-level meeting the UNOSEK officials probably realised that the negotiation rounds will bring no progress. Both leaderships were present at

a one-day high-level meeting held on 24 July 2006 in Vienna. The meeting in the Niederösterreich palace was complemented by 14 thematic rounds at the expert level. However, even the high-level meeting brought no progress and after the failed Serb-Kosovo meeting UNOSCEK obviously realised that there would be no compromise. The Albanian Kosovo side started to claim, though with reserve, that there are no more possibilities for reaching a compromise with Serbia regarding the status while the Serbian side practically spoke no more of the negotiations. It focused all its political discussions, speeches and public gatherings on the preparation of the new constitution of the Republic of Serbia in which the independence of Montenegro was already anticipated while it aimed to prevent the independence of Kosovo. Priština did not participate in the Serbian constitutional debate and described the Serbian constitutional amendments, at least for the part concerning the “inclusion” of Kosovo into Serbia, as the constitutional aggression.

UNOSCEK permanently adhered to the principles of diplomatic discretion and did not interfere into Serbia’s internal affairs. They made a slight exception only in case of the Serbian elections when Ahtisaari decided that the date for the presentation of his document would take place after the elections. According to the logic of the international community the whole issue should wait a little and this logic is still felt now when the document is already prepared. Ahtisaari’s UNOSCEK and the European Union both believe that the two sides should meet again and negotiate over the contents of the proposal. All that is expected now is Serbia’s compromise which would, in case Ahtisaari’s document is accepted, further improve the prospects for the national minorities, especially the Serbian one. In view of general support which Ahtisaari enjoys in the international community his document represents a certain international political fait accompli, which the two sides are expected to either accept or reject. Therefore the only possibility left to the Serbian side is to delay the decision as much as possible. Considering the inconclusive outcome of Serbian elections the Serbian political parties may reach a secret consensus on delaying the formation of



the new government which would enable them to delay the adoption of the decision on the status of Kosovo.

Moscow might also decide to delay the adoption of the decision as a form of tactical assistance to Serbia. Since Russia has lost its influence in the international sphere after the Litvinenko and Politkovskaya cases, to which Russia has failed to provide a satisfactory answer, there is little chance that the international community would accept all the consequences of an eventual Russian veto in the UN Security Council without seriously considering other ways of recognising Kosovo's self-determination.

Ahtisaari's UNOSEK invested a lot of work in the proposal for the solution of the Kosovo problem and Ahtisaari himself risked his reputation as one of the most prominent international negotiators. With its proposal which was being developed for one year after the establishment of the negotiating team UNOSEK tactically tried to get one step ahead of the two opposing sides. With the relatively reasonable time limits for the international community Ahtisaari prevented in advance the endless delaying of the status definition which has been a constant during the past seven years. A high level of the plan's tangibility prevented the possibility for the Kosovo side to push ahead its independence using an extensive range of available instruments. The majority side could thus reassert the results of the two 1990 referenda on the status which are not being mentioned in public at the moment, or it could announce a new referendum which the international community could not prevent in view of its principles. It is neither possible to predict the course of events should the Kosovo Albanian side simply decide to declare independence, like the political circles of most former Yugoslavia's entities did.

Most of all, Ahtisaari's document on Kosovo's gradual transition to independence tries to prevent political crises on both the Serbian and the Kosovo Albanian sides. Like any other diplomatic proposal it tries to satisfy and not to satisfy both sides at the same time. However, its turning point is the recognition of the right to

self-determination, giving it advantage over the principle of territorial integrity and the right to protect the latter.

Of course, storms of comments on both sides will be inevitable. They will actually form the content of the future Serbian-Kosovo relations. Political problems in Kosovo may also become inevitable. The Kosovo political elite will face some difficulties since the international community proposes significant concessions to the Kosovo authorities for the protection of mostly the Serbian minority although Kosovo's unique national structure encompasses a range of other ethnic minorities which enjoy generous ethnic rights within the Constitutional Framework adopted by the international community.

The decentralisation of the relatively small territory of Kosovo represents a certain compromise for the majority sovereign authority. However, the international community is obviously aware of the fact that the minorities can not be turned into the majority. Nevertheless, by stressing the generosity towards ethnic minorities the international community accepts the principle of sovereignty of the majority. It limits the latter by laying down concrete provisions for the minorities which were, for the most part, already applied in the Constitutional Framework. The somewhat limited and controlled sovereignty of the Albanian majority also means that Kosovo will not be a copy of the Dayton model for Bosnia and Herzegovina which was based on the balance between the national entities. This rejection of applying the Bosnian model to Kosovo surely is an achievement which could even be regarded as a compromise of the international community which was not as easy one having in mind the fact that quite a number of high international officials who now work in Kosovo previously served in Bosnia and Herzegovina and were affected by that mentality. Of course, decentralisation will require a certain degree of compromise on the Kosovo Albanian side. They will probably have to agree with the text in the brackets on the subsequent gradual implementation of sovereignty in the territory north from Kosovska Mitrovica. Prime Minister Agim Çeku compared this possibility

put forward by the international community with the model of gradual implementation of Croatia's sovereignty over eastern Slavonia under the Dayton agreement.

However, any lasting Serbian authority over the territory north of Kosovska Mitrovica, let alone over the whole Kosovo territory, is unacceptable for the Albanians.

After the elections and the adoption of the constitution Serbia regards Kosovo exclusively as an integral part of the Serbian state. Actually, this view has always been in fatal opposition with the tendency of Albanians for self-determination and consequently for independence. Of course, the Serbian politicians are aware of the reality and would be, at least in a long-term negotiation process, actually satisfied with the territory of Mitrovica. They already control and invest in that territory which the international community silently accepts. If that remained a permanent solution, the present Kosovo Albanian political elite would lose its sense of existence. They have therefore, as the Kosovo Albanian media report, prepared their political and practical answers to each variant of the solution. However, that will be the topic of subsequent political development regarding the definition of the status as well as of the subsequent relations between Serbia and Kosovo as two international "subjects", i.e. independent states.

In the long-term, the Euro-Atlantic prospects for the west Balkans offer Serbia, Kosovo and Macedonia accession to EU. Thus the implementation of the self-determination principle in Serbia and Kosovo will eventually enable the abolition of borders and a long-term opportunity to smooth away the traditional antagonism between the South Slavic and the Albanian worlds. Perhaps there was not enough awareness and knowledge of this conflict in the past, since even the media did not report on it. Once the European Union will start dealing with this problem on a long-term scale, it will be able to contribute more to the lasting stability in the region where the Slavic and the Albanian worlds meet.

Ljubljana, 30 January 2007

## GLOBALIZATION:

### FRAMELESS PICTURES OF GLOBALISATION

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. Dr Jernej Pikalo, Assistant Professor at the Faculty for Social Sciences, University of Ljubljana, and Member of Council of the International Institute IFIMES, in his article "Frameless Picture of Globalisation" points out some aspects, which reflect the state-globalisation relations.*

#### **Dr Jernej Pikalo**

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In the early years of the current globalisation debates it has become a sort of fashion in certain academic circles to speak of the demise of the state as a response to globalisation pressures (Cable, 1995; Dunn, 1995; Horsman and Marshall, 1994; Strange, 1995). Government policy papers and newspaper reports (so called 'common sense' or 'conventional wisdom' views) were and are full of these accounts of the state-globalisation relationship. Although we have seen an explosion of academic literature proving it contrary in many different ways and on numerous accounts (e.g. Thompson and Hirst, 1995; Panitch, 1995; Jessop, 1999; Zysman, 1996), and literature that sees the relationship as a false opposition (e.g. Amoore et al., 1997), the problem remains. It looks as though this demise-of-the-state neo-liberal view has hijacked the conventional wisdom and is shaping our perception of the state-globalisation relationship on a much more sophisticated level that we are ready to admit.

In the globalisation discourses is the state chiefly seen in three ways: as a victim of globalisation forces, as its facilitator or as a neutral agent. Liberals and neo-liberals tend to agree that there is a global economic frame, based on the global capitalist production that is constraining or enabling states in their actions. The process of enabling or constraining is presented as a process without a Subject, without will, as if it was something driven by natural condition of things themselves. The aim of the paper is therefore to try to uncover logic behind such reasoning by employing interpretive procedure. The paper will try to dig out reason and will behind such thinking (if there is one) and will try to read globalisation with a Subject. Can globalisation be read as an intentional action? Why is it always presenting itself as unintentional and where does this kind of reasoning stem from?

## GLOBALIST THINKING

Let us illustrate the so-called 'globalist' thinking on globalisation with some quotes:

### **The Socialist International in Declaration of Paris:**

*Humankind is witnessing a new change of era marked by the phenomenon of globalisation [...] Macroeconomic policies which are disciplined by the operation of the global financial markets have been constrained in what they can attempt to achieve and compelled to meet stringent requirements relating to public deficits, inflation etc. (Socialist International, 1999)*

### **Sir Leon Brittan, in the capacity of Vice President of the European Commission:**

Globalisation is a fact of life, and will continue irrespective and independent of the activities of government. The issue is not whether we can accept or reject it, but how to ensure it is channelled in positive directions. It is vital that national and international organisations acknowledge the impact of globalisation and respond accordingly (Brittan, 1999).

**Janez Drnovšek, then Slovenian Prime Minister:**

*Globalisation is a fact of life. Processes of globalisation have been going on for some time and a question has arisen as to what is the best policy for an individual or a small state as Slovenia with regard to globalisation. We cannot be global players and actively influence these processes. To the far greater extent these processes influence us and create an environment in which we are striving to establish the best possible existence (Drnovšek, 2002).*

**Mojca Drčar Murko, columnist for Slovenian daily Delo:**

*Logic of uninhibited trade and free-flowing capital, based on great technical innovations and technological novelties, rounded-up with the term "globalisation" has fundamentally changed world politics. We are witnessing an era of changes which end-results are unknown. Social pacts, outcomes of great political battles of the 20th century, have been in this process annulled, to the same extent as traditional ranking of countries based on power (Drčar Murko, 2002, 1).*

People and organisations mentioned come from a variety of ideological positions. Yet strangely, they speak dangerously similar language, based on similar ideas and preconceptions. They all speak something Fairclough (1999) has called "language of new capitalism". Capitalist mode of production is distinctive for its periodic renewal of the bases of economic expansion, and, in doing so, it re-articulates and re-scales the relations between economic, social and political. New technologies, new modes of economic co-ordination, and increasing subsumption of extra-economic relations under the logic of capital accumulation are forming a basis for a restructured capitalism. Governments and organisations of different political persuasions are taking this new operational logic as a mere fact of life. The predominant response to this logic throughout the world, also in Slovenia, has been neo-liberalism. Neo-liberalism is a political project for the re-structuring and re-scaling of social relations in accord with the demands of an unrestrained global capitalism (Bourdieu). It has been enormously successful in incorporating itself as a mode of thinking to almost

any political party, be it on the left or right of the traditional political divisions.

Incorporation has gone so far so that one can speak of orthodoxy of the certain view. One can speak of a new universal spirit of our time, new ecumenical evangelism that is being spread by a cohort of statesmen and politicians, officials of international organisations, managers, civil servants and journalists. Neo-liberalism is not just powerful economic theory, it also has a symbolic power that reaches beyond simple economic reality it describes.

This is of course not to say that neo-liberalism can be the only response to the processes of globalisation. Contrary to what some think, there are alternative policies available for handling these processes. I believe we are doing harm to our thinking about globalisation already by tacitly acknowledging that “globalisation is out there, somewhere” and that there are responses to it (in many shapes or forms, e.g. neo-liberalism). By doing this we are being ontologically framed (in both senses of the word) to a position of foundationalism and universalism, where globalisation is treated as if it has the same meaning across cultures and across time, processes of globalisation take place independently of our beliefs, rational structure, are not socially and culturally embedded, and not seen as a complex socially constructed events.

Slovenia’s political responses to globalisation have not been so different to other states. Yet, especially with reigning political elite, there has been a strong tendency to suggest that because of Slovenia’s smallness in terms of economy and the number of people, there are hardly any viable policy responses to globalisation other than neo-liberal orthodoxy. Globalisation has repeatedly been used as a scapegoat for many political measures or arguments that would otherwise need different justification.

## STRUCTURAL FEATURES OF THE DISCOURSED

discourse on globalisation as presented above has some commonalities. Technological change is presented as the driving force of globalisation, i.e. changes in science, technology, and production methods essentially determine the future of workers, managers, the state and their interrelationships (cf. Crook, 1997, 5; Mann, 1997, 473; Langhorne, 2000, xi; Cable, 1995, 25-26). In discourses on globalisation is Internet and computer-based technology increasingly seen as its main driving force (cf. Scholte, 2000:74-86). Technology is supposed to lead to better future. Mike Moore, Director General of the WTO, has expressed this as, "Technology can be the friend of the people. Nobody wants yesterday's medicine" (Moore, 2000). Technological change is seen as an "iron cage" and it is presumably beyond control.

Globalisation is framed in the essentialistic manner (Amoore et al., 1997, 183; Weldes, 2001, 651; cf. Fairclough, 1999; Hobson and Ramesh, 2002, 7). It is supposed to be an essential frame that has no viable alternatives. It is described as something that increasingly sets parameters of political and economic processes: "Globalisation is unavoidable. Globalisation cannot – even if we wanted – be resisted, because it is already a fact" (Rupel, 2002, 3).

Globalisation is described as something leading towards convergence. From divergent starting points and diverse institutional bases states and societies are supposed to become increasingly alike. Development is seen as a linear universal process that in all cases follows same path. States and societies are seen objectively, leaving their historic and socially specific developments aside.

Globalisation is presented instrumentally (Amoore et al., 1997, 184). There is a tendency to simplify the description of change in order to prescribe a set of formulae to manage change. Picture of globalisation is being painted with broad strokes of a brush. Such picture is invariably impressionistic, despite making claims to cross-subjective objectivity. Globalisation is seen as a tool for



a variety of (un)popular (in literal sense of the word) decisions that are being prescribed to states and societies. Policies look “as if they were dictated by matters of fact (thematic patterns) and deflect consideration of values of choices and the social, moral and political responsibility for such choices” (Lemke, 1995, 60). Technical discourse is employed to present complex process in shorthand numerical terms, which are in our societies seen value-neutral, objective, as “facts” on the basis of which decisions can be made “objectively” (Fairclough, 1999)

Globalisation is presented as benign process, with mild or positive effects. Ohmae (1996, 1) sees in globalisation a process that leads to a brighter future: “Now that the bitter ideological confrontation sparked by this century’s collision of ‘isms’ has ended, larger number of people from more points on the globe than ever before have aggressively come forward to participate in history. They have left behind centuries, even millennia, of obscurity in the forest and desert and rural isolation to request from the world community – and from the global economy that links it together – a decent life for themselves and a better life for their children”. Social conflict that is being generated by new modes of capitalist production and its organisation is in this view confined to the adjustment phase and is viewed only as temporary by-product of restructuring.

The representation of globalisation in such discourses takes place without human agent, without a Subject. Human (or any other agent) agent is either inanimate or abstract. To the reader this gives an impression that globalisation is driven by natural condition of things themselves and is not dependent upon beliefs of any people about it. That is how it is and there is nothing that can be done or changed except to adjust to the reality of globalisation. It looks as though globalisation is just happening to us (cf. Fairclough, 1999a). Objectivism in its purest form is the name of the game in town: “The world consists of objects that have properties and stand in various relationships independent of human understanding. The world is as it is, no matter what any person hap-

pens to believe about it, and there is one correct “God’s-Eye-View” what the world really is like. In other words, there is a rational structure to reality, independent of beliefs of any people, and correct reason mirrors this rational structure” (Johnson, 1987, xi).

If there is no Subject, it is hardly surprising that there is no wish. Wish is absent from such discourses on globalisation. There is almost no talk about how multinational companies want unrestricted access to world markets, there is no talk about free trade, minimal state, etc. Absence of wish stems from seeing globalisation as a process without an agency, as a ‘natural’ thing, as if globalisation was a consequence of a natural condition or some divine plan, and not of human making. Seeing matters in naturalised way is a well-known feature of liberal (e.g. Adam Smith’s invisible hand of the market) and neo-liberal discourses. Neo-liberal globalisation presents itself as a consequence and NOT as an initiative or a wish. It is not something some agents want to do or have wanted to do, it is rather something that is happening to us. Anonymous forces of globalisation are apparently beyond our reach and scope, and are therefore not manageable.

## **A PICTURE WITHOUT A FRAME**

With all structural features of the discourse in mind, one wonders whether the discourse can be taken as the whole picture about globalisation. There are people, like myself, doubters by profession, who are rarely satisfied with ready-made answers and descriptions. It is in our nature to refuse to succumb to the hermetically sealed and there-is-no-alternative approach. Doubts and questions always remain with us. We always look beyond the picture, we try to see at the whole exhibition, we want to contextualise the picture.

A frame is for a picture not just a simple decoration. It tells the viewer where does the picture start and end and what is a background of the picture. It delimits it from the background while

at the same time giving it definite borders. It frames the picture's contents, sets them in relationship with the background and act as an intermediary between the picture and the background. Frame can be considered as a context to the picture that is in correspondence with the background of epistemic reality. It is an integral part of it, giving it structure and existence.

The discourse on globalisation has thus far painted picture without a frame. There it is, the sole picture, hermetically sealed, not needing nor wishing any correspondence with the contextual frame, speaking about itself and for itself. It is real because it proclaims to be real, without situating itself in a wider discourse. But one should, being professional doubter, ask oneself whether it would be possible to recover the frame, to look behind and beyond stripped picture in order to get better understanding of it. Can a frame, that has been silenced and downgraded, tell a story different from the message of the picture itself? Can recovering a frame lead a way to a fuller picture of the processes of globalisation? Can it change the perception of a picture of globalisation? Is the key to proper understanding of globalisation processes in recovering a wish that has been silenced? There have undoubtedly been many interests behind the globalisation discourse and it has repeatedly been used as a scapegoat for many economic and political measures that would have otherwise not taken place.

Before we proceed to the contexts of the globalisation discourse, there is an issue about discourses we need to note. Discourses may seem to some as just mediums for presenting the world more or less accurately, but there is a second, not secondary task, for discourses, that is constructing the reality (Connolly, 1993; Miliken, 1999). In other words, discourses both describe and ascribe, present and construct the reality. This issue is important since the globalisation discourse as presented tends to omit constructing function of discourses. This stems from the objectivist and foundationalist conviction of a given world out there.

**So, what to do, so that silenced frame of the processes of globalisation would resurface? Where to look for answers? Bartelson (1995, 61) provides a hint:**

*The key to proper understanding of a text lies in what the author intended to do in and by writing it; what sort of society was he writing for and trying to persuade; what set of ideological conventions constrained or enabled this enterprise, and how was he trying to use or manipulate them? We should use the particular social, political, cultural and linguistic context, not in order to explain causally why that which was written indeed was written, but in order to recover and understand the intentions or point embodied in the act of writing it.*

Globalisation is in the discourse presented as unintentional. This may seem as a rather benign point in analysing it, but it has deep roots and more far reaching consequences than most of us would be able to predict. Reasons for seeing globalisation as unintentional action are several. Disciplinary division of labour between modern social sciences has caused a vast array of different analyses that tend to describe situations or processes to the most minute details. In doing this, they frequently tend to forget to take into account a bigger picture, and what is even more important, they forget that social and political concepts are relational and not physical-material. They take precisely the things we need to explain – globalisation, states, markets, individuals – as their natural starting points. They don't see them as relational and historically embedded, but rather as natural, as something fixed, constant over time and space. By thinking about them as natural, as something that is not worth questioning and redefining again and again, as something that is historically non-specific, something that represents starting point, they are of course thought of as unintentional, as just being there by their nature.

Nature plays significant role in our modern awareness. Modernity constitutes itself by changing the idea of God with the idea of nature. 'Natural' becomes the starting point of modern awareness, natural becomes 'sacred'. Our political language is full of 'natural'

metaphors that are not just describing the political processes and situations, but are rather constitutive of them. We speak of the “body politic”, “arms” or “branches” of government, the “balance” or “equilibria” of power, “nerves” of the government (Becker and Slaton, 2000, 21). We are deliberately or undeliberately naturalising social science phenomena that have completely different ‘nature’ as natural phenomena. Political concepts are being pulled out of their social, historical and cultural embeddedness just for the sake of simpler and comparable analyses. By being silent about the nature of political concepts, by presenting as natural, as if they are happening because ‘it’s in their nature’, they are being pushed into a realm of unquestionable and therefore unintentionable. They act as natural starting points, something very few dare and wish to challenge.

One of the ways to save independent thinking on political concepts from fixed relations among natural entities is it to dissolve reified political forms of state, individual, market back to historically specific relations between people who constitute them. Focusing on the state in the globalisation processes, there can be other answers besides nothing-can-be-done-against-globalisation.

It may be one of the consequences of the Anglo-American ideological hegemony that the state was put aside, since it has never found a proper place in Anglo-American thinking, despite theoretical efforts to ‘bring the state back in’ (cf. Evans, 1997, 64). According to Evans (1997, 64), ‘statelessness [is] dominant global ideology and potential institutional reality.’ But what is even more striking in these accounts of the state-globalisation relationship is the easiness and non-reflexive position of how the concepts of state and globalisation are being dealt with, as if the debate about the state started yesterday. In Abrams’s (1988, 59) words, ‘We have come to take the state for granted as an object of political practice and political analysis while remaining quite spectacularly unclear as to what the state is.’ If nothing else, there are three concepts (among myriad of others) that shape the way the state is seen, which in turn influences its role in the globalisation

discourse. Space does not permit to go into particular details, so we will just focus on the concepts of sovereignty of the state and of an individual.

The huge debates that have sprung up in the last decade have mainly focused on whether the state has lost its sovereignty because of the processes of globalisation and what are and were the forces that are influencing the sovereign nation-state. Sovereignty is an important concept for the state, since it was through the concept of sovereignty that outsiders and insiders were created, it was through the concept of sovereignty that the states were internally pacified and externally 'given' the right to pursue whatever is within their national interest (in Realist terms), it was through the concept of sovereignty that the state got the centre of authority, the origin of law and became the source of individual and collective security (Devetak & Higgott, 1999, 485-86; Bartelson, 1995). But the concept of the sovereignty of the state is all too easy being dealt with in the state-globalisation debate. I will put forward three objections to the views that sovereignty of the state is being eroded in the processes of globalisation:

**a) Sovereignty is presented in the neoliberal state-globalisation discourse as an ideal type concept.**

A question that we should pose to ourselves is not whether the nation-state and with it sovereignty as its main attribute is endangered or not, it is rather has there ever been a nation-state that was actually sovereign? Is there any nation-state today that is sovereign? With organised crime phenomenon being present in almost every nation-state existing today, no state really controls fully its own territory, not to mention its citizens and external challenges to the autonomy of territorial states. Sovereignty as presented in the globalist discourse (cf. Sassen, 1995) is an ideal type concept that was made for an extremely present, clear situation and cannot be, as any ideal type concept, applied in its purest form. One shouldn't forget that from the outset sovereignty, in practical terms, was never more than a claim to authority and that it never meant absolute control (Ferguson, Mansbach, 1999,

199; Murphy 1996, 87). This also does not mean that sovereignty is a static concept and that understandings of it have not changed over the centuries. For Walker even 'the very attempt to treat sovereignty as a matter of definition and legal principle encourages a certain amnesia about its historical and culturally specific character' (1993, 166; see also Farr, 1989).

**b) The concept of sovereignty is taken out of the historic context.**

This mental operation is usually done by defining what sovereignty is (Hinsley, 1986) and then this view of sovereignty, or for that matter, any other concept, is without any doubt or scepticism compared to all possible empirical data, theses, etc in order to be able to see it in the desired light. 'Concepts are given definitional value, with it they are linked to other knowledge or concepts, they become part of a dense web of concepts that are defined in each other's terms. This is the way conceptual analysis typically begins - by closing the concept, while opening up its field of application to divergent interpretations' (Bartelson, 1995, 14). What we must realise is that meaning and reference of words are not constant through the ages and that it is more than necessary to recover the context in which various works were written in order to understand them (Bartelson, 1995, 61). With regard to sovereignty of a state this mental operation is done by defining what the concept of sovereignty is, without saying, or at least pointing at, special historical circumstances that were surrounding the development of it. Definitions of sovereignty are usually based on a seventeenth century ideal of it, and are clearly indebted to the reasoning about situation when nation-states first became sovereign through the military control of a particular space. Such mental operations are methodologically doubtful since they are describing today's situation with seventeenth century terms. It is then very easily to say that states are not fully sovereign any more when faced with contemporary social circumstances (such as the appearance of globalising forces), if the concept of sovereignty is defined in seventeenth century terms. Concepts appear as if they are defined once and for all, while the world and social circum-

stances are changing constantly. Such reasoning is juxtapositioning evolutionary circumstances with static concepts; the critique is not so much directed towards the fact that should change or include evolutionary component, it is rather that concepts, since they are defined a priori, should not aspire to posteriori value or, better, that we shouldn't be thinking in these terms.

**c) Separation of states and markets as crucial for understanding of apparent demise of sovereignty.**

Liberals tend to agree that politics is something to be kept in isolation from economic forces, since markets are self-standing entities that operate by inertia and any political interference would disrupt the most efficient allocation of resources (cf. Jessop, 1990, 30). Historical data proves this theory wrong. No market in modern history has ever worked freely without some kind of state interference and only a sovereign state with its power has been able to keep markets open and free (cf. Polanyi, 1944, 139; and the whole chapter 12). This explains why those in favour of international capital taking over the sovereign state will wish they weren't, since a step in this direction would mean the death of free markets as we know them today, which would in turn mean that the most effective allocation of resources would not take place. And it is important to emphasise that 'not every diminution of the importance of a particular policy tool is the loss of state power.' (Weiss, 1997, 18)

The notion of a market needs further elaboration. Namely, as already mentioned, laissez faire modern economic philosophy teaches that free markets are self-standing entities operating by inertia. It teaches that free markets are the natural condition, while state-regulated markets are artificial. Contrary to that Polanyi (1944, 140) argued that 'The road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism.' Thus, markets have a tendency towards regulation and no market in history has ever been free without the power of the state, since it is the power of the state that keeps markets free or they may lapse into



monopolies. This view, claiming that according to the laws of motion of capitalism a process of competition during the period of laissez-faire inevitably leads to the concentration and centralization of capital and hence to a new stage in which monopolies dominate the whole economy, is only partially accurate. It implies that an economy seen in this way is self-sufficient as well as self-expanding in the period of liberal capitalism during which the state is neutral or inactive, while during monopoly stage it is interventionist to overcome stagnation and maintain profits (Jessop, 1990, 34). The state is an ever-present element in capital accumulation, since it is responsible for the institutional framework (the legal system) within which capital accumulation takes place. Marxist approaches have long ago dissolved the orthodox approaches in terms of the state being external to capitalist mode of production. The state needs tax revenues to finance its activities, so its actions are oriented towards the support for capital accumulation, which is a source of the state's revenues (Jessop, 1990, 92-93; see also Offe, 1984).

Same pattern can be observed on the global level. '[G]lobal laissez-faire doesn't just come into being by the process of evolution. It has to be introduced by acts of political power just like protectionism' (Hobsbawm, 1998, 5). One can see this fact by acknowledging the role of the World Trade Organisation as a controller of free trade on a worldwide scale or by the role national governments play in enacting policies such as lifting of capital controls. The power of states in international trade organisations is the one that keeps free trade going and actors in global markets cannot operate without some kind of regulation from outside (i.e. from outside of the markets) – what they require is at least some equivalent of a system of law which sanctions to guarantee the performance of contracts. Therefore, we have to refute the view of a free market as a natural (sic!) fact, and start to think about free markets as immanent social relations, that are enabled by strong states. Capital, and states with it, has interests and goals and is doing everything possible to attain them.

This is, of course, not to say that states in their institutional arrangements do not change. Globalisation may not just have major repercussions for capitalism such as supraterritorial mode of organisation (transborder companies, global strategic alliances and transworld business associations) (Scholte, 1997, 429), but also for its institutional arrangements, since with a change in economic role states tend change in institutional form as well (cf. Jessop, 1990, 355; cf. Cerny, 1994). But this is also not to say that states are withering away because of the globalisation processes. It has been shown in numerous accounts and with different types of arguments that state is not withering away: in empirical terms this can be identified through the rise of state's budgets during the 1990's, through facilitation by the states of global firms' operations and profits with suitably constructed property guarantees, tax regimes, labour laws, investment codes, currency regulations and police protection (Scholte, 1997, 442). With the growth in importance of the international markets, this does not mean that the state is doomed because it is ever more dependent on international trade (Evans, 1997, 67). Evans (1997, 67-68) argues that although higher shares of trade may increase a state's vulnerability, a larger public sector (which is associated with stronger state) provides an efficient counterweight. Examples of East Asian strong states have shown that high stateness can be competitive advantage in a globalising economy, Singapore being the most obvious case in point (Evans, 1997, 69-70; Chen, 1996; Lam and Clark, 1994; Önis, 1991; Wade, 1988; White and Wade, 1988).

## **INTENTION IS UNINTENTIONAL**

Analysis of the previous chapters has shown that globalisation should be read with its frame. Historically, socially and culturally specific forms of the relationship between globalisation and the state yield different outcomes. Globalisation is also far more complex phenomenon than most of the analyses are ready to admit. Contingency of the processes of globalisation has rarely been taken into account. Yet almost all social structures contain ele-

ments of contingency and are in constant flux of emerging and re-emerging.

Our job has been to recover the wish behind the processes of globalisation. We've seen that wish has been silenced in the name of nature. The processes have been pushed into the realm of natural and therefore unattainable. One of the ways to open-up the debate again is to present and represented globalisation as a political process, not as a depoliticised natural reality. We should politicise globalisation again to be able to establish it as an intentional action. We may even dare to say that the internationality of the globalisation discourse is precisely in its unintentionality. Globalist stories of globalisation are not seining and they do not wish to see – because of political reasons (sic!) – that globalisation goes beyond simple market processes, beyond mere interactions between physical objects, that it is rather a political process.

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Ljubljana, 12 February 2007

**KOSOVO:****FISCAL EXCHANGE AND BUDGET  
DEVELOPMENT IN KOSOVA**

*Dr. Isa Mustafa, Dr. Ymer Havolli and Venera Demukaj-Bislimi, M.Sc, from Kolegji Universitar Viktory and Economic Faculty Prishtinë, in their article "Fiscal Exchange and Budget Development in Kosova" point out the fact that since the end of the war, Kosova has established a new fiscal system with completely new legislation based on advanced western experiences.*

**Isa Mustafa[1], Ymer Havolli[2] and Venera Demukaj-Bislimi[3] Fiscal Exchange and Budget Development in Kosova**

**ABSTRACT**

Since the end of the war, Kosova has established a new fiscal system with completely new legislation based on advanced western experiences. Fiscal revenues are mainly collected at the border through VAT, excise and customs duties, with a high level of payment. Yet, the level of taxes collected domestically remains a concern, in particular the level of local taxes. The present tax policy is considered to be non-stimulating for businesses, particularly for those in the production sector. Tax discipline is still low; there is a lack of a focused approach of governmental bodies, educational institutions, civil society and the media towards creation of a fiscal culture, i.e. a low level of tax education.

High share of the wage bill in public consumption (about 29%), lack of qualitative programs to implement budget funds allocated to investments, contradictions regarding earlier budget surpluses



and actual budget deficits have a meaningful impact on taxpayers' and international institutions' opinion.

Institute for Development Research Riinvest in Prishtinë, supported by the Forum 2015 conducted a research on fiscal culture in Kosova in the end of 2005. Data from this and other research studies have been used in order to present the relationship between the fiscal culture and budget sustainability and their reflections on building of a culture and responsibility of budget institutions and managers through higher transparency with the Kosova Assembly, public opinion and media, and installation of instruments for providing taxpayers with information on the tax system and tax obligations, as well as on the benefits for citizens and other subjects that come from public revenues.

## **ECONOMIC GROWTH AND FISCAL POLICIES**

The main point of every fiscal system is to ensure incomes so it could support the public expenditures. Therefore the level of taxes within a country depends on the volume of government expenditures. Latest economic research suggests that productive expenditures improve the rate of economic growth, while increasing taxes results in poorest economic performances.[4]

Analysis of the performance of the macroeconomic indicators have been hindered by poor statistical data and inconsistent estimates reported by the international financial institutions, such as IMF. In Kosova since 1981 there was no registration of population, wealth or businesses. All valuations were given based on partially research from independent institutions, government or international organizations. These valuations show that in Kosova live approximately 2 million inhabitants in a space of 10.887 km<sup>2</sup> (density: 190 inhabitants /km<sup>2</sup>), 300 -330 thousand families, around 500.000 inhabitants live or work temporary in western countries. Around 53.000 business entities are registered and around 60% of them are still active. GDP per capita is around 1200 euros, which is

significantly low compared to other Southeastern European countries, while the level of development goes around 40-50% among countries of Western Balkans. Human Development Index (HDI) places Kosova among places 85-90 in the list of 170 countries, near to Albania, Bosnia and Herzegovina and Macedonia. Based on the latest research from World Bank, in Kosova at the level of poverty live around 37% of population, while under extreme poverty around 15.2%. The lack of investments and maintenance as a result of occupation, robbery and destruction of assets, caused deindustrialization of economy and returned this economy into agricultural one. Industry now has 15% share on GDP (in 1988 it was 45%), trade and services 60%, while agriculture 25%.[5]

**Kosova economic development has some macroeconomic disproportions, among which are:**

- disproportions between GDP and consumption. Domestic consumption is higher than GDP for 8.5%;
- lack of domestic production and dependence from import. Export covers import for only 4.5%, which gives a dependence rate of 24:1;
- disproportion between supply and demand for work. Annual fluctuations of people seeking for job goes around 25.000, while the total number of those registered is 310.000

Based on estimations from IMF, GDP in 2004 was 2.505 million euros, while projections for 2005 were 2.453 million euros. Because of lack of domestic production as calculating base, expenditure approach was used. Estimations have been changed from year to year as a result of improving information, or as a result of new approaches that were used by IMF. Changes in methodology refer to treatment of foreign organizations that are located in Kosova as local or international organizations, in calculating macroeconomic indicators. IMF for the first time in year 2005 treats UNMIK as domestic factor during the calculation of GDP. This caused the increase of GDP, therefore it would be reasonable that with international community withdrawal from Kosova, the level of GDP will fall[6].

**Table 1. Some macroeconomic indicators in million €)**

	2001	2002	2003	2004	2005	2006
Consumption	2,680	2,623	2,600	2,711	2,660	2,667
Investments	661	603	572	594	600	618
Net Export	-901	-780	-753	-800	-806	-808
GDP	2,439	2,447	2,420	2,505	2,453	2,477
Budget revenues	307	498	492	635	609	655

Source: FMN

Economic growth was induced mainly by the support for reconstruction by foreign donors and remittances for reconstruction of houses and public infrastructure. After emergency phase growth was secured from activities of private sector with new investments for construction also in trade and service sector, which is mainly dependable on presence of international staff with high purchasing power. Decrease of such contributions from foreign donors in economic growth was compensated at some extent by the increase of government expenditures. Also remittances from our employees in western countries are of special importance in yearly consumption.[7] It is expected that the decrease of international donations and remittances will affect in fall of imports and this will have fiscal implications, since the biggest part of fiscal revenues are collected in borders.

Macroeconomic stability of Kosova was positively influenced by firstly, the adoption of deutsche mark and then later euro as currency for payment. During this period a low level of inflation was recorded, while in 2005, Kosova for the first time was faced with low level of deflation which is calculated to be a reflection of gradual decrease of international presence (especially in renting market) and the increase of domestic competitiveness. The withdrawal of international presence can be described in the fall of aggregate demand for a short-term. In medium-term it is expected that the inflation will be stable and in the level of European Union, around 1.8%.

