

amnesty, from which only specified individuals are excluded. Thus, instead of diminishing insecurity and uncertainty, the amnesty has in fact increased it, as any man who fought in the former rebel Serb forces, and who is not specifically amnestied, may fear arrest. There have also been instances of Serbs being arrested and questioned by police, later to be released without charge, further heightening fears among Croatia's remaining Serbs and potential Serb returnees that, irrespective of their record, they may be arrested and charged with wartime atrocities.

C. Prospects for Returnees

Representatives of the OSCE in Vukovar stress that a key reason why many Serbs have been leaving, or are considering leaving the region, is the perception that they have few long-term prospects in Croatia. Economic conditions in eastern Slavonia as well as other regions that were previously under Serb control, are difficult. Economic recovery has been hampered in part by uncertainty over the prospects for certain key enterprises which were formerly major employers. The privatisation process has moved slowly, so that some enterprises are effectively in limbo, meaning uncertainty and high unemployment for the population. This lack of prospects and employment opportunities has discouraged many Croat DP's from returning to the region. Prospects for Serbs, who face widespread discrimination in addition, are bleaker still.

The OSCE reports that the government appears to have fulfilled commitments regarding the ethnic balance in public employment in eastern Slavonia. However, permanent employment contracts have in most instances been awarded only to Croat returnees. If the returns programme is to result in returns by anybody apart from elderly, retired Serbs, the questions of economic regeneration in areas to which Serbs would be returning and non-discrimination against Serbs in employment opportunities need urgently to be addressed.