

# Don't make old mistakes with new Marshall Plan

by Edward Spannaus

A significant focus of the Washington NATO summit—not envisioned in the original plans—was postwar economic assistance and reconstruction for the Balkans. This was a topic taken up at the hastily called meeting of NATO members with the seven “front-line states” bordering Yugoslavia on the last day of the summit. This followed proposals coming from President Clinton, and from Greece, Italy, and the European Union, advocating a “Marshall Plan”-type of postwar reconstruction program.

But there are significant pitfalls in the current level of planning and proposals—that they will be vastly insufficient in scope, strangled by the International Monetary Fund (IMF), and be limited to emergency aid and so-called “technical assistance,” rather than the type of industrial and infrastructure programs which are needed to make the Balkans a viable economic region, linked to the overall Eurasian Land-Bridge project.

## The errors of Bosnia

In a speech on “Reconstructing Southeast Europe” given to the New York Council on Foreign Relations on the opening day of the summit, April 23, President Emil Constantinescu of Romania warned the West not to repeat the failures of the Bosnia reconstruction plan. He also spoke of the importance of heavy industry and transportation. “Let us not make the errors that were made in the case of Bosnia, where hardly anything has been reconstructed, even though military operations ceased a long time ago,” he said. Then, politely not mentioning the role of the IMF, he said that in Bosnia, “reconstruction failed at least in part as a consequence of a failure to coordinate the efforts of the international community, and, in particular, to involve neighboring countries.”

“The goal of the reconstruction effort must be the development of the entire region, not just of the war zone,” Constantinescu continued. He added that the experience of reconstruction after previous wars shows that “if there is a broad array of projects to be done, more can be achieved if they are undertaken jointly rather than piecemeal. . . . It is a more promising proposition to rebuild heavy industry if one is also rebuilding refineries, and more promising to rebuild refineries if one is also building transportation routes to service them.”

In Constantinescu’s brief remarks to the meeting of “front-line states” on April 25, he said that the economic

reconstruction of southeast Europe must include both emergency measures—such as rebuilding destroyed areas and restoring navigation along the Danube—and long-term projects. He proposed that every summit meeting from now on—U.S., European Union, G-8, etc.—should include a panel on the southeastern Europe reconstruction plan.

Bulgarian President Petar Stoyanov promoted the concept of a Marshall Plan for southeastern Europe during the summit, and he said that greater integration with Europe is the solution for the problems plaguing the region. He called for a prompt end to the conflict in Kosovo, which he said is wreaking havoc on the Bulgarian economy. Stoyanov also called for easing or rescheduling debts for the countries bordering Yugoslavia, and he urged a “broad investment program” to be backed by western Europe and the United States.

## Macedonia specifies infrastructure projects

Besides President Constantinescu’s references to heavy industry and infrastructure, the most specific public statements were made by President Kiro Gligorov of Macedonia. Gligorov was critical of a number of the elements coming out of the meeting between NATO and the “front-line states” on April 25, and he put great emphasis on the need for a program of real economic development for southeastern Europe.

In a press conference at the end of the NATO summit, President Gligorov said he believes that without a capable financial base, the economic reconstruction program being discussed by NATO and the European Union will be of no avail, and will simply amount to verbal promises. Gligorov cited the Marshall Plan as the type of program that succeeded in changing the face of Europe because it had a solid financial base and an organizational structure. He said that his concern is that this will not be adequately done for the Southeastern Europe Initiative discussed at the summit.

This reporter asked Gligorov to elaborate his point about the economic reconstruction program, and asked if there had been discussion of transportation or other industrial infrastructure. Gligorov reiterated his concern about the need for an adequate financial and organizational basis for these projects, and he said that a plan similar to the Marshall Plan is needed, to link the countries of southeast Europe together, and to link them with western Europe. This would provide the basis for cohabitation and promote their joint interests. Gligorov emphasized that what is needed is “infrastructure projects, energy projects, water projects, and industrial projects.”

On April 26, President Gligorov met with President Clinton at the White House. Gligorov said that they discussed the issues of Kosovo and the refugees, that Clinton had also stressed the need for immediate economic assistance to the Republic of Macedonia, and Gligorov cited Clinton’s “readiness to go on the road for reconstruction and welfare of the people of southeastern Europe.”