Based on the research from Riinvest Institute, based on the institutional environmental analysis, the essential factors for generating economic growth are:[8] building effective democratic institutions and legal state, solving final status of Kosova, and normal approach in relationship with international financial institutions and euro-atlantic integrations. Based on the creation of these pre-conditions, three main scenarios for economic growth have been explored:

1. Continuation of status-quo: Hesitations and barriers in solving the final status, and in access of Kosova in euro-atlantic integrations; difficulties in enforcing institutions and state of law, which consequently would cause low economic growth (103%) with elements of deadlock in development.
2. Moderate growth (4-7%): Political status is addressed, and with that also the process of European integration, but elements of uncertainty remain, while the progress in building a legal state are evident but not at the desired scale.
3. Dynamic growth (8-10%): Defined status, improved governance in sense of action of legal state, normal relationship with international financial institutions, advanced process of EU integrations and attractive environment for private investors, foreign and domestic.

**Table 2. Projected growth based on macroeconomic indicators (million €)**

	2005	2008	2009	2010
GDP (mil),	2,453	2,839	3,095	3,374
GDP për banorë, 1000	1,206	1,327	1,422	1,524
Budget	(FMN)746	852	991	1080
Investment	713	826	1,083	1,181
Employment	443	484	513	544
Population	2,034	2,140	2,176	2,213

*Source: Riinvest, 2005*

These indicators can be reached with an annual economic growth rate of 5% during the years 2004-2008, and for 9% for 2009 and afterwards. In order to achieve that until 2008, the share of investments in GDP should be around 25%, and from 2009 around 35%.

Budgetary growth in future must find support in economic growth. However, projections related with economic growth rate for future differs from institutions that have projected them. Ministry of Economy and Finances while composing the budget for 2006 and projections for 2007, is based on the rate of 2%. World Bank on the other side, for projection of medium-term expenditures (2005-2010) as a starting point has two macroeconomic scenarios, which are based in various assumptions over the development of program for economic reforms and political stability, and also on the positive impact that they can have in domestic investments and export growth. It is assumed that the real GDP growth for 2005 will be around 1% with gradual growth up to 3.5% in 2010. In the scenario of dynamic growth, it is foreseen that reforms in energy sector would result in new investments and higher growth of 3.7% in 2007 up to 5.2% in 2010. Based on the other alternative of dynamic growth, total budget revenues in 2010 can be approximately 877 million euros[9].

Budget revenues, planned for 2005 (629 million euros), contain 25.6% share of GDP, while in 2006 (planned to be around 656 million euros) will have approximately same share in GDP. While the share of budget consumption in GDP for 2006 is planned to drop in 28% from 30% as was foreseen for this year.

## **BUILDING FISCAL AND BUDGETARY POLICIES**

Fiscal policy tended to pass in domestic sources of financing public needs, and to increase the efficiency of public expenditures. In order to stabilize revenues, continuously the tax base was expanded and now it includes also the biggest part of direct and indirect taxes that are applied in different transition countries

and in countries that experienced progress in economic development of market. Budget revenues are ensured from taxable and non-taxable sources. Border revenues include revenues from customs duties, VAT that is collected at the border and excise revenues. Inland taxes have evolved through the improvement of the tax system (presumptive tax – up to December 31 2004, tax on profits up to December 31 2004, VAT over domestic products and services, personal income tax, since April 2002 – that includes personal income, income from small individual businesses, large individual income, interests, dividends, lottery games, rent etc. Own-source municipality revenues consist of property taxes, obligations and payments collected at the local level, income for interest payments, road taxes (from March 2005) and mine taxes (“Kosova” mine in Mirash).

Implementation of Added Value Tax had an affect in decreasing the weight of taxes over businesses and passed it to consumers. However, businesses have yet some objections in high tax rates, in linear rates and in the obligations to pay them in border, before they have sold imported goods or services. Also there are no motivating means for new businesses and for producing ones, with exception to some favors for agriculture. New tax administration was established, while the lack of experience was compensated with continuous trainings.

The Kosova Customs Service is still under UNMIK administration, through which around 80% of fiscal revenues are being collected. Nevertheless, despite the disparity of means of collection, the collecting of budgetary revenues in Kosova has recorded a considerable improvement since 2000. In 2005, the share of expenditures in GDP is valuated to be 30%, while the share of budget incomes in GDP around 25%.[10]

After accumulating a budget surplus up until 2003, from 2004 onwards the Kosova Consolidated Budget shifted to a deficit. The budget deficit in 2005 made up 13% of budget consumption, or 3.8% of GDP. During this period, the deficit was covered by the

accumulated budget surplus. Yet, this surplus will not suffice to cover future deficits in the medium-term.[11]. Higher budget consumption can be covered only through increasing budget revenues, with a resulting share of fiscal revenues being about 30% of GDP. In such a case, a budget consumption share in GDP of around 30–32% would not be considered as problematic for economic growth.[12]

**Table 3. The structure of budget revenues and spending 2000–2006 (percentage)**

	2000	2001	2002	2003	2004	2005	2006
KCB / GDP		13	20	24	24	26	27
Tax revenues / KCB	95	89	89	88?	91?	85	87
Border revenues / tax revenues	95	85	82	82	79	79	73
Inland revenues / tax revenues	5	15	18	18	18	21	27
Municipality revenues / KCB			01	07?	38?	5	5
Non-tax revenues / KCB	5	11	11	12?	8?	10	8
EXPENDITURES / GDP		10	16	23	30	30	28
Current expenditures / total expenditures	92	92	90	82	77	77	75
Salaries and per diems / total expenditures	45	45	33	27	25	27	29
Salaries and per diems / total revenues	72	34	26	25	31	31	31
Goods and services / total expenditure	21	23	30	32	25	20	19
Subsidies and transfers / total expenditures	25	25	27	23	25	29	26
Capital expenditure / total expenditures	8	8	10	18	25	23	25
Reserves	4			4	5	10	09
TOTAL BALANCE / GDP	3	3	4	2	-6	-4	-2

Source: MEF - IMF

Kosova budget expenditures are focused on three groups:

- SRSG[13]
- Reserved competencies
- Local government

Expenditures are used for paying salaries and per diems, goods and services, subsidies and transfers (for social cases, SOEs and POEs), for capital expenditures and reserves. The share of PISGs in consumption for the year 2005 was 71.3%, (47.9%, central government and 23.4%, local governments), leaving a figure for reserved competencies of 28.7%.

**Table 4. Share of wages in GDP, budget revenue and budget consumption, as percentage**

	WAGe/GDP	wage/budget revenue	wage/ budget6 consumption
Kosova 2004	7.3	31.0	25.0
Albania	6.2	28.4	21.3
Bulgaria	4.1	11.6	11.8
Croatian	11	24.3	21.9
Macedonia	7.8	22.5	19.3
Czech republic	8.5	21.7	18.1
Poland	11.3	30.6	26.2
Serbia & Montenegro	10.4	24.3	22.1
Slovenia	9.8	25.2	23
EU	10.3	22.6	21.7

*Source: For other countries FMN (2002)*

The data show that the share of salaries in budget revenues and consumption in Kosova is quite high. Nevertheless, this as a share of GDP is lower than the average of EU countries, implying that there is a disproportion between budget and GDP in Kosova, because of the small share of tax revenues and budget consumption in GDP.



During this period, a considerable part of the budget has been spent on providing for the needs of these companies, notably for KEK[14], and they still remain very inefficient. Strong dependence of these companies on budgetary funding has been created, while the services they provide remain expensive and of poor quality. Budgetary intervention compensates for the inefficient management but delays the restructuring, incorporating and liberalization of this market. On the other hand, due to the delays in the restructuring and privatization process of the socially-owned enterprises (in particular up until 2005), a large number of these enterprises and their employees have become a budgetary burden, absorbing considerable amounts of transfers (in 2005, these transfers made up 11% of budget consumption)[15].

The main challenges are anticipated to be a need for capital investments, servicing of the foreign debt, additional costs following the establishment of the new institutions of self government, problems related to the restructuring of the economy and increasing needs of local governments in the course of the decentralization process.

Kosova will face difficulties in the mid-term in acquiring capital public investments due to its structural problems. Hence, support of the international financial institutions and donors is essential. Currently, it is impossible to estimate the exact costs for the newly created functions, but it is more than obvious that continuous transfer of powers will be followed by new fiscal implications related to wages and salaries, goods and services and capital investments. In this regard, special attention should be paid to increasing budget revenues, by reduction of tax evasion and through better tax collection inland, which at the moment is not satisfactory.

Kosova assumes that once its political status is resolved and it becomes an independent state, it must take on its share of the foreign debt. Kosova should seek for solution in support from donors, in order to erase the debt, and reprogram it, so it would be suited for Kosovar economy and wouldn't harm budgetary balance.

## **FISCAL EXCHANGE AND FISCAL CULTURE IN KOSOVA**

Fiscal culture describes a system of behavior in the relationship between taxpayer and tax authorities and includes the system of communication between them, as well as the sphere of reasoning. Fiscal culture is tightly linked to tax mentality, which consists of two components: tax moral and tax discipline. Tax moral is a measure of willingness to pay taxes, as a result of feeling obligations towards the government and the community as a whole, which is in line with the benefit principle. Tax discipline, on the other hand, is a measure of the taxpayers' attitude towards tax obligations.

Finding a solution for encouraging people to make a higher level of tax payment is not only a native problem; this problem is faced by policy makers in a range of countries, in particular the developing and transition countries. Moreover, it is evident that tax payment is a complicated issue related to individual behavior, which in turn is related to socio-economic factors. In fact it is commonly accepted that there is no country where people are happy about having to pay taxes, yet they do so because it is part of their culture. In the Russian Federation, which faces many problems related to informal economy and fiscal evasion, various methods have been used to try to develop fiscal culture among the population. Fiscal culture was introduced into the education system, in schools and even in pre-school education, aiming at encouraging children to start discussions on tax issues at home. In Switzerland, where the level of tax noncompliance is low, fiscal culture is characterized by a great part of the general public being interested in transparency and in fighting fiscal evasion. In the USA, fiscal culture is seen as a reflection of democracy and of confidence in government, but also as a need of the taxpayers, to protect themselves from arbitrariness in tax administration.

Taxpayer's behaviour regarding the taxpayment is affected significantly from different factors, among which the most important

one is fiscal burden, return on taxes, return on other tax obligations, tax privileges, efficiency of tax administration, tax penalties and tax mentality. Tax privileges and fiscal inequality weaken tax discipline and stimulate tax resistance through falsifying taxes. Therefore, the structure and efficacy of the tax administration play an important role in developing the level of tax moral, just as tax sanctions do for those who do not fulfill their tax obligations and the harshness of measures taken against those who falsify taxes do. An important role is played by the tax mentality of taxpayers and the level of awareness of belonging to a state and of the necessity of complying with their obligations. In this vein, the level of education, age and tradition, as well as individual habits, are of high importance.

## **FISCAL PRESSURE**

The backbone of the development of a tax moral is the level of taxes and the level of fiscal burden. It is generally accepted that exceeding the upper bound leads to fiscal collapse, with catastrophic impact on the economy as a whole. Therefore, tax rates should be set within realistic economic bounds, irrespective of the public sector's appetite and of the inflation of public expenditures. This implies that there should be a moral balance between taxpayers and tax administration. It is considered that tax moral in developed countries is highly sensitive to fiscal burden, for each unrealistically excessive fiscal burden results in reactions among the taxpayers, provokes fiscal incompliance and an increase in fiscal evasion.

## **CONTROL OVER PUBLIC EXPENDITURES**

Rigid control of public expenditure plays an important role in keeping tax levels within balanced bounds. It prevents financing of budget deficit, which in the long term results in weakening of tax moral, because budget deficit has several implications, such as future tax rate increases for paying off the interest on the pub-

lic debt. In the short and medium term, applying high tax levels leads to a decrease in investment, capital outflow to countries that have a lower fiscal burden, which will ensure higher levels of profit, and decreases the fiscal flow in the long term.

## PUBLIC GOODS

Opinion polls conducted in Kosova and elsewhere show that an increase in the quality and diversity of public services is positively reflected in the citizens' confidence in government, and thus in an increase in tax payment. For the citizens, benefits at the local level are close and valuable (primary and secondary education, elementary healthcare, improvements in infrastructure, public hygiene, parks, everyday behavior of local officials, etc.). Hence, the impressions of taxpayers and their confidence in government institutions have a huge impact on their tax compliance.

From the research with 450 households organized by Riinvest Institute, and also from the research with 600 SME's in 2004 and 1300 families in 2005, we can see that there are regional differences between taxpaying. While it is notable the small difference in tax compliance between ages, for those that comply regularly, not-regularly, and those that never pay. The level of tax payment increases with the increase in education. This means that educated people are better informed and are more integrated in formal economy.

**Table 5. Level of education of taxpayers (as a percentage of respondents).**

Do you pay taxes and tariffs	Not educated	Primary	Secondary	High school	University	Masters	PhD
Yes	50.0	67.4	75.8	73.3	77.0	100.0	100.0
Not regularly		15.8	10.3	15.6	14.8		
No	50.0	15.8	11.9	6.7	6.6		
Did not answer		1.0	2.0	4.4	1.6		

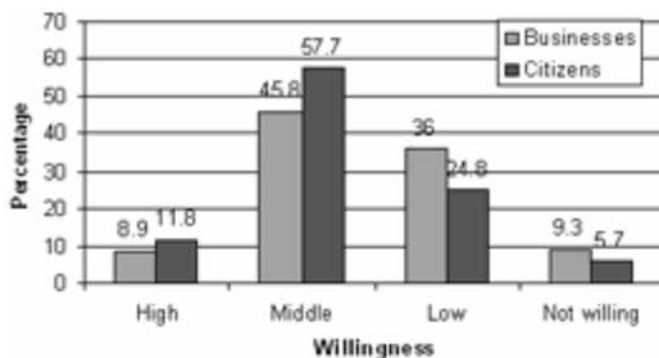
*Source: Riinvest, Opinion Survey, November 2005*

## TAX BURDEN

Regarding the question of how unbearable taxes are, most of the respondents are pessimists. Two-thirds (66.7%) of respondents thought that the level of taxes was unbearable. Analysis of the business survey (600 SMEs, 2004) gives the same results, with the majority believing that the level of taxation in Kosova is unbearable, particularly the high level of custom duties and taxes.

According to the Riinvest surveys of businesses (600 SMEs, 2004) and citizens (2005), it is apparent that willingness to pay taxes is significantly lower among businesses than among citizens (Figure 1).

Figure 1. Readiness to pay taxes



Source: Riinvest survey of 600 SMEs (2004) and 1,200 families (2005)

Based on these data it can be seen that the high and average willingness for tax compliance in the family group is around 70%, while in the business group it is around 55%. But, it is difficult to conclude whether this greater willingness of tax compliance among citizens is the result of some difference in fiscal culture between these groups. This difference could be the result of the nature of taxes that are applied for citizens. Nevertheless, this low level of tax compliance willingness among businesses deserves to be treated carefully by the authorities when they review the

present tax system for businesses, including those elements that have not been an objective of this survey.

## WHY PEOPLE PAY TAXES?

Individuals were asked some questions, that were considered to be important for tax payment, such as: Avoid problems with tax authorities, public services offered to them, impossibility to avoid tax payments, and responsibility towards government.

**Table 6. Why people pay taxes (as a percentage)**

Reason	Total
So that we won't have problems with the authorities	36.2
Public services offered in return	10.2
Impossibility of avoiding paying taxes	11.5
Feel responsibility towards the government	44.7

*Source: Rinvest, Opinion Survey November 2005*

It is very clear from the table that the majority of citizens feel some responsibility towards government for tax compliance, but the second most given reason is “so that we don't have problems with the authorities”. This proves the level of responsibility of citizens towards Kosova and government. The impossibility of avoiding paying taxes is ranked third place, while “level of public services offered” is ranked fourth of the four choices. Thus, a very strong link between payment of taxes for services received in return has yet to be created.

In general, less than half of respondents declare that “they would” or “maybe they would” avoid tax payments if they had a chance, suggesting low level of readiness to pay taxes.

**Table 7. Readiness of individuals to avoid tax payment, based on education**

Would you avoid taxes if they had a chance?	Level of education								
		Not-edu- cated	pri- mary	sec- ondary	High educa- tion	Faculty	Masters	PhD	Total
	Yes	50.0	16.1	17.6	17.5	10.5	0.0	0.0	16.0
	Maybe	50.0	24.7	29.5	35.0	29.8	0.0	50.0	28.9
	No	0.0	59.1	52.9	47.5	59.6	100.0	50.0	55.1

*Source: Riinvest, Opinion Survey November 2005*

However if we compare the structures between citizens in sense of education, we see major differences. Through answers it is clear that there is a positive correlation between education and tax payment.

## PUBLIC BENEFITS

The opinion survey on tax collection problems was implemented in respect of public benefits, behavior of tax officials, number of taxes, the work of central or main officials, both municipal and parliamentary, the functioning of the legal system, information provision, corruption and the payment influences of others. The results from the survey are reported in Table 11. The most serious areas of dissatisfaction with tax collection were: (1) the large number of taxes; (2) the non-functioning of the legal system; (3) the lack of benefits from taxes (lack of public services).

**Table 8. Major problems related to tax collection (as percentage of respondents)**

There are no public benefits	Agree	36.60
	Partially (50:50)	42.10
	Don't agree	11.80
	I don't know	9.50

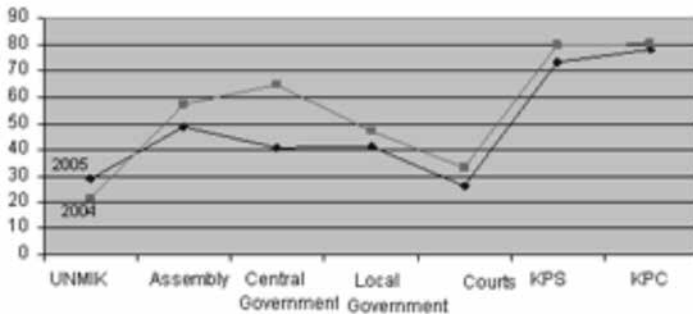
Number of taxes is large	Agree	46.30
	Partially (50:50)	39.70
	Don't agree	6.80
	I don't know	7.30
Legal System	Agree	38.60
	Partially (50:50)	38.40
	Don't agree	9.40
	I don't know	13.70

Source: Riinvest, Opinion Survey November 2005

## SATISFACTION WITH GOVERNMENT'S WORK

The opinion survey undertaken in September 2005 (1,200 families)[16] showed that the level of satisfaction with the work of the Kosovo provisional government institutions in comparison to the same period of the previous year had fallen. A slight increase is only seen in appreciation for the work that UNMIK is doing. The highest fall in level of satisfaction is with the work of central government (from 64.6% in September 2004, to 40.8% in September of this year). A considerable fall was noticed also in respect of satisfaction with the work that the courts are doing.

Figure 2. Satisfaction with the work of institutions  
(September 2004/September 2005)



Source: Riinvest, Opinion Poll for Early Warning System, September 2004 and 2005



The results from the survey with businesses suggest that the main barriers to paying taxes are high taxes (34.8%) and lack of adequate control.[17]

The survey results suggest that the majority of respondents considered that public utilities were of insufficient quality to be a stimulating factor for paying taxes. According to the latest Riinvest survey, overall citizen satisfaction with public utilities was as follows: 55% of respondents were partially satisfied, while 31% were not satisfied at all. Most interesting is that about 60% of respondents declared that they would pay more taxes if the quality of public utilities were to be improved.

Next Table shows levels of satisfaction with key public utilities that the government provides to citizens at both the central and local level. Of these services, respondents were satisfied with education, public television, healthcare services and services provided by local administration while half of them were dissatisfied with electricity, public hygiene and local infrastructure.

**Table 9. Satisfaction with the level of public services (as % of satisfied respondents)**

	2004	2005	2005/2004
Education	70.5	72.5	1.03
Health	52.7	57.4	1.09
RTK	65.6	62.1	0.95
PTK	47.8	45.3	0.95
KEK	5.7	20.1	3.53
Water	56.3	56.1	1.00
Public Hygiene	39.8	45.0	1.13
Regional Infrastructure	50.6	50.3	0.99
Local Infrastructure	33.5	39.9	1.19
Local Administration Services	57.8	57.4	0.99

*Source: Riinvest, Opinion Poll for Early Warning System, September 2004 and 2005.*

## RESPONSIBILITY FOR THE LEVEL OF TAX COLLECTION

Survey results suggest that taxpayers are viewed as the persons most responsible for the level of tax collection, followed by central government (29%) and local government (27%), and finally tax officials and UNMIK, with 26%. In general, it seems that there were no conflicts and disloyalty with the tax administration.

It is interesting that despite low level of tax collection in local government, only a minority of respondents thought that local government was responsible for this level of performance.

## THOUGHTS OVER IMPROVEMENT OF TAX COLLECTION

One important question that was asked was how to improve the existing fiscal system. Results shows that citizens would prefer better fiscal education, their engagement in future in identifying development priorities, strengthening of fiscal administration and training of tax officials, with introduction and implementation of penalties as the least preferred measure.

Table 25. Methods for improving tax collection

	Education	Enhancement of tax administration	Severe punishment	Training	Involvement in definition of development priorities
Yes	76.5	59.0	44.7	56.8	63.6
No	9.1	13.2	25.4	14.3	6.1

Source: Riinvest, Opinion Poll Survey, November 2005

The research underlines the need for tax education and the need for including citizens in defining development priorities, in other words, they seek for more developed democracy of decisionmaking. The research results indicate that lonely 45% of respondents

see introduction of punishment as a means to improve tax collection. Thus, most respondents see this as inappropriate and would prefer other measures, some of which are given above, to be used, building confidence and respect for all, rather than applying punishment and sanctions. This fact is very important and at the same time shows that awareness among citizens needs to be respected by government in their path towards building new tax policies.

## CONCLUSION

An unfavorable economic situation, increase in the responsibilities of local institutions and completion of governing functions upon resolution to the status of Kosova will set forth new budget requirements and challenges, such as providing the additional funds for covering the additional costs as a result of the transfer of responsibilities; funds for public enterprise restructuring and socially owned enterprise privatization; funds for foreign debt repayment.

Increasing tax culture is closely related to narrowness of fiscal evasion and non-formal economy. It is important to keep taxes in real economic boundaries. Introduction of high levels of taxation will decrease investments and cause capital outflow to countries with lower fiscal pressures and this in turn will decrease fiscal inflow into the state budget in the long run. On the other hand, budget deficit financing means future tax increases to repay the public debt.

Studies related to fiscal culture underline the importance of fiscal exchange in tax compliance. Individuals tend to pay more taxes when they have a fiscal exchange with the government, by benefiting more public goods compared to the amount they have paid for taxes. The behavior of taxpayers is affected by their satisfaction or the lack of satisfaction for the goods that government offers. A proper tax system would motivate individuals to pay taxes, while unfair tax system would force them to hide taxes, i.e. evade.

We can see from the research that tax payment is correlated with education. Respondents declare that major problems in collecting taxes are related to high number of taxes, high level of corruption, dysfunction of legal system and in the lack of return on taxes.

With regards to the reason for the low level of tax collection, respondents agreed that the taxpayers themselves are mostly to blame, though local and central government shoulder some of the responsibility, as well. Based upon the research undertaken in this report, the tax collection problems should be attacked in several dimensions, with: better tax administration; building an information scheme for taxpayers; greater involvement of the community in defining tax and development policies; increasing citizens' trust in governmental bodies; introducing more suitable levels of taxation, which will advance the level of overall fiscal culture.

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- [3] Venera Demukaj, MA Research Director – Economist. She is teaching assistant at the Faculty of Economy, University of Prishtina.
- [4] Jack M. Mintz: Growth and taxes, some implications for developing economies page. 207 in “Public Finance in Developing and Transitional Countries” edited from Jorge Martinez-Vazquez and James Alm.
- [5] In Macedonia, the share of industry in GDP is 31%, in Slovenia 36%. While the share of trade and services among these countries are similar to one in Kosova.
- [6] Up until this year UNMIK and many international institutions were treated as international organizations, since the services they have offered are not for local economy and the employees of such organizations are not taxpayers of this country. IMF mission in the report for month April-may 2005, reestimated GDP of year 2004 in 2.516 million euros, or for 21.7% higher than previous estimation on December 2004 (1,999 million €).
- [7] Based on IMF remittances in 2005 345 million euros (July mission)
- [8] Institute for Development Research “Riinvest” Prishtinë, 2005
- [9] World Bank: Review of public expenditures and Institutions in Kosova June 22, 2005
- [10] These portions differ from those of previous years. The change is not a result of the decrease in spending or budget

revenues, but a result of new estimates of GDP by the IMF. In its April–May 2005 report, IMF estimated GDP for 2005 to be 2,433 million €, while for year 2004 GDP was estimated to be 2,516 million €, or 21.7% higher than estimated in December 2004 (1,999 million €).

- [11] By the end of 2004 the total savings balance at the disposal for the budget was 172 million €.
- [12] In some transition countries, the share of consumption as percentage of GDP is: Albania, 25.3%; B&H, 50.3%; Bulgaria, 37.1%; Macedonia, 39.5%; Latvia, 36.7%; Romania, 33.1%. Source: World Bank, Report No. 32624-XK, June 2005
- [13] Special Representative of Secretary General
- [14] In 2005, €55.5 million of the budget were allocated to the energy sector, i.e. KEK (7.5% of budget consumption). According to the 2006 budget projections, the energy sector will absorb €44.9 million (6.5% of budget consumption).
- [15] In 2005, it was projected for the KTA to receive around €80.5 million, or 11% of budget consumption, while according to the 2006 budget projections, KTA funding amounts to €67.7 million, or 9.5% of budget consumption.
- [16] Riinvest, Opinion Poll for Early Warning System, September 2004 and 2005.
- [17] Riinvest, SME Development in Kosova, December 2004.

## **BOSNIA AND HERZEGOVINA:**

### **DOES BOSNIA AND HERZEGOVINA NEED THE INSTITUTION OF THE HIGH REPRESENTATIVE (OHR)?**

*In his article entitled "DOES BOSNIA AND HERZEGOVINA NEED THE INSTITUTION OF THE HIGH REPRESENTATIVE (OHR)?" Prof. Mirko Pejanović, PhD, former member of the Presidency of the Republic of Bosnia and Herzegovina (1992-1996), full professor at the Faculty of Political Sciences of the Sarajevo University, President of the Serb Civic Council - Movement for Equality in Bosnia and Herzegovina (SGV-PRBiH) and member of the Council of the IFIMES International Institute, presents his view of the topic.*

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**Member of the Council of the International  
Institute IFIMES**

After four years of war and destruction of the social, demographic and state structure of Bosnia and Herzegovina, a more determined approach by the international community aroused hope for peace and European political prospects for Bosnia and Herzegovina. The basis of the political solution for peace and end of the war was formed in 1994 and 1995 within the Contact Group composed of the leading world powers: the USA, the Russian Federation, Great Britain, France and Germany. The key role in the formation of the peace solution known as the Dayton Peace Agreement during 1995 was played by the USA administration.

The Dayton Peace Agreement concluded in November 1995 resulted in:

1. the end of the war in Bosnia and Herzegovina,
2. acknowledged and strengthened international legal validity of the state of Bosnia and Herzegovina,



### 3. entity-based internal organisation.

A specific feature of the Dayton Peace Agreement is that it provides for the international military and civil forces with clear mandates for its implementation.

There is an international dimension to the implementation of the Dayton Peace Agreement and notably to the process of establishing a peaceful and self-viable state of Bosnia and Herzegovina. The internationalisation of the Bosnian issue implies a great responsibility on the part of the international community as far as the outcome of the internationalisation process is concerned.

#### **Which is the possible epilogue to this process?**

Surely it is not the ethnic division of the state of Bosnia and Herzegovina nor its disappearance as a European geopolitical entity. This outcome would namely mean backing Karadžić's project of the genocide against the BiH Bosniaks and Croats. This idea had led to violent exiles of about 2.2 million Bosnian and Herzegovinian citizens and crimes committed against the civil population.

Both the desirable and the possible as well as the strategic outcome of the internalisation of the Bosnian issue is encompassed in the designing, implementing and finalising the historical project of the integration of Bosnia and Herzegovina into EU and NATO. With Bosnia and Herzegovina getting closer into the Euro-Atlantic integration (EU and NATO) the possibility of ethnic division of Bosnia and Herzegovina is disappearing. At the same time, the possibility for the parties formed on the ethnic basis to exert the dominant political influence over Bosnia and Herzegovina as well as the possibility of discrimination on the ethnic or any other basis are disappearing, too.

In a wider historical context the post-Dayton period is presented as the period of post-war reconstruction of Bosnia and Herzegovina. It is also presented as the period during which the state of

Bosnia and Herzegovina made steps towards the EU in the framework of the stabilisation and association process. And it is marked by entering the era of Bosnia and Herzegovina's candidacy for the EU and NATO membership.

Taking this time into account it is evident that during the post-Dayton period 11 years were spent on the process of the essential post-war reconstruction and fulfilment of the conditions for signing the stabilisation and association agreement with the European Commission (the agreement is expected to be signed by the end of the first quarter of 2007, i.e. following the police reform).

Why is the time since the end of the war in 1995 until the eventual membership in EU and Nato observed as forming three periods? Mostly since the previous two periods – a) post-war reconstruction and b) fulfilling the conditions for signing the accession and association agreement – have already elapsed leaving behind some inevitable lessons.

What are their main messages?

What are the lessons learnt about the implemented reforms and the role played by the OHR (Office of the High Representative and EU Special Representative)?

Several:

1. Through the institution of the High Representative the international community was the main authority in the realisation of the initial post-war reconstruction process. The international community was the main actor in creating the conditions for the freedom of movement of the citizens during the first post-war elections, contributing finance for the reconstruction of schools, water supply network, bridges etc. It also led the initial process of exercising the right of refugees and displaced persons to return home.
2. The international community thought of the election process merely in formal terms: it was important that elections are held in peace, while it did not matter so much if during the post-war period party pluralism on ethnic basis blossomed under the auspices of the international community at the 1996 elections

and again at the 1998 subsequent elections. History has shown that ethnic pluralism in Bosnia and Herzegovina does not lead to the necessary consensus for managing the development of a sovereign state (during that period the office of the High Representative was held by Carl Bildt and Carlos Westendorp).

The period of making the first step for entering the process of integration in the European institutions started with Bosnia and Herzegovina joining the Council of Europe in 2002. This inspired a process of reforms which enabled the fulfilment of the conditions for the country's integration in the EU.

The most important from among the series of reforms were:

1. adoption of amendments to the entity constitution on the equality of the Bosnian-Herzegovinian nation throughout the territory of BiH in 2002 (resulting in the abolition of the discrimination of citizens on the basis of ethnic origin);
2. establishment of state border service,
3. enlarged structure and changed organisation of the Council of Ministers of BiH (from four ministries in 1996 to nine ministries in 2005),
4. integration of entity customs services into a uniform system,
5. integration of entity armies into a uniform armed force,
6. establishment of the public radio and television system of BiH,
7. judiciary reform,
8. establishment of indirect taxation administration,
9. reform of the security and police forces.

These reforms were initiated and implemented for the most part during Wolfgang Petrisch's and Paddy Ashdown's terms of office as High Representatives. All these reforms were carried out through OHR's influence or provisional decisions on the promulgation of a law which had not been given the consent by the governing parties in the Parliament of Bosnia and Herzegovina. The unaccomplished reform of police forces awaited High Representative Christian Schwarz-Schilling. In 2005 and 2006 the reform of

the constitutional structure was carried out. The package of constitutional amendments prepared in April 2006 did not get the two-third majority – despite the international community's interference the constitutional amendments were not implemented. In fact the issue of constitutional amendments pointed to the vast divide among political parties as to the scope and content of the changes to the constitution of Bosnia and Herzegovina. Moreover, the attempt to adopt the constitutional amendments revealed also the lack of co-ordination and uniformity of the international community institutions competent for implementing the Dayton Peace Agreement.

The international community did not play its role in a way appropriate to constitutional amendments being the most important reform in the process of BiH integration in the EU. The question is why? From the point of view of achieving the strategic goal of the political development of the state during the post-Dayton period, the answer is accession to the EU – constitutional amendments appear to be the most complicated and at the same time the most important reform. It can not be implemented solely within the Bosnian-Herzegovinian governing political parties without the interference of the international community and OHR. Even less so, It can not be implemented during the second phase of constitutional amendments encompassing the empowerment of local authorities and the establishment of the regional structure as the central level in the state organisation. There is opposition among the political parties as far as the constitutional structure is concerned. They are not ready for changes nor for achieving consensus on the constitutional amendments.

What strategy should the international community apply when it comes to constitutional amendments in Bosnia and Herzegovina? Constitutional reform is the most important pre-condition for the process of candidacy and accession of Bosnia and Herzegovina to the EU and NATO.

There are two opinions regarding the importance of constitution-

al amendments for the integration of Bosnia and Herzegovina to the EU. According to the first opinion the constitutional reform is not regarded as the pre-condition for obtaining the status of the candidate state for EU membership. The second opinion is that the constitutional amendments are one of the important conditions for the process of integration of Bosnia and Herzegovina in the EU, especially for obtaining the status of the candidate state for EU membership. The second opinion entails the empowerment and obligation of the international community, i.e. OHR, to promote and co-ordinate the whole process of constitutional amendments as the most important reform on the road to EU membership.

The reform of the constitution of Bosnia and Herzegovina actually enables the establishment of a modern state structure based on the European liberal-democratic tradition, which would be efficient, rational and free of the blockades in the process of adopting laws in the Parliamentary Assembly of Bosnia and Herzegovina. Such a reform entails the abolition of the dominating ethnic principle in the political structure of Bosnia and Herzegovina. At the same time, the constitutional reform does not exclude the principle of equality of nations and its protection through the institution of the House of Peoples within the legislative branch of power. Without constitutional amendments Bosnia and Herzegovina will be, within the parliamentary structure elected in 2006, exposed to new currents leading to the ethnic division of the state. There are namely two political options in the parliamentary majority.

The first favours federalisation of Bosnia and Herzegovina, which means the formation of federal units on ethnic basis resulting in single-ethnic territorial units. This option is advocated by the Alliance of Independent Social Democrats (SNSDS) led by Milorad Dodik. Should it be realised, in only a decade Bosnia and Herzegovina would end up not in the EU but in the political division and total destruction of the state.

The second political option advocated by the Party for BiH (Sz-

BiH) led by Haris Silajdžić sees Bosnia and Herzegovina without the entities but with a strong central authority based on the principle of citizen subjectivity. This option is, due to the lack of trust among parties, regarded as unitarian with the domination of the majority Bosniak nation. Croatian parties are divided in their views on the constitutional reform which further deepens the discord among the Bosniak and Serbian parties. The opposition and multiethnic Social Democratic Party of BiH (SDP) has an optimal concept for the constitutional structure of Bosnia and Herzegovina (favouring the balance between the citizen and ethnic principle) but it lacks the power in the Parliamentary Assembly.

The termination of the function of the High Representative of the international community to Bosnia and Herzegovina would therefore, in the context of political discord among the parties which are forming the majority in the Parliamentary Assembly, encourage the powers which are striving for the disintegration and ethnic division of Bosnia and Herzegovina.

## **CONCLUSIONS AND PROPOSALS:**

1. The constitutional reform, as the most complex element in the process of integration of Bosnia and Herzegovina in the EU, can not be realised without the interference and influence of the international community through the institution of OHR.
2. Taking into account the importance of the constitutional reform, it should be treated as one of the pre-conditions for the candidacy of Bosnia and Herzegovina for EU membership. Such status can be defined by the Peace Implementation Council (PIC). By defining the constitutional reform as an important element in the implementation of the Dayton Peace Agreement, the mandate of OHR during the next, limited period of time would also be defined.
3. The significance of the constitutional reform calls for the extension of the international community's presence through

the institution of the OHR or EU special representative with the mandate to implement the constitutional reform. The implementation of the constitutional reform would ensure the state of Bosnia and Herzegovina the basis for the successful functioning and a stable state structure which is the pre-condition for a successful social, economic and political development.

