



**Organization for Security and Co-operation in Europe**  
**MISSION IN KOSOVO**

**Remarks of Ambassador Werner Wnendt,  
Head of OSCE Mission in Kosovo,**

*Economic and Social Development in Kosovo: The OSCE perspective*

**Ljubljana, Slovenia, 19 June 2006**

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It is with great pleasure that I attend this conference on Kosovo's economic and social development. Too often, economy and society are treated as distinct motors driving progress. The example of Kosovo shows that the two cannot be separated. The political stabilisation of Kosovo and of the region is contingent on coordinated support for both factors.

I would like to touch on the answers to the following three questions today:

- What conditions are necessary for economic and social development in Kosovo?
- What are the successes and challenges?
- What role does the OSCE, both as part of the UNMIK Pillar structure, and in the future, have to play in this process?

Economic development may assist Kosovo in overcoming its deep social divisions within and between communities by acting as a spur for reconciliation. A brighter future in which Kosovo's population, particularly its youth, are gainfully employed and Kosovo's trade balance is improved will help Kosovo to move beyond its dark past.

Yet, to quote the economic writer and broadcaster Charles Handy, 'the market is only a mechanism, not a philosophy'. An economy cannot flourish – and true stabilisation cannot occur – if these are not underpinned by a *culture* of progressive, democratic, social institutions and standards.

It is precisely *here* – in supporting the development of such institutions and standards – that the OSCE has a role to play.

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The following statistics, courtesy of our partners at the UNMIK European Union Pillar, provide a startling insight into the state of Kosovo's economy:

- The employment rate is less than a third of the total working age population.
- 42.5 % of the population is under the age of 19 (2003 figures.)<sup>1</sup>

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<sup>1</sup> All statistics, unless noted otherwise, are from Towards a Kosovo Development Plan, UNMIK European Union Pillar, Economic Strategy and Project Identification Group Policy Paper 1, August 2004.

- Every person employed supports five or six household members.
- 36,000 young people enter into the labour market every year.<sup>2</sup>

These are sobering figures. While OSCE does not play a direct role in solving unemployment or promoting trade and investment, our work contributes to the *social, political and legal context* – both within Kosovo and between Kosovo and regional partners – in which economic development and greater stability may take root.

The OSCE has – through the “Standards for Kosovo” policy – been supporting this evolution. Regardless of the outcome of the ongoing future status talks, the Standards remain the benchmark against which Kosovo’s performance is judged.

There are three areas where I would like to mention OSCE’s contribution in creating conditions for a stable society.

**(1) Building democratic and representative institutions, by bringing government closer to people:**

The OSCE’s primary role has been to contribute to the evolution of a legal framework which reflects the principles of good governance and non-discrimination. We have nurtured a beneficial partnership with the Assembly of Kosovo, municipal authorities and courts in executing this legal framework. Our advisors provide support on the implementation of key pieces of legislation and oversight mechanisms. OSCE, in co-operation with UNMIK partners, is also providing support to the newly-created Ministries of Internal Affairs and Justice.

This assistance will continue in the foreseeable future, particularly at the municipal level where OSCE’s Municipal Teams are supporting municipal authorities in adhering to democratic standards.

OSCE has also been instrumental in fostering regional ties. One recent scheme – part of an ongoing Professional Development Programme for parliamentarians – was the study visit for the Assembly of Kosovo security committees to counterparts in Slovenia. More recently, three OSCE missions facilitated a meeting of municipal officials from Kosovo, Albania, and the former Yugoslav Republic of Macedonia to discuss regional cross-border cooperation on economic development and other issues.

**(2) Building a human rights culture and promoting egalitarian values:**

Stability is anchored by a society in which all members are respected and given equal chances to participate.

The OSCE has strived to ensure effective remedies for human rights violations are in place, including the training of civil servants, judges and prosecutors to support human rights standards. The OSCE has recently developed two important guidebooks for local institutions – a listing of human rights legal provisions for Kosovo Police Service officers, and a manual for Kosovo’s Ministry of Labour and Social Welfare and social workers on how to respond to incidents of domestic violence, to protect and support victims.

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<sup>2</sup> Kosovo Outlook 2004, UNMIK European Union Pillar, 2004.

