

The Last Piece of the Balkans Puzzle: International Governance and Political Decay in the Republic of Kosovo

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Acknowledgements

My kindergarten teacher once told my mom that “Austin is very determined, but he is going to need a lot of help to get through the world.” Sixteen-years later, things have not changed much. From the start of my project proposal, to the conclusion of my research, I benefited immensely from the help of many people—many of whose names I know, and many whose names that I don’t. What follows is my best attempt to list the people who helped me complete my research project. To them, and many others, I am forever indebted.

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Abstract

Kosovo is often cited as an example of successful state-building. As the principal precedent for both the doctrine of humanitarian interventionism and Europe's Common Foreign Security Policy (CFSP), Kosovo has been host to an alphabet soup of the most ambitious, well-designed international organizations ever created and received more foreign aid, in per capita terms, than any other developing country in the world. But, despite nearly nine years of international administration and seven years of international supervision, Kosovo's political institutions are in decay. I first saw this decay when I traveled to Kosovo as part of a study abroad program in the summer of 2013. Despite all the talk that Kosovo was an international success story, I realized that the continued international presence, unfulfilled promises to the people, and allegations of politico-criminal activity meant that the stories propagated by the international community and Kosovo's elites were not all that they were purported to be. In this report, I describe my research, preliminary findings, and reflections from my trip to Kosovo in 2015. Through meetings with the International Monetary Fund, World Bank, United Nations Mission in Kosovo (UNMIK), Kosovo Force (KFOR) of NATO, Organization of Security and Cooperation in Europe (OSCE), European Rule of Law Mission (EULEX), U.S. Embassy, local politicians and think tanks, and interactions with the local people, I came to the conclusion that Kosovo's decay lies in shared, unwritten guidelines between the international community and Kosovo's politico-criminal elite. The result is a gilded political system in which politico-criminal elites act with impunity and often well-intending servants of the international community become tacit accomplices in the destruction of state institutions.

Description of Research

In the summer of 2013, I traveled to the Republic of Kosovo as part of a two-week study abroad excursion to the Balkans. I only spent two days in Kosovo; but while I was there, I became fascinated by the international community's state-building efforts, as well as the people's struggles for peace, justice, economic growth, and self-determination. It seemed to me that the whole Kosovo project was a test of four-hundred years of Western thought about political and economic development. As an aspiring political economist, I wanted to understand what Kosovo had to tell us about the fate of politically fragile, low-income nations and the ability of high-income, politically "developed" nations to help them.

My initial observations were few and far between. As I traveled throughout the state, meeting with representatives of the European Rule of Law Mission (EULEX), Kosovo Force of (KFOR) NATO, and local political parties, I listened to long lectures about the continued progress of Kosovo's state-building project. I was told that there were things that needed to be improved, such as free and fair elections and the rule of law, but that Kosovo's political, economic, and social situation was getting better. I was not convinced. What I saw was a government in gridlock, witnesses for international court tribunals being intimidated and assassinated by an immune class of politico-criminal elites, and peaceful protestors being dispersed with tear gas and rubber bullets. Over forty percent of the population was unemployed, and poverty was rampant. The education, health, and transport sectors of the economy were in shambles. Although I was working with limited knowledge, it seemed to me that Kosovo was anything but a success story.

I returned to the University of Puget Sound to focus my studies on different topics in International Political Economy and Politics & Government; but what I had seen and heard in Kosovo continued to inspire my studies. So, when I decided to apply for the IPE Summer Research Fellowship, I knew exactly what I wanted to study. I wanted to know if Kosovo was really in political decay and, if so, why. In preparing my research proposal, I read twenty-six scholarly articles and watched the five-hour documentary *The Death of Yugoslavia* and one-hour documentary *War in Europe: NATO's 1999 War with Serbia Over Kosovo*, and came to the hypothesis that Kosovo *was* in political decay and that the country's decay was rooted in the international community's failure to establish a functioning state bureaucracy. However, my tentative hypothesis was well off the mark.

I began my research in my family's hermetic home in Ione, Washington. My research resources included Francis Fukuyama's two volumes on political order and political decay, Fukuyama's *State-Building: Governance and World Order in the 21st Century*, Paul Pierson's *Politics in Time: History, Institutions, and Social Analysis*, and a short article by Gretchen Helmke and Steve Levitsky entitled *Informal Institutions and Comparative Politics: A Research Agenda*. These resources provided the main theoretical and methodological underpinnings of my research. I also read parts of V.P. Gagnon's *The Myth of Ethnic War: Serbia and Croatia in the 1990s* and Maria Koinova's *Ethnonationalist Conflict in Postcommunist States: Varieties of Governance in Bulgaria, Macedonia, and Kosovo*, to gain a broader understanding of politics in the Balkans. Finally, I read Andrea Capussela's *State-Building in Kosovo: Democracy, EU Interests and US Influence in the Balkans*, and parts of James Ker-Lindsay's *Kosovo: the Path to*

Contested Statehood in the Balkans and Elton Skendaj's *Creating Kosovo: International Oversight and the Making of Ethical Institutions*, to better understand Kosovo's current situation.

I arrived in Kosovo on June 25, 2015, with tentative interviews scheduled with representatives of the International Monetary Fund, World Bank, United Mission in Kosovo (UNMIK), the Kosovo Force (KFOR) of NATO, Organization for Security and Cooperation in Europe (OSCE), the European Union Rule of Law Mission, U.S. Embassy, and a number of think tanks and local politicians, including the leader of the third largest party in parliament. Some of my interviews only lasted an hour. Others lasted over three-and-a-half hours. The questions that I asked each interviewee varied widely, depending on how long they had been working in Kosovo and what their organization's role was in the state-building project. I would draft a page or two of questions three or four days in advance of the interviews, but often I had to rely on my knowledge of the issues to make the interviews as efficacious as possible. Although my questions varied widely, all were concerned with (1) how the state-building process occurred across time; (2) the interaction, expectations, and goals of both international actors and the domestic elite; (3) Kosovo's current and future trajectory; and (4) what lessons could be gleaned from the state-building efforts in Kosovo.

But my research was not limited to interviews. I also spent time getting to know the people and their personal stories, perspectives, and values. I traveled to the far northern regions of the state to see the infamous "Peace Bridge," and saw the disruption that results when a state's sovereignty is compromised. I talked to taxi drivers and local store owners, who shared their views on the government and the economic malaise. And I made friends with college students of my own age who told me about their dreams and aspirations. These experiences, and others,

tempered my understanding of political and economic development in Kosovo, and were indelible to my research.

Preliminary Findings

Kosovo is often cited as an example of successful state-building. As the principal precedent for both the doctrine of humanitarian interventionism and Europe's Common Foreign Security Policy (CFSP), Kosovo has been host to an alphabet soup of the most ambitious, well-designed international organizations ever created and received more foreign aid, in per capita terms, than any other low-income country in the world. But, despite nearly nine years of international administration and seven years of international supervision, the fledgling state is floundering. With an unemployment rate of forty-five percent and a poverty rate—at a five dollar per day poverty line—of eight-six percent, Kosovo's economy remains in ruins. The justice system is in no better shape. Indeed, Kosovo is home to some of the world's most notorious criminal groups, who walk the streets with immunity even as they continue to intimidate, harass, and assassinate anyone who gets in their way. Moreover, the government remains rigid and gridlocked, unable to make the difficult decisions necessary to ensure the state's long-term economic and political survival. How, after so many years of international administration and supervision, could such a situation have taken hold? What factors are primarily responsible for reversing Kosovo's political and economic development?

Through spending over a month in Kosovo, meeting with the heads of international organizations and political parties and talking to the local people, I found that Kosovo is in political decay—that is, the institutions of Kosovo's society are becoming progressively less institutionalized. My research indicates that the state's decay is rooted in the emergence of shared, unwritten guidelines between the international community and Kosovo's politico-criminal elite. The international community uses these shared, unwritten guidelines to maintain

the image of Kosovo as a state-building success story. Kosovo's politico-criminal elite use these shared, unwritten guidelines to maintain their military, economic, political, and social power. The result is a gilded political system in which politico-criminal elites act with impunity and often well-intending servants of the international community become tacit accomplices in the destruction of state institutions.

