

The Present Situation in Albania



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Briefing of the
Commission on Security and Cooperation in Europe

ABOUT THE ORGANIZATION (OSCE)

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The OSCE is engaged in standard setting in fields including military security, economic and environmental cooperation, and human rights and humanitarian concerns. In addition, it undertakes a variety of preventive diplomacy initiatives designed to prevent, manage and resolve conflict within and among the participating States.

The OSCE has its main office in Vienna, Austria, where weekly meetings of permanent representatives are held. In addition, specialized seminars and meetings are convened in various locations and periodic consultations among Senior Officials, Ministers and Heads of State or Government are held.

ABOUT THE COMMISSION (CSCE)

The Commission on Security and Cooperation in Europe (CSCE), also known as the Helsinki Commission, is a U.S. Government agency created in 1976 to monitor and encourage compliance with the agreements of the OSCE.

The Commission consists of nine members from the U.S. House of Representatives, nine members from the U.S. Senate, and one member each from the Departments of State, Defense and Commerce. The positions of Chair and Co-Chair are shared by the House and Senate and rotate every two years, when a new Congress convenes. A professional staff assists the Commissioners in their work.

To fulfill its mandate, the Commission gathers and disseminates information on Helsinki-related topics both to the U.S. Congress and the public by convening hearings, issuing reports reflecting the views of the Commission and/or its staff, and providing information about the activities of the Helsinki process and events in OSCE participating States.

At the same time, the Commission contributes its views to the general formulation of U.S. policy on the OSCE and takes part in its execution, including through Member and staff participation on U.S. Delegations to OSCE meetings as well as on certain OSCE bodies. Members of the Commission have regular contact with parliamentarians, government officials, representatives of non-governmental organizations, and private individuals from OSCE participating States.

THE PRESENT SITUATION IN ALBANIA

FRIDAY, MAY 23, 1997

COMMISSION ON SECURITY AND COOPERATION IN EUROPE
WASHINGTON, D.C.

The briefing convened, at 2:00 p.m. in room 2200, Rayburn House Office Building, the Honorable Eliot Engel, U.S. Representative and Co-Chairman of the Albanian Issues Caucus, moderating.

Mr. **Engel.** I want to thank everybody for coming. I'm Congressman Eliot Engel. I represent the 17th District of New York. I'm also Co-Chairman of the Albanian Issues Caucus, and I'm here for myself and for my colleague Chris Smith who, unfortunately, had to be called away at the last minute.

I am delighted that today the Helsinki Commission, together with our Congressional Albanian Issues Caucus, takes a look at the present situation in Albania. In the early 1990s, Albania was a country of hope emerging quickly from decades of Stalinist repression and isolation with an inspiring enthusiasm. Presently, it appears to be a country of hopelessness, unable or unwilling to overcome a steady pull toward violence and anarchy.

When I first visited Albania several years ago, I really was hopeful. I met with the governmental people. For a good many years afterward, I said that I felt that I was having dinner with George Washington and Thomas Jefferson, people who were founders of a new Albania. On my last trip to Albania, just several months ago, I accompanied the former Austrian Chancellor Franz Vranitzky with the OSCE in trying to negotiate a settlement for all the parties concerned.

Today we will focus on what the international community is doing to respond to the crisis in Albania since the collapse of the pyramid schemes in the beginning of the year which led first to protests, then to rebellion, and now to political stalemate. Albanian watches disagree on the causes of the crisis and who is at fault. The current impasse over the holding of elections in June, however, rests squarely on all of the parties. I have indicated to our State Department people and in conversation with Secretary Albright that the United States really needs to remain engaged in Albania in order to prevent a disaster from occurring.

We are very saddened by the events of the past several days, and the polarizing politics in Albania. It's totally unacceptable right now, and we don't believe that it should continue when the country may be on the brink of taking another plunge into chaos. It threatens the ability of the international community to justify its own presence in the country. Just today the Washington Post had an editorial entitled "The Albanian Mess," talking about Italy and some of the positive things that Italy has been doing in Albania, and saying essentially that we have a stake in Italy's success in putting Albania on a path to stability. Obviously, that path is somewhat precarious.

The international community in many ways has been willing to help Albania find a way out of the crisis. There's widespread sympathy and support for Albania certainly in this country. Military and civilian personnel from many countries are being deployed by governments and non-governmental organizations at considerable cost and risk for this purpose. Ultimately, Albania's political leaders must themselves want to find a way out. I pointed that out in an article I wrote for the Christian Science Monitor a few weeks ago--essentially saying, in the end, that resolution of the crisis rests squarely in the hands of the Albanian people. They can lurch toward anarchy or choose the path of reconciliation. So I urge all of Albania's political leaders to find a way out, and to put their country's survival and the lives and well-being of its citizens ahead of their own quests for power. If they are unwilling to do so now, they are first and foremost responsible for the consequences.

Free and fair elections are critical to Albania's effort to restore democratic government and a sense of normalcy. I'm deeply concerned by the impasse currently gripping Albania's political system. All parties must try to reach a compromise on the election law and other procedural issues dividing them. The June 29th date for elections must not be bypassed. Certainly elections need to be held, if not on that exact day, then not much later than that.

Before I introduce our panelists, I also want to tell you this: In a recent meeting just last week in the United States Capitol Building, I informed Prime Minister Bashkim Fino I was greatly impressed with his cooperative approach to resolving Albania's crisis. It is my hope that other Albanian leaders will follow the example set by Prime Minister Fino by seeking to pass an election law fair to all parties through a process of compromise rather than confrontation. -

For many years now I have said that it is important for the United States to remain engaged and to help Albania. It's a small country and, therefore, obviously, a little bit of help goes a long way. I also feel that the international community, especially the United States, has an obligation because, again, for so many years Albania lived under Stalinist-type rule, and was the most closed society in Europe. The people there were fed a steady dose of anti-Americanism for many years. You would think that, having been fed a steady dose of anti-Americanism, some of it would seep through. That has obviously not been my experience. I have found that the Albanian people love Americans, love all things that are American, and want America and Albania very much to be close allies and close working partners in bilateral relations. I have found that to be very heartening. I have rediscovered the warmth and friendliness of the Albanian people every time that I have gone there as a representative of the United States. The minute people on the street find that I'm an American, I get embraced, and it's something that I'll never forget.

It's true in Albania, it's true in Kosovo, it's true with the Albanian people wherever I go. So I do think we have a special obligation. What the Albanian Issues Caucus has been trying to do for the past several years here in Washington--in the U.S. Congress--is to educate our colleagues about Albania, and all issues involving Albania. Again, even in Kosovo or in Albania, we have extensively increased our margins, our number of members we have. I think that the Congress is much more informed about Albania than it had been previously.

But today, we have presentations from four experts in specific areas where the international community is trying to help Albania. First, we have Julius Varallyay, principal country officer in the office for East Central Europe at the World Bank, who has recently returned from Albania and will speak on the economic and financial needs for recovery. Next, we have

Janice Helwig from the Commission staff who represents the Commission on the U.S. delegation to the OSCE in Vienna. She will provide some details and analysis of the OSCE presence in Albania, both in terms of Chancellor Vranitzky's facilitation of dialog between the disputing parties, but also in terms of technical preparations for the June elections, and their international observation.

I want to say on a personal note that when I was over in Albania and in Vienna recently, in my recent trip, I was the American delegate to OSCE helping to negotiate between the political parties. I worked very closely with Janice. She's really doing a very fine job, and it's good to see her again. We made some great progress that day in terms of getting President Berisha to agree to an interim coalition government, and to agree to elections. I think it is this type of international presence that really does make the difference, and that the Albanian leadership understands that we are engaged, and we are not about to turn our backs. But ultimately they have responsibility for their own country. So, again, it's good to see Janice here and, having worked with her firsthand, I know the fine job that she does.

Next, we have Stefano Stefanini of the Embassy of Italy. He will speak of his government's views and concerns about what is happening in Albania with a focus on the multinational protection force which Italy leads and is mandated to secure the delivery of humanitarian aid. He will also talk about Rome's proposal for an international conference on Albania.

On a personal note, I want to just say that on my way back from Albania the last time, I stopped off in Rome and met with Italian Foreign Minister Dini and some of his associates. I had a very positive and good meeting. We talked extensively about Italy's proposal for an international conference on Albania, both dealing with economic and political issues. I happen to think it's an excellent idea, and believe that the United States, again, must be a very active participant in it. I want to publicly commend the Italians for what they are doing in Albania, and in terms of the working relationship between the United States and Italy with Albania. It's my observation that our relations couldn't be closer. It's very good to see that kind of partnership between Italy and the United States. I want to say that publicly, and commend the very positive role that Italy has played.

Finally, Avni Mustafaj previously served as director of the Open Society Foundation for Albania. He will describe the opportunities that are available for NGOs to facilitate Albania's long and now quite difficult transition to a European democracy. While governmental efforts get much attention, the work of the many NGOs dedicated to building democratic institutions in Albania, Bosnia, and other countries in the region are indispensable if new generations are to emerge in these countries which better understand our concepts of social tolerance, and the rule of law.

So, let me start by calling on our first panelist, Julius Varallyay.

Mr. **Varallyay**. Thank you very much, Congressman. Ladies and gentlemen, for those of us who have worked in Albania for a number of years and, in a way, became almost emotionally attached to that country, these days have been very trying. We were very happy that recently, in early May, the opportunity arose for us to mount larger technical missions to visit the country. Indeed, as Congressman Engel said, I just came back from a 2-week visit to Albania. I have to say this was a visit largely limited to Tirana and Durres under the circumstances, but it was very good to be back and to see what could be done in the near future to help the country come back to some path of stability, but--in the parlance of institutions like the World Bank--the path of sustainable economic growth.

Now, I'd like to very briefly structure my presentation to you around four points. The first point is Albania's immediate needs. The second point is the conditions of support for a more comprehensive donor assistance program. The third point is defining the key elements of a recovery program in the post-crisis period. The fourth point involves the next steps and donor coordination.

Now, on Albania's immediate needs, I found it positive to note that, unlike in 1991 and '92, Albania situation is not that it needs major injections of humanitarian and food aid. After all, the country has not come out of a total collapse. The Albanian economy, up to the winter, was functioning properly. It was still a growing economy, although fraught with some difficulties, particularly in the fiscal and financial sectors. But basically, it was an economy that continued to grow at 6 percent. Agriculture was active. It wasn't a very good harvest, but there was a harvest. Commerce was in full activity. Imports were coming into the country. So, as a result of all this, in the spring of 1997, right after the crisis, there was no major food crisis, no major humanitarian aid crisis.

Now, this is not to say that some food aid is not required, that some emergency supplies are not required. In fact, those are being provided by several specialized agencies and bilateral sources as well as NGOs. But, luckily, this is not a major calamity when you look at the destruction that had taken place in Bosnia. In that sense, this is not a major emergency, and it will not require a major reconstruction program, shall we say, on a Bosnian scale. But there will have to be a reconstruction program; obviously, infrastructure, public buildings, social infrastructure, hospitals, schools have been damaged to varying degrees and, of course, for normalcy to return in the country, these will have to be fixed as part of a medium term program.

