

HOTI'S FIRST 100 DAYS

Amidst COVID-19, economic
recession and a deal with
Serbia

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Hoti's First 100 Days: Amidst COVID-19, economic recession and a deal with Serbia

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Acronyms

AAK- Alliance for the Future of Kosovo

CDC- Center for Disease Control and Prevention

EU- European Union

GDP- Gross Domestic Product

KEK- Kosovo Energy Corporation

KRU- Regional Water Company

LDK- Democratic League of Kosovo

LVV- Self-determination Movement

MFAD- Ministry of Foreign Affairs and Diaspora

MP- Members of the Parliament

NISMA- Social Democratic Initiative

NPH- Hydro economic Enterprise

PTK- Post-Telecom of Kosovo

SBASHK- Union of Education, Science and Culture of the Republic of Kosovo

SUMMARY

The first 100 days of the Hoti Government were characterized by a reopening after lockdown, the management of COVID-19, the resumption of the Dialogue with Serbia in Brussels, and an agreement struck in the United States (US).

On the size of the Government

- The Hoti Government has 16 ministers and 46 deputy ministers. The number of ministries did not increase significantly, but the number of deputy ministers is the second highest in the past 12 years. The Government is also characterized by an unequal gender balance, having only 3 women out of 16 ministers, and 8 women out of 46 deputy ministers.

On the management of COVID-19

- The Hoti Government has failed to provide for a safe social recovery after the two-month lockdown. The rapid and premature opening in June led to a spike in infection rates in July and to an upsurge in deaths in August, rendering Kosovo one of the deadliest countries in the world. The lack of mass testing and contact tracing, the poor communication strategy, and the absence of price controls for medicines and testing in private laboratories were some of the decisions that led to the high number of infections and deaths during the first 100 days.

On the economy

- Given its lack of a parliamentary majority, the Government took two months to adopt the budget review in order to execute payments from the emergency package, to ratify international credit loans and to introduce policies from the new recovery package. The government halved the number of capital investments, but provided support for the agriculture sector.

- The policy of the 10 percent pension withdrawals will increase aggregate demand, but it does not account for the most vulnerable citizens. The pension withdrawals do not account for half of the population who has no significant savings and 30-40% who are part of the informal economy.

Anti-capture efforts

-Vetting – the controversial decision to enlarge the vetting working group of experts led to the resignation letter.

- Telecom – the continued mismanagement, arbitration processes with PTK led to the freezing of PTK's assets in August.

- Dismissal of boards – four different temporary boards of public enterprises were removed from office.

On external relations

- After dropping the months-long policy of economic reciprocity with Serbia, negotiations between Prishtina and Belgrade were able to resume in Brussels, as well as in the Washington. After the postponement of a high-level encounter at the White House, initially scheduled for the end of June, the meeting was finally held on the 4th of September. The agreement struck against this backdrop was no major breakthrough, though it was nevertheless heavily publicized. It included a list of pledges that spanned from infrastructure projects and joining the mini-Schengen

zone, to a feasibility study for the purpose of sharing the Ujman lake, the recognition of Israel, and compliance with a full checklist of US foreign-oriented commands, such as the ban of Huawei 5G networks and designating Hezbollah as a terrorist organization. In line with the agreement, the Hoti Government committed to not seeking membership for Kosovo in international organizations, in return for Serbia to stop its de-recognition campaign against Kosovo.

On education

- The Government developed an online platform to allow for distance learning and enabled platforms, namely Moodle, for teachers to share resources and materials with students. 96 percent of the students were able to participate in online learning, according to a UNDP survey. Although the reopening of schools has been postponed, further outbreaks of the virus are expected in the near future inasmuch as schools usually lack basic hygiene products and ventilation.

On the Government's parliamentary activity

- The ambitious legislative agenda of the Government remained largely unfulfilled: out of 138 draft laws, only 10, 7 percent, of the draft laws were submitted for a vote at the Assembly. The absence of a quorum and the minimal majority of the LDK-led Government were the main reasons for the low number of laws passed.

INTRODUCTION

The Hoti Government was voted into office on the 3rd of June 2020. The ruling coalition is composed by the Democratic League of Kosovo (LDK), Alliance for the Future of Kosovo (AAK), NISMA and the Serbian List. Their coalition has a slim majority of 61 out 120 seats in the parliament. LDK had previously been the junior coalition partner of Lëvizja Vetëvendosje (LVV), against which it initiated a no-confidence vote in March, bringing the Kurti-led government down only after 52 days in power.¹ The coalition split between LVV and LDK came mostly due to the parties' disagreements over the policy of reciprocity vis-à-vis Serbia.

On the 22nd of April, following the no-confidence vote, President Hashim Thaçi concluded that former PM Albin Kurti had not exercised his right to appoint a new mandator and hence began consultations with other political parties for the formation of a new government. Finally, the leaders of the other parties in the Assembly, save LVV, managed to reach an agreement on the formation of a new government without a call for new elections, leading to LDK's appointing Avdullah Hoti as PM nominee. Thaçi's decision was put to the question at the Constitutional Court (CC) at the behest of LVV², a procedure after which the CC issued a response favorable to Thaçi. This awarded Hoti the right to form a government without going into new elections, making it the first time that an administration in Kosovo did not include the winning party at the polls.

The purpose of this political analysis is to provide an assessment of the first 100 days of the Hoti Government and to evaluate its performance based on several policy fields: government size, COVID-19 management, economy, rule of law, education policy, foreign policy and the performance in the parliament.