The first section of this report reviews the politics of the 1999 humanitarian intervention and its ramifications for the international community's future state-building effort. This section is followed by a broad, theoretical examination of state-building. To this end, I discuss what state-building is in relation to political decay, and the role of accommodating and competing institutions and path-dependency in state-building. In the following section, I look at the problems the international community initially confronted in Kosovo. I then discuss the emergence of accommodating institutions in UNMIK-governed Kosovo. In the next two sections, I explore post-UNMIK Kosovo, pointing out the role of competing, as well as accommodating, institutions in undermining Kosovo's political and economic development. I conclude the report with an analysis of some of the current political, economic, and social trends in the state, as well as the emergence of local resistance to the international community and Kosovo's politico-criminal elite.

Background Information: The Politics of the 1999 Humanitarian Intervention

The struggle to create political institutions in Kosovo was long and painful—so long and painful that many people suffer from historical amnesia about how Kosovo came to be what it is today. Often, historians and comparative political scientists begin discussing the matter by mapping the history of Kosovo's territory, tracing its history from the Dardanian tribes that

roamed the area from 28 BC—6 AD to the modern state of Kosovo. However, the history that this approach seeks to cover is complex and rather unedifying; moreover, it often overlooks how the modern Kosovar state was shaped by external, rather than internal forces. I will begin this report by providing the modern history of Kosovo, starting with the establishment of the apartheid system that led to the international community's intervention in Kosovo in 1999. This intervention, more than the social and cultural factors established during the Ottoman and Yugoslavian times, shaped Kosovo's current political situation by laying the foundations by which the politics of the international community's state-building mission would later be judged.

Throughout most of the 20th century, Kosovo was a small autonomous province in the Socialist Federal Republic of Yugoslavia. Historically, it had always been the poorest and most politically repressed entities in the Yugoslav federation. Even in the halcyon days of the 1980s, most of its citizens did not share the same rights or income levels of their fellow Yugoslavians. But, if things could not get any worse, in June of 1989, the then President of Serbia, Slobodan Milosevic, initiated a brutal campaign that brought Kosovo's majority Albanian population under a Serbian-led apartheid regime. Kosovo-Albanians were purged from all levels of the government, as well as state-owned enterprises. Kosovo-Albanian children were denied access to education in their native tongue, and all Kosovo-Albanians were denied access to public services, such as healthcare and unemployment benefits. Under apartheid, a "municipality contribution" tax of up to eighty percent on all business profits was levied on the Kosovo-Albanian population and mandatory conscription was imposed to enlist Kosovo-Albanian youths to fight the wars being waged in Bosnia-Herzegovina and Croatia. The result was that many Kosovar-Albanians, including over 80% of Kosovo-Albanian youth, fled the country. Those who

stayed behind eked out a living in the informal economy, while gathering arms for the coming war.

On March 24, 1999, the international community decided to intervene in Kosovo. The goal of the intervention was not to deliver the autonomous province statehood, but to end apartheid. By the time of the international community's intervention, over ten thousand civilians had been killed and hundreds of thousands more had been forced to flee to Albania and Macedonia. Urged by the humanitarian interventionists in his party and cabinet, President Bill Clinton, in effect, unilaterally commanded NATO to conduct airstrikes on the Serbian-Kosovo border until Milosevic's forces heeled. Within 78 days, the airstrikes had forced Milosevic to the pull his forces out of Kosovo, ending Serbian-sponsored apartheid.

There were a number of legal as well as political problems with the international community's intervention in Kosovo. First, despite the moral justification for intervening in Kosovo, there was no, and remains no, justification for the intervention. Indeed, facing stiff opposition at home and abroad, President Bill Clinton did not seek the approval of either Congress or the UN Security Council—the latter of which would have assuredly blocked the intervention due to opposition from Russia and China. The use of NATO to carry out the strike was also problematic. Prior to the bombing campaign, NATO was a passé defensive alliance. Thus, to many, the use of NATO to carry out a broader, more assertive mission was unprecedented. Moreover, enemies of the West, particularly Russia, were disturbed by this new, unprecedented role for NATO in the Balkans. To this day, they see the intervention not as a humanitarian one, but as one predicated on the notion of expanding U.S. power and influence abroad. And, indeed, the “Kosovo precedent” would later be used to not only establish the

European Common Foreign Security Policy (CFSP) and the West's so-called doctrine of humanitarian interventionism, but the U.S. invasion of Iraq in 2003.

Although the political ramifications of the intervention remained ambiguous in the wake of the war, they became clear when Vladimir Putin came to power in Russia in 2000. Prior to Putin's rise, Russia had contested the legal right of the international community to intervene in Kosovo; however, Russia had become a willing partner in the state-building process. For example, before 2000, the Russian foreign minister in Kosovo had been working with the international community to resolve territorial disputes in the four northern municipalities in Kosovo. After 2000, the powers of the foreign minister in Kosovo were transferred to Putin, who refused to negotiate with the West over the status of the municipalities. Putin's rise also meant that the West's naive assumption that Kosovo would move towards UN-recognized independence would never come to fruition. To make matters worse, Putin would use the Kosovo precedent to justify the invasions of South Ossetia, Transnistria, Georgia, and Crimea on the grounds that he was protecting repressed and endangered ethnic minorities. For the West, all of these developments meant that the international community would have to demonstrate to the world that the intervention in Kosovo was justified. From day one, then, one of the main goals of the West was to make sure Kosovo was a state-building success story.

Kosovo: A Laboratory for State-Building

Before we move on to discuss the international community's state-building efforts in Kosovo, we must first take a brief detour and discuss state-building in general. As Fukuyama succinctly puts it, "state-building is the creation of new government institutions and the strengthening of existing ones" (Fukuyama 2004: ix). In other words, it seeks to kick-start

political development. Political development implies the creation of institutions—that is, the rules of the game in a given society—that move society away from patrimonial and personalistic political orders toward a political order premised on the rule of law, accountable government, and representative government (Fukuyama 2004: xiii). In this way, the success of a state-building mission can not only be viewed as the successful establishment of political order through the creation, enhancement, and maintenance of a given state's institutions, but the ability of those institutions to resist returning to patrimonial and personalistic political orders—that is, to resist political decay.

As outlined in Fukuyama's *State-Building: Governance and World Order in the 21st Century*, there are four nested aspects of state-building that state-builders must consider: (1) organizational design and management; (2) political system design; (3) basis of legitimization; and (4) cultural and structural factors (Fukuyama 2004: 23). Fukuyama goes on to explain all four of these factors in much detail. But for our purposes, we should note that only two of the four—(1) organizational design and management, and (2) political design—concern institutional construction and management. By themselves, these two aspects of state-building are *relatively* easy to formalize and transfer across borders. In Kosovo's case, the international community simply lifted the finest laws and institutions from the textbook of government and transplanted them into Kosovo's social fabric. However, Fukuyama's latter two points—(3) the basis of legitimization and (4) cultural and structural factors—are rooted in a host of factors that cannot be formalized and are much harder to transfer across borders. Such factors include norms, habits, and culture. Some of these factors can be influenced and learned given the right circumstances. Some cannot. In sum, it is important to realize that state-building efforts are not simply

concerned with the creation of ministries, laws, etc. Rather, they are also concerned with the underlying social foundations on which these institutions rest.

In order to understand state-building further, there are two types of institutions that we should distinguish between: formal institutions and informal institutions. Both affect the state-building process. Formal institutions, according to Helmke and Letvisky, are unique in that they “are openly codified, in the sense that they are established and communicated through channels that are widely accepted as official” (Helmke et al. 2003: 5-6). “Informal institutions,” according to Helmke et al., “are socially shared rules, usually unwritten, that are created, communicated, and enforced outside officially sanctioned channels” (Helmke et al. 2003: 6). To overly simplify the matter, formal institutions can be thought of as the rules and conventions that are on the books. Informal institutions can be thought of as the rules and conventions that are off the books.