Now, the donor community, at this time, looked at the requirements of a broader, comprehensive recovery program. While these immediate limited scale requirements are being met from bilateral sources, and through specialized agencies, we began to put together the concepts of a comprehensive recovery program, because we believe that will need to be put in place so that Albania can, in the post-crisis period, again attract massive donor support from abroad. Clearly, the Albanian economy in its present state will not be able to produce the resources necessary to fund such a recovery program. So, external assistance will be a key to the implementation of such a program.

Donor assistance, however, will be conditioned on certain things. Albania will need to make progress in certain areas so that external donor assistance can be efficiently absorbed in the country. We have identified four major areas where progress will need to be made before comprehensive assistance can be used for good purposes in the country.

First of all, public security needs to be improved because, in the absence of security, normal economic activity cannot take place. The state cannot even collect taxes or customs at the border crossings. So, basically, security is a precondition for any economic and financial recovery program. We have emphasized this in our discussions with the government. And, the donor community (when I say the donor community, I mean not only the sister institution, the IMF, but also the European Union, the key bilateral donors, the EBRD) all see eye-to-eye on these issues, and there is a very strong agreement that, indeed, most donors see that progress will need to be made in these areas by the Albanians before we can assist. So the first area is security.

The second area is that we need a government which is functional--a government which

is a credible partner for purposes of decisionmaking, for purposes of designing and implementing programs, managing the budget, managing the expenditure programs, and a government which is in control of the whole territory of the Nation, which is not the case, unfortunately, today. Clearly, in this respect, the upcoming June 29 elections, we all hope, will play a very positive role and help create such a government in Albania, so that a government with a clear mandate will be in a position to address the issues of recovery soon.

The third area, which is extremely important for absorbing outside help, is for the Albanian Government to make progress in fiscal consolidation. The revenues of the states have collapsed. Economic activity has been interrupted. Many enterprises have not as yet restarted. Because of damages to private business installations, business activity is not back to usual levels. This limits the government's ability to revive a fiscal system without which simply a state cannot exist. So clearly, it will be very important that the government fully improve the security and the political climate in the country, begin to run the treasury, run the budget, and hopefully sooner than later seek an understanding with the IMF so that a stabilization program can be put in place to provide the framework of discipline and public finance necessary to return the country to a sustainable economic growth path.

Now, the fourth area where progress will have to be made as a condition for external help is to deal with these pyramid schemes that triggered the crisis in Albania. Without resolving these issues, it will be very difficult to have financial services in the country that businessmen all require, and without which normal business activities, as we understand it in a free market economy, cannot simply be restored. Therefore, we have shared all these four concerns with the government in a meeting last Friday with the Prime Minister, and we emphasized that the whole donor community is looking toward progress in these four areas: security, governance, fiscal reconstruction, and the pyramid schemes.

If the government will move on these four areas and make solid progress, then we see very good prospects for the implementation of a comprehensive recovery program. Albania's recovery program would need three main pillars. The whole approach to this recovery program on our part is the following: We start from the premise that the problems that existed in the public sector management in Albania before the crisis are still there today. So basically a recovery program should not only be addressing immediate, urgent needs that arise out of the recent crisis, but it should go back to the agenda of the medium-term reform program which is necessary if the country is to progress and grow on a sustainable basis.

The three major pillars of this recovery program are 1) governance and institution building; 2) economic and social policies; and 3) measures, policies, and programs and funding to help revive economic activity in the country.

On the first one, governance and institution building, the most important will be to create a judiciary system in the country that can attend to the needs of businesses, and those who are engaged in the economy, so that conflict resolution can take place in an orderly manner, and so that an independent judiciary is there to guarantee and safeguard all the conditions that are necessary in a free market economy. Without going into the details, this will involve training, assistance to the judges, and the provision of infrastructure that will enable the judiciary system to function properly. So this is certainly very important. The second element of institution building is something that we already discussed with the government in the past, which is to help with civil service reform, so that the Albanian Government becomes hopefully a leaner, but also a stronger, more effective government for pur-

poses of policy design and implementation.

We believe that steps should be taken to help create a civil society in Albania by encouraging NGOs. We had extensive meetings with some of them recently, and we were impressed how much they are doing, even these days, at the grassroots level. So it's certainly something that Albania will need to benefit from.

The second area, economic and social policies, constitutes an essential part of fiscal reconstruction--also a precondition for the intervention of the donor community. Of course, macroeconomic stability has to be safeguarded. Confidence in the currency will have to be maintained. You have to have monetary policies that favor stability. We very much hope that an IMF mission that is current in Tirana will make some progress, and that as soon as a new government comes in, the expectation is that we can have specific programs, and the IMF is certainly looking forward to that.

Then, another very important area is something I already touched on, the financial system. In other words, financial policies. In the financial sector, we have two major areas. One is the existence of informal financial enterprises, the pyramid schemes, which triggered the crisis. We have the formal sector, the state-owned banks, which have not done well over the last few years. The government will need to deal with both. One has to be brought under control and phased out, and the other one has to be restructured and eventually, via privatization, strengthened. The involvement of private banks in providing financial services to the business community is indispensable.

In the post-crisis period, social policies will be very important-- social programs and social safety nets. We believe that Albania had a very good program, the NdimeAE7 Ekonomike, which is a well-designed, albeit small, social safety net program. We believe that this program will need to be expanded and strengthened so that they can provide assistance to an increasing number of citizens in need.

In the area of reviving private economic activity, one of the most important elements will be to undertake the kinds of programs that help generate jobs, provide some comfort and some funding for those businesses that suffered major damages, and provide guarantees, if necessary, involving banks from abroad to make available financing. Thus, businesses that have interrupted their activities in Albania will come back and will restart.

Part of the revival of economic activity will be, of course, continued emphasis of infrastructure improvements and infrastructure rehabilitation and, in fact, further new development as part of the recovery program. Those of you who know the country will understand how important it is in Albania to improve transport facilities, roads, water supply, sewage systems, and telecommunications, so that economic activity can be revived. The last point I would like to make is that this recovery program must be supported by the broader donor community, because without comprehensive support, it is unthinkable that this could be implemented.

My last point relates to the conferences I have already mentioned. The Government of Italy has taken a very worthwhile initiative in organizing a preconference next Monday in Rome, to be followed by a donor conference under the aegis of the General Affairs Council of the European Community. We from the World Bank, the donors, hope the Albanian Government will be represented, and that this preconference will be useful in organizing a donor conference after the elections. Programs will be fully identified, cost estimates made available, and then the various donors can pledge funds in support of Albania's high priority.

So this is what we are working on: a full-fledged donor conference after elections with the new government. We hope that this can be organized sooner than later so that we can play our role in the recovery program of Albania.

Thank you.

Mr. **Engel**. OK. Thank you.

Instead of going to our next panelist, because Mr. Varallyay has to leave, I was wondering if there anybody has any questions they might want to ask before we go to the next panelist. If not, we'll just go on to the next panelist.

OK. Before I call on Janice Helwig, I just want to mention the presence of Albania's Ambassador to the United States, Lublin Dilja, who is here with us afternoon. We welcome him here. OK. Janice Helwig.

Ms. **Helwig**. Thank you. I'd like to give you all some information on the OSCE's involvement in Albania. I'll give you a little bit of background, but focus on what the OSCE is doing today and what some of the plans are for the future. As most of you know, as of today, the plans for the future are very much in flux and depend a lot on what the parties in Albania decide in negotiations going on today. So, I can't answer too much about that right now.

If you all have any specific questions later on Chancellor Vranitzky's individual trips, or some of the points of the political agreements that he's negotiated, I would also be happy to answer those.

The OSCE became involved in Albania in March in response to the deteriorating situation there and on the request of the Government of Albania.

The OSCE's overall aim is to assist Albania as a member of the OSCE to regain stability and strengthen democratic processes, respect for human rights, and the rule of law. The goal is to build democracy. The OSCE therefore strives to be neutral. We do not support any particular political force in the country. The OSCE believes that free and fair elections are the only way that Albania can restore a climate with normal democratic life and public confidence in the political system and state structures.

To assist Albania, the OSCE has taken a two-pronged approach: political advice and mediation by former Austrian Chancellor Franz Vranitzky, and technical help for the preparation of new parliamentary elections. The latter also includes assistance with broader democratization issues that impact on an electoral climate, such as freedom of the media. The mandate of the OSCE presence in Albania was given by Permanent Council Decision 160 on the 27th of March, 1997. In brief, it is to provide the coordinating framework within which other international organizations can play their part in their respective areas of competence, provide assistance and advice in particular in democratization, the media and human rights, assist in election preparation and monitoring, and to explore other possibilities, including monitoring the collection of weapons.

According to PC Decision 160, the timeframe for the OSCE presence will be reviewed after the holding of elections. Based on the March 9th agreement between all political parties in Albania to hold elections by the end of June, the OSCE at this point has planned for about a 3-month presence. Until the elections, the focus will be on the coordinating role for international assistance, and on the elections and election related activities and programs.

Following the elections, the OSCE will review the situation with the Government of Albania to determine what assistance the OSCE might provide in rebuilding the country. This could include helping strengthening democratic institutions, such as the judicial sys-

tem, or it could mean specific programs, for example, help with media programs, or in the economic dimension.

Let me turn now to Dr. Vranitzky's activities in Albania. As you probably are be aware from the news, he gave political factions in the country a deadline of last night to reach an agreement on the framework for elections. The latest information I have is that the talks are continuing today with the participation of Vranitzky's deputy, Ambassador Grumeyer on the ground in Tirana. The talks went on until about 1:00 a.m. this morning. They broke down last night without agreement. Today, however, I understand that the parties have reached an agreement on the point of the electoral law.

What I understand is that everyone has agreed except the Socialist Party, who has said they will agree only if the OSCE will guarantee perfect elections. The OSCE, of course, cannot do that. It's up to the Albanians themselves to hold free and fair elections. The OSCE will do what it can to assist them in doing that. Vranitzky and the Mr. Staudman, director of the OSCE's Office for Democratic Institutions and Human Rights [ODIHR], will be meeting tonight in Vienna to discuss what they can do.

The chairman in the office of the OSCE, Danish Foreign Minister Helveg Petersen, appointed Vranitzky as his special representative to Albania in early March. He's gone to Albania five times so far in this role. Most recently, last Thursday. During his first visit, he concentrated on building dialog between the political factions. This resulted in March 9th in a general political agreement which was to form a government of national reconciliation and to hold new parliamentary elections by the end of June.

Since then, he's been working with the parties mainly to get agreement on a framework for the elections. Originally, Vranitzky favored changing the electoral law as little as possible, mainly because of the short amount of time until the elections. He made several recommendations to the current electoral law, then to one proposed by the Democratic Party. What he stressed was that, ultimately, it is the responsibility of the Albanian political parties to establish their own basis for elections--one that reflects the will of the Albanian people.

During his visit last week, Vranitzky believed that they were very close in terms of what they wanted from the new law, had hoped that they would be able to reach a compromise. The Democratic Party, however, pushed their own version, the new version, through parliament early last week. Then another version was proposed by the Government of National Reconciliation. This is why Vranitzky went back a second time last week, hoping to help the parties to reach a compromise, which hopefully they did reach today.

