Kosovo's membership into OIC: An opportunity or a dangerous road?
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Foreign Policy Analysis Program was founded by Prishtina Institute for Political Studies in 2014. The program aims to analyze and support Kosovo’s Euro-Atlantic integration, by producing studies on regional, European and global developments, and how they affect Kosovo’s international position.
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In May 2018 it was announced that Kosovo would apply for the observer status in the Organization of Islamic Cooperation. This statement was met with an extensive public debate in Kosovo’s media, academic and civil society circles. The debates were mostly instigated by the fact that OCI’s scope and raison d’être before being political, diplomatic or economic remains first and foremost religious. Linked to this, it was intensively debated on what membership in this organization entails for Kosovo and its citizens. Concerns were raised on if membership violated Kosovo’s constitutional and legal order, as well as if the benefits outweighed the costs.

Stimulated by these debates, the following sections of this paper aim to answer this question through a triangular approach: legal, economic and diplomatic. In terms of the first angle, the aim is to offer a perspective on how membership into OIC stands in face of Kosovo’s current constitutional and legal architecture. In terms of the economic angle, the investment mechanisms and opportunities of OIC are discussed, hereafter offering a perspective on if membership is worth regarding the economic wellbeing of the country. The third aspect of the paper discusses the implications of OIC membership for Kosovo’s state-recognition agenda, in other words, how membership would influence Kosovo’s international legitimacy and position.

The general position of the paper is that in terms of Kosovo’s membership into OCI as an observer: a) Kosovo’s constitutional identity as a Euro-Atlantic state and its Declaration of Independence would be a central argument to not even consider observer status in the OIC; b) OIC membership as an observer would provide limited economic benefits to the country in terms of trade and investment, as well as in the field of education and transfer of know-how from the member countries; c) participation in OIC events may be beneficial for establishing, and intensifying relations with the members, yet due to impact that membership in religious organizations may have on international legitimacy, as well taking into account its Euro-Atlantic agenda, Kosovo should refrain from becoming a member, thus continuing to participate in the OIC events as a guest country.

The Organization of Islamic Cooperation (OIC), established in 1969, is the 'second largest inter-governmental organization after the United Nations with a membership of 57 states' which considers itself as the 'collective voice of the Muslim world' and which 'endeavors to safeguard and protect the interests of the Muslim world'. The OIC explicitly states that it 'has the singular honor to galvanize the [Islamic] Ummah into a unified body and have actively represented the Muslims by espousing all causes close to the hearts of over 1.5 billion Muslims of the world'.

The objectives, principles and the organizational structure of the OIC are set out in the OIC Charter. The objectives of the OIC are typical of international cooperation between states based on international law supplemented by the purpose to protect and promote Islamic values.

In regard of the latter, the OIC intends to:

- enhance and consolidate the bonds of fraternity and solidarity among the Member States;
- respect the right of self-determination and non-interference in the domestic affairs and to respect sovereignty, independence and territorial integrity of each Member State;
- support the restoration of complete sovereignty and territorial integrity of any Member State under occupation, as a result of aggression, on the basis of international law and cooperation with the relevant international and regional organizations;
- ensure active participation of the Member States in the global political, economic and social decision-making processes to secure their common interests;
- promote inter-state relations based on justice, mutual respect and good neighborliness to ensure global peace, security and harmony;
- reaffirm its support for the rights of peoples as stipulated in the UN Charter and international law.

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2Ibid.
3Charter of the Organization of Islamic Cooperation, Article 1.
However, these objectives are meant to serve primarily Islamic values and interests in view of ‘the challenges faced by the Islamic world in particular and the international community in general’. The specifically Islamic connotation of the OIC is expressed in the following objectives:

- To strengthen intra-Islamic economic and trade cooperation; in order to achieve economic integration leading to the establishment of an Islamic Common Market;
- To disseminate, promote and preserve the Islamic teachings and values based on moderation and tolerance, promote Islamic culture and safeguard Islamic heritage;
- To protect and defend the true image of Islam, to combat defamation of Islam and encourage dialogue among civilizations and religions;
- To promote and to protect human rights and fundamental freedoms including the rights of women, children, youth, elderly and people with special needs as well as the preservation of Islamic family values;
- To safeguard the rights, dignity and religious and cultural identity of Muslim communities and minorities in non-Member States;

The OIC also expressly commits to support and empower the Palestinian people to exercise their right to self-determination and establish their sovereign State with Al-Quds Al-Sharif as its capital, while safeguarding its historic and Islamic character as well as the Holy places therein.\(^5\)

In pursuing these objectives, the OIC is ‘guided and inspired by the noble Islamic teachings and values’ and by international law principles as embodies in the UN Charter, including sovereign equality of states, peaceful settlement of disputes, non-interference in the internal affairs of a state, and maintenance of international peace and security in line with the UN Charter.\(^6\) The wording of this provision implies that international law is to be applied in accordance with Islamic teachings and values.

The OIC consists of the following organs\(^7\):

- Islamic Summit
- Council of Foreign Ministers
- Standing Committees
- Executive Committee
- International Islamic Court of Justice
- Independent Permanent Commission of Human Rights
- Committee of Permanent Representatives
- General Secretariat.

