

## Transnational Crime and Corruption in Kosovo

Based on a recent fact-finding mission to the region, the broad outlines of an exit strategy from Kosovo are clear, but the most important issue facing the UNMIK and the EU lies in providing the Kosovo Albanian leadership with a clear road map of what it must do to ensure that an independent Kosovo can become a responsible state and not a perpetual source of instability in South-Eastern Europe. Despite Kosovo's superficial appearance of normality, scratching beneath the surface reveals a UN administered protectorate teeming with unresolved problems. The Kosovo parliament is frequently at odds with the UN administration of the province. What is euphemistically called a judicial system - under UNMIK supervision - is plagued by corruption (so much so that international judges were being imported to handle a large number of cases), necessary communal and utility infrastructure function at a basic level, and even the various factions of the Kosovo Albanian leadership are hardly able to come to any meaningful agreements among themselves. Attacks on local non-Albanian ethnic minorities continue at alarming levels, which explains why fewer than 25,000 of the 235,000 non-Albanian residents of Kosovo driven from the province after 1999 returned to their homes (compared with the 140,000 refugees and displaced persons returned to their homes in Bosnia-Herzegovina at a similar point in Bosnia's post-war era) - in saying that in July 2003 a group of eleven Kosovo provisional government and political leaders encouraged all displaced ethnic Serbs and other minorities to return with the promise of housing and jobs.

From Kosovo Albanian leaders, one hears that independence will be the solution to all of Kosovo's woes. Yet this mode of reasoning is undoubtedly *"putting the cart before the horse"*. Kosovo's Albanian leadership should be spending more time laying the foundations for a democratic Kosovo and less time trying to gain an independent Kosovo.

Building a democratic Kosovo, however, will require a significant international effort to impress upon the Kosovo Albanian leadership the need to reform Kosovo's government and society.

There are three areas in which progress has to be made:

1. *Tackling Crime and Corruption.*

Since the fall of Slobodan Milosevic, international officials have continuously claimed that the greatest threat facing the Balkans comes from organised crime gangs that have made common cause with former communist security services and paramilitary groups. This threat remains

acute in Kosovo. During the past five years, Kosovo has become the European capital for trafficking in human beings and the most important transit point for drug smuggling on the continent. The dirty money being laundered through the province is corrupting Kosovo's political, economic and social life. If Kosovo's Albanian leadership is to have its desire for independence taken seriously, then it must begin a serious struggle against organised crime, and it must begin implementing the rule of law.

2. *Ensuring the Human Rights of Non-Albanian Ethnic Minorities.*

The Kosovo Albanian leadership must understand that the continuing persecution of non-Albanians in Kosovo, which most international officials believe is tacitly condoned by Albanian political leaders, must stop. Apart from making it impossible for Kosovo to live up to the entry requirements for organisations such as the European Union, the continuing attacks on ethnic minorities, particularly Serbs, strengthen the hand of the growing number of hardliners in Belgrade who refuse any compromise regarding Kosovo, which legally remains a part of the Federal Republic of Yugoslavia under UN Security Council Resolution 1244.

3. *Spill-over Conflict in Macedonia and Southern Serbia.*

The near outbreak of full-scale civil war in Macedonia (2001) was the first case in history in which a member-state of the United Nations was the victim of aggression launched from a UN protectorate. The Kosovo leadership must understand that if the province is to be granted independence, it must prove that it will not be the source of constant attacks upon already fragile neighbouring states.

Discussion of final status for Kosovo is meaningless without significant and permanent progress in these three areas. None of Kosovo's neighbours, with the possible exception of Albania, would accept Kosovo's independence given its current state. But if Kosovo's leaders are able to show that they can seriously tackle these problems, resistance to its independence from other states in the region will be greatly reduced. A stable, democratic entity would be one from which the United Nations could responsibly withdraw, and devote its resources to other, more pressing crises around the world.

Having introduced the topic and issues which show anything other than a province ready for independence, the Western peacemakers have slowly begun to retreat from Kosovo, claiming that the situation is finally becoming normalised, leaving behind not only the issue of sovereignty but also a government that is incapable of being accountable to its people, and a people swept under a tide of corruption.

