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THE IMPACT OF SOCIAL POLICY ON SUSTAINABLE
PEACEBUILDING THE CASE OF KOSOVO

ВЛИЈАНИЕТО НА СОЦИЈАЛНАТА ПОЛИТИКА НА ОДРЖИВОТО
ГРАДЕЊЕ МИР - СЛУЧАЈОТ НА КОСОВО

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ABSTRACT: This paper examines some of the contradictions that arise as a result of policies implemented during the peace building process in relation to the underlying goal of building positive peace. Previous research in the field of social policy provides evidence that social policy is a useful instrument for improvement of socio-economic conditions for large groups of people in a country. The analysis of the case of Kosovo presented here suggests that countries that have experienced conflict do not put attention or effort towards systematic use of these instruments, and that the typical usage is that of ad-hoc, short-term policies whose long-term effects are questionable. I argue that the existing trend of guiding the peace building process by a neoliberal agenda is at least part of the reason why instruments of social policy are limited and narrow. As a result, counterintuitively, welfare of citizens turns out not on the top of the list of priorities. To overcome this situation, I argue that intervention is needed in three areas: first, that peace accords consider the long-term goals of a society they are aimed at, second, that similar awareness and subsequent adjustment of policies must exist among the international organizations involved in the peace building operations, and third that, broad and in-depth inclusion of state-level and local communities must be ensured.

Keywords: Conflict, Economic policy, Neoliberalism, Peace building, Social policy.

АПСТРАКТ: Овој труд испитува некои од спротивностите кои настануваат како резултат на политиките кои се применуваат за време на процесот на градење на мирот, а во врска со главната цел за градење на позитивен мир. Истражувањата во полето на социјалната политика нудат докази дека таа е корисен инструмент за подобрување на социо-економските услови на големи групи луѓе во една земја. Анализата на случајот на Косово презентирани овде сугерира дека земјите што имаат искусено конфликт не

посветуваат доволно внимание или не вложуваат доволно напор за систематска употреба на овие инструменти, и дека типичната употреба е на ad-hoc, краткоторчни политики чии долгорочни ефекти се под знак прашалник. Аргументирам дека постоечкиот тренд на водење на процесот на градење мир согласно неолибералната агенда најмалку е дел од причината зошто инструментите на социјалната поликата се ограничени и тесни. Како резултат, контра-интуитивно, благосостојбата на граѓаните не се наоѓа на врвот на листата на приоритети. За да се надмине оваа ситуација, аргументирам дека е потреба интервенција во три области: прво, дека мировните договори треба да ги земат предвид долгорочните цели на општествата; второ, дека согласно со ова, меѓународните организации вклучени во мировните операции треба да ги прилагодат своите програми така што тие ќе им служат на целите; и трето, дека е потребна широка и сеопфатна вклученост на државата и локалните заедници во процесот на градење мир.

Клучни зборови: Градење на мирот, Економска политика, Конфликт, Неолиберализам, Социјална политика.

INTRODUCTION

Post-conflict peace building is a complex endeavor, as states need to address collapse of political institutions, economic decline and unemployment, physical and psychological trauma of citizens, all at the same time. The peace building process has several facets. First, in present-day conditions it is mostly concerned with establishing peace after intrastate conflicts usually in underdeveloped (or developing) countries. Second, its aim is to bring positive peace, meaning not just absence of war, but removal of reasons for conflict and of possibilities for its recurrence. Third, the international community, represented through international organizations, alliances and powerful states, is heavily involved. Fourth, given their relative power, the political-economy promoted by these organizations and states is channeled throughout the process. Fifth, post-conflict states are faced with little choice as conditions for financial help and donations are often bundled with the proposed reforms.

