Capital: Pristina  
Population: 1.8 million  
GNI/capita, PPP: US$9,100

Source: The data above are drawn from the World Bank's *World Development Indicators 2015*.

<table>
<thead>
<tr>
<th>Nations in Transit Ratings and Averaged Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kosovo</td>
</tr>
<tr>
<td>Electoral Process</td>
</tr>
<tr>
<td>Civil Society</td>
</tr>
<tr>
<td>Independent Media</td>
</tr>
<tr>
<td>National Democratic Governance</td>
</tr>
<tr>
<td>Local Democratic Governance</td>
</tr>
<tr>
<td>Judicial Framework and Independence</td>
</tr>
<tr>
<td>Corruption</td>
</tr>
<tr>
<td>Democracy Score</td>
</tr>
</tbody>
</table>

NOTES: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.
Executive Summary

Kosovo held parliamentary elections in 2014, but the elected representatives were unable to constitute a government for six months. Two political blocs, the Democratic Party of Kosovo (PDK) and a postelection coalition led by the Democratic League of Kosovo (LDK), locked themselves into a stalemate over who had the constitutional right to form a government. Rulings by the Constitutional Court did not break the deadlock, indicating the fragility of Kosovo’s young democracy. A new government was finally sworn in on 9 December, after the PDK had reached a coalition deal with the LDK.

National Democratic Governance. A drawn-out postelection political crisis overshadowed the successes of the first six months of 2014. Overseen by a caretaker government, Kosovo institutions continued to administer the state. Following two Constitutional Court decisions that favored the incumbent PDK, a governing coalition was formed in December. The implementation of the 2013 agreement between Kosovo and Serbia slowed down, and high-level meetings between the representatives of the two countries stalled due to elections. Kosovo’s national democratic governance rating remains unchanged at 5.50.

Electoral Process. Local and international observers praised the June 2014 parliamentary election as free, democratic, and fair. For the first time, the Serb community in Kosovo as well as Serbs living in northern Kosovo turned out to vote in solid numbers. A united list, backed by Belgrade, won most of the votes. Authorities failed to complete electoral reforms initiated after the fraudulent 2010 election, but state institutions mobilized to prevent election fraud. Kosovo’s rating for electoral process remains unchanged at 4.75.

Civil Society. Kosovo’s civil sector continues to suffer from lack of funding, and trade union rights are weak in practice. The government proposed a strategy to cooperate with civil society, but implementation is lagging. Politicians have a significant influence over the country’s higher education system. In February, the rector of the University of Pristina and a political appointee, Ibrahim Gashi, resigned following allegations that he had published papers in fake academic journals. Kosovo’s civil society rating remains unchanged at 3.75.

Independent Media. Politicians continue to meddle in the management of public broadcaster Radio Television Kosovo (RTK), which was embroiled in multiple scandals in 2014. The media climate improved due to the large number of online
news and opinion sites, and in-depth investigative reporting. Journalists revived the Association of Journalists of Kosovo, which elected a new board and president. In March, the Basic Court of Pristina sentenced three defendants to imprisonment in the Kosovo 2.0 case. Due to this ruling as well as the role journalists play in shining light on corruption, Kosovo’s independent media improves from 5.75 to 5.50.

**Local Democratic Governance.** The establishment of the Association/Community of Kosovo Serb Municipalities, an umbrella organization envisaged in the 2013 Brussels Agreement between Kosovo and Serbia, stalled due to parliamentary elections in both countries. Four northern Kosovo municipal assemblies began to operate, but they refused to cooperate with some institutions of the central government. Mayoral elections were organized in the municipality of Mitrovica North, after Krstimir Pantic, the mayor elected in late 2013, refused to sign an oath of office document, arguing that it would legitimize Kosovo’s independence. Kosovo’s local democratic governance remains unchanged at 4.75.

**Judicial Framework and Independence.** The reforms that went into effect in 2013 were working their way through Kosovo’s judicial system, whose independence, paradoxically, has diminished. Trust in the Constitutional Court declined after it de facto sided with the incumbent party following the elections and deepened the political stalemate. A major corruption scandal in the EU rule of law mission (EULEX) has damaged the sector. The judiciary remains underfunded, lacking an efficient system of supervision, while politicians often enjoy impunity before the law, and the lines separating the powers are getting blurrier. Kosovo’s rating for judicial framework independence declines from 5.50 to 5.75.

**Corruption.** Multiple institutions and campaigns have failed to make a dent in Kosovo’s entrenched and pervasive corruption. Corruption is systemic in public procurement procedures. In 2014, the Procurement Review Board (PRB) lacked board members for months, and the appointment process was riddled with problems. Kosovo’s ruling elite lacks the will to tackle graft, and politicians’ influence over the judiciary significantly hinders investigations and prosecution. Kosovo’s corruption rating remains unchanged at 6.00.

**Outlook for 2015.** The new government has strong support in the legislature and is likely to stay in power, although Kosovo is facing substantial challenges in 2015. The government is expected to continue the unpopular dialogue with Serbia and implement the 2013 agreement, including the establishment of the Association/Community of Serb Municipalities. The international community will likely put pressure on the authorities to restart electoral reform, which was put on hold because of the postelection crisis. Kosovo is also expected to sign a Stabilization and Association Agreement with the European Union.
For almost six months in 2014, Kosovo lacked a government due to political and constitutional deadlock, which only ended in late November. During this time, the caretaker government of Prime Minister Hashim Thaçi implemented policies without any parliamentary oversight.