The NATO intervention in Kosovo, carried out in March 1999 (expected to last no more than a few days) had two main objectives: to maintain the relevance of NATO in Europe and ensure justice and stability in the Balkans. In the case of the later it is believed that it failed to accomplish the majority of what it set out to do eight years ago.

In this chapter, I argue that transnational crime and corruption in Kosovo are proving to be the single greatest barrier to the success of United Nations Interim Administration in Kosovo – most significantly to Pillar I – *Police and Justice*.

Transnational organised crime and corruption existed and flourished in the Balkans long before the first bombs were dropped and have only since gained increased momentum, power, and presence. Dr Louise Shelley said, “*peacekeeping efforts in the Balkans are undermined by the failure to understand that organised crime is embedded in the communities where peacekeepers are stationed*” (in a statement to the US Senate Committee on Foreign Relations).

## **Overview**

According to Prof. Michel Chossudovsky (University of Ottawa), “*the multibillion dollar Balkans narcotics trade has played a crucial role in ‘financing the conflict’ in Kosovo*”. Amply documented by European police files and acknowledged by numerous studies, the links of the Kosovo Liberation Army (KLA) to criminal syndicates in Albania, Turkey, and the EU have been known to Western governments and intelligence agencies since the mid-1990’s.

On 28 May 1998, the North Atlantic Council of NATO set out two major objectives regarding the crisis in Kosovo:

- to help achieve a peaceful resolution of the crisis
- to promote stability and security in neighbouring countries i.e. Albania and the former Yugoslav Republic of Macedonia.

Unfortunately, Kosovar society in 2007 finds itself neither stable nor secure, despite eight years of international presence and United Nations' governance. In March 1999, NATO made explicitly clear the goals of the forthcoming intervention in Kosovo. They included:

- a verifiable stop to all military action and the immediate ending of violence and repression;
- the withdrawal from Kosovo of the military, police, and paramilitary forces;
- the stationing in Kosovo of an international military presence i.e. NATO;
- the unconditional and safe return of all refugees and displaced persons and unhindered access to them by humanitarian aid organisations;
- the establishment of a political framework agreement for Kosovo on the basis of the Rambouillet Accords, in conformity with international law and the Charter of the U.N.

Eight years later, the situation in Kosovo remains uncertain. NATO's intervention proved successful in the removal of Milosevic and Serbian Forces. It proved successful to the *immediate* cessation of conflict. However, it also resulted in incredible devastation to society and infrastructure with continued violence and repression, currently being carried out by Kosovar Albanians. The Kosovo-Albanian newspaper *Koha Ditore*, stated bluntly “...after ten years of sanctions, Serbia is building bridges, apartments have electricity and water, and we have 42,000 International soldiers and police and 335 aid agencies, and we don't have the basics of a state - no justice, no security, no electricity, no water, and no identity documents. It's alarming.”

A large international peacekeeping presence has been on the ground since 1999.

Although the European Union is preparing for an EU Mission in Kosovo, a withdrawal of international presence in Kosovo seems unlikely in the near future. Serbia has made it abundantly clear that the Republic will not recognise Kosovo as anything more than a province of Serbia. Prior to his death in early 2006, Kosovo President Ibrahim Rugova, stated, “*My country, Kosovo, wants to become a part of the EU and NATO. This means a democratic, peaceful, and independent Kosovo.*” Until late 2006 dialogue between the two sides has more or less come to a complete halt - with little room for movement. Violent acts on the part of both sides are still relatively commonplace. International mediators repeatedly stress that the final status of Kosovo will be determined by the United Nations Security Council. In February 2006,

US Undersecretary of State Nicholas Burns stated that *“in our judgement 2006 must be the year of decision for Kosovo...the final status talks must conclude this year”*. It wasn't. Russia, as a member of the *Contact Group*, exerted its influence to delay such action under the basis that it saw no need for an *“artificial time frame”* when conditions are not ideal, though agreeing - in principal - to an independent Kosovo.