My understanding, however, is that his trip to Tirana last week has left him, and to some extent the OSCE, a little bit frustrated. Vranitzky has reported that he found a climate of deep distrust among the parties concerning the electoral law. He's concerned that, unless the process starts immediately, the electoral administration in Albania will not have time to carry out the technical preparations effectively and efficiently. It could jeopardize the planned assistance that the international community is prepared to offer for the elections, and even call into question the international community's willingness to provide economic and financial support. I have also heard that Vranitzky has been frustrated with the Albanian political parties in that he feels they seem more concerned with gaining their own political power than in what they can do to help lead Albania out of the current problems. In addition to that, the parties' demands have been changing constantly, making it very difficult for him to solve specific problems. Until the issue of the electoral law--the framework under which they'll

hold the elections--is settled, deployment of most of the OSCE expert personnel through our Office for Democratic Institutions and Human Rights has been put on hold. Most people were expected to arrive on Monday, and they have put their plans off for a while.

Now, I'll describe the OSCE presence itself, and what the technical experts plan to do if there is an agreement.

Mr. **Engel**. Excuse me, Janice, as you can hear, I have to leave for a vote. So I'm going to turn now the meeting over to Bob Hand, and to my legislative director Jason Steinbaum.

Ms. **Helwig**. Thank you.

Our first Office for Democratic Institutions and Human Rights fact-finding mission took place from April 4-7. At that time, the election preparations were dependent on the restoration of order in the country, and the arrival of the multinational protection force. The ODIHR recommended the establishment of impartial and credible electoral authorities at all levels open to international monitoring, limiting changes in the electoral law (making some limited changes in the electoral law, but not major legal or constitutional changes on the presumption that a new parliament may want to make those changes themselves following the election). The ODIHR recommended guarantees of proper behavior on the part of the media and the police forces, and foreign assistance for technical matters such as the reconstitution of the voters registration and training of electoral officials.

The most recent ODIHR plan is for a total presence of about 100 field officers. These would work in teams of two, spanning out across the country from four base-scaled offices to assist in elections preparations. The four field offices envisioned now would be in Shkoder, Fier, Gjiro Kastrë, and Korce. They were chosen on the basis of infrastructure, communications, housing, and accessibility to different parts of the country (to hopefully allow the OSCE teams to use them as a base from which they could operate and cover all of Albania).

The field officers would establish contact with local government authorities, citizens groups, nine governmental organizations, and representatives of other official and private international organizations, and assist in the coordination of these activities. In preparation for the elections, they also would provide advice and assistance to the OSCE ODIHR experts about the regions that they would cover and supportive work on the parliamentary elections. The overall international monitoring effort is also to be coordinated by the OSCE and, in accordance with a six-point political agreement of May 9th, the OSCE will name an international coordinator for observation who will present the international statement on the conduct of the elections. Under this political agreement, the parties in Albania have agreed that they will not contest the findings of the international coordinator.

A core team of experts was deployed in April and early May. The current total is somewhere about a dozen people in Albania. As I said, the rest of the election experts who were scheduled to arrive on Monday have been put off until the question of the electoral law is settled. These experts under the ODIHR are to provide technical assistance to the authorities in Tirana. Unfortunately, their late arrival is going to slow down the preparation of the elections.

Security considerations also make it difficult to plan the monitoring of the elections on election day itself. The new director of the ODIHR, Mr. Stoudmann, has been discussing the matter with the steering committee of the multinational protection force. He is in Tirana today--he arrived yesterday--to discuss with the Albanian authorities and with the OSCE presence on the ground alternative possibilities of how to conduct the elections. He'll report

to the OSCE Permanent Council in Vienna tomorrow, and Vranitzky's deputy who is resident in Tirana, Austrian ambassador Grumeyer, also plans to be at the OSCE Permanent Council to discuss the future actions with the participating states.

Mr. **Hand**. Thank you very much.

Next we go to Mr. Stefanini.

Mr. **Stefanini**. Thank you very much. I should be brief because my computer destroyed my presentation. [Laughter.] This happened about an hour before coming over when I was trying to put the finishing touch to my presentation. So I'll have to resort to memory, notes, and hope for political correctness. For a diplomat not to be politically correct would be a cardinal mistake.

It is obvious that Italy has a direct interest and involvement in the Albanian crisis. It is obvious, but it would not have been so obvious just a few years ago. If you ask any of my generation in Italy--I'm an early baby-boomer--which are our neighboring countries, I doubt that Albania would come to anybody's mind. In my personal experience, I tried twice, I got twice close to Albania. Once I couldn't, and I was sort of rejected at the Greek border. The second time I was hoping not to get there by mistake. I was sailing, and a landfall in Albania would have created a problem especially to my partner on board. His mother was Albanian, and I kept telling him, look if we get to Albania, I'll be released, you'll be kept for the draft.

Then, all of a sudden, Italy discovered Albania lying 80 miles across the Adriatic. When turmoil or instability or problems would hit home in Albania, the Albanians would jump on crowded boats and try to sail to Italy. For us, I think this was the day of reckoning. I think such a situation sounds quite familiar here in this country.

We've gone far beyond that at this point because Italy, since 1991 when we had a much larger crisis in terms of refugee flow, has been actively involved in cooperating with Albania. We have invested in Albania. So we also have a direct economic stake in the success of Albania and of Albanian society. Thus, we do not want to see the entire region taking off without Albania.

Nevertheless, I think it would be misleading to look at Italy's attention to Albania as dictated by strictly a national view. Basically, we think that the Albanian crisis has to be solved, and Albania has to get back on the track of democratization and economic progress for the sake of the entire region. Make no mistake, there cannot be stability in the Balkans without stability in Albania. I think this is the rationale which has to guide the international community's attitude toward Albania. Why? The much feared danger of spillover has not materialized, but you could not have for a long time an unsettled situation in Albania without spillover in the neighboring countries of the former Yugoslavia, which have problems, where the international community has already invested a lot in terms of resources. We have too much at stake in the Balkans, in Bosnia, to have it jeopardized because of neglect of one part of the region. We think that no part can be insulated.

What appears to be a local or locally-driven situation, because after all the collapse of the pyramid schemes did trigger a situation which was relatively normal, as we've just heard, and in terms of economic progress Albania did well until last winter. It could not--this is our assessment---it could not stay local for a long time.

There are also other aspects. I'm not going to spend much time on those, but we are very concerned about the connections made between criminal gangs in Albania and elsewhere in the Balkans, and Italian international organized crime. I personally think that this is some-

thing we should look into a bit more carefully--not only the Balkans, but also in other countries, there is the tendency toward what I would call the criminalization of the society. I do not mean that the society becomes criminal, but that criminals run the society. This is especially worrisome in countries that used to be Communist dictatorships.

So this was the rationale which we had in mind when, since March, we consistently brought the Albanian crisis to the fore of the international community. We brought it to the attention of the EU, OSCE, and NATO, and we had intensive bilateral consultation with the United States here. The result is the 9-nation, 6,500-plus-men-strong MPF--Multinational Protection Force for Albania. The nine nations are Austria, Denmark, France, Greece, Italy, Romania, Slovenia, Spain, and Turkey, in alphabetical order.

The MPF was established under Resolution 1101 of the U.N. Security Council for 3 months, renewable, and at the request of the Governor of National Reconciliation of Albania. Its task is defined in terms of humanitarian assistance. So the task of the MPF is to protect international assistance to Albania.

Now, we have to remember that the MPF moved into Albania in mid-April, just a few weeks after our countries had been evacuating their nationals. So no international action toward Albania--humanitarian, economic, or political assistance--could have taken place without some sort of security. We've heard also the representative of the World Bank--you could not have security without an external military presence. This is the main task of the MPF.

But I think it would be misleading to look at the MPF as a strictly military, humanitarian, peacekeeping operation. The MPF is just the tip of the iceberg of an international action. This international action has to be addressed in three main areas. The first and the most obvious one is domestic security and relief assistance. The second is political normalization through national reconciliation, the process which has to lead to a national election at the end of June. The third is the economic recovery and the financial rehabilitation. Correspondingly, if you look at the overall international involvement, you have three players or three pillars: the MPF, with involvement of an organization like the WEU and EU which are preparing a program of training of the Albanian police force with the objective to bring them to European and Western standards; the second pillar is the OSCE political initiative in support of the National reconciliation and the elections; and the third is carried out by the international financial institutions, the World Bank, the IMF, the EBRD for economic reconstruction.

So, this is a much more complex challenge than just a military peacekeeping mission. We have to consider, I think, as an international community, that we will have to remain engaged in Albania in the long haul.

In this connection, I'm sorry that Congressman Engel had to leave, because I would have liked to acknowledge his appreciation for Italy and for his visit to Rome. We appreciate very much Congressman Engel's role and we have an excellent continuing consulting relations with the United States on all aspects of the Albanian crisis. I certainly cannot speak for the U.S. Government, but I want to point out that we--I mean Italy, the MPF countries--do not feel at all that it has been an American neglect simply because the United States is not part of the MPF. On the contrary, the United States is a very active participant in the overall action in the international financial organization. Bilaterally, the Prime Minister Fino visited here, and of course, our embassies, which are in constant contact in Tirana, operate

continuously together. Moreover, when we started discussing the MPF, the United States has given strong political backing to the MPF, and we consider this political backing essential.

We think that, in this respect, in terms of the European role, the Italian role, the U.S. role, the success of the mission in Albania would establish a meaningful precedent for the international community on how to handle a regional crisis among different organizations. To summarize, the MPF is a humanitarian mission aimed at defusing a crisis which could have resulted in great human suffering and dislocation, as we have already seen. I think it has been viewed more as an exercise of preemptive diplomacy rather than peacekeeping, undertaken before the situation got out of control. There are a number of reasons, and I think I would entirely subscribe to some of the comments made by today's Washington Post editorial, for which the international community has a lot at stake, not in Italy's success, but in the success of what the international and the MPF and Italy are trying to do in Albania.

I will just touch upon the international conference. It will start as a preparatory conference on Monday in Rome, and should be followed on the 18th of June by a full political conference. At this stage, the conference will be both economic and political. But at this preparatory stage, the priority will be on the political side. The purpose of the conference is to focus the attention of the international community, and to coordinate its effort. But the purpose is also the need to make Albanians themselves aware of what the international community is already doing, what it is prepared to do, and what it will do as long as the Albanians fully cooperate in the political and economic goals which they have undertaken.

Out of this conference must come a sense of commitment on the international community's side, since the next stage of development after elections, as has already been said, will be a full donors conference, but there also has to be a commitment, by the Albanians, to get back on the course which they successfully followed for quite a few years after the end of the regime.

Strictly speaking about the prep conference, we see three main goals: One is to show strong support for the national reconciliation process and for the elections, since it will take place a month before the elections. Two is to reaffirm the OSCE role and to support Special Envoy Vranitzky, the man who will be the representative of the international community in fostering this process. Three is to begin to carve out a path to economic recovery, a path which we expect to be followed by the country, and which will allow the international community to put forward the various measures which have already been envisioned.

Thank you very much.

Mr. **Hand**. Thank you, Mr. Stefanini. Mr. Mustafaj.

