

## Fight the Investment Battle in Kosovo



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**GENEVA** The post-conflict rehabilitation phase must be won in Kosovo. In the end, if there is not a stable and viable Kosovo with a legal status acceptable to the majority of Kosovars and their neighbors, the fighting will start again.

Reaching a state of stability and economic viability will be very difficult, and the risk of failure is high. Interest in Kosovo is flagging, while the problems become starker. Most Kosovars can accept no future for their homeland other than independence, but the international community present in Kosovo talks only of "this province." The two groups are seemingly on a collision course.

A guerrilla war is growing in the special zone along the Serbian side of the frontier. A demarcation line between has emerged, through the middle of the northern city of Mitrovica.

The economy is in ruins. So-called socially owned enterprises, the biggest businesses in Kosovo before the war, are at a standstill. No one knows who owns them or whether they can become commercially viable. And the UN Mission in Kosovo, the governing authority for the place, is reluctant to take definitive steps that might go beyond the United Nations' mandate. It is estimated that as many as 70 percent of Kosovar workers are unemployed. There are virtually no banking or insurance systems. Laws and regulations on trade are outmoded holdovers from a previous era. Physical access to the region is limited. Last year 400 nongovernmental organizations were present in Kosovo, meaning foreigners renting apartments, hiring drivers and interpreters and funding reconstruction and rehabilitation projects. Now there are 200 NGOs. This dramatic decline is likely to continue.

There are dozens of applicants for each job, most of them overqualified. If no new jobs are created, many young Kosovars will turn to crime, or will be ready volunteers for Serb-baiting or guerrilla warfare.

On a recent mission to Kosovo I was asked to make recommendations on how to attract foreign investment. The UN Development Program, to its credit, is searching for ideas to lure business interest. In submitting my suggestions I noted that it was late to start thinking about this. Even if foreign investors step forward quickly, their investments will not translate into actual jobs in Kosovo until much later.

The matter is urgent, but without a major effort at facilitation, attention-getting incentives and energetic marketing, investors are unlikely to come in great numbers.

The best bet for attracting such investment is to bring potential investors to Kosovo. They can meet Kosovar business people who are resourceful and energetic. They can see the resources, in mining, manufacturing and agriculture, as well as an abundant and hardworking labor force.

And they can walk in the streets of Pristina, a bustling European city filled with markets, restaurants and cafés, and see for themselves that there is a future there, if only Europeans and others with an interest in the Balkans will help.

Humanitarian aid officials should start integrating business into their thinking. Economic recovery from conflicts, or economic development in general, cannot take place without private business investment, and it is time for the humanitarian community to recognize this.

Too often, humanitarian workers find business distasteful. But, along with providing emergency aid, it is also their responsibility to bring business investment into post conflict regions as soon as possible. The economic recovery that humanitarian organizations aim for depends on such investment.

*The writer, a former U.S. ambassador, is president of the Geneva-based Business Humanitarian Forum, which advocates close cooperation between the business and humanitarian communities in post-conflict situations. He contributed this comment to the International Herald Tribune.*

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