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\(^1\)Ibid., Article 1.8.
\(^2\)Ibid., Article 2.
\(^3\)Ibid., Article 5.
The Islamic Summit and the Council of Foreign Ministers are the OIC’s main organs. The Islamic Summit is composed of Kings and Heads of State and Government of Member States and is the supreme authority of the OIC. It takes policy decisions and provide guidance on all issues pertaining to the realization of the objectives as provided for in the Charter and consider other issues of concern to the Member States and the Ummah. The Council of Foreign Ministers is responsible for implementing the general policies of the OIC as determined by the Islamic Summit. The General Secretariat comprise a Secretary-General, who is the Chief Administrative Officer of the OIC and who is elected by the Council of Foreign Ministers, and such staff as the OIC requires. The International Islamic Court of Justice has jurisdiction over disputes to the extent that member states agree to the court’s jurisdiction. In such case, the court applies the Sharia as the main source of law and is subsidiarily guided by international law. The Independent Permanent Commission on Human Rights promotes the civil, political, social and economic rights enshrined in the OIC’s covenants and declarations and in universally agreed human rights instruments, in conformity with Islamic values.

The OIC interprets human rights in conformity with Islamic values. In this regard, it adopted on 5 August 1990 the Cairo Declaration on Human Rights in Islam. This Declaration explicitly recognizes that the ‘Islamic Ummah was made by Allah as the best community’ and that human rights are ‘binding divine commands, which are contained in the Revealed Books of Allah and which were sent through the last of His Prophets to complete the preceding divine messages’. It acknowledges that ‘all human beings form one family whose members are united by their subordination to Allah and descent from Adam’. The Islamic interpretation of human rights in line with the Quran and the Sharia is the golden thread throughout the Cairo Declaration.

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1Ibid. Article 6.
2Ibid. Article 7.
3Ibid. Article 10.4.
4Ibid. Article 16.
5Statute of the International Islamic Court of Justice, Article 25.
6Statute of the International Islamic Court of Justice, Article 27.
7Charter of the Organization of Islamic Cooperation, Article 15.
8Available at http://hrlibrary.umn.edu/instree/cairodeclaration.html.
9Cairo Declaration of Human Rights in Islam, Preamble.
10Ibid. Article 1 (a)
3.1 Membership

According to the OIC Charter, any State, member of the United Nations, having Muslim majority and abiding by the Charter, which submits an application for membership may join the OIC if approved by consensus only by the Council of Foreign Ministers on the basis of the agreed criteria adopted by the Council of Foreign Ministers.18

The OIC membership is open to states with a Muslim majority population. The wording of the Charter implies that the candidate state must be a member of the United Nations. The Council of Foreign Ministers has not adopted any criteria which could clarify membership requirements in addition to those mentioned in the OIC Charter. In practice, all members of the OIC are also members of the UN with the exception of the Palestine Authorities. The OIC has admitted the Palestine Authorities (referring to them as ‘Palestine’) as a member of the OIC even though its status as a state is internationally contested and it is not a member of the UN (it has only observer status in the UN). ‘Palestine’ has a special status within the OIC as reflected in the Charter’s objective to support and empower the Palestinian people to exercise their right to self-determination and establish their sovereign State with Al-Quds Al-Sharif as its capital. Thus, ‘Palestine’ is not a typical case for defining membership and its special status and importance for the ‘Islamic world’ explains why ‘Palestine’ is a member of the OIC although it is not a member of the UN.

Only 35 out of 57 OIC members have recognized Kosovo as a state. Even if membership in the UN would not be a requirement, the fact that not all OIC members have recognized Kosovo will make a consensus in the OIC Council of Foreign Ministers highly unlikely. Since Kosovo is neither a UN member nor has UN observer status, and since it is not recognized by all OIC members, the chances for Kosovo’s bid for membership in the OIC to succeed are minimal.

3.2 Observer Status

The OIC Charter provides that the decision on granting observer status to a State, member of the United Nations, will be taken by the Council of Foreign Ministers by consensus only and on the basis of the agreed criteria by the Council of Foreign Ministers.19

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18Charter of the Organization of Islamic Cooperation, Article 3.2
19Ibid. Article 41.
The requirements for obtaining observer status seem to be same as for membership, i.e. (i) a state, (ii) membership in the UN, (iii) compliance with criteria set by the Council of Foreign Ministers, and (iv) decision by consensus of the Council of Foreign Ministers. OIC member states have also not established criteria and procedures for admitting new observer members; in the past, applications were approved or rejected without considering any standardized criteria.²⁰ The difference to membership is that the state seeking observer status does not need to have a majority Muslim population. This has enabled Bosnia and Hercegovina and the Russian Federation, which do not have majority Muslim populations, to obtain observer status.

In view of the fact that the criteria for obtaining observer status are almost identical with those for membership, the chances for Kosovo's bid for observer status in the OIC to succeed are minimal. The Kosovo government is considering to join the Organization of Islamic Cooperation (OIC) either as a member or as an observer. The present paper will analyze the legal aspects of Kosovo's membership or observer status in the OIC.

Even if Kosovo would satisfy the requirements set out in the OIC Charter for membership, there are concerns that Kosovo’s membership in the OIC might not be compatible with Kosovo’s Constitution.

The Constitution defines Kosovo as a multi-ethnic society consisting of Albanian and other Communities, governed democratically with full respect for the rule of law through its legislative, executive and judicial institutions. The constitutional order of the Republic of Kosovo is based on the principles of freedom, peace, democracy, equality, respect for human rights and freedoms and the rule of law, non-discrimination, the right to property, the protection of environment, social justice, pluralism, separation of state powers, and a market economy. The Constitution explicitly provides that Kosovo is a secular state and is neutral in matters of religious beliefs.

Human rights have a special importance in Kosovo’s constitutional order. Human rights and fundamental freedoms are indivisible, inalienable and inviolable and are the basis of the legal order of the Republic of Kosovo. Human rights and fundamental freedoms guaranteed by certain international agreements and instruments, such as Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols, and the International Covenant on Civil and Political Rights and its Protocols, are guaranteed by this Constitution, are directly applicable in the Republic of Kosovo and, in the case of conflict, have priority over provisions of laws and other acts of public institutions. Human rights and fundamental freedoms guaranteed by the Constitution must also be interpreted consistent with the court decisions of the European Court of Human Rights.

