

Western governments cut aid to Balkans

One millions refugees remain from 1990s wars

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Recent reports show that the dire state of the Balkans economy is the primary reason that more than one million refugees and displaced people have still not returned to their former homes.

The crisis is a warning to anyone taken in by the propaganda peddled by President George W. Bush and Prime Minister Tony Blair that the US/UK intervention in Iraq will lead to peace and prosperity.

Poverty, corruption and ethnic separation have become endemic in the Balkan region, whilst much of the economic assistance promised by the Western powers during their repeated interventions into the region during the 1990s has not materialised. Now most Western governments and agencies are withdrawing financial support and manpower from the region.

During the civil war in Croatia (1991-1995) nearly 200,000 dwellings were destroyed. By 2002, the government reconstructed some 120,000 of them, mostly for Croats. The majority of the 220,000 Croats displaced by the civil war have returned but two-thirds of the displaced 300,000 Serbs remain in Serbia. The Serb proportion of the population has shrunk from 12 percent in 1991 to four percent now.

In total, 770,000 people are living in Serbia and Montenegro as refugees from the wars in Croatia, Bosnia and Kosovo. In Serbia, some 55,000 refugees housed in collection centres—often hotels and government buildings—have been told to leave as the government prepares to privatise the real estate.

In 1995 President Franjo Tudjman's Croatian Democratic Union (HDZ) government introduced the Law on Temporary Take-Over and Administration of Specified Property in Croatia. Serbs were deprived of occupancy rights [1] and their dwellings put up for privatisation. The government handed many dwellings over to Croat refugees from the war in Bosnia and encouraged other Croats to occupy properties not covered by the law.

Western governments heralded the election of a coalition government led by social democrat (and former Stalinist) Prime Minister Ivica Racan in January 2000 as a solution to

the refugee problem. However, Racan stated, "We are aware of the ethnic composition in this region that used to exist here before the war and the aggression against Croatia [but] this can not be repeated."

Racan has declared that the "issue of occupancy rights has been abolished"—in effect, leaving Serbs homeless. It is rare for Serbs who have lost occupancy rights to win appeals in Croatian courts and the State Prosecutor had only initiated 17 reviews by November 2002.

Of the Serbs who do return to Croatia, many stay just long enough to sell property that they have managed to regain. With unemployment standing at 22 percent, higher in the war-torn areas, Serbs who stay find themselves discriminated against in the hunt for jobs. As elsewhere in the Balkans it is often elderly people owning a plot of land in rural areas that enables them to eke out a living who stay.

In Bosnia-Herzegovina 2.2 million people—half the population—fled the fighting during the civil war in 1992-1995. Some 900,000 have returned of which some 367,000 have gone back to areas in which they are the minority.

According to the International Crisis Group (ICG) report *The Continuing Challenge of Refugee Return in Bosnia and Herzegovina* the economy in Bosnia is "moribund" and "dire" with unemployment standing at 40 percent.

The Dayton Peace Accords recognised the partition of Bosnia into the Croat-Moslem Federation and Republika Srpska (RS) and created a parliament based on the three "constituent peoples" enshrining ethnic divisions. Most institutions remain "staffed almost exclusively by members of the locally dominant nation" and children are taught in one of three curricula depending on their ethnic origin.

The ICG reports "while returns have risen steadily since 1999, the availability of funds to support this movement has declined just as steadily". Organisations such as the US Bureau of Population, Refugees and Migration and United Nation High Commissioner for Refugees (UNHCR) have recently stopped money for reconstruction. The European Union cut its budget from \$100 million in 1999 to \$25

million in 2002.

Western agencies have promoted privatisation as the panacea for the Balkan people but it has only enriched a new and narrow elite.

Former socially owned land has been privatised as with the land allocated for 6,000 dwellings for Serb refugees near the capital Sarajevo. The major beneficiaries have been ruling Serb Democratic Party bureaucrats who have received building contracts and profits from land sales.

In 1998 USAID initiated a voucher system overseen by 12 privatisation agencies. A large number of vouchers were distributed to war veterans that have ended up with leaders of the nationalist parties. Such was the case of Bosnia's biggest exporter Aluminium Mostar that fell into the hands of HDZ functionaries.

In contrast, the average monthly household income is less than \$100 and probably closer to \$50. A United Nations Development Program survey last year found 67 percent of the population in RS and 49 percent in the Federation were not earning enough to meet basic needs. The average wage in RS is "significantly lower than the cost of a typical basket of essential consumer items."

International organisations refuse to release figures on the number of attacks against minorities. They are rarely investigated by the police and often result in suspects being released. In the last two weeks of March this year the UNHCR reported that eight returnees have died as a result of attacks, landmines and abandoned grenades.

In Kosovo, nearly all the 850,000 Albanians who left when NATO bombing started in 1999 have returned. However only 5,800 have returned of the 230,000-280,000 non-Albanians who fled. These refugees are mostly Serbs but include several thousand Roma, Ashkaeli, Bosniaks, Gorani and Egyptians.

The Western powers are desperate to encourage Serb return to Kosovo to prove that the 1999 NATO intervention and the subsequent occupation of the region have not created a "mono-ethnic state". Western governments provided an initial injection of aid and assistance but according to one UNHCR Emergency Co-ordinator "The more bombing had no effect except to push refugees out, the more governments felt obliged to be caring for the refugees".

Subsequently, as the UNHCR report *The State of the World's Refugees* points out, "The funds allocated to NATO's air campaign had been massive but post-war investment—both politically and economically—once again proved minimal in comparison."

Since the NATO bombing stopped, Kosovo has, indeed, assumed the features of a mono-ethnic state sprinkled with enclaves inhabited by ethnic minorities.

In the Osojane Valley situated close to Serbia, nearly all

the Serbs fled after their dwellings were destroyed. For three years the valley lay deserted but by summer last year some 200 people had returned. However "the entrances and exits to the valley remain heavily guarded, the perimeter patrolled and only residents and those who receive clearance are allowed into the valley. KFOR has pictures of all residents, and copies of these pictures are kept at the entrance" (ICG Report *Return to Uncertainty: Kosovo's Internally Displaced*).

On October 10, 2002 pensioners from Osojane bussed into Pec/Peje to collect their pensions were met with petrol bombs and several hours of rioting.

Employment in Kosovo is estimated at 29 to 57 percent and as high as 85 percent in minority areas. The Kosovan economy remains dependent on aid and remittances from Kosovars living overseas.

Although the murder rate has decreased from 245 in 2000 to 64 in 2002 ethnically motivated crimes still go "largely unpunished". As a result of KFOR troop cutbacks two Orthodox churches were blown up in the town of Istog/Istok as recently as November last year.

Of 21,360 claims submitted to regain property only 835 had been resolved by October 2002. The Roma minority is in the worst position. Many are confined to "illegal" encampments that receive no aid whatsoever but even in the "legal" camps the authorities cut water and electricity when donors leave. Though they have resided in areas for many generations many Roma lack property documents and are thus denied the rights to residency.

Despite these facts most governments are cutting back on aid. The biggest donor is the European Agency for Reconstruction, which provided \$700 million in aid in 2000-2001. In 2002 the Agency decreased its contribution to \$150 million and this year will only provide \$50 million.

Footnote: [1] In the former Yugoslavia citizens were registered as citizens of one of the six constituent republics. Someone could live his whole life in one republic—enjoying occupancy rights ("stanarsko pravo") of state-provided housing—but be registered elsewhere. "At the time, this was of no practical relevance as all Yugoslav citizens enjoyed equal rights throughout Yugoslavia" (ICG Report *A Half-hearted Return: Refugee Returns to Croatia*).



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