High level of unemployment coupled with former militants who are also jobless is a typical problem for a post-conflict country. The intuitive approach to solving this is providing more jobs from by state in the public sector. However, at the same time, given the nature of the peace building operations, states are confronted with the demand to shrink their public sector and public spending in general. Countries are also pushed to create a more competitive labor market. While meritocracy may be something that is presupposed in the markets of developed countries, what is needed in post-conflict conditions may indeed

be the opposite – positive discrimination – especially if the conflict was fueled by perception of inequality and discrimination. Similarly, tax cuts and decreasing social benefits also target large groups of people and may endanger groups of people who depend on benefits and thus fuel new inequalities and grievances, when the old ones are not yet mended. Nevertheless, these are promoted under the flag of attracting foreign investors as the main generators of growth. Reforms that bring less revenue for the public treasury mean less government involvement. While that may seem like the needed condition for a modern state, government involvement in a post-conflict setting may be needed because of experience, institutional capacity, or better inclusion. Therefore, the retreat of the state, at a time when it should (re)construct its legitimacy, is questionable. The objective of this paper is to evaluate the role of social policy, focusing on labor market interventions and social benefits, in the given set and setting of peace building. The paper examines some of the contradictions that arise as a result of the policies being implemented through the peace building process in relation to the underlying goals of building positive peace. The case of Kosovo's post-war peace building is analyzed more closely, mostly regarding social policy. The findings suggest that in the case of Kosovo the policies that limit the role of the state, and hence the social policies it can provide, are more influential. There is little evidence of systematic use of policies for labor markets and social benefits for the broad population. In fact, the typical usage is that of ad-hoc, short-term measures whose long-term effects are questionable.

UNDERSTANDING PEACEBUILDING

The word peace, by itself, can carry the meaning of different things from absence of violence to a lasting condition of “positive peace” which addresses the roots of conflict. This understanding of a broader peace is present in the first UN document to refer to peace building - Secretary General Boutros Boutros-Ghali's report *An Agenda for Peace*, published in 1992. Within this report, peace building is defined as an “action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict” (Boutros-Ghali, 1992, p. 5) and explains its role in that “once these (peacemaking and peace-keeping) have achieved their objectives (put an end to hostilities), only sustained, cooperative work to deal with underlying economic, social, cultural and humanitarian problems can place an achieved peace on a durable foundation”, concluding that “postconflict peace building is to prevent a recurrence (of a crisis)” (Boutros-Ghali, 1992, p. 15).

Expanding on Boutros-Ghali's definitions, Diehl (2006) outlines five dimensions of peace building. First, “to prevent recurrence of conflict”, where he notes there is a critical distinction in the “disagreement over whether this idea of “negative peace” (the absence of

violent conflict) should be extended to include elements of “positive peace,” including reconciliation, value transformation, and justice concerns”. Second, “the strategies and accompanying activities designed to achieve the goal(s)”. Third, there is the dimension of “the timing of activities”. Fourth, “the context in which peace building should be carried out. And fifth, regarding “the actors that will carry out the peace building actions” (pp.108-110).

The scope of the different dimensions is determined on the decision of the stakeholder on

whether to extend their effort on building positive peace. Thus, the strategies may be limited to peacekeeping or expand to remove the causes for conflict. Involved parties include external agents in the form of the UN and its agencies, NATO, the International Financial Institutions etc. and domestic representatives from both sides of the front. Their roles and tasks could also be determined on the principal decision on whether the goal is to develop positive or negative peace.

However, despite these differences in the academic debate on the scale and scope of peace building, most peace building operations de facto are concerned with the idea for positive peace. Endeavors rarely stop at merely disarming the forces and destroying the weapons. Quite the opposite: in El-Salvador the post-conflict activities involved establishment of new democratic institutions, reintegration of ex-combatants in civilian life, and rebuilding of physical infrastructure, as well as macroeconomic policy developed in close cooperation with the International Financial Institutions (Boyce, 1995), in Sierra Leone the United Nations is working with the local government to create conditions for better youth employment opportunities (United Nations Peacebuilding Commission 2010), and in Kosovo's post-conflict development, the European Union is running Kosovo Trust Agency - the organization in charge of privatization of state and social assets (Pugh 2010). Moreover, Iraq is possibly the first country where "the post-war plan was to turn it into a model neoliberal state" (Pugh, 2010, p. 3).

