

BOOKS



Peter Dejong/AP/Wide World Photos

A rainy day in Skanderberg Square in Albania's capital, Tirana

Albania's Awakening

ALBANIA: A SOCIALIST MAVERICK

By Elez Biberaj, Westview Press, 1990, \$35.50 hardcover

Reviewed by Larry W. Roeder Jr.

This is the best book in print on Albania, and now, with the recent re-establishment of diplomatic relations with Tirana in March, it has become an important one for business people and policy-makers. After years of ignoring this small Balkan republic, the United States is beginning to take note of Albania's mineral wealth and strategic geographical position. Perhaps more immediately important, Albania's manifest instability could sweep the country into a Romania-style revolution. Whether change comes through violent means or peaceful evolution, some degree of democratization and economic reform are certainly on the

way. For these reasons, American diplomats and business people must understand the winds that move Albania in order to respond in a constructive manner. This book provides a good primer.

Why is Albania changing? The answer is found in chapter five of Biberaj's book and is a clue to future policy direction. "No issue seems to have preoccupied the post-Hoxha leadership more than the economy, particularly . . . reversing the effects of decades of mismanagement. Albanians know how their economy stacks up against those of the West. They know about Eastern Europe, the collapse of communism, and why the collapse occurred. It is commonly believed that the standard of living is unacceptable, and that the Communist revolution is to blame. As Biberaj points out, even back in the 1970s, the leadership felt pressured by a public who wanted "cultural liberalization, economic reforms, and a more realistic foreign policy posture."

Except for the fact that Albania owes virtually nothing, the state of the economy reads like a summary of communism's failures. Add to that Biberaj's observation that Albania is overly xenophobic and possesses shockingly few educated people, antiquated management techniques, poorly designed factories, and ancient equipment. All of these Biberaj observations illustrate why the following has happened:

- This is Europe's worst economy. It's getting worse.
- Per capita income is only \$800.
- Agriculture and industry can't keep up with demand.
- Housing is scarce and of abysmal quality.
- There isn't enough meaningful employment.
- Meat and other foods are rationed.
- Albanian products are usually uncompetitive in the world market and don't meet domestic demands.
- The technology, training, and money needed to improve the situation are lacking.

To turn around the results of decades of authoritarian mismanagement will require reform in every sector of life, and that will happen only if the government gives the process the green light. Biberaj notes that Ramiz Alia has become the government's only genuine reformer since the imposition of communism after World War II and the one who wants western connections. Being the impelling force behind normalization is a risky proposition in a nation that threw off a history of malignant foreign domination before the war and a series of less than happy alliances afterward: Yugoslavia, 1945 to 1948; the Soviet Union, 1948 to 1961, and China, 1962 to 1978. But is it too late? As Biberaj asks, can the leadership "devise policies that will somehow enable the Albanian People's Liberation Party (APL) to gain the confidence of the population?"

I believe that it must, or else the

government will not last another five years. Alia seems to agree, and the West is investing—especially Italy, Germany, Greece, France, and Turkey, followed by Austria and Japan. They and others will be commercial competitors to any American enterprise. The later American firms wait to enter the market, the harder it will be to gain a foothold. But even if a nation's leader wants change, investors need to know whether he can carry it off. UN Secretary General Perez de Cuellar visited in mid-May and noted that the leadership wants "to move further along the path of reform and show greater flexibility in the human rights sphere." Alia himself said, "The democratization process . . . is irreversible."

The *process* is irreversible, but the definition of democracy is in doubt, and there does not seem to be a clear blueprint for the future. For example, though some farmers can now sell their surplus (a change), the private sector is limited in that Tirana has yet to ac-

knowledge the merits of a true market economy. That's confusing. That is also central to the problem—but it is also a clue to where we can help. The West must convince Alia his best interests and those of Albania lie in the direction of Poland and Hungary, despite the political risks associated with economic dislocation.

Biberaj believes that like any dictator or oligarch, Alia will be reluctant to go to a market economy unless he thinks his regime is not threatened. But Biberaj also correctly points out that the alternative is social upheaval. The United States cannot ethically guarantee his security, but the government can show Alia how to improve the standard of living and people's perceptions of their govern-

ment. That could provide the sense of security he needs. After all, only 4 percent of the population belongs to the party. A powerful security force and no democratic heritage have inhibited organized opposition; but as riots in the summer of 1990 graphically illustrated, the desire for reform may soon become stronger than the ability to effectively use billy clubs and rifles.

Biberaj shows that Albania's current regime realizes salvation lies not in isolation but in the world community. For example, Albania has established diplomatic relations with the United States, the Soviet Union, and seven members of NATO—Western nations which could hold the key to Albania's economic salvation. It also wants to join

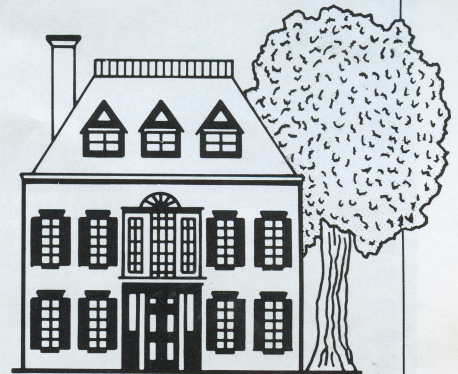
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the Conference on Security and Cooperation in Europe. In October 1990, Tirana hosted the Balkan Foreign Ministers' Conference. It is a member of numerous international bodies, mostly connected with the United Nations, and is exploring reopening relations with the United Kingdom. But despite these positive actions, Albania will resist overtly tying economic assistance to political change. I believe that attitude must change.