GOVERNMENT SIZE

In its party program for the October 2019 elections, LDK had promised a small government with 12 ministries and 24 deputy ministers.³ After the coalition negotiations with AAK, NISMA and the minorities had been conducted, the new government proposed a cabinet of 16 ministries and 46 deputy ministers.⁴

Table 1. Government size: promises vs. actual size

No of ministries promised	No. of ministries	No. of deputy ministers promised	No. of deputy ministers
12	16	24	46

Currently, LDK leads 7 ministries, AAK leads 4, NISMA leads 2 and 3 are held by Kosovo's ethnic communities. LDK is running the Ministries of Interior, Finance, Agriculture, Culture, Defense, Infrastructure (which has one of the largest budgets) and Health. Secondly, AAK, has obtained four ministries: Foreign Affairs, Justice, Economy and Environment, and Education, as well as the post of Deputy Prime Minister. Third, NISMA also obtained a Deputy Prime Minister seat and, in addition to this, it controls the Ministries of Labor and Trade and Industry. The Serb List took over the position of Deputy Prime Minister and the Ministry of Community Returns, while the Turkish Democratic Party of Kosovo obtained the Ministry of Regional Development.

¹ "Breaking Down Hoti's New Government: Formation and the 2020-2023 Plan", Group for Legal and Political Studies, July 2018

²Constitutional review of Decree No. 24/2020 of the President of the Republic of Kosovo, of 30 April 2020, Case No. KO 72/20. Available at: <https://bit.ly/3btucxT>

³"LDK – Program Orientations", LDK, October 2019.

⁴As per 21.08.2020

Compared to the previous Kurti-led Government, the Hoti Government added two new ministries: the Ministry of Labour and Social Welfare, and the Ministry of Trade and Industry. The Ministry of European Integration was removed and the Prime Minister office took charge of the EU Integration process. Kosovo's EU integration process is likely to be coordinated by the Agency for European Integration, but in the first 100 days of Hoti only a concept document for the establishment of the agency had been approved, meaning that in the first 100 days there was no clear government structure in charge of the EU reforms.⁵

Table 2. Size of Kosovo's governments since 2007

Administration and years	No. of ministries	No. of deputy ministers
Thaçi I (2007-2011)	19	38
Thaçi II (2011-2014)	20	45
Mustafa (2014-2017)	21	45
Haradinaj II (2017 - 2019)	21	80+
Kurti (2020)	15	33 ⁶
Hoti (2020)	16	46

Even though the number of ministries has not increased significantly from the previous administration, the number of deputy ministers has. With the appointment of 46 deputy ministers, the Hoti government has become the cabinet with the second highest number of deputy ministers in Kosovo in the past 13 years.⁷ The increase in the number of deputy minister spots did not follow any governance logic, but it was rather used as a means to award high positions to party officials. Thus, there are ministries, such as Culture and Economy, which have 5 deputy ministers each.

In addition to this, cabinet appointments reveal a big gender gap among both the ministers and the deputy ministers. Out of 16 ministers, there are only three women ministers, and out of 46 deputy ministers, only eight are women.

Hoti himself had criticized in the past appointments of national coordinators in Haradinaj's second cabinet (2017-2019). Nevertheless, as Prime Minister Hoti has so far appointed two national coordinators: Agim Veliu, for the fight against terrorism; and Skënder Hyseni, for the Dialogue with Serbia.⁸

Everything considered, the Law on Government should be adopted in order to regulate the government's structure and to define the areas of responsibility of the Prime Minister and the Ministries. Through this Law, the size of the government will not be the sole competence of the Prime Minister, but the parliament will also be attributed with the authority to decide over the government's structure.⁹

⁵Government meeting no. 24. No. 09/24. Available at: <https://bit.ly/2EU3Nxd>

⁶The Kurti government had planned on appointing 33 deputy ministers, but it was ousted before appointing all the deputy ministers.

⁷"Names of 46 Deputy Ministers of the Hoti Government" Koha.net, 2 July 2020. Available at: <https://bit.ly/2Z41kam>

⁸"Prime Minister Hoti appoints a coordinator who is considered a useless position", Buletini ekonomik, 14 July 2020. Available at: <https://bit.ly/2DsSFa4>

⁹"Structuring the Unstructured: How to reform the Government structure to comply with the principles of efficiency and accountability", Group for Legal and Political Studies, July 2018.

THE (MISS) MANAGEMENT OF COVID-19

During the first 100 days of the Hoti Government, Kosovo has been one of the deadliest countries in the world for coronavirus.¹⁰ When the Hoti Government took office on the 3rd of June, there was a fairly low number of infections and deaths. That day, Kosovo had registered 19 new infections, a total of 871 infections and 30 deaths.¹¹ On the 11th of September, after 100 days of governing the country, Kosovo had reported a total of 14,496 infections and 586 deaths.

The Hoti Government failed to ensure a safe reopening of the economy and the society after a two-month lockdown without triggering a health crisis. The premature and rapid opening of the economy without an effective communication strategy in June leads to a spike of infections and deaths in July and August.

During the month of May, movement restrictions had started to ease gradually. On the 27th of May, for instance, movement was allowed from 5:00 to 21:00. However, on the 8th of June, after only five days in office, the Hoti administration removed the movement restrictions while promising quick economic recovery and a swift reopening. Whereas the Kurti Government's mandate had focused on managing the health crisis, Hoti's administration directed its efforts towards relaunching the economy. The ease of the restrictions, however, was shortly followed by a new curfew starting on the 7th of July, in the light of a rising number of cases.