Thus, positive peace carries its own values. Not only the states that host peace building operations can rarely settle with just ending violence, but they usually have to follow the lead of international agencies in creating conditions for development of what is considered to be a model country of the peaceful and developed world. As Mullenbach (2006) writes, most of the peace building missions that have been subject of research in the past 15 years, including Afghanistan, Cambodia, Croatia, East Timor, Kosovo, Bosnia- Herzegovina, Haiti, Namibia, Sierra Leone, Somalia, and El Salvador, are in fact examples "third-party peace building", i.e. "peace building missions have been initiated by a variety of third-party actors in nearly every region of the world" (p. 53). The third parties include the Western states and the International organizations that they largely manage or control. The peace building they deliver is subject to their ideology. Roland Paris (1997) emphasizes this

point: "A single paradigm -liberal internationalism- appears to guide the work of most international agencies engaged in peace building. The central tenet of this paradigm is the assumption that the surest foundation for peace, both within and between states, is market democracy, that is, a liberal democratic policy and a market-oriented economy." (p. 56) Ahearne (2009) makes a similar point that "the prescribed remedy these peace building operations have sought to apply is the establishment of liberal democracy and a free market economy based upon neoliberal criteria as the surest foundations for peace"(p. 2).

The first step toward the laying of foundations for peace is the peace accords. Most of these

documents are broad and far-reaching. For example, Bosnia and Herzegovina's peace agreement deals with: military aspects of the peace settlement, regional stabilization, interentity boundaries, elections, arbitration, human rights, refugees, national monuments, public corporations, international police task-force and civilian implementation. In the case of Kosovo post-war reforms included "media and election rules, the courts and judicial system, economic policy and the constitutional division of powers"(Chandler quoted in Latif, 2005, p. 250). To summarize, peace building is imagined to be an effort to bring lasting peace that will ensure peace and development for the war-torn countries of the Global South, but with the tools and instruments that are conceptualized, engineered and implemented by the powerful, developed West. Paris (2002) draws a clear picture of the peace building operations as "not merely exercises in conflict management, but instances of a much larger phenomenon: the globalization of a particular model of domestic governance—liberal market democracy—from the core to the periphery of the international system" (p. 638). This corresponds to the idea of normalization (Kolozova 2011 & Buden 2007) which the countries of the former Eastern bloc need to go through to reach the capitalist liberal democracy.

UNDERSTANDING NEOLIBERALISM

Neoliberalism, being the ideological paradigm of the day, occupies more or less the same period in history - the last 30 years in which peace building also became an important part of the agenda of the international community. Thus it is not unusual to see that neoliberal criteria are used as a yardstick to measure the progress of every country, including those who emerge from armed conflict. Briefly, according to this economic paradigm, every state action is viewed as a distortion of the free market. That is why intervention in fiscal and monetary policy by the government, institutions for social protection and organizations of workers such as trade unions are merely obstacles to the market forces. Therefore, the role of the state should be

minimized, and if present at all should only focus on providing transparent rules and let the market solve every problem (Pallye, 2005). For the less developed countries the neoliberal agenda materializes in the form of structural adjustment programs, mainly delivered by external organizations such as the International Financial Institutions. Structural adjustment programs are used a precondition on receiving loans from these institutions and usually they include "cutbacks in public spending, currency devaluation, export promotion, opening up of both trade and capital accounts, privatization and tax reductions" (Colás, 2005, p. 87). Structural adjustment programs are not exclusive to peaceful developing countries en route to economic success. Boyce (1995) notes that in El Salvador the peace building activities did not play any role in the type of the structural adjustment that was carried out by the government and the International Financial Institutions. The policies would have been the same even if the country was not coming out of war. Kosovo under United Nations Mission in Kosovo has

followed transformation through privatization of socially owned companies and providing laws and other conditions for foreign investment (Pugh 2004), a strategy akin to what was typical for Eastern European countries post-communist transition in the early 1990-ties.