It is also important to note that Helmke et al. clarify their definition of informal institutions by stating what informal institutions are not. First, they argue that weak or widely circumvented formal institutions do not classify as informal institutions (Helmke et al. 2003: 6). For example, just because a law does not function properly or is widely circumvented does not mean that informal institutions are present. Second, informal behavioral regularities are not—by themselves—informal institutions. According to Helmke et al., to be an informal institution, “a behavioral regularity must respond to an established rule or guideline, the violation of which generates some kind of external sanction” (Helmke et al. 2003: 5). Third, informal institutions should be understood in terms of shared expectations, not shared values (Helmke et al. 2003: 5). Values derive from culture. Expectations derive from institutionalized exchanges and continuities. This distinction, thus, allows us to analyze whether certain societal values reinforce

or inhibit particular informal institutions (Helmke et al. 2003: 6). Finally, Henkle et al. note that informal institutions are not informal organizations. “Rules,” as they say, are not “players” (Helmke et al. 2003: 6).

Helmke et al. identify four types of informal institutions, which can support, reinforce, or subvert state-building efforts. Two of these types of informal institutions deserve our attention. First, there are accommodating institutions. Accommodating institutions result when compliance with effective formal rules and institutions yields outcomes that conflict with the actors’ goals (Helmke et al. 2003: 10). In practice, this means that accommodating institutions allow actors who dislike outcomes that result from formal rules to avoid such outcomes altogether by moderating, mitigating, or modifying the effects of those rules through informal institutions, thereby avoiding openly challenging or changing the formal institutions of the system. In doing so, accommodating institutions violate the spirit of formal institutions, but not the letter, of formal institutional arrangements (Helmke et al. 2003: 10).

Second, there are competing institutions. Competing institutions may result when weak or ineffective institutions conflict with the antagonistic goals of different actors. As Helmke et al. put it, “competing informal institutions structure actors’ incentives in ways that are incompatible with the formal rules: to follow one rule, actors must violate another” (Helmke et al. 2003: 11). They go on to list clientalism, patrimonialism, clan politics, and “other particularist institutions” as examples of competing institutions (Helmke et al. 2003: 11). In other words, competing institutions take hold in environments with weak formal institutions and where informal obligations trump adherence to formal ones. Thus, we should not be surprised to see political decay occur in areas of governance dominated by competing institutions.

The most important implications of accommodating institutions and competing institutions is that both can threaten state-building projects by undermining formal institutions. Indeed, if not managed properly, these informal institutions can crowd out or compromise formal ones, which may lead to the deinstitutionalization of the very formal institutions state-builders are seeking to build. It consequently becomes very important for state-building practitioners to conceive of their project as the construction of not only tangible state institutions, but a moral order in which actors adhere to formal rules and obligations—not informal ones (Fukuyama 2004: 78).

Finally, there is one more reason why state-builders must pay particular attention to both formal and informal institutions: path-dependency. Institutions typically follow a path-dependent model, whereby “initial moves in a particular direction encourage further movement along the same path” (Pierson 2000: 74). The establishment of certain formal and informal rules or guidelines, against the backdrop of other cultural and historical precedents often limits the options available to state-builders moving forward, leading to either political change or political inertia (Pierson 2004: 13). Similarly, state-builders have a number of goals that they must achieve early on in order to put later parts of the state-building process on a proper trajectory. Their goals should include: (1) the centralization of authority; (2) backing that authority with a monopoly over violence; (3) defining that authority based on territorial claims rather than kin based ones; and (4) earning and maintaining the trust and respect of the people (Fukuyama 2004.: 81). If state-builders do not achieve these four things, path-dependency may kick-in, putting the the long-term trajectory of the mission in jeopardy.

The timing and sequencing of events can also affect state-building in a number of ways. Most importantly, they affect contests over “‘political space’ in which political competitors seek first-mover advantages, while clarifying the likely long-term impact of initial defeats on the opportunities and constraints facing the initial ‘losers’ or groups that arrive at a later time” (Pierson 2004: 13). As Pierson elucidates:

Success in struggles over political space depends not simply on the resources at one’s disposal. Rather, what generally counts is the scale of those resources relative to those of other contenders. If early competitive advantages may be self-reinforcing, their relative timing may have enormous implications. In contexts conducive to path dependence, groups able to consolidate early advantages may achieve enduring superiority (Pierson 2004: 71).

In other words, the timing and sequencing of events matters for whether or not future political competitors can occupy a given political space. If we ignore such observations, we may overlook (1) how local political elites overcome the immense power of international state-building missions and, correspondingly, (2) why it is important for state-builders to dislodge such actors as soon as possible.

The State-Building Process Gets Underway: Problems in Transition

The Kosovo Crisis provoked decisions that have challenged the prohibition of force, harmed the authority of the Security Council, weakened the principles of sovereignty and territorial integrity, and inaugurated the doctrine of humanitarian intervention... What was at stake... was the character of the post-Cold War international order... (Capussela 2015: 10).

Capussela is right: The stakes for the West’s state-building efforts following the 1999 intervention could not have been any higher. Fortunately, the West had, arguably, the best international organizations and formal institutions for undertaking their mission. Following the 1999 intervention, the UN Security Council passed UN Resolution 1244, which granted the UN Mission in Kosovo (UNMIK) total responsibility for the sovereign rights of the state. In other words, UNMIK held all the legislative, executive, and judicial powers of the government of

Kosovo. To put this in perspective, no monarch, dictator, or government in the history of the world has ever had as much formal power over the internal and external affairs of a state as UNMIK had. These powers, according to Resolution 1244, were to be used to accomplish three things: (1) to establish an interim civil administration; (2) to assist in the establishment of substantial autonomy and self-government; and (3) to facilitate a political process to determine Kosovo's future international status (Lemay-Hérbert 2009: 67).

Alongside UNMIK, the international community was made up of the European Commission, the OSCE, the IMF, the World Bank, a half-dozen or so UN agencies, and a 50,000-strong NATO-led peace keeping force called KFOR (Capussela 2015: 33). A provisional government, known as the Provisional Institutions of Self-Government (PISG), was also established. The PISG was structured along the lines of a parliamentary republic, with an elected parliament, a government, and a non-executive president (Capussela 2015: 34). According to Resolution 1244, UNMIK was to turn over the institutions it had created to the PISG. In the meantime, the PISG was circumscribed to governing only a few minor social and economic affairs; but it would not be long before it began to expand its influence beyond its formal powers. In all, these would be the institutions that would bequeath to Kosovo some of the best formal institutions ever devised by humankind.

Despite the immense power of their organizations, the international community struggled during the first few years of state-building. The problems were numerous, and not all of them can be recounted here. But there are a few of them that cannot go without mentioning. First, the years of apartheid had desecrated Kosovo's institutional capacity. Although there was a solid base of lower and middle management officials who were brought back to work under UNMIK and

PISG administrations, most of the interim-government's jobs went to inexperienced, unqualified individuals. In other words, the jobs went to whoever was willing to work. In some cases, people were simply picked up off the street and given jobs in UNMIK ministries. As a result, whole departments were run by one or two UNMIK staff and fifteen to twenty Kosovo-Albanians—who were typically between the ages of eighteen and twenty-two—the latter of whom had neither the qualifications nor sense of public service required to work in public administration. The situation was complicated by the fact that most of the UNMIK officers did not speak Albanian, and many of the Kosovo-Albanian recruits did not speak English. On top of it all, UNMIK staff were not always the most qualified individuals to be leading the state-building mission—by some accounts, many member states of the UN sent their worst staff to Kosovo—and many were only in Kosovo on two-year contracts, presumably to enhance their curricula vitae. Conflicts in other parts of the world, such as East Timor, also siphoned off some of UNMIK's resources. Despite all this, by the end of two years, many of the initially inexperienced Kosovo-Albanians were well-equipped to deal with governance-related issues and many of Kosovo's post-war institutions had been established.