### **Transnational Crime and Corruption in Kosovo**

Organised crime most often flourishes in failed states lacking the rule of law. According to a Hellenic Military report *“Organised crime finds an ideal ground to develop and strengthen in the former communist countries of the Balkans, due to the lack of strong institutions and control mechanisms.”* The article *“Transnational Organised Crime and Conflict in the Balkans,”* argues that the resurgence of nationalism, spread of conflict in the former Yugoslav republics, the breakdown of government legitimacy and power in Albania, weak justice systems, and economic problems have all nurtured the organised crime situation in the Balkans. An Institute for War and Peace Report article states *“...the justice system is fragile and overstretched. The system itself, in the form of judges, public prosecutors and policemen, is afflicted with a combination of corruption and intimidation, but the malaise runs right through society.”* According to a former Chairman of the Prizren District Court, *“Since the overthrow of the repressive Serb regime in Kosovo, many people have simply ignored the law. They don't think either the law or the courts deserve any respect.”* Italian Senator Alberto Maritati's 2002 report on *“Organised Crime in the Balkans”* states that *“the gap left by the institutions, together with people's needs and problems, almost immediately create fertile ground for different forms of 'power' to take hold, which are by definition illegal and criminal.”*

This power vacuum allowed organised criminal groups in Kosovo to establish strong networks before the new governments or international mediators could build defences against them. In the Balkans, even before the Kosovo Crisis, corruption was endemic and encouraged by the low salaries that prevailed among law enforcement and judicial personnel. The Kosovar Parliament is frequently at odds with their UN Governors. The judicial system is still rampant with corruption, basic communal and utility infrastructures barely function, and even members of the Kosovo Albanian leadership are at odds. UNMIK and KFOR have repeatedly failed to gain the trust and respect of the Kosovar society (though their economic presence is welcomed) – another set back

in their likelihood of success - resulting in a strengthened parallel government of organised crime. A 2003 *Christian Science Monitor* report quoted a Cernica resident “*You can’t depend on the UN Police to protect you. There were [UN] Police Officers just up the street when the grocery store was bombed by grenades, and they didn’t stop it from happening. The only protection is to have your own gun and shoot back.*” The involvement of corrupt government officials in protecting and fostering Balkan criminal enterprises has become manifest and overwhelmingly apparent to the whole of society. Several examples of known cooperation have been cited including, “*the wife of a Bulgarian prime minister, a deputy minister of interior and his wife in Romania, a senior prosecutor and a police chief in Albania, and, most notably, the prime ministers of Montenegro and Serbia.*”

According to a report from the Woodrow Wilson International Centre for Scholars, crime in the Former Republics of Yugoslavia (FRY) is a combination of local, regional and international crime groups. Balkan organised crime groups are cellular, network structures that operate with loose cooperation and are deeply embedded into the communities and cultural mind. They have been successful in avoiding punishment due to weak government, lack of rule of law, apathy, local passivity, and complicity. Their deep historical and traditional links that existed among the different Slavic communities including those of established trade routes perpetuates the situation. The black economy in the Balkans developed alongside the legitimate economy. Throughout the period of major conflicts in the Balkans, the coastline played a significant role in movement of troops, arms, and goods. In addition, an absence of political controls and faith in government allows criminal groups from other countries to use this strategic region. Domestic crime groups are embedded society. The long, deep water coast and dense forests combined with weak governing structures make the possibility of penetrating these networks a nearly impossible task. Kosovo has become the European capital for trafficking in human beings and the single most important transit point for drug smuggling on the continent.

In an interview for *Columbia International Affairs Online*, Mark Edmond Clark argued that Balkan organised crime groups generally have functioned in complex networks that include state security, intelligence, the military, political leaders, paramilitary groups, religious leaders, and business leaders in state-owned firms. According to Clark, the operations of Balkans organised crime groups resemble operations one would see anywhere in the world including a provision of goods and services that the governments of societies are unable to provide. The list includes:

the trafficking and sale of narcotics, trafficking of women, arms trafficking, people smuggling, hijacking transport, auto theft, establishing black markets, smuggling of diamonds and precious metals, racketeering, forging government documents and counterfeiting.