Education is crucial to implementing the goal of egalitarianism, providing opportunities to Kosovo's youth and underpinning social and economic development. The OSCE continues to support the harmonisation of Kosovo's higher education bodies with European standards. The recent OSCE-organized elections at the University of Prishtinë/Priština and the formation of a non-politicized University Senate and Faculty are important steps forward in this regard. OSCE has introduced a curriculum of civic education classes for sixth grade students and has supported the integration of minorities into mainstream schooling.

### **(3) Advancing inter-ethnic dialogue and confidence-building measures between communities.**

This area is perhaps the most undefined of all three as it is difficult to make short term advances, but even more difficult to measure success. However the future stability of Kosovo – and the region – rests on changing the perceptions that individual people and communities have of each other.

A recent example of high profile confidence-building measures undertaken by the OSCE are the ongoing tours by Kosovo Albanian schoolchildren to the Serbian Orthodox Visoki Dečani monastery. The first visit took place on 16 May and marks the first time that Kosovo Albanian civilians have entered the monastery since the 1999 conflict.

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Despite the progress made so far, many challenges still lie ahead for Kosovo's social development and long-term stability. The latest Technical Assessment on Standards and the Contact Group's thirteen point list of priorities for Kosovo spell out key areas for improvement.

In the field of democratic institutions, effective oversight mechanisms must be strengthened. For example, the Anti-Corruption Agency, established in February, must become operational and effective.

In the field of human rights and rule of law, the Assembly has yet to pass crucial laws that enshrine human rights, particularly those relating to minorities, such as the Laws on Languages, Cultural Heritage and Religious Freedoms. Official targets for minority participation in Kosovo's institutions are not yet met. There is much work to be done in achieving gender equality; women make up only 30% of the workforce in urban areas and only 54% of girls attend secondary school.<sup>3</sup>

In the field of interethnic dialogue and confidence-building, more must be done by Kosovo institutions to demonstrate their commitment to protecting minorities. Vandalism upon cultural heritage properties must be systematically condemned by local leaders and prosecuted.

In all these areas, OSCE continues to monitor, assist, advise and influence.

Not all the challenges to economic and social development can be solved by Kosovo's institutions or by the international community. Kosovo Serbs must be allowed to actively participate in these institutions if they are to effectively pursue and protect their interests. I

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<sup>3</sup> UNIFEM statistics (2003)

reiterate the stance of many of my colleagues when I say that Belgrade's directive demanding Kosovo Serb education, health and social welfare employees to sever their ties with the PISG is entirely counter-productive and damages the sustainable future of their community.

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To conclude, I would like to leave you with some of my thoughts about the future.

Firstly, a few words on the expanding role of the OSCE: The OSCE will continue to play an important role in Kosovo. The OSCE's 33 Municipal Teams – one per municipality – are the front-line agents for our advice and support to local institutions. With the withdrawal of UNMIK and in the context of discussions on future arrangements in Kosovo, the OSCE's role in monitoring developments will only increase in significance.

Secondly, I return to the issue of economic development. In this regard regional lessons are important. My experience as the Senior Deputy High Representative in Bosnia and Herzegovina has taught me that greater economic prosperity can indeed help bridge seemingly unchallengeable chasms between ethnic communities. The International Labour Organisation has reported positively on the impact of economic growth on reconciliation in Croatia.<sup>4</sup>

Thirdly, I would like to issue the following caveat to those who see the resolution of Kosovo's status as the panacea for all ills. Investors look for security, stability, and sustainability. These factors do not solely depend on the outcome of status discussions. Instead they emanate from the full realisation of good governance, consolidation of the rule of law, respect for human rights and a multi-ethnic society.

These are the foundations for economic and social development and the conditions in which long-term stability can flourish. The OSCE stands firm in its resolve to support such a reality. However, the will to build a cohesive society must come from *within*. It is the politicians and the people of Kosovo themselves who are ultimately responsible for their future.

Thank you.

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<sup>4</sup> Local Economic Development Agencies : Instrument for Reconciliation and Reintegration in Post-Conflict Croatia, International Labour Organization for the Special Event on Development Cooperation, 2000.