The bigger problem, and the one that still haunts the international community to this day, was what to do with Kosovo's politico-criminal elites. These elites were divided into two camps: the Democratic League of Kosovo (LDK) and the Kosovo Liberation Army (KLA). The LDK was led by leading Albanian intellectual Ibrahim Rugova. Rugova's LDK Party began as a peaceful resistance movement to the Milosevic regime during the first six years of apartheid, but became more radical as the war went on. The institutional apparatus of the Party was built through informal taxes on Albanian businesses and contributions from the sizable and relatively-

wealthy Albanian diaspora. These funds were used to provide public services, such as healthcare and education, for the local Kosovo-Albanian population. However, as the years passed, the Party would turn to the illicit economy to fund its efforts.

In contrast to the LDK, the KLA was founded in the mid-1990s by a group of homicidal vigilantes, radical émigrés, political prisoners, and mafia bosses. Principally an armed resistance movement, the KLA had longstanding ties to the shadowy world of the illicit global economy, participating in the illegal trade of oil, arms, humans, and narcotics. It was through these markets that the KLA would fund their insurgency. As Briscoe et al. note, the KLA's participation in the illicit global economy was aided by international sanctions against Serbia and the collapse of social norms and values across Yugoslavia (Briscoe et al. 2011: 5). Consequently, by the latter-half of the mid-1990s, the KLA was estimated to be providing over two billion dollars worth of drugs per year to Europe as part of a much broader drugs-for-arms trade (Teran 2007: 10). The KLA's war efforts also received some assistance from Albania, when that state imploded in the 1990s leaving thousands of arms depots unguarded.

These politico-criminal elites, in and of themselves, may not have threatened the state-building mission, if UNMIK had been there from day one to administer the state. However, UNMIK and its fellow partners—aside from KFOR—did not arrive until six-months after the initial intervention. During this interlude, the LDK and the KLA largely consolidated their military, economic, and political power over the former autonomous province. Aside from the territory directly surrounding the capital of Pristina, which remained a LDK stronghold, the municipalities of the state were divided among the leaders of the KLA who quickly set about seizing the key assets of the state and declaring the establishment of a provisional government,

led by the future leader of the Kosovo Liberation Democratic Party of Kosovo (PKK), Hashim Thaçi. As Briscoe et al. elucidate:

The western Dukagjin region, controlled by groups linked to Haradinaj, was a centre for petrol and cigarette smuggling. Drenica fell under the authority of Thaçi's allies, becoming a locus for fractional and ethnic violence. Gniljane, in the east, came under the control of KLA commander Shaban Shala, a close ally of Thaçi. It was known at the time as the entry point for heroin in Kosovo (Briscoe et al. 2011: 13).

In other words, these KLA members had largely consolidated their advantages in different regions of Kosovo before the international community arrived. Not surprisingly, these territories were governed through corruption, clan-based ties, and crime. Each leader took care of their own and eliminated those who got in their way.

Besides the politico-criminal elite's continued consolidation of political space and their continued criminal practices, the international community also had to reconcile the fact that Kosovo's politico-criminal elite were international war criminals. Following NATO's intervention on behalf of the Kosovo-Albanians, the KLA led an "organized," "widespread," and "systematic" operation to exterminate the Serbs trapped in Kosovo (Capussela 2015: 6). Indeed, approximately 700 Serbs were killed fleeing Kosovo (Capussela 2015: 6). Foreign intelligence agencies, including KFOR intelligence, and the 2010 Marty Report for the Council of Europe, have alleged that, as part of this operation, leading members of the KLA, including Hashim Thaçi and his main associates, were part of criminal organizations that took part in "heinous" and "barbaric acts," including a scheme to harvest and sell the organs of former KLA war prisoners (Briscoe et al. 2011: 13; Capussela 2015: 173). Not surprisingly, such atrocities did not conform to the image that the West had intervened on behalf of righteous, innocent Kosovo-Albanians. Indeed, imagine if Western electorates had figured out that they had spent precious resources on liberating war criminals and alleged-organ traffickers. There would have been chaos. Faced with

either removing Kosovo's politico-criminal elite or maintaining the image of Kosovo as a success story, the West chose to sweep the above noted atrocities under the table and leave Kosovo's politico-criminal elite intact.

"We [screwed] up:" The UNMIK Administration and the Emergence of Accommodating Institutions

As suggested prior, state-building requires a central authority that is backed by a monopoly over violence. Fortunately, UN Resolution 1244 paved the way for these requisites to be secured. For one, UN Resolution 1244 gave the central authority of the state to UNMIK. No other institution could check UNMIK's power. Second, under UN Resolution 1244, and according to the KLA's demilitarization pledge, UNMIK and KFOR's 50,000-strong force were given the authority to confiscate some 300,000 to 460,0000 illegally possessed firearms in Kosovo (Capussela 2015: 36). Depending on who you ask, the policy could have been accomplished by either incorporating the KLA into a national army under the control of KFOR, or through using the 50,000-strong KFOR force to confiscate arms in return for cash. Both of these approaches would have been in compliance with UN Resolution 1244 and the KLA demilitarization pledge. However, both raised the specter of violence.

Whether the KLA was willing to risk alienating the West by taking up arms against KFOR depends on who you ask. In any case, UNMIK and KFOR decided not to implement the policy to the fullest extent possible; because doing so raised the specter of violence, which could undermine the justifications of the 1999 intervention and everything it stood for. In other words, the stated goals of enforcing UN Resolution 1244 and the KLA demilitarization pledge were abandoned in the name of maintaining Kosovo's image. So, the international adopted accommodating institutions: they watered down Resolution 1244 and the demilitarization pledge

by not following through with spirit of the two documents. Indeed, despite the international community's resources, the demilitarization policies were weakly enforced. Only 3.5% of the estimated stock of unregistered firearms had been collected by 2006 (Capussela 2015: 152).

Furthermore:

In the four years since independence [2008—2012] only 1,560 weapons per year were seized or collected, which is an even lower average than during the previous four years (1,700); in addition, over 90 percent of the about 1,000 illegal weapon possession cases processed each year by the courts ended with very lenient punishments, despite Eulex's monitoring and advice: a 300 euro fine in most cases, which approaches the level of the average monthly salary and the black market price of an AK-47 assault rifle (Capussela 2015: 153).

Similarly, the KLA itself was simply broken down into smaller "protection" units, whose structures resembled that of the KLA and whose leadership continued to be constituted of mafia bosses and warlords (Capussela 2015: 153). In short, despite the existence of strong formal institutions, the confiscation policies that aimed to take the military power away from Kosovo's politico-elites were undermined by the international community's goal of maintaining Kosovo's image and all that that image embodied. In other words, accommodating institutions won the day.

It is important to recognize that, symbolically speaking, the international community's non-aggression pact allowed the West to say that it complied with the formal rules and guidelines of the UN. However, it is just—if not more—important to note that the decision would fundamentally cripple the international community's state-building efforts going forward. Indeed, it is widely acknowledged in the political science community that in order to enforce formal institutions, you need to be able to threaten some form of coercion or violence to ensure compliance with the laws on the books. Otherwise, laws may be openly flouted by those who do not find pursuing such rules to be in line with their interests, values, norms, etc. That is why it is

so important to establish a monopoly over violence early on in a state-building mission.

However, the international community decided that they would accommodate the military power of the KLA and other paramilitary groups. In doing so, the international community ceded most of their control over violence to Kosovo's politico-criminal elites.

As a result of the international community's initial accommodating policies, the two political parties that formed as an outgrowth of the KLA—the Kosovo Democratic Party (PDK) led by Thaçi and the Alliance for the Future of Kosovo (AAK) led by Ramush Hardinaj—continue to exercise their own informal intelligence agencies, which they use to infiltrate public institutions, extort businesses, perpetrate election fraud, and intimidate and assassinate anyone who gets in their way. The most prominent of these groups is the PDK affiliated Kosovo Intelligence Agency (SHIK), which was formally disbanded in 2008 but remains active in Kosovo politics (Capussela 2015: 154). Indeed, in a wiki-leaked confidential report, originally filed in 2003, KFOR acknowledged that it had a list of over 160 SHIK-affiliated government officials and that SHIK was the “main threat” it faced in Kosovo (Capussela 2015: 48). My own sources confirm that, as of this writing, over 35 of Kosovo's state institutions are controlled by SHIK officials.

