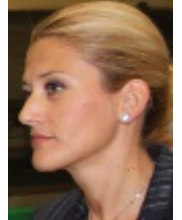


Five minutes with Mimoza Kusari-Lila, Deputy Prime Minister & Minister of Trade & Industry, Kosovo – “Kosovo will never become part of Serbia again”

by Blog Admin

A number of countries – including five EU member states – still do not recognise the independence of Kosovo from Serbia. In an interview with EUROPP editors Stuart A Brown and Chris Gilson, [Mimoza Kusari-Lila](#), Kosovo’s Deputy Prime Minister and Minister of Trade and Industry, discusses some of the problems faced in the country and the potential for Kosovo’s eventual accession to the EU.



Kosovo’s declaration of independence has not been recognised by a number of countries, including five EU member states. What challenges does this pose for the country?

The five non-recognising EU countries have posed quite a lot of obstacles on Kosovo’s path towards the European Union. The most noted lack of progress in terms of Kosovo’s integration is that Kosovo is the only country in the Balkans that does not have a [Stabilisation and Association Agreement](#) (SAA) signed and even now with the conclusions of the feasibility study – which was just issued last week – we see that there is still some hesitance, but nevertheless Kosovo’s path towards European integration is now secure.

On the other hand, the lack of recognition from ‘the five’ is not a reflection of Kosovo’s performance, it is more a reflection of internal problems that these countries have with certain minority groups. Drawing a parallel between the situation of these minority groups – be they in Spain, Romania, Slovakia – was never a good comparison and we as Kosovars, and those in the international community who are in favour of the independence of Kosovo, have often made it clear that Kosovo is a unique case. Kosovo cannot be compared to any other situation in Europe or in the Balkans, but that was not made clear enough for these countries.

Nevertheless, we hope that the situation will change in the near future. We certainly support the message sent from EU countries to Serbia instructing them to respect the territorial integrity of Kosovo: it’s the first time that they have been explicit in reminding Serbia that Kosovo has its own borders and its own territorial integrity. That was a joint-message from all EU member states, not simply those states which recognise Kosovo’s independence. So more firm messages and more clear statements from the EU will certainly help Kosovo, and also help Serbia, because we are all certain that Serbia realises that there is no turning back and that Kosovo will never become part of Serbia again. I’m not quite sure that Serbia even wants that, it’s just a matter of face saving for political structures within the country.

How would you describe Kosovo’s current relationship with the EU?

I would describe it as moving from a virtual relationship, to more concrete contact where we exchange information and correspondence with the EU. This is how we are moving now with the short-term goals that the EU has presented – the short term obligations that Kosovo has before the end of the year and then starting the SAA negotiations at the beginning of next year. So we are moving towards a more concrete, contractual relationship. On the other hand the EU has always been present in Kosovo since the end of the war. The EU has been the biggest donor for Kosovo’s post-war development process and we also have the EU mission which is helping establish the rule of law in Kosovo. So there are projects and an established EU presence in Kosovo, what we previously lacked from the EU was a clear policy toward Kosovo and Kosovo’s path to membership of the European Union.

Kosovo has used the euro as its national currency since 2002, although it is not an official

member. Do you think that the benefits of using the euro outweigh the costs?

Well I think that it was the only solution that we had after switching from the Deutsche Mark. Using the Deutsche Mark was a choice made by Kosovars as a movement away from the dinar: the Yugoslavian currency, which is still used in Serbia. So we had already decided to move in that direction. I do believe that yes, the country is lacking the ability to determine our own monetary policy, and we have limitations in terms of the economic policies we can pursue; but on the other hand the guarantee for investors is much greater because you don't have the currency risk of depreciation and everything else that goes with it – which we have seen with other countries in the Balkans. So it offers us stability, it offers us lower transaction costs for businesses who are thinking of establishing their operations in Kosovo, and in the years to come there may also be more benefits to using the euro.

Unemployment in Kosovo currently stands at over 40 per cent. How is the government addressing this problem?

It's quite a problematic issue because we still do not have accurate data on the true unemployment rate in Kosovo. There is a lot of informal work in the country: if you add the agricultural sector and some other sectors which used to operate on a small business/family model then it might be a smaller percentage than the one you've quoted. But certainly we're in the process of promoting labour intensive industries, our policies have more certainty now and we have a very favourable fiscal policy.

We are also visiting European capitals and cities to promote business in Kosovo. This has two primary aims. One is to attract businesses that are interested in outsourcing activities to Kosovo, so we'll have labour intensive industries placed in Kosovo with a view to exporting goods to other countries. The other is to reduce the huge trade deficit that we still have, which has been caused by a number of factors, the most important of which is that we had our economy destroyed during the Milošević years and we have become more of a consumer society due to the high level of remittances coming from our diaspora and the presence of the international community. Now, by increasing production, reducing our trade deficit, and also creating more job opportunities, our government is trying to convince companies that apart from political stability, Kosovo also has a lot of other benefits for business, such as lower labour costs.

This month the European Commission's annual enlargement report recommended the EU sign an association agreement with Kosovo. How do you see the EU's relationship with Kosovo progressing over the next 5 to 10 years?

It will depend on the approach taken by Kosovo's institutions and we are very committed to meeting the European standards and criteria set down for our institutions. But it will also depend on the developments on the EU side. Enlargement fatigue has set in for many reasons, but particularly the current economic situation has pushed enlargement off of the EU's political agenda, which has caused delays for us. Kosovo is very small – it's only two million people – and again you can't compare the situation with that of other countries which have joined the EU within the last decade because there will be no situation in which Kosovars will leave Kosovo to go to other EU countries.

So certainly it's very important first of all for Kosovo to reach certain standards with or without EU membership – economic and democratic standards that are good for the people of the country – and then of course I think it will become natural that Kosovo becomes a member of the EU. I think with the Western Balkans in general, as a part of the EU and the European continent, the EU will have more diversity and a higher overall value.

Do you think it would benefit Kosovo if Serbia were to join the EU?

Of course, considering the EU's standards, a more democratic and economically developed Serbia would be a Serbia that would recognise the reality of Kosovo's independence. I don't see that happening with the current situation in Serbia because of the mixed messages that we keep getting from the political structures there. But certainly we all hope that Serbia and Kosovo jointly become members of the EU and that both subscribe to the European agenda and have positive neighbourly relations.

Finally in the Western Balkans I believe that we are all now certain that there will be no conflict or at least that there will be no conflict in the near future. The problem is the political blockages that happen sometimes from Serbia toward Kosovo, which have actually caused the country a lot of damage not only from the war, but also afterwards in terms of the process of Kosovo's integration in the EU, and also other international mechanisms. It defeats Serbia's purpose to believe that you can actually gain something by prohibiting someone from developing, but we don't have the same stance: Kosovo believes that a more democratically and economically developed Serbia will help the region and Kosovo as well.

On 11 October Mimoza Kusari-Lila spoke at the LSE Research on Southern Europe Seminar, [Kosovo's Path to EU & Economic Integration: Opportunities and Challenges](#).

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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About the author

Mimoza Kusari-Lila – *Deputy Prime Minister & Minister of Trade & Industry, Kosovo*
Mimoza Kusari-Lila entered politics and public service in 2003 when she was offered the position of spokeswoman and Adviser to the Prime Minister of Kosovo, Bajram Rexhepi. She has previously served as executive director of the American Chamber of Commerce in Kosovo (Am Cham), since 2006 to 2009, officially accredited by the American Chamber institution in Washington DC and the Association of American Chambers in Europe.