The appointment of Armend Zemaj as Health Minister raised many eyebrows. Zemaj had no background in health and no prior experience in senior executive positions. As per its government program, the Hoti Government had planned on massive testing to clearly estimate the extent of the outbreak and reopen the society accordingly.¹² However, there was no massive testing, and the reopening continued despite ongoing community transmission. The number of new infections started to rise during the month of July, but the new containment measures remained minimal. In August the death rate started to increase significantly, reaching more than 500 deaths by the end of August.

Due to the growing number of new infections, Kosovo became a "high risk destination" on the lists of many countries. On the 6th of August, the Center for Disease Control and Prevention (CDC) issued a level 3 Travel Health notice, the highest on the scale, recommending to avoid non-essential travelling and to postpone essential travelling to Kosovo due to high risk of infection.¹³ In Germany, during July and August, 2,946 travelers from Kosovo tested positive upon arrival, in these two months most of the infected tourists entering Germany were from Kosovo.¹⁴ Compared to the other Balkan countries, Kosovo and North Macedonia did not manage to safely reopen their economies, while Bosnia and Herzegovina and Montenegro did considerably better, and Albania and Serbia managed a much safer reopening. This has so far resulted in fewer deaths in relation to their neighboring countries.

The Hoti Government failed to provide and subsidize testing for the general population by limiting testing only to people with strong symptoms. Many others with milder symptoms could not be tested at all. Due to the high number of cases, contact tracing was completely dropped, thus making it hard to stop infection clusters. Given the low number of tests, the Government decided to allow private laboratories to conduct mostly serologic tests.¹⁵ This, however, did not solve the problem of low testing rates, since serologic tests are not diagnostic, but are used to show the presence of antibodies, and are usually conducted after full recovery from COVID-19.¹⁶

¹⁰ "Europe's Youngest Nation to Boost Testing Amid Covid-19 Hit", Bloomberg, 28 August 2020. Available at: <https://bloom.bg/34Y6NU4>

¹¹ "COVID-19 still in Kosovo, 19 new cases today", Gazeta Express, June 2020. Available at: <https://bit.ly/3gRCZux>

¹² Government Program 2020-2023, pp.5

¹³ "COVID-19 in Kosovo", Centers for Disease Control and Prevention, September 2020. Available at: <https://bit.ly/32TeeJt>

¹⁴ "In four weeks, 2946 Kosovars affected by COVID-19 entered Germany", Koha.net, September 2020. Available at: <https://bit.ly/3bz75SN>

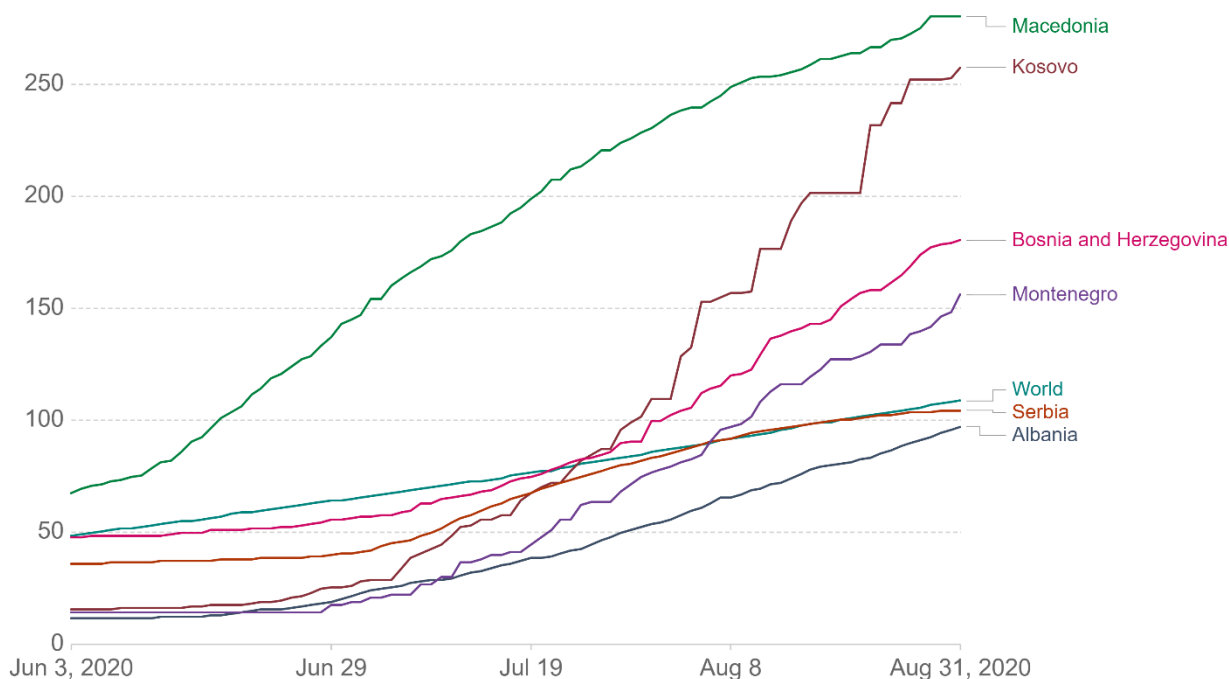
¹⁵ Out of 101 licensed laboratories only two conduct PCR tests See <https://bit.ly/35239s7> (25 August)

¹⁶ "Serology and Early Investigation protocols" World Health Organization, August 2020. Available at: <https://bit.ly/2DtmgOK>

Furthermore, by September only two laboratories were licensed for RT-PCR tests, of which one was not functional. The only functional laboratory is “Medical & Laboratory Service”, where one test costs 200 Euros, a much higher cost than in international laboratories, for example the same test can be done in Germany for around 40 Euros and in the Istanbul Airport for 12 Euros. The Ministry of Health condoned the overpriced tests and even justified it.¹⁷ The Ministry of Health also deregulated prices of medicines, enabling thus pharmacies to increase and even double prices of medicine in the midst of a pandemic.¹⁸

Total confirmed COVID-19 deaths per million people

Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true total number of deaths from COVID-19.