Mr. **Mustafaj**. Thank you very much. As you have all guessed by now, you can tell I'm from New York and I'm a New York Knicks fan, which is how I got this symbol on my eye here. [Laughter.] I lived in Albania from May 1992 until August 1996, and I work with the Oversight Foundation for Albania, and we are part of the Soros Network. -

My presentation, as discussed earlier, revolves around the role of non-government organizations. As we all know, in November 1944 the Communist Party came into power. In December 1990, the student movements began in Tirana, and the Democratic Party was formed. In March of '91, the first elections were held, and the Labor Party won. In late May, early June 1991, the government collapsed, and the stability government was created. In December 1991, the Democratic Party left the government, and the technical government

was formed, tasked with creating conditions for new elections. In March 1992, the Democratic Party won, and at that point, we saw the activities of the non-government organizations coming into Albania.

Now, that brief history on Albania had some ramifications which are important to point out. From a political standpoint, private ownership was disallowed. Everything was state-owned and -controlled, so that even a barber or a shoe polisher was an employee, were owned by the state. To sustain control, the dictator created a paranoia of Communist versus enemies of the people, and then Albania versus the entire world, and, of course, as has been mentioned umpteen times at this point, there are approximately 700,000 bunkers built throughout the country.

From a social standpoint, Albania became an atheist state in 1967 and religious institutions were destroyed. Education, on the other hand, became mandatory for grades 1 to 8. Meetings and gatherings were forbidden. The media was under absolute control of the party. Journalists were carefully selected by the propaganda sector of the party, and articles were signed off by the editor. There was a great deal of fear instilled against foreigners, and a spiritual schism was created between Albanians living within the borders and those living outside.

Economically, Albania had been the poorest country in Europe. From 1991 to 1993, the international community responded by giving roughly \$1.4 billion. They were led by the Italians, who gave \$312 million, the U.S., \$91 million, and Germany, \$52 million. Obviously, most of that was going toward humanitarian aid and food.

As far as the non-government organizations, I think the biggest contribution that they made in Albania was that they created a new mind-set, they made a non-governmental society. They introduced the fact that you can have organizations that are not run by the government, and that are not necessarily centralized by the government. This was a very difficult task. Obviously, Albania at that point had no culture of NGOs, laws, funding, or structure for an NGO society. It was necessary to provide not only the training for an NGO and introduce the concepts, but also it was necessary to provide material and equipment, and most of the non-governmental organizations do not have that in their budget, or it becomes very difficult for them to get that stuff in the proper places. The international community was not specifically clear on Albania's needs, and Albanians themselves were not experienced in working with foreigners to coordinate that assistance.

The selection of the NGO leaders eventually became very politicized because people started to understand the impact that they could have. That people were unaccustomed to working independently also caused for a delay of the impact. Volunteerism, having been abused by the former regime, was not something that people were comfortable doing anymore. Basically, as far as they felt, they'd been volunteering for the last 50 years.

On the positive side, you have a very high literacy rate in the country. The whole country speaks one language, which makes for disseminating written information that much easier. You also have a lot of multilingual, pro-Western, pro-European people, so that there really was not this major fear of the outside coming in and invading them.

As far as the future, there are 571 registered non-governmental organizations in Albania; 274 of them are registered in Tirana itself. One of the most obvious things that has to be done is that some of these NGOs have to get out of Tirana and become more active, at least in the other larger cities, and then out to the villages that surround those cities.

There must be more institution building, which means that they have to teach trainers to develop the administrative and leadership skills are in short supply. They have to link the NGOs in Albania with each other nationally, and they have to link them internationally, because there's no one organization that's going to be able to sustain all of the assistance that needs to go into the country. Another entity that will have to function is to prepare those non-governmental organizations to apply for grants so that when they make contact with the international organizations, the process of filling out a grant, the process of seeking out additional aid in and of itself needs to be strengthened.

As far as my views on the future of the country and some of the areas that can be helped, I think the No. 1 priority has to remain the educational structure. Given the fact that a lot of those schools were torn down, we have to remember that there was an educational system in the country, although it basically taught the hard sciences, so that within the maths and the hard sciences, the education was fine. The objective now is to deal with the social sciences, and also training methodology.

The media remains to be very counterproductive and a big problem in Albania. Radio and television still are controlled by the party, and most of the newspapers, as we all have seen, have neglected their duty, particularly during the crisis. There was very little coverage in the papers leading up to the chaos.

As far as law, the biggest difficulties that you have in the legal area in Albania is that there are laws that have been approved, but people don't know what those laws are. So I think the non-governmental organizations can be a good tool to disseminate that information to people so that they understand what their rights are.

As far as economic development, I think we should get out of focusing economic development on simply paying debt. I think there's no reason all of the factories in Albania were closed down, and society was living on donated aid and imported goods. There are factories that could have been phased out as opposed to simply locking them down. Bear in mind, this led to 250,000 estimated Albanians going down and working for the summers in Greece.

But, in all those areas, I think the other area to focus on is repatriation. Albania has suffered two mass exodi. There was the one in '89-'90, and this one most recently. I think the recent one has caused more damage, psychologically and practically, because there were a lot of people who decided they were going to stay in their country and work to develop a better life, a more democratic, capitalistic society. I think some of those people now have left. That's a huge loss because they are the ones who, because of that desire, because of that interest, were trained by the international organizations, whether it was the World Bank, whether it was the non-governmental organizations. So I think that within the NGO community and the large multinational organizations, what they should do is set aside a part of their budget to focus on repatriation of some of the people who have left.

As I sit here, for instance, I see three people who originally met in Tirana, and I know that if they were still there, they could have a significant impact. Albania is not a large country. It doesn't take that many people to have that much of an impact.

Thank you.

Mr. **Hand**. OK. Thank you very much. I'd like to thank all the panelists for defining the many areas in which the international community is trying to assist Albania.

Before turning to the audience for questions, I'd like to ask my colleague, Jason Steinbaum, if he'd like to ask the first question.

Mr. Steinbaum. Thanks a lot, Bob. I do have one. First, I would like to thank our guests on behalf of Congressman Engel. I apologize that he had to leave to go to the vote. It sounds like there is another one.

I have a question for Janice Helwig and Mr. Stefanini in turn. First, you mentioned during your remarks that the security during the elections may pose a problem for the participants and the monitors. I was wondering how the OSCE hopes to resolve those questions.

Then I'd like to then turn the question to Mr. Stefanini. In what ways will the multinational force be supporting the OSCE and the security process during elections? Are there specific steps that you plan to take as the leader of the force?

Ms. Helwig. OK. I'll start with some of the ideas that I understand the OSCE is considering. At this point, there is a lot of ideas out there, and no decisions on exactly what's going to happen. Security has been one of the major concerns, particularly of the ODIHR, the Office for Democratic Institutions and Human Rights, because they're the ones, of course, coordinating the monitoring effort of the elections.

As I said in my statement, Mr. Staudman, the director of the ODIHR, has been meeting with the steering committee of the multinational protection force in Rome, talking to them about possible ways that they could link up, either through communications or some kind of understanding, on protection for international monitors.

The other kinds of things that the OSCE is looking at are some alternative ways that the elections could be conducted in order to make it easier for any kind of security that the multinational protection force might be able to provide. In Tirana, I don't think anyone thinks it's really going to be that much of a problem. The major security considerations are out in the other areas of the country.

One proposal that I have heard is an approach that I understand was used once in Madagascar: Have some kind of mobile polling stations that could be much more easily protected than having stationary facilities throughout the country. Those are the kinds of options being considered, anyway, to limit the number of things that would have to be protected.

Mr. Stefanini. This is really a difficult question as far as the MPF is concerned. There are two ways to look at it. One is, does the mandate allow the MPF to have a role in the elections?. The answer, to my knowledge, is yes without changing the mandate, and I find this is the opinion of the U.N. Secretary General, who has discussed this matter with our prime minister. So this is the first point.

The second is more practical. What actually can the MPF do for the election? There are all these physical limitations. We're talking about a 6,500-man force, and the original projection for the polling booths was about 4,000. So, the ratio is one-and-a-half man per booth. It is inconceivable that the force could monitor or guarantee security to any booth unless, of course, there are solutions like mobile polling booths, et cetera.

There's a more general program which we've already come across in Bosnia, is that a military peacekeeping operation cannot really assure public order in terms of elections. At the same time, I think Bosnia offers a guidance because then the practical solutions have been studied on the ground. I'm not familiar with the details of how--it will certainly be a central point in the ground, if not at the center of the Prep Conference, and then I guess it would be discussed widely in Vienna, and in Rome.

But I think the main point is that the MPF has a vested interest in the success of the

elections. So the MPF will do its utmost for the success of the elections. I know that our military, for instance, unlike some others, are quite willing to work for the election, because they see the success of the elections as the real condition for the exit strategy. We have narrowly defined the exit strategy: we leave when there's no need for an external force to guarantee security, so we train the police, et cetera. But you cannot have security if you don't have a politically legitimate authority of the state. You need a free and fair elections for that MD30purpose.

So, although I cannot tell you exactly what the MPF will do, I feel pretty sure that it will do whatever is reasonably feasible for the success of the election.

Mr. Hand. OK. Thank you.

I would now like to open for questions or very brief comments from the audience. If I call upon you, please come up to the standing microphone. This is being transcribed, and the only way the transcriber can record your question is if you come up to the microphone. Please first identify yourself, and then address your question to one or all or any grouping of the members of the panel. The floor is now open. In the back.

Questioner. Thank you very much. My name is Alexander Knapp with the International Foundation for Election Systems.

I have one question, if I could direct it to Ms. Helwig. Could you comment on the relationship between the OSCE electoral unit and the Albanian electoral authorities vis-a-vis practical conduct of the elections? I'm thinking in comparison to the OSCE mission in Bosnia, which had a very high sort of impact in cooperation with them. Thank you.

Ms. Helwig. Yes. That's a very good question. In fact, the OSCE role in the Bosnian elections and the Albanian elections will be fundamentally different. The OSCE, under the Dayton agreement, supervised and essentially was conducting and will conduct this fall again the elections in Bosnia. The head of the OSCE mission, Ambassador Frowick is also the chairman of the main electoral commission in Bosnia. That electoral commission, of course, is setting the rules and regulations for the conduct of those elections. The OSCE right now has a couple hundred registration supervisors who are literally conducting the registration of voters in Bosnia. So this is a very hands-on kind of a mission there in Bosnia.

In Albania, it's quite a different matter, and much more similar to what the OSCE normally does in helping to monitor elections in countries. The idea is that the OSCE can provide assistance, provide advice to the Albanian Government, but it's the responsibility of the Albanian authorities themselves to come up with the rules and regulations, to put together the voter registration lists, to actually conduct the elections. The OSCE is there to help in whatever way we can, also to monitor and to see how things go, to give a final report on whether they were free and fair, but the OSCE is not there to actually run the elections.

Mr. Hand. Other questions? The Ambassador of Albania to the United States, Lublin Dilja.

Amb. Dilja. Well, first of all, I feel obliged to thank the organizers of this briefing in the right time, and with right representatives, I guess, or right panelists who are representatives of organizations and countries strongly involved and intensively involved in Albanian issues today. I thank Congressman Engel for his initiative to organize this with the OSCE Commission in the Congress, and I'm sure that Jason will delegate my thanks to the congressman as he left early.

