DAVID LOEW

DECENTRALIZATION AS A MODEL FOR CONFLICT TRANSFORMATION: THE CASE OF KOSOVO

N o . 1 6

This Working Paper is available at: www.uni-marburg.de/konfliktforschung/publikationen/ccswp
INDEX

1. Introduction .................................................................................................................................................. 7

2. Theory: Decentralization as a Model for Conflict Transformation ......................................................... 8
   2.1 Transformation of Ethnic Conflicts ........................................................................................................ 8
   2.2 Conflict Transformation Through Institution-building ........................................................................ 9
   2.3 Decentralization as an Instrument for Conflict Transformation ....................................................... 10

3. Case Study: The Decentralization Policy of the Republic of Kosovo ..................................................... 12
   3.1 The Ethnic Conflict in Kosovo ............................................................................................................ 13
   3.2 The Decentralization Policy of the Republic ...................................................................................... 14
   3.3 Demarcation of the Municipalities ....................................................................................................... 15
   3.4 Implementation of the Kosovar Decentralization Policy ...................................................................... 16
   3.5 Conflict Transformation through the Decentralization Policy ......................................................... 18

4. Conclusion .................................................................................................................................................. 22

5. List of Interviews ....................................................................................................................................... 24

6. Literature .................................................................................................................................................... 26

7. List of Illustrations ..................................................................................................................................... 28
Illustration 1
Source: own illustration based on Пакко and Баря
ABOUT THE AUTHOR

David Loew

David Loew is a Graduate of the Master Programme in Peace and Conflict Studies of the Center for Conflict Studies in Marburg. Before, he studied Political Science at the Universities of Bremen and València (E). This CCS Working Paper is based on his Master thesis 'Dezentralisierung als Methode der Konflikttransformation: Der Fall Kosovo'. From 2011 until 2013 he worked at the Berlin Center for Peace Operations (ZIF) on the Capacity Enhancement of Experts in Civilian Crisis Management Missions. In this context and for field research, he spent several weeks in the Republic of Kosovo in 2011 and 2012. In 2013 he moved to Colombia where he is currently working with the Centro Nacional de Memoria Histórica (National Center for Historic Memory) and doing research on the Colombian Peace Process.
David Loew

Decentralization as a Model for Conflict Transformation: The Case of Kosovo

“Peace is a question of will. All conflicts can be settled, and there are no excuses for allowing them to become eternal. It is simply intolerable that violent conflicts defy resolution for decades causing immeasurable human suffering, and preventing economic and social development.” Martti Ahtisaari

Abstract

In post-conflict societies, decentralization is often used as a conflict management tool to address territorial claims and interests. The latest example is the agreement between the Republics of Serbia and Kosovo of April 2013 over the status of four Kosovar municipalities which remained under de facto control and jurisdiction of Serbia. Nevertheless, there is a lack of comprehensive research on the long-term effects of decentralization on ethnic conflict. To contribute to filling this research gap, this paper focuses on the impact of decentralization on the establishment of sustainable peace through conflict transformation. Based on the theory on decentralization in post-conflict institution-building, two models of decentralization are developed. While the first model focuses on conflict management through the separation of ethnic groups, ethnic self-rule and conflict resolution on the level of political elites, the second model focuses on conflict transformation at the local level through initiating contact, cooperation and trust-building in local institutions. As a case study, the paper examines the decentralization process in the Republic of Kosovo, which entails both models of decentralization. To investigate the hypothesis that the Kosovar decentralization process has already supported and continues supporting conflict transformation, the paper analyzes 16 interviews with representatives of international and Kosovar NGOs and think tanks, international organizations and governmental agencies working in the field of decentralization. It focuses on 34 municipalities in which the decentralization program had already been implemented in 2011 and thus leaving aside the situation in the four municipalities mentioned above. The paper concludes that ethnic conflict in Kosovo is still far from being transformed. Nevertheless, decentralization has contributed to the development of an institutional setting allowing for the transformation of the ethnic conflict. Where implemented, decentralization has promoted the acceptance of the Republic of Kosovo among non-majority communities. When looking at the two models of decentralization, it can be noted that ethnically heterogeneous municipalities following the second model have been able to facilitate cooperation between representatives of ethnic groups while homogenous municipalities have hardly contributed to conflict transformation.

1 Quotation from Martti Ahtisaari’s Nobel lecture in Oslo, Norway on 10th December 2008.
1. INTRODUCTION

On 19 April 2013, Hashim Thaçi, Prime Minister of the Republic of Kosovo, and Ivica Dačić, Prime Minister of the Republic of Serbia, signed the ‘First Agreement of Principles Governing the Normalization of Relations’. The European Union (EU), for which the High Representative for Foreign Affairs and Security Policy Baroness Catherine Ashton mediated in the dialogue, hailed this agreement, fruit of six months and ten rounds of negotiations, as a breakthrough to overcome ethnic animosities, foster regional stability and bring forward the countries EU-membership aspirations. The agreement consists of 15 paragraphs mostly dealing with measurements of delegating decision-making competencies of the de facto government of the Republic of Kosovo to four contested municipalities with a Kosovo-Serb majority. By signing the agreement Serbia recognizes Prishtina’s authority over the whole territory of Kosovo while Kosovo grants certain extend of local authority to the Kosovo-Serbs.

The introduction of decentralization policies as instrument for conflict management is not new to Kosovo, it has been used in previous negotiations between Serbia and Kosovo and has been defined as one of the key policies for conflict management in the Republic of Kosovo. In fact, almost all concessions regarding municipal autonomy that can be found in the agreement have already been introduced before as competencies of the Kosovar municipalities with Kosovo-Serb majority and have been implemented in seven municipalities with Serbian and Turkish majorities under the control of the Republic of Kosovo since its independence.

Kosovo’s decentralized structure was developed almost exclusively by the transitional authority of the United Nations, was adopted by Kosovar authorities in the context of the declaration of independence and continues to be implemented with the help of international organizations. By introducing decentralization, the international community reverted to an established instrument in institution-building. It seeks to strengthen the efficiency and legitimacy of governments by bringing the decision-making process closer to the people. However, in the particular context of the ethnic conflict in Kosovo, it remains to be examined if, and to what extent, decentralization serves as an instrument for the promotion of a peaceful co-existence of ethnic communities.

The majority of recent research on Kosovo focuses on the causes and strategies for the management of violent tensions in the four Serb-majority municipalities on the northern border of the country dealt with by the newly signed agreement. However, in the other municipalities under the control of the Kosovar authorities, only a small number of incidents of interethnic violence have been registered. Especially due to this circumstance, the case of these municipalities contains valuable lessons for the inclusion of the four contested municipalities in Kosovo’s state structure as well as for decentralization policies in post-conflict settings.

While there exists a variety of literature on the influence of decentralization on self-determination, separatism and regionalism, the influences of decentralization on the relationship between ethnic communities are under-researched. To contribute to closing this research gap, this paper argues that decentralization has supported and continues supporting the transformation of the ethnic conflict in the Republic of Kosovo. The paper will provide a brief overview of existing decentralization theories, before developing two opposing models of...
LOEW: DECENTRALIZATION AS A MODEL OF CONFLICT TRANSFORMATION: THE CASE OF KOSOVO

decentralization: the first model aims to establish ethnically homogenous municipalities determining municipal borders based on the geographic distribution of ethnic groups. The second model demarcates municipalities along ancient regional borders, thus establishing heterogeneous municipalities in which no ethnic group comprises a clear majority. Both models have been applied as part of the Kosovar decentralization policy that was introduced by the Kosovar parliament following the country’s declaration of independence in February 2008. Based on this theoretical model, the paper will assess its thesis by first looking into conflict transformation, which is aiming at the transformation of discourses, perceptions, relations and interests between conflict parties in the long-term, within the bodies of the municipalities and continuously assessing five indicators: 1) the inclusion of non-majority communities into municipal structures, 2) the cooperation and influence of non-majority communities on decisions, 3) the development of shared goals, 4) the salience of ethnicity in decision-making and 5) the freedom of action of representatives in municipal institutions. Subsequently the paper will evaluate transformation in the communities on the local level based on four indicators: 1) the cooperation among ethnic communities and their integration into a shared society, 2) the salience of ethnic affiliation in daily life, 3) the establishment of cross-cutting cleavages and the 4) moderating function of local ethnic elites in the conflict. The analysis will continue with an evaluation of decentralization as a potential source of yet a continuing ethnic conflict in Kosovo. Both models of decentralization will be taken into account in the examination of the legal framework and the implementation of the decentralization policy.

