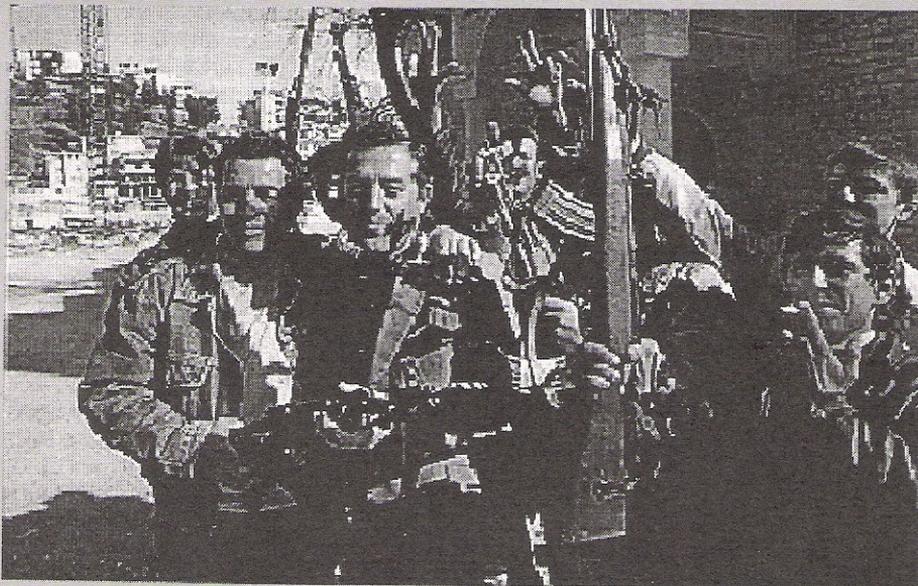


57/1997 ISSN 0141-7746 £4.00 \$7.00

# Labour Focus on Eastern Europe

## THE ALBANIAN UPRISING



**James Pettifer** The Albanian Upheaval **Michel Chossudovsky**  
Albania and the West **Peter Truscott MEP** Russia First: A New  
School of Thought in Russia **Tadeusz Kowalik** Poland's Epigone  
Revolution **Vassilis Fouskas** The Italian Left and the EU **Fausto**  
**Bertinotti** Italy's Party of Communist Refoundation **Colin Meade**  
Left Victories in France and Britain

a review  
of European  
affairs

57

*LFEE 1977 - 1997*

James Pettifer

## **The Albanian Upheaval: Kleptocracy and the Post-Communist State**

### **The hubris of the Berisha regime**

The widespread chaos and disorder in Albania in the spring of 1997 following the collapse of the pyramid banking schemes has brought international concern that this small Balkan country could prove to be a model for other transitional societies and their governments in Eastern Europe which are failing to satisfy popular expectations of Western capitalist society. This fear has been expressed in particular relation to Russia, which has many of the same features of transitional society, such as mass impoverishment, some nostalgia for Communism, a dissatisfied and possibly rebellious military, a popular culture where the use of weapons is common, and a very small, very rich elite whose business practices have been heavily influenced by mafia operations. This society has been described by Solzhenitsyn and others as a 'kleptocracy', the Greek term meaning 'government by bandits'.

High hopes for Albania have been followed by disappointment, both for Albanians and international sympathisers of the Berisha regime. Albania had been seen by many right-wing and mainstream commentators in the West as a model for post-Communist economic development, with a strong pro-market government, high growth rates, accelerating foreign investment and a satisfactory orientation towards NATO and European Union policy on Balkan political issues. It was in

particular seen as the diametric opposite of its neighbour, Serbia, which was none of those things.<sup>1</sup>

The International Monetary Fund, the European Bank for Reconstruction and Development and the World Bank had been very supportive to the Berisha government, the latter in particular. This project has now collapsed in disaster, with the state incapable of exercising the most basic functions, most of southern Albania under the control of local 'salvation committees', after the armed rising of March 1997, and the north and Tirana under the control of pro-Berisha armed groups. Albania has become the second Balkan country, after Bosnia, to fall under international military control, with the advent of the Italian-led humanitarian intervention force in April 1997. It is unclear what real power the Socialist government elected in May will have to change this.

