

Did Belgrade Win the War?

By JAMES PETTIFER

BELGRADE-In the heady days of last autumn when everything Richard Holbrooke touched seemed to turn to gold, the petrol station outside the Hyatt Hotel was renamed "Dayton." Those days are beginning to seem a long way away.

"Bring back sanctions, that's what everybody says. There was some money in people's pockets then." Radovan is a tall, thin astute young man who works in a bookshop, and is the kind of moderate, educated Serb that the future depends on. But with the evaporation of the post-Dayton euphoria, he is pessimistic about the future: "We all thought that there would be some international money here by now. But I haven't seen any of it."

In his quiet shop, volumes are priced at double what they would be in any other country because the price of paper and printing has skyrocketed. Although Serbia, has a developing private sector, it still depends on the old state industries for many commodities, and they are still in short supply as a result of sanctions and the war. Ordinary Serbs bravely try to cope amongst it all and are trying to rebuild their lives. It is an uphill struggle. Few people can afford to buy Radovan's books, so he wiles away the day doing crossword puzzles.

Down by the bus station, vehicles disgorge cargoes of pathetic refugees from Sarajevo, with dazed and sad little children clutching bundles of school books tied up with string. Sarajevo was the city with the most Serbs, after Belgrade, in the old days, and the refugee movements from burning suburbs like Ilidza are adding new

pressures on the economy and society, apart from signaling the likely death knell of Dayton at a political level. Although in the best Balkan traditions, family support networks stretch across hundreds of miles of mountains and fields as easily as across a village street, it will be tough to try to find jobs and accommodations for most of them. In the meantime, it is not uncommon to find anyone who has a job in Belgrade supporting 10 or 15 people.

The doings of Slobodan Milosevic and the Bosnian-Serb leaders seem rather remote amongst all this. Elections have to be held this year, but as always there seems little doubt that Mr. Milosevic will win. An opposition rally held to commemorate the anniversary of the famous March 1991 opposition demonstrations was moderately well attended 10 days ago, but the opposition, as ever, remains deeply divided. Priority objectives at the moment include agreement on a joint electoral list, rapid privatization, reform of the security apparatus, and restoration of the rule of law.

Speaking at the event, opposition leader Vuk Draskovic said: "Fear has overwhelmed the people of Serbia, and this regime is feeding on that fear. The picture of Serbia today is a black picture. We must shake them from inside, we must annoy them, we must protest."

And so they did-10,000 people according to official estimates, 30,000 according to the organizers. Unlike some previous years, the rally passed without incident. But Belgrade is in many ways an island of opposition to the government, as it has been since the beginning of the Yugoslav crisis five years ago, and there is little reason to think that the villagers and town dwellers of south and central Serbia will not turn out yet again in droves for Mr. Milosevic as the only leader they trust to defend their national interests.

Also caught in the same time warp are the Bosnian-Serb leaders, and paramilitary supporters of extreme nationalism such as

Zeljko Raznjatovic, usually called "Arkan," all alleged war criminals. Although there have been frequent predictions of a crackdown by the government, with a handover of at least one or two symbolic leading figures to the International War Crimes Tribunal at The Hague, most Serbs believe the time for arrests has passed and an opportunity has been missed. Radovan Kardzic and Ratko Mladic remain free, and although there is no reason to believe their war weary people will back more expansionist adventures, there is equally little reason to suppose the fiercely tribal Bosnian-Serbs will abandon them totally either. Mr. Karadzic seems content to wait for Dayton to collapse in ruins, and with the Serb exodus from Sarajevo well under way and Muslim-Croat divisions still acute under the surface, there is every prospect that his patience will pay off.

Arkan's legitimate business interests seem to be flourishing, with a new shopping mall opening that would not be out of place in downtown Atlanta or Washington. His famous bakery is thriving, selling what is reputedly the best bread in Belgrade, even patronized quietly by some guilt-ridden foreign diplomats' wives.

Back in his bookshop, Radovan is philosophical about it all: "Arkan has too much on Milosevic. Milosevic cannot afford to arrest him. It is the same with all of them. They are spiders in the same web. The war crimes people don't have any soldiers to come here and arrest them. So nothing happens."

At a macroeconomic level, other problems loom. When sanctions were lifted last autumn it was hoped that the freeing of Serbian agricultural exports would act as a motor for the whole economy, particularly as Serbia had a record wheat harvest and important traditional customers like Russia were eager buyers. There were certainly sales, but what actually happened to the money seems elusive, with central bank governor and economic wizard Dragoslav Avramovic saying on Feb. 29 that the National

Bank was reluctant to finance this year's sowing until it was clear what had happened to the revenue from last year's sales.

Although inflation is well under control, with the billion dinar notes of two years ago fetching high prices in Switzerland as collectors items, unemployment remains very high, with an official figure of 785,000 on the register. Most of these are people without higher education, and employment opportunities are poor. They form a ready audience for political extremists, and a recruiting ground, as in Croatia, for Mafia and paramilitary groups. The ending of formal hostilities has dumped thousands of young men onto the labor market whose only work experience has been the military, and sometimes only in the more vicious and unsavory aspects of a civil war.

One foreign diplomat commented privately that the U.S. was in danger of creating a new Versailles with the Dayton agreement, with a cowed and permanently impoverished Serbia being endlessly humiliated by a greater Croatia. At the moment, Zagreb certainly seems to be the only real victor in this war, with the 1995 exodus of the Croatian-Serbs the biggest piece of ethnic cleansing to have taken place. At the time it seemed a welcome corrective to Serbian conquests in Bosnia, but it may leave a bitter political harvest for the West-the U.S. in particular.

There are many parallels between Weimar Germany and the present situation of Serbia. Both had an embittered and defeated population, internal minority problems, territorial or border disputes with almost every surrounding country, and an overly large military apparatus.

In the meantime, although the snow is melting, it doesn't seem like spring here. The international community has a race against time to hold the Dayton process together, and to prevent Serbia from grinding to an economic halt.



Richard Holbrooke



Slobodan Milosevic