It should be noted that recent reports have linked the current leaders of the PDK, including Thaçi and his associates, to the SHIK and another shadowy organized crime syndicate called the “Drenica Group.” Indeed, the European Commission's infamous Marty Report found:

Solid documentary evidence to demonstrate the involvement of [the Drenica Group] and its financial sponsors, in money laundering, smuggling of drugs and cigarettes, human trafficking, prostitution, and the violent monopolization of Kosovo's largest economic sectors including vehicle fuel and construction... [Kosovo's current prime minister] was commonly identified, and cited in secret intelligence reports, as the most dangerous of the KLA's ‘criminal bosses’ (Capussela 2015: 48).

These groups, reportedly, still meet in the hills of Drenica every weekend to plan the SHIK's activities for the following week (Capussela 2015: 154). It is important to stress that such groups were known to the international community at the beginning of the international community's state-building efforts; but the international community chose to accommodate, rather than dismember, these groups. In choosing to accommodate Kosovo's politico-criminal elites, the international community became the tacit accomplice in the destruction of its very own state-building efforts.

Other types of accommodating institutions also came to dominate the UNMIK administration. Similar to the international community's weak implementation of its demilitarization policies, these accommodating institutions resulted from the seemingly competing goals of (1) state-building and (2) maintaining Kosovo's image. One of the more notable examples of such accommodating institutions was the international community's continued interventions in the PISG. As the PISG became evermore dominated by the prewar elite, who were more interested in using the state for personal gain than actually governing, the international community began relying on "special parliamentary procedures" to maintain the semblance of a functioning provisional government. The most notable use of these procedures during the UNMIK administration came on the eve of Kosovo's independence. On the eve of independence, over fifty controversial, largely symbolic laws need to be passed by the provisional government. But, because the formal institutions set up by UNMIK did not guarantee that these laws would be passed by independence, the international community used its legislative and executive powers to modify the formal parliamentary rules through which the laws had to be passed. As Capussela notes, and as my sources verified, the fifty-or-so laws were

passed with little public discussion (Capussela 2015: 155). As some diplomats and politicians have suggested, such procedures were part of the shared, unwritten guidelines between the international community and Kosovo elite. If the elite could not get things done in parliament, the international community would modify the rules by which governance had to be carried out in order to maintain the semblance of governance.

The flip-side of these “special parliamentary procedures” and other accommodating institutions was the expectation that Kosovo’s politico-criminal elites would neither say nor do anything that might spark allegations of ethnic unrest in Kosovo. These informal expectations boded well for the goals of the international community and Kosovo’s politico-criminal elite. For the international community, making progress in terms of ethnic issues was crucial for maintaining Kosovo’s image as a success story. Indeed, no entity, not even one as powerful as UNMIK, can maintain the semblance of good governance simply by tinkering with the formal rules and guidelines by which politics is played. “Real” progress has to be manufactured in order to maintain the spectacle that Kosovo is an international success story; but little progress could be made in terms of political and economic development as long as the politico-criminal elite continued to exercise undue influence over the economy and the political process. However, it could be manufactured in the area of “ethnic politics.” Thus, through veiled threats and back-room arm-wrangling, the international community shuttled an otherwise unwilling Kosovo politico-criminal elite from meetings with Serbian politicians and Kosovo-Serbs, each time making sure to call the press to report on the continued “breakthroughs” regarding ethnic-related issues. Such spectacles pleased international human rights groups and non-governmental organizations who perceived Kosovo as moving in the right direction. Such reports also

reassured the broader international community that stability had finally come to one of the remaining “tinderboxes” in the Balkans.

For Kosovo’s politico-criminal elites, working with the international community to resolve ethnic issues conferred the support of the West and boosted their image as men who possessed profound self-control and respect for human rights. Indeed, even though most of Kosovo’s politico-criminal elites detested sitting down with their former enemies, they realized that it would help them consolidate Kosovo’s political space. Indeed, the negotiations provided the opportunity to transform their image as warlords and mafia leaders to professional politicians—that is, from “boots to suits.” To this end, Kosovo’s politico-criminal elites not only sought to capitalize on every photo opportunity with prominent international figures, but actively sought to negotiate with UNMIK officials for positional goods (i.e., appointments to government offices for themselves and loyal officials) whenever they could. Similarly, by engaging with UNMIK over ethnic issues, they aimed to demonstrate that they no longer needed to be supervised by UNMIK. In the long run, they hoped that these negotiations over such issues would move them closer to their ultimate goal: national independence and the end of UNMIK rule.

Although the international community’s accommodating institutions made many in the broader international community believe that UNMIK was laying the foundation for a prosperous, multi-ethnic society, such spectacles did not deceive the local population. The people expected that UNMIK would bring economic opportunities, justice, and national independence to Kosovo. But this was not the case. During the UNMIK administration, unemployment hovered around 35%, with nearly 20% of the population living in abject poverty, which at the time was defined as the portion of people living on less than \$0.93 a day (Capussela 2015: 42).

Furthermore, the criminal groups that UNMIK decided to accommodate continued to terrorize clans other than their own, just as they had immediately after the war. Combined with a lack of political rights, freedoms, and basic public services, many people came to view the state-building mission as illegitimate, often referring to the once autonomous province as “UNMIKistan.”

While it is not clear whether or not state-building missions inherently lack the qualities necessary to maintain their own legitimacy, it is clear that UNMIK did not help itself by ignoring the expectations of the people.

It is worth noting that defenders of the UNMIK administration argue that it was not within their mandate to provide economic opportunities, basic public services, and justice for Kosovo’s Albanian population. Furthermore, they argue that many of the institutions in charge of these areas of governance had been transferred to the PISG by mid-2004. However, there are two problems with such arguments. First, UNMIK always had the power to intervene in the affairs of the government, and actively did so throughout its tenure. Indeed, even though the PISG had been granted certain areas of governance, UNMIK retained nearly all of its powers over the legislative, executive, and judicial branches of the government. UNMIK, in the words of one my sources, simply “failed to recognize that if governance failed, everything would fail.” Second, even though PISG shared some accountability for failing to meet the public’s expectations, UNMIK still “set the agenda of political change and sought to use a powerful set of incentives and disincentives to try to ensure that the agenda was adhered to” (Tansey 2007: 642). In other words, UNMIK was already, in some form or fashion, involved in these areas of governance. However, this involvement made it easy for Kosovo’s elite to pass the buck onto UNMIK. Not

surprisingly, then, when the time came, UNMIK was the one blamed for the lack of political and material progress in Kosovo.

The breaking point came in March of 2004, when unsubstantiated reports of Serbian youths drowning three Albanian children were circulated amongst the public. The reports were followed by three-days of nationwide pro-independence riots and coordinated attacks against UNMIK and Serbs alike (Tansey 2007: 642). In the ensuing chaos, 4,000 Serbians fled, 19 people died, 1,000 were injured, and a number of Serbian Orthodox Churches and cultural sights were desecrated (Tansey 2007: 642). UNMIK personnel were effectively impounded in their headquarters, their vehicles set ablaze, their buildings vandalized. KFOR could not contain the protests, which quickly spread to a dozen or more cities and involved more than 50,000 protestors (Capussela 2015: 7). As Capussela notes, the international community ultimately had to call upon Kosovo's politico-criminal elites to stop the crisis (Capussela 2015: 7). It has been alleged by some, including by Capussela, that Kosovo's politico-criminal elites propagated the reports that instigated the rioting; however, I could not find any evidence to support these allegations.

The 2004 riots sent shock waves through the international community and fundamentally changed the trajectory of the state-building mission. Until the riots, UNMIK had been pursuing the so-called "Standards Before Status" process, which linked Kosovo's international status to a number of domestic policy benchmarks (Tansey 2007: 642). Despite being unpopular and less effective than they were purported to be, the Standards Before Status process had ensured the continued creation and strengthening of Kosovo's state institutions under UNMIK. Regrettably, the UN blamed the Standards Before Status process for neither creating "a foundation for a

multi-ethnic society” nor “addressing Kosovo’s future status” (Judah 2008: 111). To the delight of Kosovo’s politico-criminal elites, the international community abandoned Standards Before Status in favor of the Ahtisaari Plan, which effectively guaranteed Kosovo’s independence. In doing so, the international community again accepted tinkering with the formal rules to maintain the semblance of a successful state-building project. Not surprisingly, this “bending” of the rules remains common practice to this day.