On 8 June 2014, Kosovo organized parliamentary elections that local and international observers praised as free and fair. The Democratic Party of Kosovo (PDK) led by Thaçi won 30.4 percent of votes and 37 out of 120 seats in the parliament. However, the other Albanian parties that passed the 5 percent threshold and entered the parliament refused to form a coalition government with the PDK. Instead, the Democratic League of Kosovo (LDK), the Alliance for Future of Kosovo (AAK), and Nisma, formed a coalition with the stated aim to keep the PDK and Thaçi out of power. In September, the Self-Determination Movement (Vetevendosje) joined the coalition, bringing its seats in the assembly to 63—above the 61 votes of investiture necessary to take office. The coalition wanted to put Vetevendosje, which opposes the European Union–sponsored dialogue between Kosovo and Serbia, in charge of that process.

Both the PDK and the coalition of LDK, Vetevendosje, AAK, and Nisma (LVAN) claimed the constitutional right to form a government; with the former arguing that they won the election and the latter holding the majority of the seats. According to the constitution, the president appoints a formateur, a politician to lead the formation of a coalition government, following a “proposal by the political party or coalition holding the majority in the Assembly.” President Atifete Jahjaga referred the issue to the Constitutional Court, arguing that there was a conflict between two articles of the constitution. Article 84 defines the powers of the president, while Article 85 sets out the appointment process for the government.

On 1 July, the court ruled that only preelection coalitions are recognized as entities for the government formation process and the LVAN was a postelection coalition. The court added that in case a party with a relative majority fails to win the investiture vote, the president nominates another formateur, belonging to any political entity. The PDK welcomed the verdict. Although the PDK’s rivals criticized the ruling, they agreed to respect it as long as they could form a government should PDK fail to do so.

The Kosovo Assembly convened on 17 July only to realize that the stalemate would continue due to both political blocs claiming the right to nominate the speaker of the parliament. Following an unsuccessful attempt to elect Agim Aliu
of the PDK, the party’s members of parliament (MPs) left the chamber. The postelection coalition, led by the LDK, nominated Isa Mustafa and elected him with 65 votes. The next day, the PDK referred the issue to the Constitutional Court, arguing that LVAN was not a single parliamentary group, and on 24 August, the court again ruled in favor of PDK and declared Mustafa’s election unconstitutional. The judges ruled that his nomination did not come from the largest parliamentary group, which they understood to be the party with more votes than any other party in the parliamentary elections.\(^7\) The second judgment of the court built upon the controversies of the first.

The verdicts put the PDK in a supreme position for coalition bargaining, having the exclusive right to nominate the head of the legislature and a virtually exclusive right to form the government. The crisis was unlocked on 8 December, when the PDK reached a coalition agreement with the LDK.\(^8\) As part of the agreement, Thaçi gave up the prime ministerial seat and became the deputy of Isa Mustafa. Kadri Veseli, former head of PDK’s shadowy intelligence service, was elected parliamentary speaker. Cabinet positions were divided between the two parties, which together hold 67 seats. As per constitutional provisions, representatives of national minorities are also part of the coalition, which adds to the strength of the government. The parliament elected the new government with 73 out of 120 votes.\(^9\) The cabinet consists of 21 ministers, 8 from LDK, 9 from the PDK coalition, and 4 from other political parties representing the minorities.

In the short run, the verdicts of the Constitutional Court favored PDK and polarized public opinion, and in the longer run, they created further institutional constraints on government formation.\(^10\) Other such constraints include the guaranteed representation of national minorities in the legislature and an investiture vote for the government by the majority of all the MPs.\(^11\) The ruling could cause long delays, and hence Kosovo might have to go through a constitutional reform in the future.

Although legally sound, controversial judgments of the court have put more shadows in the separation of powers between the legislative, executive, and judicial branches, which was already a challenge for Kosovo. During the reporting period, the independence of state agencies, such as regulatory bodies that report to parliament, continued to be circumscribed. The legal framework guaranteeing the functioning of these bodies is not uniform, and the laws that define their responsibilities and accountability mechanisms are vague.

The incumbent government led by the PDK and Prime Minister Hashim Thaçi governed the country from June until 9 December without parliamentary oversight. Thaçi did not restrict himself to a caretaker role and made strategic decisions. His government contracted Bechtel to build a highway connecting Kosovo and Macedonia.\(^12\) It additionally increased public sector wages,\(^13\) extended the mandates of senior civil servants in all ministries,\(^14\) and continued to appoint loyalists in the civil and diplomatic services. Other political parties as well as civil society organizations criticized most of these decisions.

Although the postelection deadlock has damaged the reputation of Kosovo’s democracy and tarnished its record of fair and quick transfers of power, it has also
shown that state institutions, which continued to deliver services, were functional even in a time of crisis. The country completed negotiations and initialed a Stabilization and Association Agreement (SAA) with the European Union (EU) in July. The agreement enhances dialogue and trade between Kosovo and the EU and creates a framework for Kosovo to align its laws with EU regulations. In its annual progress report published in October, the EU noted that the government has failed to improve accountability or introduce a systematic reform of public financial management. Kosovo’s economy continues to suffer from significant problems. At the end of 2014, the unemployment rate was over 30 percent, according to government data. Kosovo imports an overwhelming amount of what its citizens consume and the lack of production and low foreign direct investment are the main factors behind economic stagnation. The value of its exports is a fraction of its imports. The country’s trade deficit worsened in 2014, widening 1.5 percent according to the Statistical Agency. The Economic Chamber of Kosovo forecasted a contraction of economic activity for next year.

The political deadlock, as well as preparations for an upcoming election, interrupted Kosovo’s dialogue with Serbia. The two countries signed a historic agreement in Brussels in April 2013. After three meetings mediated by the High Representative of the European Union, the dialogue at the prime ministerial level was interrupted first by Serbia’s parliamentary election in March 2014, then by Kosovo’s June election and its aftermath. The dialogue on the technical level, which implements previous agreements, continued throughout the year.