4. Due to the existence of certain currents promoting ethnic division of Bosnia and Herzegovina as well as some geopolitical currents surrounding this state, which have a negative influence on the stable social development of BiH, the international community, being responsible for the political future of Bosnia and Herzegovina, would benefit itself and help the citizens of Bosnia and Herzegovina if it assumed a political position on the necessity of accelerated accession of BiH to the NATO and EU in order to stabilise the peace in BiH and the Western Balkans. Membership in NATO by 2009 on the basis of the reforms of armed forces may accelerate and facilitate the accession of BiH to the EU by 2012.

The international community would thus establish a sound strategy for the solution of this historical project of the internationalisation of the Bosnian issue: an integral and sovereign state of Bosnia and Herzegovina having the status of the EU and NATO member.

Ljubljana, 26 February 2007

## EU AND TERRORISM

### THE EUROPEAN UNION IN THE FIGHT AGAINST TERRORISM

*Dr Mihael Brejc, Member of the European Parliament (SDS/EPP-ED) in his article “The European Union in the fight against terrorism” points out that life in the EU is less safe and less pleasant today than it was a decade ago. He present and analyses the structure of the EU response to terrorism with the conclusion, that while defending its own values without any fear and hesitation, the EU should refrain itself from proving that its model of society is the only suitable one.*

**Dr. Mihael Brejc**

**Member of European Parliament (SDS/EPP-ED)**

## INTRODUCTION

One of my fellow MEP's recently said to me: “After 9/11 everything has changed.” The world is not safer than before, just the opposite. Terrorist attacks are occurring everywhere, not only in Western democracies. Many innocent people are dying in the process, the material damage is enormous and fear is slowly creeping into people.

What was the response of the US and the EU to such attacks? We implemented justified anti-terrorist measures; however, they have hindered the mobility of our citizens, limited economic cooperation, forced us to increase budgetary and private funds for security and worsened inter-personal relations within multi-cultural societies. Life in the EU is less safe and less pleasant today than it was a decade ago. We are increasingly aware of the growing terrorist threat



and are continuously trying to find suitable methods and means to fight it.

## **THE REAL DANGER: ISLAMISTIC TERRORISM**

Islamistic terrorism is a term, used to describe terrorist groups, which attack people and their property in the name of Islam, i.e. in the name of religion, everywhere in the world, wherever they see their enemies. Their enemies are not only the citizens of the Western civilization; their terrorist activities are aimed at anyone who opposes them. Al Qaeda and similar groups are growing like mushrooms after the rain and are successful particularly in Islamic countries with big social differences, where a numerically small elite lives in plenty, where there is almost no significant middle class and the majority of the population lives in poverty. But not only that. They blame economic superpowers, above all the United States and those European countries which support it, for the poverty of the people. Globalisation represents a big problem for many Islamic countries, as it endangers the existing structures and relations of their societies. Islamistic terrorism is intolerant of other cultures in its environment, other environments and abuses the multi-cultural nature of European society for its goals. We should therefore not be surprised to see that “home grown radicalism” in Europe is on the rise and is becoming more and more dangerous.

None of our measures against Islamistic terrorism are aimed at the faithful, at Islam itself. Our civilization demonstrates its tolerance towards other religions on a daily basis, it respects and enables Muslims to live, work and preserve their religion and culture in the European environment, which is not traditionally Muslim. We Europeans respect Islam, as we are aware that peaceful cohabitation enriches us both. Living together helps us to get to know and understand one another better. And this is the basis for coexistence in a multi-cultural society. We do not recognize any political or religious ideology, in the name of which one would torture

and kill other people. These terrorists are not representatives of Islam or Islamic countries! They represent no-one, but fight only for their totalitarian goals. They are a danger to us and also a danger to Islamic countries.

## **EU RESPONSE TO TERRORISM**

The EU has developed a vast and quite complicated system for fighting terrorism. At present we have numerous documents from the Council, Commission and the European Parliament, which form a legal and political basis for action in achieving an efficient fight against terrorism. We have a strategy for combating terrorism; we have the famous Hague programme, the vast Schengen acquis and many regulations regarding financial flows, migration, asylum, etc. We have around 60 regulations, directives and other documents, and about 20 still in preparation or already going through the procedure. (I can hardly find my way around the large number of regulations and I hope that terrorists have the same problem). Although I believe we have too many regulations - which reflects the normative idealism of the builders of this legislative framework - one thing is entirely clear: Member States are in complete unanimity about the main strategic goal, which is: "To combat terrorism globally while respecting human rights, and make Europe safer, allowing its citizens to live in an area of freedom, security and justice." What is also very important is that we aim to achieve this goal in a democratic and accountable way. Preventive protection, prosecution, investigations and solidarity after an eventual terrorist attack, form the basis for our strategies and actions.

Despite the existence of vast legal bases on the EU level, it is completely clear that Member States have primary competence in the fight against terrorism. Each of them has developed its own legal framework and internal organisation in this area; however, terrorist attacks in Madrid and London heightened the willingness

of Member States to cooperate in this field as well and form common legal bases and organisational structures.

A Terrorism Working Group (TWG) was set up within the Council of the EU, we also have a Working Party on Terrorism (COTER). Both of these are assisted by the Joint Situation Centre (SITCEN). The harmonisation body of the Council is CATS, however, the Political Military Committee of the EU (PSC), the Strategic Committee for Immigration, Frontiers and Asylum (SCIFA) and the Committee of Permanent Representatives Committee (COREPER) also deal with the issue of terrorism. There are many more working groups, which deal indirectly with various aspects of the fight against terrorism. In the Commission, the Commissioner for Justice, Freedom and Security and his team are dealing with these issues. In the European Parliament, the two key Committees dealing with the fight against terrorism are the Committee on Civil Liberties, Justice and Home Affairs (LIBE) and the Subcommittee on Security and Defence (SEDE). Of course, there are also EUROPOL, EUROJUST, the European Counter-Terrorism Coordinator, FRONTEX and I am sure I have forgotten some of them.

*What does this tell us?*

1. There is no single institution or agency on the EU level, which would deal only with the fight against terrorism, even though such a complex phenomenon would probably require it.
2. Taking into account the complexity of the pillar structure and the complex nature of the normative arrangements currently in place, I believe that the Constitutional Treaty would facilitate our actions in this field as well.
3. The sensitivity of the issue, bad coordination of EU institutions in this area and the fact that Member States have primary competence in the fight against terrorism, weaken our ability to fight it more efficiently.

## **FUTURE...**

The terrorist danger will not decrease, as most terrorist groups related to radical Islamic movements will continue with their activities, not only in Islamic countries but also in the wider Middle East region, in the EU and in South and Central Asia. Economic difficulties and high unemployment rates in certain Islamic countries will form a breeding ground for terrorism. There will be more Al-Qaeda-type terrorist groups which will use modern technology to achieve their goals; they will be even more flexible and will have no permanent base. Whilst we also cannot exclude the danger of chemical, biological and cyber-terrorism, conventional weapons will still be kept in the terrorist arsenal and the ambition to proliferate weapons of mass destruction will still persist. Terrorist groups will develop their links even further with criminals, in order to obtain weapons, forged documents and assistance with the transfer of persons and equipment.

## **SOME SUGGESTIONS**

1. When we speak about the fight against terrorism, we must bear in mind that no measures adopted in this area should endanger democracy and the rule of law, which are the cornerstone of our most fundamental values. Therefore we should include both prevention and repression in our anti-terrorist strategies, and at the same time be careful to strike the right balance between freedom and security.
2. The EU should draw up an action plan to promote democracy in the world. In this respect, the EU's policy towards the Islamic countries that uphold democratic norms or are encouraging a democratic process in their societies is extremely important. The EU should also strengthen its economic and political cooperation with Islamic countries, in order to encourage the growth of their economies.
3. EU institutions should respond to threats of terrorism more quickly and more efficiently. The Commission, the Council

and the European Parliament should review the existing legislation in the field of the fight against terrorism and ensure its better clarity, transparency and applicability.

4. We should ensure efficient control of the external borders and entry points in the EU.
5. We should also support the adoption of a framework decision that harmonises the conditions for the entry to, stay in, and expulsion from EU territory of all those who incite terrorist acts.
6. One of the most important preventive tools in the fight against terrorism is the exchange of information between Member States in accordance with the principle of availability, as introduced in the Hague Programme (which means that the information available must be accessible whenever necessary to one's counterparts in the other Member States).
7. Information exchange shouldn't be limited only to the EU. Better exchange of data between EU Member States, between the EU and the US, between the EU and Russia and also between EU and Islamic countries regarding terrorism is crucial. If we want to achieve this, we must, however, improve mutual trust among our security and intelligence services.
8. The latter have certainly been trying very hard to prevent terrorism, but were obviously not efficient enough. Therefore it is necessary to review their working methods and reform them if necessary.
9. It is also necessary to closely examine the suitability of the current organization of Europol, as the Terrorism Unit is currently only one of the units within the Serious Crime Department.
10. We should closely examine the current post of the Counter-terrorism coordinator and its possible transformation into a High Representative for the fight against terrorism.
11. Apart from regular cooperation between Member States' security services, bilateral cooperation is crucial. When it comes to the fight against terrorism, the Member State at risk should receive all possible information and other support.
12. I am convinced that Islamic countries also wish to prevent

terrorist attacks around the world. And I believe in their readiness for cooperation in a joint fight against this evil, on the basis of mutual respect and responsibility for our common future.

13. Last but not least, a security culture needs to be developed within our population. We cannot expect that the police, the military and intelligence services alone can ensure our safety. Everybody should do something for their own security and for the security of their neighbourhood.

Regardless of all the efforts we put into the fight against terrorism, we must be aware that it does not depend only on our willingness, organization and legal framework, but also on international circumstances, especially in the Middle East. When fighting terrorism, the EU should be aware of its own values and defend them without any fear and hesitation. However, we must understand that the Islamic world has its own characteristics, as do Asian cultures, and refrain ourselves from proving that our model of society is the only suitable one. Only then will we be accepted as a fair, equal partner and achieve better results in our common fight against the terrorist threat.

Ljubljana, 19 March, 2007



## LOCAL SELF-GOVERNMENT IN SLOVENIA

### MANAGEMENT OF SLOVENIAN MUNICIPALITIES AND PUBLIC ETHICS

*Dr. Stane Vlaj, assistant professor at the Faculty of Public Administration, University of Ljubljana, Director of the Institute of Local Self-Government and member of the IFIMES International Institute, presents his views of local self-government in Slovenia focusing on public ethics and corruption at local level in Slovenia.*

#### **Dr. Stane Vlaj**

Assistant Professor at the Faculty of Administration of the University of Ljubljana, Director of the Institute of Local Self-Government and member of the IFIMES International Institute

*"In the long term, the only basis on which public trust can be maintained at a sufficiently high level is a cultural one: that is, an environment in which unethical behaviour is generally regarded as exceptional and taboo" (Walter Schwimmer, former Secretary General of the Council of Europe).*

### ETHICAL PRINCIPLES AND LOCAL SELF-GOVERNMENT

Standards of ethical behaviour have a decisive influence on the power of democracy and public trust in it. Democracy can only be developed in an environment where those standards are respected and supported and where there is a sufficient level of public confidence in the integrity of elected representatives, efficient public management preventing unfair competition, subsidiarity with decentralisation and citizen participation in the decision-making on public issues at all levels. However, all that starts at local level.



Citizens play the key role in the political control of local authorities. However, this requires transparent activities and acts to be adopted in the interest of the community. Strengthening transparency reduces the need to use other forms of control, especially the administrative one. There are control mechanisms for local and regional authorities in each Council of Europe member country, which vary in their form and scope. Depending on their authority, procedures and possibilities for taking measures, those general mechanisms may strengthen public ethics. Local self-government is a part of public administration. The ethical standards which apply to other parts of public administration such as state administration and holders of public authority are even more relevant for the activities of local bodies. People judge the whole public sector, which should be open and transparent, on the basis of what they experience on daily basis in the place where they live. Local (self)government in the municipality is the level which is the closest to the people who can monitor and control it and where they can most effectively implement their right to participate in decision-making on public issues. Ethical behaviour of public servants and elected local representatives is the pre-condition for an efficient local democracy.

Corruption is one of the forms of unethical behaviour which, as a rule, involves also unlawful activities and violation of fundamental legal principles, especially the principle of equality before the law. Corruption reduces trust into the legal system and opens door to other means to realise goals. The operations of municipalities are regulated with numerous legal regulations which lay down the principles and rules for implementing their authority. An analysis of the content of those regulations shows that they ensure all possibilities for preventing and fighting corruption provided they are consistently respected.

Our research has shown that in Slovenian municipalities corruption is present most frequently in the field of public contracts, followed by corruption in the field of public utility services and spatial planning and construction of buildings. Corruption is also

present in other fields, including the financing of political parties and elections, while it is least frequent or not present at all in recruitment, municipal administrative procedures etc. The most noticed among the corruptive acts are offences related to bribery. It is interesting to note that in larger municipalities there are more corruptive acts, which shows that the volume of corruption is proportional to the size of the municipality, i.e. budgetary funds.

## **COUNCIL OF EUROPE ON SOUND MANAGEMENT AND PUBLIC ETHICS IN LOCAL COMMUNITIES**

The Council of Europe acknowledges the essential importance of democracy at local and regional levels. High standards of public ethics at local level are vital in order to establish and strengthen local democracy. Local public servants should make decisions on the basis of public needs and not their personal interests. The public will lose motivation to participate in the local and regional self-government if it does not believe the management carried out by local and regional authorities to be honest, open and in the interest of all the citizens of local and regional communities. A real and effective democracy requires mutual trust between the citizens and their elected or appointed public servants. The latter have to work in line with the principles of objectivity, integrity, responsibility, openness and honesty, taking into account public interests and respecting ethical standards of public life.

One of the priorities of the Council of Europe in the field of strengthening local and regional self-government and democracy is promoting public ethics at local level and fighting corruption and other forms of financial crime in local bodies. Preventing corruption and other forms of financial crime is the main concern of all Council of Europe member countries and is attributed greater importance than penalising such acts.

Corruption and disrespect for ethical standards are harmful to

public life. The Council of Europe stresses personal responsibility of all individuals who are elected or appointed to perform public functions or services in confronting corruption and following high standards of behaviour in the context of the legal, administrative and institutional environment to which they serve and their task to promote such behaviour among their colleagues.

Fighting corruption and preserving the culture of integrity at all levels of authority require special efforts on the part of local and regional authorities in line with their competences, as well as the measures on the part of central authorities in line with local and regional autonomy. The culture of public life is affected also by groups of civil society and the media who influence the public perception of behavioural standards of those who are active in public life.

European democracies are increasingly aware of the fact that the standards of ethical behaviour should be actively promoted in order to prevent the power of democracy to falter and the trust into public authorities to diminish. The Council of Europe took up the challenge and prepared a series of initiatives to strengthen co-operation between member states in fighting corruption, preserving ethical standards and encouraging the culture of honesty and transparency among all those who perform a public service. The Council of Europe member countries should follow the high standards of behaviour in their public life and develop administrative and institutional frameworks in order to promote high ethical standards and the culture of integrity at all levels of authority.

The key notions of this topic – ethics and corruption – are closely interrelated: corruption namely depends on ethical values in the society both at local and national level.

Corruption at local level appears in forms such as nepotism, conflict of interests, clientelism, acting to the detriment of municipal property, abuse of position and trading with influence. There

are elected representative bodies in all European municipalities. While the strategic decision-making is within the competence of the representative body, it is the mayor who ensures that the adopted general decisions are implemented. In this the mayor is assisted by the municipal administration which is often headed by the director or manager.

It is vital for the democratic organisation of local authority that the executive body answers to the municipal council. Direct elections of the executive body are becoming the most widespread form. Existence of two poles with identical levels of democratic legitimacy within a local community may jeopardise the fundamental principle of the supremacy of the municipal council and cause blockades within the municipal system. It would be therefore appropriate to introduce a system which would minimise this risk e.g. by providing the possibility for the municipal council to propose a referendum on the dismissal of the executive body (mayor) or by introducing a system enabling the council to decide on such dismissal under certain circumstances.

## **SOUND MANAGEMENT OF LOCAL AND REGIONAL COMMUNITIES**

At the last international conference of European ministers competent for local and regional democracy held in February 2005 in Budapest, the Council of Europe stressed that sound local and regional management must take into account the *acquis* and the Council's information database in the field of local and regional democracy.

Disseminating sound local and regional management is the key goal to be pursued by member states in order to face the challenges of their societies and fulfil the legitimate expectations of their citizens. One of the greatest challenges is ensuring ethical behaviour of local and regional authorities, elected representatives and officials who should respect the local and regional self-govern-

ment as well as the individual rights and legitimate interests.

The Council of Europe decided to promote the handbook of good practice on public ethics at local level as well as the preparation, where possible, of handbooks adapted to specific circumstances in the Council of Europe member countries etc. It should be ensured that all the actors in the municipality – citizens, bodies, municipal administration – assume the rights and obligations in the local management system. To this end codes of ethics (on the basis of the Council of Europe's handbook on public ethics at local level) should be drawn up separately for each municipality (region).

## **THE COUNCIL OF EUROPE'S HANDBOOK**

The handbook of good practice covering six thematic fields contains recommendations for various communities and persons: central and local authorities, elected representatives, employees in local community administration and political leaders. The handbook should serve as guidance to local actors (elected representatives and public servants) on how to act in certain circumstances.

Local authorities are fully responsible to the voting body, public opinion, administrative and civil courts or, in certain cases, criminal courts.

The central and local authorities will select those cases of good practice which they find appropriate in view of their specific situation. For example in case of locally elected representatives the state should ensure a simple and uniform legal framework on their rights and obligations, accountability, guarantees and protection, remuneration and working conditions, supervision, disqualifications, termination of office and suspension. This legal framework is laid down by the central authorities in consultation with the associations of local elected representatives. The state should also

prepare the code of conduct for local authorities which should contain obligatory provisions which the local authorities should include in their code adopted at local level as well as the provisions which the local authorities could adapt, where necessary, and include into the local code.

The activities which the local authorities may carry out are the adoption of the code of conduct for local elected representatives and the distribution of the code among the local elected representatives as well as central authorities, other interested bodies and the public using appropriate means including information technology.

## **MODEL CODE OF ETHICAL MANAGEMENT OF SLOVENIAN MUNICIPALITIES**

Written rules laying down the behaviour of individuals within certain group or organisation can be gathered in a code of ethics. The public administration employees also need their code of ethics which:

- guides the activities and promotes ethical behaviour;
- regulates the actions of public servants and prevents unethical behaviour;
- defines the principles and values to be followed by public servants;
- as a means of resolving doubts and dilemmas reduces uncertainty on how to behave;
- lays down sanctions in cases of unethical behaviour.

The aim of the code is to raise the reputation of municipal council, the mayor and municipal administration as well as to strengthen public trust in their work. In addition to the legislative provisions such code of ethics could be, in the long-term, one of the instruments for fighting corruption in the efforts to develop a modern democracy at local level. Municipal functionaries as well as municipal public servants must have a clear vision of how they are

expected to behave in realising their functions and tasks by the municipal council, mayor, citizens and other stakeholders. Functionaries and servants must be aware of their responsibilities and should realise them in accordance with the positive human and administrative values.

Code of ethical behaviour contains especially the moral, ethical and anticorruption principles and standards for municipalities such as the demand that in the period from the beginning of the election campaign until the establishment of new municipal bodies the functionary should not assume new obligations unless they are of vital importance for the current operations of the municipality.

The model code is designed to stimulate synergic functioning of functionaries and public servants at municipal level. It is advisable that it is formed as a uniform code which applies to municipal functionaries and public servants in the municipal administration, since as such it would encourage co-operation between the politics and the profession, i.e. between the functionaries and public servants regardless of their political orientation. Functionaries and public servants are guided to adopt such general ethical behaviour, actions and conduct in performing their functions and tasks which help to preserve and strengthen the positive values of municipal management.

The municipalities will be able to adopt the model code to their needs and to transpose those provisions which may be regarded as the standard for all municipalities. In Slovenia as well as in other countries corruption is widely spread at local level. Sound management is the first step to preventing corruption. Local bodies' decisions must be adopted in accordance with the general interest and not guided by personal interests.

The model code stresses the strengthening and encouraging all kinds of activities resulting in the prevention of corruption, acting in favour of indirect or direct personal interests and other

forms of negative behaviour. The principles and standards of behaviour personally apply to an individual civil servants and public functionaries (mayors, deputy mayors, members of municipal council). The adopted code is also binding on the local public utility providers.

## CONCLUSION

Lack of ethics and standards of management in public administration is a problem all Council of Europe member countries are facing. The public is increasingly concerned due to corruption, various affairs and diminishing ethical behaviour in realising administrative tasks. The citizens only trust those institutions with act correctly. Lack of trust leads to populism, absenteeism and other negative effects.

Citizen participation in public life at local level is the way to assert democratic values (especially in countries in transition) and increase public support to local bodies. Further decentralisation, institutional dialogue, modernisation of administrative structures and practices, efficient provision of local public services and fighting corruption are all means for achieving the above goal.

The reasons for increasing corruption at local level in Slovenia may be lax regulations, lacking internal and external control and insufficiently developed level of responsibility and ethical culture coupled with disrespect for the European principles of local self-government regulating the formation of local communities, their mutual relations as well as their relations with the citizens, citizen participation in local public life, sound management of local community etc.

Slovenian municipalities are facing some serious management problems. The interest of inhabitants for an active participation in public life in their municipality is decreasing, the role of municipal council is not realised, members of municipal councils are



much more attentive to their political centres in Ljubljana than to concrete demands, needs and interests of people in a concrete municipality etc.

Public ethics is not implemented at municipal level. Mayors of Slovenian municipalities and local leading coalitions often monopolise the right to local self-government. Nobody asks the citizens of individual municipalities for their opinion so they are losing their interest in active participation in the local public life. Corruption at local level is on the increase while the fight against it is much too weak or not present at all.

The efficient ways to fight corruption at municipal level are the implementation of ethical standards in municipal management and adoption of the code of ethics for public servants and functionaries. The code of ethics guides the target actors to adopt appropriate moral behaviour and ethical values. It sets the moral and anticorruption principles and goes far beyond the mere rules of good manners.

Ljubljana, 14 May 2007

## KOSOVO

### REASONS FOR THE INTERNATIONAL RECOGNITION OF THE KOSOVO STATE

*Drago Flis, an albanologist and member of the IFIMES International Institute, has analysed the current situation related to the international recognition of the Kosovo state. His article entitled "Reasons for the International Recognition of the Kosovo state" is published in full.*

#### **Drago FLIS**

Albanologist and member of the IFIMES International Institute

The conclusion to the process of gaining the independence of Kosovo has arrived long overdue. Eight years will pass next month since the Kosovo's decisive event: arrival of the international community which ended the implementation of Serbian authority in this country. Contrary to the logical expectations the arrival of the international forces did not bring about independence. Actually, at the beginning independence was not even mentioned quite often. It took some time to build the international administrative authority, and in the opinion of a part of the international community this was not the best opportunity to envisage the independence of the Kosovo state.

Security Council Resolution 1244, the international community's fundamental document, did not set a definite date for the final solution of the Kosovo status. The resolution merely served the international authority to ensure its mandate in Kosovo, while the decision on the status was pushed into the indefinite future. The resolution vested sovereignty in the UN, while in practice a kind of joint administration was put in force with the arrival of the international community. For certain period of time there

were two ministers in each of the Kosovo ministries: the Kosovo minister and an international one.

Subsequently the circumstances in the international political scene changed. The US administration led by President Bill Clinton and Secretary of State Madeleine Albright was not as determined on the Kosovo independence as it was when it decided to interfere in Kosovo. The change in the US administration was not the most favourable circumstance for Kosovo, since in following its ABC (anything but Clinton) policy the Bush administration first eliminated Kosovo from the priorities list. The high political level practically did not take any position on the Kosovo issue although there were some routine statements to be heard at lower political levels such as the “peaceful, democratic and nationally tolerant Kosovo”. Nevertheless, much care was taken not to take any position on the status of the Kosovo state.

In the short run, the Kosovo political circles had to submit to this situation, even more so since the domestic political scene was after all filled up by own political development. Thus, in 2001, the provisional Constitutional Framework (Korniza Kushtetuese) was adopted in co-operation with the international community bodies and with the consensus of the domestic political parties, of course based on the presumption that the constitutional framework would be replaced with the new constitution after the status is resolved.

The two general parliamentary elections led to the formation of political parties both on the Albanian side and on the side of national minorities. Kosovo gained its own government which replaced the double Kosovo-international structure of ministries. As a sign of sovereignty, the constitutional framework envisaged also the position of the president of Kosovo, although it did not provide for the general presidential elections – most probably since the international circles wanted to minimise the plebiscite element in the Kosovo politics. On the basis of his reputation and significant contribution to the idea of independence of the Al-

banian majority, the first president of the post-Yugoslavian Kosovo was the leader of the former parallel Kosovo society under Milošević's regime, Dr. Ibrahim Rugova, who until his death consistently demanded the international authorities to grant Kosovo independence, but unfortunately never received appropriate answer.

During this period the international administration started dealing more and more with its own problems and losing contact with the population. Some political organisations of the international community were plagued by the inadmissible lethargy, while others were unsuccessful in their efforts to introduce the Bosnian-Herzegovinian model in the Kosovo political system. Eventually, all these processes moved away from the political discussions on the final status of Kosovo. Since those organisations were not in the position to propose the final solution for the status of Kosovo, it was obvious that the idea had to come from the outside. The international community in Kosovo was not able either to predict or to prevent the outbreak of bloody riots in March 2004 in Mitrovica which spread like lightning to other parts of Kosovo, especially Prizren. According to one of the top American diplomats Frank Wisner who dealt throughout with the Kosovo issue, those riots nevertheless reminded the international community and thus also the USA as its leading party that the issue of the status of Kosovo should finally be resolved. Another incentive from the outside was constant deterioration of the situation in another two international protectorates: Iraq and Afghanistan.

This was followed by the mission of the Norwegian diplomat Kai Eide who eventually recommended to start the negotiations on the final status of Kosovo. The turning point was the appointment of former Finnish president (194-2000) Martti Ahtisaari as special envoy (SE) for negotiations on Kosovo. Ahtisaari obtained wide experience with mediatory missions throughout the world before and after his national presidential mandate. His most notable mediations were in the Middle East and in Namibia and his last mission was in the Indonesian Aceh.

Ahtisaari started the negotiations in February 2006 in Vienna. First discussions dealt with the technical and administrative matters such as the future decentralisation of the state and the protection of cultural and religious heritage. Special envoy Ahtisaari left the issue of the political status for the very end of the negotiation round and based more than one-year-long negotiations on the status on the bilateral principles: strict impartiality, careful attentiveness to diametrically opposite positions and scarce categorical definitions made in advance which might arouse media attention and jeopardise the future of the negotiation process. Thus he did not even mention the word “independence” until mid-March 2007 when the negotiations failed. Thus he managed to keep both the Serbian and the Kosovo Albanian delegation at the negotiating table in various Viennese palaces until 10 March this year when he decided to interrupt the negotiation process after the high-level meeting of the Serbian and Kosovo sides was held. He concluded his negotiating efforts with the statement: “No amount of additional negotiation rounds will change that” and bring in any more clarity.

On 26 March Ahtisaari presented his proposal which in its integral form only speaks about Kosovo which will be able to “enter into international agreements and join international organisations”. In his changed letter to the UN Secretary-General which is a constituent part of Ahtisaari’s document he confidently used the word “independence”.

Kosovo’s parliament in Pristina accepted Ahtisaari’s document while the parliament of the Republic of Serbia rejected it. International discussions on Ahtisaari’s document were not relevant any more. After the negotiations in Vienna were interrupted America strengthened its support and the Under Secretary of Political Affairs Nicholas Burns became the political speaker of the US government on the resolution of the Kosovo issue.

The EU did not show much unity on the issue: objections were given by several states which were afraid of the precedent effect Ahtisaari’s document might have. It was therefore appropriately stressed in the document that the proposed solution of Kosovo’s

supervised independence does not represent a precedent for other areas which have no defined status. The document does not provide the possibility for the Kosovo issue to be resolved on the model of other states arising from the former Yugoslav republics. During the international discussion process certain scepticism was expressed even by some west European states such as Spain and Greece, while among the new member states Slovakia was obviously concerned about its territories which are populated by the Hungarian minority while Romania was somewhat less loud.

On the other hand Russia notably rejected the document as a complete failure, supporting the Serbian idea on the appointment of the new negotiator and the beginning of the new negotiation process. Russia believes that the UN Security Council can not "grant" independence and that even this act would definitely represent a precedent. Moreover Moscow warned that Kosovo would be a precedent for the Russian regions which strive for independence, especially in the Caucasus. Other Russian cases resembling Kosovo are territories for which Moscow believes are entitled to independence regardless of their ties with Russia, such as North Osetia, Abhasia and Transnistria. In case of Kosovo's statehood Russia would recognise the independence to those regions irrespective of their dependence on Russia.

However, all Russian objections to Kosovo's independence have very few points in common with Kosovo's history and do not justify the Russian veto. Moreover, Ahtisaari explicitly stressed the unprecedented nature of the proposal on Kosovo's independence.

American diplomacy is actively striving to overcome Russia's delaying the final decision of the UN Security Council. It thus prevented the idea on the new investigating mission which visited Serbia and Kosovo to grow into a new and prolonged negotiation process.

According to Russia's official statements, especially those made by Russia's ambassador to UN Vitalij Churkin there are increasing

possibilities for the Russian veto over the resolution on Kosovo's independence. It should be pointed out that Russia's previous vetoes – mostly concerning the crisis centres over which Russia does not have strong influence, such as the Middle East – did not affect significantly the course of events. Russia's threats of veto among other reflect its wounded pride in its role as one of the superpowers whose international influence has decreased during the recent years. The more Washington announces Kosovo's independence, the more Russia rejects it. It is a kind of a late reflex response of the superpower.

Eventual Russia's veto can not obstruct Kosovo's independence which is advocated by the USA and also by the EU which has established a uniform position in the meanwhile. Should the international decision on the independence be further delayed Kosovo leadership would be forced to take one-sided measures which were tactically mentioned as a realistic possibility by the American diplomacy during the process of its diplomatic lobbying. The international political scales thus point to two possibilities: On one hand it envisages a positive result of voting in the Security Council and subsequent declaration of Kosovo's independence by the resolution of Kosovo's parliament in Pristina. The appropriate date for that would be 12 June when the international forces entered Kosovo, since the majority population regards that event as the day of Kosovo's liberation. On the other hand the Kosovo scales point to independence through a different scenario: Russia delays the UN resolution with a veto, Kosovo's parliament then announces independence on its own, after which it is left to the states' own discretion to decide whether to recognise Kosovo's independence which is, nevertheless, merely the result of the centuries-long political development. This possibility has already been supported by the USA and EU, although it might not be the best one for the international community.

Since UN is an important element of the international community it would be more appropriate if the Security Council adopted the decision unanimously. No other states from the former Yugo-

slavia needed such a decision, yet is it true that they were not formally governed by the international community for such a long time.

After Kosovo's independence is declared, the supervision process will start. The main role in the process, which will no longer be the "management" of Kosovo's development, will be assumed by the EU which has, until now, played a side role as an international organisation in Kosovo. After Kosovo's independence is declared, EU is envisaged to play a much more large-scale role. Hopefully, EU will not repeat the mistakes the international community had made in Kosovo. At this moment it is of vital importance that the EU provides for more direct contacts with the population which the previous mostly political organisations of the international community in Kosovo failed to ensure. Living in ivory towers, which was characteristic of the officials of international representations in Kosovo, may very soon diminish the reputation of the international community. Taking into account all the efforts invested in this region by the international community the latter should not move away from Kosovo now. On the contrary, it should compensate for what was lost, especially in political terms.

Ljubljana, 17 May 2007





## KOSOVO

### WHY SHOULD KOSOVO GET INTERNATIONAL RECOGNITION?

*Drago Flis, an albanologist and member of the International Institute IFIMES here presents some historical reflections regarding international recognition of Kosovo as a state. His article, entitled "Why should Kosovo get international recognition?" is here published in its entirety.*

#### **Drago FLIS**

Albanologist and Member of the International Institute IFIMES

### SOME HISTORICAL REFLECTIONS

To reflect on Kosovo in Slovenia, a country which gained its statehood in 1991, might seem long overdue, unless somebody has occupied himself with Kosovo for a long period during the shared life of the Southern Slavs and Albanians in the now-defunct Yugoslavia; even less so if he, on top of that, also had the opportunity to experience Kosovo as an international immediately after the entry of the international community into the region in 1999.

Since that crucial event, almost eight long years have passed and basically, nothing truly new has happened. At least not for the Kosovars belonging to the Albanian majority, who have since the entry of the international community been looked on with astonishment, if not ignorance, when they raised the question of their independance based on clear self-determination of nations. Simultaneously, Slovenians, Croats, Bosnians, Macedonians, and recently Montenegrins, have been enjoying their newly acquired independance. Is there any international standard according to

which one can understand only the various Southern Slavs, and at the same time deny the same right to the non-Slavic Albanians who succeeding in telling their story to the West only later? The territory of the former Yugoslavia, or the Western Balkans as the region is currently called by conference terminology, has already been fully balkanized in the sense of splitting up into smaller states. It cannot confidently be said whether that is good or not, but the fact itself benefits the strivings of nations; but one has to fully bear in mind that the nations in the Western Balkans are both Slavs and Albanians.

Initially, the goodwill of the international community was predominantly turned towards Kosovo's minorities. This was just, since there is now hardly a country in Europe without minorities; but more and more, the overlooking of the majority manifested itself and created with it more and more political embarrassment, at least for those of us who have been dealing with various aspects of Kosovo for some time. The ideal situation would be the establishment of appropriate goodwill towards the country's national minorities, which these would then reciprocate with a firm commitment to the sustained efforts of the Albanian majority for securing Kosovo's independence. All over Europe, national minorities enjoy a wide variety of protective measures regarding their existence, both within the state and within international settings. The minorities of Kosovo, including the Serb minority, should be no exception. However, the loyalty of minorities to their respective states is expected; at the same time, it is expected that no minority would stand in the way of the national majority's independence.

It is true that so far, the Albanians of Kosovo have not yet achieved their wish, centuries old, of being independent. With regards to this, it is not enough to consider the periods in antiquity, with the antagonism against the ancient Greek and latter Roman domination; in later centuries, there was continuous resistance against the Ottoman Empire. For centuries, wars were fought, and lost.

Relevant to today's situation are the Albanian uprisings against the

ailing Ottoman rule in 1878, 1892, 1910, and the later general uprising of 1912. In that very year, the Albanians, mainly from Kosovo, initiated an uprising against the Ottoman Empire, but the then better organized Serb army simply took over control in the region, and thereby concluded the period in which Kosovo was free from Serb rule, a period that had lasted since the famous battle in 1389. The year also marked the beginning of the belief among Kosovo's Albanians that the Serbs tried to abuse their common opposition to the Ottomans in order to subdue them. Their domination was also enabled by the relatively better military organization of the Serbs, as well as by the fact that already then, the Serbs were more proficient in telling their side of the story to the West. In the maelstrom of the Balkan wars, the Balkan prelude to the first World War, Albania proper managed to declare independence in November 1912 in Vlora, where an Albanian member of the Ottoman parliament in Istanbul, Ismail Qemali, raised the Albanian flag. Kosovo, on the other hand, remained under Serbia and subsequently Yugoslavia, if we exclude some short interruptions, for another 87 years. During the years of socialist Yugoslavia, there were several Albanian insurrections, but some of them did not resonate enough to even attract the attention of the international media. An important milestone for Kosovo was the decentralization of Yugoslavia following its 1974 constitution. The level of administrative competence that Kosovo achieved with the so-called Kardelj constitution was, in practice, that of a republic. Resistance to Kardelj's draft of the constitution by Serbian politicians meant that the provinces were only defined as 'socio-economic communities', but this formalism was in practice ineffective in preventing the implementation of the then-status.