The mass seizure of weapons from army stores, usually the Albanian-model copy of the Kalashnikov AK-47 assault rifle (although there are many heavier weapons in circulation), coupled with the easy availability of large quantities of ammunition from Albania's own plants, has led to the creation of an armed population, on a scale that has not been seen in the Balkans or elsewhere in Europe since the World War II period, even in the wars of ex-Yugoslavia.<sup>2</sup>The nearest comparable situation may well be in the late Ottoman Empire, and the mass armed popular risings of the Balkan peoples against the Porte, such as the Illinden Rising in Macedonia in 1903.<sup>3</sup>

The background to the current crisis is well known. After a long period of anarchy and political turmoil as Communism collapsed, between 1989 and 1992, the government of Dr Sali Berisha was elected in the spring of that year and produced apparent stability. His strong anti-Communist rhetoric led to large financial, moral, and political support from the West (the US, Germany and Britain, in particular) although there was little real investment.<sup>4</sup> The United States, as well as the neo-Habsburg, predominantly Catholic block of Germany, Austria, Slovenia, Croatia and Hungary, supported Albania against British- and French-supported Serbia. Dr Berisha, in turn, tried to underwrite his dominant political position with a new constitution in 1994, but was rejected overwhelmingly by the people in November of that year. It seems clear that Albanians feared it would provide the framework for a

very authoritarian 'presidential' state, with little real role for political opposition or judicial independence. Politics remained in crisis until an attempted resolution in the election of May 1996, won by Berisha's governing Democratic Party. The election was judged to be very corrupt by the vast majority of international observers present, including the OSCE delegation. The election was marked by violent attacks on opposition activists, particularly on members of the Socialist party, a monopoly of television by the governing party, coercion of independent journalists and media institutions, and government party custody of ballot boxes after the elections.<sup>5</sup>

At the same time, pyramid banking schemes had been growing very rapidly, offering very high rates of interest, which soaked up the greater part of emigre remittances and people's savings in general. Remittances, mostly from Italy and Greece, may make up as much as a third of Albanian GDP. There are strong grounds for believing that many of the operators of these pyramid schemes had close links with Dr Berisha's party.<sup>6</sup> There was general concern that the collapse of these schemes might be imminent in autumn 1996, and the IMF issued warnings to the government in October 1996. It seems, however, they were not made with sufficient vigour, and the sychophantic and uncritical relationship officials of the international financial organisations had developed with the Berisha apparatus did not assist them. Market capitalist society in Albania was seen to have 'no limits'. This, of course, was not the case. As Marx once remarked, some businessmen only discover the law of gravity when the ceiling falls in.

The collapse of the first pyramid schemes began in December 1996, and rapidly accelerated after Christmas, bringing widespread social tension and street disorder. A major revolt against the government began in the southern cities of Vlore and Sarande, followed by armed rebellion in mid-March 1997 throughout southern Albania. A key date was 10 March, when the southern regional centre of Gjirokastra went over to the rebellion, after which it spread rapidly northwards in the next few days. All political authority of the Berisha government was destroyed in the South in this process and, after international intervention designed to prevent a nascent north-south civil war, a 'government of national unity' under Socialist Mr Bashkim Fino was installed, with the task of organising democratic elections under

international supervision. After a complex and difficult negotiation process designed to produce multi-party agreement on a new electoral law, elections are due to be held in June 1997. At the time of writing, much of the country is still under the control of various armed groups, and a modicum of public order is maintained in the cities only by a heavy paramilitary presence. The conditions that could lead to full scale civil war still prevail. It is not clear whether the elections will result in effective or stable government.

### **The March rising and the kleptocracy**

In the quality press there have been many speculative assertions about the nature of the uprising and the degree to which it developed as a result of conscious political planning and organisation, and the degree to which it was a spontaneous and inchoate movement of protest against the loss of assets in the pyramid banks, and against the increasingly undemocratic character of the Berisha regime. This is an important issue, in trying to establish whether the social and political breakdown in Albania might be a model for what could happen elsewhere.

The following observations are fairly exclusively based on my own experiences in the south, in March 1997, and in Gjirokastra and Tepelena, which were at the heart of the rebellion at the time, and later in Korca in May 1997.<sup>7</sup> Major factors in the situation were –

1) There was widespread and long-standing dissatisfaction with many aspects of the Berisha government, both on a range of practical issues and because it was dominated by northern Gheg Albanians. (Those living south of the Shkumbini river are called Tosks, and speak a different dialect of the language). Under Communism, southern Tosks had always been well represented in the government and had often dominated it. The years 1992-96 had seen a steady advance in the control of the local state, the security apparatus in particular, by Berisha place-men, usually from north-east Albania.