I will not say personally, but I thank all the panelists here, and through them, the

countries and organizations they represent for what they are doing today on the Albanian issues. And, frankly speaking, I want to thank them for their comments here which, in a certain way, especially what Ms. Helwig, as representative of Dr. Vranitzky here, and Mr. Stefanini as a representative of the Italian Government, with what they said, which I feel obliged to say, in a sense, reflects the inaccuracy of what is written. I am taking this point because I saw on the table there and I heard mentioned here the editorial on the Washington Post today.

Their comments in a certain way show the inaccuracy of the points and the comments of this editorial in the Washington Post, which I think doesn't serve what Albania needs today, and these kind of articles--while it's not the place perhaps to mention it here, but again I do feel to comment on it--have to be very accurate what is written because in this way, and with good analysis and right and just analysis, because in this way they could serve the reality and the bettering of the reality in Albania.

Last, I had just a simple question for Ms. Helwig, just to--I think it's not a question, because I am clear of it. But I think it would help in continuation of your comments. First of all, I fully agree with your opinions on the positions of the parties, and that too much parties environment and climate there, and to the domination of the interests of the different parties there over the interests of solving the problems in Albania.

The latest efforts of Dr. Vranitzky's mission were related to the law on electoral law. As far as I know, Dr. Vranitzky left Tirana on his last trip with a certain number of recommendations for the law. I will not ask you, perhaps, to ease our communication together, but I think it is worth mentioning that all these points of the recommendations of Dr. Vranitzky were reconsidered by the parliament, and they were all included there according to the legal procedures there.

This is important to mention for me personally because I am very glad and very happy, as everybody should be, I guess, that the political parties at last today come to an agreement of that. Because, as you mentioned, we and the Albanian people clearly understand and the Albanian institutions are and should be strongly and fully committed to have elections, to have free and fair elections.

I mention this point because I have the impression that the parties are dominated or are focused not justly. I am sorry that the Socialist Party mentioned today still doesn't agree and still goes as what you mentioned, that what is set yesterday is not set today, which is not good for the political environment and climate in the country. But I take this opportunity to say that we are strongly committed to have free and fair elections because we do understand this is the way out for the Albanian crisis, and this is the way that the Albanians can continue to go on the road of democracy, on the road of market economy they were building--they succeeded in building, and they will go forward. Thank you.

Mr. Hand. Janice, would you like to comment?

Ms. Helwig. Yes. Just one comment on that, to add to what I understand Dr. Vranitzky's feelings are after working with the political parties. I don't think any of us should find it surprising that the political parties had trouble agreeing on the electoral law. We shouldn't even find it surprising that, in the end, some of the issues that it came down to were really very minor. They were issues such as what time do the polling stations close. These were very small issues.

But I think in any political situation, certainly in the United States, when you're start-

ing out what is essentially a campaign period, you have political parties who are taking certain stands, and essentially I think what you're seeing, and what you saw this weekend, was the start of the campaign period. It's very difficult for the sides to compromise and give in on what they want to be their electoral platform. Dr. Vranitzky's role, frankly, is to help them, to take some of the blame on himself and make it easier to surmount that and go on with the process.

Mr. DioGuardi. Thank you for this opportunity. I'm former Congressman Joe DioGuardi. Since 1989, I have taken 15 trips to the Balkans, 7 of them to Albania, and other trips probably seven times took us over Western Macedonia. So I think I have a good feel for the problems there.

I'm going to direct my comments, to Mr. Stefanini, because while I had to step out, I was well briefed by Shirley Cloyes. By the way, she's the Albanian-American Civic League's Balkan Affairs advisor. She's a publisher-author. She published a book Yugoslavia's Ethnic Nightmare, and she's been with me three times in the region.

By the way, Ambassador, I agree with your comments wholeheartedly. The unbalanced press in this country is outrageous. Shirley and I went to see the foreign editor of the New York Times about 3 weeks ago because of the unbelievable, outrageous way that they refer to the president of Albania. Something has to be done about that. A man whom this government relied upon to bring democracy to Albania, a man who helped the United States policy of the United States of America design around the Greek blockade to help that very fragile region of Macedonia, even though it didn't serve, according to any Albanian-Americans, the interests of the Albanian people. So let's not throw the baby out with the bath water.

We need free and fair elections, but let's not rush to judgment and condemn a whole new government before it is elected. I think that's your point as well. We want to be sure that these elections are free and fair, because, Mr. Stefanini, I was briefed about your comments, and we have to applaud the role of Italy. There is no question in my mind that Italy is probably the most important country in the solution of this problem right now. You made a comment that if this issue is not resolved in Albania, this could be an explosion in the Balkans.

I would amend that comment myself to say, if the Albanian national question is not resolved in the Balkans, you're going to see an explosion. Certainly, right now, the issue is the elections in Albania. But let's not forget, there are 3.5 million people in Albania, or 3.2 million. There's another 3.5 million just on the border of Albania in Southeastern Montenegro, Kosovo, Southern Serbia, and Western Macedonia. These people also need their human rights, and need their ability to go into free elections. I'm not saying this is the forum to answer that question, but I would hope and I applaud this international conference.

It's absolutely needed on Albania, but it's also needed on the Albanian question. Because even if, and I think we have, the best result, free and fair elections that are accepted, you will still have an area in Europe today that is much like the Warsaw Ghetto of World War II. What's happening in Kosovo is outrageous, and a democratic state like Italy should not allow 2 million Albanians on the other side of the border from Albania to be subject to the worst human rights abuses ever.

I know that this forum has taken up Kosovo before, but let's not separate so easily Albania from the 2 million Albanians contiguous in Kosovo, in Southern Serbia. We have another part of Serbia, obviously, that has Albanians in Medvichiponyanos and also South-

east Montenegro and Western Macedonia. Let's see, 509 years ago, Mr. Stefanini, my father's people came from Albania to Italy. Italy has been very good to the Albanian people. Tens of thousands of Albanians fled the Ottoman Turks in the year 1488, when the Albanians could no longer defend after 26 years against that onslaught. It was then the King of Naples. We know that, because Italy was not a state until 1861, but it was the King of Naples and it was in my heart the Italian Government that has allowed the Albanian people to preserve their culture, their tongue, the Elerian old Albanian language is preserved in Italy today because of Italy, and we know that great linguists, like Martin Samid, lived with the Albresh in Calabria and in my father's home town to preserve that language.

You have another challenge today, to help the Albanian people. Italy 509 years later, now has to play a similar role. The Albanian people are in great trouble. Not just in Albania but in the Balkans. So I would hope that not only do we have a successful international conference to deal with the immediate elections in Albania, the Albanian people are one nation. They have families across those borders. They go to weddings, to funerals, to baptisms, and they have to stand on lines for days, and days, and days. No one is asking anybody to change borders, but give these seven million nation--as the Pope said on the 50th anniversary of the United Nations, he says: Congratulations, United Nations, for what you've done for the rights of the individual. Now turn to the rights of nations. He didn't say states. He was talking about the Palestinians, the Kurds and the Albanians.

So, please, the Italian Government, I appeal to you to look at this issue not just on the elections, which are very important right now. They must be free and fair and perceived to be that way, but....

Mr. **Hand**. Would anybody on the panel like to comment?

Mr. **DeGuardi**. I'm sure you're aware of the problems of the Albanian people not just in Albania, Mr. Stefanini, and I applaud your actions and your comments today on Albania, but I also would hope that the Italian Government and the Italian people see a broader role to resolving that question, because it's right on your border.

Mr. **Hand**. OK. Thank you.

Mr. **DeGuardi**. Any comment on that?

Mr. **Stefanini**. All right. I wish to thank you for the appreciation to the Italian Government. Also, I'd like to take the opportunity to avoid any misunderstanding. When I said that I would subscribe to some comments by the Washington Post, I certainly was not referring to the comments about the Albanian president. I was mainly referring to the conclusion about the stake of the international community in Albania.

With regard to the last comments, I can only say that the way we look at the situation right now is different in the sense that, for the time being, our main concern is to insulate the neighboring countries from the turmoil which has happened, hopefully, in the past tense in Albania. We have always consistently advocated free movement and regional integration in the Balkans. We've taken an active role, through NGOs especially, in trying to break the deadlock in Kosovo, and in encouraging the government in Belgrade to restore autonomy in the region. I'll leave it at that.

If I can say something of a personal point of view and off the record, I don't think that putting the Balkan question in terms of national or nationalities would help the solution very much. We must try to force those countries to go toward that solution that has been reached in Western Europe, where problems that apparently were unsolvable and have trig-

gered war after war seem now something of the past.

I come from the other side of Italy. I come from Liguria. When days are very clear, I can see Corsica, 60 miles away. The fact that it is French, or not French, actually some people in Corsica want to be independent, doesn't affect me a little bit. The fact that it could be Italian but now is French makes no difference to me. I like the fact that if I go there, I find a bit of different flavor than what I find in Italy. I think that's really what we should look at in the future.

Mr. Hand. Janice, you wanted to make a brief comment?

Ms. Helwig. Yes. Just one brief comment. As you said, we're really here today to talk about and focus on Albania. But the OSCE, of course, has other activities outside of Albania. As I'm sure some of you are aware, the OSCE did have missions of long duration in Serbia, now focusing on Kosovo and Vojvodina. Since the termination of those missions by Belgrade, we have continued our focus on those areas and on these issues in a weekly meeting that we have in Vienna as part of the OSCE. I attend that meeting weekly, representing the United States. It's something that we have not at all lost sight of in the OSCE.

As far as the United States goes, and our thinking within the OSCE, one of the things that's been said very publicly is that we maintain what we call an outer wall of sanctions that Serbia will not be a member of certain international organizations, will not be the recipient of financial aid, things like that, until some outstanding questions are resolved. One of them is Kosovo. So it's not something forgotten.

Mr. Hand. OK. Thank you, Janice.

If I could ask a question of Mr. Mustafaj regarding NGOs, because I find this to be a very interesting area in terms of Albania's long-term development. In terms of NGOs from abroad, like the Open Society Foundation, that have gone in, but also the NGOs that are domestic, that have formed in Albania and international NGOs interact, do they get criticized much in the highly partisan media? Are they attacked much? Are there other ways in which their members are specifically harassed? In terms of operating as an NGO, how difficult is it in Albania given the highly polarized environment?

Mr. Mustafaj. The difficulties come from many aspects. There's the difficulty, for instance, of having an office in Tirana and then trying to open up an office in one of the districts, just from the lack of infrastructure, and being able to get on the phone and have a communication with one of your satellite offices. So that's a difficulty. There's a difficulty in that if you're going to set up that satellite office, you have to rent out a room, paint the room, buy the desks, buy the computer, train that person. So there's that whole process. That takes a while.

As far as the attacks on the paper or in the media, certainly the Helsinki Committee has come under attack, to use that word. Certainly the Soros Foundation, particularly with the loan that was made to the newspaper Koha Jone, and in that case that was a loan that was made out of the media development loan fund, which is a fund out of Prague that is not related to the Soros Foundation in Albania. Through the misinformation, it came out in the papers as though the foundation in Albania had actually given money to Koha Jone when, in fact, we had simply recommended to the media development loan fund that they should go ahead and make a loan to the paper if certain conditions were met. Some of those conditions were that there would be no majority owner, that an editorial board would be set up, and that part of the shares of the paper would be sold to the journalists themselves.

