

After the elections in Croatia: a Marshall Plan, or a new war?

by Elke Fimmen

The parliamentary elections in Croatia of Jan. 3 brought to power a coalition of the two main parties, the Social Democratic Party (SDP), led by Prime Minister Ivica Racan, and the Social Liberal Party (HSL), led by Drazen Budisa. These two parties won 75 seats in the new Parliament, and are supported in a coalition by four other parties — the Croatian People's Party (HNS), the Croatian Peasant Party (HSS), the Liberal Party (LS), and the Istrian Democratic Party (IDS) — such that this new bloc forms a solid majority of 95 seats out of 151. The HDZ, the former ruling party of President Franjo Tudjman, who led the country since the first multi-party elections in 1991, through independence, until shortly before he passed away on Dec. 10, 1999, won only 45 seats in the Parliament. It thus suffered a big defeat, but remained the single biggest party in the Parliament. The other seats are held by five ethnic minority representatives, and another five by small conservative parties.

On Feb. 7, Stipe Mesic, who was the candidate for President of Croatia of the four smaller parties in the new ruling coalition, won the run-off election against the candidate of SDP-HSL, Budisa, with a clear majority. Mesic was the last President of the all-Yugoslav collective Presidency in 1991, before it broke apart. He was a co-founder of the HDZ, and was president of the Croatian Parliament, until he left the HDZ in 1994 over disagreements with President Tudjman's policies.

Ivica Racan, the new Prime Minister, was a member of the leadership of the Yugoslav League of Communists, and became its Croatian president in 1989. He has led the SDP of Croatia since independence. From 1995 until the recent election, the SDP had been the largest opposition party.

Economic crisis

The country is facing a high rate of unemployment, around 20%. It went through years of economic liberalization and monetarist policies, which were imposed by the International Monetary Fund (IMF) and the World Bank, and were complemented by internal machinations in the privatization process, which led to huge bank failures and massive losses in the real economy. Further, the country has still not recovered from its war of liberation, beginning in 1991, against "Greater Serbian" aggression.

Croatia is also suffering from the NATO war against Yu-

goslavia over Kosovo during 1999, in which the countries of the region were economically devastated, and nations such as Romania, Bulgaria, Macedonia, Albania, and Bosnia left teetering on the brink of social explosions. The situation in Kosovo has dramatically deteriorated politically in recent weeks. No economic assistance for civil reconstruction was forthcoming during the winter months, as had been promised by the so-called Stability Pact, whose members are going to hold another "donors meeting" in late March.

The change of government in Croatia has been strongly welcomed by the U.S. Clinton administration and the European Union. Now, however, is the hour of truth: Will Croatia receive substantial material support and be allowed to contribute positively to the desperately needed economic reconstruction and development of the region on the basis of respect for national sovereignty? Or will it be gripped even more tightly by the IMF, the World Bank, and Maastricht Treaty policies, and be forced to serve as a junior partner in NATO's new confrontationist policies against Russia and China? The answer to these questions will be crucial for the Balkan region as a whole, and above all, for world peace.

Interview: Faris Nanic

'We are expecting a fifth Balkan war'

On Feb. 9, Croatian political leader Faris Nanic gave a first-hand evaluation of the new political situation in Croatia and the problems facing the new government.

Mr. Nanic is Secretary General of the Party of Democratic Action (SDA) in Croatia, which participated in the general parliamentary elections. He is trained as an engineer, and, in 1996, he served as chief of cabinet of Bosnian President Alija Izetbegovic. In September 1999, on the invitation of the Schiller Institute, he travelled to the United States to present the Call for a Marshall Plan for Southeastern Europe,