Robert McMahon, *Radio Free Europe*, reported that since 1999, there has been a rise in criminal activity in the Balkans, especially drug trafficking. Trafficking, he argues - both in drugs and in humans - as well as prostitution and auto theft were among the crime areas cited by law enforcement authorities. Crime in the region is flourishing, despite the presence of over 45,000 peacekeeping troops and 3,000 members of an international police force, undermining UNMIK's goals of instituting multi-ethnic democracy, an open economy, and sustainable development.

In 2001, apart from problems in the working relationship between UNMIK's multinational police force and NATO's KFOR (each accused each other of being "unhelpful"), peacekeepers were not only trying to arbitrate relations between Serbs and Kosovar Albanians but were attempting to tackle the overwhelming problem of crime despite the fact that in many ways they were directly contributing to its development.

Putting aside decades of ethnic hatred and war, "criminal clans" of all ethnic backgrounds readily cooperate in Kosovo's lively black economy. So too do the Macedonians, Montenegrins, and other East Europeans. An analyst for the US Department of Defence stated that "*business is business in Kosovo. Ethnic differences are put aside. They cooperate for organised crime.*" MSNBC correspondent David Binder also emphasised that one of the most ironical aspects of organised crime in the Balkans was its fostering of

*"inter-ethnic, transnational cooperation among criminals. In the 21<sup>st</sup> century, organised crime in the Balkans has accomplished what empires like the Romans, Byzantines, Hapsburgs, and briefly, Hitler's Third Reich achieved in centuries past. Namely, to compel the myriad, rival ethnic groups of the region to work together for a common purpose".*

This is perhaps one of the most striking points - ethnic groups, in this case Serbs and Kosovar Albanians, fight each other for territory, power and resource ownership yet cooperate in the *black economy*. The elimination of these crime groups would undoubtedly result in cessation of conflict and greater likelihood for success in the overall peacebuilding effort.

Kosovo worried the world long before NATO intervened. It lies across the drug route westward

from Afghanistan, Pakistan, and Turkey, in an area, between Albania, Bulgaria, Macedonia, and Montenegro, where controls were weak. Each month, four to eight tonnes of heroin were believed to pass through the Balkans. The region has long been a channel for smuggling operations into Europe, but the overwhelming lawlessness in Kosovo and the porous borders challenged those attempting to reconstruct the region and prevent the illicit trading activities in Western Europe and other regions of the world. The Balkans are situated near the unsteady region that extends all the way to Afghanistan, a well-known “black hole” famous for its limitless opportunities for international crime and terrorism. As evidence shows, there has been an increase in organised crime and corruption in the Balkan region, especially in the territories of the former Yugoslavia – and a spill-over into the lucrative Western European market. According to the Transnational Crime and Corruption Centre, *“The Balkans are the chief route for the passage of refugees who wish to get to Western Europe, and they are also a center for illegal traffic in narcotics, people, and arms.”*

In 2002, Rt. Hon. Chris Patten, the Commissioner for External Relations for the UK, at a Conference on Organised Crime in the Balkans, described the situation of organised crime in Kosovo to be one of *“incredible penetration; social because it involves all sections of society, political because these practices appear to be accepted, and economic because resources are being diverted into the gray economy”*.

An outline of some of the most prevalent organised crime practices in Kosovo follows.

### **Cigarette Smuggling**

The Balkans are used as an immediate storage space for cigarettes produced both in Europe and in the United States by the large cigarette companies. They are then smuggled into the European Union. Cigarette smuggling does produce far smaller revenues than drug smuggling, however, when done efficiently and on large scale, it can still prove highly lucrative. An employee of a British-based corporate investigation firm accused the Serbian authorities of *“complicity in lucrative cigarette smuggling, failure to track billions of dollars secreted away from state coffers by former president Milosevic, and foot-dragging in investigating a series of high-profile murders as a result of mafia pressure”*. During the three month period of July-

September 2000, more than 1300 trucks of cigarettes were smuggled across the border between Kosovo and Macedonia.