However, the neoliberal policies do not fit well in post-conflict settings. Free markets weaken social cohesion, and macroeconomic policies that have priorities in repaying debts, sacrifice the role of the state in the social, labor and industrial policies (Pugh 2004). This has not gone unnoticed by the International Financial Institution, but as Pugh (2005) argues “the reform has been largely cosmetic” (p. 59). Studdard (2004) goes on to elaborate that “The set of economic policies relied upon by the donor community and International Financial Institutions (IFI’s) do not treat war transformation as distinct from economic crises unaccompanied by violence. To secure a lasting peace, it is necessary to understand that policies aimed at privatization, foreign direct investment, and deregulated markets may have debilitating effects on peace building” (p. 5). Cramer (2008) explains more specifically that labor markets “barely feature as a policy focus in the programmes for economic recovery after wars that are encouraged by international development agencies.” (p. 121)

Countries that have just emerged from war have plenty of problems to solve. Regardless of the underlying causes for conflict, the challenges they face probably include some or all of the following: reconstruction of physical capital in the form of communication, housing and transports infrastructure in war struck regions, rebuilding of or creating new political institutions and building public trust in them, dealing with the economic decline, reestablishing of markets, providing basic goods and services such as

water, electricity and medical assistance, dealing with the physical and psychological trauma of their citizens, as well as demilitarization of ex-combatants. All these are activities that traditionally have fallen in the domain of the state.

The collision of the peace building process with the neoliberal reality in which the states exist is obvious. The problems that may arise are recognized in Secretary General Kofi Anan's report for peace building in Africa. He makes a clear appeal for “easing the conditionality that normally accompanies loans from the Bretton Woods institutions” (Anan, 2004, p. 29) so that economic reforms will not endanger the peace.

THE ROLE OF SOCIAL POLICY

Social policy is part of government's public policy that provides help for citizens facing difficulties regarding employment, health, disability and/or is casualties of violence.

The practices are closely related to Keynesian economic theory which emphasizes the importance of the state, especially in providing employment and increasing production.

Therefore it is not surprising that social policy played important role in post-World War II reconstruction of Europe. The policies helped the establishment of the modern welfare state,

providing benefits for the full population of a country. Even more, it has been shown that social policy in Western Europe has helped in nurturing security by reducing the possibilities for homegrown terrorism (Burgoon 2006; Krieger and Meierrieks 2010). Another study by Taydas and Peksen is more revealing regarding social policy and civil conflicts. Analyzing data for period of 30 years, they find that welfare policies that improve the living standards of citizens diminish the incentives for rebellions. The social policies that yield these results are specific to employment, health and education, unlike general public spending that has no influence either way. Taydas and Peksen (2012) argue that this is owed to the “powerful and effective redistributive instruments that can decrease vulnerability of marginalized citizens” (p. 284). This essentially shows to the people that the government cares for them. The establishment and maintenance of this type of welfare network in turn creates larger costs on the rebellion and gives greater worth to the peace. Put differently, welfare redistribution up keeps the legitimacy of the state. In a post-conflict setting the number of people who are in need of basic goods and services is bigger than in peaceful times, and the state may have lost its credibility. Still, peace building operations can be inattentive towards social issues, and the positive effects of social policy can be overlooked. As Cocozzelli explains, political dimensions are usually the primary focus of peace making, which in turn may overlook many of the other issues. To illustrate, the Rambouillet peace accords, that eventually failed to bring peace to Kosovo in