Kosovo is authorized to conclude international agreements and to become a member of international organizations. While ratified international agreements, such as the Charter of the OIC if Kosovo ratifies its accession thereto, and legally binding norms of international law have superiority over the laws of the Republic of Kosovo, they are subordinate to the Constitution.

The concern is that Kosovo’s membership in the OIC is not compatible with its identity as a secular state and that the implementation of the obligations that may arise from the OIC Charter and decisions of the OIC bodies will not be compatible with Kosovo’s...
obligation under the Constitution to be neutral in religious matters.

The European Court of Human Rights (ECHR) recognizes secularism as a principle of state organization which is compatible with the values underpinning the European Convention for the Protection of Human Rights and Fundamental Freedoms (Convention) and which may be necessary to protect a state's democratic order (Leyla Şahin v. Turkey, Judgment of 10 November 2005; S.A.S. v. France, Judgment of 1 July 2014). By virtue of the principle of secularism, the state may limit certain exercise of the freedom of religion, provided such limitation is proportionate and necessary in a democratic society. The Constitutional Court of Kosovo confirmed the interpretation of the ECHR in respect of the principle of secularism as applicable to Kosovo's Constitution (Arjeta Halimi, Resolution on Admissibility, Case No. KI 36/11 of 30 September 2011).

In addition to recognizing secularism as compatible with the Convention, the ECHR has also confirmed that the state must be neutral in religious matters. According to the ECHR, religious and philosophical beliefs concern individuals' attitudes towards religion, an area in which even subjective perceptions may be important in view of the fact that religions form a very broad dogmatic and moral entity which has or may have answers to every question of a philosophical, cosmological or moral nature (Izzettin Dogan and Others v. Turkey, Judgment of 26 April 2016). For this reason, the ECHR views the state's role as that of a neutral and impartial organizer of the exercise of various religions, faiths and beliefs, a role which is conducive to public order, religious harmony and tolerance in a democratic society (S.A.S. v. France, Judgment of 1 July 2014). According to the ECHR, in exercising its regulatory power in the religious sphere and in its relations with the various religions, denominations and beliefs, the state has a duty to remain neutral and impartial for the purpose of preserving pluralism and the proper functioning of democracy (Metropolitan Church of Bessarabia and Others v. Moldova, Judgement of 13 December 2001; Hasan and Chaush v. Bulgaria, Judgment of 26 October 2000). The State's duty of neutrality and impartiality would be incompatible with any power on the State's part to assess the legitimacy of any religious beliefs (Metropolitan Church of Bessarabia and Others v. Moldova, Judgement of 13 December 2001; Jehova's Witnesses of Moscow and Others v. Russia, Judgment of 10 June 2010; Magyar Kereszteny Mennonita Egyhaz and Others v. Hungary, Judgment of 8 September 2014). Since the duty of neutrality in religious matters is established case-law of the ECHR, Kosovo's human rights guarantees under the Constitution have to be interpreted in accordance with this case-law. The state's duty of neutrality in religious matters is therefore a principle under Kosovo's Constitution.

In case Kosovo becomes as member of the OIC it would assume obligations under international law to implement the Charter and the decisions of the OIC bodies. It would
have specifically to support the implementation of the OIC's objectives, such as to disseminate, promote and preserve the Islamic teachings and values, promote Islamic culture and safeguard Islamic heritage; to protect and defend the true image of Islam, to combat defamation of Islam and encourage dialogue among civilizations and religions; and to promote and to protect human rights and fundamental freedoms according to Islamic family values. This would also include an interpretation of human rights in light of the Quran and Sharia based Cairo Declaration on Human Rights in Islam. Kosovo would also assume the legal obligation to apply principles of international law as interpreted by Islamic values and teachings in pursuit of the objectives of the OIC. Such legal obligations would be inconsistent with Kosovo's constitutional identity as a secular state. They would also be incompatible with Kosovo's constitutional obligation to ensure neutrality in religious matters, as by subscribing to the objectives and principles which guide the OIC Kosovo would legally give preference to Islam as opposed to other religions and religious communities in Kosovo.

Kosovo would also legally commit to support and empower the Palestinian people to exercise their right to self-determination and establish their sovereign State with Al-Quds Al-Sharif as its capital. Apart from the political implications, such a legal obligation on the part of Kosovo is questionable as 'Palestine' has not recognized Kosovo. Kosovo would legally commit to support a 'state' which it has not recognized, and which does not recognize Kosovo.

The conclusion is therefore that Kosovo's membership in the OIC would violate Kosovo's Constitution, specifically the principle of secularism and Kosovo's constitutional obligation to ensure neutrality in religious matters.

4.1 Conclusion

Kosovo does not seem to satisfy the requirements for either membership or observer status under the OIC Charter. Membership in the OIC would also be inconsistent with Kosovo's constitutional commitment to secularism and its constitutional obligation to ensure neutrality in religious matters. Observer status may also be incompatible with Kosovo's identity as a Euro-Atlantic state and society as determined in Kosovo's Declaration of Independence which provides the overarching political and legal authority for Kosovo's Constitution.
International organizations have played the role of a significant facilitator of state to state interaction. In the process of being recognized as a state in the international arena, there is a necessity for a state to establish relations with international organizations. This is mainly because being part of such organizations increases the number of transactions across borders; transactions such as movement of goods, information, capital etc.

Nowadays the entire world is influenced by international organizations due to their significant role economic development, human rights, cooperation, etc. Since Kosovo’s independence, the country has applied to numerous international organizations and has become a member in many of them.