So, periodically, they've been attacked, but in most cases, it's been a very small thing, and then sort of forgotten about, and then get on to the next thing.

Mr. Hand. Has there been attack or harassment that's more physical in terms of any of their offices, or any threatening?

Mr. Mustafaj. You know, I left in August 1996, and up until then, I don't remember there being physical assaults on any of the NGOs, but there were problems with certain individuals who were also serving on NGOs. They would express their political views, and then would run into difficulties. So not necessarily attacking the institution as much as the individual. There was more of that sort of pressure, I would say.

Mr. Hand. I can imagine that now it's probably a more difficult situation. I really admire the people on the ground who dedicate themselves to non-governmental and non-partisan activity.

Other questions from the audience? If not, or while people might be thinking of another one, I have one further question. It goes back to Jason's first question on security, but not just for the elections, more broadly. I believe that there's a reference in the OSCE presence mandate to monitoring the return of weapons. I don't know if they'd actually implement a program regarding that as opposed to simply monitoring it. But it seems as if at some stage there has to be some effort to try to get all these guns, all these other weapons out from the population where, daily, there are reports of accidents taking place, let alone any actual fighting. I was wondering if any thought has been given to how people could be encouraged to return weapons, a buy-back program, et cetera, in the OSCE? And also, I don't know if Mr. Stefanini has any thoughts on what the international community can do for this? I've heard several people call for it. I haven't heard too much in the way of specifics of how you get people to turn over their rifles, their grenades, or whatever it is that they may have.

Ms. Helwig. I'll start off. You're right, you haven't heard many specifics, mainly because it's a very difficult question, and no one has really come up with a good solution. This is something that Dr. Vranitzky early on put the question to the OSCE, to the Permanent Council. It was discussed early on. The question was, would the OSCE monitor the collection of weapons, not would the OSCE actually do it. The OSCE really does not have the capability to do something like that.

The idea was, if the Albanian Government were doing some kind of a program for weapons collection, would the OSCE provide monitors who would standby and help give assurances to the people turning in weapons that there would not be any retribution against them. Now, when this was first discussed, this was way back in March when the security situation was much worse than it is right now. When there was a lot of question about people being arrested for illegal arms possession, things like that. These issues have not been as prominent lately.

In the discussions, the impression that Vranitzky had, that the OSCE people on the ground had, was that really until you get the elections over with, until there is restoration of faith of the Albanian people in the authorities, it's going to be very nearly impossible to get people to turn weapons over. Things like buy-backs were discussed. These kinds of things may be discussed again after the elections, when things are a little more stable, when the police forces in Albania are coming back up to their full strength, when authority has competently been restored, then that might be a better time to talk about these issues.

Mr. Steinbaum. Just a quick follow up on that, I understand that the multilateral force

is training a police force now. What's the status of efforts to train a new police?

Mr. Stefanini. It is actually the Western European Union with financing from the European Union that has a program focused on training and improvement of standards, transparency, accountability, et cetera, of the Albanian police. To my understanding, a first mission of about 10 to 20 people already went to Tirana. We also--we meaning Italy--will have a bilateral program to maximize the effort in that direction. This is the status of play on police training.

On the weapons, I would agree with Janice that it will have to be done after the elections. The bottom line is that programs like a buy-back--UNDP had been mentioned because I think UNDP had similar programs in Africa--will be successful only when for at least a number of people it will feel secure enough not needing a grenade, but rather having some cash or other goods. Until then, there's no hope for such a program.

In a way, the fact that--which is a blessing, in Albania you don't have two armies facing each other. Weapons of them are around the country, probably many of them are already out of the country. It makes it difficult to--if you had an army, an army can lay down arms under certain conditions. You can't do that in Albania.

Mr. Hand. OK. Are there other questions? In the back.

Questioner. My name is Stuart Hensel. I'm with the National Democratic Institute.

Assuming the elections do go smoothly and are carried off this summer, I don't think anyone imagines Albania's problems will end with that. I'd be interested to hear from Mr. Stefanini and Ms. Helwig, perhaps, if they could provide an indication of how they see the involvement of their organizations, of either the Italian Government or the WEU or of the OSCE, continuing for a longer period after the elections, whether some of the programs underway right now will be continued? The WEU's work with training the Albanian police, the OSCE work working with Albanian institutions, that sort of thing, whether they see those continuing in the long-term and, if not, which international organizations they see at the forefront of continued longer-term work in Albania?

Ms. Helwig. I'll start off. As I mentioned earlier, the OSCE mandate at this point is until the elections, and following the elections, it will be reviewed. The OSCE functions by consensus. We don't do anything without the agreement of all the countries, particularly in a case like this without the agreement of the host country, Albania. So, what we foresee is that, following the elections, we will work with the Government of Albania, the new government that will be elected, and look at what kinds of programs we all think could be useful. These may be things like judiciary programs, training programs for judges. Media assistance, helping to set up some independent media, perhaps.

The OSCE provides these kinds of programs in a lot of other countries in Europe, in the former Soviet Union, and they're often tailored to individual things. It could be a long-term program, if you've got something like the judiciary, maybe this is something you're going to work on for a long period of time. It could also be something very short. Sometimes we can provide an expert to look at a particular thing. Perhaps the new Albanian parliament would like help on a particular law, and so we might send a legal expert to work with them to look at what other countries have done, and what would work best for them. I could foresee maybe some help with a new constitution, which will be one of the outstanding issues for the new parliament, things like that.

Mr. Stefanini. As it has already been said, after the election, that would be time when

the full role of the international financial institution would start. So, on the economic side, the various players, which is not only the World Bank and the IMF, but also the EBRD, et cetera, will have to start working hard after the election. And, at the same time, there will be a donors conference also, bilateral donors should come up with pledges and commitments.

In terms of organizations, I can imagine a number of organizations which could be involved, it's like the NATO through PFP to restore some cooperation with the Albanian armed forces. The OSCE has been mentioned. So there would be a lot of work to do. I can also add that, bilaterally, we are already envisaging a number of programs. I mention only the police training, but we are discussing assistance in the judiciary, in the area of taxation, custom collections. There are really many areas in which we can cooperate. Not strictly in terms of economic assistance, but in terms of institution building, legislation, et cetera. And, of course, there's an open field for NGOs.

So, as I said earlier, we see--we are focusing now on the short-term, on the conference, on the election, et cetera. But we see the commitment of the international community in the long-haul.

Mr. Hand. OK. We have time for one last question, if there is one?

Questioner. Just very briefly. I'm Nattie Timm, with the Peace Corps since 1992.

I wondered if any thought has been given to providing monitors with cellular phones, mobile phones, so that the opportunity to communicate would be immediate and, in some ways, the threat of being reported immediately, it would, of course, be a certain expense, but it's nothing compared to keeping all kinds of troops or what might go into helping the country later on.

Ms. Helwig. Yes, actually, I think I can answer that question. We are looking at that. When I left Vienna on Friday, that was an issue I was actually working on when I left. The OSCE is looking at how to provide radios, two-way radios, to all of its members there, presumably to monitors. It's something that will be done. At this point, it's a matter of how do we get the equipment and on the correct system. We want something that will work with the infrastructure already in place in Albania, obviously, for financial reasons. Hopefully, something that will allow the OSCE people to communicate with the multinational protection force. There's a possibility of some equipment that was left over from the sanctions assistance missions. There's a possibility of using something like that. If not, you know, we'll be buying new equipment.

Mr. Hand. OK. Well, again, I'd like to thank all of our panelists for their comments. I think it was a useful discussion to focus on what could be done to help Albania. There will probably always be a lot of arguing as to who started this, or who started that regarding this latest Albania crisis. But the thing is to move the country forward and put it back on track of democratic development.

Do you have any last comment, Jason? If not, this briefing is closed. Thank you for coming.

[Whereupon the briefing was concluded at 3:00p.m.]

APPENDICES

HOW TO HELP ALBANIA HELP ITSELF— AN AMERICAN CONGRESSMAN REPORTS FROM THE CRISIS SCENE

BY ELIOT L. ENGEL

Rep. Eliot L. Engel (D) of New York co-chairs the Congressional Albanian Issues Caucus.

CHRISTIAN SCIENCE MONITOR, APRIL 29, 1997

It is easy to forget the monumental changes in Albania before the chaos of the 1997 rebellion. During a half century of Communist rule, Albanians had no freedom of speech or worship and could not engage in commerce. In a sea of totalitarian governments, they were the most closed society in Europe.

But, as in other Central and Eastern European countries, a revolution threw out the Communist regime, culminating in free and fair elections and the creation of a nascent capitalist system. Albania's isolation made its awakening even more striking.

I was very taken with President Sali Berisha when I visited Albania in 1993. He spoke as a believer in democratic principles, and his words matched the changes I saw around me in the capital, Tirana. When I returned in early 1996 as US parliamentary representative to the South Balkans Defense Ministerial meeting, the first signs of a deterioration in the political environment were evident. A year earlier the sedition trial of several Albanians of Greek heritage was handled clumsily, at best, by the Albanian government. Mr. Berisha lost a critical referendum on a new constitution largely because people were irritated by his overzealous television campaign.

The recent riots capped a year of democratic retreat. Berisha's Democratic Party expanded its control of parliament in widely discredited elections in May 1996. Although the international community documented improvements in last fall's local elections, inexperience with democratic processes and distrust between factions kept Albania's leaders from capitalizing on those gains.

NEEDED: MARKET SKILLS

Years of Communist isolationism afforded citizens few skills for living in an emerging market economy. Albanians invested much of their life savings in get-rich-quick pyramid schemes, which began to collapse earlier this year. These trends, exacerbated by the rebellion, raised largely realized fears, within the Balkan and Adriatic regions, of a large-scale outflow of refugees.

But the situation could present opportunities amid the challenges for Albania, the United States, and the international community.

As the US member of the Organization for Security and Cooperation in Europe (OSCE) mission to Albania, I was part of the negotiations on March 8, 1997, that led Berisha to agree to a nine-point program on political reconciliation. His appointment of a Socialist, Bashkim

Fino, as prime minister, represented a key step to reach out to other political elements. Berisha finally joined with the opposition in scheduling a new vote for June 29, 1997. Now, with approximately 5,500 troops in Albania, led by Italy, the US and the international community must intensify efforts to help Albania regroup around these gains.

We should:

- Support the new multiparty Albanian government in its efforts to achieve political reconciliation and peacefully end the rebellion.
- Encourage it to implement the nine-point agreement and to do all possible to reinspire the trust of the Albanian people.
- Increase our technical assistance, once a sense of normalcy is restored, to promote tolerance, democracy, and the rule of law; to help Albania achieve a full accounting of the assets and losses of the pyramid schemes; and to teach management of a market-based economy.
- Work with the new Albanian government to ensure that upcoming elections will be free and fair, with large numbers of observers to assure the population of their fairness.
- Call upon those who have taken up arms to let Prime Minister Fino govern by laying down their weapons and demanding changes to the government only through peaceful means, particularly the upcoming elections.
- Convene a meeting of potential donor nations to help Albania recover from its economic crisis. Any assistance should have political conditions such as guarantees of human rights, free and fair elections, and a free press.
- Remain engaged in diplomatic efforts to help Albania out of the crisis. We must support the work of the OSCE and our European allies, but, as in Bosnia, American leadership is critical to creating a unified message.
- Offer logistical and technical support to Italy and other nations that have provided troops for an international police or a stabilization force in Albania. However, given our large commitment in Bosnia, the dangerous environment in Albania, lack of a clear end point, and difficulties in getting congressional approval, the US should not contribute soldiers to Albania for such a mission.