During the reporting period, Kosovo became a member of the Venice Commission, a body of the Council of Europe, and joined the Center for Security and Cooperation (RACVIAC) and the Migration, Asylum and Refugees Regional Initiative (MARRI). This international and regional integration increases Kosovo’s legitimacy in the international system. In January, the International Federation of Association Football (FIFA) gave the country the green light to play international friendly matches. The International Olympic Committee (IOC) also provisionally recognized Kosovo in October. With recognitions from Tonga, Lesotho, Togo, and the Solomon Islands, the total number of United Nations (UN) member states that formally acknowledge Kosovo rose to 110.

### Electoral Process

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vote</td>
<td>4.75</td>
<td>4.75</td>
<td>4.50</td>
<td>4.50</td>
<td>4.25</td>
<td>4.50</td>
<td>5.00</td>
<td>5.00</td>
<td>4.75</td>
<td>4.75</td>
</tr>
</tbody>
</table>

The June parliamentary elections were praised as free, fair, and democratic by the international community and local actors. The parties agreed to hold early elections after the Serb minority declined to support plans setting up a common military force in May. Kosovo’s institutions had only 30 days to prepare for the vote, since the vast majority of MPs voted for the dissolution of parliament.
A coalition led by the PDK finished first and won 30.4 percent of the votes (37 seats). This diverse coalition included four parties in addition to PDK: the Justice Party (Partia e Drejtësisë, PD), which promotes a pro-Islamic political program; the Albanian Christian Democratic Party of Kosovo (Partia Shqiptare Demokristiane e Kosoves, PSHDK), promoting Christian values; the Movement for Unification (Levizja për Bashkim, LB), working on the unification of Kosovo with Albania; and the Conservative Party of Kosovo (Partia Konservatore e Kosoves, PK). None of PDK’s coalition partners passed the 5 percent threshold, but they managed to compensate for the votes that the leading party lost when two senior figures, Secretary Jakup Krasniqi and Vice President Fatmir Limaj, departed in 2013, accusing Thaçi of centralizing the party. The LDK expanded its electorate by a small margin and won 25.2 percent (30 seats). Vetevendosje also gained, winning 13.6 percent of the votes (16 seats). The Alliance for the Future of Kosovo (AAK) kept its electorate, winning 9.5 percent (11 seats), and the PDK splinter Nisma won just enough votes to enter the assembly with 5.2 percent (6 seats).

Kosovo Serbs, including those living in the northern part of the country who had boycotted earlier elections, voted in greater numbers. The turnout in the north was around 30 percent, in large part due to the Serbian government urging Kosovo Serbs to go to the polls, which suggested a normalization of relations between the two countries. A united Srpska Lista, backed by Belgrade, won most of the Serb votes and gained 5.2 percent of the overall ballots cast.

The Kosovar system guarantees 20 seats to the representatives of the national minorities. According to the electoral law, the Serb minority receives at least 10 seats, with the remaining 10 distributed among the other minority parties. With a unified list—that many claimed gave Serbia influence over Kosovo’s institutions—Kosovo Serbs maximized their representation. Srpska Lista received 9 out of the 10 guaranteed seats. The remaining minority seats went to the Turkish Democratic Party of Kosovo, the Bosniak Vakat Coalition, the Democratic Party of Kosovo Ashkali, the New Democratic Party, the Liberal Egyptian Party, the Ashkali Integration Party, the Coalition for Gora, and the New Party of Roma of Kosovo.

Although PDK won the elections, it lost its majority in the newly elected assembly. Its former coalition partner, the New Kosovo Alliance (AKR), failed to pass the threshold of 5 percent and remains out of the 120-seat assembly. By law, the oldest member of the assembly acts as the constitutive assembly chairperson until the parliament elects a new speaker. Since the oldest member was Flora Brovina, a PDK deputy, the party could successfully delay the continuation of the constitutive session. The elections were organized under the same legal framework as the deeply flawed elections of 2010. Although the authorities had promised to overhaul the electoral law following the parliamentary elections of 2010, political disagreements have derailed the reform process. Despite the lack of reform, the 2014 elections built on the success of the 2013 local elections, which were deemed free and fair by international standards. Nevertheless, international organizations and the EU continue to press the country to adopt a comprehensive electoral reform, including
a system that would keep the voter registry accurate, secure the safety of ballots, and prevent any future electoral fraud. Most of the 2010 election fraud cases are still pending.

The turnout was 42.6 percent, down from previous parliamentary elections. Civil society observers question the accuracy of turnout statistics because the voter lists reportedly include the names of deceased people or people who have left the country long ago. According to the Central Election Commission, 1.799 million Kosovars were eligible to vote, whereas the population of the country according to a 2011 census is 1.8 million. Taking into account Kosovo’s youthful population, this indicated serious problems with the voter registry.

Civil Society

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4.25</td>
<td>4.25</td>
<td>4.00</td>
<td>4.00</td>
<td>3.75</td>
<td>3.75</td>
<td>3.75</td>
<td>4.00</td>
<td>3.75</td>
<td>3.75</td>
</tr>
</tbody>
</table>

The constitutional and legal framework of Kosovo guarantees freedom of association and the independence of civil society in the country. The Law on Freedom of Association in Non-Governmental Organizations (NGOs) regulates the civil sector. The provisions of the law are in line with democratic principles and guarantee an environment free of state pressure and bureaucracy. A government Department for Registration and Liaison with NGOs operates within the Ministry of Public Administration. The procedure to register an NGO is fast and easy, and registered NGOs automatically become legal personalities that can freely operate. NGOs have legal obligations to pay income and rent tax.