The main reason why becoming members of international organizations is the economic benefits that many of them provide. Kosovo has become member of the World Bank, the International Monetary Fund, the European Bank for Reconstruction and Development and other organizations whose main role is supporting the economic development of a country. The OIC is seen as a similar organization that would help Kosovo further develop by opening new opportunities for trade, investment and finance. The following paper will examine the potential economic benefits of becoming a member of the OIC and how those would be applied to Kosovo.

5.1 Economic Related Institutions/Organs of the OIC

One of the main objectives of the OIC is the strengthening of economic cooperation and mutual help among Islamic countries.

In order to increase cooperation among Islamic countries, the OIC created several institutions that would serve as tools that facilitate economic cooperation. Member States are granted automatic membership in all of the following organs except for the Islamic Development Bank.

- The Islamic Solidarity Fund was created to serve as a tool to provide relief in case of emergencies such as natural disasters, to assist Muslim minorities and increase the intellectual level of Muslims.
The Islamic Centre for Development of Trade in Casablanca is another subsidiary organ of the OIC which serves as a trade and investment promoter among OIC member states. Some of the main objectives of this Centre is to encourage trade relations amongst members, to promote investment, to organize trade fairs, to conduct studies regarding trade, etc.

The Statistical, Economic, and Social Research and Training Centre for Islamic Countries in Turkey operates as a body that conducts economic research but also collects and organizes statistical data on and for the OIC member countries. In addition, the Centre prepares research papers and different studies regarding developmental and then offers training programs on subjects of interest to the member countries.

The Islamic University of Technology in Dhaka, Bangladesh serves as a subsidiary of the OIC with the aim of developing education in the field of engineering and technology for member states of the OIC. IUT offers a wide range of both undergraduate and graduate programs as well as workshops and seminars to inform member countries of the latest technological developments.

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The Islamic Development Bank in Jeddah, Saudi Arabia was established to serve as a multilateral development bank for the OIC member states.

5.2 Economic Overview

Economic cooperation is a key tool that can lead to economic growth by giving countries the chance to expand beyond their national market. For several countries, trade with other countries is the main source of revenue. Several international organizations have been created with the aim of facilitating trade and investment amongst countries. The Organization for Economic Cooperation and Development (OECD) is an example of such an international organization that aims to assist its members achieve sustainable economic growth. The European Union was created mainly to foster economic cooperation and now has a common market with no trade barriers and no trade tariffs. The OIC was also created with the concept of economic cooperation as a key driver for growth. The OIC, consisting of fifty-seven countries, each with a different level of economic development and trade potential, could enable economic cooperation between its member states and lead them to economic growth. Therefore, one field where Kosovo could potentially benefit from membership in the OIC would be through Intra OIC trade and investment. However, despite the fact that the OIC has been operating since 1969, its member states have yet to reach economic development. In year 2016 total GDP of OIC countries was only 8.3% of the total world GDP, despite its members’ having around

29Latest data on all OIC countries* Syria and Palestine are not included since there is no available data.
24\%^{30} of the world population. Looking solely at the income structure of the members of OIC, there is a mix of low income countries, middle income countries and high income countries. Table 1 shows that around 33\% of all member states are low income economies with a GNI per capita of $995 or less and 27\% with a GNI per capita between $996 and $3895. Kosovo is also classified as a Lower Middle Income country with a GNI per capita between $996 and $3895. This distribution shows that almost 60\% of the member states of the OIC are Low Income and Lower Middle Income, thus, Kosovo as a member would fall under this category as well.

Table 1. Categories by Income – 2019 GNI per Capita, Source: World Bank Country Classification

<table>
<thead>
<tr>
<th>Categories by Income$^{31}$ (GNI per capita)</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income$^{32}$</td>
<td>18</td>
</tr>
<tr>
<td>Lower Middle Income$^{33}$</td>
<td>15</td>
</tr>
<tr>
<td>Upper Middle Income$^{34}$</td>
<td>16</td>
</tr>
<tr>
<td>High Income$^{35}$</td>
<td>6</td>
</tr>
</tbody>
</table>

2.1. Economic Cooperation:
Attaining higher levels of development for the member states, as well as promoting economic relations among them, is a key component of the OIC economic agenda. Pursuant to this attempt, there are eight economic related agreements within the OIC which are thought to increase intra-OIC economic and trade relations. The General Agreement for Economic, Technical and Commercial Cooperation among the OIC Member States became effective in April 1981. Nevertheless, this agreement has been signed only by 45 member states and ratified by 31 of them. The agreement urges member states to apply equal commercial treatment towards one another and develop trade relations through trade liberalization (reducing or removing custom restrictions on imports and exports through bilateral or multilateral trade agreements)$^{36}$ Likewise, this agreement encourages members to have special treatment for the east developed member states. The Agreement for Promotion, Protection and Guarantee of Investments among the OIC Member States became effective in 1988 when 10 Member States ratified it. Until now it has been signed by 33 member states and ratified by 25$^{37}$ The Agreement promotes capital investment among member states and protection of investments. It requires that contracting parties permit the transfer of capital among them and provide protection and security for the investment. Based on this agreement, the Islamic

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$^{30}$SESRIC Database
$^{32}$Low Income Economies ($995 or less)
$^{33}$Lower Middle Income Economies ($996 to $3,895)
$^{34}$Upper Middle Income Economies ($3,896 to $12,055)
$^{35}$High Income Economies ($12,056 or more)
Corporation for Insurance of Investments and Export Credits (CIEC) was established as an linked institution of the Islamic Development Bank in 1994. The Framework Agreement on Trade Preferential System among the Member States of the OIC (TPS-OIC) is currently signed by 34 Member States and ratified by 23. This document sets the general principles towards establishing a preferential trade system among the OIC Member States. It aims promotion of trade among members through trade based on equal treatment among all participating Member States and taking into account the Most Favored Nation (MFN) principle. In addition, the agreement specifies that the participating states extend special concessions in the favor of least developed member states in the course of bilateral or multilateral negotiations. The implementation of TPS-OIC would permit exporters to gain preferential tariff treatment for selected products in the markets of other member countries and thus gain competitive advantage over similar products originating from non-member countries.