Prior to the dissolution of Yugoslavia, the first signal, a miner's strike in Trepça, was again given by Albanians. The movement in the Mitrovica region in 1989 was of course suppressed, but the event gave others food for thought. The later tight grip of Serb rule over the province prevented the leadership from joining Slovenians, Croats and others in their successful drive for independence in 1991. Despite the fact that Kosovars voted for repub-

lic and statehood in 1990, even earlier than others, they had to remain under Serbia due to the international community's lack of recognition for this act of self-determination. Serb rule eventually came to an end following the last Kosovar insurrection, lasting from 1997 to 1999, after the international community intervened to prevent further bloodshed in the region. The move was also motivated by the community's wish to correct the negative publicity regarding their inactivity concerning the previous wars that effected the disollution of Yugoslavia.

Kosovo is truly an unique case of a nation that happens to live as an island in a sea of nations, nations predominantly Slavic, who continuously strove to surpress their dream of statehood. Simply by entering the region, the West has already done much to enable the people's quest of self-determination. If we take a moment to consider this, we see that this is actually a rare occurence. However, later on a huge delay occured in answering the question of Kosovo's status. The plan itself therefore did not come from the political missions within Kosovo; it had to come from outside.

President Ahtisaari's plan for independence, combined with both an extended EU presence and the thorough protection of national minorities, has still come at the right moment and is worth trying. Europe will thus be able to show an example of successful state-building. The international community, on the other hand, will not 'give' independence to Kosovo; it will just incorporate the already public endeavour of a people into its framework. The spectre of an eventual Russian veto in the UN might very well dissolve into nothingness, as an aim in itself. Russian vetoes have, so far, not significantly changed the course of events. Given the fact that a veto in the Security Council cannot change the course of history, let alone the destiny of an entire nation, then all a super-power's veto, used to delay an eventual decision, might add up to would be further harm to the standing of the UN itself.

Ljubljana, 7th June 2007

## **BOSNIA AND HERZEGOVINA AND KOSOVO**

### **NATIONALISM AND RELIGIOUS EXTREMISM IN BOSNIA-HERZEGOVINA AND KOSOVO SINCE 1990**

*Dr. Robert J. Donia, President of the Council of the International Institute IFIMES and Professor at the University of Michigan, in his article "Nationalism and Religious Extremism in Bosnia-Herzegovina and Kosovo since 1990" explores the structural complexity of the relation between nationalism and religion.*

***Dr. Robert J. Donia***

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When nationalists superseded the ruling communists in the lands of the former Yugoslavia in 1990, religious believers were freed from the few remaining constraints to practice their faith. Many in the West hoped that the post-communist denizens of democracy would allow religious freedom while simultaneously building secular, democratic states free from the partisan influences of organized religion. Those hopes went unfulfilled. It soon became apparent that leaders of religious communities in Southeast Europe yearned for political influence in addition to their spiritual duties. Religious leaders have since proven to be among the most stalwart partisans of nationalism and in some cases have emerged as major threats to stability and barriers to reconciliation.

In this essay I will review the historical evolution and contemporary state of relations between nationalism and the religious communities of Muslims and Orthodox Christians in the post-socialist era, focusing on the former Yugoslav areas of Bosnia-Herzegovina

and Kosovo. I argue that faith has been an invaluable handmaiden to nationalists in acquiring and retaining political power, but that religious communities have consistently acted subordinately to nationalist political parties in both lands. Religious communities have been stalking horses for nationalism and have found little reason, other than direct challenges to their own jurisdiction, to curb extremism in their own ranks.

## **BOSNIA-HERZEGOVINA AND KOSOVO**

Since 1990, Bosnia-Herzegovina and Kosovo have shared a progression of historical developments: nationalist political mobilization, forcible spatial segregation along ethnic lines, ethnic cleansing and genocide, armed conflict, negotiated peace agreements, international supervisory regimes, rampant corruption, and the gradual but alarming introduction of Islamic fundamentalism. Although the violent breakup of Yugoslavia began with armed conflict in Slovenia and Croatia, Bosnia-Herzegovina and Kosovo have suffered the most in the wars accompanying Yugoslavia's demise. The peoples of both areas have experienced the complex interaction of faith and nation since the waning days of Yugoslavia's existence.

Both areas are home to populations of mixed national and religious identity, but their populations differ substantially. Serbs inhabit both areas, but in neither area are they the dominant group. As of 1991 (the last year of a full census in either area), Albanians made up 82% of Kosovo's population of 1,954,747, Serbs made up 10%, and a scattering of other groups accounted for the remaining 8%. In Bosnia-Herzegovina, unlike in Kosovo, no single nation commanded an absolute majority. Of 4,354,911 inhabitants of Bosnia-Herzegovina, 17% were Croats (generally associated with Catholicism), 31% were Serbs (generally associated with Serbian Orthodoxy), 44% were Bosnian Muslims (generally associated with Islam), and the remaining 8% consisted of Yugoslavs and "Others." In 1993, to prevent being mistaken for simply

a religious community, leaders of the Bosnian Muslims voted to change their group's name to "Bosniak," the term used hereafter in this essay. International organizations accepted the new designation over the next few years, bringing closure to the group's quest to achieve formal recognition as a secular nationality that had begun in Yugoslavia in the 1960s.

## **RELIGION AND POPULAR MOBILIZATION IN LATE SOCIALIST YUGOSLAVIA**

In the 1980s, political entrepreneurs turned to mass mobilization to override systemic dysfunction and gridlock in post-Tito Yugoslavia. Albanian students in Kosovo organized strikes and demonstrations in 1981. Throughout the 1980s, syndicates sponsored a growing number of strikes and brought workers' grievances directly to the authorities by organizing demonstrations in republic capitals. Political entrepreneurs were not far behind the students and workers. Slobodan Milošević, fresh from a victory over rivals in the League of Communists of Serbia, organized serial demonstrations known as the "anti-bureaucratic revolution" in 1988-1989 by focusing discontent on the alleged plight of Serbs in Kosovo.

Mobilization in this pre-democratic era was opportunistic and instrumental: Political entrepreneurs convened gatherings to focus inchoate popular discontent on specific causes and thereby gain the loyalty of previously mute constituencies. Milošević aroused Serbs with tales of Serb oppression at the hands of Albanians in Kosovo, but he bused demonstrators to two locations that had nothing to do with Kosovo: Podgorica and Novi Sad, the capitals of Montenegro and Vojvodina, respectively, each of which held one vote on the eight-member Yugoslav federal presidency. After passing constitutional amendments in March 1989 that revoked the autonomy of Kosovo and Vojvodina, Milošević imposed a police state on Kosovo. He flooded Kosovo with Serbian security forces and dismissed



most Albanians employed in the social sector, replacing them with Serbs or Roma.

The Serbian Orthodox Church helped advance Milošević's agenda with its own mobilization campaigns that paralleled the anti-bureaucratic revolution. The church used these campaigns to accentuate its self-assigned role as the creator and custodian of all that was precious to Serbs. In 1989, church officials removed the earthly remains of Prince Lazar, Serbian hero of the 1389 Battle of Kosovo, from the Serbian Orthodox Patriarchal Church in Belgrade and paraded his remains on a tour of Serbian Orthodox monasteries in Serbia, Bosnia-Herzegovina, Croatia, and Kosovo. The procession served to link the secular and religious cores of Serbianism – Belgrade and Serbian Orthodox monasteries in Kosovo – with peripheral Serb communities in Yugoslavia's "near abroad." In a second mobilization, in summer 1991 the remains of Serb victims of the Second World War were exhumed from caves in Herzegovina and reburied in Belgrade. Like Lazar's funeral procession, the reburials served to bring the Serb periphery back into contact with its spiritual and political centers. In both campaigns, the church reasserted its historical role as a reservoir of Serb symbols and proponent of the political unification of all Serbs.

Serbian Orthodox Church leaders in Serbia and Kosovo embraced Serbia's drive to reassert political and military authority in Kosovo. Based on Serbian Orthodox monasteries built in Kosovo in the Middle Ages, church officials argued that Kosovo was the church's spiritual capital, and that a state church such as theirs could never allow its center to be in a foreign land. With these and other convergences of political and religious interests, the Serbian Orthodox Church acted in the 1990s as a critical but subordinate actor in Serb nationalism in Kosovo, Bosnia-Herzegovina, Serbia, and Croatia.

## THE SOUTH SLAVS: RELIGIOUS LOYALTIES AND NATIONAL IDENTITY

By the 1840s, nationalism among South Slavs had begun to develop irreversibly along religious fault lines. Among Christian communities, church and nation were closely linked. The Catholic Church and its high officials were major players in Croatian nationalism, and the Serbian Orthodox Church promoted Serb nationalist goals. Following the nineteenth century historical pattern, but under very different circumstances, political organizers in the 1990s looked to the church to help reanimate Serb culture and advance political claims. Radovan Karadžić, the first president of the Serb Democratic Party (SDS – Srpska demokratska stranka) in Bosnia-Herzegovina, complained that Serb culture had atrophied under communism, particularly “where the Serbian Orthodox Church was unable to carry out its activities,” so it would “take some time for Serbs to become true Serbs in a] cultural and political sense, in areas where the Church was not permitted (to function).” Founders of the SDS called for “cooperation with the Serbian Orthodox Church and its equal inclusion in the life of the Serb people.”

Like the Bosnian Serbs, Bosniak leaders in Bosnia-Herzegovina formed one dominant nationalist party in 1990 to compete in the multiparty elections held in November of that year. They identified their new organization, the Party of Democratic Action (SDA – Stranka demokratske akcije) as a “party of citizens and peoples of the Muslim cultural-historical circle.” Much like the Bosnian Serbs of the SDS, they embraced democracy, denounced communism, and rejoiced at the “end of a (single) party monopoly and its result, a party state.” SDA party leaders did not specifically mention the Islamic community in their party’s program, but they called for “complete freedom of activity for all religions in Yugoslavia and full autonomy of their religious communities” and demanded “return of seized property of religious communities and their institution (vakufs and endowments).” They also requested the availability of “food in the army, hospitals and jails in

accord with religious regulations for citizen-believers.” The party supported “maintaining Yugoslavia as a free community of sovereign nations and republics within existing federal boundaries” and urged respect for the integrity of Bosnia-Herzegovina and for the “national particularities of the Bosnian-Herzegovinian Muslims.” The program explicitly supported a democratic state and contained nothing to indicate sympathy for the staples of Islamic fundamentalism such as forming an Islamic state or implementing Islamic legal codes in Bosnia-Herzegovina.

The election campaigns of 1990 brought together the secular and religious leaders of each major nationality in campaigns to lead their communities and oppose the reformed communist parties. Nationalists resurrected religious and national symbols that had been taboo under socialism, infused old symbols with new meanings, and invented some new ones. In Bosnia-Herzegovina, religious officials lent support to the nationalist parties. Hodžas and muftis rallied Muslims to vote for the SDA, headed by Alija Izetbegović. Most Franciscans in Herzegovina, and many Catholic priests, supported the HDZ (Croatian Democratic Union – Hrvatska demokratska zajednica). Orthodox priests supported Serb nationalist parties, and many ended up supporting Karadžić and the SDS.

## **ALBANIANS: RELIGIOUS DIVISIONS AND NATIONAL UNITY**

The Albanians of Kosovo emerged from communism with a profile different from the Serbs, Croats, and Bosniaks. Unlike the South Slavs, whose national divisions developed along religious fault lines in the nineteenth and twentieth centuries, Albanians in the late nineteenth century articulated themselves as a single, unified nation of those who spoke the Albanian language whatever their religious affiliation. Albanians necessarily embraced religious diversity as part of their drive to define their national identity. They respected but superseded the differences that sep-

arated Muslims, Catholics, and Orthodox. Whereas Serbs, Croats, and Bosniaks drew heavily upon religion and religious traditions to strengthen their respective national identities, Albanians stood the risk of being divided by recourse to religion. Additionally, Albanians became increasingly secularized in the twentieth century, particularly in urban areas and particularly during the decades of communist rule. One might therefore expect that Albanian nationalists would be disinclined to ally with religious communities.

However, Albanians in Kosovo are almost all Muslims by faith or religious heritage: only a few thousand are Catholic by religion, and there are no Orthodox Albanians to speak of in Kosovo. Therefore, despite Albanians' religious pluralism and secularism, the Islamic community within Kosovo is mostly an Albanian institution, and it stalwartly supports Albanian nationalist values. Its leaders attach great importance to building and rebuilding mosques, and they see themselves as protectors of those few Albanians living in enclaves in the Serb-majority northern area of Mitrovica. For all the secularism among urban Albanians in Kosovo, the Islamic community is still a significant pillar of Albanian nationalism.

In their choice of national heroes, Albanians have demonstrated that religious belief is welcome in Albanian patriots. Albanians highlight two figures as avatars of their national values: Skandarbeg, the 16th century hero of Albanian resistance to Ottoman invaders, and Mother Teresa, a Nobel Prize-winning 20th century Albanian born in Skopje, Macedonia. These two figures together validate religious diversity within Albanian culture while highlighting qualities considered essential to Albanian national identity. Skandarbeg's personal history demonstrates the pre-eminence of Albanian identity over religious affiliation. Born a Catholic, he converted to Islam and became a general in the Ottoman Army, but he defected to lead an Albanian uprising against the Ottomans and returned to the Christian faith. He is consistently portrayed as a dominant male and a fierce warrior, while Mother Theresa ap-

pears as humble, obedient, and compassionate. Representations of Skanderbeg are typically monumental, while Mother Teresa is usually portrayed in life-size statues, diminutive in comparison to the fierce, imposing images of Skandarbeg.

Like the three major nations in Bosnia-Herzegovina, Albanians in Kosovo rallied around a single charismatic leader and a single dominant political party as free elections approached, but religion was less influential among Kosovar Albanians. Ibrahim Rugova, a highly-regarded scholar, literary critic, and president of the League of Writers of Kosovo, became president of the Democratic League of Kosovo (LDK - *Lidhja Demokratike e Kosovës*) when it was formed in December 1989 and dominated the party until his death in 2006. When Milošević's security forces turned Albania into a Serb-controlled police state, the pacifistically-inclined Rugova led Kosovar Albanians in creating a parallel or "shadow" state that educated Albanian youth and provided basic medical and administrative services to the majority Albanian population. At a time when other nationalists in the former Yugoslavia were acquiring arms in preparation for war, the Albanian parallel state was the most humane and least confrontational response to nationalist rivalry in the region. The parallel Albanian state functioned with greater or lesser effect for nine years, but it failed to produce results among foreign diplomats and policy-makers in ways achieved by armed nationalists elsewhere in the region. With little international attention on the plight of Kosovar Albanians under Milošević's rule, Rugova and the LDK found themselves challenged in the latter half of the 1990s by Kosovar Albanians who favored resisting Serb security forces by violent means.

## **RELIGION AND NATIONAL MOBILIZATION IN WAR**

War came to Bosnia-Herzegovina in 1992 and to Kosovo in 1999. The causes and nature of those wars is beyond the scope of this paper, but it should be noted that in both wars, the Serbian government based in Belgrade, either directly or indirectly, sup-

ported violent campaigns to kill and expel non-Serbs. Religious communities were vital contributors to the war efforts of their respective national movements. Even before war began, each nationalist party in Bosnia-Herzegovina was compelled to seek outside support in manpower and materiel in the life-and-death struggle for territory. From summer 1991 to winter 1995, the parties mobilized people and materiel for the primary purpose of fighting more effectively. Serbia provided as much as 90% of the financial resources for the Army of Republika Srpska (VRS - *Vojska Republike Srpske*); Croatia provided the Croatian Defense Council (HVO - *Hrvatske vijeće obrane*) with command and staff expertise, particularly in the 1995 campaigns that drove Serb forces from Croatia.

The Army of the Republic of Bosnia-Herzegovina (ARBiH - *Armija Republike Bosne i Hercegovine*), capitalizing on the huge number of Bosniak refugees and displaced persons driven from their homes by Serb and Croat armed forces, was the most successful recruiter among the military forces. Nevertheless, the ARBiH accepted several thousand foreign Muslim fighters in its ranks. Most were Arabic speakers from countries in the Middle East and North Africa, and many had honed their fighting skills in the Afghan resistance to Soviet occupation in the 1980s. The "mujahedin," as they became known, were only nominally under control of the ARBiH for much of the war, and their atrocities against civilians led to charges of war crimes against their commanders. Most never blended into Bosnian society, but several hundred mujahedin married Bosniak women and acquired Bosnian passports. In violation of the Dayton Agreement, several hundred remained in Bosnia after the war, living mainly in villages from which Bosnian Serbs had fled or been expelled.

Bosnians of all nations attach great significance to houses of worship as symbolic manifestations of their national identity and claims to residence. In wartime, armed nationalists attacked mosques and churches with the intent of destroying the national symbols of other national groups. Bosnian Serb nationalists, in

pursuing their plan to establish an ethnically pure state and wipe out traces of other groups, destroyed most mosques in areas they controlled, leaving the territory of the Republika Srpska largely devoid of Islamic religious structures. Croatian forces destroyed many mosques and some Serbian Orthodox institutions, most notably the defenseless Žitomislići Serbian Orthodox Monastery. Only Bosniaks undertook no systematic campaign to destroy others' houses of worship. The Serbian Orthodox Church in Srebrenica, a town that became a haven for thousands of Bosniak refugees and was besieged by Serb forces through much of the war, remained intact and undamaged, while the historic White Mosque only a hundred meters away was annihilated once Serb nationalists conquered the city. The New Serbian Orthodox Church in Sarajevo was damaged, not by Bosniaks who had access to it for four years, but by Serb nationalist snipers who shot out most of the windows in its cupola. It would later be restored with the financial assistance of the government of Greece.

The Bosnian war relegated to oblivion the less violent struggle in Kosovo between Serbian security forces and the LDK-sponsored underground state. When the international community failed to address Kosovar Albanian grievances at peace talks in Dayton in Fall 1995, Albanians in Kosovo began to doubt the efficacy of non-violent resistance as a strategy to draw international attention to their grievances. The implosion of the Albanian government in 1997 (owing to the collapse of a pyramid scheme) left that country's armories unguarded, and hundreds of thousands of weapons came available to Kosovar Albanians. The Kosovo Liberation Army (KLA; Albanian UÇK – *Ushtria Çlirimtare e Kosovës*) was founded in 1993 but remained an embryonic assemblage of warriors until 1997, when its members launched sporadic attacks on Serbian policemen and police stations with the benefit of donations from abroad and arms from the arsenals of Albania. Serbian security forces reacted harshly to KLA attacks by retaliating against Albanian civilians, wiping out an entire clan in 1998 and entire villages in early 1999.

Neither the LDK nor the KLA's political wing, the Democratic Party of Kosovo (PDK – *Partia Demokratike e Kosovës*) had any use for Islamic fundamentalism, as some ideologues posing as “experts” have irresponsibly alleged. On the contrary, the increasingly violent confrontation between Milošević's thugs and the KLA was a hauntingly familiar early warning to western policy-makers of a possible Milošević-inspired ethnic cleansing campaign against non-Serbs. US and European diplomats demanded that Milošević withdraw his forces from Kosovo and allow international peacekeepers to supervise the province. When he refused, NATO undertook aerial assaults that struck targets in Kosovo and elsewhere in the Republic of Serbia. Milošević retaliated with a vengeance, unleashing Serbian security forces to drive over half the Albanian population from Kosovo in a matter of weeks. At the same time, the KLA made gains in their fighting against Serbian security forces. After 78 days of NATO bombing attacks and Serbian ethnic cleansing, Milošević capitulated and concluded a peace agreement. Security Council Resolution 1244, passed on June 10, 1999, cleared the way for Kosovo to be administered by UNMIK (United Nations Interim Mission in Kosovo) while maintaining the legal fiction that Kosovo was a province of Serbia.

Neither the Bosnian nor the Kosovo conflict was a religious war, but religious symbols were seen by many actors as targets worthy of destruction. Serbian security forces in Kosovo destroyed hundreds of mosques during the 78 day war, and after a cease-fire was declared and Serbian security forces withdrew, armed Albanians destroyed large numbers of Serbian Orthodox churches and institutions. The campaigns of destruction brought the Islamic and Serbian Orthodox religious communities into closer alignment (if that was possible) with their respective national movements.

## **SYMBOLIC SUBLIMATION: CONTINUATION OF CONFLICT BY OTHER MEANS**

The nationalist parties in Bosnia-Herzegovina and Kosovo



emerged from war more powerful than ever. They sought to continue fueling interethnic tensions and inducing fear in their own followers, but were forbidden by peace agreements and international peacekeepers from waging war. Instead, they and their religious communities diverted their efforts into symbolic interethnic rivalry, a process I call “symbolic sublimation.” Religious leaders revived old holidays and declared new ones on occasions of key battles and landmark dates in the state-forming narrative. They raised money to reconstruct destroyed churches and mosques, and religious communities engaged in what my colleague Andras Riedlmayer refers to as the “space race.” Altitude – having the tallest manmade structure within view – equates to symbolic supremacy in this race, which thrives on contending symbols within visual proximity of one another. In Kosovo, some memorialism is secular, centered on monuments to victims of Serb oppression and those who served in the KLA, but as in Bosnia-Herzegovina, many houses of worship have been restored or built anew by the Islamic community or the Serbian Orthodox Church.

Driven by imperatives of symbolic sublimation, Bosniak nationalist leaders deepened their dependence on external aid in the post-war years. Islamic countries took turns financing the building and rebuilding of hundreds of mosques, first in the Muslim-majority areas of the Federation of Bosnia-Herzegovina and then (after the dawn of the new century) in areas where Serbs and Croats had expelled Bosniaks in the war of 1992-1995. Most mosques have been constructed or reconstructed in a modern style imported from the Middle East, with sleek lines, synthetic building materials, and towering minarets. The new mosques and cultural centers stand in stark visual contrast to the wood-and-stone simplicity of traditional Ottoman-inspired mosques. Many Bosnians resent the mosques’ obvious architectural message of subordination to foreign Islamic interests. But most Bosniaks also see mosques as visual embodiments of their community’s claim to inhabit the land, and rebuilt mosques have contributed to a sense among Bosniak refugees and displaced persons that it was safe to return to their

former homes. Refugees and displaced persons have returned in substantial numbers to many areas in the Republika Srpska from which they were expelled, but rarely without reconstructing a destroyed mosque or constructing one anew.

## ISLAMIC FUNDAMENTALISM

With Bosniaks relying on funds from other Islamic states to rebuild mosques and schools, the authorities of some of those states have exploited Bosniaks' dependence to promote the spread of Islamic fundamentalism, principally through sponsoring the movement known in the periodical press as Wahhabism. Only a small percentage of Wahhabis are committed to using violence, but they include many converts who sympathize with the use of violence by others. Even with the aid of powerful state sponsors, Wahhabis have failed to win more than a few thousand converts in Southeast Europe. Most informed observers agree that they number somewhere in the low thousands in Bosnia-Herzegovina and in the hundreds in Kosovo, so we may dismiss the wildly speculative allegations that almost all Muslims in the region have turned to fundamentalist beliefs. In both Bosnia-Herzegovina and Kosovo, Wahhabis are socially ostracized and politically marginalized. The vast majority of Bosniaks and Kosovar Muslim Albanians are dismayed by the very sight of Wahhabis, recognizable by their shaved heads, untrimmed beards, and short pants.

The Wahhabist movement is essentially an aggressive recruitment campaign led from Islamic centers in Vienna and several Middle Eastern Arab countries. Wahhabis have won control of several schools and mosques in a number of towns in Bosnia-Herzegovina. It is tempting to see new and rebuilt Middle Eastern style mosques as manifestations of Wahhabism, but Wahhabis have intruded into only a few such mosques, leaving the correlation between modern mosque architecture and Wahhabist influence subject to doubt. Many Bosniaks, fearful that Wahhabism will weaken and discredit their traditions, have increasingly chal-

lenged the Wahhabi presence in their land. Most Albanian nationalists in Kosovo likewise abhor Wahhabism as alien to their national character and fear that it will crush their hopes for integration into Europe.

After years of acquiescence to fundamentalists' inroads into mosques, schools, and cultural centers, the Islamic community of Bosnia-Herzegovina began in early 2007 to confront Wahhabis directly. In January 2007, Wahhabis in the northeast Bosnian town of Kalesija attempted to take over a local mosque but were driven out by local Bosniak believers. Leading the Wahhabis was a native of Kalesija, Jusuf Barčić, who had left Bosnia-Herzegovina during the war, studied in Saudi Arabia, and returned in 1996 dedicated to spreading Wahhabism.

In February 2007 Barčić sought to enter Sarajevo's monumental Gazi Husrevbeg mosque, built in the seventeenth century and valued by all Bosniaks as a central institution of their faith. Traditionalists physically contested Barčić's entry, and the Sarajevo Cantonal police were called to separate the contending factions. Sadrudin Iserić, imam of the Gazi Husrevbeg mosque, voiced widely-held Bosniak views in announcing that Wahhabis would no longer be allowed to use the mosque for lectures: "The people are frightened, and already there are those who stay away from prayers on Thursday to avoid meeting them. All that we have accomplished for 600 years they now want to destroy."

On Thursday, February 22, 2007, the Wahhabis again attempted to gather in the Gazi Husrevbeg mosque but were confined to the courtyard, where they held a service and lecture observed by more reporters (about 50) than followers (around 20). Barčić railed against the Muslim establishment, criticized the Islamic community for departing from the true teachings of Islam, demanded the implementation of shariat law in Bosnia-Herzegovina, and implicitly threatened to form a parallel Islamic community dedicated to Wahhabist beliefs.

Barčić was a reckless driver with a lengthy history of traffic violations. According to some journalists' reports, his driving record derived from his rejection of all civil authority, including traffic regulations, and he routinely ran red lights. On March 30 he lost control of the Mazda he was driving and ran headlong into a light post just outside the eastern Bosnian town of Tuzla. He died a few hours later of head injuries sustained in the crash. An estimated 3,000 Wahhabis came from near and far to attend his funeral in Tuzla and turned the occasion into a rally for their cause. Some mourners skirmished with police, who were unprepared to handle such a large crowd. Barčić's truncated career as a Wahhabist gadfly thus evoked a greater response on his death than during his life and served mainly to bring Wahhabism sharply into public focus. The Islamic community reacted belatedly to Wahhabism, more in response to threats to its own power than to Bosniaks' near-universal revulsion to Muslim fundamentalism.

On April 17, less than three weeks after Barčić's funeral, police in the Republic of Serbia raided a small camp of Wahhabis in the Sandžak region, home to tens of thousands of Serbia's Bosniak minority. The police arrested three men but failed to locate a fourth member of the group. Three days later, Serbian security forces surrounded a small house occupied by four Wahhabis, including the fugitive from their previous raid. The house's occupants opened fire on the police, who killed the group's leader Prentić, injured another, and saw one of their own slightly wounded. Only three weeks before the killing, the Kosovo Police Service had issued a warrant for Ismail Prentić, brother of the slain Wahhabi leader, for smuggling weapons across the administrative boundary between Kosovo and the Republic of Serbia. The episode thus highlighted the Wahhabist movement's cross-boundary linkages. Sandžak Mufti Muamer Zukorlić estimated that there were 150 Wahhabis in the Sandžak, of whom "fifteen to thirty are problematic," that is, violence-prone. He noted that the Sandžak Wahhabis looked to Bosnian Wahhabis as their leaders and organizers.

The response to the attacks demonstrated the Islamic community's contempt for violence-prone Wahhabis. Tellingly, no Bosniak leader publicly defended the Wahhabis after the Serbian police attack, although several used the incident to blame Albanian radicalization on maltreatment by Serbian security forces. Imam Zukorlić alleged that Serbian security forces had instigated the Wahhabi challenges to the established Islamic community of Serbia, and Social Democratic leader Rasim Ljajić highlighted the "irrationality and futility of their alleged mission." Although they did not endorse the Serbian police raid, neither secular Bosniaks nor leaders of the Islamic community identified with those attacked, arrested, or killed in the raids.

Wahhabis have also made advances in Kosovo, but as in Bosnia-Herzegovina, they are socially ostracized, despised by most Kosovars and the governing political parties, and operate outside the indigenous Islamic community. In December 2006 I visited Kosovo and interviewed local political and religious leaders. In one interview, I asked a group of Albanian veterans of the 1999 war if they had Islamic fundamentalists in their midst. No, they emphatically replied. They told me of two houses in the town of Gjilan where foreign Islamic radicals and their local converts lived. These radicals could be identified by their long beards and short pants. They attracted converts mainly by offering courses in foreign languages, particularly English, to Kosovar Albanians. Two of the interviewees told me of male acquaintances who had taken English lessons, delved into religious instruction, begun sporting beards, and eventually disappeared altogether, presumably to join Islamic radicals fighting in Afghanistan or Iraq. My interviewees viewed this as a tragedy; they expressed fears that such recruitment would spread. They emphasized that Albanian nationalists detest Islamic radicalism and fear its potential to send Albanians off to foreign wars as well as to threaten tranquility at home.

## SERBIAN ORTHODOXY

In the era of symbolic sublimation, the Serbian Orthodox Church has continued to be a central actor in advancing Serb nationalism. As Serbs in the Republic of Serbia have become consumed with the issue of Kosovo's future, high church officials have continued to highlight their case for keeping Kosovo's patrimonial sites under the jurisdiction of the Serbian state. Vladika Vasilije Kačavenda of the Zvornik-Tuzla Episcopate in Bosnia-Herzegovina left his headquarters in Tuzla in 1992 for the Bosnian Serb-controlled town of Bijeljina and built a palatial residence on Bosniak-owned land.

Since moving to Bijeljina, Kačavenda has made a career of building churches in his Episcopate on Bosniak-owned land and has succeeded in getting legislation introduced in the Republika Srpska legalizing such appropriations. He has publicly denounced a prominent Serb dissident living in Bijeljina who spoke out against Serb nationalist extremists, and used the occasion of a funeral to threaten the man publicly with retaliation. Kačavenda is among the most radical Serbian Orthodox clerics in having used his clerical office to incite nationalist confrontations, but he is not alone. The Serbian Orthodox Church, as it has for decades, continues to be a major force for incendiary Serb nationalism in Bosnia-Herzegovina and in Kosovo.

## CONCLUSION

Ethno-national competition, conducted or controlled by the leading nationalist parties and their allied religious communities, remains the principal trait of democratic-era politics in Kosovo and Bosnia-Herzegovina. The Serbian Orthodox and Islamic religious communities have been major contributors to the rhetoric, mobilization campaigns, and electoral successes of nationalists in Croatia, Serbia, Bosnia-Herzegovina, and Kosovo, but they have consistently supported rather than challenged the dominant role

of secular nationalist political parties. Bosnia's Islamic religious community and secular Bosniak politicians tolerated mujahedin during wartime and after the war turned a blind eye to the gradual growth of Islamic fundamentalism on the fringes of Bosnian and Kosovar society. But in guarding their monopolistic positions, Islamic religious communities in Kosovo and Bosnia-Herzegovina have begun to confront fundamentalism head-on and challenge further inroads. Given the absence of internal deterrents to extreme nationalism and the weakness of external constraints, the Serbian Orthodox Church poses as great a threat to long-term political stability and reconciliation in the two regions as do marginalized Islamic fundamentalists.

Ljubljana, 12 June 2007

## SLOVENIAN-CROATIAN RELATIONS

### THE SLOVENIAN-CROATIAN BORDER QUESTION

*The Ambassador **dr. Jožef Kunič**, member of the International Institute IFIMES and President of the Slovene Association for International Relations (SDMO) analyzes current events related to the unsolved question of the border between Slovenia and Croatia in his article »The Slovenian-Croatian Border Question«.*

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Following the second World War, the border between Slovenia and Croatia in the territory of Istria was completely drawn anew. The first division was put forth by the creation of the Free Territory of Trieste on the 1st of September 1947. The river Dragonja was chosen to represent this border. Objections to this were made by the inhabitants of Mini-Škrila in 1948 and the inhabitants of Bužine in 1949. The Official Gazette of the Federal People's Republic of Yugoslavia (FPRY), no. 43 of the year 1953, determined the way of dividing cadastral municipalities and was followed by the Law on Regional and Municipal Territorialization of the People's Republic of Slovenia, in the Official Gazette of the PRS no. 24/55, a law which precisely determines the border of the Slovenian republic according to the outer borders of its cadastral municipalities. The surface area of Slovenia, according to this law, consists of 2,027,300 ha, 95 a, and 19m<sup>2</sup>. Of course, in certain areas, not just in Istria but elsewhere as well, the inhabitants interpreted the state of the border in their own ways and thus



de facto obtained parts of the territory which de iure belonged to the 'other' side. There are six of these so-called controversial areas, namely, the area around Hotiza, at Sekuliči by the Gorjanci mountain range, the peak of Mt. Trdin, the plot of land of Tomšič beneath Mt. Snežnik, the area around Dragonja, and the course of the border at sea.

For clarity's sake, we will deal with the border at sea and the border on land separately, even though both constitute a single, uninterrupted border.

## THE BORDER AT SEA

Experts should, through serious professional discussion amongst each other, come up with serious and argumentative answers to the following (and perhaps other) questions:

1. Is the statement that, during the existence of the Socialist Federal Republic of Yugoslavia (SFRY), there was no division between the Socialist Republics concerning the border at sea, that is, that all the sea belonged to all the Republics and Autonomous Provinces, compatible with the Constitution of the SFRY that was valid up until the day of collapse, that is, until the 25th June 1991?
2. Is it possible or likely that the Arbitration Committee set up by the European Union on the 27th of August 1991 (and which is popularly called 'Badinter's Arbitration Committee' or 'Badinter's Committee' in short) committed an error, or overlooked, in the 'Opinions of the Arbitration Committee', the part of the border between Slovenia and Croatia which is at sea (this being elaborated upon in the third point of the third opinion in this report)?
3. Is the opinion of the Arbitration Committee, which was seemingly accepted with approval, in full, by both the Republic of Slovenia and the Republic of Croatia immediately after independence, yet now no longer seems to be, that is, is an opinion that was arrived upon by an EU-appointed committee, made

up of five respected heads of supreme courts, so unclear that it can in no way be applied to the question of the border between the Republic of Slovenia and the Republic of Croatia at sea?

Before we answer the questions asked above, two details must be taken into consideration. A detail that is too often overlooked is the meaning of the legal principle of *uti possidetis*, this being that the state of affairs on a certain date, particularly chosen, becomes a limiting factor, and if the principle is called into effect, all history prior to said date is 'forgotten'. Referring to historical arguments is in contradiction to the *uti possidetis* principle. This principle in reality does away with all historical arguments and disregards any nonsense and injustice done in the past, thereby preventing the rectification of these injustices. All that matters is the state of affairs on the chosen date.

The other detail we must call attention to is that rarely does only one subject administer a certain part of a certain territory. In many places in the SFRY, there were no precise boundaries between administrators, and thus there are more than just a few cases where one socio-political community, this being one Republic or its local administrative unit, administered one field and another Republic administered a second field, all this happening in one geographic area which was part of the territory of only one of the two Republics. It would appear logical that such a territory is ceded to the Republic which managed and administered more, if not the majority, of the area in question.

