

## Report from Bonn by Rainer Apel

### Talking reconstruction to death

*There are many promises to rebuild the Balkans, but as long as it relies on IMF methods, nothing will happen.*

Undoubtedly, Bonn, at this moment, is a center of world diplomacy on a Balkans cease-fire. In addition, the German government has become the host of talks on a reconstruction plan for Southeast Europe. The June 3-4 European Union summit and the June 18-20 G-7 world economic summit, both in Cologne, have the question of postwar reconstruction on their agendas.

The density of diplomatic activity is impressive. But, cease-fire or no, the fact remains: Neither the German government, nor any other government, has formulated a positive policy for the Balkans. No war is not peace, which is something the Germans ought to understand, having lived through the limbo of Allied occupation, between 1945 and the start of the Marshall Plan in 1948. The Marshall Plan, announced in 1947, did have its conditionalities, but they were nothing like those of today's International Monetary Fund, because they made possible the rapid reconstruction of German industry and infrastructure. Today, except for the supporters of the LaRouche-Nanic proposal (see *Feature*), everyone in Germany who is talking about a "new Marshall Plan" has only an IMF-controlled project in mind.

This became all too evident, when the government hosted a conference of 30 nations in Bonn-Petersberg on May 27, to discuss a "stability pact for southeastern Europe." What "discuss" means became clear from a background conversation which this author had with a senior Foreign Ministry of-

ficial, a few days before that conference, who said that "discussion" had already been placed in the hands of the usual bureaucrats.

Would the 30 nations actually discuss concrete proposals on what to do? I asked. No, came the answer; this was supposed to be a first meeting of high-level experts, and the initiation of a longer-term process of talks, which hopefully would be concluded by the end of this year, so that, then, one might be able to begin talks about the financial framework of the "stability pact."

Well, when would the Kosovars and the other Balkans war victims first receive funds for reconstruction? Not before the required "structures" were in place, the official said.

And, what about the war damage in Kosovo, Serbia, and Montenegro? Recent news reports had put it between \$3 and \$30 billion. Where was it on the scale? Well, it was virtually impossible to assess the damage, the official said, first of all, because the air strikes were continuing to destroy more infrastructure every day; also, inspectors have to be sent after a cease-fire, to get an assessment independent of the figures provided by local authorities.

All of that would take time, naturally.

But, time is exactly what the refugees, the war victims, and their neighbors in the Balkans, do not have. What are the refugees expected to do, when the cease-fire is declared? Return to a war-torn Kosovo, with no houses to live in, because the Serbs destroyed them; no power supply, which NATO

has bombed to smithereens; no harvest, because they were forced to leave before planting season? Are they expected to just wait for the inspectors to make the assessments on the damage, and wait another couple of months to see the beginning of real reconstruction? Kosovars have already seen that kind waiting, in Bosnia and Croatia, whose citizens are still waiting four years after the cease-fire.

The "Stability Pact for Southeastern Europe" resolution, which was passed at the Bonn-Petersberg conference on May 27, makes no direct reference to funds for the region, but does state that the leading monetarist institutions, the IMF, World Bank, European Bank for Reconstruction and Development, and the European Investment Bank "have a most important role to play," in the creation of "vibrant market economies" in the Balkans.

Assistant German Foreign Minister Wolfgang Ischinger was honest enough to admit that. "This is a long-term project; it will employ a whole generation of diplomats and experts," he told a Berlin radio interviewer on May 27. On June 1 in Berlin, Foreign Minister Joseph Fischer said that the process of "stabilizing southeastern Europe" would take "between two and three decades."

By comparison, rebuilding a Germany that was far more destroyed than Serbia is right now, took about ten years, with the Marshall Plan playing a catalyst role in the crucial four years between 1948 and 1952. By the late 1950s, Germany had achieved what became known globally as the "German economic miracle." The secret behind that "miracle" was speed, concentrated investment in industry and infrastructure, and generation of long-term, low-interest credit. What the politicians and experts of today are offering, is just the opposite. It can't work.