Following the Framework Agreement on TPS-OIC in 2002, a Protocol on the Preferential Tariff Scheme for the TPS-OIC (PRETAS) was created for the member states part of the (TPS-OIC). This protocol was adopted in 2005 and entered in force in 2010. So far, 21 Member States signed the Protocol and 11 of them ratified it. The Protocol's purpose is to pursue the goals of the Framework Agreement on TPS-OIC while taking into account the special needs of the least-developed members. Its main function is reducing the tariffs and other trade barriers for the products that are part of the Scheme. It outlines the optional tariff reduction schedule and deals with issues such as rules of origin, anti-dumping and subsidies. To this end, it highlights the need of holding rounds of trade negotiations to enlarge, improve and strengthen the TPS-OIC.

Most of the economic cooperation agreements under the OIC have not been ratified by all member states, more precisely none of the agreements has been ratified by more than 60% of the member states. Albania so far has only ratified one agreements of the OIC "Agreement on Promotion, Protection and Guarantee of Investment." This overall lack of agreement acceptance amongst all member states can serve as an indicator that the OIC has no homogenous economic policy strategy for all its members.

**5.3 Intra OIC Investment**

Investment among member states was one of the key points in the economic agreements created by the OIC. However, in 2016, the total value of FDI flows to OIC countries was recorded at US$ 96.3 billion, whereas World total foreign direct investment (FDI) inflows amounted to US$ 1.75 trillion in 2016, meaning that FDI inflows to OIC in 2016 were around 6% of total FDI inflows across the world. 

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Intra-OIC FDI inflows reflect investment from one OIC country to another host OIC country. A higher volume of intra-OIC FDI inflows suggests the existence of stronger economic ties among OIC countries. However, statistics on investment flows between OIC members are hardly available. For the countries where data is available, figure 1 presents top OIC member countries in terms of intra-OIC FDI inflows in 2015. Based on the data, Egypt ranked first and attracted US$ 2.9 billion FDI from other OIC member countries. Turkey followed with an amount of US$ 1.6 billion intra-OIC FDI inflows. Mozambique and Morocco also attracted more than US$ 1 billion FDI from OIC member countries. The data shown in figure 1, recorded in 2015, show that there were imbalanced investment flows among OIC members. Only a group of few OIC countries out of 57 members attracted relatively more intra-OIC FDI. Therefore, not all OIC member countries experienced an improvement in intra-OIC cooperation in terms of FDI.

![Figure 1. Intra OIC FDI Inflows (US$ Billion) 2015](image)

5.4. Intra-OIC trade

Exchange of goods and services, integration of markets and trade among countries are some of the main components of economic cooperation. These forms of economic cooperation mainly through trade activities can help countries benefit economically. Economic integration has become a key component towards economic growth in today's world. The spread of the internet and the growth of the transportation network enables countries to exchange goods, capital, information in due time. These opportunities have been utilized by the EU, NAFTA, and different mechanisms that operate under the principle of the removal of trade barriers.

Looking at trade, total merchandise exports from OIC countries to the rest of the world have been falling since 2014. In 2016, total exports of OIC countries continued to fall and
When it comes to Intra OIC trade, there was a total of US$ 540 billion intra-OIC merchandise trade in 2016. As of 2016, intra-OIC trade accounted for only 19.4% of OIC countries’ total merchandise trade. Intra-OIC exports dropped by 8 % from US$ 287 billion in 2015 to US$ 263 billion in 2016. Intra-OIC imports were US$ 276 billion in 2016, registering a major decrease compared to its value of US$ 352 billion observed in 2013. Intra-OIC trade volume (intra-OIC exports + intra-OIC imports) also experienced a decline of almost 20% from year 2015 to 2016. 556.3 billion USD in 2016 compared to 964.2 billion USD in 2015. This structure of trade among OIC member states reflects the lack of trade relations between them. Despite their level of trade being low, it has been having a declining trend for the past few years.

![Figure 2. Source: SESRIC Data](image)

Kosovo has been experiencing a trade deficit for many years now and the trade gap widened during the first quarter of 2018 to € 280.3 million. Looking at Kosovo’s trade structure, its top five exported goods include: base metals, mineral products, plastics, processed foods and vegetables. Whereas, currently the three main countries where Kosovo exports to are Albania, Macedonia and Serbia, while the main group of countries where Kosovo exports is the EU. A membership in an organization that promotes trade could be of potential help to Kosovo to increase its exports and improve its trade balance.

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41SESRIC Database [www.sesric.org](http://www.sesric.org).
Considering that Kosovo has the same comparative advantage and its main exports are also in these sectors, it is unlikely that becoming member of OIC will help boost Kosovo's exports and thus improve its trade balance. In addition, there also geographical barriers to trade between Kosovo and OIC members since most of OIC member states except Albania and Turkey are located remote from Kosovo. This would suggest that transportation costs would be high especially with OIC members in Africa. A similar case is the one of Albania who has been a member of OIC for more than 15 years. Albania’s main export partners are Italy, Greece, U.S., China and Germany, whereas its top import countries are Italy, Germany, China, Greece and Turkey. This shows that the only OIC member that Albania has more trade relations is Turkey which is also the one closest in location. As per imports, Kosovo’s main imported goods include oil, tobacco, transportation vehicles, machinery and electronic equipment. Since most of the OIC member states are endowed with rich natural resources especially oil and natural gas, Kosovo could potentially trade these goods from OIC countries. OIC members possessed around 58.4% of total crude oil reserves in the world in 2015 and supplied 41.5% of the world’s total oil production. Whereas, of total gas reserves, the OIC member states possess 58.6% of total gas reserves and 36% of the world production stemmed from OIC countries.