The answer to question a): The Constitution of the SFRY (article 5, paragraph 1): »The territory of the SFRY is unified, and is composed of the territories of its Socialist Republics.« From this it follows that there was no territory within the SFRY that also at the same time was not part of any of the Socialist Republics (SR). The sea was, like all other territory of the SFRY, unified but, according to the constitution, each specific point at sea belonged to one of the SRs. From the constitution, we can conclude which part

of which territory belonged to whom. »The working people and citizens exercise their sovereign rights in the Socialist Republics and Socialist Autonomous Provinces and – when determined by this constitution to be of common interest – in the SFRY.« Thus it clearly follows: all sovereign rights, aside from those transferred to the SFRY, are exercised on the territory of each specific SR. The territory on which the SR of Slovenia exercised its sovereign rights, aside from those transferred to the SFRY, therefore belonged to Slovenia (I intentionally use the diction of the Constitution of the SFRY, which today sounds anachronistic). In the part of its territory which is at sea, the SR of Slovenia exercised police supervision, ecological protection, control over economic exploitation of the sea, control over prohibited activities regarding protected species of fauna and marine flora, control over archaeological activities at sea, etc.

It is undisputable that the interior of the Bay of Piran, all the way to the lines of shallow water at the coast of Savudrija, belonged to the SR of Slovenia, as it was she who carried out all of the aforementioned activities in this territory.

The activities carried out by Slovenia as part of exercising her sovereign rights, however, must not be confused with the activities carried out in the name of the entire federation. By this we mean those activities necessary for the carrying out of the federation's constitutional rights and which were transferred to the federation from all the Socialist Republics and Socialist Autonomous Provinces by the constitution (see article 281). These activities could have been carried out by federal agencies or the agencies of any republic, that is, of the republic designated to carry out the activity by the federation, and, therefore, can we in no way conclude from these activities whether Slovenia (or Croatia) exercised its power and sovereign rights. These activities are connected to defense, protection of international borders, control of international travel by sea, control of travel by air, etc.

Often, the fact that Slovenian agencies carried out the task of con-

trolling the state border is used as an argument for this area being the territory of Slovenia. The Slovenian argument based on the written directive of the former Yugoslav state regarding Slovenian Police supervision of 16 miles of the border with Italy simply carries no weight in determining where which SR exercised its sovereign rights, as we speak of carrying out federal directives and since these could have been, were the federation to say so, carried out by the agencies of any SR.

The case of the tanker *Nonno Ugo*, which was stranded on the 8th of March 1973 on the coast of Savudrija, near the settlement of Kanegra, is a case from which we cannot conclude that Croatia exercised sovereign power over this area of the Bay of Piran. While it is true that all formalities with the owner of the vessel were settled by the Port Authority of Pula, its Umag division to be more precise, and although it is equally true that control of the area of the incident, information collection from eyewitnesses, and interrogation of the ship's crew and captain were all carried out by instructions from, and under control of, the then- Republic Secretariat for Maritime Administration, Transport, and Communications in Zagreb, the fact of the matter remains that the incident was a question of international travel by sea, and this was, according to the constitution of the SFRY, a constitutional right, that is, a right of the federation. Thus, the republic's agencies *de facto* carried out the investigation only in the name of the SFRY, this in no way being an exercise of the republic's sovereign rights.

Often, one can encounter arguments, particularly from the side of Croatia, founded on supposed agreements on Croatian agencies carrying out some of the measures of control. Written documents confirming such agreements allegedly exist. Here emphasis must be placed on the fact that Slovene agencies never searched for nor needed any agreements with the Croatian government for operating in the area of the entire Bay of Piran. The fact that on the other hand, Croatia did require, and actively pursued, permission from Slovenia for the operations of its agencies in the Bay of Piran is

merely evidence that only Slovenia exercised her sovereign rights in this area. Thus, this territory was Slovenian and from the side of Croatia *de facto* acknowledged to be Slovenian, or she would have never needed nor pursued the mentioned agreements. Of course, Slovenia could allow anyone to conduct any sort of operation or activity on its territory (if, of course, this was in accord with the legislation valid at the time). Even the viewpoint of prof. Vukas that »in many accidents at sea, the Slovenian government contacted Croatian agencies for help, that is, if the accident occurred in the southern part of the Bay of Piran« (Vukas, 2004) simply confirms the fact that the southern part of the Bay of Piran was also under Slovene jurisdiction, since Croatian agencies came when they were called, and the entity with jurisdiction is the one who decides whom to call.

It is hardly a dilemma whether there is sound basis or not for calling into effect the *uti possidetis* principle suggested by the Arbitration Committee for dealing with the interior of the Bay of Piran. Therefore, regarding the Bay of Piran, we do not speak of determining a common border but, in accordance with the opinion of the Arbitration Committee, of a precise determining of the border's co-ordinates along the line that separates the territory in question into the area where the SR of Slovenia exercised her sovereign rights and the area where the SR of Croatia exercised hers. This solution would be bad for Slovenia, since in the best case scenario she would only have access to the open sea at a single point, while it would be completely unacceptable to Croatia, since she would attain the coast of Savudrija (up to shallow waters) without the Croatian sea. It would be a highly impractical and illogical solution to have a coast with no sea. In no way would the Croatian public accept this. Here we must add that, according to UNCLOS (the United Nations Convention on the Law of the Sea, which came into effect on 16.11.1994), it is no longer possible to re-draw a border and have the coast belong to one state and the sea to another. But in this case, and this is a very important point, we do not re-draw the border; instead, we simply are trying to discover where the line that separated the two territories

passed. The blame for its impractical placement is to be shouldered by the former SFRY. Pursuing this solution would be for Croatia much worse than the solution offered by the »Drnovšek-Račan« agreement. The »Drnovšek-Račan« agreement, the content of which was prepared in July 2001 and was immediately supported by the governments of both countries, was in essence a compromise that was based on the opinions of the Arbitration Committee. Regarding the border on land, it is clear that neither of the two SRs fully exercised their sovereign rights to the exclusion of the other in the controversial areas, so a common border was drawn up by mutual consent. However, regarding the border at sea, Slovenia would give Croatia a part of the Bay of Piran, and Croatia would in turn give nothing to Slovenia, instead giving up some territorial waters to international waters. Each side thus lost something, but gained something more important – a mutually agreed upon state border. Domestic political interests, however, prevented the agreement from ever being ratified.

I do not have access to the transcripts of the sessions that hatched the last constitution of the SFRY, but precisely on the question of territories that would not belong to any of the republics, a heated debate arose. If the sea had not been divided, it would have belonged to the federation itself and no socialist republic would have exercised its sovereign rights on it nor would have the republics' police forces been in charge of controlling and patrolling the waters; the federation's agencies would have done this, that is, the Yugoslav People's Army, something that no republic that had access to sea would ever allow. The result of these heated debates was the famous fifth article of the SFRY Constitution, which in effect divided the sea and made every point at sea belong to one of the Socialist Republics.

The answer to question b): There were some claims, mostly from Croatia's side, that the opinions of the Arbitration Committee do not apply to the border at sea, which seems highly unlikely. It would be exceptionally strange that opinion no. 1, which states that the SFRY dissolved and that Croatia and Slovenia did not se-

cede, would be held in such high regard, while opinion no. 3, which speaks of borders, including the border at sea, would be somehow less valid.

The answer to question c): The opinion of the Arbitration Committee is perfectly clear. It is as follows: »Except where otherwise agreed, the former boundaries become frontiers protected by international law. This conclusion follows from the principle of respect for the territorial status quo and, in particular, from the principle of *uti possidetis*. *Uti possidetis*, though initially applied in setting decolonisation issues in America and Africa, is today recognized as a general principle, as stated by the International Court of Justice in its Judgement of the 22nd of December 1986 in the case between Burkina Faso and Mali.« A priority of the opinion is that the newly formed states can come to mutual agreements regarding their border. If there is no agreement, then the status quo remains and the former boundaries become borders. It is also clear that the way to determine the territorial status quo is the principle of *uti possidetis* (and not *uti possidetis iuris* as some would claim) and this obviously shows the way the border should be determined; divisions of territory were not formally specified, or at least were not legally clear, in the time of the former SFRY, and there was no official agreement between the two republics. This means that the territory remains how it was, along with the rights exercised on it. If authority over a territory stems from a valid agreement or a legal act, then we speak of *uti possidetis iuris*, yet if it stems only from actual authority over a territory that is not accompanied by any formal acts or agreements, we speak of *uti possidetis de facto* (*Dictionnaire Diplomatique*; pp. 1045-1050).

If appropriate legal acts, on the basis of which the Slovene police and other Slovene agencies had full control of all the Bay of Piran, exist, then the conclusion according to both principles is the same. If we discover that the sea was not divided by legal acts, yet that authority over the area (aside from those cases where it was transferred to the federation) was in fact exercised by the Slovene police and other Slovene agencies, then the principle of

uti possidetis iuris, due to lack of legal formalities and acts, is not applicable; the principle of uti possidetis de facto, however, is applicable and gives a clear, doubt-free solution. Here we must note that some believe that the »border [at sea] between Slovenia and Croatia was never determined by a legal act or a print in the Official Gazette« (Deisinger; 2004), yet that the division of exercising sovereign rights was clear, which is more than a sound basis for calling into effect the uti possidetis de facto principle. It is a very important fact that regarding the border at sea, there is no contradiction between the principles of uti possidetis iuris and uti possidetis de facto. It is possible that one of the two is not applicable, but even then it does not oppose the other principle (unlike in the case of the border on land).

We must return now to the answer to question a). The sea during the time of the SFRY was divided.

On the basis of the Constitution of the SFRY it is obvious that the sea was divided among the SRs, and all that is needed is to carry out the process of delimitation, that is, to clearly identify the border point by point according to opinion no. 3 of the Arbitration Committee. According to this, one clearly finds the sovereignty of the Republic of Slovenia over the entire Bay of Piran, in accordance with the opinions of the Arbitration Committee. In all likelihood, the EU will support this, as it was the EU that appointed the Arbitration Committee and will be unwilling to admit that its committee either forgot about the sea, or presented an opinion that is useless.

When speaking of the Croatian tactics of bilateral relations, the fact is that Croatian politics and policies, in relations with Slovenia, was always based on two points. The first is the strategy of *fait accompli*, while the other is selective carrying out of agreements. Croatian diplomacy and politics was always highly skilled at implementing bilateral agreements only partially. The best example is the partial implementation of SOPS (the agreement on border traffic and co-operation, which came into effect on the



5th September 2001). In those elements of the agreement that benefit Croatia and maximize gains for her, Croatia strongly and firmly implements bilateral agreements. As soon as it comes to elements that do not maximize at least short-term Croatian interests, then these elements simply are not implemented.

In Croatia one can hear that there is little reason left for further negotiation with Slovenia regarding the border issue, since negotiation eventually and inevitably entails accepting and giving concessions. And the need for further concessions no longer exists. This mentality of selective implementation of agreements is very firm and essentially, there exists a national consent regarding it in Croatia (Gjenero; 2006). This model of selective implementation of agreements and the *fait accompli* model can be clearly seen in the incidents occurring at the border at Dragonja. The Joras farm definitively belonged to Croatia according to the »Drnovšek-Račan« agreement, therefore, by insisting that the farm belongs to Croatia, Croatia herself practically endorses the »Drnovšek-Račan« agreement, despite the fact that she would never accept it. On the other hand, a typical *fait accompli* example is the building of a border station on controversial territory. It has been said that this building does not define the border. Nonetheless, it was at this 'unprovoking border' that the incidents regarding Mr. Podobnik and Joras' farm occurred, when he walked past the official border station. The previous point of a border station not defining the border was promptly forgotten. Therefore, after building this border station, step by step, by selective implementation of agreements, the border was re-drawn which on this day should be uncontroversial and final.

Of course, one must ask the question of how to implement the opinions of the Arbitration Committee if Croatia claims that she accepts them, and yet obviously avoids them in the Bay of Piran. As a member of the EU and of NATO, Slovenia can with all seriousness demand the respecting of the Arbitration Committee's opinions set forth by the EU on 27.8.1991. Disregarding the opinions of the Arbitration Committee surely is 'not European' and

therefore it is surely legitimate and in accordance with good diplomatic practice that Slovenia demands Croatia's acceptance of these opinions before she becomes a member of the EU. It seems that the only agreement that the two countries might agree on is the »Drnovšek-Račan« agreement. Very likely, neither country will be prepared to accept a worse deal, and neither country will be able to secure a better deal. In the case that there is no agreement, then it is appropriate to turn to the Arbitration Committee in accordance with the written promise from the letter from the 19th December 1991 (Kunič; 2007).

At this point, it is important to add that the opinion put out by the Arbitration Committee was composed from exceptionally well-regarded personalities, led by the esteemed Robert Badinter, and was politically supported by the EU; full compliance and respect of the opinion was, in fact, one of the conditions for recognition of Slovenia and Croatia. The question of the border at sea between Slovenia and Croatia should be, and in my opinion has to be, settled by an impartial international institution, which above all should respect the undisputed fact that the sea in the times of the SFRY was divided amongst the then-Socialist Republics, and recognize the opinions of Badinter's Arbitration Committee.

## **THE BORDER ON LAND**

Just as with the border at sea, the solution described in opinion no. 3 of the Arbitration Committee was accepted as a solution for the border on land.

Until a final agreement about the border is reached, neither Croatian nor Slovenian institutions should, with any action, in particular not with official action, claim or behave as if the border is clear and by doing so preclude the conclusions of a possible mutual agreement or the solutions proposed by appropriate institutions. Yet it often came to this in the Bay of Piran and on the left bank of the Mura river at Hotiza. Despite the presence of Slovene

police forces, Croatian workers were working on land that, according to the principle of *uti possidetis* (referring to the state of affairs on 25.6.1991), most likely belongs to Slovenia, since only Slovenia *de facto* controlled this area and *de facto* had possession of it. The appropriate institutions did not react when a bridge over the Mura river was built and added upon in the controversial area. What is even less acceptable is the fact that representatives from both countries agreed that the floodbank on the left bank of the river should be repaired by workers from both countries; by this, the Slovene representatives again, in a way, gave support to the idea that the territory is not undisputably Slovene.

The issue of a mutually agreed upon state border between Slovenia and Croatia is of key importance for both states involved, but it can only be solved by an external, impartial institution. It is an issue that has been intensely abused for domestic policy gains, and any statements or actions other than non-professional, political populist opinions for what belongs to whom can only occur in the case that the governments of both countries are strong and are not facing elections just around the corner. That things will ever reach this situation is, however, very unlikely. But a final settlement regarding the issue will be very positive for both sides involved, as it will remove a difficult and problematic burden from the daily schedule. Any and every moment spent on waiting for a solution to pop up is in direct opposition to both Croatia's and Slovenia's national interest.

The excuse that when both countries will be EU members, borders will cease to exist, simply does not add up. Dreaming about the EU solving border questions is highly unrealistic. This is the direct consequence of not being familiar with the issues that long-term members of the EU share. The EU does not solve such questions, and has no intention of doing so either, which was confirmed last year by the European Commissioner for Enlargement Rehn. These are, after all, questions of a bilateral nature. It is true, however, that the EU would like as little of such questions to be left unsolved.

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## BOSNIA AND HERZEGOVINA

### ARE CHANGES OF DODIK AND SILAJDŽIĆ UNDERWAY?

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. IFIMES has prepared an analysis of the current political situation in Bosnia and Herzegovina (BiH), one year after the parliamentary elections which were held on October 1st, 2006. From the extended text we have picked up some of the most important and interesting paragraphs.*

A year after parliamentary elections, which were held a year ago (01.10.2006) and after consequent big political shifts, the expectations of voters haven't been met – on the contrary, they are further away than they have ever been. BiH shows neither any progress in its economic and social development, nor towards the Euro Atlantic integrations, which is its goal set a few years ago.

The new government has not only failed to fulfill any of its promises, namely to achieve the perspective of better living conditions, but has also created a highly uncertain outlook for the future. Relations towards the Euro Atlantic integrations have been brought to a point where nobody knows how to continue with the European path that BiH has already begun.

Bosnia and Herzegovina is today, more than ever in the postwar period, split along nationalistic lines. The frontrunners in the process of creating the impression of a nationalistic divide are two selected political leaders, namely Milorad Dodik (SNSD – The Alliance of the Independent Social Democrats), the Prime Minister of Republika Srpska (RS), on one side, and Haris Silajdžić (SzBiH – Party for BiH), member of the Presidency of BiH, on

the other side. Before last year's elections, both of them have set completely different political goals, which are now causes for the country's structural shivering. Hence, overall postwar development and progress has been brought under question, while the citizens of BiH are "hostages" of these two conflicting political approaches.

The international community in BiH has generously followed and, with its silence, practically nourished this conceptual conflict between Dodik and Silajdžić. Consequently, the international community has now been caught without thoughtful and decisive power to make any arrangements. This makes the overall situation in BiH additionally complex and, perhaps, also disastrous for the future of the country, which to a large extent still suffers because of its recent war history.

## **THE MARGINALIZATION OF THE INTERNATIONAL COMMUNITY IN BiH**

With its passive approach and without any relevant solutions, the international community has fully marginalized itself and has, together with the citizens of BiH, become the "hostage" of Milorad Dodik and Haris Silajdžić, i.e. of their political concepts.

Lately, the block of the Croatian political parties in BiH has started to homogenize itself with the aim to create political unity on the most important open issues and to bring, *via facti*, attention towards the situation of Croats in BiH. As current circumstances have brought them to complete isolation, Croats do not represent a political factor in BiH that could, in any way, be able to influence the relations in BiH that have been created exclusively by the political duo Dodik and Silajdžić.

One question is being asked: what move, and by who, could change the situation in BiH? For sure NOT Dodik and Silajdžić, since their concepts are very clear and do not, in any way, en-

courage the stability and maintenance of BiH. There is an urgent need for the action of the international community, for which, however, it will not be whatsoever easy to step out of its current, fully marginalized and passive position and to return to its active role. As the warrant of the Dayton Peace Accords, it should make the necessary moves to calm down emotions and bring the country back onto the road towards Euro Atlantic integrations, which would, at the same time, mean saving BiH from dissolution.

### **THE REPLACEMENT OF DODIK AND SILAJDŽIĆ AS A PRELUDE TO SERB-BOSNIAK DIALOGUE?**

The main barrier for renewed and decisive action by the international community is represented precisely by the duo Dodik – Silajdžić. Both have behind them an already formed, articulated public opinion from which they draw strength, and which strongly supports each of them. Therefore, they feel strong enough to counter and reject decisions of the international community, brought by its High Representative and backed by the authorities of the Bonn Agreement.

The International Institute IFIMES is in the possession of reliable information from diplomatic sources that confirm highly confidential discussions regarding the possible adoption of appropriate measures against two of the currently most noticeable leaders in BiH, namely Dodik and Silajdžić. Sources say the withdrawal of Dodik and Silajdžić from political life would create realistic conditions for a more than necessary Serb-Bosniak dialogue, which in fact is the key for stability and maintenance of BiH as well as that of the entire Balkans.

Dodik and Silajdžić currently do not have as dominant an influence as they had a couple of months ago. This fact is also obvious from the actions of some of the media, which report, in a very critically inclined tone, about both leaders and the pitfalls of their politics. Typically, some media, in particular in RS, which until



recently have given Milorad Dodik full support, have published a series of critical elaborations about his work and behavior. With this, they have indicated the decline of Dodik and of his political approach.

The International Institute IFIMES estimates that such a reversal has been expected, having in mind the highly exposed autocratic orientation of Milorad Dodik. He has completely subordinated all his party aides as well as colleagues, enjoying absolute control over them, while at the same time transforming his party into a “one face party”, something that is absurd in a situation where the affirmation of democratic processes and values is needed more than ever.

With such an approach, Dodik has managed to push his most loyal political allies, with whom he has worked closely during past years, far away. He is continuing to humiliate them intensively, even though he would not have managed to gain such power without their strong political assistance and support.

The Socialist Party (SP) and the Democratic National Alliance (DNS), which are coalition partners in the current Dodik government, are being constantly pushed towards the margins of political decision-making. At the same time, their political position is being taken over in favor of SNS, which is in politics usually considered as “political primitivism” and at the end of the day usually comes back like a boomerang. This can already be felt in public as well as in SNS, since Dodik, with his boasting and primitive behavior, already devaluates the position of the Prime Minister of RS, as well as that of the President of the SNS, the biggest political party. The peak of his cynical and politically hypocritical behavior represents the engagement of the DPS (the Party of Democratically Progress) as his close ally. Namely, a few years ago, it was exactly his criticism of this party, its leaders and its practices that allowed Dodik to achieve his meteor ascent onto the local political stage (IFIMES has analyzed this practice in its past papers, focusing primarily on criminal acts in companies “Srpske šume

/The Serb Forest Company/", The Railways of RS, privatization of banks etc., which has already been processed by prosecutors in BiH and in RS).

This is the same PDP and its cadres with whom Dodik is trying to strengthen his power. However, the public in BiH has not forgotten the tough accusations of extensive crimes and numerous failures against PDP leader Mladen Ivanić and his party when they were in the RS government as a coalition with today's opposition party SDS (The Serb Democratic Party). Thus, PDP, which once was the satellite party of SDS, has now become the satellite party of SNSD.

There is a similar situation in the Federation BiH with SzBiH, which is the coalition party of SDA (the Party of Democratic Action). In last year's elections, SzBiH has managed to achieve a little better results, in particular its leader Silajdžić who has become member of the BiH Presidency. But although SDA is a far stronger political party than SzBiH, it is currently nonetheless under the political domination of Haris Silajdžić, who has managed to transform SDA into his satellite party.

The International Institute IFIMES is of the opinion that radical moves of the international community are the only solution for the current situation in BiH. As we have said, the international community is thinking about such moves, but is at the moment hesitant to put them in action. However, this would encourage the reform process in BiH with the aim of achieving full membership in the EU and NATO, which is the only alternative to the dissolution of BiH.

## **“SALTO MORTALE” OF HARIS SILAJDŽIĆ**

The demand of the European Commission refers to sign an agreement on confirming three key principles of the European Commission – that the legislative and budget authorities are transferred

to the governmental level, that the police is being organized into functional regions and that the political influences on the police are eliminated.

However, under strong pressure, leaders of SNSD and SzBiH, Milorad Dodik and Haris Silajdžić, signed on Friday, September 29, 2007, Protocol on Police reform, which does not include the three key principles, on which the EU insists. Additionally, it is the Protocol, concluded between two political parties, which without support of other political parties cannot achieve parliamentary support. Following this approach, the political representatives of BiH Croats have been excluded from these talks.

The International Institute IFIMES is of the opinion that political discussions, which take place outside institutions of political system of BiH, are harmful for the overall democratic environment. This is even more so, since political representatives of BiH Croats are excluded from the political process. IFIMES evaluates, that Haris Silajdžić has exercised with signing this Protocol his “salto mortale”. Namely, with this signature he has neglected his previous political engagement, that is united BiH with united police.

The European Union has not accepted such Protocol and it should take decisive actions including some radical steps such as the replacement of irresponsible politicians and the prohibition of political activities and travelling to the EU.

By signing this Protocol, Dodik has appeared as political winner, while Silajdžić has exercised “salto morale”. This most likely presents the end of his political career and loss of political credibility in the eyes of BiH public.

Ljubljana, 05 October 2007

## **PRESIDENTIAL ELECTION IN SLOVENIA**

### **THE FAVOURITE PETERLE AWAITING HIS CHALLENGER FOR THE SECOND ROUND**

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. On the occasion of the announced presidential election in Slovenia which is to take place on 21 October 2007 IFIMES has prepared an analysis of the current pre-election situation. The most relevant and interesting sections from the comprehensive analysis are given below.*

At the forthcoming election the Republic of Slovenia will opt for its third democratically elected president since the country proclaimed its independence in 1991. Until now this function has been performed by Milan Kučan (two terms of office) and the incumbent President Janez Drnovšek.

The Speaker of the National Assembly (Parliament) of the Republic of Slovenia called the presidential election for 21 October 2007.

The candidacies must be backed by at least ten members of the parliament or a political party, in which case the support of 3 MPs and 3,000 voters is required. The candidate may also run the election independently without the support of a political party, if he/she collects the signatures of at least 5000 eligible voters.

The National Electoral Commission accepted the candidacies of seven candidates: 1. Darko Krajnc (Slovenian Youth Party-SMS), 2. Zmago Jelinčič Plemeniti (Slovenian National Party-SNS), 3. Mitja Gaspari (Liberal Democracy of Slovenija-LDS), 4. Danilo Türk (Social Democrats-SD, Democratic Party of Retired People of Slov-

enia -DeSUS and Zares (Engl. "trully")-new political party, 5. Elena Pečarič (the Akacija (Engl. "acacia tree") Party and the support of three MPs), 6. Monika Piberl (Women's Voice of Slovenia) and 7. Lojze Peterle (New Slovenia Christian People's Party-NSi, Slovenian Democratic Party-SDS and Slovenian People's Party-SLS).

A common feature of most of the competitors is that they present themselves as independent candidates without placing stress on the support from certain political parties. In public the candidates are avoiding political polarisation which is present in the Slovenian society, trying to give an impression of the president who is going to unite the nation.

## **JANŠA'S SDS WITHOUT A PRESIDENTIAL CANDIDATE**

The favourite of the presidential election, especially in the first round, is Lojze Peterle, member of Nsi and incumbent Member of the European Parliament. In early 1990s Peterle was the first Prime Minister and for a short period of time the Minister of Foreign Affairs. His candidacy has been backed by Prime Minister Janša's SDS and by SLS. The fact is that SDS as the country's leading party has not presented its presidential candidate, therefore it has been "forced" to back Lojze Peterle who announced his candidacy already in December 2006. The leading SDS expressed support for Peterle since it was not able to find an appropriate candidate from among its own members. Analysts have noted that Janša's SDS, which has the main say in the present government, is gradually losing the public support according to public opinion polls. The party did not run its own candidate since it fears that the defeat at the presidential election could have negative consequences for the outcome at the next parliamentary elections in autumn 2008. Analysis have also warned that the victory of Peterle as the member of New Slovenia Christian People's Party-Nsi which has close connections with the Roman Catholic Church (RCC) could bring down the relatively thin line between the secular state and RCC. Secularisation is one of the fundamental values of the Slovenian society. The present

government led by SDS has, according to the analysts' findings, challenged certain spheres of the secularism principle of the Slovenian state, having built tight relations with RCC with its attempts to introduce its teachings in the Slovenian educational system which is still a secular one. The experience in the region has shown that increased interference of religious communities in the state had devastating effects on Slovenia's neighbouring countries (Croatia, Bosnia and Herzegovina, Serbia) Peterle is trying to present himself to the voters as the president who would be acceptable for everyone. He even received the support of German Chancellor Angela Merkel, who clearly suggested in her TV message that the Slovenians should vote Peterle, as well as from the President of the European Parliament Hans-Gert Pöttering and others, which may, however, eventually harm his candidacy since Slovenian voters regard the presidential elections primarily as the state's internal political issue. Moreover, the fact that Peterle has been running as the candidate already since December 2006 which makes him the oldest candidate may weary the voters who might get the impression that he wants to become the president at any price.

## **DANILO TÜRK – THE CANDIDATE RUN BY THE MOST POPULAR PARTY**

Professor of international law and former United Nations Assistant Secretary-General Danilo Türk is supported by the most popular party in Slovenia SD as well as by DeSUS and Zares, the party established recently by the former political leaders of LDS. Türk lived abroad for many years and is not directly involved in Slovenia's internal political affairs, which might represent an advantage bearing in mind the fact that the country's internal political scene has polarised distinctly into the political right and left wing. Moreover, Türk has strong political connections in the world and is a renowned connoisseur of international relations and politics. Public opinion polls have shown that Peterle and Türk may enter the second round of elections.

However, Danilo Türk's second position may be jeopardised by the former Governor of the Bank of Slovenia and Minister of Finance Mitja Gaspari, whose candidacy is run by LDS which is still recovering from the defeat at the last parliamentary elections. Gaspari decided to run for the election after Janša's government rejected to support the extension of his term of office as the Governor of the Bank of Slovenia. This made him popular in the Slovenian public, where he is regarded as one of the creators of Slovenian monetary stability and the main initiator of the introduction of the Euro currency. According to the analysts' estimates Gaspari is another of Janša's "products", as is the present Mayor of Ljubljana Zoran Janković, who became very popular after being dismissed from the position of the president of the management board in the leading Slovenian corporation "Mercator" and won the election for the mayor of Ljubljana already in the first round.

Presidential candidate Zmago Jelinčič Plemeniti (SNS) is using the campaign for personal promotion and in order to prepare his party for the next parliamentary elections which are to be held in autumn 2008.

## **ELENA PEČARIČ – THE ONLY FRESH IDEA IN THE CURRENT ELECTION CAMPAIGN**

Elena Pečarič is the presidential candidate suffering from severe disability. She is using the election campaign to fight discrimination and to focus public attention on this group of people in the Slovenian society. Her candidacy represents the only fresh approach in this year's presidential election race.

In general, there is nothing distinctive or interesting in the current election campaign. The leading candidates are: Peterle, Türk and Gaspari.

In Slovenia the president has merely a symbolic role with very limited constitutional mandates. Nevertheless, the president's in-

fluence depends on his/her authority and on the power of the supporting political option. Once more Slovenians have shown that they are not interested in revolutionary changes but rather decide for a gradual (evolutionary) development. Slovenia's first President Milan Kučan enjoyed strong reputation at home, in the region and in the world and was looked up to as an example by many presidents. During the last years of his term of office, the incumbent President Janez Drnovšek "devaluated" the function and the reputation of the President of the Republic, occasionally even putting under question the constitutionality of some of his decisions and acts. The new President will obviously have to make a lot of efforts in order to re-establish the tainted reputation in the Slovenian society.

## **NATIONAL MINORITIES AND ELECTIONS**

In Slovenia the status of autochthonous national minority is held by the Hungarians and the Italians. At the meeting of the Croatian and Slovenian Ministers of Foreign Affairs Picula and Rupel at the Trakošćan castle near Varaždin in 2002, Croatia for the first time publicly raised the issue of recognising the Croatian national minority in Slovenia, after Slovenia occasionally brought up the question of restitution of Slovenians in the Croatian constitution. A similar proposal was presented during the visit of the then Serbian Vice Minister for Diaspora Aleksandar Čotrić to Slovenia in 2005, who launched, in co-operation with the Federation of Serbian Associations in Slovenia, an initiative to recognise the status of national minority to Serbs living in Slovenia.

Analysts are of the opinion that the Slovenian government is not interested in resolving the status of the Serbian, Croatian and other minorities in Slovenia. However, the issue may soon become an item on the agenda, since Slovenia would like to build a strong (leading) position in the West Balkans, which is also one of the priorities of Slovenia's EU Presidency which starts on 1 January 2008. The present arrangement however obviously makes it hard-



ly probable that the representatives of national minorities would opt for the presidential candidate proposed by the leading coalition.

The IFIMES International Institute is of the opinion that the forthcoming presidential election in Slovenia will confirm that the country continues to pave its way to stability and sustainability. There will be a lot of uncertainty about the second round of election, although Peterle and Türk seem to have most chances. Analysts have estimated that Peterle has no “reserve” voters for the second round, but mainly relies on the voters from the first round who belong to the traditional political right wing and right centre. Nevertheless, the support he received from the leading coalition which is losing its reputation may reduce his chances of winning the race. Another important aspect of the current presidential election is that the elected President will propose the future mandatary. The parliamentary elections are scheduled for next year and the mandatary may be the person who obtains the parliamentary majority and not only the one who wins the elections, which makes the present presidential election all the more important.

Ljubljana, 09 October 2007

## EUROPE AND BORDERS

### EUROPE OF BORDERS OR EUROPE OF OPPORTUNITIES?

*Dr. Romana Jordan Cizelj, member of the European Parliament (ELS-ED) and member of the Committee on Industry, Research and Energy (ITRE) in her article »Europe of Borders or Europe of Opportunities?«, presents her view on energy policy and energy questions of the EU in relation to the states of South-Eastern Europe. Her article is here published in its entirety.*

***Dr. Romana Jordan Cizelj***

- Member of the European Parliament (EPP-ED)
- Member of the Committee on Industry, Research and Energy (ITRE)

The days when a sufficient, safe, and relatively cheap energy supply was something self-evident are over. A constantly increasing dependency on imports, growing energy prices, poor energy combinations, and climate change are facts we cannot shut our eyes to anymore. We must find concrete solutions to them. The more that we search for answers, the clearer it becomes that the EU by itself cannot solve these problems in the long term. The most promising answer that European politicians, scientists and academics have arrived at is co-operation; co-operation in different fields with different strategically important partners. The countries of South-Eastern Europe surely are among them.

## EU ENERGY POLICY - WHERE AND HOW?

Blackouts of electrical energy and intensifying relations between

Russia and the Ukraine have once again reminded us that the EU is the largest importer of energy in the world and simultaneously its second largest consumer. It is a fact that today the EU covers 50% of its energy needs with imports. Without quick action, this figure will probably rise to 70% in the next 20 to 30 years. Judging by current trends, dependency on gas imports will increase to 80% in the next 25 years. One should also keep in mind that about half the gas consumed in the EU comes from only three countries – Russia, Norway, and Algeria. Oil reserves are also concentrated in a handful of countries, most of which are geopolitically unstable. Limited reserves of fossil fuels are an oft-mentioned problem, but an equally pressing issue is stepping onto the stage, which is the basis for a safe energy supply for Europe, and we will have to deal with both of them simultaneously. The second issue I have in mind is growing energy demand, subsequent rises in oil and gas prices, and above-average warming of the atmosphere.

The seemingly simple question of the EU energy supply is therefore looking more and more complex, due to the interweaving of environmental, economic and social components. This reality is taken into account by all important documents published by the European Commission in recent times. Both the Green Book entitled “European Strategy for Sustainable, Competitive and Safe Energy” and published in March 2006, and the more recent energy bunch from January 2007 determine three main goals of European energy policy: sustainable development, competitiveness, and security of supply. In the European Parliament, we emphasize that these goals must be balanced and must incorporate all three previously mentioned components. Without such a viewpoint on sustainable (energy) development, the future of generations to come will be far from the prosperity, peace, and stability that we strive for.

## **THE EU ENERGY COMMUNITY TREATY**

Even a decade ago, no one would have expected the European ‘West’ to connect with the South and the East in a field so im-

portant for states (and their governments) as the field of energy. Nonetheless, in October of 2005, political pragmatism and care for the future prevailed over jealous protection of national resources and politics in this field. It was then that the EU and countries of South-Eastern Europe (Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Croatia, Montenegro, Serbia and UNMIK, which represents Kosovo according to the UN Security Council resolution no. 1244) signed the Energy Community Treaty and thereby established the legal framework for an integrated energy market. Aside from creating new economic opportunities and strengthening the safety of the energy supply, the treaty should also contribute to stability and peace in Europe.

The main goal of the Energy Community Treaty is to accelerate liberalization of markets, encourage investments and establish firm control of energy sectors by public bodies, by which the electro-energetic sector of South-Eastern Europe should reach EU standards by the year 2015. Despite unified legislation in the fields of energy, environment and competitiveness, individual member states reserve the right to develop their own foreign relations for ensuring a security of energy supply and to chose their own mix of energy within the state. The treaty is at the same time the basis for establishment of a gas pipeline, that is, for the establishment of a gas market between the EU and the Caspian Sea. It also offers solutions to the problem of environmental deterioration due to worn power plants and other specific energy and environmental problems of South-Eastern Europe.

Everything points to the conclusion that the states concerned saw the expansion of the EU's internal energy market onto the entire Balkan Peninsula, and the treaty, as a positive contribution to energy policy and not as a threat to their sovereignty. Membership is expanding and the number of those interested is growing. Recently, at a Minister's meeting in Podgorica, an agreement was reached on expanding membership in the treaty to Norway, the Ukraine, Moldavia and Turkey. The EU Council still must adopt

the agreement, and the European Parliament has to give its opinion on it.

As participants of the Energy Community in South-Eastern Europe conference that took place in June this year in Sofia learned, the region still faces many challenges. A low level of efficiency, low usage of renewable energy sources, and poorly developed energy infrastructure are only some of the challenges of which the full extent is only now becoming clear.