1999, had focus on political and civil rights, while social rights were “left off the table during negotiations” (Cocozzelli, 2006, p. 1). Nevertheless, it would be difficult to envision successful peace building without some input to the process from the side of social policy. As discussed hitherto, the aim of the post-conflict peace building is to establish positive peace by dealing with the root causes of the conflict and with that to promote justice and inclusion. As Cocozzelli notes (2006, p.14) “social policy lays a normative and economic foundation for post-conflict reconstruction” where all stakeholders “who are engaged in post-conflict reconstruction need to pay careful attention to social policy in order to design programs that contribute to long-term success”. In other words, social policy, if put on the agenda and conducted systematically, has the capacity to deal with the central questions of the post-war society. Being broad and inclusive it can provide benefits to the population as a whole assuring their basic immediate needs. It can also create preconditions for long term reform and legitimize the state giving it a caring image. Finally it can make armed fighting more costly and less attractive for the population. However, it is questionable if the post-conflict states can provide generous welfare programs for their citizens, especially if they are not engaged in building a welfare state. While the academic research may be clear regarding the benefits of the social policies, the inertia of neoliberal state-building may be too big to overcome.

THE KOSOVO PEACEBUILDING PROCESS: A SYNTHESIS

The pre-war period of Kosovo's history is marked by exclusion of the population of Kosovo from public life. Bekaj (2010) emphasizes that after the nullification of the autonomy in the 1980-ties "more than 100,000 Kosovar Albanians are expelled from their jobs, while university and most secondary schools are closed to Kosovar Albanian students. In effect, Kosovo enters into an apartheid system." (p. 43). Cocozzelli (2006, p.15) makes a similar point that "Kosovo Albanians were denied their full rights of participation." The status²⁸ of post-war Kosovo in 1999 was regulated by a resolution from the United Nations Security Council (UNSC) no. 1244. The resolution put Kosovo under the jurisdiction of international organizations: "The UN High Representative was to be the de facto ruler of the province with the power to remove elected representatives, curtail institutions and close down media organizations, with no right of appeal." (Chandler quoted

²⁸ The statehood of Kosovo is disputed by many countries including Serbia, some EU member states such as Spain and Slovakia, as well as Russia and China who are UNSC members.

in Latif, 2005, p. 250). The newly established administration made possible for return of Albanian refugees and fast integration of Albanians in public life. However, the backside of this process is the isolation and exclusion of minorities from the mainstream of the new social order. This is manifested the most within the Serbian communities still existing in Kosovo. Additional problems were created with the resettlement of refugees and displaced persons. While the war resulted with a huge wave of ethnic Albanian refugees, termination of hostilities resulted in Serbian and other minorities fleeing the province with the Yugoslav soldiers "fearing revenge attacks and retaliation" (Latif, 2005, p. 273). Their return has been slowed because of "lack of freedom of movement, discrimination to access housing and land, employment opportunities, availability of public services for minorities especially health and education and the hostile attitudes of the receiving communities" (International Crisis Group as quoted in Latif, 2005, p. 274). Also the question of Serbian refugees was part of a political struggle between Kosovo and Serbian authorities where the "Serbian overnment encourages and manipulates the Kosovo Serbs to return for its own political objectives in Kosovo." Simultaneously, "... Kosovo Albanians are not so keen on minority refugee returns for the opposite reasons." (Latif, 2005, p. 273). Overall, there is lack of evidence that there are active policies to overcome this condition. The international community carried out reforms in Kosovo, including reforms in the government, the police and the military, and the judicial system. The international mission to Kosovo also put