Figure 3. Oil Reserves: Source OIC Economic Outlook 2016 [www.comcec.org](http://www.comcec.org)

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5.5. Intra OIC Finance

The most noticeable institution of the OIC is the Islamic Development Bank which currently has 57 member states. The basic condition for applying for membership in the bank is that the prospective member country should be a member of the OIC. Its main function is offering loans to member countries in order to promote social progress and economic development. The IsDB has secured an AAA rating and allows only loans with small interest rates. The main sectors that the bank provides loans for are education; women and girls; humanitarian relief; health; infrastructure; science, technology and innovation.

In this regards, Kosovo could benefit by getting finance for different projects that fall under the priorities of the IsDB. It is essential to note that Albania has been a member of the OIC from 1992 as the only fully European member state in the OIC. Since then, Albania has financed 46 projects through the IsDB. The majority of these projects, however, were not financed directly from the IsDB as loans to the Albanian Government. Albania Leasing Co, which is a non-bank financial institution has been one of the main intermediary for financial leasing in Albania (19 out of the 46 projects that the IsDB has financed have been finance to Albania Leasing Co). The company is an investment of the Islamic Corporation for the Development of the Private Sector (ICD) which is a multilateral development financial institution, part of the Islamic Development Bank (IDB) Group. The other investors of Albania Leasing Co are Banka Kombetare Tregtare BKT, ND Balkan and Kolon Industries. The five fields in which Albania Leasing operates are: auto leasing, agro leasing, equipment leasing, transport leasing, real estate leasing. Areas that do not coincide with IsDB’s main sectors of interest mentioned above.

Nevertheless, the IsDB has been offering loans with small interest rates for its members and in that regards Kosovo could potential benefit from such sources of finance. This would become possible only if Kosovo becomes a full member of the OIC and is then granted membership to the IsDB which has additional conditions for countries to become members.

5.6. Intra OIC Education and Knowledge Transfer

Ever since its creation one of the key components of the OIC development plan was education and scientific innovation. The Islamic Development Bank issues loans for projects under the categories of Education and Science/Technology. The Islamic University of Technology was also found with the main aim of helping OIC member states in the field of innovation. Human resources through qualitative education and technology can help countries develop economically. Therefore, another potential area

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where Kosovo could benefit is education and technology. However, almost 50 years after its creation, in the field of education and scientific and technological development, OIC countries are lagging behind. The OIC with a total population of around 1.8 billion has only 566 universities whereas the EU with a population of around 510 million has around 3300 universities. In addition, when it comes to the quality and ranking of the educational institutions in the OIC, no university in the OIC member states falls under top 100 in the QS World University Rankings. The world literacy rate for adult population +15 years old in year 2016 was 86.2% whereas the one for OIC adult population was only 77%. In addition, when it comes to technology and innovation, the Global Innovation Index released annually by Cornell University and the World Intellectual Property Organization does not rank any of the OIC member states in its top 30. Therefore, Kosovo’s benefits in the field of education and technology through exchange of know-how and expertise with members of OIC would be limited.

5.7. Conclusion

Kosovo’s decision to apply for observer status in the OIC would provide limited economic benefits to the country. Existing intra trade relations among OIC countries are weak and have no improving trend. Additionally, OIC members’ comparative advantages are similar to Kosovo’s, which limits the room for trade between them. Intra OIC investment has also been weak throughout years and only a small portion of OIC countries have been hosts of FDI. Finance through the IsDB with small interest rates could be of potential help to Kosovo but considering that a country has to be full member of OIC and also fulfill other conditions, the chances for Kosovo to benefit from such finances are low. Lastly, Kosovo’s benefits in the field of education and transfer of know-how are also limited since the education level in the OIC countries when it comes to number of universities, quality of universities, literacy levels and technology advancements is not as high for Kosovo to benefit.

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Kosovo's membership in Organization of Islamic Cooperation (OIC) is not part of the Government Program or Government Action Plan. In the Government Program Kosovo planned to apply for Council of Europe and INTERPOL during 2018, henceforth OCI application represents a sudden shift in foreign policy objectives planned at the beginning of the year. This highlights a recurring problem in Kosovo's foreign policy, highlighted by ad-hoc decisions and lack of long-term foreign policy planning. What's more, MFA's statement that Kosovo will apply as an observer state in Organization of Islamic Cooperation was not followed with detailed explanations on the rationale behind this decision, or why OIC issue was put top of the agenda such unexpectedly. Kosovo's Foreign Ministers and delegations have participated in OCI's Foreign Minister events in the past, holding ample bilateral meetings, what it seems triggered MFA to make this surprising move.

In addition, as this process was pushed forward by MFA, the role of the other institutions remains unclear. In accordance to Kosovo's Constitution and relevant laws, the field of foreign policy consists of a variety of players: the Assembly is involved through monitoring responsibilities, namely through the Committee for Foreign Affairs; the President leads and executes foreign policy, at the same time appointing head of diplomatic missions and continually consulting Prime Minister. However, Kosovo's President did not publically address Kosovo's membership into OCI, nor did the Prime Minister or the Committee for Foreign Affairs. Kosovo's President, accompanied by the Prime Minister and Foreign Minister, met with Secretary General of OCI in September 2018 where he requested support for Kosovo's membership into international organizations and bilateral recognitions, without mentioning the issue of Kosovo's observer country membership.