To investigate the research hypothesis, in this paper 16 expert interviews based on a semi-standardized outline are analyzed, evaluating variables and indicators deducted from the theoretical model on decentralization in post-conflict societies developed beforehand. Experts interviewed were working in the field of decentralization for international and Kosovar NGOs and think tanks, international organizations in Kosovo and for governmental agencies. By interviewing experts from different organizations and ethnic backgrounds the study aims to include broad varying perspectives on the decentralization process. The interviews were conducted in Prishtinë/Priština on 6 in September 2011, roughly three and a half years after the examined decentralization process was initiated. Looking at conflict transformation through decentralization, research and interviews focus exclusively on the situation in the Kosovar municipalities which have already been established at the time of research and thus do not address the situation in the contested north of Kosovo and its four municipalities mentioned in the introduction of this paper.

The paper concludes that the ethnic conflict in Kosovo remains far from being transformed. Ethnic groups are still highly separated in their daily lives and only very few initiatives cross-cutting ethnic affiliation exist in civil society. Despite this limited progress towards conflict transformation, the decentralization policy has contributed to the development of an institutional setting allowing for a long-term transformation of the ethnic conflict. New municipalities with either a majority of ethnic non-majority communities or mixed ethnic populations have been established and indicators suggest that these entities are accepted by the majority of the population living in the municipalities, irrespective of their ethnicity. Interethnic cooperation, both within institutions and on an economic level have been re-established. Homogenous municipalities, on the other hand, have hardly promoted contact and cooperation between ethnic communities, pointing towards the possible conclusion that heterogeneous models of decentralization are better suited to contribute to long-term conflict transformation.

2. THEORY: DECENTRALIZATION AS A MODEL FOR CONFLICT TRANSFORMATION

2.1 TRANSFORMATION OF ETHNIC CONFLICTS

Many examples of post-conflict societies show that conflict is not solved by ending the use of violence alone. In most post-conflict societies, violence returns and peace seems to be just a short period between periods of violence (Collier et al. 2003). Therefore, conflict resolution must address the root causes and dynamics of violent conflict. Given the emphasis on the influence of policy on the

---

6 The names of cities, municipalities and important landmarks will be indicated in the official languages of the Republic of Kosovo, Albanian and Serbian. The language of the local ethnic majority will be named first.
transformation of ethnic conflict, it is vital to outline the theoretical influence of decentralization on ethnic conflict and conflict transformation, not without clarifying the defining characteristics of both.

There are two main schools of thought regarding the nature of ethnicity. Primordialists conceive ethnicity as an innate characteristic of individuals, while constructivists regard ethnicity as membership in a social group which is constructed by society and has variable relations, boundaries and meaning that change over time (Fearon/Laitin 2000: 849). Following the constructivist approach, conflict is not the result of ethnicity, but constructed as such by society. Rational approaches stress the strategic action of elites to gain power through ethnic mobilization as a major force behind the instrumentalization of ethnicity (Fearon/Laitin 2000). Social psychological approaches, in contrast, often revert to Henri Tajfel and John Turner’s (1986) social identity theory, highlighting ethnic affiliation as a source for positive self-perception, which is achieved through competition with other relevant ethnic groups. In ethnic conflicts, this inter-group competition is carried out through group value defined by the exertion of power over other ethnic groups (Horowitz 1985: 147). While the rational approach emphasizes interests, social psychological approaches perceive identity as the principal cause of ethnic conflict. However, both approaches can easily be connected: in order to be able to mobilize individuals on the basis of ethnicity for particular interests, ethnic identity has to be salient that is of high relevance for the individual. At the same time these particular interests can be based on ethnically shaped assumptions and perceptions (Ropers 1995: 205). Therefore, this study defines ethnic conflict as competition between ethnic groups for domination of the other driven by the association of particular interests with group value. Interest-based conflicts can often be solved by negotiations leading to a partition of the conflict issues such as control over resources or territory. Identity, in contrast, is non-negotiable and indivisible. Through the association of interests and identity, conflict management must transcend the balancing of interests of the involved conflict parties. In this context, the concept of conflict transformation provides an approach to conflict management that not only focuses on interests but also on the relations and perceptions of the conflict parties. It is based on the assumption that the salience of ethnic affiliation is a central precondition for ethnic conflict. Especially in post-conflict societies that went through violence justified by ethnic means, ethnic identity is usually the most relevant social identity (Wimmer/Schetter 2002: 324).

Conflict transformation aims to transform discourses, perceptions, relations and interests between conflict parties in the long-term. Aiming at conflict transformation, the process of peace-building should contribute to overcoming the antagonism between the conflict parties and, through altered perceptions and aims of the conflict parties, develop relations that prevent a return to violence (Miall 2004: 4).

Many strategies for conflict transformation derive from the contact hypothesis put forward by Yehuda Amir (1969). He develops four conditions under which contact between individuals of conflicting ethnic groups might alter their perception of other ethnic groups: frequent contact between the groups, cooperative contact with over-reaching aims to be pursued together, equal status of the individuals and institutional support of the contact through, for example, laws, authorities or norms (Amir 1998: 162). On the meta-level, the theory of cross-cutting cleavages follows a similar approach. Cross-cutting cleavages are supposed to prevent violent conflict by establishing multiple loyalties and dependencies (Morris-Hale 1996: 1). Even in deeply divided societies, cleavages cutting across ethnicity such as gender issues, generational or class conflicts always exist but are rarely perceived as such by individuals (Glickmann 1995: 4). In order to establish sustainable peace, societies have to become aware of these cleavages and relate to other individuals thus creating relations transcending the dominant ethnic cleavage.

2.2 CONFLICT TRANSFORMATION THROUGH INSTITUTION-BUILDING

In peace-building several approaches have been developed to strengthen the peaceful management of conflicts in post-conflict societies. Institution-building, which is one of these instruments, stresses the need for the development of legitimate and resilient political institutions for the institutionalized and non-violent management of conflicts. It seeks to sanction escalating and promote de-escalating behavior of political elites (Belmont et al 2002: 3). In ethnic conflict, institution-building is mostly comprised of power-sharing between the elites of ethnic groups. Two approaches dominate the literature on power-sharing arrangements: the
The group-building concept is based on Arendt Lijphart’s theory of consociational democracy (Lijphart 1977), which focuses on self-determination and autonomous decision-making of all ethnic groups in post-conflict societies. Through far-reaching political and cultural autonomy of all ethnic groups, group-building policies try to reduce the need for cooperation between ethnic groups to a minimum. The remaining political decisions that affect all ethnic groups are taken by consensus between the political elites of the various ethnic groups.

In contrast, the integrative concept focuses on maximizing the incentives for cooperation between ethnic groups (Horowitz 1985). Donald Horowitz’s starting point is the assumption that there can hardly be consensus between conflict parties over conflict issues defined in relative terms like group value and control of the state (Horowitz 2002: 25). Therefore, power-sharing institutions that follow the integrative approach ought to be designed to reduce the salience of ethnicity in interethnic relations and political decisions by establishing interethnic contact and trust-building arrangements (Simonsen 2005: 298).

Comparing both approaches, group-building rather focuses on conflict management while the integrative approach focuses on long-term conflict transformation.

Group-building and integrative methods both rely on top-down processes for the establishment of sustainable peace, aiming to moderate the ethnic claims of political elites and diminish the incentives to use ethnic affiliation for the pursuit of individual interests. It is assumed that political elites guarantee the peaceful behavior of their ethnic group in order to pursue their interests. However, instrumental explanations of ethnic conflict stress that in post-conflict societies, political elites tend to take only limited interest in diminishing the salience of ethnicity and instead prefer to secure their power base by maintaining ethnic competition (Simonsen 2005: 299). Therefore, conflict transformation should focus on civil society’s contribution to sustainable peace. Furthermore, ethnic conflicts primarily affect the local level (Ropers 1995b: 220), which is why some authors emphasize the establishment of sustainable peace through bottom-up processes (Lederach 1997, van Tongeren 2005). In this context, Roland Paris identifies civil society evolving around cleavages cutting through ethnic affiliation as a key to sustainable peace-building and conflict transformation (Paris 2007: 278). Coupling institution-building with a focus on civil society brings this approach closer to the concept of conflict transformation which seeks to create sustainable peace through an emphasis on civil society and bottom-up approaches.

### 2.3 Decentralization as an Instrument for Conflict Transformation

Both the group-building and integrative methods require an identification of domains which allow for the implementation of self-determination on the one hand and trust-building and development of cross-cutting cleavages on the other. While traditional instruments such as quotas or election regimes are mostly implemented at the central level and favor top-down approaches, decentralization can contribute to the bottom-up transformation of conflicts on the regional level. The policy of decentralization describes the transfer of decision-making competencies from the center to smaller political entities and may involve three different areas of competencies: legislative powers in attributed sectors, financial responsibilities and administrative powers (Siegel/O'Mahony 2006: 3). These competencies can be transferred to three levels of government: the federal level, the regional level and the level of communities. While the first two levels usually describe the devolution of decision-making to a few powerful sub-entities and differ in the power relations between the central government and regional entities, the third level describes the devolution of decision-making to the local level, usually not going beyond a few administrative and financial rights (Kälin 1997: 170).

