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### EUROPEAN NEWS DIGEST

# Albania asks EU for help

Albania's new government of national unity yesterday made a plea to the European Union for urgent help, as thousands of people tried to cross the Adriatic to Italy in anything that would float or headed to the Greek border.

The finance minister, Mr Arben Malaj, said he told a visiting EU delegation that Albania faced a serious food crisis after widespread looting of government stocks last week. Few supplies are reaching Tirana and deliveries from Greece and Macedonia have been mostly cut off.

Mr Malaj said the delegation had listed several conditions for providing financial aid, including re-establishing links with the International Monetary Fund and application of strict financial discipline following the collapse of pyramid savings schemes. The International Committee of the Red Cross appealed to donors for \$10.3m to send food and medicine to Albania.

Some 12,000 refugees have fled to Italy and Greece so far. Thousands more are besieging the ports of Durres and Vlore where criminal gangs are organising places on leaky boats at exorbitant prices. The Italian cabinet is to discuss the exodus today. *Guy Dinmore, Tirana* **Polite hypocrisy, Page 12** 

## Balkan fund ready for launch

The first private investment fund for the Balkan region was offered to institutional investors yesterday. Mr James Mellon, managing director of the Regent Pacific Group, a Hong Kong-based investment fund manager, told a London conference that "huge mis-pricing in debt and equity assets in the region offered the potential to grow assets 3-10 times over the next five years".

Regent believes the Balkan region could be the next target for substantial foreign investment in under-priced financial and physical assets now that Romania and Bulgaria, the region's biggest countries, are embarking on programmes of rapid privatisation and market reforms.

The proposed \$100m, three-year closed-end Balkan fund will be launched on April 2. It will invest in bonds and equities and concentrate initially on Bulgaria and Romania and on Croatia and Slovenia. Slovenia is the richest, with an average per capita income, at current exchange rates, of \$9,300 a year; average pay in Bulgaria is around \$30 a month. Anthony Robinson, London

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### COMMENT



Cynical observers have long mocked the inability of European Union governments to get their foreign policy act together. In the last few days they have had two new cases of European disarray to sneer at.

Case one concerned the controversial question of Turkey's application to join the EU, on the table since 1987, but still not accepted.

At the beginning of the month, a summit meeting of the leaders of six centreright (Christian Democrat) governments, including Chancellor Helmut Kohl of Germany, declared that Turkey could not be accepted into the EU.

They gave the impression that their position was based on the grounds either that Turkey is not a European country, or that it is an Islamic nation. This implies a rejection that is unconditional and unchangeable.

This provoked predictable uproar in Ankara and protests from Washington which wants to keep Turkey in the western camp. So last weekend, the 15 foreign ministers of the EU did a complete about-face. They declared that, of course, Turkey could be considered for membership of the European Union, on the same terms as the 10 candidates from eastern and central Europe which are due to begin membership talks next year

At that same meeting, the foreign ministers gave a second display of confusion and disarray, in their contrasting reactions to the chaos in Albania.

France, Italy and the Netherlands were for dispatching a significant force to help restore order. But the UK and Germany were opposed to any military action. So the EU ministers settled for almost the smallest possible response to the crisis: the despatch to Tirana of a little diplomatic mission of advisers.



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Turkey's quest to join the EU and the crisis in Albania have highlighted the EU's disarray over foreign policy

The 1992 Maastricht treaty laid down, as an objective, that the EU would develop a common foreign and security policy, leading to a common defence policy. But nothing of consequence has been achieved in this area so far, and these two recent incidents seem only to confirm the EU's lamentable reputation for weakness and confusion in foreign policy.

And yet it must be a mistake to set too much store by activism for activism's sake. Some critics have been quick to jeer that Europe's indecision towards Albania looks exactly like a re-run of its earlier vacillation in the face of the war in Bosnia-Hercegovina. Surely this time, they say, Europe ought to be able to show a bit more spunk, and get a grip of the disorder in its own backyard.

To me, the two crises look wholly dissimilar. At the outbreak of the civil war in the former Yugoslavia, it might have been possible for the EU governments to have suppressed the conflict through military intervention. Whether it would have been wise to have tried is another question; but at least that was a relatively organised military conflict to which it might have been possible to offer an organised military response.

The crisis in Albania is different. The problem is not civil war, but the disintegration of governmental authority – so it is not clear what an external military force could be sent to do. The EU foreign ministers have so far avoided taking a spectacularly wrong decision – though it is a pity they could not resist the temptation to display their disagreements in public.

The Turkish question is more complex and more difficult. During the cold war, Turkey established a strong claim to be part of the western complex of nations: it has been a member of Nato since 1952 and became an associate of the then European Community in 1963.

But there are two sets of obstacles to Turkish membership of the EU. The first is practical: member states are already quaking at the difficulties of absorbing the (mainly small) countries of eastern and central Europe.

Turkey is not just very poor and very backward; with 62m people, it would be much harder for an EU of 373m to digest, economi-



The answer is unmistakable: in terms of its democracy, its human rights, its treatment of minorities and the role of the armed forces, it functions according to quite different norms.

In combination, the practical and political obstacles mean Turkey cannot become a member of the EU soon. The Christian Democrat leaders were merely saying out loud what everyone already knows.

But last weekend's decision by the 15 foreign ministers to encourage Turkey's aspirations was not just an exercise in polite hypocrisy; they were also recognising that there is no point in simply making a public announcement that Turkey cannot join the EU. This angers the Turks, quite uselessly, without addressing any of the large strategic problems in which the EU and Turkey are unavoidably linked.

Turkey occupies a key position at the crossroads between the Balkans, the Caucasus and the Middle East and that must be reflected in EU strategy. Ankara has threatened to block Nato enlargement if it does not get satisfaction on EU membership. Brussels cannot proceed with planned membership negotiations with Cyprus, without dealing with the fact that half the island is occupied by the Turks.

Cynics will no doubt continue to mock the EU's disarray over foreign policy. But circumstances will compel the EU to try harder; one day, perhaps, it will do better.



Albania in chaos: no case for EU intervention