## **STRONG EUROPEAN INTERNAL ENERGY POLICY – A PREREQUISITE FOR SUCCESS**

Part of the answer to such issues can be found in the development of the EU Internal Market for electrical energy and gas. An integrated competitive and regulative framework would, in a market of nearly half a million consumers, encourage new investment and thereby support ensuring a future with safe and sustainable energy for Europe. By expanding such standards beyond the EU's borders, the benefits would be even higher; after all, ensuring supply is not, by far, an issue dealt with by only the EU or individual states alone. The need for co-ordinated development and administration of European energy networks and energy production is becoming more and more apparent.

In any case, we have to admit to ourselves that much is still missing from achieving an integrated EU Internal Market for Energy. Necessary levels of consistency between national energy networks are often missing, whether this is due to technical standards, balancing rules, or contractual regulation. What should be done is to establish a codex for the European network, improve mutual connections and consistency between regulators, separate functions more clearly, and increase transparency. It was with this intention that the European Commission, in January 2007, published a detailed programme for further development of the Internal Market. Aside from sugges-

tions for arranging a regulative framework, investing in infrastructure, the need for consumer protection, etc., it also draws attention to the need for separating transmission networks and producers of electrical energy. Only in this way can non-discriminatory access to networks be ensured. The experience of the eleven EU member states that have already implemented separation of ownership shows that only strict provisions for separation ensure proper encouragement for network administrators to administrate the networks in the interest of all users. The Commission has therefore put forth two suggestions – complete separation of administrative ownership of transmission networks from electricity producers, as well as the less ‘radical’ separation of the functions of network administration and electricity production.

Not long ago, we discussed the Commission’s suggestions in the European Parliament. The result of these multi-sided debates can be seen in the resolution, prepared by the Parliament on its own initiative that shows our view on setting up an internal market for electricity and natural gas. At the same time, this document serves as a guideline for the preparation of the third legislative package by the Commission, a package that is expected to be published in autumn 2007.

Members of parliament have clearly declared their support for the system of complete separation of ownership. The results of voting confirm that the view of the large majority is that separation of ownership is the best guarantee for increasing investments into networks, nondiscriminatory access to networks and, at the same time, the best guarantee for market transparency.

The European Parliament, in its resolution, additionally suggests encouraging strong, independent monitoring agencies with clearly determined powers and the ability to punish operators not abiding by the directives of the internal market. Among the more important contents of the resolution is also the call to national, regional and local authorities to increase investments in

networks and the emphasis on market forces for reaching the environmental and energy goals of the EU.

The Parliament's position regarding strategic reserves of oil and natural gas is also of interest. Whereas the rules for oil reserves have been determined and are clear, no directive deals with natural gas reserves in the EU. We members of Parliament hold the opinion that, when taking into account current circumstances, particularly regarding development of technology, it would be better to diversify transit routes and improve that technology and invest into liquefied gas terminals, rather than store large amounts of gas. Regarding diversifying transit routes, an important role will be played by the countries of South-Eastern Europe. As experience shows, forming an EU internal energy market can only take place when combined with dialogue with partners and a harmonized EU foreign policy. Trust and co-operation between the EU and the countries of South-Eastern Europe plays a very important role in the process of implementing energy politics.

### **»THE GREAT SIX«**

The Green Book "European Strategy for Sustainable, Competitive and Safe Energy" mentioned in the introduction and the energy bunch list six key areas of operation when forming joint energy policy.

I have already described the challenges, questions and possible answers connected to forming an internal energy market in the previous chapter. The five remaining areas are as follows: diversification of energy source mixtures, solidarity between states and subsequent prevention/containing future energy crises, investing into innovation and technology with the goal of keeping the EU at the leading global position in energy technology, the development of joint energy policy, and care for sustainable development.

»How can a unified European strategy for energy best respond to various climate changes and balance the goals of environmental care, competitiveness and security of supply? What future steps are needed at the level of the Community to reach existing goals? Have the right goals been set? How can we ensure reliable and predictable long-term investment framework for the accelerated development of clean and renewable energy sources in the EU?« All these are questions asked by the Green Book, and we are looking for answers in European institutions, as well as on national, regional, and local levels.

## **THE ARRAY OF ENERGY SOURCES**

In the EU institutions, we emphasise that a long-lasting, effective and varied selection of energy is of key importance for our future, not only the future of EU citizens but for the future of neighboring countries as well. Decisions regarding the energy mixture of one member state invariably affect the energy security of its neighbors, which means that analysis of advantages/disadvantages of various sources of energy is of greater importance. In the European Parliament, we emphasise that despite the right of member states to autonomous choice between energy sources and despite respecting the principle of subsidiarity, we cannot forget our co-dependency. For precisely this reason, we, without much hesitation, supported the Commission's suggestion for preparing a so-called EU Strategic Energy Report, which will keep track of progress, determine new challenges, and look for answers regarding all angles of energy policy, as well as study advantages/disadvantages of various energy sources. This report will regularly be submitted to the Council and the Parliament and will ensure a complete and co-ordinated approach to tackling energy challenges in Europe.

This year, the European Parliament spends much time dealing with documents related to energy mixtures. In the Committee for Industry, Research and Energy (ITRE), we are discussing the reso-



lution's suggestions regarding fossil fuels and new technologies, while before summer, we voted through a resolution on renewable energy sources and the internal energy market for electricity and natural gas. These documents (with the exception of the latter, which is already completed) will still be discussed at the plenary session this autumn. A strong argument against fossil fuel usage are CO<sub>2</sub> emissions, but if we wish to act wisely, we have to be aware of the fact that all over the world, fossil fuels still represent an important share of the energy mixture. In the area of South-Eastern Europe as well, the use of coal and other fossil fuels is very widespread, and often exists in a very environmentally unfriendly way. Measures that could reduce greenhouse gas emissions are investment into new technology development, including the field of coal and CO<sub>2</sub> storage. The Parliament's resolution is inclined towards this.

The call to continued investment into the development of new technologies is also valid for renewable sources of energy. Increasing the share of renewable energy is one of the most important steps to ensure a reduction in greenhouse gas emissions, but it will be necessary to increase economies of scale and lower the price of renewable energy, as well as solve other dilemmas, such as the risk to the food industry at the expense of biofuel production. If the EU wants to come close to the goal of 12% renewable energy by 2010 and 20% by 2020, we will have to face, aside from the problems mentioned, another great challenge: the establishment of an integrated political and legislative framework over the entire EU. At various conferences and other events in Brussels, one often hears second thoughts, also from guests from the Balkan Peninsula, regarding the reasonableness of investing in renewable energy sources, as they claim that discriminatory access to networks will prevent small and independent producers of renewable energy from continuing interest and investments in this sector. Currently, much effort is being made at the European level to prevent such problems, to enable priority access to networks, and to create suitable conditions for the development of renewable energy sources in the market.

Nuclear energy has also been categorized by members of the European Parliament among the sources of energy that are, when considering safety standards and responsible action, invariably tied to the goals of European politics for safer, long-lasting and competitive energy and that considerably contribute to the fight against climate change. In the report "The Evaluation of the Euroatom - 50 Years of the European Nuclear Policy", where I was a shadow rapporteur for the political group ELS-ED, the European Parliament took a clear positive position on nuclear energy for the first time since the Chernobyl accident. The search for solutions to the negative aspects of nuclear energy, such as decay and administration of radioactive waste, still remains active. One solution, which offers much hope, is, aside from co-operation and co-ordinated action, once again the same – strong control, high professional knowledge, and upgrading existing, as well as developing new technologies.

## **NEW TECHNOLOGIES – THE FUEL OF PROGRESS**

It is becoming more and more clear that development of technology has a decisive role for reaching energy goals, whether that means increasing energy efficiency, security of supply, or competitiveness. The EU will, between the years 2007 and 2013, invest approximately 1 billion EUR a year into research and innovation in the field of energy technology. These funds will go toward innovations in the field of renewable energy, as well as capturing in the fields of nuclear fission and fusion, fuel cells and hydrogen, as well as trapping and storing CO<sub>2</sub> etc. Energetically efficient technology, on the basis of low carbon content, represents a quickly growing international market, which could bring Europe large gains, including from export of such technology. To keep our current leading position in the field of production, distribution, and use of energy is a great challenge to the EU in coming decades. Precisely with the intention of encouraging innovation in the field of energy technology, the Commission is preparing the so-called Strategic Plan for Energy Technology, at first sug-

gested in the Green Book. The strategic plan will be submitted for adoption at the European Summit in spring of 2008, in the time of Slovene Presidency.

As previously mentioned, the next seven years will bring higher funds for research and innovation than ever before. Within the Seventh Framework Program (7FP), budget funds for research and innovation in the field of energy technology are 50% higher, whereas the funds for the Intelligent Energy for Europe programming will, until 2013, be 100% higher when compared to the previous financial perspective period. For participation in the Seventh Framework Program, other countries, not just EU member states, can apply through forming strategic partnerships with EU member states in specific research fields. The Seventh Framework Program, in comparison with previous framework programs, gives particularly large emphasis to international dimensions and to co-operation with non-member states. Three countries of South-Eastern Europe – Croatia, Macedonia and Serbia – can, from the beginning of 2007, participate in the 7FP under the same conditions as EU member states. By signing the Memorandum of Understanding, they received the status of »associated members«, which gives them the right of equal participation in public tenders and, among other things, enables a larger flow of ideas, makes scientist exchanges easier, and greatly facilitates the flow of knowledge. Even outside the Seventh Framework Programme, important initiatives in the field of research and development exist. These are, for example, the European Institute for Technology, which we intensively deal with in the European Parliament this year. According to many, including the president of the European Commission Barroso, the EIT can significantly contribute to the fight against climate change. Mixed companies of partner organizations (the so-called community of knowledge and innovation), which will carry out the functions of the EIT, will deal with strategic long-term challenges, design possible technological solutions, and take care of training highly educated professionals in key fields for the European economy and society. I hope that the EIT will, by combining the fields of academia, research, and business, truly

contribute to the competitiveness of the EU in the field of energy as well.

## **CONCLUSION**

The EU has taken a new, integrated approach to energy policy. It has identified the challenges and determined main goals in the field of energy policy. This is, of course, a process that lasts and changes together with circumstances. Along with that, the paths to reach the goals are being formed. There is no universal recipe for success, and only one thing is sure: mutual co-operation. It has been proven many times until now that great synergies and success can only come if all participants in the process of decision-making harmoniously serve the reaching of common goals.

Ljubljana, October 15, 2007



## SLOVENIAN PRESIDENTIAL ELECTION

### THE CHANGE OF FAVOURITES: TÜRK SUPERSEDES PETERLE

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. On the occasion of the runoff presidential election in the Republic of Slovenia which is to take place on 11 November 2007 IFIMES has prepared an analysis of the current pre-election situation. The most relevant and interesting sections from the comprehensive analysis are given below.*

The competitors in the runoff presidential election in the Republic of Slovenia which will be held on 11 November 2007 will be Mr. Lojze Peterle and Dr. Danilo Türk, who won 28,73% and 24,47% respectively in the first round with the turnout of 57,67%.

At the runoff election the Republic of Slovenia will opt for its third democratically elected president since the country proclaimed its independence in 1991. Until now this function has been performed by Mr. Milan Kučan (two terms of office) and the incumbent President Janez Drnovšek.

The independent candidate Danilo Türk, who is not a member of any political party, is supported by the Social Democrats (SD), Democratic Party of Retired People of Slovenia (DeSUS) and Zares (Engl. trully, seriously)-new political party, while the Liberal Democracy of Slovenija-LDS has expressed its support to him during the runoff election campaign.

The independent candidate Lojze Peterle, who is a member of New Slovenia Christian People's Party (Nsi), is supported by the members of the present ruling coalition: New Slovenia Christian

People's Party (NSi), Slovenian Democratic Party (SDS) and Slovenian People's Party (SLS).

## **PETERLE AND TÜRK – EXCELLENT CANDIDATES**

Both Mr. Peterle and Mr. Türk are excellent candidates for the position of the president of the Republic of Slovenia. As expected, Mr. Peterle won the first round, but despite being the announced favourite his victory was not convincing and his results were below the public expectations. Mr. Türks' second place had also been expected, although it was initially uncertain due to very good results achieved by Mitja Gaspari (LDS) who eventually ended third with the difference of 3.717 votes.

Regardless of the calm and tolerant pre-election campaign, the run-off will be marked by a contest between Slovenia's two political poles: the current ruling coalition (SDS, NSi, SLS) on one side and the opposition led by SD as the largest opposition party on the other side. This rivalry between the ruling right political block and the left opposition block will serve as the final test before the upcoming parliamentary election which is to be held in autumn 2008.

Analysts have noted that the presidential elections do not reflect the real political situation in the country but may serve as an indicator showing the attitude and the tendencies of the electorate. The election for the European Parliament (EP) in June 2004, which was marked by the significant success of the former opposition led by SDS (headed by Mr. Janez Janša) and by NSi, served as an introduction to their victory at the parliamentary election which was held in autumn 2004. Analysts therefore suggest that the eventual defeat of Mr. Peterle at the presidential election as the candidate put forward by the ruling coalition might announce the defeat of Janša's SDS at the upcoming parliamentary election. Moreover, previous practice has shown that the government of the presiding EU state usually lost the elections after the presidency.

## **LOJZE PETERLE - BETTER CHANCES WITHOUT THE SUPPORT OF THE RULING COALITION**

Analysts believe that Mr. Lojze Peterle would have much better chances to win the presidential election as an independent candidate if he was not supported by the ruling coalition. According to public opinion polls the ruling coalition led by Janša's leading position in the government. There are several reasons for the shrinking popularity of the governing coalition, the main being high inflation and increased costs of living, announced protests of trade unions and pensioners, journalists' petitions against undermining the autonomy of their profession, political recruiting in the economy, greater interference of the Roman Catholic church in the social and political spheres etc. Moreover, the ruling coalition has constantly failed to deal with the strongly internationalised issue of the so called "erased" persons and fully ignored the perfectly clear ruling of the Constitutional Court of the Republic of Slovenia on this case.

Another drawback is the fact that Mr. Lojze Peterle is an old face in the political scene where he has been present since the end 1980s, which somehow makes him a "worn out" politician. Analysts have noted that the Slovenian political scene is still dominated by the politicians from the period when Slovenia was gaining its independence. Mr. Peterle also lost some of the public favour because he tried to "flatter" all voters. Such practice is impracticable in democratic societies and leads to opposite effects, which happened in his case.

In the final part of the campaign Mr. Peterle made another mistake when he replaced the head of the electoral staff under the pressure of the non-parliamentary local party from Koper, which the public understood as the lack of autonomy in his decision-making and the possibility that as the future president he might be subject to manipulation and pressure.



## **DANILO TÜRK – A NEW FACE IN THE POLITICAL SCENE**

Dr. Danilo Türk is a new face in the Slovenian political scene who has never participated in any party political life. As a professor of international law, he was initially engaged as the legal expert and expert on human rights, to become later on Slovenia's first ambassador to the United Nations and after that the assistant to then-UN Secretary-General Kofi Annan.

Analysts believe that Türk's main advantage is actually the fact that he is a new face in the political scene and has not participated in party political life. His victory at the presidential election would certainly represent a refreshment in the political scene and introduce the victory of SD and the present opposition at the upcoming parliamentary election.

It should be noted that the very popular first president of the Republic of Slovenia Mr. Milan Kučan, who refused to publicly announce his preference during the first round, expressed his support to Türk during the second-round campaign. His support to Dr. Türk will certainly affect the voters attitude.

## **TÜRK HOLDS STRONG ADVANTAGE OVER PETERLE**

According to public opinion polls, Dr. Türk has taken over the position as the favourite candidate from Mr. Peterle during the runoff election campaign. The polls have shown that Türk would win about two thirds and Peterle one third of votes.

Analysts believe that most votes from the first round given to Mitja Gaspari and other candidates will be redirected to Dr. Türk who will also get a large part of votes which were initially given to Zmago Jelinčič Plemeniti from the Slovenian National Party (SNS). The latter won most votes among the young voters who are disappointed with the government's recent law prohibiting

smoking in public places. In the first television confrontation of candidates during the runoff campaign, which was much more interesting than the confrontations during the first round, Mr. Peterle stated that he would aim to achieve appropriate amendments to the law prohibiting smoking.

Peterle has no “reserve” voters for the runoff, but mainly relies on the voters from the first round who belong to the traditional political right and centre-right pole. His chances of winning are very poor, especially due to the support he received from the leading coalition with a tainted reputation.

Another important aspect of the current presidential election is that the elected President will propose the future mandatary. The parliamentary elections are scheduled for next year and the mandatary may be the person who obtains the parliamentary majority and not only the one who wins the elections, which makes the present presidential election all the more important.

Ljubljana, 8 November 2007



## KOSOVO

### A NEW REFERENDUM ON THE INDEPENDENCE OF KOSOVO

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. Drago Flis, an albanologist and member of the IFIMES International Institute, has presented the current situation before the general and local elections in Kosovo which will be held on 17. November 2007. His article entitled "Kosovo elections 2007 – A new referendum on the independence of Kosovo" is published in full.*

#### **Drago FLIS**

Albanologist and member of the IFIMES International Institute

Kosovo's parliamentary elections scheduled for 17 November 2007, which will be held together with the local elections, are the third elections since the international community introduced its civil and military administration in Kosovo. The third democratic elections since 1999 will thus round off the political context for the independence of Kosovo. The concept of controlled independence is envisaged already by Ahtisaari's plan which remains the only viable political roadmap for Kosovo in the international community regardless of eventual difficulties in its implementation.

Ever since it became an international protectorate the West has granted Kosovo the right to its own elections within the existing borders, while it never took a position on the possibility of another referendum on independence, although such referenda have had quite a long tradition in Kosovo. The Constitutional Framework (Korniza kushtetuese) of 15 May 2001 provisionally replacing the constitution contains no provisions on referendum

either. Nevertheless Korniza acknowledges certain elements of administrative self-government. It provides for direct elections to the parliament while it remains restrictive regarding the elections of the president who is not elected directly but by the qualified majority of the parliament.

The provisional Constitutional Framework is based on the UN Resolution No. 1244, which has left the issue of sovereignty formally open pending the final solution of the status of Kosovo. All previous elections have been organised separately from the Serbian elections although the minority has occasionally held its own elections.

The 2001 and 2004 parliamentary elections were organised by the international community. In this year's elections the role of international organisations has diminished substantially to the level of observing and advising, as envisaged by Ahtisaari, and the realisation of the elections is the responsibility of the Central Election Commission (KQZ) headed by Kosovo's officials.

## **INDEPENDENCE – THE FOCAL TOPIC OF ELECTIONS**

The 2007 elections have practically no other topic except for the focal issue of independence. Regardless of their political differences and personal rivalries, all majority parties present independence as their *sine qua non* goal. This goal has been promoted also by some minority parties except for the Serbian ones. Most minority parties are already looking for the possibilities of forming coalitions with certain Albanian parties. Serbian minority is still sceptical about the elections since it rejects independence. The official Belgrade has repeatedly called the Serbian minority to boycott the elections, as has the Raška-Prizren Orthodox Metropolitane Artemije. By doing so the Serbian minority in Kosovo would deprive itself of the possibility to ensure its own position in the future Kosovo state through participation at the elections as one of the signs of

loyalty. The Serbian minority and Belgrade authorities have decided to take another road, although that can not prevent the realisation of elections but only aggravate the position of the Serbian community after the elections and the solution of the final status.

## **ANOTHER DECLARATION OF INDEPENDENCE**

Should it be necessary the political representatives of Kosovo majority are ready to organise another referendum on independence while still fully respecting the agenda envisaged by the international community which neither stipulates nor prohibits such possibility. The international community is still withholding its decision on the final status and insists on always new and new negotiation rounds. Even in the negotiating process no positions have been assumed on the previous and eventual future decisions on independence taken by the Kosovo leadership. Nevertheless, the latter announced a new declaration of independence without stating the date. The former Kosovo leadership announced the independent republic of Kosovo already in July 1990, which was not recognised by the international community. Regardless of that they continued the sovereignty process, proclaiming the new constitution in September 1990 and rounding off the process with the referendum on independence in 1991.

In addition to independence as the focal point the pre-election campaign has introduced some novelties in the probable post-election structure of authority. The Democratic Party of Kosovo (PDK) led by Hashim Thaçi stands out as the country's central party which will most probably form the coalition government.

The present government has been based on the division of power between the Democratic League of Kosovo (LDK), the former party of Ibrahim Rugova which appoints the President of Kosovo, and the Alliance for the Future of Kosovo (AAK) headed by

the incumbent Prime Minister. AAK had lost Prime Minister Ramush Haradinaj who resigned immediately following the indictment for war crimes by the International Criminal Tribunal for the former Yugoslavia. Subsequently his position was assumed by Agim Çeku.

The pre-election campaign is taking place in parallel with direct negotiations between Belgrade and Priština on the final status of Kosovo, organised alternately in Vienna and Brussels. Until now the negotiations have borne no tangible results. Despite enormous efforts by the international community to bring the two sides closer together, the gap between them is still deepening. Notwithstanding the obligations of the pre-election fight the Kosovo side fully respects the desire of the international community to participate at the negotiations which are to last until the end of November.

In view of the obligations assumed by Kosovar politicians during the election campaign, the declaration of independence is inevitably going to take place after 10 December 2007 together with the appeal to the international community to remain in Kosovo and recognise its independence.

Even if the international community further postponed the recognition, the Kosovo Parliament will, in the framework of its efforts to achieve international recognition, initiate the procedure for the adoption of the new constitution based on Ahtisaari's plan.

The third set of tasks for the newly elected government will be the regulation of relations with the neighbouring countries. Although this will be a time-consuming and complex process no one can doom it to fail. The initial period of blockades may be replaced by a process of gradual and practical approximation and eventual peaceful settlement of relations between Kosovo and its South Slavic neighbours.

## **EVENTUAL RECONCILIATION BETWEEN SERBS AND ALBANIANS?**

The international community has been postponing long enough the recognition of Kosovo as the independent state. In the international community, the Serbian lobby has been permanently rejecting independence regardless of the self-determination principle. The Serbian lobby relies on traditional allies, especially Russia and some other states, as well as on the customary distrusting attitude of the international community towards the Albanians. That attitude is also present in the newly emerged states in the territory of the former Yugoslavia since their political mentality had developed under the strong influence of Belgrade. This accounts for their reserved and hesitating expression of positions when it comes to the issue of Kosovo and consequently their postponed decisions on its independence.

The traditional antagonism between Serbs and Albanians in the area of West Balkans can not be overcome without the recognition of Kosovo's independence which is the precondition for eventual reconciliation between Serbs and Albanians living together.

The Serbian lobby among other claims that the independence of Kosovo would lead Serbia to a collapse, although there are no reasons for such fears. Another example of political fiction was the idea on annexing the Bosnian Republic of Srpska to Serbia should the international community decide to recognise Kosovo's independence. Serbia has simply no possibility to achieve this. Kosovo's odyssey to independence may thus end with a peculiar political paradox: the country which has suffered so many wars and devastations in its own and neighbouring territories will eventually enter its independence in a peaceful manner.

Ljubljana, November 14, 2007





## RUSSIA AND KOSOVO QUESTION

### THE RUSSIAN PHENOMENON OF 'DISPOSABLE' PEOPLE

*The International Institute for Middle-East and Balkan Studies (IFIMES), Ljubljana, Slovenia, regularly analyzes events occurring in the Middle East and the Balkans. The former President of the Democratic Party of Albanians (PDSH) in Macedonia and member of the Macedonian Parliament, Arbën Xhaferi, presents his view on the Russian phenomenon of disposable people. His article, entitled "The Russian Phenomenon of Disposable People", is here published in its entirety.*

#### **Arbën Xhaferi**

The former President the Democratic Party of Albanians (PDSH) in Macedonia and a member of parliament of the Republic of Macedonia

"I am not a simple peasant, not of the working class, but the son of a deacon, and when I was free I lived at Kursk; I used to wear a frockcoat, and now I have brought myself to such a pass that I can sleep naked on the ground and eat grass. And I wish no one a better life. I want nothing and I am afraid of nobody, and the way I look at it is that there is nobody richer and freer than I am. When they sent me here from Russia from the first day I stuck it out; I want nothing! The devil was at me about my wife and about my home and about freedom, but I told him: 'I want nothing.' I stuck to it, and here you see I live well, and I don't complain, and if anyone gives way to the devil and listens to him, if but once, he is lost, there is no salvation for him: he is sunk in the bog to the crown of his head and will never get out."

So spoke old Semyon, nicknamed Canny, the protagonist of Chek-

hov's short story »In Exile«. The great Russian writer, with an exceptional style, painted a picture of the worries and depression of people without hope, without ideals, of people who are 'disposable', of people who have lived the greyness of life in the Siberian plains and had lost all desire for anything.

So spoke old Semyon, nicknamed Canny, the protagonist of Chekhov's short story »In Exile«. The great Russian writer, with an exceptional style, painted a picture of the worries and depression of people without hope, without ideals, of people who are 'disposable', of people who have lived the greyness of life in the Siberian plains and had lost all desire for anything.

Why are they not aware that their cynic arguments are unendurable for anyone that knows at least a little about Kosovo? How can they dare to speak so easily and cynically about a compromise, when it is clear to everyone that one cannot compromise with those who have tried for centuries to exterminate a nation they consider to be parasitic weed, and who still, today, do not hide their wishes to try to use old methods once more to reduce Albanians into an unimportant factor? Why do they give the status of Kosovo such a diabolic meaning – it would allegedly initiate a tidal wave of secession all over the world? If that is the case, how is it that the collapse of former Yugoslavia did not have such an effect on countries close and far? Why do new countries emerge all the time and are accepted into the United Nations, whilst at the same time this, according to the magical formula of the domino effect, does not spark of anarchy? How serious can they be, those that claim Kosovo's independence would set a dangerous precedent, when we all know that the number of United Nations members increased fourfold since the year 1945? If Kosovo would be a negative precedent, then what would be a positive example – perhaps Chechnya? Let us compare the two. In the case of Kosovo, Christianity and Islam are in harmony, because humanism prevails: the Christian civilization intervenes and does not permit genocide against one predominantly Muslim nation from the side of the other, let us say Christian nation. Furthermore, Kosovo

sends a message about successful democratic elections, elections that have proceeded better than those in almost all transition countries. In Kosovo, the rights of ethnic and religious minorities are protected, so that today, the Serbs in Kosovo have more rights than they did in the period of Milošević. And what message is sent by the other, by the opposite example? A vast rift between religions, successful genocide, failed democratization, and the dismantling of human dignity. What precedent, then, is there at the heart of Russian diplomacy? When speaking of precedents, these must be analyzed from a normative perspective, not simply formally. We cannot forget that there are negative and positive precedents, just because of the amount of noise made regarding this issue. The latter is always connected to the inalienable right of a nation for freedom and self-determination.

Finally, on the topic of precedents, we must remember that, when browsing Russian archives in the post-October revolution period, particularly those from 1924, around the emergence of the Kosovo issue, that the then-Soviet authorities viewed the first Yugoslavia as a manufactured entity and worked towards its dissolution; furthermore, as far as the Albanian question is concerned, it contacted the Kosovo Committee (lead by the well-known Kosovo patriot Bajram Curri) prior to Albania's international recognition in order to establish diplomatic relations with the new Albanian government under Fan Noli. At that time, the precursors of Putin's contemporary diplomacy, such as G.V. Cicerini, wrote to the Politbureau of the Russian Communist Party (on the 22nd of July 1924) that Serbia, regarding the Bucharest agreement of 1913, annexed »Kosovo and Metohija« and absorbed them into the Kingdom of Serbs, Croats and Slovenes in 1918.

There are many such paradoxes, inconsistencies and questions, as well as answers. What is interesting is the analysis of the socio-cultural substrate that forms evaluations, the level of seriousness, responsibility, judgments and positions, both individual as well as collective, that leads to prejudices, resistance to hypocrisy, and the teaching of methods for unlimited manipulations of the public.

The answer to all this can be found in the dominant pattern of thought of the Russian establishment, which always, in a systematic manner, tolerated the creation of the social category of 'disposable' people, people towards whom state and society hold no obligation or responsibility; for they are disposable and even God turned his back on them.

## **THE RUSSIAN 'DISPOSABLE' AND KOSOVO**

Russia's intensive colonial expansionism, particularly mastering territories with extreme climates, demanded people without hope, without alternatives, without goals and perspectives, criminals, proletarians, people without home and property who were promised a splendid future in a time of merciless industrialization. Masses of adventurers, criminals, prisoners and people opposed to the government thus headed for the vast plains of Siberia. They did this convinced that they would be fortunate and that their hope would be restored, but ended up with the painful revelation that they are abandoned, 'redundant', cheated; in short, accepted by no one. No one took these people into consideration. They were left without an alternative in the dirty mud of Siberia, and became the secret power of Russian imperialism – a force that managed not only to achieve territorial gains but was also able to resist numerous armies that attacked the Eurasian dinosaur, itself always provocative and hungry for new territory.

Aside from colonialism, the formation of the social category of disposable people was also affected by accelerating industrialization, collectivization, and an ever-increasing impoverishment of wide sectors of society. These people, with all hope lost forever, were coldly exploited as expendable material for territorial expansion, for the colonization of foreign countries, for accelerated economic development and to strengthen Russia's global role – and this is precisely what Russia is now doing with Kosovo. The difference between colonialism of the Russian variety and that of other nations lies in the fact that Russia expanded onto neighbor-

ing countries, so that today, the distinction between colony and own state is completely blurred, something which was, for example, never true for France.

To be fair, many other nations all over the globe have behaved in precisely the same way, from the creation of their states up until today, that is, from slave-owning up until democratic system. However, we cannot look at every nation and culture from a relativistic point of view. Some nations and cultures have developed a system of fixing mistakes, whilst others have not been as successful in doing so and, instead of fixing their mistakes, have been engaged in an arrogant and scandalous attempt to use rhetoric to cover up the bitter truth.

Today, we are witnessing a similar strategy, which attempts to, by way of creating and exploiting 'disposable people', use suicidal tactics to make up for the economic, scientific, and social inequality between so-called Western and Islamic countries. There exists a difference between Russian methods and these anarcho-political groups that hide behind the veil of religious convictions as they abuse Islam. Whilst the category of Russia's 'disposable people' is a product of accelerated industrialization and colonialism, the category of 'holy warriors – kamikazes' is a product of extreme indoctrination and ruthless political manipulation.

## **STATES THAT (DON'T) FIX MISTAKES**

Slavery existed in the United States alongside racism and legalized discrimination. Yet the history of states that belong to the circle of Western civilization has shown that these states are more than capable of engaging in attempts to fix their mistakes, whilst states with an authoritarian pattern of thought have never been able to free themselves of their prejudices. The former U.S. President Bill Clinton, in his book 'My Life', gave his thanks to nine black students that protested racial segregation in schools in 1957. »At the end of the summer of 1957, nine students gave their contri-

bution to the ideal that everybody, white and black alike, could free themselves of the chains of racial prejudices,« is written not by just anybody, but by the former President of the U.S. Bill Clinton. Thanks to the value of correcting past mistakes, »enemies on the inside« became among the most appreciated human beings in American civilization, such as Martin Luther King, Rosa Parks, Muhammad Ali, and many others.

The pattern of thought that tolerates the existence of 'disposable people' as a social category has created a military doctrine, according to which victory is achieved with unlimited sacrifice of soldiers, who are treated as expendable material. Stalin's saying that the dead are counted only when the war is over is a sad testament to this. Such a degrading and humiliating view on human life was shared by former Czars and Communist leaders, and is shared with today's false democrats. More than 20 million 'disposable people' died in the October revolution due to starvation. Lenin, the charismatic leader of the revolution, coldly viewed this tragedy as favorable for the revolution, as the masses would blame the previous regime for it, and so those affected would have no will to resist the Red Army. During the second World War, the disposable layers of Russian society sacrificed more than 20 million people, only to allow the dictator Stalin to enjoy global importance and the influence to make geostrategic decisions. Today, Russia's President Putin would, without a second thought, sacrifice the crew of the sunken submarine Kursk, rather than ask for Western help; by this, he decided for the continuation of immoral military secrecy above the lives of those unfortunate sailors, marked as 'disposable'.

The Beslan hostage tragedy, where 313 victims, mostly children, were killed alongside the terrorists, exposed a cultural and political tradition where human life matters little. Today's Russian democrats are quick to criticize the authoritarian leaders of the USSR-period, which creates the illusion that the leaders today respect democratic tradition and ideals. Yet the fate that

faces Chechnya today is more tragic than the fate which befell the Tatar nation, the Baltic states, or the Germans that were expelled into Kazakhstan or other former Soviet Republics in the time of the previous regime. The Tatars, Germans, Lithuanians and others were persecuted in order to change the demographic structure so that it would be more in favor of Slavs; today, in a period of flourishing democracy, the Chechens, as a 'disposable' national group, face classical genocide.

Following the pattern of thought that, without a second thought, holds global influence and strength to be of more importance than the lives, destinies, and fortunes of millions of people, we must ask ourselves the following question: what kind of values do states that aspire global power proclaim? Russian politicians, unfortunately, are unable to hide that they are intoxicated by brutal extortion, that they defend racist ideas, and that they selfishly, in every issue in the world, defend Russian and Slavic interests. Speaking of immobile borders whilst being aware that borders are constantly changing, frightening the world with the apocalyptic promise of the domino effect, all this is simply rhetoric to divert attention. Of course, other states pursue their own interests when dealing on a global agenda, but they do this with the spread of human rights in mind. The difference between democratic liberal and non-liberal social structures lies in the fact that the latter always breed dictators who are ready to use unproportional violence as a method of punishing even the smallest of infractions.

The category of disposable people enables the quick spread of conflict, helps forming massive armies of soldiers who are worthless, creates masses of prostitutes and criminals, all who infiltrate every institution, from sport to religion, and poison them with criminal logic.



## **DO ALBANIANS HAVE 'DISPOSABLES' AS WELL?**

Do Albanians produce people of this category too? There might exist indicators that this does happen, but the proportion remains small. Reasons for that could be found in the lack of industrialization, a process that is programmed to create expropriated sectors of society. It could also be due to tribal structures, healthy families, and a corresponding high level of solidarity among members of these structures. Having this explanation in mind, we can look at the fact that in Albanian speech, there is no term that would be the equivalent of 'ghetto'. This has resulted in the respect that Albanians have for one another – which at the same time weakened their military capabilities and throughout history has caused loss of territory.

Although the category of 'disposable' people does not exist in internal relations between Albanians, it does not hold true for relations between Albanians and others. Throughout history, others have treated Albanians, as well as Bosniaks, as disposable, and this is occurring to this day, where attempts at peace in the Balkans are directed to be at the expense of Albanians, whose economic opportunities and territory are being infringed upon. To prevent the aim of categorizing Albanians as a 'disposable nation', Albanian society must be organized on the basis of values and ideals. The further a society moves from ideals, the higher the possibility that it will become 'disposable', and thereby change to barter with. No functional state today can be stable without the sacrifices made for it by ideals and without the aims of a legitimate state. Nepotism, corruption, crime, authoritarianism, and theocratism are all factors that eat away at the foundations of a society that is meant to be for the good of all citizens and ethnicities.

Ljubljana, November 28, 2007

## CROATIAN PARLIAMENTARY ELECTIONS

### SANADER - KOŠTUNICA SECRET AGREEMENT?

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. On the occasion of the announced parliamentary elections in the Republic of Croatia which are to take place on 25 November 2007 IFIMES has prepared an analysis of the current pre-election situation. The most relevant and interesting sections from the comprehensive analysis are given below.*

### PRESIDENT MESIĆ - CROATIA'S GOOD SIDE

On the occasion of the 6th parliamentary elections in the Republic of Croatia since the country proclaimed its independence, which are to be held on 25 November 2007, IFIMES has prepared an analysis of the current pre-election situation. MPs are elected directly by secret ballot according to the proportional system whereby each party or candidate is entitled to the number of parliamentary mandates proportional to the number of votes obtained. There is a 5% threshold. A total of 140 MPs are elected to the Parliament from 10 constituencies making up the territory of the Republic of Croatia, each constituency providing 14 MPs. The number of voters by constituencies may not differ by more than  $\pm 5\%$ . The number of MPs to be voted by the voters not residing in the Republic of Croatia is determined by dividing the total number of valid votes in the 10 constituencies in the Republic of Croatia with 140, i.e. the total number of MPs voted in those constituencies. The result (quotient) is used to divide the number of valid votes in the special constituency. If the result is not an integer it is rounded off to the nearest integer (to the higher number

if the result is above 0,5 and to the lower number if it is below 0,5).