forward the economic model for the province – a market economy, a condition that is written in the provisions of the constitution and that local leaders had no choice but to accept (Pugh, 2004, p. 57). This effectively excluded the local stakeholder from the decision making process. Shortly after, the economic reforms were swiftly under way. Kosovo Trust Agency was formed in 2003 in order to manage the socially owned companies. This was soon followed by a plan to sell 500 socially owned companies despite protest from the worker's unions and the Serbian Government and reforms that made the local economy friendly to foreign investments (Pugh, 2004, p. 57). However, the reforms are not successful as they fail to make up for the lost industrial employment. The labor force is distributed among small and medium retail companies, agriculture and international organizations. As Pugh (2004, p. 58) concludes, “as in Bosnia, de-industrialization without alternative sources of employment not only makes crime pay, but has encouraged youth to escape abroad, leading to depletion of future skill and talent”. The reforms also created problems where there have been none before the war. For example, the appropriation of Trepca mining complex by NATO's Kosovo Force left the Serbian community without its major employment source in effect excluding part of the population from active economic life (Pugh 2004, p. 57).

The circumstances after the war provided for a “clear start” in the labor policies because “the war brought complete loss or disappearance of previous institutions in this area” (World Bank Report No. 25990, 2003, p. 66). Since the laws that existed in FR Yugoslavia were out of force in the newly established legal realm of Kosovo, new laws were necessary. In 2001 the Essential Labor Law in Kosovo was put in force and pensions and social assistance were also introduced. The policies followed the notion that Kosovo will be developed as a market-economy. As the World Bank Report (2005) highlights: “Kosovo’s labor market policies are generally right on track for the flexibility that characterizes wellfunctioning labor markets in market economies.” (p. iv).

LABOR MARKET INTERVENTIONS IN KOSOVO

A recent study of the labor markets in Eastern Europe shows that “youth employment programs are a dominant labor market intervention in Kosovo.” (Kuddo, 2009, p.62). Additionally, labor market policies in Kosovo are funded by donors. According to the World Bank (2005) the lack of resources of the local government is not the only problem. Employment counselors who can carry out active labor market programs are also deficient. The war and the destruction of inter-ethnic trust have created employment problems for minorities. The World Bank report (2005) states that “ethnic minorities have faced exceptional labor market difficulties. Econometric results show that the members of Kosovo’s ethnic minorities have faced higher probability of being unemployed, and have been paid less, than Albanians with similar characteristics” (p. vi.). The failure to provide equal ground for everyone on the labor market

regardless of ethnicity is a worrisome condition and active labor market policies are lacking in this aspect. There are some examples of extensive use of government intervention regarding employment, although the funding again comes from international donors. That is the case with the Kosovo Protection Corps Resettlement Programme lead by the Kosovo United Nations Development Programme. The program provided benefits for around 1600 former members of the dissolved army organization, including benefits to help start own business initiatives, various trainings and employment for those individuals who preferred a job in the public sector. The project was evaluated as successful. The majority of persons who participated at the end had equal or greater monthly wage than the one they received while working in the Kosovo Protection Corps. Special focus was given to women by receiving “customized support and mentoring” in line with United Nations commitment to gender equality (Kosovo United Nations Development Programme, 2011, p.17).

SOCIAL BENEFITS IN KOSOVO

The social welfare system in Kosovo, similarly as other public institutions, had to start from scratch after the war. To illustrate, the pension system in Kosovo had suffered “damage or loss of pension insurance contribution records” (International Labor Organization (ILO), 2010, p. 21), and pensions ceased to be distributed with the start of the war in 1999. After the war the United Nations mission started developing new system to fit the new situation on the ground. That was coupled by the reactivation of old institutions such as the Centers for social work which begun its renewed operation as early as 2000. The benefits that try to address the consequences of war include “pension schemes for special groups”. These schemes are aimed at former members of Kosovo Protection Corps and at former workers of the Trepca mining complex. The benefits for both of the groups, total of no more than 4200 persons, on average were up to 4 and 2 times higher respectively, than the basic pension received by the rest of the population. The higher benefits aimed at former soldiers can be justified by the need to maintain security in Kosovo. Their benefits amount to 70% of the net wage they received while working. On the other hand, the general pension is set at 15-20% of the average wage in Kosovo. Similarly, former miners receive higher benefits. This can be due to the fact that the mining complex was taken over by NATO after the war and in effect the fate of the jobs in Trepca was determined by the outcome of the military operations. (ILO, 2010, pp. 27-28). Social assistance schemes also include a different module for persons affected by the war – social benefits for persons with disabilities. This includes both soldiers and civilians that became disabled during the war. Again, on average, these benefits are greater than the benefits that are received by the general population. For comparison, the total amount of social benefits received by 34.307 families (or 149.227 persons) in 2008 was 26 million Euros. The same year 11.509 disabled beneficiaries received almost 18 million Euros (ILO, 2010, pp. 31-33). It is questionable if this level of spending can be maintained over a longer period of time.