Source: European CDC – Situation Update Worldwide – Last updated 2 September, 10:04 (London time)
OurWorldInData.org/coronavirus • CC BY

Figure 1: Total confirmed COVID-19 deaths per million people in the Western Balkans

The accumulation of all the bad decisions and episodes of mismanagement cost many lives. Compared to its population, in the month of August, Kosovo was one of the deadliest nations in the world.

Table 3. Total confirmed deaths due to COVID-19 per million people/deaths per million people.

Source: European CDC/ Our worldindata.org, University of Oxford

Country	1 st of August 2020	31 st of August 2020	Absolute Change	Relative Change
1. Peru	582.83	873.11	+290.28	+50%
2. Colombia	198.59	380.56	+181.97	+92%

¹⁷“Ministry of Health justifies the price of 200 euros per test at Devolli laboratory: the results are taken in 1 hour”, Lajmi. Net, August 2020. Available at: <https://bit.ly/2Z2jR76>

¹⁸“Drug pricing chaos hurts consumer and budget 18 million euros a year” Gazeta Express, September 2020. Available at: <https://bit.ly/3hWawVU>

3.	Bolivia	255.03	425.43	+170.39	+67%
4.	Kosovo	109.69	257.66	+147.97	+135%
5.	Mexico	362.11	497.61	+135.50	+37%
6.	Brazil	435.06	568.44	+133.39	+31%

From the 13th of July, the Government decided to increase street police patrols to ensure the mandatory wearing of masks in public spaces. However, according to microbiologist Lul Raka, the infection rates in Kosovo are coming from bars, restaurants and family gatherings where masks are not mandatory.¹⁹

The communication strategy to raise awareness of the virus has likewise been unsuccessful, disinformation and misinformation spreading mostly online on the low risk or even existence of the virus. The spread of disinformation and fake news on the Coronavirus has led to 29 percent of the population not believing in the existence of COVID-19.²⁰

In June and July 2020, the number of new infections peaked, with August being the deadliest month. The new infections started falling in the beginning of September. Some of the measures the government took to lower the number of infections were: mandatory masks in public, suspension of cultural activities indoors, prohibitions of gatherings and limited business hours for bars, cafes and restaurants.²¹

The upcoming second infection wave, foreseen for the autumn, finds Kosovo in a very precarious situation. August has been a very deadly month and opening schools without a proper strategy could only worsen the COVID-19 crisis.

A SHACKLING ECONOMY

During the lockdown, unemployment saw a considerable increase; in April alone, 32,377 jobseekers registered in the Employment Agency.²² Partial relaxations were introduced on the 4th and 18th of May and, after the 1st of June, almost all business activities were allowed to work. From the 8th of June, land borders were opened and by the 26th June the international airport was also functioning. On the 6th of July, one month after the initial relaxation of measures, restaurant, bar and café activity was again restricted, this time the sector was allowed to operate exclusively outdoors. This limitation was extended to nine other municipalities throughout the month.²³ While the rapid and premature opening of the economy had led to rising infections, the closure of borders and the re-imposition of constraints to businesses led to a long-term threat for enterprises, jobs and budgetary stability.

The planned payment to workers from the Government's first fiscal package was delayed due to the inability of the ruling coalition to adopt the budget midyear review in the Assembly. The fragile majority of the Hoti administration, with 61 MPs, contributed to delays and difficulties in adopting the budget review and other international agreements. The budget review was finally adopted on the 30th of July with the help of the votes from PDK, around two months after the Government had started its mandate.

¹⁹"Raka: these are the epicenter of the Corona Virus outbreak" Bota Sot, August 2020. Available at: <https://bit.ly/2DqEy59>

²⁰"Pyper poll: 29.03% of Kosovar citizens do not believe that COVID-19 exists", Telegrafi.com, July 2020. Available at: <https://bit.ly/3ITqdn>

²¹"The COVID-19 Crisis in Kosovo", OECD, 1 October 2020. Available at: <https://bit.ly/3nsuwCw>

²²"The Impact of the COVID-19 Pandemic on the Labor Market" GAP Institute, June 2020. Available at: <https://bit.ly/3hTMz0Q>

²³"POLICY RESPONSES TO COVID-19 - Kosovo" International Monetary Fund, September 2020 Available at: <https://bit.ly/32Rvcbf>

Many capital investments were included in the Government's program, mostly due to LDK's coalition agreement with AAK. Infrastructural projects such as the Dukagjini Highway, the Anamorava Highway, and the conclusion of the construction of the Peja, Mitrovica and Podujeva Highways were added to the program. The inclusion of these capital investments in the midst of a pandemic were more words on a paper than actual projects, since in the budget review capital investments had been halved from 71.5 million Euros in March-May 2019 to 34.8 million Euros in 2020.²⁴

Another initiative was the agricultural support program of 53 million euro. The Ministry of Agriculture led two programs providing financial support and liquidity to agro businesses through grants and subsidies, helping the agricultural sector.²⁵