Consolidating a Mafia Kingdom: The Emergence of Competing Institutions and Political Decay

With the support of the international community, on February 28, 2008, Kosovo’s Parliament declared independence. In many ways, Kosovo’s independence ushered in a new era of politics for both Kosovo’s politico-criminal elite and the international community. But, in many ways, the institutions and actors that had made up the UNMIK era remained. This section of this report will discuss how Kosovo’s politico-criminal elite completed their transition from mafia-like organizations to formal political parties, and how this transition led to the criminalization of Kosovo.

As suggested prior, between 2003 and 2008, Kosovo’s politico-criminal groups began transforming themselves into professional political parties. The Democratic League of Kosovo (LDK), led by Rugova, completed this transition the fastest. However, since Rugova’s death in 2006, the LDK has struggled to maintain its constituents outside of the urban areas of Kosovo, leading to a decline in public support for the Party. The Democratic Party of Kosovo (PDK), led by Thaçi and his KLA cadre, has invested heavily in building up its party apparatus and has been the dominant political party since independence. For example, in a bid to expand its electoral support and clientelistic networks outside its predominantly rural stronghold, the PDK hired an

Israeli public relations company and co-opted Kosovo's urban intellectuals and influential public figures (Briscoe et al. 2011: 18). Finally, the third party that I would like to discuss, the Alliance for the Future of Kosovo (AAK) Party, was formed in 2004 after ex-KLA commander Ramush Haradinaj had a falling out with Thaçi. Despite having their leader, Haradinaj, indicted for war crimes by the International Criminal Tribunal for the Former Yugoslavia, the AAK party remained in the government from 2004 to 2007; but it has yet to wrestle control over the state apparatus from the PDK since 2007 (Briscoe et al. 2011: 19).

These three parties share much in common, and their commonalities weigh heavily on Kosovo's political development. As Capussela notes, each of these parties shares a similar structure: they all have a party apparatus; illicit financial operations (e.g., smuggling, trafficking, extortion, and money laundering); formal and informal businesses; small paramilitary forces; and an electoral base built on family and clan-based ties (Capussela 2015: 50). These forces, as we have seen, have helped each party maintain its political space. So what differentiates these parties, other than the personalities and family and clan-based ties of their leaders? The answer, according to Brenna Gautam and Leon Malazogu, is nothing. In their study, *Kosovo's Political Compass: Mapping Party Ideology*, Gautam et al. found that Kosovo's political parties are not issue parties—that is, they do not have any defined political ideology (Gautam et al. 2014). Rather, Kosovo's political parties are personality parties held together by the various family and clan-based social systems in place in Kosovo.

As hinted at prior, some of these social systems are rooted in the consolidation of political space after the war. However, there is also an interesting cultural component that perpetuates Kosovo's stagnate party system, as well as the corrosive effects of accommodating and

competing institutions. The absence of state-control, as well as the relatively frequent contests over Kosovo's geographic space, has meant that Kosovo's population has historically relied on family and clan-based ties as a means of organizing society within what is now Kosovo. To this day, it is common for three-generations of a Kosovo-Albanian family to live under one roof, with each family member looking after the others. Similarly, every weekend, individuals, families, and even national politicians travel from the urban centers of the state, such as Pristina, back to their homes in the country's rural areas. Because of the country's small size (it is roughly the size of Delaware), these interactions are common place and everyone knows everyone in the state.

The positive effect of these familial and clan-based ties is that they make for strong families. The negative consequence is that they imply obligations, and these obligations often spillover from familial spaces into business and governmental ones. It would be dishonorable in Kosovo not to honor such obligations—that is, it would be disgraceful not to use the state to redistribute resources, whether they be jobs or state revenues, to your family, friends, or clan. Although UNMIK was far from perfect, it had constrained these social and cultural forces. With UNMIK gone, Kosovo's politico-criminal elite were able to use Kosovo's clan-based culture to milk the political system to challenge one another for control of the state—all the while maintaining their image as “professional” politicians. The path was clear for the emergence of competing institutions.

Remember, competing informal institutions result when weak or ineffective institutions combine with the antagonistic goals of different actors. In post-UNMIK Kosovo, the formal institutions that UNMIK left behind were fragile, and the moral persuasion and trust that were suppose to carry over into post-UNMIK Kosovo were completely absent. Consequently, it was

relatively easy for Kosovo's politico-criminal elite to infiltrate the state to build their own power and wealth. Privatization schemes were rigged for the benefit of the ruling politico-criminal elite's clan. The civil service was bought off and stashed with the friends, family members, and clan members of the politico-criminal elite. Those in the media or civil society who sought to expose the elites' corrupt activities had their friends and families threatened. Illicit activities continued unabated. In short, competing institutions broke down the formal institutions that UNMIK had worked so hard to erect. As a result, any progress made by the international community began to recede as patrimonial and personalistic political orders increasingly dominated Kosovo's body politic.

Two cases of competitive institutions are particularly interesting: the 2009 government licensing schemes for cash registers and the 2009 safeguard measures placed on imported cement. Both cases show how weak formal institutions were subverted by informal ones. As documented by Gashi et al., the government introduced regulations in 2009 that mandated that all businesses use cash registers (Gashi et al. 2013: 15). The stated objective was to reduce, if not eliminate, tax evasion. Even so, the policy has not stopped tax evasion and only weakened small and medium sized businesses (Gashi et al. 2013: 15). Furthermore, the policy has directly cost small and medium sized business more than 20 million euros since 2009 (Gashi et al. 2013: 15). These costs stem from the public tendering process associated with the government policy. Following the enactment of the safeguards, two companies were given the licenses for selling, installing, and maintaining the cash registers. However, as Gashi et al. notes, "neither of the selected companies had any previous experience in the sale or maintenance of such equipment prior to being awarded the tender" (Gashi et al. 2013: 15). In short, the licenses were distributed

not to create a free and fair market for cash-registers that would benefit society, but to give the licensed companies particular rents. The numbers speak for themselves. In Kosovo, businesses pay 665 euros for a cash register. In neighboring Albania and Macedonia, they pay 305 euros and 416 euros respectively (Gashi et al. 2013: 16). Similarly, Kosovo Customs reports that the cash registers are imported from Bulgaria at a fixed price of 138 euros, which means Kosovar enterprises and businesses are paying a price that is four-and-a-half times higher than their neighbors (Gashi et al. 2013: 16). It was later found that the two companies had monopolized the market and were price gouging consumers. Two new licenses were issued by the government, but the companies that received those licenses have yet to enter the market due to the first-mover advantages gained by the monopolistic firms (Gashi et al. 2013: 18).

Similarly, Gashi et al. document that, the cement industry, the government placed a tariff on imported cement to defend the country's cement producers. However, the effect of the policy was to create an artificial monopoly for Kosovo's main producer of cement—a company that was, not surprisingly, created out of a shady government privatization scheme (Gashi et al. 2013: 19). By 2013, the company has increased its market share to approximately 65% of Kosovo's cement market (Gashi et al. 2013: 21). Correspondingly, the company increased its prices by 21% (Gashi et al. 2013: 21). Not surprisingly, the availability of choices and quality of cement has decreased in Kosovo (Gashi et al. 2013: 21). The creation of the cement company and the safeguards that protect it were the product of Kosovo's politico-elite paying back their financial supporters in the business community—they were an outgrowth of the accommodating and competing institutions that have come to dominate Kosovo's economy.

These two case studies are but two cases in which Kosovo's politico-criminal elite

distorted markets and perpetuated injustices upon the people. Such cases only highlight the growing prominence of competing institutions in every crevasse of society. Where competing institutions succeed, decay follows. As the next section will highlight, the international community is doing nothing to end such decay. In fact, they are only continuing to further political decay through their continued use of accommodating institutions to “govern” Kosovo.

