

# Macedonia Has Peace, But Prosperity Proves Elusive

By JAMES PETTIFER

SKOPJE, Macedonia-The European Court of Justice begins hearings today on Greece's year-long trade blockade of the former Yugoslav republic of Macedonia. The Greek government has said that regardless of how the court rules it will not alter its position until Macedonia shows some flexibility over issues such as the name of the country. Such flexibility seems unlikely, however, as the Macedonians have bigger problems right now than the Greek blockade.

The average annual income in Macedonia has fallen to \$700, from about \$2,000 a year in the 1980s. This makes Macedonia the second poorest country in Europe, after Albania. Hundreds of thousands of workers and pensioners have not been paid for up to six months. Unemployment is running at about 25% of the adult work force. On the bright side, Macedonia has avoided involvement in the war in Bosnia and enjoys the protection of a United Nations force made up of several hundred (mainly American) troops. But peace is about all Macedonia has achieved.

Since declaring independence in September 1991, Macedonia has been recognized by most European Union countries. Greece, on the other hand, claims that the country's name and its flag imply a territorial claim on a northern region of Greece also known as Macedonia. This was the justification for the imposition of the trade blockade last February. In response to Greek concerns, the United States and several other key international players have still withheld recognition of Macedonia. As a result, the country has been deprived of much foreign aid. More significant, however, has been the effect of keeping U.N. sanctions going against neighboring Serbia.

In the old Yugoslavia, Macedonia was always at the bottom of the heap whether measured by economic, educational or any other criteria. Money from Belgrade was sometimes earmarked for investment in Macedonia, but often never reached the southernmost republic. Nonetheless, the two

economies were heavily integrated: Between 60% and 70% of Macedonia's trade used to be with Serbia. This trade officially ended following the imposition of U.N. sanctions against Belgrade, and the effect has been crippling for Macedonia. Greece's blockade clearly hasn't helped the situation, but it's the sanctions on Serbia that have had the biggest impact on the Macedonian economy.

There were great hopes in Skopje's diplomatic community that Macedonia's elections in October and November would mean a path toward peace and stability. The well-leaked plan of the EU ambassadors was for a decent, clean election, a deal with Greece to lift the blockade (involving a compromise over the contentious name issue) and a normalization of foreign relationships, with the country being admitted as a full member to the U.N. and other international organizations.

With Macedonia at the heart of the Balkans, none of these things have happened as planned. The elections were rubber-stamped by international observers but produced howls of protest from important leaders of the numerous minority groups and from the main Slav-Macedonian opposition party, whose members say they were gerrymandered out of parliament. Similarly, the elections yielded no progress in negotiations with Greece and Macedonia has yet to be admitted to vital international institutions as a full member.

What the elections did produce was a de facto one-party state, with no significant parliamentary opposition (84% of parliamentarians are counted as supporters of the president, Kiro Gligorov). Ethnic Albanians, who make up just under 25% of the total population of Macedonia, claim large numbers of Gypsies were moved into their constituency and paid by government agents to vote against the radical Albanian leader, Menduh Thaci. On the Slav-speaking side, the opposition VMRO-DPHME, the largest party in the last parliament, boycotted the last round of the election

to protest irregularities in the first two rounds of the elections (they under-pollled by as much as 50% in traditional strongholds such as Veles and Ohrid). The VMRO leader, Ljupco Georgievski, claimed recently that Mr. Gligorov has "hoodwinked international observers and managed an electoral coup."

The elections have affirmed Mr. Gligorov's hold on power. He has shown no willingness to compromise with Greece over the name issue, and November talks with the U.N.'s Boutros Boutros-Ghali broke down immediately. The U.S. seems no closer to recognition of Macedonia than earlier in 1994, and without massive new aid from either the International Monetary Fund or the World Bank, bankruptcy looms. But economic dependence on the West has less and less to do with political realities.

The electoral result clearly points to a much closer relationship between Macedonia and Serbia. The bureaucracy in Skopje is one of the most unreconstructed in the ex-communist states, and many top officials who were alleged to be involved in the election manipulation have close links to Belgrade. Whatever the truth of the allegations, it is indisputable that Skopje officials have been deeply implicated in sanctions busting. Indeed, one of the most visible effects of Macedonia's isolation (brought on by the sanctions against Serbia and Greece's trade blockade) has been a strengthening in the Skopje-Belgrade axis: The two governments are cooperating to support themselves economically. This cooperation has meant increased Serb influence in Macedonia's Interior Ministry, headed by hard-liner Ljubomir Frchkovski (who is often tipped as a likely successor to aging President Gligorov) and in the police and paramilitary forces. The sanctions have also boosted the role of organized crime, which plays a large role in shuttling goods between the two countries in violation of the U.N. mandate.

But while international attention has been focused on the disasters in Bosnia, Serbian leader

Slobodan Milosevic has been quietly securing his southern flank. The political expression of this has been Mr. Milosevic's initiative toward Greece. In December, he proposed a political confederation between Greece and Serbia that would give external expression to the increasingly strong and effective practical axis the two orthodox countries have over the southern Balkans. It is far from clear where this would leave the fledgling "Macedonian" state, or what the reaction of the neighbours would be.

Albania is probably too weak militarily and too much a client state of the U.S. to take any independent initiatives, but to the east Bulgaria's position is far stronger. The VMRO opposition in Skopje has strong Bulgarian links, and hundreds of thousands of Bulgarians are of Macedonian origin. It remains to be seen whether Sofia would be prepared to accept a practical annexation of the former Yugoslav republic by Serbia and Greece, which would result in an even deeper isolation of Bulgaria from Western Europe.

What is clear, however, is that there will be an increasingly isolated and artificial government in Skopje, kept afloat by dribbles of aid from the World Bank, while the country fragments. A descent into a Bosnian-type war is unlikely, thanks to the absence, of the Yugoslav army from Macedonian territory, but any stable, long-term future is difficult to foresee-with or without Greece's blockade. President Gligorov may play his role as the last heir of Tito, presiding over a mini-Yugoslavia for a while yet, but that is about all the international community can hope for.

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