One particular economic policy that caught the eye of the population was the option of a 10 percent early withdrawal of pension savings. The policy aimed to increase the aggregate demand and the circulation of money in the market. The upside of this policy is that it does not affect the state budget or the public debt, and it aims to help people get through the economic depression of the pandemic.²⁶ However, half of the 630,000 citizens with pension savings do not have a significant amount of savings to withdraw from. Around 160,000 citizens would only be able to withdraw 8 euro, due to their low amount of savings.²⁷ This policy did not take into account the large informal economy of Kosovo, there being around 30 to 40 percent of employees in Kosovo without contracts or social security. The size of the informal economy already excludes families and individuals from social assistance schemes, and they will remain excluded from this policy, too.²⁸ Due to the rising infection rates, many countries in the West categorized Kosovo as a high-risk country. This had a detrimental effect in the economy, as it effectively stopped the Kosovo Diaspora from visiting their country of origin. The summer without the Diaspora will have a grave economic cost for Kosovo, since 80 percent of the travel service exports are driven by Diaspora tourism, while direct or indirect tourism receipts are estimated to account from 15 to 25 percent of the country's GDP.²⁹

Overall, the first 100 days featured difficulties in adopting the midyear budget review and ratifying international agreements. This period also saw subsidies in agriculture and the 10 percent policy which is not yet implemented.

ANTI-CAPTURE EFFORTS

A sketchy vetting

The justice system in Kosovo has serious issues with accountability mechanisms. Most often, problems are related to the figure and purity of certain judges, prosecutors, and system leaders. In statistical terms, Kosovo has not done enough towards the sentencing of senior figures involved with organized crime and political corruption.³⁰

Alongside representatives from the LDK, a working group consisting of civil society and members of academia was formed in order to prepare and initiate the vetting process, which has been an electoral promise of both parties, LDK and LVV.

²⁴"The impact of COVID-19 pandemic on the Kosovo budget" GAP Institute, June 2020. Available at: <https://bit.ly/32TNpVx>

²⁵"Agriculture remains one of the key contributors to Kosovo's economic development" American Chamber of Kosovo, press release, August 2020. Available at: <https://bit.ly/3IMcmeo>

²⁶"The 10% dilemma: The benefits and drawbacks of the early withdrawal of pension savings" GAP Institute, July 2020. Available at: <https://bit.ly/32SI7Lc>

²⁷"160 thousand citizens will be able to withdraw only 8 euros from the Trust", Koha.net, 11 August 2020. Available at: <https://bit.ly/2QSDl4A>

²⁸"The COVID-19 Crisis in Kosovo" OECD, 30 July 2020. Available at: <https://bit.ly/31VzE9q> (3 September 2020)

²⁹"The Economic and Social Impact of COVID-19", World Bank, No.17 Spring 2020.

³⁰UNDP-UNODC "Judicial integrity in Kosovo: Assessment Report", 2014

USAID "Kosovo Judicial Support Program, Mid-term evaluation, Final Report". Available at: <https://bit.ly/3ihrJZ0>, 2014

Group for Legal and Political Studies, "VETTING: The only way to ensure full independence of the justice system in Kosovo". Available at: <https://bit.ly/3jblim>, 2019

In the Hoti's cabinet, Selim Selimi from AAK was appointed Minister of Justice. Selimi changed the functioning of the vetting process initiative, with his decision to enlarge the expert group.³¹The group, established in March, resigned after this modification.³²The purpose of the expert group had been to provide a study with examples of vetting in other countries, which could be applied in Kosovo, rather than providing a specific plan on how vetting would be carried out in Kosovo. As such, the initial plan did not need the involvement of new actors, or the involvement of embassies and figures with a political background, which was proposed by Minister Selimi. The stakeholders of this process cannot be those who should be subject to vetting. The plan of the Ministry of Justice to design, without any need, a reform of the justice system with the active contribution of its high-ranking figures is a paradox. Importantly, the professionalism of the members of the expert group, composed of internationally renowned university professors and key civil society actors in Kosovo, was a key point that awarded it credibility. Transparency in new appointments to this group of experts should be ensured.

The Hoti Government did not include in its primary agenda a vetting process aimed at checking the integrity of judges and prosecutors in terms of their professionalism and background. Such a process should be designed in a way that the international stakeholders, political consensus and strong legal guarantees for the impartiality and independence of the vetting bodies are its common denominators.

Telecom saga

During its first 100 days, the Hoti Government had to deal with the near bankruptcy of the Post and Telecom of Kosovo (PTK). The grave situation of PTK came after the implementation of an arbitration decision from private operator Z-mobile (formerly, Dardafone.net) against PTK.³³A contract signed between PTK and Dardafone.net in 2009 had a clear purpose of financial and commercial degradation of the former through the use of public assets by the latter. In this situation, paradoxically, instead of seeking criminal liability against the responsible actors, an arbitration decision decided that Telecom of Kosovo was to pay damage in the amount of 24 million Euro to Z-mobile.

The State Prosecutor should launch an investigation process against all those who contributed to the conclusion, implementation and inaction of the prevention of the 2009 contract; to all those who allowed the extortion of a public asset such as Telecom of Kosovo, and who brought it to a state before bankruptcy. The Government, and Prime Minister Hoti, instead of dealing with partial privatization plans and promising support for Telecom,³⁴ should initially contribute to a criminal process of punishment for those who brought about this situation. The Minister of Economy should clarify the position of the shareholder, instead of promising new negotiations with Z-mobile. An investigative commission launched by the Kosovo Assembly is necessary, and the potential restructuring of Telecom of Kosovo must be subject to parliamentary approval.