Such institutional approach represents another worrying practice highlighted throughout Kosovo's foreign policy execution, where continuous lack of coordination between the institutions makes it difficult to distinguish between the leader's personal stance and national state interests. While foreign policy national state interests should
be based on analysis, objective-setting and long-term policy-planning, personal stance of a certain leader may be influenced by a series of individual factors. Hereafter, knowing that membership into OIC is regarded as a sensitive issue and was debated extensively, the President and Prime Minister should have addressed the issue publically to the citizens.

In the absence statements by state officials or decision-makers, it is difficult to properly discuss the cost-benefits of eventual membership in Kosovo’s state-recognition process. This is overcome by projecting MFA’s supporting arguments ourselves to instigate a pro-et-contra debate. In the following three main arguments which may have influenced Kosovo’s decision to apply for membership in OCI are considered: opportunities to expand bilateral recognition, opportunities to expand multilateral recognition and disseminating Kosovo’s foreign policy narrative to Muslim majority countries. In the aftermath it is assessed how these arguments stand in clash with two contra arguments: feasibility of reaching these targets and effects of membership in Kosovo’s international legitimacy. This part ends with a short conclusion on the question if Kosovo’s observer status at OCI possesses more benefits than costs in its state-recognition quest, or vice-versa.

6.1. Three supporting arguments

Bilateral recognitions represent a key pillar for Kosovo’s diplomacy, to advance interests and strengthen international legitimacy. After declaring independence bilateral recognitions were the key goal of MFA and Kosovo’s diplomacy. Until now Kosovo has been recognized by around 115 UN member states, has established diplomatic relations with over 80 States and has opened around 40 diplomatic missions. However, in the recent years we have witnessed a rapid decrease in the number of recognitions. While in the first year Kosovo registered around 50 recognitions in the recent years Kosovo managed to secure solely one or two recognitions per year. So far in 2018 Barbados is the only recognizing country. Additionally, in the recent years Kosovo was challenged with ‘withdrawal of recognition’ (or derecognition) where several countries informed that they had decided to revoke the recognition (ibid). Even though the withdrawal of recognitions is not regulated within the international law, if it is allowed to become a trend, it may impose consequences to Kosovo’s state-recognition process.

In terms of diplomatic recognitions, Kosovo fares particularly good in recognitions from European countries, North America and Oceania. While in the African Continent Kosovo has received some important recognitions it still remains unrecognized by more than half of the countries. On the other end, Asia and South America continue to remain two continents where Kosovo has found it most difficult to penetrate, as only a dozen of

countries from these two continents have recognized Kosovo. A large number of Muslim-majority countries in these two continents have kept a staunch opposing position against Kosovo's independence, sometimes even refusing to meet with Kosovo diplomats and officials. Linked to this, all non-recognizing members of OIC are located in Asia and Africa.

Further, diplomatic relations with OIC member countries remain low. Kosovo currently possess only 5 accredited diplomatic missions into OIC member countries. Those are Embassies in Albania, Turkey, Senegal, United Arab Emirates and liaison office in Egypt. These missions also have accredited non-Resident Ambassadors in Chad, Guinea-Bissau, Gambia and Maldives. the MFA web-site does not make it clear if the diplomatic missions in Riyadh and Cairo are accredited in other countries of the region.

Under these circumstances, OIC might serve as a useful platform to establish contact with officials from these countries and OIC sessions may present an extra platform to establish and nurture bilateral relations with the goal of reaching recognition. As noted earlier, Kosovo has been recognized by 38 out of 57 member states. At 20 the number of non-recognizers remains high. Under such circumstances, OIC can offer an extra platform for Kosovar diplomats to exchange views with officials and leaders of these countries, thus discussing potential bilateral recognition and establishing diplomatic relations.

Similar to the latter, membership into OIC may provide an extra platform for Kosovo to lobby in quest of extending its presence into multilateral institutions. Kosovo is a member of over 50 international organizations and several regional organizations (ibid). Multilateral integration became a central target for Kosovo during the recent years, especially after 2013. However, due to the recent changes in the international politics but also to the lack of support by partners, multilateral integration has been halted dramatically. Venice Commission is the last multilateral organization in which Kosovo has been accepted, in 2014, Kosovo failed to become a member of UN's specialized agency UNESCO in 2015. In 2017 it withdrew from voting for INTERPOL.

The majority of OIC non-recognizers have kept a strict opposing position in the multilateral voting processes. The voting for membership in UNESCO is an example to this (reference). In contrast, there have been non-recognizing countries who have chosen supporting Kosovo's multilateral integration, as a trade-off; an example to this is Greece who has supported Kosovo in several initiatives. Hereafter, OIC could provide a fruitful terrain for Kosovo's diplomacy to establish and nurture relations with diplomats of these non-recognizing countries, for the purpose of securing votes for accessing multilateral institutions.
The third argument is related to Kosovo's inability to penetrate and impose itself in the majority of Asian, Latin American and African countries: a large number of these countries are members of OIC. The strict position mainly boils down to two factors: Kosovo's close relations with USA and the historical strong presence of Yugoslavia in these countries throughout the second part of the XX century. To a considerable OIC non-recognizers Kosovo is perceived as an US-sponsored state which serves as a strong pretext to dismiss diplomatic recognition or engagement with its institutions. In addition, the traditional strong links of these countries with Yugoslavia enabled Serbia, as the legal successor of Yugoslavia, to disseminate its foreign policy narrative post 1999, in a one-horse race. Yugoslavia was one of the founding members of the Non-Aligned Movement, an international organization created with the initiative of then-Yugoslav President Josip Broz Tito as an organization of states that were formally non-aligned in the Cold War. Such fact implied that the Serbian diplomacy inherited a huge diplomatic network cultivated over several decades, subsequently being in a much more advanced position to counter Kosovo's diplomatic expansion.