### **Arms Smuggling**

Kosovo was flooded with weapons in 1997 after rioters looted military armouries in neighbouring Albania. Many of the arms went to the KLA, which was waging its guerrilla war against Serb rule at the time. But perhaps the earliest indication that transnational crime and corruption would provide a barrier to the peacekeeping effort in Kosovo came in June 1998, when NATO officials were concerned that humanitarian relief funds were actually being directed to fund weapons purchases of the KLA. During the 1999 NATO intervention, towns surrounding the province of Kosovo became arms bazaars. Western nations openly blamed former Albanian President Sali Berisha for the responsibility of much of the trade, claiming that he attempted to stage a political comeback in the region. *“The main actors were Serbian criminal groups, which procured weapons mostly for the infamous paramilitary units. Ethnic Albanian groups did likewise, using their Europe-wide network to transfer large sums in order to finance arms for the KLA. The proceeds of narcotics deals and the sex trade thus financed the KLA’s war against the Yugoslav authorities.”* Kosovo is now an illicit exporter of weapons, smuggling to Albanian gangs and organised crime in Italy, Greece, Germany and the Czech Republic.

In February 2002, the *Daily Telegraph* reported that extremist Albanian rebels had been buying millions of pounds worth of weapons from proceeds of heroin smuggling to re-equip rebels in Macedonia who gave up their weapons to NATO troops in Autumn 2001. The report also cited a Western intelligence official in the region who claimed,

*“the rebels in Macedonia, former KLA freedom fighters in Kosovo, and extremist Albanians in southern Serbia are all part of the network of Albanian and Kosovar Albanian families who control criminal networks in Switzerland, Austria, Germany, and elsewhere.”*

In 2003 an UNMIK study estimated there were approximately half a million small arms in Kosovo, primarily illegal weapons held by civilians. Nearly every family is armed.

### **Fuel Smuggling**

Immediately following the withdrawal of Yugoslav forces from Kosovo in 1999, the “*Ground Safety Zone*” (GSZ), was established between Kosovo, Serbia, and Montenegro. Since its

establishment, it has emerged into a “*paradise for smugglers.*” A zone impenetrable to CIVPOL and KFOR, the smuggling of fuel and the earning of incredible profits has become commonplace. According to Aferdita Kelmendi (Director of Radio/TV 21), one sign of the flourishing trade is the large number of petrol stations - in a land of two million people, there are 4,000 of them. An UNMIK press release for the week of 3 June 2002, reported that they [CIVPOL] had seized an increasing number of vehicles at checkpoints, smuggling anywhere up to 1000 litres per vehicle. The report noted that the fuel is smuggled in a variety of ways including the obvious hand-pump in the backseat and the more obscure additional fuel tanks under wheels, as one example. Perhaps the biggest red flag here is that CIVPOL reports that the hidden fuel tanks are unprotected and poorly manufactured; essentially rendering these tanks large bombs.

### **Narcotics Trafficking**

The ‘Balkan Route’ (also known as “Balkan Colombia”) is the most important route for smuggling heroin to Western Europe; 80% of the heroin seized - equivalent to €400 million - comes via the Balkans. While the traditional route begins in Turkey, and leads to Western Europe via Bulgaria, Yugoslavia, Croatia, Slovenia, and Austria, a southern variant goes via Bulgaria, Greece, Macedonia, Albania, and Italy. A northern variation leads through Bulgaria, Romania, Hungary, Slovakia, and the Czech Republic. The Black Sea is yet another starting point to head north via Ukraine, Belarus, and Poland. According to EUROPOL, Kosovar Albanians dominate the heroin markets in Switzerland, Austria, Belgium, Germany, Hungary, Norway, and Sweden. Interpol estimates Kosovo Albanians dominate 40% of the heroin market in Europe and 70% of the market worldwide. According to a report from Brian Whitmore (*Boston Globe*), “*Kosovar drug traffickers, once bit players, have prospered from the war and the chaos of the Balkans, which culminated in NATO’s bombing campaign against Yugoslavia in 1999. The Kosovo Liberation Army helped to fund its separatist uprising with the proceeds from the heroin trade.*” Kosovar Albanians were able to gain dominance of the heroin trade by gaining control of the ‘Balkan Route.’ Four to six tons move along this route annually. He went on to report that at the top of the drug-smuggling hierarchy, according to Interpol, is a group of gangsters known as “*The Fifteen Families,*” *based in northern Albania, near the Yugoslav border.*<sup>41</sup>