According to the legislative framework, NGOs can register as associations or foundations. Some 7,000 NGOs registered between 1999 and 2014, out of which 2,224 are active, according to data from the Institute for Development Policy (INDEP), a local think tank. Roughly 20 percent of active NGOs are led by women, while some 10 percent by representatives of national minorities. The active NGOs are spread throughout Kosovo, although 850 of them are based in the capital, Pristina. Independent research institutes and policy advocacy centers, mostly based in Pristina, continued to be active in 2014 and played an important role in influencing public opinion and scrutinizing public policy. Although most of these activities were put on hold due to the months-long political stalemate following the elections, NGOs were regularly featured in national print and broadcast media.

Cooperation between civil society and the government has been weak and ad-hoc, and the government often ignores NGO advocacy efforts. In October 2014, the government established a joint council comprised of 14 government officials and 15 civil society representatives to oversee the implementation of the 2013 Strategy for Cooperation with Civil Society. While the effect of this council remains to be seen, some civil society members have complained of poor representation, noting that small and unknown associations dominate the council, which casts doubt on
its legitimacy. In some instances, political clients have registered NGOs in order to get jobs in government bodies. In September, the Kosovo Prosecutorial Council elected Florent Mucaj, a person close to the governing party, as its civil society representative.

The cooperation with the legislature is more systematic. The parliament continued to foster its relations with civil society while it was still functioning in the first half of the year, consulting advocacy groups and professional NGOs on legislation and policy matters.

The lack of funding remains a challenge for Kosovo’s civil society organizations. Most of the available funding comes from international foundations and foreign governments, which have shifted their focus to new crisis areas and cut their budgets for Kosovo. In the absence of clear incentives, businesses continued to support ad-hoc cultural events and individual charitable activities, such as directly helping numerous poor families in Kosovo, instead of NGOs. NGOs have raised virtually no funds from private donors, and the government has not developed any instruments to engage civil society organizations in the provision of services.

The legal framework of Kosovo guarantees the right to join trade unions. Most sectors have unions but the implementation of the law remains weak. The Union of Independent Trade Unions, an umbrella organization, remains busy raising awareness about violations of the right to unionize and about workplace discrimination. Trade unions are, to some extent, powerful in the public sector, while they remain weak in the private sector, and virtually nonexistent in small and medium-sized enterprises. Business owners and managers are hostile to unions, and they often react to workers’ attempts to unionize or to strike with individual or mass firings. Large foreign firms are often no different from smaller local ones. In 2013, Bechtel Corporation, a privately held construction and civil engineering company based in San Francisco, laid off its employees when they wanted to unionize.

Government influence and politicization have significantly affected Kosovo’s higher education system. A large number of politicians continue to have senior positions and enjoy rapid academic advancement in public universities despite their questionable academic achievements. The majority of the state education budget goes to the University of Pristina, where roughly 90 percent is spent on salaries. There has been some pushback to this state of affairs. Student protests, as well as a series of critical articles, prompted Ibrahim Gashi, the rector of the University of Prishtina and a political appointee, to resign in February. The resignation came after Koha Ditore reported that Gashi had published nonsense papers in fake academic journals to advance within the university. To save face, the government replaced the university’s supervisory board and created an internal Committee for Verification of Academic Publications. Despite these efforts, the committee’s mandate remained unclear at year’s end. In September, the university elected a new rector, Ramadan Zejnullahu, an apolitical figure with a solid academic record. Government interference, however, remained prevalent in the sector. In October, the University of Prizren, the country’s second largest public university, appointed Rame Vata, a former PDK deputy, as rector.
The private higher education system has also had its own scandals. Representatives of many private colleges have pointed to irregularities and corruption in the accreditation process. In July, media outlets reported on the luxurious lifestyle of Ferdije Zhushi, the head of the Accreditation Agency. Professors from both private and public universities as well as representatives of civil society and the media have called for her to resign, adding allegations that she published papers in fake academic journals, similarly to Gashi. On 25 November, the Kosovo police arrested Zhushi on charges of corruption. She denied the accusations, did not resign from her position, and was later released awaiting trial.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.50</td>
<td>5.50</td>
<td>5.50</td>
<td>5.50</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.50</td>
<td>5.50</td>
</tr>
</tbody>
</table>

Kosovo’s legal framework guarantees freedom of speech and press freedom. Its implementation, however, continues to lag behind. A law on journalistic sources, which entered into force in 2014, completes the legal protection for journalists. Earlier, in 2013, three problematic provisions of the new Criminal Code caused confusion and were removed by the parliament. The provisions would have made it easier for courts to force journalists to reveal their sources and would have recriminalized defamation.

Kosovo’s Law on Access to Public Documents is limited in scope. State institutions often fail to reply to journalists in the timeframe mandated by the law, and government authorities frequently deny access to representatives of the media and the research community.

For a population of 1.8 million people, the country has an abundance of newspapers, magazines, as well as radio and television broadcasters. There are seven daily newspapers printed in Kosovo, down from eight, since Express discontinued its print edition in March 2013. Additionally, there are 21 television stations, with 3 broadcasting terrestrially countrywide, and 83 radio stations. In March, Radio Television of Kosovo (RTK), the public broadcaster, added two channels to its existing Albanian- and Serbian-language stations. In the past few years, several outlets have closed because they could not sustain themselves from advertising. Many journalists are freelancers, working without permanent contracts and job security.

No single company or individual owns a significant share of the private sector media market. Some private media magnates, however, have political ambitions and friendships with politicians. This is especially problematic in the case of online outlets that use their publications to target individuals rather than to report news.