In post-conflict societies, decentralization can be an instrument to include minorities in decision-making processes. While smaller minorities can hardly influence decision-making at the central level, they might constitute a majority or at least an important proportion of the population of local entities. This paper examines two models of decentralization to be

---

7 Top-down peace processes focus on a trickle-down effect of peace which first has to be established between elites through negotiation, balancing of interests and cooperation (Lederach 1997: 45).

8 Bottom-up peace processes trust in cooperation and conflict resolution on the local level. Peace on the local level should spread through local elites to the political top level (Lederach 1997: 53).
applied in post-conflict societies: ethnic decentralization and territorial decentralization. The main difference between these two models is the way the borders of municipalities are drawn, which is crucial for the approach of conflict resolution through decentralization. Ethnic decentralization sets up ethnically homogenous entities by demarcating municipalities according to the settlement of ethnic groups. Territorial decentralization, in contrast, draws municipal borders based on traditionally and socio-economically defined territories in order to construct ethnically heterogeneous municipalities, in which ethnic minorities constitute an important percentage of the overall population of the municipality.

**ETHNIC DECENTRALIZATION**

Ethnic decentralization is the dominant model of decentralization in post-conflict societies. It follows a group-building approach of power-sharing, allowing for a high degree of ethnic self-determination (Hannum 2004: 274). Ethnic decentralization seeks to represent all citizens through their ethnic elites, the self-determination of ethnic communities and a very limited need for cooperation between ethnic groups (Schneckener 2002: 334). Through the transfer of decision-making to ethnically defined territorial entities, the state guarantees that the concerns of ethnic groups living in these territories will be heard and considered in political decisions. Moreover it incentivizes cooperation with the central government dominated by other ethnic groups and establishes a channel for peaceful dialogue between elites of different ethnic groups (Siegle/O’Mahony 2006: 8). Through the transfer of decision-making to ethnically defined territorial entities, the state guarantees that the concerns of ethnic groups living in these territories will be heard and considered in political decisions.

However, ethnic decentralization has several disadvantages that perpetuate ethnic conflict: It contributes to the homogenization of territories and thus hinders the return of refugees and internally displaced persons (Bieber 2002: 210). Very small ethnic communities that cannot constitute a majority even at the local level will be excluded from this instrument of conflict resolution and will in consequence also lack an important instrument for the representation of their interests at the central level (Tranchant 2007: 12). Furthermore, ethnic decentralization might create new minorities at the local level and contribute to a strong imbalance of power due to the perception that the territory belongs to the new dominant ethnic group. Through competition between ethnically defined entities, ethnic decentralization might paralyze the local political system and transfer ethnic conflict to the regional level (Sambanis 2000: 480).

Ethnic decentralization follows the top-down approach of conflict resolution. Ethnic elites are awarded with their own power bases and, in turn, negotiate the interests of their ethnic group at the central level of government only. This favors political elites interested in securing their power base, which, instead of creating incentives for moderate politics, might benefit hardliners ‘playing the ethnic card’ (Siegle/O’Mahony 2006: 8). It is questionable whether ethnic decentralization contributes to the creation of the necessary conditions for conflict transformation in the long run. Overall, there are few signs suggesting that the policy has a positive impact on the reduction of the salience of ethnicity and the establishment of cross-cutting cleavages (Simonsen 2005).

**TERRITORIAL DECENTRALIZATION**

The second model, territorial decentralization, follows integrative approaches to power-sharing. Territorial decentralization seeks to create incentives for moderation among ethnic elites and the ‘de-ethnicizing’ of politics in the long run. Territorial entities are supposed to serve as sphere of contact, cooperation and trust-building between individuals from different ethnic groups and contribute to the transformation of their interests and relations. At the local level, territorial decentralization is supposed to support inter-ethnic contact and joint decision-making within municipal institutions. By making individuals aware of the heterogeneity of interests within their ethnic group, it intends to contribute to the creation of cleavages cross-cutting ethnic affiliation (Horowitz 2008: 108). In the end political elites depend on a heterogeneous electorate and will have to address other ethnic groups in order to dominate the local political institutions. By ‘playing the ethnic card,’ local politicians risk blocking the political system and thus investments in infrastructure and services which would certainly

---

9 In order for decentralization to promote the inclusion of minorities, a compact settlement of the minorities is indispensable. Not all ethnic minorities are concentrated in certain parts of the territory of states dominated by other ethnic groups. Settlement structures also influence the form of decentralization that can be implemented. If areas of settlement are strictly divided, territorial decentralization can hardly be achieved while ethnic decentralization requires this kind of settlement.
affect their popularity among the population. Thereby, this approach creates incentives to address issues that cut across ethnic groups. It provides politicians with the opportunity to test policies in a multi-ethnic context at the local level without facing the public attention of hardliners common at the central level. This allows for the possibility to adopt positive experiences in other municipalities and at the central level (Horowitz 2008: 107).

On the other hand, territorial decentralization also faces a number of potential challenges: Jean-Pierre Tranchant highlights the problem of the ethnic elite capturing funds which might further marginalize ethnic minorities (Tranchant 2007: 3). Furthermore, territorial decentralization might reinforce ethnic conflict triggered by decision-making on conflict-prone issues such as power over land, property and resources on the local level (Schou/Haug 2005: 30).

Another aspect is the feasibility of territorial decentralization. The model does not respond to the need for self-determination among ethnic groups. Especially in a post-conflict context one cannot assume that contact and joint decision-making amongst ethnic groups is possible right away. Instead of satisfying the needs of political elites through conflict management, territorial decentralization takes bottom-up approaches to peace-building. It creates an institutional setting favouring any kind of moderate, cross-cutting initiative through an institutional setting favoring moderate actors. Within these structures claims of every local population, the responsibility for sustainable peace is transferred to the local population (Horowitz 1985: 213). Despite its promising benefits for conflict transformation, territorial decentralization has seldom been implemented in post-conflict societies. Following Sven Gunnar Simonsen’s notion of the ‘assumption of intransigence,’ there is a widespread belief that the “nature and intensity of ethnic divisions are beyond transformation” (Simonsen 2005: 298) and that thus ethnic conflict should be dealt with by the territorial and political separation of ethnic groups. Given that ethnic decentralization is regarded as one of the most feasible policies to do so, theorists and practitioners might be discouraged from applying territorial decentralization as a means of conflict transformation.

3. CASE STUDY: THE DECENTRALIZATION POLICY OF THE REPUBLIC OF KOSOVO

This working paper assesses the influence of the Kosovar decentralization policy on the transformation of the ethnic conflict in the Republic of Kosovo. The influence of the municipalities established by the decentralization policy of the Republic of Kosovo is assessed in two steps. In a first step, the study assesses the extent of the transformation of the ethnic conflict within the institutional structures of the Kosovar municipalities. Based on the theory of conflict transformation through decentralization, five indicators are considered: 1) the inclusion of non-majority communities in municipal structures, 2) the cooperation and influence of non-majority communities on decisions; 3) the development of shared goals; 4) and 5) the salience of ethnicity in decision-making and the freedom of action of representatives in municipal institutions. In a second step, the transformation of the ethnic conflict within the society at the local level is evaluated. In order to do so, four indicators deriving from the theory are assessed: 1) the cooperation amongst ethnic communities and the integration into a shared society, 2) the salience of ethnic affiliation in daily life, 3) the establishment of cross-cutting cleavages and 4) the role of local ethnic elites in the conflict.

The last part discusses whether decentralization can also negatively affect transformation of the ethnic conflict and contribute to polarization.

This section starts with providing a short overview of the ethnic conflict in Kosovo and the Kosovar decentralization policy, focusing on the framework, demarcations of Kosovo’s municipalities and the implementation of the program. Analyzing the demarcation of Kosovo’s municipalities it will be shown that the decentralization policy applied a mix of ethnic and territorial decentralization, establishing both ethnic homogeneous and ethnic heterogeneous municipalities. The two cases will be evaluated separately.
3.1 THE ETHNIC CONFLICT IN KOSOVO

Protracted ethnic conflict has a long and violent history in the region of Kosovo. The two main ethnic communities, the Serbs and the Albanians, claim legitimacy over the territory of the Kosovo and Metohija basins based on two sources: history and demography. Both Albanians\(^{10}\) and Serbs claim to have settled in the region before the other group immigrated, and identifying their roots in different ancient cultures that had their territorial base in Kosovo (Malcolm 1999). But not only Serbs and Albanians settled in this region. Due to the fertility of its soil during the Ottoman Empire, Kosovo became home to many different ethnic groups, mainly divided by language and religion. Ethnic diversity became an important source of the conflicts during the 20\(^{th}\) century in which Kosovo experienced displacements of Albanians and Serbs alike (Malcolm 1999: 356; Kreidl 2006: 46). The struggle culminated in the Kosovo War which started with an armed uprising of the Kosovo-Albanian Kosovo Liberation Army (KLA) against the national police of the Republic of Serbia, evolving into a war between the Yugoslav army\(^{11}\) on one side and KLA as well as NATO on the other side. With the withdrawal of the Yugoslav army from the territory of Kosovo, the International Community assumed authority over Kosovo with NATO’s Kosovo Force (KFOR). This allowed for restoring security and the United Nation’s Mission in Kosovo (UNMIK) to administer the region and engaging in state building. KFOR and UNMIK acted status neutral leaving the authority to decide on the final status of the region to negotiations between the Republic of Serbia, Kosovar political authorities and the International Community (Braun 2008).