An Embattled International Community: Accommodating Institutions Takeover

Kosovo’s politico-criminal elite’s were not the only actors operating in Kosovo’s political space post-UNMIK. Although UNMIK was largely divested of all its powers, some of its powers were entrusted to new international institutions. For example, a few of UNMIK’s executive and legislative powers were turned over to a new international organization called the International Civilian Office (ICO). Similarly, the judicial branch and policing aspects of the mission were turned over to the European Rule of Law Mission (EULEX). Although these institutions lacked the unprecedented power of UNMIK, they were robust institutions. Indeed, EULEX continues to be considered the “flagship” of Europe’s Common Foreign and Security Policy (CFSP), maintaining a budget of roughly one billion dollars per year. Along with leading international ambassadors, collectively known as the Quint, these institutions were suppose to carry on the state-building project. But they left Kosovo in a worse situation than they found it.

The ICO’s tenure in Kosovo lasted from 2008 to 2012. The formal goals of the organization were to implement the provisions of the Ahtisaari Plan, which included mandates to check runaway government spending, administer public procurement policies, and supervise the legislative process. As Capussela notes, the Head of the ICO, Peter Feith, initially held firm to both the letter and the spirit of the ICO’s rules and guidelines; however, Feith and the ICO

increasingly became subject to the expectations of both the international community and Kosovo's politico-elite (Capussela 2015: 168).

Indeed, within the first few months of the ICO's mission, the ICO became subsumed by the far more powerful Quint—an informal grouping of ambassadors from the United States, England, France, Germany, and Italy. Led by the U.S., the Quint obliged the ICO with the its goal of maintaining Kosovo's image as an international success story. Thus, like UNMIK, the ICO was burdened with two goals that were mutually opposed to one another: maintaining Kosovo's image and enforcing potentially politically disruptive policies. Not surprisingly, then, the ICO sacrificed the long-term political and economic development of Kosovo for short-term stability—incidentally, perpetuating Kosovo's accommodating institutions. Under the ICO, elections, in which poll-stations were burned and voters terrorized by vigilantes, were upheld as both free and fair. Public statements about the domestic elites' abuses of power were watered down or, if made public, retracted to avoid scandal. And the ICO's privatization schemes were well known for their excessive degrees of corruption. For example, the decentralization program undertaken by the ICO is known not for strengthening competition and transparency in the public procurement sector, but for weakening transparency and increasing corruption (Capussela 2015: 203). By 2012, the ICO was perceived as a tacit accomplice to Kosovo's politico-criminal elites. As Capussela notes, its lasting legacy is one of implementing decentralization, minority protection, and cultural laws, while neglecting its more material state-building objectives (Capussela 2015: 167).

Like the ICO, EULEX's legacy is marked by the presence of accommodating institutions. EULEX is made up of two divisions: the Executive Division, which focuses on transferring rule

of law services to local authorities, and the Strengthening Divisions, which manages the criminal production chain by monitoring, analyzing, and advising Kosovo's local institutions on issues related to the rule of law. On the positive side, EULEX has had great success improving Kosovo's police department and customs agencies. On the negative side, the judiciary remains weak due to corruption, political interference, and the systemic intimidation and harassment of the population by the politically connected criminal elite. Moreover, crimes associated with Kosovo's politico-criminal elites have largely gone un-investigated by EULEX. As tabulated by Capussela, of the fifteen significant cases in which EULEX has issued indictments, only four have led to convictions and those convictions have only been of secondary individuals tied to Kosovo's politico-criminal elite (Capussela 2015: 118-121). In other words, during EULEX's six year tenure, EULEX has averaged a mere two-and-a-half convictions per year and only one major conviction per year, which is a pitiful average for an institution that has had extensive executive powers to investigate, prosecute, and judge Kosovo's politico-criminal elite (Capussela 2015: 118-121).

The reasons why these crimes remain un-investigated are many, but the principal reason appears to be the international community's continued resistance to tarnishing the image of Kosovo and the "government officials" that the international community has supported over the years. This point deserves underlying. Contrary to conventional wisdom, the international community's ties to Kosovo's politico-elite have only grown stronger with time. Thus, the connection between the image of Kosovo's politico-criminal elites and the image of Kosovo as a state-building success story have only become more intertwined. In this light, the rumors about late-night calls from Brussels or D.C., preempting investigations against "friends" of the

international community, seemed, unverifiably, likely. These rumors received public credence in the summer of 2014, when former-EULEX Prosecutor Maria Bamieh came forth with allegations that EULEX was neglecting its duties in favor of preserving the image of Kosovo's elites, as well as for bribes and special favors from the elite. An independent investigation has yet to take place to investigate these allegations. In any case, any legitimacy or trust that EULEX might have enjoyed prior to the investigations has since vanished. As it stands today, EULEX, in its current form, will most likely not exist after its regularly-renewed mandate ends in 2016.

As alluded to prior, the final actor in the international community's post-UNMIK state-building efforts is the Quint. Although the Quint is an informal organization that meets for weekly dinners at the embassies of its ambassadors, each of its members has close relationships with Kosovo's politico-criminal elites. This statement is particularly true for U.S. ambassadors, who have exercised unfettered power within the Quint, and who have, notably, taken to grooming Thaçi and his fellow PDK leaders. With seats in parliament, the members of the Quint actively bend the formal rules and guidelines of parliamentary procedures to ensure that they get what they want without breaking the formal rules and guidelines. The most notable example of the Quint's excesses came on February 22, 2011.

As documented by Capussela, the PDK's politico-criminal elites had been trying to boot its long-running partner, LDK, from its coalition since Kosovo's independence. Backed by the United States, who effectively blocked a potential coalition government between LDK and AAK, PDK courted fringe parties, and found a willing partner in the New Kosovo Alliance Party (AKR) (Capussela 2015: 174). But in order to balance its new found coalition, PDK had to find a way to remove the current president—who was a member of the LDK party—and replace him

with a member of the AKR Party. In September of 2010, a group of parliamentarians filed an application to impeach the president in Kosovo's constitutional court (Capussela 2015: 174). The president was impeached based on, according to two of the three dissenting international judges, "no evidence"—the lone international judge siding with PDK's parliamentarians turned out to be the U.S. judge (Capussela 2015: 174). Following the ruling, PDK engineered a vote of no confidence in Parliament and held fresh elections (Capussela 2015: 175). The elections were tainted by ballot stuffing, group voting, multiple voting, family voting, vote burning, intimidation and other electoral violations—with one polling station registering 149% of turnout in one municipality (Capussela 2015: 159-160). Not surprisingly, PDK, AKR, and a handful of other smaller parties won out. However, according to the coalition agreement, parliament needed to elect the AKR leader—not surprisingly, a shady businessman—president (Capussela 2015: 175). On the first two ballots, the AKR leader failed to get the necessary votes. To many, it seemed like he would not get enough votes on the third, and final, ballot.

In stepped the Quint. Led by the then U.S. ambassador, the Quint pressured, cajoled, and coerced members of parliament. In a rare physical appearance of accommodating institutions, the U.S. ambassador was caught texting the presidential nominee and obstreperous members of parliament, demanding that they get in line with the Quint's wishes. Indeed, the text messages included threats that the U.S. would drop its support of members of parliament if they failed to get in line. In short, the AKR leader was voted president on the third ballot. However, in a rare case of local defiance, the constitutional court annulled the election results. Party leaders were then called to the residence of the U.S. Ambassador (Capussela 2015: 176). They were given an envelope that contained the name of the Quint preferred presidential nominee—a senior police

officer who had no ties to any of the political parties and who was unknown to the public (Capussela 2015: 176). The envelope also contained a drafted constitutional amendment to abandon the parliamentary procedures by which the president is elected in favor of election by popular vote (Capussela 2015: 176). The leaders left the ambassador's house after pledging to vote for the specified candidate and procedures (Capussela 2015: 176). The next day, parliament ratified the agreement without any public debate. Accommodating institutions, once again, took the day.