There will be a total of 3.586 candidates competing at the elections, of which 2.515 (70,13%) men and 1.071 (29,87%) women. The Republic of Croatia has somewhat more than 4,4 million inhabitants of which about 3,5 million are entitled to vote, not taking into account the Diaspora with about 400 thousand voters most of who live in Bosnia and Herzegovina where they have the status of the constitutional nation but not of the national minority. The Diaspora will vote in 52 countries.

Elected in 2003 the current government is composed of the Croatian Democratic Union (HDZ), which is the political successor to the late first President of the Republic of Croatia Franjo Tuđman. The present HDZ's leader and Prime Minister Ivo Sanader has not managed to transform HDZ into a modern conservative political party. In many aspects HDZ's activities are founded on anticommunist principles which are still burdened with the past. The anticommunist attitude is often based on sympathy for the Independent State of Croatia (NDH) – the quisling and fascistic formation established under the auspices of Germany and Italy during the Second World War.

The polarised political scene in Croatia, dominated by the leading right wing HDZ and the left oriented Social Democratic Party (SDP) in the opposition, is the main feature of the current pre-election campaign. The polarisation has actually turned into personal rivalry between Ivo Sanader (HDZ) and Zoran Milanović (SDP).

In this polarised country a special position has been assumed by the incumbent President Stjepan Mesić, who has been performing this function for the second term of office. With his activities he has significantly contributed to the “healing” of the Croatian political scene after the death of the controversial first President Franjo Tuđman who expressed his Croatian patriotism by stat-

ing on one occasion that he was proud that his wife was neither Jewish nor Serbian. Mesić truly is the President of all citizens of the Republic of Croatia and a deeply respected and distinguished politician in the region who has made an immensely positive contribution to the stabilisation of the situation in Bosnia and Herzegovina and the region.

## **THE VOTERS WANT CHANGES**

Research has shown that the voters of most parties are strongly motivated for a change in the power. This is apparently a favourable trend for SDP which is reflected in slight advantage of SDP over HDZ. Croatian People's Party (HNS), whose former member was President Mesić, has been gaining popularity and is currently at the third place according to public opinion polls. The governing structure will depend on the coalition, therefore the pre-election campaign is also marked with attempts to mobilise voters and attract future coalition partners. The neutral voters are mostly in favour of SDP.

The opposition parties succeeded in motivating the neutral voters to attend the elections and in creating the atmosphere favourable to a change. HDZ has not benefited from the support of the Roman Catholic Church and the football players. Religious education in schools, crucifixes in offices, blessings of public investments etc. legitimately raise doubts as to the separation of the state and the church. The secularism of modern Croatia has been jeopardised by the dominant position of the Roman Catholic Church over other religious communities. A lot of property was confiscated from the Jews in Zagreb and other private owners until 1945. However, unlike the Jews and other groups, the Roman Catholic Church has had almost all of its property returned. In his sermon Cardinal Josip Bozanić advised the citizens on how to vote at the forthcoming elections, calling them not to vote for the left oriented parties.

Sanader's electoral lists are dominated by the old names from HDZ such as Šeks, Jarnjak, Hebrang, Kosor, Kalmeta, Marina Matulović-Dropulić etc., who have obviously wearied the general public.

The Diaspora as the 11th constituency will vote in favour of HDZ, since Sanader and other HDZ leaders believe they won the elections at the moment when Milanović gave up the Diaspora and the SDP list which would be headed by the Mayor of Zagreb Milan Bandić and candidate for Prime Minister Ljubo Jurčić, both born in Bosnia and Herzegovina. Milanović decided to quit the list in order to win the sympathy of the citizens, bombing the voters with slogans telling them that the people in Croatia should decide on Croatia.

Sanader is using sophisticated Tuđman's methods. He has intimidated his closest collaborators and high members of his parties. He has fortified his own position and eliminated potential competitors from his party, frightening or bribing them, while some of them even ended in prison.

It is very difficult to base Milanović's accusations regarding Sanader's corruption on some written or electronic documents. If Sanader loses the elections Milanović will very probably start digging deep in the commercial, material and financial past of HDZ's leader.

Croatia's public debt currently amounts to EUR 35 billion and is expected to reach 86% to 87% of GDP by the end of the year, while the permitted ceiling is 80% of GDP. Nevertheless, Croatia will not be facing a financial crisis at least for the next few years, as long as it pays back its loans regularly and relies on the three main sources for covering the deficit: tourism, transfers from Croats living abroad and sale of immovable property. However, economists recall that tourism is a very vulnerable sector which can be negatively affected by the climatic or political circumstances, including the presence of terrorism in the region.

## **SANADER IS TARGETING THE RETIRED VOTERS**

During the last week before the elections, about 463.000 pensioners entitled to compensation started to receive their next instalment of debt. Almost every second pensioner in the state will receive compensation, since it has been planned to pay out all instalments by the end of the week, i.e. until the elections. The government has provided 2,037 billion Croatian kunas from the recent sale of T-Hrvatski Telekom shares. Thus, on the eve of the elections debt instalments will be paid out to the largest number of retired persons so far – 320,000 pensioners who opted for the fast model, i.e. the payment of one half of the compensation, will receive their payment in the last quarter of his year.

## **SANADER IS AVOIDING TV CONFRONTATION WITH MILANOVIĆ**

Prime Minister Sanader has responded to Milanović's personal attacks against him in the best and most cunning way – by ignoring him. Despite Milanović's persistence there will be no television confrontation, which will be a new precedent in the history of democracy. Eventually, this will do most harm to Sanader himself since the general public logically wonders why Prime Minister wants to avoid the duel if he has nothing to hide.

German Chancellor Angela Merkel and Luxembourg Prime Minister Jean-Claude Juncker openly supported Sanader on the television. However, at the recent presidential election in Slovenia Angela Merkel supported Alojz Peterle whose campaign turned out to be a debacle after the victory of his opponent Danilo Türk. Elections are primarily Croatia's internal political issue.

By pushing out Ljubo Jurčić, Milanović took over the initiative during the pre-election campaign and became the most popular politician in Croatia according to public opinion polls.

Ljubo Jurčić, SDP's candidate for prime minister position, believes that higher wages, pensions and profits can only be achieved by increasing domestic production and not by selling national property and raising debts, which was the practice of HDZ's government: "We can live better if we work more, and we are going to provide better jobs and higher wages to people. We should introduce tax on profit since taxes are now paid by those who earn minimum wages and not by those who earn millions".

The IFIMES International Institute is of the opinion that each vote will be critical at the upcoming parliamentary elections in Croatia due to the equal position of SDP and HDZ. The support of few minority parties as well as of the eight representatives of national minorities (of which three Serbian) may be crucial. In order to form the government over twenty mandates from other parties will be required. Why should not HDZ represent an attractive ally in the future? All the parties point to Sanader's overbearing behaviour, claiming that he disregards their demands and acts as an absolute ruler of Tuđman's style, which distances other parties from HDZ.

## **SANADER DECEIVED BOSNIAKS AND SLOVENES**

When he gained power Sanader promised to re-incorporate Bosniaks and Slovenes in the Constitution of the Republic of Croatia, who were eliminated from the preamble to the Constitution in 1997, asking in return for the support from the representative of the Albanian, Bosnian, Montenegrin, Macedonian and Slovenian national minority Šemso Tanković. However, Sanader failed to fulfil his promise and thus deceived the Bosniak and Slovenian minority living in Croatia.

## **SANADER - KOŠTUNICA SECRET AGREEMENT?**

Current events in the regions have proven that Croatia's Prime

Minister and HDZ leader Ivo Sanader is a master of backstairs influence. Under his influence Croatia's government has assumed a very reserved position on the future independent status of Kosovo and only manifests its opinion when it can not avoid answering that question. It is not a coincidence that the relations between Croatia's government and Kosovo's provisional institutions have cooled down after Sanader gained authority. Are we talking about a secret agreement with the Serbian Prime Minister Koštunica who has promised to Sanader that in return for such "principled" position on Kosovo he would support the Croats in Bosnia and Herzegovina in creating the third entity? On behalf of Koštunica that promise is being carried out by Milorad Dodik, the present Prime Minister of Republika Srpska.

Ljubljana, 22 November 2007





## **BOSNIA AND HERZEGOVINA**

### **ARE DODIK AND SILAJDŽIĆ OPENING A NEW WAR IN BOSNIA?**

*IFIMES International Institute has prepared an analysis of the current political events in Bosnia and Herzegovina following the decisions made by High Representative for Bosnia and Herzegovina Miroslav Lajčák of 19 October 2007 and the resignation of BiH Council of Ministers Chairman Nikola Špirić. The most relevant and interesting sections from the comprehensive analysis are given below.*

#### **SNSD AND SzBiH JOINED THE NATIONAL/ NATIONALIST PARTIES**

The IFIMES International Institute has carried out a research of the latest events and the obvious political crisis in Bosnia and Herzegovina following the decisions presented by High Representative Miroslav Lajčák on 19 October 2007 and the resignation of BiH Council of Ministers Chairman Nikola Špirić. Instead of calming down the crisis has further aggravated after Alliance of Independent Social Democrats (SNSD) and Party for BiH (SzBiH) joined the block of national/nationalist parties.

However, the crisis was not caused by Lajčák's latest decisions but by the lack of the basic political agreement between the political leaders. The action taken by High Representative has only pointed to the crisis which has been long present in Bosnia and Herzegovina. Irrational warming up of originally national political topics has aroused tensions and after a longer period of time fear can be observed again among a large number of citizens of BiH. For the first time after the war concern is present in all parts

of Bosnia and Herzegovina, based on the same question – Is there a solution to finding an agreement and consensus among the political actors? Does the only scenario arising from the current situation resemble the events we witnessed in early 1990s when ethnic tensions and open political conflicts between the ruling elites, accompanied by affluent assistance and interference of the neighbouring countries and the indecisiveness and disagreement of the international community, pushed Bosnia into the ravishes of war?

## **ARE DODIK AND SILAJDŽIĆ OPENING A NEW WAR IN BOSNIA?**

According to the estimations of the IFIMES International Institute there is not enough critical mass of people in Bosnia and Herzegovina who would be ready to take part in a new armed conflict, which represents a more favourable circumstance in comparison with the situation in 1991 and 1992. The citizens of BiH of all nationalities have gained a bitter experience in the last war. Those who fought in armed forces are the most maliciously manipulated population, scoring today the highest percentage of unemployment, many living on the edge of poverty and misery and realising the uselessness of war. It is this deprived situation that represents the only chance which the political elites in BiH as well as the international community should exploit if they want to preserve peace and restore stability in this country as the basic condition enabling it to follow the modern European and global trends.

The threats which BiH is facing at the moment are its immature leaders – Milorad Dodik and Haris Silajdžić – who have not shown any responsibility in managing the mandated tasks. Dodik has shown his immaturity with diametrically opposing and irresponsible statements and actions. Last week he stated: "I ask and beg, if necessary pray on my knees, not to impose any solutions, for if a solution is imposed regarding the Parliamentary Assembly, BiH

has definitely lost its chances to function as a state.”

Dodik also sees the constitutional reform as the full recognition of Republika Srpska as a federal unit in the new organisation of BiH. “We have nothing against Sarajevo being a district, but only if it does not encompass a part of Republika Srpska.” In his first reactions to the decision of High Representative enacting the Law on the Council of Ministers Dodik went too far stating that he would instigate armed riots against the imposed law, which he later alleviated with the threat that he would initiate a democratic uprising and act within the competences of the state institutions. BiH Office of the Prosecutor failed to react to such statements, although it should have reacted *ex officio* since such statement can be understood as jeopardising the constitutional system and creating the feeling of general insecurity among the citizens of BiH.

## **DODIK, SILAJDŽIĆ AND DORIS PACK SHOULD NOT BE TRUSTED?**

The Chairwoman of the European Parliament’s Delegation to South-eastern Europe Doris Pack positively accepted the letter of Republika Srpska Prime Minister Milorad Dodik in which he committed not to relate BiH to the Kosovo issue.” This time he made a written commitment and you can always show that to him if he does not keep to it. He said he would not demand the referendum on independence unless Republika Srpska is in danger. That means if its existence is denied and not due to the status of Kosovo. I think we should believe him.”

However, analysts have noted that neither Dodik nor Silajdžić should be trusted since they very often tailor their political position to their interests and needs. Through his party representative Belkić, Silajdžić ensured the support for the adoption of the new Rules of Procedure of BiH Parliament on the basis of the agreement achieved in the Parliament College composed of Živković,

Belkić and Lozančić, cementing entity voting and thus officially enabling the blocking and the undermining the state of Bosnia and Herzegovina. Lajčák's proposal to change the Rules of Procedure enables the entity majority to be determined on the basis of the number of present and not on the number of elected representatives, thus making it possible for the Parliament to function. In April 2006 Silajdžić prevented the adoption of proposed constitutional changes in the Parliament since the amendments included the so called entity voting, while now he has fortified entity voting through the proposed Rules of Procedure.

According to Lajčák's proposal none of the nations could jeopardise the state of Bosnia and Herzegovina by abandoning the Parliament. It suffices if the meeting is attended by a few representatives from Republika Srpska and the Federation of BiH representing all three constitutive nations (Serbs, Bosniaks and Croats) to avoid the blocking of the BiH Parliament, since the voting can be carried out and valid decisions can be adopted by the majority of present representatives from Republika Srpska and the Federation of BiH. The Office of the High Representative believes that one third of the present representatives should vote in order to adopt a decision or law. However, if the system in which one third of all 14 elected representatives from Republika Srpska and 28 representatives from the Federation BiH remains in place, the BiH Parliamentary Assembly will remain permanently blocked whenever the representatives of one nation or entity leave the Assembly. If Kosovo wins independence the most probable scenario in BiH will be the blockade of the Parliament and the dissolution of the state, which will be enabled by the amended Rules of Procedure proposed by the Živković-Belkić-Lozančić trio. It is hard to find a state or institution where the rules of procedure lay down that those who are not present at the meeting are automatically regarded as having voted AGAINST. Does not this automatically prevent the functioning of the parliament and the state?

Controversial Doris Pack has been Chairwoman of the European Parliament's Delegation to South-eastern Europe, which now

covers Montenegro, Serbia, Kosovo, Bosnia and Herzegovina and Albania, for 13 years. She is also member of the European Parliament's delegation for Croatia and Macedonia.

Analysts have pointed out that the European Parliament should seriously reflect on the role Doris Pack has played for so many years in the EP policy on the West Balkans and consider finding an appropriate replacement. The long duration of heading the EP Delegation to South-eastern Europe raises doubts as to her objectivity, credibility and impartiality towards certain politicians and states in the region.

## **IS THERE AN ALTERNATIVE TO DODIK AND SILAJDŽIĆ?**

The IFIMES International Institute is of the opinion that Dodik and Silajdžić are not in the position to build dialogue and mutual respect. Their recent attempts in that direction by signing the Protocol on the police reform were severely attacked by both publics (Federation of BiH and Republika Srpska) with the support of the international community which failed to see an opportunity in their mutual agreement and instead prevented this possibility through the latest measures of the High Representative. This opens the question as to the possibility of ever achieving a quality agreement between the two leaders. That is why both the state of BiH and the international community are probably righteously thinking of completely depowering the two politicians, which might lead to their withdrawal from the political life in Bosnia and Herzegovina. The main problem Dodik and Silajdžić are facing stems from the commitments they made to their respective publics in the form of irresponsible statements and promises, which prevents them from returning to the starting position and may lead to the end of their political careers.

The estimates of some analysis that there is no appropriate alternative to Dodik and Silajdžić are unfounded. The IFIMES International Institute believes that in both entities and in Bosnia and

Herzegovina as a whole there is a large number of quality experts who could take over the governing of Bosnia and Herzegovina. On the basis of dialogue and compromise and with strong and sincere support of the international community, those people can bring Bosnia and Herzegovina closer to the EU integration. There is not much time for such action, therefore urgent and crucial measures should be taken. However, if Dodik and Silajdžić retain the dominant influence over political processes in Bosnia and Herzegovina, the country is doomed to suffer very complex and painful consequences.

## **CONTROVERSIAL MLADEN BOSIĆ AND CRIME-RELATED MLADEN IVANIĆ**

Having monitored the political situation and general social processes in Bosnia and Herzegovina the IFIMES International Institute has estimated that Mladen Ivanić represents very poor alternative to Milorad Dodik, since his crime-related Party of Democratic Progress (PDP) represents no guarantee for a better future of Bosnia and Herzegovina. On the contrary, Ivanić and PDP represent an additional burden, as since the establishment of the Party all their activities have been concentrated on fulfilling personal interests and needs.

SPITE can never be the driving force for any political action, as it is in case of candidate for the president of Republika Srpska Mladen Ivanić who decided to stand as candidate out of SPITE in order to express his dissatisfaction with the decision of the BiH Office of the Prosecutor to raise charges against him and some other PDP members on founded suspicion that they have entered into criminal alliance in order to commit crimes in “Serbian forests”.

In Republika Srpska the Serb Democratic Party (SDS) did not learn any lessons from the past after Dragan Čavić achieved a positive change in SDS. Led by controversial Mladen Bosić SDS is uncontrollably heading for the past, trying to take over the flag of nation-

alism from Milorad Dodik, due to which it is increasingly losing popularity and causing internal dissatisfaction in the Party. SDS is experiencing a division, which leaves open the possibility of creating a new party from the presently dissatisfied members who do not approve nor support the exclusiveness policy led by Mladen Bosić. Bosić did not have the courage to stand as the candidate at early election for the president of Republika Srpska to be held on 9 December 2007, being aware that he would be defeated.

Early presidential election in Republika Srpska have been overshadowed by the recent events following the decisions made by High Representative and the reactions to his decisions. Nine candidates run by political parties and one independent candidate will compete in the election campaign. The candidate of both SNSD and Socialist Party (SP) Rajko Kuzmanović has joined the presidential race with his hands "clean" as the representative of the academic sphere, unlike his competitor Mladen Ivanić who is already burdened with the encumbrance from his past which is often connected with criminal structures.

## **LAJČÁK ON THE RIGHT ROAD**

Lajčák has changed and imposed new rules of the game on the politicians of Bosnia and Herzegovina, but still has not managed to replace some of them. The fact that there is strong resistance to his measures therefore points to the correct nature of his decisions and the right road he took to create the normal state of Bosnia and Herzegovina.

It is known that nationalists thrive in circumstances where they have complete control over the economy and decide who is to be employed, promoted or dismissed, therefore the creation of the rule of law is not in their interest. It is almost impossible to find a nationalistic leader who is not deeply involved in corruption or criminal structures.



The IFIMES International Institute is of the opinion that the formation of the unit for examining the links between the politicians and the criminals is a good step Lajčák took in order to reveal political crime and corruption. He should start from the “loudest” politicians in Bosnia and Herzegovina who have “cemented” their position in the vicious circle of politics, crime and mafia. To that end, the BiH Office of the Prosecutor and the Court of Bosnia and Herzegovina should strengthen their activities and co-operate with foreign prosecutors and judges in order to ensure correct prosecution of those high politicians in Bosnia and Herzegovina.

## **PUBLIC OPINION POLL**

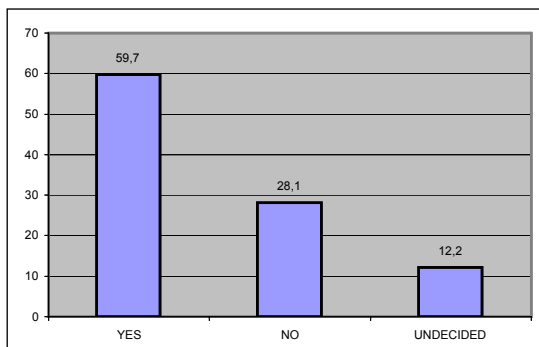
The IFIMES International Institute has carried out a public opinion poll on the current political events in Bosnia and Herzegovina during the period from 19 to 23 November 2007.

### **Data on the sample:**

- The sample: random, three-stage
- Size of the sample: 1,450 respondents (male and female citizens of lawful age)
- Methodology: telephone survey
- Period: 19 - 23 November 2007
- Degree of reliability: 95%
- Control: 10% of the sample
- Standard deviation  $\pm 3$  · Territory: Bosnia and Herzegovina

**WOULD IT BE USEFUL TO ELIMINATE MILORAD DODIK AND HARIS SILAJDŽIĆ FROM POLITICAL LIFE IN ORDER TO ACHIEVE STABILISATION AND CALM DOWN THE POLITICAL SITUATION IN BOSNIA AND HERZEGOVINA?**

- YES 59,70 %
- NO 28,10 %
- UNDECIDED 12,20 %

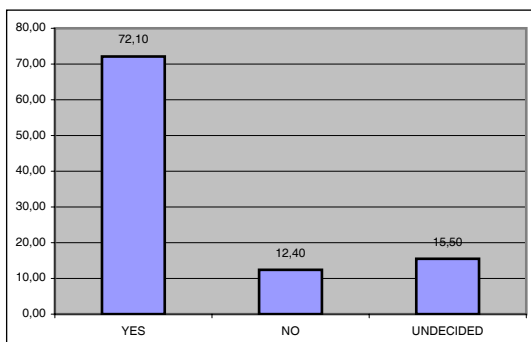


### Data on the sample:

- The sample: random, three-stage
- Size of the sample: 1,450 respondents (male and female citizens of lawful age)
- Methodology: telephone survey
- Period: 19 - 23 November 2007
- Degree of reliability: 95%
- Control: 10% of the sample
- Standard deviation +/-3
- Territory: Bosnia and Herzegovina

### DO YOU AS THE CITIZEN OF BiH SUPPORT BOSNIA'S ACCESSION TO EU?

- YES 72,10 %
- NO 12,40 %
- UNDECIDED 15,50 %

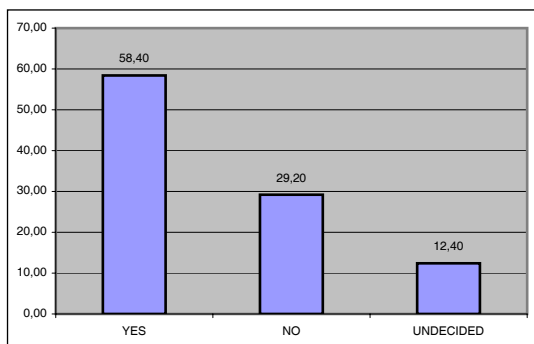


**Data on the sample:**

- The sample: random, three-stage
- Size of the sample: 1,450 respondents (male and female citizens of lawful age)
- Methodology: telephone survey
- Period: 19 - 23 November 2007
- Degree of reliability: 95%
- Control: 10% of the sample
- Standard deviation  $\pm 3$
- Territory: Bosnia and Herzegovina

**DO YOU AS THE CITIZEN OF BiH SUPPORT BOSNIA'S ACCESSION TO NATO?**

- YES 58,40 %
- NO 29,20 %
- UNDECIDED 12,40 %



Ljubljana, 30 November 2007

## ISRAELI-PALESTINIAN CONFLICT

### ANNAPOLIS - FROM A MEETING TO THE PEACE PROCESS

*The International Institute for Middle-East and Balkan Studies (IFIMES) in Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. Member of the European Parliament (EP) Jelko Kacin presented his view of the Israeli-Palestinian issue in the light of the international conference on Israeli-Palestinian conflict which will take place on 27 November 2007 in Annapolis, USA. His article is published in full.*

***Jelko Kacin, MEP***

- Member of the European Parliament (Liberal Democracy of Slovenia/ALDE/ADLE) and
- Member of the EP Committee on Foreign Affairs

The Middle East was and has remained a constant on the map of the world's major unresolved problems. Some significant political changes have occurred in the region during recent years. A new important actor has entered the scene, who has strong influence on the focal point of the conflict where it even has its own vassals. Iran has drawn the attention of Israel's majority population away from the essential problem, i.e. the status and the misery of the Arab population and the refugees who had to flee from Israel.

Israel will celebrate its 60th anniversary on 14 May 2008, during Slovenia's presidency of the EU Council. Throughout the decades of conflicts, the generations of warriors have become tired and wearied of endless and unfinished wars. Generals have turned into politicians and later on into peacemakers, but true peace still has not been achieved. The peace agreement with Egypt was signed 30 years ago and now it is time for the next step. Peace and

stability are what the people really want, therefore the upcoming anniversary will represent an opportunity and a historical challenge for all.

The event in Annapolis, Maryland, in the military base of the American Navy located on the east coast, is called a meeting. The name was given to make it possible for something to happen while not raising too many expectations or demands. However, the ambitions are far more wide-ranging and far-reaching. The event will be hosted by the outgoing American president whose departure from the domestic and international scene allows him to take on his shoulders a much larger part of the consequences of the so-called political collateral damage than he would if he was competing for the new term of office in the White House.

Both main guests, Israeli Prime Minister Ehud Olmert and Palestinian President Mahmud Abbas are weak actors in their own regions where their positions are undermined by internal problems, the latter one being especially affected by the Fatah-Hammas fighting and the violent seizure of power in Gaza. Peace would fortify President's tainted authority and bring back the dominance of the moderate Fatah. Israeli Prime Minister has also lost his manoeuvring space at home, since his coalition comprises both the ultra-orthodox Shas party and the ultra-national Yisrael Beitenu, with Likud in the opposition. Nevertheless, the two actors have had face-to-face meetings for weeks, deepening their knowledge and understanding of each other and building their mutual trust. They are aware that both on their own and together they are too weak to deal with the situation at home and on the opposite side, therefore they have decided to take a multilateral approach and asked for wider assistance.

Being the host country the USA have taken on the heaviest burden of initiating the peace process, the eventual success of which depends on the readiness of numerous other partners to participate. Syria would be more than welcome, but it conditions its participation on opening the issue of the Golan Heights; Saudi

Arabia is and will remain an indispensable element in balancing the poles; and no peace process is possible without Egypt and Jordan any more. If we add Qatar we get the so called Arab Quartet which represents also the core of the Arab League.

The European Union is the new actor on the scene, having upgraded its payer-donor status on the Palestinian side into the role of an important and recognised partner. This year, EU's contribution in the form of humanitarian aid and financing the building of Palestinian administration or the state, especially police force, will exceed EUR 900 million, with its influence increasing accordingly.

The West also has the so-called Quartet comprising Russian Foreign Minister and the USA Secretary of State, UN Secretary General and EU High Representative for the Common Foreign and Security Policy, extended with the EU External Relations Commissioner and the Foreign Minister of the presiding state. Tony Blair as the plenipotentiary is now acting on behalf of the Quartet.

EU's vision of establishing long-term peace comprises the establishment of the independent Palestinian state and encourages growth and development of a less Israel-dependent Palestinian economy. This idea necessitates incentives for trade development, efficient tax collection in order to finance the state structure, establishment of the lacking state institutions and sound management. During the transitional period financial resources for the functioning of those institutions will have to be provided, detailed and feasible reform and development programme will have to be prepared and humanitarian activities continued.

The most pressing political issues which remain open are the status and position of Jerusalem as the capital of both states, the issue of refugees and their repatriation as well as security guarantees for both sides. We should be aware that this remains an utterly complicated, interwoven and demanding challenge which may only be managed if a detailed agenda for the negotiations is

drawn up, firmly setting mutual commitments, a complex negotiating structure and an exact time schedule for the numerous activities.

A convincing response will have to be given to numerous justified expectations and needs. Thousands of Palestinian prisoners and their relatives expect to be released and even more of them expect unlimited access to East Jerusalem. Retreat from the West Bank and abandonment of numerous settlements will represent a much greater challenge for Ehud Olmert as well as for every government and coalition than Israel's one-sided retreat from Gaza. However, without the retreat and without the first and many more steps back there will be no way forward nor any lasting peace. Everyone is tired and weary of endless wars. An old friend and a sworn peacemaker told me a few days ago in Tel Aviv: "Our children will not be able to understand what we were fighting for in all these wars."

Peace is possible and attainable, but the road to it is long, complicated, full of traps and exceeds by far the period of Slovenia's EU presidency. Nevertheless, there is no doubt that in the next months we will learn a lot about the Middle East and about the management of the peace process.

Ljubljana, 26 November 2007

## **BOSNIA AND HERZEGOVINA**

### **POST-CONFLICT RECONSTRUCTION OF BOSNIA**

*Polona Mal, Tine Rus and Anže Voh Boštic, students from the Faculty of Social Sciences, University of Ljubljana, have analyzed post-conflict reconstruction in Bosnia, with a special emphasis on the role of international community. They have presented this paper at the International Seminar "Security in South Eastern Europe" in Dubrovnik in summer 2007. Their article "Post-conflict Reconstruction of Bosnia" is published in its entirety.*

#### **Polona Mal, Tine Rus and Anže Voh Boštic**

There is no doubt that Bosnia and Herzegovina (BH) has had a violent history. For the last 500 years, arms have been the most popular mean for solving problems. The struggle for independence in BH was especially cruel, not least because other countries, namely Serbia and Croatia, were heavily involved in the war. Fighting ended with the negotiated peace settlement known as the Dayton agreement. The agreement also includes new constitution written by American lawyers, which is in nominal dimension one of the most liberal and modern constitutions of the world. Besides that, the agreement set the dividing lines among Serbian Republic and the Federation of Bosnia and Herzegovina (plus Brčko District); first controls 49% of the territory and the last 51%.

It was a great achievement in itself that the hostilities ended, although the Agreement is subdued to critics for many things, especially for being contradictory, thus representing only letters on paper but not working in reality. After the war the state stepped



on the thorny road of post-war reconstruction with the assistance from different international organisations, such as NATO, UN, EU and OSCE. This reconstruction is still not over. Many analytics think that the new war could start again if the international organisations left BH. The state is facing many problems, similar to other from war devastated territories, such as broken economy, great numbers of displaced people, a need for a new political order and institutions and so on.

As such, Dayton agreement is a peace treaty and nothing more. However, it is the only document that is accepted by all sides, and that is why it is still in use, even though it is inappropriate and obsolete. Even more; it is an agreement that because of the Dayton, Bosnia is not a sovereign country even though international community treats it as such and even though Bosnia is a member of the United Nations with a voting right in the General Assembly. Dayton peace agreement is not suitable for a sovereign country and it gives too much power to the with the agreement established High Commissioner in Bosnia, while Bosnian parliament in reality has to accept everything the Office of High Commissioner decrees. Because of that, Bosnia does not have a democracy, but a quasi-dictatorship as a form of government. And besides, Bosnian people do not have the opportunity to make their own decisions at the top political level. They simply have to accept everything that the Office of High Representative orders them. Anton Bebler stresses that “the dictatorship powers of the High Commissioner (he is not even mentioned in the constitution of BH) did enable him to bring through a lot of urgent reforms and other positive changes of the situation in Bosnia and Herzegovina, however, at the same time, his position and the activities of his office became the single biggest obstacle that hinders the process of establishing democratic institutions and strengthening the abilities of Bosnian people for governing their county well”. Taking this into account, it somehow makes sense why have people in Bosnia developed such a strong nationalist thinking – it is simply because they do not have any other means for expressing their opinions and wishes, and on the other hand, they do not know other ways

of doing it. Since the national parliament does not have any substantial power, they are losing faith in federation and instead they are vesting their efforts in strengthening their nationalistic pretensions in regional political institutions. The result is a vast fragmentation of political institutions at regional levels – Bosnia has a record number of parliaments and ministers: thirteen and approximately one hundred and eighty respectively. The reason for virtually unlimited powers of international community (as it regards the decision-making process) is the before mentioned reason that the whole Bosnian political system (at least at the top level) is based on the Dayton peace agreement.

However, it is clear that the international community is not doing its job well, also because it adheres to its old doctrine that goes something like “do not mess with something while it works, even though it is not perfect”. Obviously, this kind of thinking is wrong, especially in a process of peace building, since the name itself suggests that one tries to build, in other words improve the different aspect in the problematic area in order to establish a lasting peace. Also, the experiences from all around the world show that by leaving the situation as it is (that means no interference from the international community except in the case of an armed strife), the situation will not improve by itself, at least not in a reasonable time. There is also a lack of interest among the majority of the states that are members of the EU, now the biggest international actor as regards Bosnia. Most EU states have a lot of own problems to solve, and besides, some say that the Union itself is in some sort of crisis because of the so called enlargement fatigue, problems with constitution and further integration etc. Because of that, European states and the EU itself do not devote enough resources for solving the problem of Bosnia and the whole region of the Western Balkans. Besides that, there is also some open reluctance to solve the problem of Bosnia and the whole region of Western Balkans, because of fear of failure.

But the international community is not a sole culprit for the present situation. Also the Bosnian ethnic groups do not use in-

stitutions that are already available and democratic praxis for policy-making and solving the problems among each other. The three ethnic groups are not effective in joint policy-making also because they themselves still do not agree about the pre-war ethnic composition of BH. While Muslims believe that before the war between 1992-95, there was only one nation (namely the Bosnian Muslims) in the country with other minorities, Bosnian Serbs are of course reluctant to give up the rights that were given to them with the creation of the Republika Srpska. On top of all this, Bosnian Croats complain that they are not equal to Muslims and Serbs, and claim that they should have the same position as the other two groups. Because of that, Muslims (wrongly) believe that federalism is the culprit for the troubles in Bosnia and that a more centralised country would work better, while Croats and Serbs support further fragmentation of the country and strengthening the power of regional institutions. Of course, no effective advancement can be made without successful economic progress. Besides, the successful development of a country's economy is crucial for the establishment of peace. However, Bosnia is facing many problems also in this field. It is ranked next to Former Yugoslav Republic of Macedonia as the poorest country of the former Yugoslavia. Most of the country's pre-war industry consisted of Yugoslavian military factories, which suffered a huge downfall in the eighties and the overall production suffered an 80% decrease from 1992 to 1995, combined with a huge rise in unemployment. The country's agriculture consists of small and inefficient private farms and the BH has traditionally been a net importer of food. Since the Dayton peace was established the private sector is growing and foreign investment is slowly increasing, but government spending, at nearly 40% of adjusted GDP, remains unreasonably high.

The most important aspect of economic security is unemployment, which is also Bosnia's main problem; official rate was 41% in 2006, although the grey economy may reduce the actual unemployment by 25-30%. 25% of the population lives below the poverty line and another 30% are estimate to be just above it. One of

the main problems of Bosnia and Herzegovina is furthermore the grey and black economy and the considerably high level of political corruption, combined with inefficient government.

Besides that, Bosnia is unevenly developing because the relatively high autonomy of both entities allows them to form different economic policies and foreign relations. This may lead to endangering economic security in the country. The economic growth in Republika Srpska and in Federation of Bosnia and Herzegovina has had some rapid swings, and other economic indicators also show the problem of relatively high autonomy of both regions. Although foreign investment and privatization have risen substantially in both regions, the increase has been much greater in Republika Srpska. In 2001, the government of RS initiated significant reforms in the fiscal system, lowering the rate of capital gains tax to 10%, the lowest in Europe and of course highly stimulating for foreign investment. When the value added tax was introduced in 2006, the income tax still remained much lower in RS (46%) than in FBH (nearly 70%), similarly to the corporate tax (10% in RS and 30% in FBH). This has not only highly stimulated foreign investment and entrepreneurship, but also led some companies into moving their business from the Federation to RS. This is an important issue concerning 'soft' as well as 'hard' security in the country, since such uneven development might lead to increasing the tensions between all three ethnicities, on 'micro' (people feeling 'better off' or 'worse off' than the other ethnicity, being 'richer' or 'poorer') or on 'macro' level (one region thinking the other is slowing it down, for instance in the process of achieving EU accession, etc.). Uneven development, as has not so far ago in former Yugoslavia, might once again prove to be an important factor of backing-up nationalistic tendencies and threaten the already not very stable peace. It might lead to lesser and lesser integration of both entities, also causing them to form different foreign policies. Republika Srpska is naturally still maintaining close ties with Serbia and its allies. However, the highest goal for both entities remains reaching the European Union; an objective, which might prove to be the strongest integration factor, not just

in Bosnia and Herzegovina, but in the whole region of South-Eastern Europe.