While historical facts continue to be highly disputed among the ethnic communities of Kosovo, the present demographic domination of Albanians, a trend in the second part of the 20\(^{th}\) century reinforced through voluntary and forced emigration of Kosovo-Serbs following the withdrawal of the Yugoslav army from Kosovo (HRW 1999), can hardly be contested. Nine ethnic communities have been officially registered in Kosovo. Albanians account for 92.4 percent\(^{12}\) of the total population of approximately 1.8 million inhabitants and settle in most of the territory albeit only scarcely in the border region to Serbia in the north of Kosovo\(^{13}\). Their native language is Albanian. Serbs account for 3.9 percent of the population settling at the northern border north of the Ibër/Ibar river and in enclaves across the territory but concentrated in the Gjilan/Gnjilane valley in the east of the Kosovo basin. Their native language is Serbian. Bosniaks, speaking Bosnian, account for 1.1 percent of the territory settling mostly in Prizren/Prizren and enclaves in the vicinity, in the municipality of Dragash/Dragaš as well as in the region of Pejë/Peć. Turks account for 0.8 percent of

\(^{10}\) In this paper the terms Albanian, Serb and Turk refer to the ethnic group of inhabitants of Kosovo, not to the citizens of the respective states. The term Kosovo-Serbs or Kosovo-Albanians will only be used to distinguish between citizens of neighboring countries and Kosovars of the same ethnic affiliation.

\(^{11}\) At this time the Yugoslav Army already only consisted of Serb and Montenegrin troops.

\(^{12}\) This study uses the demographics established by the last survey of the Statistical Office of the Republic of Kosovo developed in cooperation with the United Nation’s Population Fund (SOK 2011). The results of surveys of different institutes on the ethnic demography of Kosovo differ significantly, especially with regard to the percentages of smaller minorities.

\(^{13}\) The geographic distribution of the ethnic groups in Kosovo is based on statistics of the European Center for Minority Issues Kosovo (ECMI 2011)
the population settling predominantly in Prizren/Prizren and Mamusa/Mamushë/Mamuša. Their native language is Turkish. Gorani, who speak Gorani, account for 0.8 percent of the population settling mostly in Dragash/Dragaš. Ashkali, mostly speaking Albanian, account for 0.8 percent of the population, Roma, mostly speaking Serbian, account for 0.3 percent of the population, and Egyptians, mostly speaking Albanian, account for 0.1 percent of the population. The latter ethnic groups are scattered over the entire territory of Kosovo. Croats and Montenegroins, speaking Croatian and Montenegrin, have not been counted in the official statistics of 2011. They constitute a small percentage of less than 0.1 percent of the total population settling in very few enclaves in the center and respectively the east of Kosovo. Analyzing the structure of settlement of non-majority14 communities in the Kosovo, it can be concluded that, besides the Serb dominated north, non-majority communities live in settlements scattered over most of the territory of Kosovo next to settlements of Albanians or other non-majority communities.

### 3.2 The Decentralization Policy of the Republic

In the aftermath of the Kosovo war, UNMIK identified decentralization as a tool for conflict management. It created the base of the recent decentralization program by organizing the territory of Kosovo in municipalities to coordinate humanitarian assistance and the development of local administrative structures, merging several Okrugs (local district of the Republic of Serbia (inter alia under the province Kosovo)). During the negotiations on the future status of Kosovo between the Republic of Serbia, the international community and Kosovar authorities which started in 2006, the decentralization policy was politicized and constituted one of the most important discussion topics (Gjoni et al. 2010: 297 ff.). When it became clear that the negotiations would not be successful, United Nations Special Envoy Martti Ahtisaari reported to the United Nations Security Council the Comprehensive Proposal for the Kosovo Status Settlement, in which he proposed an independent Republic of Kosovo (United Nations 2007: 1 f.). The cornerstone of this proposal was a far reaching decentralization policy designed to achieve acceptance of the Kosovar authorities15 and the population of all ethnic communities, to reduce the struggle for dominance and legitimacy over the territory and to enable peaceful coexistence of all ethnic communities on its territory (Gjoni et al. 2010: 306).

Following two years of unsuccessful negotiations, the Kosovar parliament, a part of the Albanian-dominated provisional self-government institutions in Kosovo, declared the independence of the Republic of Kosovo on 17th February 2008. Subsequently the Republic was recognized by the U.S. and most of the European Union member states16 while the Republic of Serbia condemned this unilateral step and continues to claim Kosovo as one of its provinces. On 15th June 2008, the constitution of the Republic, which had been ratified on 8th April, entered into force. With regard to decentralization, the constitution follows the proposal of Martti Ahtisaari by recognizing decentralization as an important instrument in order to reconcile the territorial needs of Albanians, Serbs and other ethnic communities. Passed in Feb/March 2008, the fundamental laws for the implementation of decentralization were among the first decisions taken by the Kosovar parliament. These documents, which outline the structure and competencies of the municipal level, include the Law on Local Self Government (LLSG), the Law on Administrative Municipal Boundaries (LAMB), the Law on Local Government Finances (LLGF) and the Law on Local Elections (LLE).

The decentralization policy introduces two levels of governance: the central government with the administration of the Republic, the Kosovar parliament and judiciary as well as the level of municipalities with the municipal assembly and the municipal administration. Despite quota for non-majority communities all institutions of the central government are clearly dominated by the Albanian majority. The municipalities are mostly based on those local entities established by UNMIK and consist of several cities and/or villages. The population of these municipalities ranges from numbers as low as 5,000 inhabitants up to 200,000

---

14 Following the Kosovar constitution, the paper will make use of the term ‘non-majority communities’ for ethnic groups being in a minority on the territory of the Republic of Kosovo.

15 The term ‘Kosovar authorities’ refers to political authorities of institutions of the self-proclaimed Republic of Kosovo, founded on 17 November 2008.

16 Spain, Greece, Romania, Cyprus and Hungary did not recognize the Republic of Kosovo until today.
inhabitants. In total, 25 competencies\(^{17}\) are assigned to municipalities while, as part of an asymmetric decentralization design, those municipalities with a Serb majority receive up to four additional competencies\(^{18}\). The municipality's executive body is the mayor who presides over the municipal administration. In this role the mayor represents the municipality, appoints and directs the administration, proposes the annual budget, municipal regulations as well as other acts that require approval from the municipal assembly (Art. 58 LLSG). He is directly elected by the population of the municipality for a four year term. In municipalities where at least 10 percent of the citizens belong to non-majority communities, the mayor appoints a deputy for non-majority community affairs (Art. 61 LLSG). The municipality's legislative body is the assembly, elected by the municipal population for a four year term, which may adopt acts and regulations (Art. 12 LLSG). In addition, its competencies include the approval of the municipal budget, investment plans as well as further financial matters (Art. 40 (2) LLSG). The work of the municipal assembly is supported by two committees: the Committee on Policy and Finance and the Committee on Communities. The latter reviews the compliance of the municipalities regarding the rights of communities, proposes actions to protect non-majority communities and to enforce their needs at the municipal level (Art. 53 (2) LLSG) and serves as a platform for the settlement of disputes between ethnic communities (Art. 55 LLSG). The committee usually includes members of the municipal assembly and community representatives, thus representing all communities living in the municipality (Art. 53 (2) LLSG). Due to the high number of competencies at the municipal level the Republic of Kosovo can be regarded as highly decentralized.

The local political structures created by the Kosovar decentralization policy compete with Serb parallel structures. These structures offer public services supported by the Republic of Serbia which does not recognize Kosovo’s independence. In the municipalities north of the Ibër/Ibar river\(^{19}\), the Serb parallel structures exert political authority and prevent the establishment of the municipalities of the Republic. In territories south of the Ibër/Ibar river, these structures compete with the services provided by Kosovar municipalities (Tahiri 2010: 21 f.). They offer medical services and primary and secondary education in Serbian and serve as representations of the Republic of Serbia in Kosovo (Interview 16, 2011). While the primary and secondary education offered by the parallel structures is used by Serbian speaking non-majority groups, the medical services are open to all inhabitants of the region although they are mostly avoided by Albanians. Executive and legislative organs of the Serb parallel structures are directly elected by the Serb population living in the respective territory (Interview 12, 2011; Interview 13, 2011).