2) The economy of the south had become increasingly dependent on remittances from emigre workers in Greece, and links with Greece were in any case strong due to the presence of at least 40,000 ethnic Greeks in southern Albania.<sup>8</sup> Many southern Albanians had become accustomed to the higher standard of living and a functioning modern industrial society in Greece, and had become increasingly impatient with what

they saw as the lack of economic and social progress under the Berisha government.

3) Although this factor was probably exaggerated considerably by the Berisha government in their portrayal of the uprising, some residual elements from the old Communist security apparatus and its functionaries remained in the south. Under Communism, these coercive state organs had been filled almost exclusively by southerners. Informal networks certainly remained in some places.<sup>9</sup> Some of these people had gone into exile in Greece and Italy after 1992 and may have interacted with the Mafia and organised crime in general prior to the rising. But there has been no concrete evidence produced to support allegations made in pro-Berisha circles that a planned pro-Communist conspiracy lay behind the rising.

4) Under Communism, senior echelons in the army had been dominated by southerners. Many of these men had been made redundant in the US-supervised military reforms between 1992 and 1995 and were often unemployed and highly dissatisfied with the end of their careers. Promotion prospects for younger talented southern officers were poor under the Berisha regime, even if they could keep their jobs, as northerner Ghegs were strongly favoured in the military. This produced a pool of potential leaders of the rising at local level, with military training and experience and knowledge of the current disposition of stored weapons in the localities. This was augmented by the fact that Albania's arms factories are in the south, near Berat, and were a target for the rebellious soldiers.

At the heart of the movement was a split among the military, particularly in the key day of the revolt, 9-10 March, when Gjirokastra changed sides and went over to the anti-Berisha opposition. This city had been attempting to maintain a precarious neutrality in the second week in March but, when Berisha Special Forces in helicopters arrived in the town to secure the arms store, local leaders in the army and in the police and security apparatus mutinied. The revolt began with the leader of the local police organising an attack on his own police station, against pro-Berisha elements from the security police (SHIK).

When the weapons held in the police station were seized and distributed to the population, resistance to the pro-Berisha forces arriving in helicopters was possible, and the town fell to the rebellion

very easily. The main arms store was then stormed and opened and very large quantities of weapons were distributed to the population. The government forces retreated northwards to their bases.

This sequence of events corresponds very closely to the partisan model of popular resistance established in the *Second World War*. The partisan tradition is very strong in the south, and the way the rebellion spread north up the mountain valleys after the fall of Gjirokastra followed very closely events in 1943-44.

5) As elsewhere in the Balkans, organised crime had been growing as a major force in the country after the end of Communism. In the south, particularly on the Adriatic coast, a particularly favourable environment existed for its development, with Albania lying on a direct route for heroin imports from Turkey to Europe, the proximity of the coast of southern Italy with many Mafia-dominated towns, and the ease with which large-scale cannabis plantations can be concealed in southern Albania. The city of Vlora had been affected by lawlessness for a long time. In this environment, many supporters of the Berisha regime became involved with organised crime and became highly unpopular locally, where people saw a steady criminalisation of society developing. This criminalisation very seriously affected the working class, the old, the poor and minorities, therefore augmenting mass support for the unrest.

The exact nature of Albanian organised crime will need careful analysis in the future, if policies are to be devised that will assist the de-Mafiaisation of society. It appears that one of the major defects of Western policy towards the Berisha regime was in the near-total incapacity of most governments to see how destabilising to society it had become, even though there are notorious examples of 'gangster states'- as President Clinton has called Colombia - in existence elsewhere in the world. The link between free-market fundamentalism and the establishment of ideal conditions for kleptocratic rule, with the abdication of the state from many areas of Albanian life, is very strong, in this sense the rising is merely an extension of trends that had already existed strongly in Albanian society. It also illustrates a major crisis in one aspect of free-market ideology as it has developed towards Eastern Europe. In Russia, for instance, the 'Mafia' seems to have been accepted by the West as a permanent feature of society, and has not inhibited continued large-scale economic support for the Yeltsin government.

6) This criminalisation led to some of the classic features of a kleptocratic society, with the end of any taxation of normal business activity and the collapse of what remained of most education, health and other public provision.<sup>10</sup>

7) The development of the mafia had been greatly assisted by the United Nations sanctions against Serbia during the ex-Yugoslav war. The social structure of normal economic activity has been seriously damaged a long way away from the areas on the Balkan peninsular where actual fighting has been taking place, but very little of the international aid and reconstruction funds have been allocated outside Bosnia (where Western liberal concern has been focused by the media).