OFFERED: CREATIVE IDEAS

The following ideas should also be strongly considered:

- A weapons buy-back/guns-for-food program. Building on experience acquired through a similar program in Haiti and several US cities, the international community can encourage Albanian citizens to relinquish their weapons by offering cash or food for each gun turned in. Given Albania's poverty, a relatively small amount of money would be required. A second component of the weapons buy-back could be a matching contribution by the international community to a fund to reimburse those who lost their money in the pyramid schemes.
- A fact finding/truth commission. For years, Albanians have been unable to trust the information from the government and the press. A commission of domestic academics, jurists, and political leaders could be established to compile an accurate record of

the political and financial collapse in Albania. Similar projects have helped El Salvador and South Africa come to grips with their painful national ordeals.

Despite 50 years of unrelenting anti-American propaganda by the Communist regime, Albanians are very fond of America, in particular, and the West, in general. During my stay in Tirana, I experienced this warm feeling. In meetings with Berisha and opposition forces, one can sense a tangible effort to reach out to the United States and the West for help. We can use that feeling to establish trust in the West's efforts to urge Albanians to resolve their differences.

But, in the end, resolution of the crisis rests squarely in the hands of the Albanian people. They can continue to take up arms, lurching toward anarchy, or they can choose the path of reconciliation by turning their anger into peaceful political action. It is their choice.

THE ALBANIAN MESS

THE WASHINGTON POST, MAY 21, 1997

Italy is finding out the hard way whether it bit off more than it could chew when it took the lead in organizing a European intervention force to restore order in neighboring Albania. At the time, there seemed no other way to stop a criminal-abetted refugee flow that has added 12,500 Albanians with visas to 69,000 already in country, some frantic Albanians, boarding frail boats, have died at sea. Some pluses can be marked up so far: low casualties among the 6,000 intervening troops, no hunger among Albanians. But the key to Rome's irreducible political requirement of getting in and out swiftly and safely always has been to organize credible elections, and these now are being cast into doubt by the devious and autocratic Albanian president, Safi Berisha.

Mr. Berisha, who was elected in a notably unfair contest last year, is triply accountable. His misrule sheltered the criminal pyramid schemes whose collapse provoked citizen revolt. To divert the angry mob, he handed out the army's guns. Now he has backed off an agreement to reach consensus on a new electoral law with his prime Minister and leading political rival, 36-year-old Bashkim Fino. The Fino coalition responds by threatening to boycott elections scheduled for June 29.

Italian Prime Minister Romano Prodi has made a brave political investment in his country's first foreign intervention since the end of World War II. His aim is to abate the crisis next door and set an example of post-Cold War regional stabilization. With European negotiator Franz Vranitzky, the former Austrian chancellor, he is struggling to mediate the electoral-law standoff. The Italian strategy is to train 'self-sustaining' Albanian security forces that can somehow check the epidemic of personal weapons, prepare a rehabilitation package that offers Albanians an incentive rules, conduct internationally-supervised elections promptly, and go home.

This is a Balkans-spillover problem, and more. Albania, like some other places in its region, faces violent and unchecked fragmentation into its geographical and tribal parts. Italy faces the sort of visible, volatile erosion of border security and control that touches other well-off nations within a walk, a flight, or a boatribe of desperate foreign populations. Many countries have a stake in Italy's success in putting Albania on a path to stability.

**ALBANIA: BACKGROUND INFORMATION ON ITALY AND
THE INTERNATIONAL COMMUNITY'S RESPONSE TO
THE ALBANIAN CRISIS**

SUBMITTED FOR THE RECORD BY MR. STEFANO STEFANIN

Italy gives the highest priority to the situation in Albania. Not only does it affect Italy directly (refugees, potential for humanitarian emergencies, disruption of Italian investment in the country etc.), but it has implications for the stability of the region. Conflict and/or civil dislocation could spill over the borders into Kosovo and FYROM and spark that chain reaction which has been feared since the disintegration of former Yugoslavia. The events that led to the current Albanian crisis may well be local in nature, but there is no assurance that its developments will not become regional. Should it not be solved peacefully the Albanian crisis could then jeopardize the ongoing efforts of the international community to stabilize the Balkans and to defuse the ethnic-national rivalries in the region.

Against this backdrop, since the collapse of the pyramid schemes which sparked a wave of political and social unrest in the country, Italy has consistently brought the question of Albania to the attention of several international organizations (UN, OSCE, EU, NATO, Council of Europe; IMF, World Bank and EBRD for the economic and financial aspects). Italy's approach is twofold: relief and peace-keeping assistance in the short term to defuse political tensions, restore domestic order and security and provide humanitarian aid; institutional, political and economic rehabilitation to put Albania back on track toward democratization and integration with Europe and the West.

Italy's initiatives, in constant consultation with the United States, has resulted also in the institution of the Italian-led Multinational Protection Force (M.P.F.) of approximately 6,000 men on the basis of res. 1101 of the UN Security Council. France, Spain, Greece, Turkey, Austria, Romania, Denmark and Slovenia are participating. The Force was established at the request of the Albanian Government of National Reconciliation of Prime Minister Fino. Its primary goal is to ensure a secure environment for international assistance; indirectly its presence will enhance the process of national reconciliation, social normalization and democratization through elections to be held on June 29.

The Force is almost fully deployed. It has been overwhelmingly well received by the Albanian people. Early reports by all sources indicate an excellent degree of cooperation with central and local authorities as well as with other international agencies on the ground. In short the M.P.F.'s presence has already contributed to the normalization of many aspects of civilian life in Albania, like the reopening of schools. The process of national reconciliation which started with the March 9 agreement among Albanian political forces and led to the current Fino Government was the political precondition for the mission. For Italy, as well as for the M.P.F. and the international community, the Government of National Reconciliation and Prime Minister Fino remain the only Albanian legitimate counterpart.

Nevertheless, the institution and deployment of the Force is only a first step; much remains to be done. In fact the M.P.F. should be seen as the tip of the iceberg of the international action for Albania. It is a concerted overall effort in which the United States is a very active participant. Italy deems essential the continuing American political backing and is in

close contact with the U. S. government on the other initiatives to be taken to help Albania to get back on the track of democratization and economic recovery. In parallel with the M.P.F. deployment Italy envisages a medium term process in three main directions: restoration of self-sustaining domestic security through training of the Albanian police forces (a program aimed to give technical assistance and to bring them to Western standards and procedures is being launched by the Western European Union and financed by the EU); internationally supported and supervised (by the OSCE and the Council of Europe) elections at the end of June because eventually a reestablishment of political and democratic legitimacy can be achieved only at ballot; overall economic and financial rehabilitation which will require that the International Financial Institutions and the EU take the lead in establishing a blueprint for recovery, in cooperation with the Albanian authorities.

Elections are the priority goal of the current domestic political process. To this end a new electoral law is urgently needed. Italy fully supports the efforts by the OSCE Special Envoy, former Austrian Chancellor Franz Vranitaky, to achieve the consensus of the Albanian political parties on the new text.

In the context of the efforts undertaken by the international community, Italy intends to call a Conference on Albania at ministerial level on June 18, in Rome, to focus on the political, economic and financial aspects of the Albanian situation, in order to foster stabilization and rehabilitation of Albania. A Preparatory, Conference (Prepcon) on May 26, also in Rome, will set the stage for the event. Neither will not be a Pledging Conference. For the time being two areas require priority attention from the international community: political and institutional normalization (through national reconciliation, domestic order and rule of law and, crucially, democratic elections); clear objectives for economic and financial rehabilitation as a framework for specific Albanian commitments and, reciprocally, for assistance by the appropriate international Organizations. Intensive consultations are actively being held also with the United States, which has consistently supported the proposal, in order to adequately prepare and launch the Prepcon and then the Conference.

The three components of the international approach (relief assistance and internal security; political process; economic recovery) should also be seen as the foundation of a longer term strategy. The ultimate objective is the stability of Albania and the consolidation of democratic institutions, bearing in mind that without stability in Albania there cannot be guarantee of stability in the Balkans. To achieve this goal not only any insurgence of nationalistic/secessionist tendencies must be avoided but Albania should be encouraged and helped in a dual process of regional integration in a wide Balkan peninsula-Southeastern Europe context and of gradual nearing to Europe and to the West.

CONCEPT PAPER: PREP-CON ON ALBANIA

(ROME, MAY 26)

The national reconciliation process in Albania is essential to create conditions for the stabilization and overall rehabilitation of the country. General elections are a crucial element of this process. We should strongly encourage the parties in Albania to adhere to their commitments.

A huge effort is underway by the various regional organizations and international aid institutions to help Albania in its immediate and longer-term needs. OSCE, UE, WEO, Council of Europe, IFI and other major players are involved in this effort.

The multinational protection force is successfully contributing to a more favorable, environment for the International assistance.

An international ministerial conference will be convened in Rome on June 18. It should take stock of the different international Initiatives, assess the progress made by the authorities with respect to their commitments, give impetus to the process, and provide a direction for future action.

In order to adequately prepare such event, a preparatory meeting will be organized in Rome on may 26 at a level of political and economic directors. Minister Starova and minister Maglaj will be present. The prep-con will deal both with the political and economic volets of the crisis, with the view to draw a ``map of the road" up to the ministerial conference and further.

On the political side, the meeting will focus on the reconciliation process and the elections. On the economic/financial side, it will concentrate on the international action which is needed to accompany the political process and to deal with structural problems once elections will be held.

The Prep-Con will also represent a strong encouragement to the Albanian Authorities to proceed on the basis of commitments undertaken on March 9 and May 9 as well as a signal of a corresponding support by the international community.

The composition of the gathering will be the same of the ministerial conference. Invitations will be extended to the European Union, the European Commission, the Countries contributing to the MPF, United States, Russia, Japan, OSCE and special envoy Mr. Vranitsky, Council of Europe, WEO, International Financial Institutions, U.N. and related agencies.