### 3.3 Demarcation of the Municipalities

Analyzing the demarcation of the borders of Kosovo’s municipalities, it becomes clear that the municipalities are mainly based on demarcations already established by the UNMIK authority and traditional local entities. The local level consists of 37 municipalities, of which 28 have an Albanian majority, eight have a Serbian majority and one has a Turkish majority. Looking at the ethnic composition of the population, twelve municipalities can be regarded as heterogeneous\(^{20}\). As operational definition, municipalities will be regarded as heterogeneous if they have at least 10 percent of population belonging to communities not being the majority in this municipality. Thereby, the paper follows the constitution of Kosovo which arranges for special rights for non-majority communities in these cases. In a few cases, the decentralization process shifted the former municipal boundaries established by UNMIK to create new municipalities, thus altering the ethnic composition of existing ones. Consequently five new municipalities with a Serb majority and one municipality with a Turkish majority were created and the composition of one

---

17 Municipal competencies include exclusive competencies such as the development of municipal infrastructure, public services, primary and secondary education, public health care, as well as delegated competencies such as civil and cadastral registries, registration of local business and social welfare.

18 Enhanced competencies are cultural affairs (all municipalities in which the Serb population is in a majority), the right to select the director of the local police station (all municipalities in which the Serb population is in a majority), secondary health care (Severena Mitrovica/Mitrovica e veriut, Graçanicë/Gračanica, Shtërpiçë/Štrpce), and tertiary education (Severena Mitrovica/Mitrovica e veriut).

19 Due to the fact that the decentralization policy of the Republic of Kosovo has not been implemented in this region, the north of Kosovo is not part of this analysis.

20 Statistics are based on estimations of the European Centre for Minority Issues Kosovo (ECMI 2011).
municipality was altered to a Serb majority. Some new municipalities were established using former ‘mother municipalities’\(^\text{21}\) (with a non-Albanian majority), in order to raise the percentage of Albanian living there. As a result, decentralization created two new homogenous municipalities with a Serb majority and one homogenous municipality with a Turkish majority, while two of the new Serb-dominated municipalities can be regarded as ethnically heterogeneous. The decentralization policy allows for the establishment of new municipalities for non-majority communities, when at least 5000 people settling in a closed territory in which they constitute a majority (Interview 4, 2011). In this context, especially the Bosniak community claims, albeit until now unsuccessful, the establishment of Bosniak municipalities, identifying two potential homogenous Bosniak municipalities and one potential municipality that would be dominated by Bosniaks and Gorani.

The design of the decentralization process reflects its origin as a solution for the international conflict on the status of Kosovo. It is obvious that the aim of decentralization has been to establish municipalities with Serb majorities. To achieve this aim, municipal borders have been altered cutting across socio-economically linked areas\(^\text{22}\) (Interview 14, 2011) and very small municipalities have been established which, in the long run, are hard to sustain given the high costs of municipal structures and services.

Despite the intention of the international community to establish trust and cooperation among all communities (Interview 9, 2011), the needs of smaller non-majority communities are hardly taken into account in the process. Smaller non-majority communities barely influenced the drafting process of the decentralization policy (Interview 3, 2011; Interview 1, 2011; Interview 2, 2011; Interview 5, 2011 and Interview 6, 2011). Moreover, the municipal design reveals different standards for Serbs and for other non-majority communities. While there are currently no more territories in Kosovo where Serbs constitute a majority of 5,000 inhabitants, other non-majority communities that fulfilled this criterion did not receive municipalities. Only the Turks in Kosovo have been able to secure a municipality in which they constitute a majority. Many experts argue that the outcome of the negotiation on the decentralization has been influenced by the fact that the other non-majority groups did not dispose of patronage states promoting their interests (Interview 3, 2011; Interview 5, 2011).

It can be concluded that, for the Serbs, the intention of the decentralization process follows the concept of ethnic decentralization, separating the different communities and establishing self-determination through far-reaching competencies at the municipal level (Interview 5, 2011). However, looking at the ethnic distribution in Kosovo, a significant number of Serbs continue to live in municipalities with an Albanian majority or municipalities which can be regarded as heterogeneous. Due to the structure of ethnic settlement in Kosovo, it has not been possible to completely separate Serbs and Albanians with territorial arrangements. In the case of other non-majority communities, the decentralization policy follows the model of territorial decentralization: a significant number of individuals belonging to non-majority groups live in heterogeneous municipalities in which they enjoy a special representation in the municipal assembly and the administration who is supposed to represent their interests at the local level. In total, Kosovo still has twelve heterogeneous municipalities. Due to the mix of homogenous and heterogeneous municipalities, Kosovo is a promising case study to analyze the dynamics within the municipalities of highly decentralized post-conflict societies.

### 3.4 Implementation of the Kosovar Decentralisation Policy

Three and a half years after the decentralization policy of the Republic of Kosovo was initiated, all bodies of the Kosovar municipalities south of the Ibër/Ibar river have been established. The relevant ministries of the Kosovar government established structures for cooperation and financing of local institutions (Interview 9, 2011; Interview 3, 2011). While on paper the decentralization process in these regions has been concluded, in practice the Kosovar municipalities face several challenges prior to being fully functional.

Despite the cooperation between the central level and the municipalities, the acceptance of the competencies of municipalities by some institutions

---

21 The term ‘mother-municipalities’ describes municipalities on the territory of which a new municipality has been founded.

22 One example for this practice is the Serb village Pasjak/Pasjak which has been incorporated into the municipality Novo Brdo/Novobërđë, where the social services are at a distance of 30 kilometers while it is located two kilometers away from the city of Gjilan/Gnjilane (Tahiri 2010: 23).
at the central level remains a challenge. The government and the political elites of the Republic of Kosovo continue to exert control over local municipalities, thereby undermining their competencies. In some cases, for example, hierarchical party structures hinder autonomous decision-making at the local level (Interview 8, 2011). Furthermore, some competencies related to social services remain on the central level since the financial means required by the municipalities to be able to assume their responsibilities fail to be transferred (Interview 5, 2011). Another challenge consists in the acceptance of newly established municipalities by their mother municipalities. Conflicts arose especially over the transfer of income generating competencies, like issuing building licenses (Tahiri 2010: 18 ff.) or the transfer of administrative issues such as civil registers (Gashi 2010: 9).

On the positive side, there is no general disadvantage for non-majority municipalities regarding the financial contribution through the government of Kosovo. Furthermore, political representatives of non-majority communities can often act more autonomously given that their leadership faces fewer directives from party elites (Interview 3, 2011). Equally important for a lack of functionality of municipalities is the lack of respect for democratic competencies, especially with regard to the institutional separation of power within the municipalities. The dominating institution on the local level is the mayor, serving as focal point for politicians and companies and often taking decisions that lie within the competencies of the municipal assemblies (Interview 2, 2011; Interview 5, 2011). The functionality and influence of the municipal assemblies and the committee for communities differ from municipality to municipality. Yet in many cases, these bodies only participate to a low extent in the decision-making process (Interview 8, 2011). Two reasons for this institutional deficit should be highlighted: the delegates' dependency on the income generating positions often assigned to them directly by the mayor and other elites of the administration (Interview 10, 2011) and, closely related, the hierarchical party structures in which delegates are not held accountable by their constituency and are often dominated by superiors (Hajnal/Péteri 2010: 42 f.).

Another challenge for the functionality of Kosovar municipalities are the staff’s capabilities: Most municipalities are affected by a lack of individual capacities due to missing skills and training of local officials. Serb-majority municipalities tend to be more affected than other municipalities as they compete with the Serb parallel structures for qualified personnel. Since many Serbs reject the Kosovo structures and authorities, it is difficult to find adequately skilled public servants wanting to work with the Kosovar institutions (Interview 12, 2011; Interview 16, 2011). On the other hand, municipalities like the Serb-dominated Ranilug/Ranilug illustrate that Kosovo municipal institutions can generate acceptance and support when they are able to provide efficient social services and are actively shaping municipal policies (Interview 13, 2011). These challenges reflect top-down decentralization processes in which competencies are assigned to municipalities that possess neither the capacities nor the democratic structures to carry out these new responsibilities efficiently and democratically (Interview 5, 2011). However, shifting additional competencies to the local level when accompanied by the consolidation of local structures can empower municipalities in the long-term (Tahiri 2010: 37).

After three and a half years, the Kosovar population is divided in its acceptance of the decentralization process. Experts state that most Albanians accept decentralization as a concession to non-majority communities for the independence of Kosovo (Interview 2, 2011; Interview 6, 2011). They claim that despite being implemented in all municipalities, in the public perception decentralization only benefits Serbs. This perception would cause decentralization to be seen as a policy aimed exclusively at the inclusion of non-majority communities, not for the benefit of all municipalities in Kosovo. Therefore, some Albanians would reject decentralization because they think it primarily divides Kosovo ethnically (Tahiri 2010: 15; Interview 6, 2011). But on the municipal level interviewed experts note that many Albanians rejected the new Serb dominated municipalities at first, but after some time, most Albanians who presently live in Serb-dominated municipalities started to accept the new municipality. Crucial for this shift in perception would be the benefits stemming from social services, jobs generated through municipal structures and the inclusion in decision-making on the municipal level (Interview 6, 2011; Interview, 10 2011; Interview 12, 2011).