The internet remains free and unreglated, and the readership of online news sites has increased further in 2014. The number of websites that publish news rose to 70 according to a joint study by Lens, a Pristina-based NGO, and INDEP. Internet penetration is also increasing; a study by the Kosovo Association of Information
Government interference continues to be a significant problem for traditional media. The supervisory board of RTK is appointed by parliament with a simple majority. RTK is taxpayer financed, giving politicians the impression that they can dictate what the broadcaster should or should not cover. The broadcaster weathered several scandals in 2014. The Workers’ Union of RTK published allegations about nepotism, financial mismanagement, and political control over editorial issues at the broadcaster. The union was particularly loud on the issue of politicization through hiring practices and the sanctioning and firing of independent journalists. In September, it raised the issues with the Organization for Security and Cooperation in Europe (OSCE) and the European Broadcasting Union (EBU). Although Sami Kurteshi, Kosovo’s ombudsperson, also raised his concerns about RTK’s independence, the parliament did not take any action due to the political stalemate. The regulatory framework is plagued by political interference and a lack of resources. The Press Council of Kosovo (PCK), a self-regulatory body composed of newspaper editors, regulates print media, while broadcast media are regulated by the Independent Media Council (IMC), a body that reports to the parliament. The PCK deals with roughly 100 complaints annually. It enjoys credibility and respect of the media sector, but its reasoning and justifications are often poor, and its members fail to adhere to its adjudications in some cases. The lack of overall institutional support hinders the regulator’s work.

The independence of IMC has been put to question several times due to the politicization of appointments to the body. The council has lacked a functioning board for months at a time and was dysfunctional for most of 2013. The assembly finally appointed two new members in March 2014, with 49 and 43 votes out of 120, respectively. The board became functional with the new appointments, but not complete. Additionally, the new chairman, Adnan Merovci, is a political figure without any media background.

Despite persistent challenges, Kosovo’s media played a crucial role in revealing several scandals during the year. Investigative journalists have reported on corruption in the public domain, including systematic bribery in the public health system, as well as bribery and corruption at the EU rule of law mission EULEX. The reporting on the EULEX corruption scandal was in-depth and systematic. In response, EULEX allegedly put pressure on journalist Vehbi Kajtazi to reveal his sources and even fabricated a statement from him where he allegedly named an international prosecutor as his source. The move was condemned widely.

Journalists are free to associate. There are two national-level associations, the Association of Professional Journalists of Kosovo (AGPK) and the Union of Journalists of Kosovo (UGK), and several regional organizations. The AGPK was plagued by internal problems in 2013, but journalists pushed its controversial board to resign and elected a new independent and representative board in May 2014. The association changed its name to Association of Journalists of Kosovo (AGK) and elected Zekirja Shabani, a financial journalist, as president. Following this
relaunch, the AGK has reestablished itself as the voice of the journalist community owing to the independent reputation of its board and has engaged in activities promoting and protecting journalists.

Violence against journalists abated but did not disappear in 2014. In March, the Basic Court of Pristina sentenced three defendants to imprisonment in the Kosovo 2.0 case. The important ruling concerned an incident from 2012, when a group of radical Islamists and football hooligans attacked journalists and other participants during the public launch of the magazine. In October, Milot Hasimja, a broadcast journalist at Klan Kosova, was stabbed in the head multiple times by a perpetrator who had demanded removal of a story from the internet. The stabbing, which occurred in the newsroom, shocked the Kosovar public. The perpetrator was arrested and was awaiting trial at year’s end.

Defamation was decriminalized by the authorities in 2006, and recent legal changes gave journalists stronger protections to write critical articles. Yet, domestic courts seem reluctant to try cases involving the issue of freedom of expression, and the backlog of these cases is increasing. Additionally, politicians often sue journalists to create the perception that their reporting was defamatory and false, and hence discredit their work.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>5.50</td>
<td>5.50</td>
<td>5.50</td>
<td>5.25</td>
<td>5.00</td>
<td>5.00</td>
<td>4.75</td>
<td>4.75</td>
<td>4.75</td>
<td>4.75</td>
</tr>
</tbody>
</table>

Kosovo authorities transferred powers from the central government to municipalities based on an international community-mandated plan for Kosovo’s 2008 declaration of independence. The constitution obliges the government to adhere to the European Charter on Local Self Government, although Kosovo is not a signatory country. To date, the municipalities are highly dependent on the central government. On average, 82 percent of municipal budget funding comes from the central government, according to the Ministry of Local Government Administration. Property taxes are the main source of remaining municipal government revenue.

Local democratic governance is not uniformly robust throughout Kosovo. Until 2013, four northern municipalities, Mitrovica North, Leposavic, Zubin Potok, and Zvecan, had been part of Serbia’s system, outside of Kosovo’s constitutional and legal framework. The 2013 Brussels Agreement on the normalization of relations with Serbia put an end to these parallel structures and enabled Kosovo to organize local elections throughout its territory in November 2013. The successful organization of elections was a big step for Kosovo’s local governance. While the municipalities established assemblies in the north following the elections, their cooperation with central authorities continues to be a challenge. Some Serbs continue to chafe under the sovereignty of Kosovo and work to undermine the state’s local government institutions. Krstimir Pantic, a Serb politician who was elected mayor of Mitrovica
North, refused to take the oath required to be sworn in to this position in January 2014 because he did not want to legitimize Kosovo’s identity as an independent state. The municipality underwent fresh elections in February, and Goran Rakic, a hardliner backed by the Belgrade government, secured the mayoral seat.77

Further adding to the problems, the established northern municipalities failed to report their expenses to the central government, causing delays to the drafting of the 2015 budget.78 They also refused to engage in day-to-day political life and did not cooperate with central institutions, such as the statistics office.79 The Ministry of Local Government Administration has issued two bylaws and drafted four others to both regulate and explain cooperation between the local and the central governments.80 The Kosovo government plans to establish a fund for the northern municipalities, to ease their adjustment into Kosovo’s constitutional setting.81

The formation of the Association/Community of Kosovo Serb Municipalities, a coordinating body that emerged from the 2013 Brussels Agreement, was delayed due to political stalemate and differences in interpretation by both governments. Based on the principles of the European Charter of Local Self-Government, the member municipalities will be able to transfer powers to this umbrella organization and use it as a platform for cooperation in the areas of economic development, education, health, and urban and rural planning.