As a result, an enormous and little understood sense of historic grievance against the West, the United States in particular, - as the main architect of Dayton - has spread across the southern Balkans. This is linked to the massive growth of popular protest against social and economic conditions and against existing regimes that spread across the region in the winter of 1996-7. The West is widely seen to have cheated these countries. All feel they have made considerable efforts to enforce sanctions (even if some, like Romania, did not) but have received little or no real compensation for the economic losses involved.

### **The lessons of the Albanian rising and the future**

Although it is very unclear what will happen in Albania, a number of preliminary observations can perhaps be made about the situation.

1) The rising has illustrated that there are limits to what the poorer and dissatisfied sections of society will take in Eastern Europe, in terms of a reversion to authoritarian rule linked to ultra-free market economics. It seems that it is possible for very traditional mass protests to occur that can challenge accepted notions of an 'inevitable' market process of development.

2) The links between organised crime and the Albanian population mean that the process of revolt is itself anarchic, destructive and violent, far beyond what is required to defeat local political opposition. There is a strong 'Luddite' element - witness the total destruction of all computer shops in Tirana as an example, in the early stages of the March rising there. In that sense, the Albanian events have more in common with peasant revolts under the Ottoman Empire than any traditional Marxist

industrially based movements linked to 'class'. This is likely to be the case if similar revolts occur elsewhere in Eastern Europe, as the combination of de-industrialisation, post-Communism, emigration and the technological revolution destroys much of the old industrial working class. Faith in 'technocratic development' based on the progress of industry has disappeared in whole sections of society. Many Muscovites, for instance, although living as urban workers, actually survive in their families only by cultivating small plots of land. Peasant values and attitudes are thus reasserting themselves throughout society. In the Balkans, whole societies have reverted to small-scale agriculture, with the collapse of whole segments of a viable industrial society, as in much of Bosnia, former Yugoslav Macedonia (FYROM), parts of Bulgaria, Serbia and throughout Albania.

3) In this world, debates of interest to Western left-wing ideologists on issues such as post-modernism have little place or relevance. The whole liberal/left Europeanist agenda has little meaning in the Balkans, and probably in many places elsewhere in Eastern Europe. An example of this is perhaps the difficulties the Bosnian war caused this constituency of Western opinion.

4) The most fundamental lesson from the Albanian events is the need for a return to political economy. Whatever model of transition in Eastern Europe is adhered to. It is clear that in pre-1997 Albania there was a complete divorce between politics and economics in the way this society was seen in the West, coupled with a large dose of the politics of public relations around President Berisha himself.

5) It should also be clear that building up over-powerful Presidencies is no short cut to development or 'stability'. There is no alternative to the struggle to build up democratic institutions based on popular consent in the region, but socialists in the West should recognise that many of the assumptions about social and economic development they have may appear totally irrelevant in Eastern Europe. This is the case both with the modernist, personalist agenda ('political correctness'), and the old left programme based on class.

Changes in the economy and mode of production, coupled with the strong revival of religion everywhere in Eastern Europe, are bringing back highly conservative modes of small-scale collective social and family life, and a revival of ideologies that were thought to have been

superseded long ago. With them comes a return of primitive, direct-action, populist methods of struggle.

#### Notes

1 See most literature produced by the World Bank and International Monetary Fund on Albania between 1992 and 1996 for examples of the special pleading applied

2 See *The Complete Kalashnikov Family of Assault Rifles* by Duncan Long (Boulder, Colorado, 1988) for a good technical analysis of the Albanian version of this weapon.

3 For information on this subject, see *Macedonia - Its races and their future*, by H. M. Brailsford (London, 1906).

4 For background on US support and policies, and a general analysis of the nature of the Berisha regime, see *Albania - from Anarchy to a Balkan Identity*, by James Pettifer and Miranda Vickers (C. Hurst and Co, London, 1997).

5 See article by James Pettifer in *The World Today*, Chatham House RIIA, London, June 1996.

6 See *The Wall Street Journal Europe*, 28 January, 1997

7 See *The Times*, 10 March 1997

8 There is a detailed analysis of the situation of the Greek Minority in the Minority Rights Group report, *The Southern Balkans* (London 1995).

9 See article in *The Times* by James Pettifer, 3 March 1997

10 See article by James Pettifer in *The World Today*, Chatham House RIIA, London January 1997