Serbs seem to be deeply divided in their acceptance of the municipalities of the Republic of Kosovo.
Interviews show that some Serbs reject the new municipalities because they perceive any cooperation with the local Kosovar structures by default as an acceptance of the Republic of Kosovo. But the majority of Serbs living south of the Ibër/Ibar river discarded such categorical rejections of Kosovar structures (Interview 3, 2011; Interview 5, 2011; Interview 10, 2011). The implementation of the decentralization process has decreased the political domination of the Albanians in their municipalities, especially since decisions on municipal matters are brought closer to the people, job opportunities are created and daily life is affected (Interview 15, 2011; Interview 12, 2011). An issue for Serbs was the demarcation of municipal borders for the creation of the new municipalities. While the residents of some Serb villages complained because they remained in Albanian-dominated municipalities, others objected being cut off from the social services provided in their Albanian neighborhood (Interview 2, 2011; Interview 14, 2011). At present, there are Serb villages that fully collaborate with the Kosovar municipal structures next to Serb villages that either completely or partly refuse any collaboration with those structures. Smaller non-majority communities generally do not reject the decentralization process and try to benefit more from it by promoting the creation of new municipalities where their ethnic group will be in the majority (Interview 5, 2011).

3.5 CONFLICT TRANSFORMATION THROUGH THE DECENTRALIZATION POLICY

INTERETHNIC COOPERATION IN MUNICIPAL STRUCTURES

Municipal structures can be a decisive platform for contact between representatives of ethnic communities in post conflict societies. In Kosovo, they are often the only platforms for such exchange (Interview 12, 2011). But the fact that municipalities have been established and are accepted by a majority of the population of Kosovo does not automatically imply that local structures contribute to a transformation of the ethnic conflict. As shown in the theory section, municipalities may contribute to conflict transformation by promoting contact, cooperation and trust-building between representatives of ethnic groups and thus influence the perception of individuals of other ethnic affiliation and the relations between individuals of different ethnic groups. In this section, conflict transformation within the municipal structures in Kosovo is assessed based on five indicators: the inclusion of non-majority communities in municipal structures, the cooperation and influence of non-majority communities on political decisions, the salience of ethnicity in decision-making, the development of shared goals and the freedom of action of representatives in municipal institutions. Findings for heterogeneous municipalities will be evaluated separately from homogeneous municipalities.

In heterogeneous municipalities, the Kosovar Ministry for Local Governance Assessment claims that all non-majority communities are represented in the municipal assemblies and mostly also in the municipal administrations (Interview 9, 2011). In these institutions, regular contact between representatives of all ethnic groups is ensured. This assessment is confirmed by experts, noting a high level of inclusion of non-majority communities in administrative and political processes, irrespective of whether the municipalities are composed of two ethnic communities, such as Štrpce/Shtërpcë, Novo Brdo/Novëbërde or Kllokot/Klokot, or of one large Albanian community and rather small non-majority communities, such as Prizren/Prizren and Gjilan/Gnjilane (Interview 2, 2011; Interview 14, 2011; Interview 1, 2011).

As part of the political decision-making processes in heterogeneous municipalities, non-majority communities generally cooperate with the ethnic majority and are, to a varying extent, able to advance important interests. Among examples of policies in which non-majority groups achieved their interests are debates about the distribution of funds for infrastructure projects in the municipality of Prizren/Prizren (Interview 14, 2011). Debates about policies of local identity such as the municipal symbols of Prizren/Prizen and Kllokot/Klokot or the official municipal languages of Prizren/Prizren and Gjilan/Gnjilane (Interview 11, 2011; Interview 8, 2011; Interview 2, 2011) further constitute such examples. Contrary to assumptions regarding territorial decentralization, experts assume that only to a small extent can elite capture of public funds in the municipalities be perceived as ethnically influenced. Instead, clan or family affiliations are often more important for the misuse (Interview 8, 2011).

Despite the contact and cooperation between
representatives of the ethnic communities within the structures of heterogeneous municipalities, ethnic affiliation seems to remain of major importance for decision-making. It still tends to be an ethnicized bargain between the communities over available funds and positions of influence. This salience of ethnicity in the political process is reflected by the fact that interviewed experts were not able to identify any multi-ethnic parties or coalitions on the local level.

Although being an exception, in some heterogeneous municipalities a common vision for economic development has emerged, uniting representatives of all ethnic communities in these municipalities thereby decreasing the salience of ethnicity in political decision-making. International experts identify the municipality of Štrpce/Shërbcë where Serbs and Albanians work jointly on the vision of infrastructural development of the local ski resort with the aim of attracting visitors and generating income (Interview 1, 2011; Interview 5, 2011; ICG 2009) as the most prominent case. Another, albeit less developed, case of an economic project that unites Albanian and Serb communities is the newly established municipality Klokot/Kloko (Interview 12, 2011). In both municipalities, political debates do not only take the form of a trade-off between ethnic communities, but are also influenced by individual interests uniting and organizing inhabitants of the municipality thus overcoming the dominant cleavage ethnicity.

Despite some progress on interethnic cooperation in heterogeneous Kosovar municipalities, representatives of the ethnic communities sometimes receive guidance and face pressure from elites of their ethnic groups reducing their freedom of action. Especially in the process of the establishment of the Kosovar municipalities and thus reinforcing the presence of the Kosovar state outside of the capital, local representatives of all ethnic groups received the attention of political elites from Prishtina/Priştina and Belgrade as well as of political hardliners in their respective municipality (Interview 12, 2011; Interview 14, 2011). Especially Serbs cooperating with the Kosovan institutions are targeted by hardliners, so are some Serbs working in the Serb parallel structures trying to reduce the cooperation of Serbs with the Kosovar municipalities (Interview 1, 2011). Experts working on the capacity-building of municipalities registered exclusion and verbal threats against Serbs collaborating with Kosovan structures. However, threats rarely take the form of violence against “collaborators” (Interview 14, 2011; Interview 10, 2011). On the positive side, the influence of radical parties of the Republic of Serbia is rather limited south of the Ibër/Ibar river (Interview 4, 2011).

In the process of the establishment of the Kosovar municipalities, Albanians have also been targeted by hardliners over their cooperation with the government in the establishment of the Serb-majority municipalities of Klokot/Kloko and Novo Brdo/Novëberde/Novo Brdo. In these cases, experts registered intimidations, extortions and few cases of violent acts (Interview 12, 2011). Furthermore, in some municipalities party elites in Prishtina/Priştina interfere in political decision-making on the municipal level (Hajnal et al. 2010: 42 f.). In some cases representatives of smaller ethnic communities, especially of Roma, Ashkali and Egyptian (RAE) communities have been forced to choose sides between the two conflicting communities (Interview 3, 2011). While threats and the influence of political elites have seriously interfered with the process of the establishment of municipalities in 2008 and 2009, experts assume that it does not decisively influence the interethnic cooperation in homogenous municipalities anymore (Interview 12, 2011, Interview 1, 2011).

While in heterogeneous municipalities ethnic communities cooperate in the municipal administrations and the municipal assemblies, in homogeneous municipalities the small non-majority communities are often not represented in these institutions. Therefore, the Committees for Communities provide the decisive platform for interethnic contact (Interview 8, 2011). These committees do not provide regular contact and are often exclusively attended by representatives of non-majority communities, being perceived as an institution only representing the interests of these communities (Interview 1, 2011). Experts working on the capacity-building of the Committees for Communities criticize that, due to the limited influence of the Committees for Communities, non-majority communities are rarely included in the political decision-making process in the municipal structures (Interview 12, 2011; Interview 14, 2011). In this context, non-majority communities remain marginalized, being hindered to develop common interests and aims.

It can be concluded that in heterogeneous municipalities, following the design of territorial decentralization, two indicators of conflict
transformation through decentralization are fulfilled: 1) the municipal assembly and the municipal administration serve as a platform for the promotion of constructive interethnic contact while 2) non-majority communities cooperate in and exert influence on the decision-making process in the municipal structures. Two indicators are partly fulfilled: 5) local representatives have gained a certain degree of freedom of action with the consolidation of the municipal structures, although some influence especially through Serb parallel structures and Albanian party elites remain; 3) experts reported the development of shared goals and objectives on which all ethnic groups cooperate only in two municipalities. In this context, the fourth indicator regarding a decrease of the salience of ethnicity in the decision-making process in municipalities is not fulfilled. In homogeneous municipalities following the model of ethnic decentralization, on the contrary, representatives of non-majority communities have hardly been included in the political process and no indicator of conflict transformation through decentralization has been met.

In both models of decentralization, three major preconditions for cooperative interethnic cooperation within municipal structures can be identified: the heterogeneous composition of the municipality and thus the limited dominance of a single ethnic group; the extent to which the ethnic community is organized around their interests in municipal affairs which is often also connected to the size of the community (Interview 12, 2011) and the extent to which the mayor of the municipality tries to assume a mediating and ethnically impartial role (Interview 12, 2011; Interview 8, 2011).