Conclusion

To many, Kosovo is a state-building success story. But look beyond the facade, and you will see a state in political decay. The formal institutions of the state no longer work; they have been superseded by informal ones. The pressures to make Kosovo a state-building success story led the international community to adopt accommodating institutions. The power of the politico-criminal elite, combined with the weaknesses of the international community and Kosovo's formal institutions, facilitated the emergence of competing ones, and path-dependent events led all of these actors further into shared, unwritten guidelines that only exacerbated the political decay of the state. In my estimation, barring the rise of the resistance party, *Lëvizja Vetëvendosje!*, there is little, if any, hope for the people of Kosovo. One of my sources is even more crestfallen, concluding "there is no hope for Kosovo." What follows is a brief account of some of the current political, economic, and social trends in the state.

Kosovo's economic future is gloomy, to say the least. As one of my sources succinctly notes, "economic growth [in Kosovo] is stable, but not sufficient." Unemployment remains the achilles heel of the economy, and no fix seems to be in sight. According to my sources, it would

take ten years of eight-percent growth to reduce the unemployment rate to twenty-percent. Such growth rates are not on the horizon.

Economic inequality is also a problem in the country. While most of the people in Kosovo share relatively the same levels of income, there is a handful of millionaires who continue to accrue unprecedented levels of wealth. There are over a hundred-and-twenty millionaires in Kosovo, all of whom have ties to governmental ministries and the ruling elite. It is not clear how these politically-connected elites attained their wealth, but it is assumed that they continue to attain it through illicit markets. Such funds are then whitewashed through the construction of omnipresent hotels and apartment buildings, which the elite can use to further extract rents from the local population and unsuspecting foreigners.

The political situation in Kosovo is no better than the economic one. Aside from the Quint and KFOR, the international community has largely been relegated to facilitating ethnic reconciliation. The civil service that UNMIK worked so hard to construct has been dismantled. The ministries of government are now not known by their official titles, but by the name of the politico-criminal that runs them. And although the politically motivated violence that once characterized Kosovar politics has subsided, electoral crimes persist—particularly through the “black box” of campaign finance. Similarly, checks on the politico-criminal elite have been dismantled. For example, Kosovo’s elite have left the position of auditor general unfilled, in effect, removing one of the only checks on the state’s public procurement and privatization schemes. Legislative irregularities that negate the rules of parliament and that nullify *Lëvizja Vetëvendosje!* further undermine the formal institutions of the state. Consequently, despite some

of the best formal institutions, the informal institutions between Kosovo's politico-criminal elite and the international community continue to exacerbate the inherent complications of pluralism.

Such complications were on full display in 2014, when it seemed that PDK was going to be overturned. Indeed, for the first time since independence, PDK could not form a governing coalition. Months went by with no ruling party, and Thaçi had to resort to using extra-constitutional measures to funnel money to his political allies in the state apparatus and to avoid defaulting on the government's debts. But, in an unexpected move, LDK—the sworn enemy of PDK—joined PDK to form a governing coalition, ostensibly with the condition of particular ministerial positions. Thaçi gave up his position as prime minister and became the minister of affairs, on condition that LDK would not block his long-sought bid for the presidency in the coming 2016 presidential election. Following the formation of the coalition, riots broke out; but the people proved unable to budge the elite from their positions in the state apparatus. With no hope at home, Kosovars fled the country in mass, looking for greater political and economic fortunes in the EU.

This mass exodus from Kosovo epitomizes the social despair brought by political decay. Over 100,000 refugees have fled the country since the current governing coalition was formed. Of those who have fled, most have come from working- and middle-class households. They moved, relatively unhindered through Hungary, Austria, and into Germany, where most of them have settled. According to my sources, this flood of refugees was allowed to move into Germany not because of faulty border security, but because of a tacit acknowledgement on the part of German officials that mass migration would dissipate political tensions in Kosovo, keeping the state's image unscathed.

The one movement willing to expose the rot of Kosovo's political decay has been *Lëvizja Vetëvendosje!*, whose name translates to "Self Determination!" in English. The principal movement against Kosovo's political criminal elite and the international community, Vetëvendosje was formed in 2004 but did not take part in parliamentary elections until 2010. The Party is known for standing by its leader, Albin Kurti, who was a Serbian war prisoner and who has been jailed multiple times by the international community for entering his movement into parliamentary elections and leading rancorous public protests. Since 2010, Vetëvendosje has consistently been the third largest party in parliament, winning roughly fifteen percent of the vote—a high success rate given the Movement's choice not to rely on family and clan-based ties to mobilize the population. In 2014, the Movement's success even reached beyond parliament, when Harvard Graduate and former World Bank Economist Shpend Ahmeti became the mayor of Pristina. But, Vetëvendosje has potentially suffered a major electoral setback as many of the individuals who fled Kosovo following the 2014 election were members of the Movement. It is unclear how Vetëvendosje will continue to pressure the international community and Kosovo's politico-criminal elite following this mass exodus of its core constituents.

The social dislocation brought by the political, social, and economic consequences of political decay has also led to concerns that Kosovo may become the next source country for the Islamic State of Iraq and Syria (ISIS). Indeed, over two-hundred Kosovars are known to have traveled to Syria to join ISIS. According to my sources, ISIS has set up training camps in abandoned houses in Kosovo and they roam freely in the state. The extent to which Kosovo becomes involved in the much broader war on terror remains to be seen, but the domestic political effects are already producing long term consequences. Indeed, the U.S. Embassy is

pulling Kosovo's politico-criminal elites closer to it, with the hope that the elite will go after perceived ISIS sympathizers in Kosovo. Thus, the bonds underpinning the informal institutions between the international community and Kosovo's politico-criminal elite are only growing tighter in response to this new potential threat.

Despite my emphasis on the path-dependent trajectory of the state-building effort in Kosovo, it is important to remember that the continued interactions between the international community and Kosovo's politico-criminal elite can be changed, and things can get better in Kosovo. However, current proposals, such as a "Special Court" to prosecute lesser known war criminals, do not hold much promise because they do not break the informal institutions that continue to undermine the future of Kosovo; they simply layer on another set of formal institutions. Thus, Kosovo's future remains unclear, and the solution to the last piece of the Balkans puzzle unknown.

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Reflections

I left Kosovo at four in the morning on July 28, 2015. After stumbling down the stairs to the hotel lobby, I sat with my friend, Hekuran, watching the day-before's news as I awaited my taxi. I remember watching the latest quibble between international diplomats and Kosovar politicians over the Special Court, followed by stories from Macedonia and Albania, and finally a clip of Senate Foreign Relations Chairman Bob Corker tangling with Secretary of State John Kerry over the merits of the Iran nuclear deal. A few minutes later, the taxi arrived and I left for the airport.

As I reflect on my time in Kosovo, I continue to be brought back to this moment. It may be because it was simply my last memory in Kosovo. However, I believe that I continue to come back to it because it brings to mind what I could not accomplish and what I have left to do. Regarding what I could not accomplish, my inability to understand Albanian meant that I could not understand the current events unfolding before me in their entirety. Combined with my limited exposure to cultural cues and symbolism, I think I would have had to have stayed in Kosovo a couple of years before I would have been able to shed my dependence on others for translations concerning current events.

My inability to speak Albanian also deterred me from traveling outside of Pristina. If I had to plan my trip over again, I would have tried to spend more time traveling to the rural areas of Kosovo. While Tip O'Neil's statement that "all politics is local" is clearly an exaggeration, most of the political activity in Kosovo takes place in the rural villages scattered across the state. Meeting and talking with local people and party affiliates would have enhanced my research immensely.

Watching the stories about Albania and Macedonia also made me reflect on my decision not to visit the other countries in the region. If I had to do it over again, I would have tried to travel to these countries.

Finally, seeing Bob Corker debate John Kerry reminded me of what I still have left to do. My time in Kosovo taught me that the principles by which my country lives by affect not only my country, but the world. I have to continue to tell Kosovo's story, and be a steadfast advocate for the principles that follow from the lessons that I learned there.

Budget

Although I was initially concerned that the IPE Summer Research Fellowship grant would not cover my expenses, the grant proved to be ample. Roughly two-thirds of the budget went toward paying for airfare and hotel expenses. The remainder of the money went toward food, laundry, and in-country travel expenses.

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