With these being said, OIC could provide a way to tackle Kosovo's diplomatic stalemate on OCI non-recognizers, in order to disperse its foreign policy narrative. OIC could assist Kosovo to overpass this situation that has been heavily influenced by Kosovo's image in these countries as an US sponsored state and Serbia's strong diplomatic presence. OCI membership could give a platform for allowing Kosovo's narrative to be heard in these countries, therefore challenging the long-enduring status-quo.

**6.2. Contextual arguments against the membership into OIC**

In paper, Kosovo's membership into OIC as an observer state might offer possibilities to foster Kosovo's international legitimacy in several fronts. Here two main contextual issues emerge. The first is: are they feasible and is there a more efficient way to reach them? And secondly: how does eventual membership as an observer state into OIC influence Kosovo's position in the international arena?

In regards to the first it should be noted that a considerable of OCI's sessions are sector-specific. This entails that Ministers of all member countries participate in international forums to discuss on cooperating and implementing projects in their sectors. More often than not, this does not correspond to country's foreign policy. For illustration, a meeting of Tourism Ministers allows little opportunities to lobby for bilateral recognition, multilateral support or disseminate Kosovo's foreign policy narrative. The format of the meeting, the audience as well as Kosovo's delegation, would make this aim unpromising. On the other ends, OIC Summits and Sessions of the Council of Foreign Ministers of OCI

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are the events that allow for diplomatic action. These events provide a promising platform to establish and intensify cooperation with the member countries, and in turn reach the three aforementioned targets. Having said this, Kosovo’s Foreign Minister and delegations should continue participate at the OIC Summits and Sessions of the Councils of the Foreign Ministers as guests, thus utilizing the OCI’s auspices for high level meetings with officials of these countries.

A second contextual issue related to Kosovo’s membership into OIC is related to its legitimacy. The high number of foreign fighters in the wars of Syria and Iraq\(^\text{61}\) has represented one of the most important cards against Kosovo’s international recognition in the recent years. In order to create a negative image of Kosovo, Serbian diplomacy have tried to create a cause-effect equation between political developments and Kosovo’s Muslim majority population, even in cases where they were largely politically or ethnically motivated (ex. the March riots in 2004).\(^\text{62}\) Also, the regular reporting at Security Council of UN\(^\text{63}\), or the anti-membership Kosovo in UNESCO campaign\(^\text{64}\) serve as blueprint examples of this strategy.

Under these circumstances, Kosovo’s diplomacy should carefully analyze the way in which eventual membership may be utilized by opposers of Kosovo’s independence, in face of the global coalition against religious violent extremism. This does not imply negative remarks on OCI work whatsoever. Yet, for Kosovo’s position membership into OIC is a more sensitive issue, than it was for other region countries, namely Albania or Bosnia and Hercegovina, that do not possess similar recognition problems and are fully-fledged UN members. Instead of supporting Kosovo’s state-recognition OCI membership can backfire to further obstruct it, by diminishing its multi-ethnic, democratic and Euro-Atlantic image. Kosovo can not afford to risk its (already in crisis) international legitimacy, subsequently Kosovo’s image and state-recognition campaign should remain separated from religious initiatives.

Discussing OIC membership impact to Kosovo’s international legitimacy, one needs to also discuss the nexus between the OCI membership and Euro-Atlantic orientation. As known, integration into United Nations (UN), European Union (EU) and NATO remain Kosovo’s priorities of the country, also stated in the Government program. At the same time Euro-Atlantic integration enjoys an overwhelming citizen’s support (reference), as

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Kosovo's independence and international recognition are regarded as a product of the support of this coalition. Since declaration of independence in 2008 integration into these international institutions was seen as the only road for Kosovo to complete international recognition. Having said this, it is true that in the recent years support for Kosovo's international recognition by its partner states has suffered a decrease; this is also one of the factors of the stagnation in the recognition process. However, instead of searching for new fields of play, Kosovo should respond by aiming to foster its democratic principles and image, revitalize and strengthen bilateral relations with the main Euro-Atlantic countries and undertake the required reforms to join these institutions. Kosovo's Government should aim to strengthen its legitimacy and international recognition primarily through the partnership it owns its existence as a state: the Euro-Atlantic order.

6.3. Conclusion

Knowing Kosovo's struggles in fostering its international legitimacy there are concerns that membership into OIC might have a contra-effect, hence diminishing its global legitimacy for the benefit of fostering the latter in a group of countries. Overall, as a country that has embraced the Euro-Atlantic agenda, Kosovo should focus its diplomatic efforts on revitalizing and fostering the relations with its main partners and joining UN, EU and NATO, instead of searching new fields of play. In addition, apart from the Foreign Minister Session where Kosovo participates as a guest, OCI allows little opportunities for exercising diplomacy. Participation in the OIC sessions provided fruitful for the Kosovo's Foreign Minister in terms of bilateral meetings65. for this reason Kosovo should continue to regularly participate in the OIC sessions without becoming an observer member. Such approach would be risk-free and more efficient in results.

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Prishtina Institute for Political Studies is a non-governmental organization based in Prishtina, Kosovo, active since 2003. The main goal of PIPS is to influence and contribute to democratic governance of Kosovo, by initiating public dialogue and producing policy analysis. PIPS is focused on enhancing democratic leadership capacities in Kosovo and supporting Kosovo’s integration as an equal member of the international community.
Kosovo's membership into OIC: An opportunity or a dangerous road?