Peacebuilding in Kosovo and positive peace

Kosovo achieved peace in the sense of “absence of violent conflict”. However, achieving positive peace that includes “reconciliation, value transformation and justice concerns” remains an open challenge. In this context it is useful to note that social policies, or more specifically, labor market interventions and benefits, were used to address problems of specific groups of people rather than the general population. As discussed so far, active labor market policies in Kosovo are weak and underfunded and social benefits are reduced, modest at best, and often provide benefits and resources

below the poverty line. There is also a big variation between the benefits received by the general populations and those received by the ex-combatants. The goal of the policies aimed at ex-combatants is to pacify a group of people who are not unfamiliar with the use of force and weapons. Restoring them to civilian life has positive effects not just for the group or the individuals, but also for the society as a whole because it contributed to security. However, it remains to be seen whether these bigger entitlements are acceptable for the society on the long run, or they can create grievances among the Albanian population remains to be seen. Alas, instead of repairing the social fabric they might create more damage.

CONCLUSIONS

This paper gives overview of the debates regarding present-day peace building operations and their implementation in post-conflict conditions. There is evidence that broad and inclusive social policies can create preconditions for long term changes, legitimize the state and give it a caring image. They can improve social justice and act as glue for the society. Hence they have a dual role in amending old wounds and improving the conditions for the future well-being. In this way armed fighting becomes more costly and less attractive for the population minimizing the chances of relapse into war. However, arguments presented herein suggest that despite this evidence, the implementation of social policies in peace building operations is sometimes rare, while their scope is often inadequate and uneven with respect the latitude of the targeted population. The circumstances in which peace building operations are conducted are the main reason for this outcome. The internationally negotiated peace accords and post-conflict operations handed out by international organizations – often with different agendas than the troubled society - frequently lack coordination with the objectives of states they are supposed to mediate. Such treaties push the welfare of the general population down on the list of priorities. Furthermore, neoliberal economic policies lessen the role of the state in public policies and weaken social cohesion. The countries' often uncritical implementation of these reforms further diminishes the prospects for a more systematic approach towards social policies. Finally,

because post-war states also have degraded capacity and limited possibilities to undertake more broad social reforms, they can more easily fall hostage to interest groups. All these points of critique can be identified in the example of Kosovo. Kosovo had an internationally negotiated peace with the sovereignty of the state effectively put in the hands of the international community. The new state was designed along neoliberal ideas for market-oriented economy with little regard for the welfare of the population. Finally, the

only social reform that provides benefits above poverty is carried out in direct response to security threats. Its target is limited to a relatively small group of ex-soldiers neglecting the remaining population and inadvertently causing even more inequality. These findings suggest that solutions to the observed mutual exclusiveness of peace building policies need to seek balance between strategies that presuppose a bigger role of the state versus those who advocate the exact opposite (market-oriented policies). Peace accords should take into account long term goals of the societies they are attempting to bringing peace to. The international organization, and more specifically the International Financial Institutions, should be aware of those provisions and accommodate their programs to help-war torn states meet their goals. States' top-level and diverse local actors need to be included in decision making throughout the process, creating opportunity to develop social policies with the long-term goals of society in mind.

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