**CONFLICT TRANSFORMATION ON THE LOCAL LEVEL**

For the establishment of peace in ethnic conflicts political elites have to accept a certain extent of power sharing and non-violent decision-making procedures. But even where stable arrangements between political elites have been achieved, peace can still not be sustainable if ethnic communities have not been reconciled and do not discard violence as instrument to solve disputes between ethnic groups. As an approach towards enhanced peace building on the local level, the theory section of this paper outlined bottom-up peace processes. In this approach, peace has to be built on the local level and is believed to subsequently spread towards the central level of the state. It is based on the assumption that strongly connected ethnic communities cannot easily be used by ethnic entrepreneurs as an instrument for ‘playing the ethnic card’. In the case of Kosovo, municipalities are the institutions directly influencing the local level and are thus in the position to contribute to bottom-up peace processes, mainly through the establishment of cooperation and conflict transformation within the municipal structures. This paper assesses the transformation of the ethnic conflict in Kosovo on the local level using four indicators: the cooperation amongst ethnic communities and the integration into a shared society, the reduction of the salience of ethnic affiliation in daily life, the establishment of cross-cutting cleavages and a moderating role of local representatives in the conflict.

During the last three-and-a-half years, the integration of the ethnic communities settling south of the Ibër/Ibar river into Kosovar society seems to have improved. Experts observe that the Bosniak and the Turk communities are starting to integrate into one Kosovar society even if dominated by the Albanian community. But contact between Albanians and Serbs, coming to a hold during violent conflict, also seems to have been revived, especially due to mutual benefits resulting from economic exchange (Interview 3, 2011; Interview 14, 2011). International experts supporting the decentralization process argue that links between individuals of different ethnic affiliation start to exceed mere business contacts, albeit only to a low extent and only in heterogeneous municipalities (Interview 11, 2011; Interview 2, 2011).

Experts think that the structures of heterogeneous municipalities of the Republic have contributed to this trend through the establishment of contact and cooperation between members of all ethnic communities, including the Serbian population. This is supported by the observation that cooperation between individuals of different ethnic groups develops mostly on the local level and within the borders of shared municipalities. According to experts, officials in municipal administrations have been able to diminish the influence of Serb parallel structures and to reach out to the Serb population (Interview 1, 2011; Interview 3, 2011; Interview 12, 2011). Other non-majority groups embrace decentralization more actively as an important
element for the integration in Kosovo, requesting the establishment of further municipalities with a majority of their own ethnic community. Because the most important requirement for interethnic cooperation are long lasting relationships built on mutual trust, experts regard the cooperation within municipalities as promising for the establishment of lasting interethnic links (Interview 3, 2011). In contrast, cooperation exceeding the local context is often prevented by mistrust of unacquainted individuals from other ethnic groups (Interview 2, 2011). Therefore, contact established in heterogeneous municipalities seems not to spread to homogeneous municipalities and observers report that yet only very few interethnic contacts exist in heterogeneous municipalities (Interview 8, 2011; Interview 12, 2011).

The limited progress in the integration of ethnic non-majority groups hardly seems to have translated into a reduction of the salience of ethnicity in the daily life of Kosovars. The decentralization policy has not yet been able to significantly influence the fact that ethnicity remains the most important aspect in interpersonal relations. The continuing high salience of ethnicity is demonstrated by the mobilization of the Kosovar population by issues of relevance for ethnic identity. Many conflicts on the local level evolve along policies on languages and municipal symbols (Interview 11, 2011). Furthermore, political entrepreneurs still seem to be able to further their individual interests by employing the strategy of ethnicizing contentious issues. For example, the fact that the Serb-Orthodox church may veto construction projects in the historic center of Prizren/Prizren has been used by Albanian constructors to raise protests against a construction ban in this area of the city (Interview 14, 2011). Another indicator for the salience of ethnicity is the decline in the perception of security among Serbs living south of the Ibër/Ibar river since the escalation of the ethnic conflict in the north (Interview 15, 2011; Interview 13, 2011).

The political landscape and civil society also remain largely separated. Registered parties or coalitions including representatives of different ethnic communities exist neither on the national nor on the local level. Hence, according to observers, in national as well as municipal elections, communities vote for the representatives of their ethnic communities (Interview 11, 2011). Regarding civil society, experts could only name few multiethnic NGOs or cooperation that go beyond commercial relations (Interview 15, 2011; Interview 14, 2011). Often NGOs of different groups exist side by side without any form of cooperation although they pursue similar goals (Interview 12, 2011; Interview 13, 2011). Still, some experts remarked positively that the, albeit limited, number of examples of cooperation indicate a frail decrease of the antagonism between ethnic communities. One of such cases is the growing interest in Albanian and Serbian language courses among politicians and citizens in multiethnic municipalities, which was noticed by the OSCE and NGOs (Interview 3, 2011; Interview 1, 2011).

The limited progress towards a multiethnic civil society cannot be explained by the messages sent out by the local political elites such as mayors and deputies. According to experts, local elites and representatives mostly advocate moderate position and often serve as moderators in case of controversy, facilitating interethnic contact and cooperation (Interview 3, 2011; Interview 12, 2011). Striking examples for local representatives who embrace such a role as interethnic facilitators are the mayors of the heterogeneous municipalities with a Serb majority in the east of Kosovo. Another prominent example for the conciliatory character of the local political messages is the disapproval of the use of violence by their Serb representatives south of the Ibër/Ibar river during the escalation of the conflict in the north of Kosovo in August 2011 (Interview 11, 2011; Interview 8, 2011). Following the theory of bottom-up peace processes, experts assess that the moderate stance of non-majority representatives from the municipalities influences interethnic cooperation on the central level. Important positions in the central government are held by representatives of non-majority communities with pertinent experience in moderating interethnic controversies on the local level (Interview 3, 2011; Interview 1, 2011).

It can be concluded that 1) the administrative and legislative structures of heterogeneous municipalities have supported a small improvement in the cooperation among ethnic communities and facilitating interethnic contact and cooperation (Interview 3, 2011; Interview 12, 2011). Striking examples for local representatives who embrace such a role as interethnic facilitators are the mayors of the heterogeneous municipalities with a Serb majority in the east of Kosovo. Another prominent example for the conciliatory character of the local political messages is the disapproval of the use of violence by their Serb representatives south of the Ibër/Ibar river during the escalation of the conflict in the north of Kosovo in August 2011 (Interview 11, 2011; Interview 8, 2011). Following the theory of bottom-up peace processes, experts assess that the moderate stance of non-majority representatives from the municipalities influences interethnic cooperation on the central level. Important positions in the central government are held by representatives of non-majority communities with pertinent experience in moderating interethnic controversies on the local level (Interview 3, 2011; Interview 1, 2011).

It can be concluded that 1) the administrative and legislative structures of heterogeneous municipalities have supported a small improvement in the cooperation among ethnic communities and the integration into a shared society, which does not yet exceed cooperation within the municipal structures and economic exchange. Until now, the improvement concerning cooperation and integration has not led to 2) a reduction of salience of ethnicity in daily life and 3) the establishment of cross-cutting cleavages. Nevertheless, heterogeneous municipalities have contributed to the 4) advancement of representatives of ethnic groups holding positions on the national level and advocating moderate stances towards the
Polarization of Ethnic Conflict Through Decentralization

The Kosovar decentralization policy does not only contribute to conflict transformation, it also bears the risk of creating a source for ethnic polarization and conflict. Three sources for ethnic polarization should be highlighted: the perception of decentralization, the demographic trend and the financing of the municipalities.

The first source is the perception of some Albanians that the decentralization policy divides the country into territories belonging to ethnic groups. In this context, some local conflicts evolved along special rights of the Serb community. Not being part of the decentralization policy but connected to this discussion is a dispute about Serbian Special Protected Zones in which the Serb community may veto construction of homes and other buildings by Albanians (Interview 11, 2011). A creation of further municipalities for Bosniaks and Gorani might deepen the Albanian perception of the decentralization policy as a policy for the division of the Republic and thus my contribute to a polarization in the ethnic conflict.

Another source for ethnic polarization on the local level are controversies over issues of high relevance for ethnic identity connected with the ethnic composition of municipalities. The demographic trend might pose new sources of conflict. Through the emigration of young Serbs and the return of Albanians, the demographic composition of the Serb dominated municipalities might shift. It is uncertain how the Serbian population would react to this trend should they become a minority in the few municipalities they currently dominate. One example of identity policy anticipating the demographic shift is the alleged attempt of assimilation of Gorani by Bosniaks in Dragash/Dragaš through language policy in schools. The education policy of the dominating Bosniaks leaves the Gorani with the impression that Bosniaks attempt to dissolve their identity by teaching them the Bosnian language and Bosniak identity. It is assumed that through this policy Bosniaks are trying to raise the Bosniak share of the local population to above 50 percent, thus increasing their leverage in local politics (Interview 13, 2011).