Municipalities across Kosovo struggle to deliver services, such as water supply. Regional, state-owned water utilities operate in several municipalities but are accountable to the central government. Many municipalities, especially the smaller ones, do not have the expertise to wield the power provided to them by law.82

Kosovo’s capital, Pristina, continues to have the same legal status as other municipalities despite provisions in the constitution mandating a special status. Shpend Ahmeti, Pristina’s mayor who took office in December 2013, has been praised for his attempts to increase transparency and accountability in the capital’s local government.83

The Ministry of Local Government has completed a draft law on Names, Numbers and Administrative Boundaries of Municipalities and updated its policy by drafting a new Strategy for Local Self-Government 2015–2025.84 Thaçi has long campaigned for the creation of new municipalities. Critics, however, accused him of attempting to increase his popularity ahead of the elections, adding that the move would increase public spending and the number of public sector jobs, which wins votes in Kosovo’s patronage-style system. Plans to create three new municipalities, Rogova, Gjonaj, and Zhegra, were underway at year’s end.

Judicial Framework and Independence

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.50</td>
<td>5.50</td>
<td>5.50</td>
<td>5.75</td>
</tr>
</tbody>
</table>

Kosovo’s constitution and laws guarantee the independence of the judiciary, but implementation lags in practice. Enduring problems include challenges to equality...
before the law and political interference in the work of the judiciary by both the executive and legislative branches.

The reputation of the Constitutional Court suffered in 2014. The court undermined its credibility for independence by ruling in two controversial issues over the government formation process that left Kosovo in a political stalemate. The reasoning of the court, albeit legally sound, was very similar to arguments used by PDK politicians. Politicians from other parties as well as some independent observers found the verdicts questionable, even absurd. Yet, all political actors have accepted the judgments, which indicated increasing institutional stability.

The court has been short one judge since 2013, and the parliament failed to appoint anyone to the vacant position during the reporting period. One of the justices, Kadri Kryeziu, participated in the election campaign of the ruling PDK, which was a violation of the court’s regulations. While the court reprimanded Kryeziu in August and has excluded him from rulings on state institutions and political parties, his actions contributed to the perception of bias at the court.

Structural reforms enacted in 2013, aimed at making the justice system more efficient, were working their way through the regular courts. The European Commission pointed out that the application of judicial alternatives, such as licensed notaries, private enforcement agents, and mediation centers, are having a positive impact.

Nevertheless, the court system remains underfunded and is mired in a backlog of cases. The backlog delays criminal but especially civil proceedings, and some cases get fast trials, mainly due to political interference, while others are pending for years. The government made improving the rule of law a priority, but the budget it has allocated to the judiciary has been consistently low, hovering around 1.5 percent of the central budget. The budget of the Kosovo Judicial Council (KJC) is also administered by the government—a problem many identified as one of the key challenges to the independence of the judiciary.

The months-long political deadlock affected judicial appointments in 2014. The appointment of political clients to important judicial positions has contributed to the overall fragility of the judicial system. Despite recommendations from civil society, the Council of Europe, and the EU, KJC members continue to be elected by the parliament. In August, the mandates of four members expired, and due to the political stalemate over government formation, no one had been appointed to replace them as of year’s end. The Kosovo Prosecutorial Council (KPC) also failed to elect a new Chief State Prosecutor. In April, the Constitutional Court annulled the decision of the KPC due to conflict of interest, as one of the candidates running for the position was a voting member of the council. Civil society organizations recommended opening the position to jurists outside of the prosecution system, arguing that this would attract credible lawyers for the job.

Equality before the law and the right to a fair trial remains a persistent challenge, mainly due to judges’ and prosecutors’ lack of experience and disregard for separation of powers. Prosecutors and judges are reluctant to deal with cases involving politicians or politically connected businessmen, while courts quickly
prosecute minor crimes and cases against people without political ties, often handing down maximum penalties. Investigative reporters have continuously run stories about judges and prosecutors with links to politicians. In October, the police arrested nine doctors for allegedly being part of an organized crime group. While the doctors were detained, Ferid Agani, Minister of Health, was free to go, even though he was allegedly involved with the criminal group.93

Kosovo authorities extended the mandate of the EU rule of law mission (EULEX), charged with handling high-profile criminal cases and supporting rule of law institutions, until June 2016.94 Under pressure from the EU, the authorities also agreed to set up an international court to deal with organ trafficking allegations and war crimes. The court, approved in April 2014, will investigate allegations by Council of Europe rapporteur Dick Marty that Kosovo Liberation Army (KLA) commanders ran an ad-hoc network of detention facilities in Albania and had their guerrillas harvest prisoners’ organs.95

The prison system is riddled with irregularities. A war crimes trial started in 2003 against the “Drenica Group,” a group composed of 15 former KLA members, was ongoing in 2014. Among the indicted former fighters are Sulejman Selimi, Kosovo’s ambassador to Albania, as well as Sami Lushtaku, the mayor of Skenderaj.96 Although the men have been kept in detention, they used medical excuses to get transferred to Pristina hospitals, and Lushtaku and two other members disappeared for several hours on 20 May 2014.97 Following negotiations, the detainees returned to the hospital, but the case has shown that the Kosovo system is fragile, especially when dealing with high-profile defendants.