According to Bryan Hopkinson (Director of the NGO International Crisis Group, Pristina), *“One can acquire drugs of all kinds at ridiculously low prices. That’s an indication that organised crime has an especially easy game in Kosovo”*. He suggested that, *“Kosovo is an ideal environment in which to make a lot of money in a short time”*. He argued that everything is both legal and illegal at the same time due to the lack of control at the borders. Neither customs duties nor taxes are paid. The border between Kosovo and Albania, a well known hub for smuggling, does not exist at all. The controls from Kosovo over Montenegro and Bosnia-Herzegovina to Croatia are at least porous and can be avoided with little ‘outlay.’ Hopkinson believes this to be an *“open invitation”* to organised crime. Adding to the advantage of the criminal elements was the fact that law enforcement authorities, *“...even if they wanted to combat the cross-border trafficking, were woefully short of modern techniques and technology, including sniffer dogs, x-ray devices and, in the case of Albania as recently as 2001, of flashlights and handcuffs”*. However, most of the drug traffic now skirts around Kosovo, due to the watchful eye of the UNMIK Border Police and imported Western equipment and methodology (it should be noted that in late 2006 Germany pledged €2 million for the development of Kosovo Border Service). It has been argued that as a result of UNMIKs vigilance and the growing effectiveness of the KPS Border Service, that the mass transportation of narcotics has become too risky, resulting in smugglers establishing ‘depots’ throughout Eastern and Southern Europe, from where smaller shipments make their way onward in cars, minibuses, and caravans. Ethnic Albanians dominate as renters of apartments, keepers of depots, and recruiters for couriers. What has, as result, replaced the drug trade in high numbers is the flow of young women from Moldova, Romania, Bulgaria, and Ukraine. It is estimated that over 200,000 girls and women are lured and bought into slavery at annually.

### **Trafficking in Women**

Trafficking in women is comparatively new for the Balkan region. Typically, women respond to advertisements for well paid jobs abroad, a chance to leave the region of chaos, or approach “marriage-brokers” who claim to represent wealthy Westerners. They are then transported to the target country where their passports are seized, their money is stolen, and they are *forced* into prostitution. This process is also known as ‘migration prostitution.’

According to Foreign Correspondent Alexandra Poolos, women from Eastern European

countries are being trafficked in large number to FRY provinces, such as Kosovo, to serve as prostitutes for the international population of peacekeepers and aid workers. This is perhaps one of the most significant contributing factors to the ways in which organised crime and corruption hinder PSO efforts. What peacekeepers and international authorities do not realise is that these 'prostitutes' - or trafficked women - are earning on behalf of and for local organised crime groups. Therefore, it is the *internationals* themselves who are impeding their own effort by channeling large sums of money directly into the hands of the black economies run by organised crime groups in the area. In addition, the Kosovar economy had become dependent on the revenue provided by the trade in women, as much as it has on the economy generated by servicing the Internationals. A former OCIU CIVPOL Officer stated that UNMIK is incapable of dealing with the problem, claiming that some CIVPOL and KPS Officers were running human trafficking operations themselves. The sex-slave trade has become a huge problem in Kosovo.