A third source for conflict is the financing of the municipalities. Until now, the new and small municipalities with a Serb majority are mostly co-financed by donors such as governmental agencies and private funds often investing in infrastructure or capacity-building in these municipalities. Due to low income and the limited budget of the Republic of Kosovo, it is not clear whether these municipalities would be able to finance their services without such external funding. The need for cooperation with their neighboring municipalities or even the reintegration into mother-municipalities will probably create conflicts (Interview 14, 2011). This problem might even be aggravated through a cut of funding of the Serb parallel structures through the Republic of Serbia. The Kosovar municipalities will not be able to adequately replace primary and secondary health service and education. A decline of local services might constitute an important backlash for the integration of the Serbs and other ethnic communities that currently benefit from these structures in the Republic of Kosovo.

CONCLUSION

This paper analyzed to what extent the decentralization process of the Republic of Kosovo has been and will be able to contribute to the transformation of the ethnic conflict. It employed a theory of conflict transformation highlighting contact and cooperation as a source for pluralistic social identities and cross-cutting cleavages. Decentralization has been analyzed on the basis of two models which use different mechanisms for conflict management: ethnic decentralization and territorial decentralization.

The findings point towards the conclusion that the ethnic conflict in Kosovo is still far from being transformed. Although experts notice an improvement in the cooperation and integration among the ethnic communities on the local level, everyday life between the different ethnic individuals is still highly separated and ethnicity remains being the most important social group. Moreover, cross-
cutting cleavages remain undeveloped as political parties remain ethnicized and civil society is strictly organized along the lines of ethnic affiliation. But in heterogeneous municipalities decentralization has been able to contribute to an institutional setting potentially providing for future transformation of the ethnic conflict. New municipalities have been established and a regular exchange between representatives of ethnic communities has been established in these municipalities. Benefiting from services provided by the municipal structures, the majorities of the populations of all communities seem to accept Kosovar structures. Municipal elections mostly empowered moderate representatives from all ethnic communities thereby contributing to the establishment of contact and cooperation while acting moderately in ethnic disputes in their respective municipalities. Furthermore, heterogeneous municipalities have contributed to the formation of representatives of non-majority groups holding positions on the national level and advocating moderate stances towards political debates/issues. Still, only in a few cases experts reported the development of shared goals and cross-cutting cleavages within the municipal institutions, thus the salience of ethnicity remains high. Furthermore, representatives on the local level are still influenced by political elites of parallel or party structures, limiting the space for interethnic cooperation. To summarize, newly established cooperation between ethnic groups within and outside of municipal institutions has not yet translated into a reduction of the salience of ethnicity and the development of civil society organized around cross-cutting cleavages. Still, the developments in heterogeneous municipalities might contribute to a long-term transformation of the ethnic conflict in these municipalities.

In contrast, decentralization had less impact on conflict transformation in homogeneous municipalities. The study showed that in these municipalities non-majority groups are not integrated into the political process and remain marginalized. Both models of decentralization have not been able to address the situation of the RAE communities in Kosovo. Mechanisms for political participation and political competencies on local level have failed to prove to be adequate instruments for the inclusion of economical and societal marginalized communities which have a low level of self-organization and are scattered over the whole territory of the state.

Analyzing the potential for polarization of the ethnic conflict through decentralization, it becomes clear that a transformation of the ethnic conflict is of high importance. Only through diminishing the competition over group value and dominance between ethnic groups, can Kosovar society mitigate the potential for conflict arising from demographic trends and a potential integration of the Serb parallel structures into the Kosovar municipalities. The case of Kosovo allows for some conclusions regarding decentralization as an instrument to promote conflict transformation in ethnic conflicts. The Kosovar decentralization policy shows that municipalities following the model of territorial decentralization can promote interethnic cooperation and establish benefits for moderation among ethnic elites. Contrary to the critique of territorial decentralization, competencies regarding conflict sensitive issues as territory or resources do not automatically lead to polarization and conflict on the local level. On the other hand, conflict transformation is a long process and decentralization can only be one instrument contributing to this process. The findings of this study do not allow for a final conclusion with regard to the extent to which local cooperation between ethnic groups can contribute to the development of cross-cutting cleavages and the reduction of the salience of ethnicity. This might be due to the short period for which the Kosovar decentralization policy has been in place but also indicates that cooperation within administrative institutions is not sufficient for producing the desired effects. It can be concluded that by itself decentralization is not sufficient to transform an ethnic conflict and has to be complemented with policies promoting the establishment of local civil society that transcends ethnic borders and generates cross-cutting cleavages.

With regard to ethnic decentralization the study showed that this approach may contribute to the self-determination of ethnic communities, but can hardly contribute to interethnic contact and cooperation as well as further reaching integration in deeply divided societies. Moreover, the example of the Kosovar decentralization confirms that ethnic decentralization further marginalizes small non-majority groups in homogeneous municipalities. Looking at the four northern provinces of Kosovo which should now be integrated into the structures of the Republic of Kosovo, it has to be remarked that these municipalities are mainly inhabited by Serbs with only very small numbers of Albanians, Roma
and Bosniaks. In this context it seems hardly possible to recommend the implementation of a territorial model. Nevertheless, the population center of the region, the city of Mitrovicë/Mitrovica, has always been a multiethnic city. Its division into an ethnically segregated city into a Serb dominated north and an Albanian dominated south occurred in the context of the war 1998/99 and is now cemented by the introduction of a municipality covering only the northern part of the city. On basis of the conclusion of this study it can be recommended not to generally rule out possible links between the two parts of the city to enable the long-term transformation of the ethnic conflict in Mitrovicë/Mitrovica.

It should not remain unstated that some intervening variables could not be isolated. Especially the lower intensity of violence during the Kosovo war in the east and the south of the region might contribute to a higher level of trust and contact between ethnic groups in these regions. Regarding the application of the Kosovo example to other cases, it also has to be stressed that the settlement structure of ethnic groups in Kosovo allowed for the creation of heterogeneous municipalities. Furthermore, it is unclear to what extent the model of territorial decentralization can be implemented in deeply divided societies in the direct aftermath of violent conflict. These special factors of the case of Kosovo should encourage further research on other cases of territorial models of decentralization and its influence on conflict transformation. By gathering more information on the contribution of heterogeneous municipalities on conflict transformation, territorial decentralization might be promoted as an alternative to concepts of ethnic decentralization in post conflict societies.
5. LIST OF INTERVIEWS

Interview 1: Employee of a German NGO which is working with Kosovar municipalities. Berlin, 19.08.2011
Interview 5: Employee of the International Civilian Office. Pristina, 03.09.2011
Interview 6: Kosovo-Albanian employee of a Kosovar Think Tank. Pristina, 05.09.2011
Interview 7: Kosovo-Albanian employee of a Kosovar Think Tank on decentralization. Pristina, 06.09.2011
Interview 9: Kosovo-Albanian Employee of the Kosovar Ministry for Local Governance Assessment. Pristina, 07.09.2011
Interview 10: Employee of an International NGO working in the field of decentralization and minority issues. Pristina, 08.09.2011
Interview 11: Employee of the International Civilian Office. Pristina, 08.09.2011
Interview 12: Kosovo-Roma employee of an International NGO working in the field of decentralization and minority issues. Gjilan/Gnjilane, 09.09.2011
Interview 14: Employee of the International Civilian Office. Pristina, 12.09.2011
Interview 15: Kosovo-Serb Employee the Ministry of Local Governance Assessment. Pristina, 14.09.2011
Interview 16: Kosovo-Serb employee of a Serbian NGO working on minority rights. Pristina, 15.09.2011
6. LITERATURE


Federalism against Ethnicity? Institutional, Legal and Democratic Instruments to Prevent Violent Minority Conflicts, Zürich: Rüegger.


7. LIST OF ILLUSTRATIONS

Illustration 1 (Page 4)

'Municipalities of Kosovo, own illustration based on: Kosovo municipalities by Пакко and Бапja, CC-BY-SA-3.0-2.5-2.0-1.0, http://creativecommons.org/licenses/by-sa/3.0, via Wikimedia Commons, last access 31.10.2013.

Illustration 2 (Page 13)


Die Reihe erscheint in unregelmäßiger Folge und wird online mit ISS-Nummer publiziert.

**AKTUELLE WORKING PAPERS**

**War Lords or Lords in War? Macht in Kolonialismus und Krieg auf den Philippinen.**
(Simon Sottsas)

**Demokratisierung der Bundeswehr als Schritt auf dem Weg zum Frieden. Anmerkungen zu den Zivilisierungsperspektiven einer autoritären Institution.**
(Jürgen Rose)

**CCS WORKING PAPERS** sind kostenlos online verfügbar unter:
http://www.uni-marburg.de/konfliktforschung/publikationen/ccswp