Dismissals of four temporary boards of public enterprises

In the 19th session of the Government, Prime Minister Hoti dismissed the temporary boards of KRU "Prishtina", NPH "Ibër Lepenc", "Kosovo Electricity Corporation – KEK" and "Southern Hydro".³⁵The alleged reason behind this removal is said to be these boards' non-compliance with government demands. The Government had ostensibly sent a request not to recruit senior posi-

³¹ 'Selimi demands that the US and the EU be included in the group of vetting experts'.Koha.net, 2020. Available at: <https://bit.ly/2G2VeRC>

³² 'The experts of the working group for the vetting process resign'. Kallxo.com, 2020. Available at: <https://bit.ly/3cHUvKx>

³³ 'Telecom from most profitable to indebted'. Evropa e Lire, 2020. Available at: <https://bit.ly/36kwz5K>

'Government seeking solution for Kosovo telecom', Evropa e Lire, 2020. Available at: <https://bit.ly/33cArDH>

'The telecom board resigns', Koha.net 2020. Available at: <https://bit.ly/30jyYTU>

³⁴ 'PM Hoti: The government will help Telecom', Kryeministri.net, 2020 Available at: <https://bit.ly/34ael4b>

³⁵ Government Meeting, 2020. Available at: <https://bit.ly/3n2d9IA>

tions in public enterprises and to instead await the implementation of the agreement with the British Embassy, which would assist Kosovo in recruiting central positions in public enterprises and government agencies.³⁶

According to the Kosovo Government, the boards ignored these recommendations and continued regardless with the recruitment process. However, the reasoning of the government to dismiss the boards does not hold ground. First, it is not necessary to wait for the start of implementation of the agreement between the British Embassy and the Government for recruitment, because even before signing the agreement, the British Embassy, through non-governmental organizations and representatives of its office, already monitors the process of recruitment in central public enterprise. Secondly, the dismissals are not based on performance analysis, but on the issue of recruitment obtained by the board, a process that has legal base. Altogether, the recommendation of the Public Enterprise Policy and Monitoring Unit within the Ministry of Economy and Environment, followed by the decision of the Government, is marred by deficiencies and was most likely politically motivated and not procedural.

FOREIGN POLICY

Dialogue with Serbia

The nature of the dialogue has often been accompanied by radical turns in its framework and substance, shifting from being a technical process to a political one. Since 2018 the EU-led dialogue was effectively blocked by the 100 percent tariff imposed by then PM Haradinaj as a response to Serbia's derecognition campaign. The tariff was then replaced by economic reciprocity by the Kurti Government, later dropped by the Hoti administration. After removing the reciprocity measures against Serbia, the conditions to resume the talks were in place.

Hoti and Vučić met face to face after twenty months of dialogue standstill held under EU auspices, the meeting aimed to continue the process of the normalization of relations and re-state Brussels' upper hand in the mediation tasks. The resumption of the dialogue has been accompanied by a lack of transparency from the Kosovo delegation, led by Hoti and the National Coordinator for the Dialogue, Skënder Hyseni.

Parallel to EU efforts to re-launch the dialogue, the US developed a leadership of its own by inviting the leaders of both states to Washington. The encounter, initially set for the 27th of June, was postponed for the 4th of September due to the indictment of President Thaçi by the Special Prosecutor's Office (SPO) in The Hague.

The Hoti Government lacks a dialogue-oriented platform with clear objectives and aims. The outcomes after the first two Brussels meetings are vague and the content of the discussions lack transparency. The appointment of Skënder Hyseni as National Coordinator for the Dialogue was made 4 days prior to the first meeting in Brussels. This transfer of competencies into Hyseni interfered with the previous ruling of Kosovo's CC that "representation in the sphere of foreign policy is the duty of the constitutional institutions of Kosovo" and that the "dialogue with a third country cannot be transferred to the state delegation as a 'special mechanism' through a lower legal act."³⁷

Hyseni declared that he would discuss about the draft of the final agreement, without disclosing further information to the public. There was often division within the governing coalition on the dialogue in general, there being no unity or coordination of parliamentary political parties on this issue. Hoti has invited the opposition parties to join his dialogue team, but both

³⁶The dismissal of the temporary boards of four public enterprises', Ministry of Economy and Environment 2020. Available at: <https://bit.ly/30jM5e1>

³⁷See Constitutional review of Law No. 06/L-145 on the Duties, Responsibilities and Competences of the State Delegation of the Republic of Kosovo in the Dialogue Process with Serbia Case No. KO 43/19. Available at: <https://bit.ly/33b0xNV>

the PDK and LVV have refused the call. Furthermore, AAK has often complained that, as coalition partners, they are not being informed about any developments in the relations with Serbia. There was a complete lack of information and transparency, as to what was being negotiated and what was being signed in Washington.

On the 4th of September, what was heralded as a “historic agreement” at the White House between Kosovo and Serbia turned out to be neither an agreement nor historic. It was not a legally-binding deal between two parties, but rather a list of pledges from Belgrade and from Prishtina to the United States. The document entailed already-signed agreements, economic and energy issues, infrastructural projects, and protection of religious sites. It also included issues not related to Serbia and Kosovo, such as prohibiting the use of 5G networks and designating Hezbollah as a terrorist organization, as well as a commitment from Israel to recognize Kosovo. The Hoti Government also agreed to join the Mini-Schengen economic zone it previously opposed and a one-year moratorium for not seeking membership in international organizations, in return for Serbia to stop its derecognition campaign.