Prisoners without political ties complain about misconduct and ill-treatment according to the Kosovo Rehabilitation Center for Torture Victims (KRCT), which monitors prisons and detention centers. Guards apply double standards when dealing with inmates, discriminating based on financial scams.98 KRCT found that the prison healthcare system also applies unequal treatment, with guards abusing prisoners with mental health disorders.99 Smuggling drugs, cell phones, and even weapons into some of the high security facilities is commonplace according to reports by investigative journalists.100

In October, Kosovo’s judicial system was rocked by a corruption scandal that involved international personnel working in the EULEX mission.101 The scandal surfaced when Koha Ditore published internal EULEX documents revealing that the mission’s officials had improper contacts with suspects in high-profile criminal cases. At the same time, a British prosecutor in EULEX, Maria Bamieh, publicly accused an EULEX judge of taking a bribe in exchange for releasing defendants in a criminal case.102 Bamieh stated she decided to take on the role of a whistleblower only after EULEX failed to address her claims through an internal investigation. The scandal, still being investigated at year’s end, was a major blow to the credibility of Kosovo’s judicial system, as it illustrated both domestic and international levels of corruption. Besides international judicial personnel, some senior Kosovo politicians were also allegedly part of the bribery scheme.103
The Kosovo establishment lacks the political will to curb corruption and organized crime. High levels of perceived corruption in the state administration as well as on the level of senior politicians hinder the country’s development and make it difficult to attract foreign direct investment. Witness intimidation continues to be a serious problem.

Corruption remains particularly high in the public sector, which generates about one-third of the country’s GDP, and many businesses, even entire sectors, depend on government contracts. Generally, authorities have shown little or no will to fight corruption in public procurement. In 2014, the Procurement Review Board (PRB) did not operate for months because it lacked board members. The parliament appointed new board members in March, but deputies disregarded concerns voiced by the Independent Selection Board, which had linked one of the candidates to an ongoing corruption investigation.

Some 40 percent of the population believes that a few people and commercial entities run the country for their own personal benefit. Kosovars perceive the judiciary and political parties as the most corrupt institutions according to Transparency International.

Despite important legislative measures tackling corruption, graft remains pervasive. In 2013, new criminal and procedural codes came into force, amending laws on the definition of conflict of interest, non-declaration of assets, and failure to report criminal offenses. The parliament also enacted a law enabling authorities to confiscate assets of perpetrators that were gained through criminal activities, which filled an important gap in the fight against corruption and organized crime. The country, however, lacks a record of investigating and punishing high-level corruption, indicating a culture of impunity.

In January 2014, Kosovo’s Chief State Prosecutor initiated an action plan to deal with corruption investigations and appointed a prosecutor, Laura Pula, to serve as coordinator for the anticorruption campaign. The prosecutor’s office also issued guidance to prosecutors throughout Kosovo and asked civil society to monitor the implementation of the action plan. As of December, 41 percent of the cases had been processed and more than 50 percent had been dropped, which indicated inefficiency in criminal proceedings.

The multiplication of institutions dealing with corruption in the past few years has not brought on more efficiency. On top of the regular police and prosecutors, there is an Anticorruption Agency that deals mainly with the asset declarations of senior officials; an anticorruption task force consisting of prosecutors and police, which has prosecuted only a few cases a year; and an opaque Anticorruption Council led by the president. Relations between the Anticorruption Agency and the judiciary improved in 2014, with the latter being more responsive on the allegations raised by the former. Still, inconsistent and false asset declarations by

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00</td>
<td>6.00</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>5.75</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>
politicians and party financing remains a serious problem. Political parties do not make their finances and list of donors transparent, raising suspicions of fraud, and illegal donations.

Investigative journalists reported on several cases of corruption and bribery in public institutions. One television report with wide impact aired in April 2014 and focused on Prosecutor Drita Hajdari. Hajdari used a 2013 amnesty law, a result of the Kosovo-Serbia dialogue in Brussels, to dismiss an investigation against a businessman close to a political group. Hajdari abused the spirit of the amnesty law, which was meant to foster the inclusion of northern Kosovo and dismiss crimes, including tax evasion, that Serbs had committed under the pretext of disobedience toward the constitutional order of Kosovo. Hajdari’s peers annulled her decision shortly after the television report aired, but the case indicated how senior officials can bend the laws in their interest.

Rule of law institutions are reluctant to fight high-level corruption. In March, Ramadan Muja, the mayor of Prizren, was found guilty of corruption. Muja illegally expropriated the city’s public land, by deciding to give it to a commercial entity. His sentence included no jail time, just two years of probation, a decision harshly criticized by independent observers. Often, the more senior the official convicted of a crime, the lighter the sentence he or she receives, which shows the systemic nature of the problem.

Author: Krenar Gashi

Krenar Gashi is researcher and a doctoral fellow at the University of Ghent, Belgium.

4 The Constitution of the Republic of Kosovo, Article 84.
5 Article 84 of the Constitution of the Republic of Kosovo reads: “The President of the Republic of Kosovo […] appoints the candidate for Prime Minister for the establishment of the Government after proposal by the political party or coalition holding the majority in the Assembly.” Article 85 includes the following: “After the election, the President of the Republic of Kosovo proposes to the assembly a candidate for Prime Minister, in consultation with the political party or coalition that has won the majority in the Assembly necessary to establish the Government.”