So what should be done in order to improve the situation? As regards economy, economic security has to be improved by improving the country's economic performance and strengthening its economic interdependence. There are three main solutions for Bosnia and Herzegovina's economy: opening outward, meaning encouraging exports; creating strategic connections between domestic and foreign companies; and signing international agreements, such as an agreement on free trade, intellectual property, acceleration of foreign direct investment etc. As regards economic cooperation, Bosnia has to increase the trade volume with the neighbouring countries, especially Croatia and Serbia. As the matter of fact, it is important for the whole region of South-Eastern Europe to become more and more economically integrated and thus raise the costs of system collapsing to too high levels. The international community is aware of this issue and there have been many initiatives to create several organizations or programmes in order to strengthen the economical and also political, etc. ties in the region. Such examples are Southeast European Cooperative Initiative (SECI) and Stability Pact for South Eastern Europe (SPSEE), although both initiatives have been strongly criticized. Bilateral agreements are also important – here the first steps have already been made example of this is an agreement between Bosnia and Herzegovina and Slovenia: Agreement on Reciprocal Protection and Promotion of Investments, Agreement on Customs Cooperation (2002) and Agreement on Free Trade (2001). However, Bosnia's imports from Slovenia are substantially higher than its exports; Slovenia tries to compensate that with large amounts of foreign direct and also portfolio investment. It is believed that FDI is one of the best options for Bosnia and Herzegovina's economy. It incorporates all three aforementioned possibilities, and besides, with the arrival of new investors there are several new employment possibilities opening. Bosnia and Herzegovina is of course aware of such advantages that FDI would bring. However, foreign investors still have to deal with many problems when

starting a business, such as the amount of black and grey economy, high levels of political corruption, slow implementation of laws and regulations, etc.

As regards the other two levels of economic interdependence, strengthening bonds with both entities is because of the before mentioned reasons a must. And, speaking of international interdependence, especially with the EU, presidency of Slovenia in EU is good news for Bosnia, since Slovenia already stated that its primary focus will be the Western Balkans. Hopefully, this could also contribute to some, at least minor political changes in the area. At the end, it has to be mentioned that situation is not as bleak as some could imagine. As regards political matters, even though Bosnians should get more used to democratic policy-making, they are already proving that they are indeed willing to learn and that the possible efforts from international community to encourage them to adhere to democratic principles will not be made in vain. The facts that the last elections were, by the opinion of OSCE, regular and that virtually, Bosnia for the last five years functions in accordance with EU standards support this statement. Besides, the level of living is also improving. Human development index shows that the country in the last few years advanced from the group of countries with medium development to the group of states with high development. However, GDP index is not following the trend of HDI index, which means that GDP is not equally distributed.

To conclude, one has to stress that the situation in Bosnia and Herzegovina is without a doubt very complex; however, it is not hopeless. The question remains how the problem will be dealt with. The role of international community remains critical in almost every field that is subject to a reconstruction; however, it should be exercised in the right way. No one knows for sure whether international community is capable enough, or to put it even better, has enough interest in this area in order to put enough effort into reconstruction of the country. It is also important to stress that wrong actions of international community

that are often based on misperceptions that arise because a lot of internationally important actors are not devoted enough to learn the true facts can do more harm than good. That is why we believe that it is of extreme importance to start looking at the problem in a comprehensive manner, with all relevant fields included in the analysis, because there simply is no other way of reaching feasible solutions that would be acceptable for the international community and order as well as for Bosnian people. However unpleasant the fact may be, there is no short cut for solving this problem.

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Ljubljana, December 12, 2007



## **PRESS RELEASE**

In the framework of the “West Balkans and the EU” lecture cycle, The International Institute for Middle-East and Balkan Studies (**IFIMES**), Government Communication Office and Center Evropa invite you kindly to take part at the lecture entitled

### **A RUSSIAN EXPERT’S VIEW OF THE KOSOVO STATUS**

which will be held on Wednesday, 18 April 2007 at 17.00 h in the auditorium of Center Evropa at Dalmatinova 4 in Ljubljana.

The lecture will be delivered by **Dr. Jelena Guskova**, head of the Centre on the Modern Balkan Crisis within the Russian Academy of Sciences. Dr. Guskova was awarded doctor’s degree in the field of historical sciences. She has written numerous articles and books on the Balkan issue and is an excellent connoisseur of historical and topical circumstances in the Balkans.

The lecture will be given in the Serbian language and will be followed by a discussion with Dr. Guskova which will be moderated by Zijad Bećirović, M.A., and Dr. Milan Jazbec.

Attendance is free of charge. Please confirm your participation at telephone number (01) 438 22 70 or at [info@center-evropa.si](mailto:info@center-evropa.si)

Ljubljana, 11 April 2007

## PRESS RELEASE

In the framework of the “West Balkans and the EU” lecture cycle, **IFIMES** –The International Institute for Middle-East and Balkan Studies, Government Communication Office and Center Evropa invite you kindly to take part at the lecture entitled

### “KOSOVO’S INDEPENDENCE AS THE FINAL ACT OF THE BALKAN DRAMA”

The event will take place on Wednesday, 20 June 2007 at 16.30 h in the Auditorium of Center Evropa at Dalmatinova 4 in Ljubljana.

The lecture will be delivered by **Mr. Drago Flis**, foreign policy commentator at Radio Slovenia and member of the IFIMES Institute. Mr. Flis analyses events in the West Balkans, with special emphasis on the Albanians. He worked at the OSCE mission in Kosovo until the end of 2001. He speaks Albanian fluently and is an excellent connoisseur of the historical and current situation in the Balkans.

The lecture will be given in the English language and will be followed by a discussion with Mr. Drago Flis which will be moderated by Bakhtyar Aljaf and Dr. Milan Jazbec.

Attendance is free of charge. Please confirm your participation at telephone number (01) 438 22 70 or at [info@center-evropa.si](mailto:info@center-evropa.si)

Ljubljana, 14 June 2007

## PRESS RELEASE

The International Institute for Middle-East and Balkan Studies (IFIMES), Ljubljana, which regularly analyzes events in the Middle East and the Balkans, kindly invites you to a round-table discussion entitled

### »PRESIDENTIAL CANDIDATES' VIEWS ON THE WESTERN BALKANS«

on Wednesday, the 12th of September 2007, at 16:00 in the Evropa Center, Dalmatinova 4, Ljubljana

To the round-table discussion, led by Mr. Zijad Bećirović, M.Sc. and dr. Milan Jazbec, the three leading candidates, according to recent public opinion polls, for the President of the Republic of Slovenia have been invited: **Mr. Alojz Peterle**, **dr. Danilo Türk** and **Mr. Mitja Gaspari**, M.Sc.

The discussion is intended to be a presentation of the presidential candidates' views regarding the future role and importance of the Western Balkans for Slovenia and the EU in regard to approaching euroatlantic integrations, and it will also touch upon current questions between Slovenia and Croatia.

Participation in the event is free of charge, but we ask you to confirm your attendance by calling us on the telephone number (01) 430 15 33, or writing us at [ifimes@ifimes.org](mailto:ifimes@ifimes.org).

Ljubljana, 5 September 2007

## **PRESS RELEASE**

### **DR. ROBERT J. DONIA WILL VISIT SLOVENIA**

President of the Council of the International Institute for Middle East and Balkan Studies (IFIMES) and Associate Professor at the University of Michigan Dr. Robert J. Donia will be visiting Slovenia from 3 to 10 November 2007 as a part of his Europe tour.

Dr. Donia is a Research Associate at the Center for Russian and East European Studies, University of Michigan and a Visiting Professor at the University of California in San Diego. He is the author of numerous books, articles and reviews in scientific magazines dealing with the former Yugoslavia. He is also the adviser of The Hague War Crimes Tribunal.

During his visit to Slovenia he will meet some of the prominent representatives of Slovenian scientific and academic circles. On this occasion, the IFIMES International Institutes prepared the following programme:

#### **Tuesday, 6 November 2007 at 16.00 PM, Center Evropa, Dalmatinova 4, Ljubljana:**

Lecture delivered by Dr. Robert J. Donia with the following topic: "Variants of Violence: National and Religious Extremism in the Balkans". The lecture is organised by the IFIMES International Institute in co-operation with the Government Communication Office and Center Evropa. The discussion with the lecturer will be moderated by Zijad Bećirović, M.A., and Dr. Milan Jazbec.

#### **Wednesday, 7 November 2007 at 17.00 PM, Slovenian Academy of Sciences and Arts (SAZU), Prešeren's Hall, Novi trg 4, Ljubljana:**

Lecture delivered by Dr. Robert J. Donia with the following topic: "Fifteen Years of the Hague Tribunal: Has It Advanced International Justice?" The lecture is organised by SAZU in co-operation with the IFIMES International Institute. The lecturer will be presented by Mrs. Alenka Šelih, Vice-President of the Slovenian Academy of Sciences and Arts.

**Thursday, 8 November 2007 at 08.30 AM, University of Ljubljana, Faculty of Social Sciences (FDV), lecture room 15, Kardeljeva ploščad 5, Ljubljana:**

Lecture delivered by Dr. Robert J. Donia with the following topic: "Space and Spectacle: The Visual Dimension of Communal Relations in Southeast Europe". The lecture will be held as a part of the university course "Comparative Political Systems" given by Assist. Prof. Jernej Pikal.

**Thursday, 8 November 2007 at 18.00 PM, The Hotel Lev, 13th floor LOBBY, Vošnjakova 1, Ljubljana:**

Reception for invited guests to honour Dr. Robert J. Donia's visit to Slovenia.

**Friday, 9 November 2007 at 19.00 PM, "Škrabec Homestead", Hrovača 42, Ribnica:**

Presentation of the latest book by Dr. Robert J. Donia "Sarajevo: A Biography", published by Hurst and Co., London. The discussion with the author will be moderated Mr. Janez Škrabec and Dr. Milan Jazbec.

All events will be held in the English language.

You are kindly invited to attend.

Ljubljana, 22 October 2007



## **PRESS RELEASE**

### **THE ASSASSINATION OF BENAZIR BHUTTO**

Yesterday, on Thursday, December 27, 2007, terrorists in Pakistan assassinated Benazir Bhutto, a leading politician not only of Pakistan but also in the Islamic world as a whole. As the first female prime minister in the Islamic world and a distinguished fighter for democratization of Pakistan, Ms Bhutto, also as a fellow of Institute IFIMES, devoted her whole life fighting for a democratic Pakistan.

The International Institute IFIMES shares particular sadness, exacerbation and concern because of the assassination of Benazir Bhutto, since on February 8, 2005, we witnessed the assassination of the Iraqi politician and member of the International Institute IFIMES Mithal Al-Alusi, in which both of his sons, the 30 years old Ayman and the 22 years old Jamal died. Mithal Al-Alusi was the Chairman of the Democratic Party of the Iraqi Nation (DPIN) and the first Iraqi politician who visited Israel since its establishment. Only a few months before his assassination, Al-Alusi participated, as a member of the IFIMES delegation, at the international conference on counter terrorism which took place in Herzliya, in Israel.

The biggest share of the responsibility for the assassination of Benazir Bhutto is held Pervez Musharraf, the current President of Pakistan. He provided neither security to the opposition leader nor dealt with the inefficiency of the Pakistani police. Besides Musharraf, the religious leaders of Pakistan should also assume responsibility. They are closely connected with the religious hierarchy of Saudi Arabia as well as with their intelligence service, which is very active in Pakistan and has been so since the Soviet invasion of Afghanistan.

The International Institute IFIMES has frequently called attention

to the situation concerning the security services of various countries and has emphasized the importance of security for the development of democratic societies.

As a co-founder of ICTAC (International Counter-Terrorism Academic Community, Herzliya, Israel), IFIMES follows with due care the activities of national security systems in various countries, lately in particular in the police services of Germany, Portugal, Slovenia, Macedonia, Serbia, Montenegro and Saudi Arabia, and pays attention to their work.

The International Institute IFIMES calls upon the EU to deal much more thoroughly with police sector reform, not only in its new member states, where the police used to be part of the repressive communist security apparatus and hence is often connected with organized crime and corruption, as well as with politically motivated assassinations, but also in those countries where the EU has its political, economic and security interests, like Pakistan. The EU should make a decisive move in its politics and, instead of offering support and cooperation to hated regimes in certain Muslim countries, should establish cooperation with the democratic forces in these countries. Its public diplomacy should be targeted towards Muslim nations in these countries.

Ljubljana, 28 December



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*znanje  
nas dela  
velike*

## **ZALOŽBA ROKUS KLETT, d.o.o. ROKUS KLET PUBLISHING HOUSE Ltd.**

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## **Regionalna razvojna agencija LUR The Regional Development Agency of the Ljubljana Urban region**



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**IN.LIFE d.d.**

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**ISTRABENZ GORENJE INŽENIRING, d.o.o.**

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**HOLDING SLOVENSKE ELEKTRARNE d.o.o.**

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## Sava Group

The companies of the **Sava Group** operate in five main divisions such as Rubber Manufacturing, Tourism, Real Estate, Other Operations and Investment Finance. In addition to the parent company Sava d.d., which acts as its administrative centre, the Sava Group includes 26 subsidiaries and 3 joint ventures.

In **Rubber Manufacturing** development is undertaken by the company Savatech d.o.o. Under its management operate the companies Sava-GTI d.o.o., Sava-Schäfer d.o.o., Sava Rol d.o.o., six foreign trade network companies and two representative offices in Russia and Italy. We develop high quality innovative industrial rubber products that are in demand in the building industry, the manufacture of motorcycles, automobiles, industrial and agricultural vehicles, the graphics and paper industry, and in the area of environmental protection.

**Tourism** is one of the strongest Sava divisions. It operates under the brand name of Sava Hotels&Resorts and includes two tourist destinations: Bled and north-east Slovenia. The umbrella brand name Sava Hoteli Bled connects all three tourism companies that operate in Bled. By directing investments we are endeavouring to revive the former image of a select European holiday resort that Bled once had. In northeast Slovenia we have formed the largest wellness destination called Pannonian Spas, which includes five spa resorts: Terme 3000 d.d, Moravske Toplice, Terme Lendava d.d., Terme Ptuj d.o.o., and Terme Radenci d.o.o. with Terme Banovci d.o.o.

**Real Estate** includes the company Sava IP d.o.o. and its six subsidiaries. We build for the market and lease our own real estate; an important part of the operation involves providing services for Sava Group company requirements.

**Other Operations** include the companies Energetika Sava d.o.o., which manages energy, and Sava Medical in Storitve d.o.o., which employs and trains disabled workers.

**Investment Finance** operations are carried out by the holding company Sava d.d. Its key task is to invest in profitable financial investments and innovative plans that are expected to bring an above-average return.

### **Mission of the Sava Group**

To ensure that the expectations of our customers, employees, shareholders, business partners and the environment are continually exceeded. To create attractive opportunities for employing the best personnel available.

### **Vision of the Sava Group**

On account of excellence and innovation in products and services we will increase sales by more than 50 per cent until 2011. We will become the greatest value for customers and investors as well as the most attractive employment opportunity. By utilising synergies, continual optimising the portfolio of real and financial investments and transferring best practices we will actively contribute to strengthening the success and increasing the assets of the Sava Group.

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**RIKO d.o.o.**  
Bizjanova 2  
SI-1000 Ljubljana  
Slovenija



**Riko** is a strong group in the field of engineering, especially in the metalworking industry, wood-processing industry, recycling of waste materials and building industry. We have its own production of special machine tools for the metalworking industry, equipment for automation machines and for robotized production processes. An important part of our group are also projects in fields of energy and ecology, from basic projects to execution. In the field of logistics Riko is recognised as an interdisciplinary and competent partner for providing optimum solutions for transport and storage problems, starting from thorough and comprehensive planning to implementation on the site. Besides that we have the production of solid wood houses, which we sell on the demanding European market. Riko continues to develop through scientific research and technological solutions of new challenges arising from new everyday projects, and at the same time cooperates with the largest manufacturers on the world market in the area of technological equipment.

## **NLB Leasing, d. o. o., Ljubljana**

### **Finding the Most Suitable Solution Together**

Slandrova ulica 2

SI-1231 Ljubljana, Slovenia

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Fax: (+386 1) 586 29 40

E-mail: [info@nlbleasing.si](mailto:info@nlbleasing.si)

[www.nlbleasing.si](http://www.nlbleasing.si)

Management Board: Borut Simonic, President of the Management Board  
Samo Turk, Member of the Management Board

Activity: universal leasing for all types of equipment (passenger and commercial vehicles, production and business equipment, computers and office equipment) and real estate  
Established in: 1990  
Employees in the NLB Leasing Group (30 June 2007): 110  
Total assets of NLB Leasing Group (31 March 2007): 462 mio EUR  
Dependent member of NLB Group, NLB has 38.75 % share, together with other members of NLB Group 100 % share (31 May 2007).

NLB Leasing Group is one of the leading leasing companies in Slovenia. We are present in Slovenia in all major cities. Our group is also becoming one of the major players abroad, mainly in the territory of the former Yugoslavia. NLB Leasing has several offices in Serbia, Bosnia & Herzegovina, Montenegro, Macedonia in Croatia we are present with Optima Leasing Zagreb. With the most recently established office NLB Leasing Group has already surpassed the territory of former Yugoslavia – the latest one is located in Bulgaria (NLB Leasing Sofia).

As a controlling company of NLB Leasing Group, NLB Leasing d.o.o. Ljubljana owns 100% of the above mentioned companies, with the exception of Optima Leasing d.o.o. Zagreb, of which it owns 75,1% interest. The remaining 24,9% share of Company is owned by two strategic partners, one from Slovenia and one from Croatia.

The majority owner of NLB Leasing Group is NLB Group, the leading Slovenian bank that has also expanded past the borders of Slovenia into several countries of Central and Eastern Europe.



## **The purpose of GEN-I d.o.o.'s establishment**

The company GEN-I društvo s ograničenom odgovornošću za trgovinu i prodaju električne energije (GEN-I d.o.o.) with headquarters in Zagreb, Croatia, was established for the purpose of trading electricity and cross-border transfer capacity products, as well as selling electricity to eligible customers. In order to be able to carry out these activities, the company obtained all the necessary licenses and permits that enable it to provide such services in the Croatian electricity market in Autumn 2006. The company was established and is fully owned by the Slovene company GEN-I, trgovanje in prodaja električne energije, d.o.o.

Considering Croatia's strategic position and its strong influence on the wider electricity market, where Croatian interconnections with neighboring countries act as a bridge between the countries of Central, Eastern, and Southeastern Europe, investing in this market was prerequisite for the achievement of the set goals and is still part of the parent company's strategy to increase its market competitiveness.

The main purpose for which the company was established (trading electricity in the internal market, sale to eligible customers, cross-border trading activities, and the purchase of cross-border transfer capacities) required the company to obtain a license for trading, mediation and representation in the electricity market from the Croatian Energy Regulatory Agency (Hrvatska energetska regulatorna agencija-HERA).

In order to carry out its business activities, the company also established relationships with both the Croatian TSO (HEP – Operator prijenosnog sustava) and the Energy Market Operator (Hrvatski operator tržišta energije), enabling it to participate in transfer capacity auctions, register schedules, and participate in the balancing market.

## **Benefits and synergies from membership in the GEN-I group**

In 2006, its third year of operations, the parent company GEN-I, trgovanje in prodaja električne energije, d.o.o. with headquarters in Krško,

Slovenia, sold a total of 1.93 TWh of electricity. The company has experienced a steady rise in its sales volumes and has increased the sold quantities significantly compared to 2004, when sales reached a total of 396 GWh of electricity.

GEN-I, d.o.o.'s three main business activities are purchasing electricity from producers, electricity trading, and sale of electricity to eligible customers. The activities are carried out in separate portfolios and by various profit centers that are connected by transfer prices. This approach enables the company to easily evaluate the performance of individual units.

The Croatian company receives all the necessary support in the form of know-how from the founding company, including an appropriate information structure, knowledge in the field of risk management, and human resources. The company's business activity is organized in a way as to benefit from synergy effects with the GEN-I group, which consists of the parent company and its subsidiaries, nevertheless allowing the company full autonomy when it comes to making business decisions.

Being part of the GEN-I group, the company has access to a complete business infrastructure for trading activities on both the Slovene and international electricity markets, including access to:

- qualified staff and experience in trading activities in the physical and financial electricity markets of Slovenia, Central Europe, and South Eastern Europe;
- infrastructure for cross-border trading in physical and financial markets, ensuring an efficient way to access European whole sale markets;
- established bilateral correspondent relationships with at least 45 business partners (so far, contracts were signed in the areas or bordering on areas of SLO, D, A, I, HR, BIH, MAK, H, SRB, BG, MK, GR, AL, CG);
- know-how of balance group management, and the existing balance groups covering six internal markets (Slovenia, Austria, Germany, Italy, Croatia, and Serbia);
- several trading platforms - four energy exchanges/organized markets (EEX, EXAA, GME, and BORZEN), broker platforms (ICAP, TFS, and SPECTRON), as well as platforms for trading

- cross-border transfer capacities;
- trading derivative financial instruments of the German energy exchange – EEX futures;
- a unified trading information system that enables management of schedules and open positions, forecasting prices for liquid markets, monitoring of electricity trading risks, and creating trading reports;
- infrastructure for selling electricity to eligible customers, including successful short- and long-term forecasts of electricity consumption and ongoing control of realized consumption at metering points;
- infrastructure for dispatching production sources.

In 2007, the GEN-I group continued its business expansion and successfully participated in many international electricity tenders. As trading in the SE European region increased significantly, the business infrastructure was further extended by the establishment of a subsidiary in Hungary, and the process of founding subsidiaries in other countries is also an ongoing process. The company managed to increase the quantities purchased in Slovenia, mainly as a result of a long-term agreement on the purchase of electricity produced within the GEN energija group, but also on the basis of a stronger relationship with Slovenian retail suppliers and a fast growth of our market share in the retail market. The quantities sold on the Slovenian market in the first eight months amounted to 785 GWh, and while the quantities purchased resulted in amounted to 962 GWh. Although the quantities that were sold and purchased on the Slovenian market increased significantly, the share of contracts concluded in this market represents only 25% of the total volume in the months before the end of August. This is because GEN-I, d.o.o.'s portfolio abroad has also grown significantly, – over 1 TWh of electricity was purchased and 1,2 TWh of electricity was sold, exceeding the quantities from 2006 in the first eight months of 2007.



**[www.te-tol.si](http://www.te-tol.si)**

## **Termoelektrarna Toplarna Ljubljana**

Thermal power and heat plant Termoelektrarna Toplarna Ljubljana (TE-TOL) is the biggest energy facility for electricity and heat cogeneration in Slovenia - it has been in operation for more than 40 years. It covers over 90 percent of the heat demand of district system heating of Ljubljana, and around 50 percent of electricity demand of Ljubljana. Overall heat production presents 48 percent of heat consumption in Slovenia and overall electricity production presents 3 percent of total electric consumption in Slovenia. It also provides system services for electro-energetic system and produces process steam.

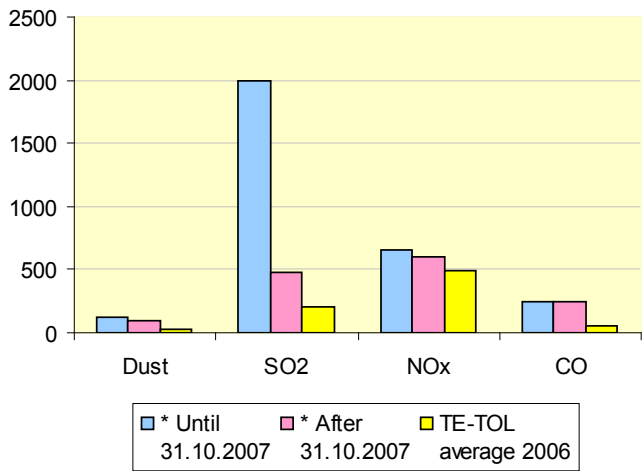
TE-TOL is a high-efficiency cogeneration facility - it produces electricity and heat in cogeneration or coproduction. Due to the constant improvements of its production process and adjustments to environmental requirements, electricity and heat production today is even safer, more reliable and more environmentally friendly than before. With existing coal technology it achieves more than 18-percent saving in primary energy, which is above the 10-percent limit value referred to in EU Directive 2004/8/EC. By investing in the modernization of production it increased utilization rates, reduced fuel consumption, and consequently curbed the emission of greenhouse gases into the environment.

TE-TOL has now entered into key investment cycle for the 2007-2012 period. The main focus is to increase the share of energy produced in cogeneration and the share of renewable energy sources (RES), thereby also reducing carbon dioxide emissions. The investments are designed to improve the facility's energy efficiency and reliability. Two of the largest investments are the construction of a 70-MW gas turbine and the co-firing of biomass in the boiler of Unit 3.

Average annual generation

Heat	1.090 GWh
Electricity	399 GWh
Process steam	135.970 t
Coal consumption	396.917 t

Emmission half-hour limit values of dust, SO2, NOx and CO compared with legally permitted values







## **COMPANY'S DESCRIPTION**

MFC.2 d.o.o. was established in 1999 from the company MFC s.p.. MFC.2 is a limited liability company and is owned by two owners, who are company members. The company employs 62 regular employees and more than 90 permanent contract workers.

We specialize in providing services in the area of archiving documents, data and information. The company has a 30-year long tradition. Our narrow specialisation guarantees the leading position on the market as well as constant growth of the company. In our field of expertise we are distinguished by our theoretical contributions on professional consultations of archivists, documentalists and microfilm-makers.

Our goals are upgrading knowledge, establishing competition advantages, long-term company growth and high quality of services, all with one intention in particular: to satisfy demands of our users. Considering our duties and projects are becoming more and more demanding, we want to expand our activity and offer by means of e-office services and technical documentation processing.

### **ACTIVITY PRESENTATION**

- The archives process done traditional way
- (archives arrangement, managing archives department - including a reception stage, labelling, classifying, and distributing the documentation to a relevant department; traditional archives system)
- Keeping archive data using microfilms
- (usage of microfilms, thin layer discs etc)
- E-archives
- (data recording and transforming the material that was originally published in a physical (printed), electronically-analogous or digital form)
- Extensive-format electronic-data processing
- (covering and recording extensive data material that was originally published in the physical (printed) form, extracts of extensive form documentation - e.g. plans, posters etc).
- Long-term preservation of documentation material in a digital form - on electronic discs i.e. in the EMC Central archive system.
- The possibility of renting offices that enable management and preservation of your data and providers - all inside our new, tightly-secured building in the Technological park Litostroj in Ljubljana.
- The possibility of renting an e-archives or »backup« space needed for ensuring regular operating activities even in the case of urgent measures i.e. in the case of infrastructure demolition or data being erased - within the so called - »disaster recovery« centre.

### **We guarantee:**

- Safety of your documents
- Professional handling with your documents
- Direct and quick access to archived documents
- Formal legal value of the archived documents.



*znanje  
nas dela  
velike*

## **ROKUS KLETT PUBLISHING HOUSE LTD.**

**Rokus Klett Publishing House** was founded in 1991. Our principal activity is educational publishing with emphasis on the publication of textbooks and supplementary materials for the nine-year primary school.

Rokus Klett Publishing House jumped at the opportunity that was brought about by the changes to the educational system in Slovenia and introduced a new type of school textbooks. They incorporate modern pedagogical, psychological and methodological knowledge, are written by the leading authors in the field of education and are also known for their wittiness and great design.

The textbooks immediately won great popularity and became bestsellers in Slovenian primary schools. We managed to attract the best Slovenian authors from various fields as well as the best illustrators and designers, and have become an important player in the national educational publishing.

In the last few years, our textbooks have won several international awards:

- Global Learning Initiative Award for Most Innovative Material in 2003 - The World of Words 7
- Different awards in the European Educational Publishers Group for:
  - The World of Words 7
  - Science and Craft 5
  - Biology 9
  - My first creative art book
  - A game of Numbers and Shapes 4
  - Researching the Past 9

**In 2003, we also started publishing our first magazine**, National Geographic Junior, which was followed by three other magazines in 2006 - National Geographic Slovenia, National Geographic Mini and Beo beo - and two in 2007 - National Geographic Popotnik (NG Traveler) and Umko.

"A book is more than just an everyday industrial product - it's an invaluable cultural good with strong influence on the society. We are well aware of this so we are doing our best to create the best and most up-to-date textbooks to suit both teachers and learners."

Rok Kvaternik



## **DEVELOPMENT AGENCY OF THE LJUBLJANA REGION TEHNOLOŠKI PARK LJUBLJANA-BRDO**

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### **CREATIVE PEOPLE AND SUCCESSFUL COMPANIES**

Can you imagine a company with a thirteen per cent market share, twenty-six departments and half a million people? Now try to imagine the development department of such a company.

Yes, the Regional Development Agency is precisely that: the R&D department of a complex and promising company called the Ljubljana Urban Region. It encompasses 26 municipalities, covers 13% of the total surface area of Slovenia and has a population of 500,000. Hence the great ambitions and the great responsibility, hence our daring vision and serious mission.

Through the elaboration of development programmes the Agency generates and accelerates the development of the entire region, ranging from the coordination of regional structural policies to the elaboration of individual projects applying for EU funding.



The year 2007 was particularly important in terms of the management of long-term development in the region. In April the Council of the Ljubljana Urban Region was founded as the highest ranking governance body in the region. It is composed of mayors of all municipalities in the Central-Slovene statistical region and chaired by the Mayor of the City of Ljubljana, Mr Zoran Janković.

The Council defined its development objectives as well as the instruments and resources for their implementation through the adoption of the Regional Development Programme of the Ljubljana Urban Region for the period between 2007 and 2013.

The fundamental goal of **assuring creative people a better life in a successful environment**, as set out in an extensive strategic document (available at [http://www.rralur.si/html/rrplur\\_2007\\_2013/docs/prevedeni\\_RRP\\_LUR\\_20\\_04\\_07\\_1\\_10\\_07.doc](http://www.rralur.si/html/rrplur_2007_2013/docs/prevedeni_RRP_LUR_20_04_07_1_10_07.doc)), is divided into several packages of measures which clearly outline the development priorities of the Ljubljana Urban Region:

- Accessibility for human well being,
- Preservation of natural and cultural heritage,
- Planning to ensure a good quality of the living space,
- Efficient public utility service,
- Equal opportunities – the contribution to regional competitiveness,
- Culture – competitive advantage of the region,
- E – government,
- Supporting environment for entrepreneurship.

## **VISION**

»The Ljubljana Urban Region is a conurbation intertwined with nature. By encouraging creativity and cooperation, the region will become highly competitive on a global scale and offer a high quality of life. Ljubljana's status of a European capital will be reflected throughout the region.«

A further boost to the work of the ten-strong team at the Regional Development Agency came at the end of 2007 when everything was set for the Agency's relocation to its new premises in the Technology Park Ljubljana.

We are proud of having the opportunity of presenting our mission and vision in this IFIMES publication, in the company of highly interesting strategic studies of the broader region. That is namely precisely the way in which we envisage our future efforts: always working in a broader European context, taking account of local heritage and driven by global ambition.

It is through this vision that Ljubljana is truly becoming a European capital and the entire Ljubljana region an extremely interesting business opportunity for investors and an attractive proposition for its inhabitants.

Daring ideas combined with expert studies, qualified analysis and courageous forecasts offer the best foundation for successful new achievements.

Lilijana Madjar, MA  
Director of the RDA LUR

# DETEL - YOUR FIRST SUPPLIER OF IP TELEPHONY



Our company In.Life d.d is an alternative telephony operator. The company was founded in the year 2000. We were the first on the Slovenian market who acquired the license for international telephony and offered an alternative fixed telephony service. Our services are offered under the brand name DETEL, which was first introduced on the market in 2004.

We work internationally; besides the main office in Slovenia we also have subsidiaries in Bosnia and Herzegovina and in Serbia. As we are closely connected to SE European region, our services are extremely competitive and in certain segments probably even the cheapest.

## **SINGULARITY OR HOW EVERYTHING FLOWS INTO ONE POINT**

Advantage is brought by those who can offer complete services and solutions for specific fields - all in one place. Under the brand name Detel we offer, at favorable prices, diversity of telecommunication services, which are needed for rapid and strong processing in companies in a highly competitive environment.

## **SERVICES OFFERED UNDER THE BRAND NAME DETEL**

- **Detel CbC (Call by Call) or the selection and pre-selection of operators**

This is our oldest service which we introduced as the first company in Slovenia when we got the international telephony license. It enables cheaper calls abroad and within Slovenia, through the line of the national operator and with the help of our code 1099.

Getting Detel's "selection and pre-selection" is easy. You only need to sign the contract and you can phone as you did before - but extensively cheaper!

- **DetelFone**

DetelFone is a free internet phone which enables:

- free calls to other Detel-users - the users of DetelFone, UPC Telemach, Triere and Ljubljanski kabel
- essentially cheaper calls to other fixed and mobile networks
- acquiring of a free Slovene telephone number
- mobility (a user can always be reachable on one telephone number no matter where in the world he/she is situated)
- calling at a local price

DetelFone can be downloaded from the following homepage: [www.detelfone.eu](http://www.detelfone.eu)- of course, for free!

- **Detel IP or fixed telephony**

Detel brings companies professional internet telephony which enables:

- keeping the existing telephone-system
- upgrading the existing telephone-system
- exchanging the existing telephone-system and
- professional support which assures lower telephony costs

- **Special numbers**

Detel enables customers the use of special numbers

- 090(Detel 090)
- 080 (Detel 080)

If our customers wish a business model or just a momentary service, which needs the possibility of the free (080) or of the charged (090) calls, we help them upgrade their services with the "special numbers". While doing that, we also share with them our previous experiences.

**Over 10.000 users trust Detel. And more than 25.000 people use DetelFone.**

Critical thinking is an important tool, in every field. This is especially true for social science analysis, where 'variables' occur often unpredictably, making them very difficult to measure with any degree of certainty. The results of this research must therefore be combined with those from other fields, particularly the natural sciences, technical fields, and others. In this way, science that is applicable to day-to-day political, cultural, and economic practice can become the driving force for wider social understanding and development.

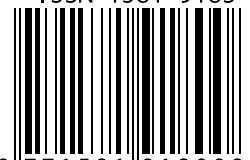
This is an illustration of how the Lisbon strategy contributes to the development of new and more effective strategic guidance for EU science and research. I am particularly pleased to see the increasing attention dedicated to science in the EU. Research is becoming increasingly seen as a good long-term investment, rather than short-term cost: this is how it should be.

EU enlargement in 2004 provided a real developmental boost, which also encouraged interest in science and research. We have shown that the EU model is a successful one, which in turn shows how successful integrated cooperation and association can work for other countries. Special emphasis needs to be placed on the strategic interests of the Western Balkan countries for closer association with, and full membership of the EU. The EU has been developing strategies for better cooperation with these countries with a view to their eventual full membership. And I am glad that individual Western Balkan countries know just how important science and research can be for their future and for all our futures, and that they continue to invest both money and resources in them.

If we all work together to create a true knowledge society our collective uncertainty can be replaced by confidence. IFIMES' contribution to this is both important and unique. Its research contributes to the future accession of the Western Balkans countries and encourages the growth of civil society, which will benefit them domestically as well as internationally. I wish there were more institutes like the IFIMES contributing such imaginative and useful research.

**Janez Potočnik**  
European Commissioner for  
Science and Research

ISSN 1581-9183



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