There were positive aspects for Kosovo in this deal, such as investments in big infrastructural projects, namely a highway and a rail link connecting it with Serbia, added to Israel’s recognition. However, there are also parts that directly undermine Kosovo’s statehood, such as the pledge to stop seeking membership in international organizations, as well as sharing water resources from the Ujman Lake, which for the most part situated in Kosovo.³⁸The pledge to join the “mini-Schengen zone” initiative put forward by Serbia, Albania and North Macedonia, is hardly in Kosovo’s economic interest since it runs the biggest trade deficit in the region. The issue of 5G networks, Hezbollah and the decriminalization of homosexuality, are foreign policy goals rather pursued by the US which have little to do with Kosovo-Serbia relations. Kosovo’s and Serbia’s commitment to open embassies in Jerusalem is against the EU’s foreign policy, which again shows how both the US and the EU are not fully coordinated in their respective deals and dialogues between Kosovo and Serbia.

Overstaffing the diplomatic missions

Drawing from article 22 of Law no. 03 / L-122 on the Foreign Service of the Republic of Kosovo,³⁹ former LVV Foreign Minister Glauk Konjufca had proposed to the President to terminate the mandates of Kosovo political ambassadors who had entered their second term, in line with their right to exercise only one four-year term. Exceeding this time in office, would violate of the law. The approach of the current Ministry of Foreign Affairs and Diaspora (MFAD) to arbitrarily suspend the decisions of former Minister Konjufca to return diplomatic officials was not a good example of dealing with sensitive issues for the MFAD in diplomatic and legal aspect.

Incumbent Foreign Minister Meliza Haradinaj has thus returned to the harmful diplomatic practices applied in the MFAD, the result of politicization and nepotism. In the service of narrow interests, this approach has worked towards the detriment of the efficiency and contribution of Kosovo's diplomatic agents.

In addition to this, the decision to recruit new diplomatic servants was marred by clientelistic practices.⁴⁰ There was no preliminary analysis of the previous situation in either the ministry or at the diplomatic missions abroad, which has served the ruling parties to fill the diplomatic service with party officials, affiliates or acquaintances. This decision should have arrived after a thorough review and evaluation, including how many mission positions are held illegally, how many mission needs are based on required staff skills, how many returns should be conducted

³⁸In Serbian: Gazivoda Lake

³⁹Law for Foreign Service of Kosovo. Available at: <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=2615>

⁴⁰‘Vacancy for foreign service’, MFAD 2020. Available at: <https://bit.ly/2GayW08>

and what the performance of current staff has been. What this decision reveals, sadly, is a perpetuation of the degradation of the diplomatic service.

The Kosovar diplomatic service is currently overcrowded and there is no need for further recruitment. Minister Haradinaj should apply the principle of rotation, which was the main recommendation of the professional commission within the MFAD. The recruitment can be very easily misused as a mechanism for the entrenchment of members of political parties, a practice that is currently being encouraged.

In addition, the first steps for the reorganization of the MFAD have not started yet. Functional reorganization of the ministry, revision of the organizational chart and functioning of the Diplomatic Academy should have been the priorities of this ministry in the first 100 days of government, as per the government program.⁴¹

EDUCATION AND CLOSED SCHOOLS

The Government developed an online platform to allow for distance learning and enabled other platforms such as Moodle for the teachers to share resources and materials with their students. The Government also worked with internet service providers to ensure access to lessons, and computers or tablets for students in need. 96 percent of the children were able to participate in online learning according to a UNDP survey. In this same survey, respondents agreed that the quality of teaching was good, scoring 3.8 out of 5.⁴² One of the shortcomings of distance learning was that the Ministry of Education did not take into account children with special needs.

In the end of July, the Hoti Government scheduled the beginning of the academic year for the 1st of September. However, shortly before this date, the opening of schools was postponed for the 14th of September due to the unpreparedness of education institutions to restart in-person teaching. Reopening the schools proved to be difficult inasmuch as Kosovo's schools often have poor hygienic conditions, sometimes even lacking soap. The secretary of the teacher's Union (SBASHK), stated that schools currently do not even have disinfectants.⁴³ With the lack of basic hygienic products it is hard to imagine how schools will be able to ensure ventilation and air filtration to prevent the spread of the Coronavirus indoors.⁴⁴ COVID-19 outbreaks after reopening schools have a potential to worsen the epidemiological situation of the country.

THE PASSIVE ASSEMBLY

Passing laws with a fragile majority of 61 MPs often proved to be an arduous task for the ruling coalition. With only 61 MPs, it practically meant that the ruling coalition would not be able to pass laws if only one MP would be missing in the voting, which often was the case due to COVID-19 infections among MPs. Several laws failed to be adopted due to the lack of the required quorum. Committee meetings of the parliament were often held without applying social distancing rules, which could have also led to infections among MPs, since often MPs from the same committees were infected at the same time. Due to internal disagreements among parties, the Rules of Procedure were not amended as to allow for online voting. Out of 145 Committee meetings, only ten were held online.

The ambitious legislative agenda of the Government remained largely unfulfilled, as out of 138 draft laws, only 10, or 7 percent of the draft laws, were voted at the Assembly. The lack of

⁴¹'Governing Program 2020-2023', PM Office 2020. Available at: <https://bit.ly/3cluPnl>

⁴²"Rapid socio-economic impact assessment of COVID-19 in Kosovo", UNDP, June 2020.

⁴³"SBASHK warns that the schools may be postponed again", Gazeta Express, 31 August 2020. Available at: <https://bit.ly/2ENhOgg>

⁴⁴"How to use ventilation and air filtration to prevent the spread of coronavirus indoors", The Conversation, August 2020. Available at: <https://bit.ly/2F2IVUa>

quorum and the minimal majority of the LDK-led government were the main reasons for the low number of laws passed.⁴⁵

CONCLUSION AND POLICY RECOMMENDATIONS

In its first 100 days, the Hoti Government mostly dealt with the reopening of society after the lockdown. This period was characterized by mismanagement of the COVID-19 pandemic, the inability to review the budget and pass the law on the recovery package, and ongoing talks with Serbia.