UNITED NATIONS SECURITY COUNCIL RESOLUTION 1101 (1997)

ADOPTED BY THE SECURITY COUNCIL AT ITS 3758TH MEETING, ON 28 MARCH 1997

The Security Council,

Taking note of the letter of 28 March 1997 from the Permanent Representative of Albania to the United Nations to the President of the Security Council (S/1997/259),

Taking note also of the letter of 27 March 1997 from the Permanent Representative of Italy to the United Nations to the Secretary-General (S/1997/258),

Taking note of Decision 160 of the Permanent Council of the Organization for Security and Cooperation in Europe (OSCE) of 27 March 1997 (S/1997/259, annex II), including to provide the coordinating framework within which other international organizations can play their part in their respective areas of competence,

Recalling the statement of the President of the Security Council on the situation in Albania of 13 March 1997 (S/PRST/1997/14),

Reiterating its deep concern over the deteriorating situation in Albania,

Underlining the need for all concerned to refrain from hostilities and acts of violence, and reiterating its call to the parties involved to continue the political dialogue,

Stressing the importance of regional stability, and in this context fully supporting the diplomatic efforts of the international community to find a peaceful solution to the crisis, in particular those of the OSCE and of the European Union,

Affirming the sovereignty, independence and territorial integrity of the Republic of Albania,

Determining that the present situation of crisis in Albania constitutes a threat to peace and security in the region,

1. Condemns all acts of violence and calls for their immediate end;
2. Welcomes the offer made by certain Member States to establish a temporary and limited multinational protection force to facilitate the safe and prompt delivery of humanitarian assistance, and to help create a secure environment for the missions of international organizations in Albania, including those providing humanitarian assistance;
3. Welcomes further the offer by a Member State contained in its letter (S/1997/258) to take the lead in organizing and commanding this temporary multinational protection force and takes note of all the objectives contained in that letter;
4. Authorizes the Member States participating in the multinational protection force to conduct the operation in a neutral and impartial way to achieve the objectives set out in paragraph 2 above and, acting under Chapter VII of the Charter of the United Nations, further authorizes these Member States to ensure the security and freedom of movement of the personnel of the said multinational protection force;
5. Calls upon all those concerned in Albania to cooperate with the multinational protection force and international humanitarian agencies for the safe and prompt delivery of humanitarian assistance;
6. Decides that the operation will be limited to a period of three months from the adoption of the present resolution, at which time the Council will assess the situation on the basis of the reports referred to in paragraph 9 below;
7. Decides that the cost of implementing this temporary operation will be borne by the participating Member States;
8. Encourages the Member States participating in the multinational protection force to cooperate closely with the Government of Albania, the United Nations, the OSCE, the Euro-

ALBANIA
A BRIEFING PUBLISHED BY INTERHEMISPHERIC RESOURCE
CENTER AND INSTITUTE FOR POLICY STUDIES
BY FRED ABRAHAMS, HUMAN RIGHTS WATCH

Key Points	Key Problems	Key Recommendations
After the cold war, Albania became a country of strategic importance to the United States. The U.S. ignored the obvious signs of Berisha's authoritarianism and corruption.	For too long, the U.S. continued its unequivocal support of Berisha and his Democratic Party, despite growing signs of his undemocratic behavior.	An essential step is to adopt an approach to the country that centers on support for democratic principles rather than on political personalities.
Berisha interpreted the silence of the U.S. and other major donors in the face of these human rights violations as a green light to further marginalize his rivals and consolidate power.	The U.S. was Albania's second largest bilateral donor, providing the authoritarian state with economic, political, and military aid.	The U.S. should condition all of its economic and political support on strict compliance with human rights guarantees.
	Washington's critical mistake was in supporting one political force in Albania instead of the political process.	The U.S. should realize that its strategic interests in the Balkans must not be measured by a country's willingness to cooperate militarily or to embrace U.S. free-market ideology.

For forty-seven years after World War Two, Albania was an insignificant Balkan country sealed off from the world by mountains, sea, and a devout Stalinist named Enver Hoxha. Having severed ties with both the "imperialist West" and "revisionist East," the dictatorial president led Albania into near total isolation.

Albania emerged from its long sleep in 1990 when the communist Party of Labor allowed other political parties to form. In March 1992 the opposition Democratic Party (DP) won a majority in parliament, and the DP's Sali Berisha became the country's first noncommunist president. Constitutional reform in 1992-1993 established Albania as a parliamentary republic based on the rule of law.

Hoxha's dictatorship left Albania the poorest and most underdeveloped country in Europe. The new government faced the daunting task of rebuilding its economy and constructing democratic institutions from scratch. At the same time, Albania found itself on the margin of a bloody war in neighboring Yugoslavia.

Albania became strategically important to the NATO powers for two major reasons. One, it offered NATO and the U.S. an important military outpost in the turbulent southern Balkans (in the 1990-96 period Albania opened its ports and airstrips for U.S. military use and housed CIA spy planes for flights over Bosnia). Two, the U.S. and Western Europe feared a southward spread of the Yugoslav conflict to Kosovo (the southwestern part of the former Yugoslavia) and to Macedonia-both of which have large ethnic Albanian populations. The U.S. wanted an Albanian government that would not stoke ethnic unrest among the 2.5 million ethnic Albanians living outside of its borders.

The U.S. played a major role in the DP's 1992 electoral victory, and it then provided the new government with military, economic, and political support. In the 1991-96 period Washington directly provided Albania \$236 million in economic aid, making the U.S. the second largest bilateral economic donor (following Italy). In early 1997 the U.S. froze its military aid and training programme. In recent years about two-thirds of U.S. economic aid has been directed to support privatization and to open Albania to U.S. trade and investment through U.S.-government created institutions like the Albanian-American Enterprise Fund. The International Monetary Fund and World Bank promoted programs of privatization and price stabilization and then, together with the U.S., praised Albania as the economic miracle of Eastern Europe, even though much of Albania's growth was based on sanctions-busting in the former Yugoslavia and illegal trading of arms and drugs. Although he cast himself as a devout anti-Communist who would introduce democratic reform, Berisha resorted to undemocratic practices, such as undermining the judiciary, harassing the independent media, and imprisoning political opponents. Berisha interpreted the silence of the U.S. and other major donors in the face of these human rights violations as a green light to further marginalize his rivals and consolidate power. This authoritarianism became plainly evident in the parliamentary elections of May 1996 when the ruling party stuffed ballots, intimidated voters, and beat protesters. In January 1997 Albania fell into anarchy following the collapse of several of the get-rich, pyramid schemes in which thousands of Albanians had invested their life savings. Armed insurgents took control of the southern cities, demanding Berisha's resignation. The police forces and the army disintegrated, and vigilantes armed by Berisha roamed the streets of Tirana. In March 1997 Berisha agreed to form a national reconciliation government, but he retained the presidency, the interior ministry (which controls the police), and control of the state television. In April 1997 a UN-approved peacekeeping mission organized by Italy went to Albania purportedly to protect humanitarian aid from banditry, even though the agencies delivering the aid claimed they did not need military protection. The Mediterranean nations that supplied the multilateral force had a clear interest in stabilizing the country and halting the outward flow of refugees.

The U.S. has too closely tied its foreign policy goals--stability in the Balkans and the construction of freemarket democracy in Albania--to one man and one party. Following Berisha's visit to the U.S. in March 1991, Washington began supplying direct assistance to the DP, including donations of computers and cars for the 1992 electoral campaign. William Ryerson, the first U.S. ambassador, stood next to Berisha on the podium at election rallies.

The U.S. failed to criticize, and at times encouraged, the new president as he purged critics of his policies within the judicial system, police, and the DP--often through illegal means. By 1993 DP loyalists and family members held most of the prominent positions in Albania's ministries, institutes, universities, and state media. Citing the threat of communism's return, Berisha successfully instilled fear in the population and discredited his rivals. The U.S. embassy in Albania contributed to the polarization of Albanian politics by refusing to meet most of the opposition parties (former communists as well as others) for the first two years of DP rule. This one-sided view of democratization helped Berisha dismantle most political alternatives, some of which were moderate and truly democratic. Albania had become a strategic outpost in the region, and the U.S. did not want to jeopardize its new control and political influence in the country. In 1992 Washington deployed a Military Liaison Team to the country and started outfitting the Albanian military with nonlethal equipment, technical expertise, and training. Albania was the first East European state to request NATO membership, and in February 1994 it became a member of the NATO-associated Partnership for Peace. Albania has participated in numerous military training operations with the U.S. and other NATO powers, and the CIA has used Albania as a base for air reconnaissance missions over Bosnia. In January 1995, the U.S. Army finished building a radar station in northern Albania for use by the Albanian military. In addition, Albania opened its land, marine, and airport facilities to NATO operations in the former Yugoslavia.

The State Department also valued Albania for its responsible and nonprovocative position with respect to the Albanian-inhabited regions of Kosovo and western Macedonia, which the U.S. considered tinderboxes in the region. In this way, a Faustian deal was made: Berisha pursued moderate policies outside the country in Kosovo and Macedonia, and in return he was free to do what he wanted inside Albania's borders. Although human rights abuses were mounting, Berisha received a warm welcome in September 1995 when he met with President Clinton and top State, Treasury, and Defense officials. The only public criticism at that time concerned discrimination against Albania's Greek minority--the result of pressure from the powerful Greek lobby in the United States. It was not until late 1995 that the State Department began to express serious concern about the deteriorating democratization process, highlighted by Berisha's decision to remove the Supreme Court's Chief Justice because of his attempts to establish a politically independent judiciary.

It was not, however, until after the blatantly fraudulent parliamentary elections of May 1996 that the U.S. posture changed decisively. After initial delay, the U.S. criticized the fraud, labeling it 'a serious step backward in Albania's democratic developments' and calling for new elections. Criticism continued during 1997 as Berisha responded with violence and repression to the popular uprising sparked by the collapse of the pyramid schemes. As part of an effort to isolate Berisha, who steadfastly resisted pressure to resign, the U.S. began talking directly with the caretaker government, which has the mandate to restore order and prepare for new elections. In the midst of the social and political turmoil, Berisha has managed to maintain control over an armed secret police force in Tirana, television and radio, and a slim majority in parliament.

The spark that set off the country's crisis was the collapse of the pyramid schemes in which Albanians had invested an estimated \$1.5 billion. But the underlying reason was Berisha's disregard for the rule of law and a persistent pattern of human rights violations by the government. The Berisha administration tolerated the pyramid investment scams and

even encouraged people to invest, despite warnings from the international financial institutions. Evidence is beginning to emerge that some of the schemes had direct government ties and were dealing in the illegal trade of oil, arms, and drugs. In the volatile Balkans, the U.S. is faced with a serious crisis that it helped field. The raging anarchy in Albania is both a serious setback for Albania's democratic development and a threat to regional security. In this regard, the disintegration of police and military forces has resulted in the widespread availability of weapons. These are easily purchased or stolen not only by Berisha's opponents but also by criminal gangs and terrorist elements both inside and outside Albania. (in eastern Albania, an automatic rifle costs less than a kilo of bread.) Another problem is the refugee outflow to Italy and Greece that has increased ethnic tension throughout the region.

In Albania, as elsewhere in the transitional states of the former Soviet bloc, the U.S. made the critical mistake of backing one political force rather than supporting a pluralistic political process. More emphasis was placed on Berisha as a personality who would defeat communism and guarantee stability in the Balkans than on the construction of democratic institutions such as a depoliticized judiciary, a pluralistic parliament, and an independent media.

To extricate Albania from its current chaos will not be easy. An essential step is to adopt an approach to the country that centers on support for democratic principles rather than on political personalities.

Any bilateral or multilateral assistance to the current caretaker government, or any future government, should be linked to the establishment of civil and political rights, the construction of democratic institutions, and respect for the rule of law. At the same time, the U.S. should continue pressuring President Berisha through all available means to respect Albanian law and work toward a peaceful solution to the crisis.

The caretaker government headed by Prime Minister Bashkim Fimo has displayed a willingness to initiate democratic reform. But it needs concerned foreign assistance to fulfill its mandate of reestablishing order and preparing for new elections, tentatively scheduled for autumn 1997. Mindful of mistakes made in Bosnia, elections should not be held until the government (with the help of the peacekeeping force) secures neutral political atmosphere in which there is freedom of expression, association, and assembly.