Kosovo is a post-conflict zone, still under territorial dispute. Without UN governance, it lacks an integrated, autonomous authority and criminal justice system, making the process of trafficking - and subsequent prostitution - so easy to the extent it appears commonplace, if not legal. OSCE estimated the number of trafficked women throughout the former Yugoslavia to be in the tens of thousands. Even to this day non-CIVPOL border checkpoints are poorly policed by often corrupt officials, used to taking bribes in exchange for the movement of guns and drugs through the region during the wars. The influx of cash from the international community policing the area has resulted in, in many cases, a willingness on the part of the young girls because the pay can prove quite lucrative. *"The prices charged for the girls depend on their age and experience. On average, they are sold for between €2,500 - 3,000 - but prices can go as high as €15,000 (Institute for War and Peace Reporting).*

All of the abovementioned practices of organised criminal groups operating in Kosovo have detrimental effects on the peacebuilding and reconstruction effort. Former Minister of the Interior Pavel Trajanov said *"The EU, OSCE, and all the other international organisations are partly responsible for the situation since they support leaders, for instance, in Macedonia, Montenegro, or Kosovo, who are involved in the criminal activities"*. Organised criminal networks, even before the NATO intervention, were deeply embedded in Balkan society. Since the intervention and the shift in power, they have only become more successful in infiltrating international police forces, international government systems and protectorates including UNMIK and KFOR,

corrupting private enterprises (e.g. the Kosovo Electric Company - managed by *UNMIK* and the *Kosovo Trust Agency* - was involved in the theft of €4.5 million donated by Brussels in 2002 to overhaul the energy sector and has yet to be accounted for), and feeding on the lawlessness and insecurity that plagues the Kosovar society. According to UNMIK's reconstruction and economic sector, *"If we are to rebuild a functioning economy in Kosovo, and if we are to have the sustainable economy that we so passionately want, corruption cannot be tolerated."*

According to Dr. Louise Shelley's testimony to the Senate Committee on Foreign Relations, organised crime *"undermines U.S. peacekeeping in the Balkans and stability in the Balkan region as well as undermines NATO alliances as corruption and organized crime in accession countries threaten military security and can block or undermine NATO action."* Shelley continues to argue that, as of 2003, *"the murder of the prime minister of Serbia by organised crime groups brought home the enormous impact that these groups have on the political processes in their countries and their ability to undermine possibilities for reform. The presence of organised crime groups within the government, their infiltration into the legal system, and their ability to influence the adoption of laws undermines democratisation,"* she argues.

## **Summary**

As armed conflicts in the Balkans recede into the past and security questions give way to more quotidian efforts to join the EU, the main open conflict-related question in the region concerns the future status of Kosovo. Negotiations on final status commenced on 20 February 2006.

The Contact Group overseeing international policy in Kosovo (U.S., U.K., Russia, Germany, France, Italy) has sought to minimise the potential for renewed conflict by insisting that there should be:

- no return of Kosovo to the *pre-1999* situation;
- no partition of Kosovo;
- no union of Kosovo with any other country,
- "conditional independence" for Kosovo, involving ongoing supervision by international civilian and military forces, decentralisation of government, and international monitoring of minority rights protection for Kosovo Serbs and other minorities.

A peaceful resolution of the Kosovo status question, supplemented by an effective mix of international carrots and sticks for both Kosovo and Serbia, will be critical for fostering long-term stability in the Balkans.

The Balkans is a key strategic and geopolitical arena where the critical issues of peace, security, democratisation, development, and energy intersect, and instability in this regions will project instability into the heart of the Euro-Atlantic community and Russia. Important steps have been taken by both local and external actors to promote stability and prosperity in these regions. Yet the lack of clear-cut, coherent, and sustainable policies toward this region represents a strategic gap that must be addressed. The Euro-Atlantic community and Russia - and particularly the European Union - must now find modes of decisive and constructive cooperation, both amongst each other as well as with local actors, in order to continue making progress toward a Europe whole and free.

For the *European Union*, the ineffectual initial response to the Balkan Route, together with the EU's self-declared ambition to develop an effective Common Foreign and Security Policy and European Security and Defence Policy, have driven efforts to strengthen both civilian and military peacekeeping and peacebuilding capacities in the area.

But once again it is the question of endemic organised crime and corruption that will continue to be posed, not just within Kosovo itself but in neighbouring states that engage in such illicit trade therefore exascebating the problem for political or financial gain. The European Union's Neighbourhood Policy - an instrument for addressing political, economic and security challenges – faces a problem of cultural attitude that will take generations to change.

The reality is that there is no “quick fix” solution.

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