Time may be running out. Since this book's publication, Ismail Kadare, Albania's most prominent writer, defected to France, in October 1990. Small groups of Albanians are illegally crossing the border, though they risk being shot. About 5,000 people tried to seek asylum in western embassies in July in an event that might easily have led to civil war if it had been handled as the Chinese handled Tiananmen, which almost happened. The danger in Albania, like Romania, is that the lack of organized opposition may leave no

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alternative besides chaos, should dissatisfaction erupt into civil disorder.

What can we do to help? First, we can provide economic assistance, which will cost less than one might think, due to Albania's small size and population. The first priority is agriculture. There will be a food crisis by the end of the decade if it is not managed.

Government aid can be supplemented by the Albanian-American community. They are able and willing to provide capital and expertise in tourism, restaurants, construction, investments, etc. They know the language and customs. Another alternative source is the international banking community. This will be difficult, given historic fears of foreign domination, but the exercise will be healthy, given there will be a demand for accurate statistics for each critical area.

Alia needs to seek agreements allowing U.S. joint ventures or cooperative efforts to develop tourism, housing, chromium and petrochemicals, and small industry, as well as training in basic principles of management and labor utilization. The development opportunities are multiple and varied: in agriculture, investment in equipment and proper management could raise yields. A wealth of beaches, monuments, and ancient ruins could attract tourists and hard currency, but success will require overhauling the industry. Resources in chromium, copper, and other minerals and metals could ultimately earn much hard currency for Albania. But production and quality are down. The country needs modern extraction and processing technology, new management techniques, and a modern mineral survey. In heavy industry, factories must be torn down and replaced with new facilities, while employees are trained and some are laid off. Finally, in education, Biberaj makes the shocking observation that, as reported by Alia himself, "about half the managers of economic sectors have only secondary education." Functional illiteracy is rampant and a major impediment to development. Those who are educated (especially economists, who were often imprisoned

or executed in the mid-1970s) are afraid to speak their minds. Tirana needs to develop trust in ideas—never an easy concept to swallow in an ideological setting.

An international commodities economist in the Office of East-West Trade, Larry Roeder recently produced a research paper for the Economic Bureau's "East European Committee" entitled "Prospects for Change in Albania." Views expressed here are his and not necessarily those of the Department of State.

Phoenix Rising

ASHES TO ASHES: THE PHOENIX PROGRAM AND THE VIETNAM WAR.

By Dale Andrade, Lexington Books/D.C. Heath, 1990, \$22.95 hardcover

Reviewed by Sol Schindler

We are in the midst of a spate of books on the Vietnam war, all of improving quality. Sufficient time has elapsed for a certain amount of objectivity to have set in, and it is no longer sufficient to be an advocate or an activist. Professionally sound research is expected.

In *Ashes to Ashes*, the author gives us that. He does not set out to explode the schoolboy notion that the Phoenix program consisted of a gang of over-achieving assassins who knocked off Viet Cong administrators. Although he does address this myth, his main purpose is to give as accurate an account as possible of the convoluted birth and nurture of the combined Vietnamese-American intelligence effort to displace the Viet Cong-South Vietnamese Communist-infrastructure. By doing so, he is able to shed further light on the American war effort in Vietnam, the strategy employed, and what was and was not valid.

In the early 1960s, when this country came to the aid of South Vietnam, U.S. advisers began to train the Army of the Republic of Viet Nam (ARVN) so that it could repel an invasion from the north. Internal intelligence and security were

left to the Vietnamese government and its various police forces. As the Viet Cong insurgency grew, it was inevitable that the army would be called upon to play a major role. When it failed in its mission, it was reinforced—sometimes superseded—by American military. The strategy then was that U.S. forces, sometimes with ARVN cooperation, would take care of the VC strike forces and whatever North Vietnamese Army (NVA) battalions had infiltrated the south. Large forces would handle large forces, while the police—national and provincial—would handle internal security. After a time, it became apparent that little progress was being made on rural pacification and that the strategy was flawed.

The author, along with numerous critics, thinks that the American effort was misdirected. He points to other Communist insurgencies in Asia, such as those in Malaya and the Philippines, which were put down through efficient police work, albeit with army help. He

believes, along with many others, that American advisory efforts from the beginning should have been directed toward counter-insurgency (i.e., police-intelligence) efforts rather than conventional army training.

It was not until 1967 that appropriate American resources were assigned to internal intelligence, while it was the Tet offensive of 1968 that finally forced the Vietnamese government into active cooperation; thus, when the Phoenix program began in earnest, it was a post-Tet phenomenon, and rather late in the day.

Phoenix was directed against the VC political cadre, what the military called VC infrastructure, as distinct from the VC armed forces. It was effective immediately for a variety of reasons, the most important probably being the high casualty rate the VC had suffered in the Tet offensive. When the survivors viewed the results, no permanent gains on the ground, losses so heavy that

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