7 Ibid.


9 “Isa Mustafa zyrtarisht Kryeminister! Pas 6 muajsh Kosova ka institucione” [Isa Mustafa is officially Prime Minister! After 6 months Kosovo has its institutions], Blic, 9 December 2014, http://gazetablic.com/isamustafa-zyrtarisht-kryeminister-i-republikes-se-kosovespas-6-muajsh-kosova-ka-institucione/.


11 All these constraints are part of the constitutional law. Another country that has similar institutional constraints in government formation process is Belgium, which once took 541 days to form a government—the world’s record.

12 “Autostrada Prishtine-Shkup percillet me kritika” [The Pristina-Skopje Highway is criticised], IndeksOnline news portal, 6 July 2014, http://www indeks online.net/?FaqeID=2&La jmID=105132.


14 “Ja vendimet kontraverse qe i morri qeveria ne ikje” [Here are the controversial decisions taken by the outgoing government], 23 July 2014, http://www.gazetaexpress.com/lajme/ja-vendimet-qe-i-mori-sot-qeveria-ne-ikje-31418/.


For an updated list of the countries that have recognized Kosovo's independence, see the website of the "Kosovo Thanks You" project, http://kosovothanksyou.com/ (last accessed January 2015).


Central Election Commission, Certified Results of Parliamentary Elections 2014.

Ibid.


Central Election Commission, Certified Results of Parliamentary Elections 2014.


Central Election Commission, Certified Results of Parliamentary Elections 2014.


Ibid.


Ibid.

Institute for Development Policy (INDEP), Cooperation Between Government of Kosovo and Civil Society Becomes Electronic, Press Release, 30 May 2014, http://www.indep.info/?id=5,0,0,1,e,154.

Ibid.


Interview with Agron Demi, Director of GAP Institute, October 2014.


Interview with representatives of Institute for Development Policy (INDEP) and GAP Institute, October 2014.


Ibid.

Author’s analysis of the Kosovo Budget for 2013 and 2014.


“I kerkohet doreheqja shefes se akreditimeve” [The resignation of the chief of accreditations is demanded], Koha.net, 28 July 2014, http://koha.net/?id=27&cl=19600.


See previous Nation in Transit reports for details on these provisions.

It is worth noting that unlike Freedom of Information Acts in established democracies, the Kosovo Law on Access to Public Documents enables journalists to require access only to public documents and not to all information that the state institutions have.


“Kasolli: Per ta shpetuar RTK-ne duhet nje aksion i madh lojgjer e shoqeror” [Kasolli: To save the RTK we need a large legal and social action], Koha.net, 27 February 2014, http://koha.net/?id=9&cl=1327.


“Sindikalistet e RTK-se ankohen ne EBU” [RTK Union complaints at the EBU], Koha.net, 11 September 2014, http://koha.net/?id=27&cl=25061.

“Avokati i popullit i brengosur per gjendjen ne RTK” [Ombudsperson worried about the situation in the RTK], Koha.net, 23 September 2014, http://koha.net/?id=27&cl=26449.

“Komisioni i Pavarur per Media shume shpejt me udheheqie te re” [IMC very soon under new leadership], Koha.net, 27 February 2014, http://koha.net/?id=27&cl=1379; “Perseritet konkursi per anetare te ri te KPM-se” [The vacancy for new IMC members to be repeated], Kosova Press, 7 April 2013, http://www.kosovapress.com/archive/?cid=1,86,162876.

“Driton Qeriqi e Adnan Merovci zgjedhen anetare te KPM-se” [Driton Qeriqi and Adnan Mervoci get elected as IMC members], Kosova Online, 19 March 2014, http://kosovaonline.info/?page=1,3,42663.


EULEX fabrikon deklaratat e gazetarit te Kohes Ditore, [EULEX fabricates the statements of Koha Ditore journalist], Koha.net, 7 November 2014, http://koha.net/?id=27&cl=32421.

For more details, see Freedom House’s Nations in Transit report for 2014.

“Gazetaret me kryetar te ri dhe asociacion te ri meruar” [Journalists with new president and renamed association], GazetaJNK.com, 26 May 2014, http://gazetajnk.com/?id=1,1018,8320.


Interview with Flutura Kusari, a media law specialist, Pristina, October 2014.

74 The Constitution of the Republic of Kosovo, Article 123.


76 See previous Nations in Transit Kosovo reports for more details on this matter.


78 Interview with Agron Demi, Executive Director of GAP Institute, October 2014.

79 Ibid.


82 Interview with Agron Demi, Executive Director of GAP Institute, October 2014.


See above, under National Democratic Governance.


European Commission, Progress Report for Kosovo, October 2014.

Ibid.


Interview with Mr Betim Musliu, Executive Director of Kosovo Law Institute, October 2014.

Ibid.


KTV, Pulse TV Show, aired on 26 October 2014, http://koha.net/?id=27&cl=31042; Interview with Mr. Betim Musliu, Executive Director of Kosovo Law Institute, October 2014.


Ibid.

For a report on the smuggling in Kosovo prisons, see the TV show Betimi per Drejtesi, available in Albanian, http://betimiperdrejtesi.com/emisionet/burgu-i-dubraves/.


European Commission, Progress Report for Kosovo, October 2014.


Ibid.


Interview with Betim Musliu, the Executive Director of the Kosovo Law Institute, October 2014.

Interview with Betim Musliu, Vehbi Kajtazi and Petrit Zogaj, October and November 2014; European Commission, Progress Report for Kosovo, October 2014.

European Commission, Progress Report for Kosovo, October 2014.


Interview with Betim Musliu and Vehbi Kajtazi, October and November 2014.