The Government has 16 ministries and 46 deputy ministers. The number of ministries did not significantly increase, but the number of deputy ministers is Kosovo's second highest in the past 13 years. The Hoti cabinet also has a high gender gap in both minister and deputy minister positions.

In managing COVID-19, the Hoti Government failed to ensure a safe reopening of the economy without creating the ongoing health crisis. The premature and rapid opening of the economy without an effective communication strategy in June led to a spike of infections and deaths in July and August. The government failed to provide and subsidize testing for the general population by limiting testing only to people with strong symptoms. Many others with milder symptoms could not be tested at all. Due to the high number of cases, contact tracing was completely dropped, thus making it hard to stop infection clusters. Even though the number of cases started to lower in September, Kosovo was one of the deadliest countries in the world in August. In terms of economy, the first 100 days were characterized with difficulties in adopting the mid-year budget review and ratifying international agreements. Some of the aspects of the recovery package were the subsidies in businesses and agriculture, while the 10 percent pension withdrawal policy failed to be implemented due to the lack of quorum in the parliament.

The vetting process in institutions pertaining to the rule of law sector was non-inclusive and not important for the government. The non-transparency in new appointments to the group of experts of the vetting casted doubts on the effectiveness the process will have down the line. The Hoti Government also lacked the initiative to contribute to a criminal process of punishment for the actors involved in the degradation of PTK. The dismissal of temporary boards of public enterprises was not conducted through performance evaluation and respective procedures and was politically motivated.

In the foreign policy realm, the dialogue with Serbia was accompanied by radical turns in its framework and substance, shifting from being a technical process to a political one. The dialogue with Serbia resumed in June in Brussels and simultaneously continued separately in Washington. At the White House on the 4th of September, Hoti pledged commitment to a deal with Serbia on a wide arrange of issues which included some beneficial economic and infrastructural projects, but also controversial issues like joining the "mini-Schengen", a moratorium to not seek membership in international organizations, and a feasibility study to share with Serbia the Ujman lake, which is situated in Kosovo.

In regard to education, the online learning system continued and most of the students were able to participate. The Government had issues in reopening schools and preparing for possible COVID-19 outbreaks in these spaces. In the parliament, the minimal majority of 61 MPs made it difficult for the ruling coalition to pass laws. Only 10 laws were passed (7%), whereas most of the laws failed to be voted due to the lack of a quorum.

⁴⁵"Work of the Assembly- hostage to the fragility of the parliamentary majority" Kosova Democratic Institute, press release, August 2020. Available at: <https://bit.ly/3kYfimF>

Recommendations

Government size

The Government should adopt the Law on Government to regulate the government structure, the number of ministers and deputy ministers the Prime Minister can appoint. The Hoti Governments should also attempt to have more gender-balanced cabinets and appointments.

Managing COVID-19

The Government should ensure there are enough tests available for the population in case of another outbreak in fall. Contact-tracing should be applied to target clusters and super spreaders.

The communication teams at the Ministry of Health, the National Health Institute and the municipalities should coordinate their responses in managing media relations. They should increase capacities for communication, including social media, to become trustworthy and reliable sources of information.

Economy

The recovery package and economic policy should stimulate the economy and employment, support enterprises, jobs, protect workplaces, and assist the vulnerable groups who will not be benefiting from the pension withdrawals.

On anti-capture efforts

The Government should include in its primary agenda a vetting process that would aim to check the professionalism and background of all institutions pertaining to the rule of law sector. The process should take into account the international element, political consensus and strong legal guarantees for the impartiality and independence of the vetting bodies.

The Government and Prime Minister Hoti should contribute to a criminal process of punishment for the actors involved in causing the near bankruptcy of PTK. The Minister of Economy should clarify the position of the shareholders towards this situation in PTK. An investigative commission launched by the Kosovo Assembly on this situation is necessary, and any potential process of restructuring of PTK must be subject to parliamentary approval.

The dismissals in public enterprises should be conducted by performance evaluation.

Foreign policy

The process of dialogue with Serbia must be transparent and it must feature a clear platform with objectives and aims.

Staff recruitment at the Ministry of Foreign Affairs and Diaspora should be conducted after a review and evaluation of work already initiated. The review and evaluation should examine for the positions held outside of their mandates (illegally), professional staff appointments in consular foreign services, the arranged returns and the current performance of the staff deployed abroad. The Ministry should prioritize its functional reorganization, revision of the organizational chart and functioning of the Diplomatic Academy.

Education

The government should ensure the necessary public health measures for safe education, minimizing the risk of COVID-19 infections and protecting communities from outbreaks in schools. It should ensure physical distance, masks, ventilation, and proper hygiene in all schools.

Assembly

The government parties should increase its cooperation with the opposition parties or broaden its coalition in order to be able to pass laws in the Assembly, in particular the Law on Economic Recovery.

Policy Analysis

Policy Analysis in general is a policy advice paper which particularly aims to influence the key means through which policy decisions are made in both local and central levels of government. The purpose of Policy Analysis is to address, more in-depth, a particular problem, to examine the arguments related to a concerned policy, and to analyze the implementation of the policy. Through Policy Analysis, Group for Legal and Political studies seeks to stimulate wider comprehensive debate on the given issue via presenting informed policy-relevant choices and recommendations to the key stakeholders and parties of interest.



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