MYTH, WILD CAPITALISM AND DEMOCRACY IN ALBANIA

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In order to adequately analyze the events in Albania during the recent civil unrest, we need more distance and time, more detailed intelligence and theorization than we now have after that thunderstorm-like rebellion. The collapse of several pyramid investment schemes in December 1996 led to spontaneous outbreaks of civil rebellion, which erupted first in southern Albanian cities such as Vlora, Gjirokastra and Saranda, and then spread quickly to northern and central Albania. Central state authority collapsed almost overnight in the face of what appeared to be the mobilization of outraged Albanian masses. However, mass movements, of whatever kind, can never be completely explained independently of our current knowledge. Therefore, I will not go into the deep analysis of mass movements, but I will try to identify some of the conditions that made the Albanian eruption of early 1997 possible.

To begin, it seems that a thought of the brilliant but disputed Spanish philosopher Ortega y Gasset might be useful as an introduction to the subject. Ortega y Gasset wrote, commenting on the situation of the relation of the Occidental state to the masses from the end of the eighteenth to the middle of the nineteenth century, that "the enormous disproportion between social strength and the strength of public power made possible the...revolutions—up to 1848." At that time, the emerging bourgeoisie conceived of the new state in terms of a ship charting a hazardous course. However, "that ship was a very small affair: it hardly had any soldiers, bureaucrats, or money."[1] Advancing industrialization for the first time gave society more power and influence than it historically had, while the state became less and less influential

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and more corrupt; although the broader masses could only from time to time make use of their power and influence when they acted as a mass movement, the real influence being reserved for the growing bourgeoisie and merchant class.

The Impotent Albanian State

The "State" in postcommunist Albania had as few soldiers, as few civil servants, and as little money, as had Ortega y Gasset's "ship of state." But it was not industrialization that gave broader parts of the Albanian society power and influence, but the way in which Albanians translated democracy and market economy. And this, I fear, will be how it is understood for a long time to come: that democracy is above all lawlessness, while market economy means enrichment by any means possible—corruption instead of taxes and the acceptance of every kind of economic crime.

The Albanian state—that is, the governing party—had secured political power, and did not allow anyone without party membership into governmental or media structures. However, everyone was free to enrich themselves as quickly as possible. No taxes flowed into the state budget; civil servants and the police were directly dependent on bribes from businessmen; the rule of law had almost no meaning; there was no official state employment; individual capital was larger than the fiscal resources of the state; and no one believed in the helping hand of the state. The state was considered to be a superfluous entity to be suffered, rather than an institution having legitimate authority over public life. The masses who consisted of thousands of "businessmen," street merchants, and the families of hundreds of thousands Albanian guestworkers abroad were definitely privileged. The masses could very well live without the presence of the state, especially since the state was not equipped to help anybody or impose sanctions on anyone.

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The operating principle of postcommunist Albanian governments has been the constant improvisation and administration of lawlessness and chaos, especially when used to enrich its own leaders. By accepting bribes and economic crime, many people were able, for the first time, to lead a better life without the involvement of government institutions or social support and state investments. At the same time, however, the government was able to use the visibly growing standards of living as evidence of the successes of the new democratic era. That the acceptance of this situation was actually a government concept is illustrated by a comment made by one of former President Sali Berisha's finance ministers in an interview with the author of this article (the minister insisted on anonymity). Asked about the "wild captialism" in

Albania, he answered, "This is not that bad. The United States, after all, had the Wild West before it became what it is now." What he actually meant was: he believed that at the beginning everyone was allowed to take as much as he could, and only when all were rich and well-fed could the state care about the rule of law.

Thus the first underlying condition contributing to the mass civil unrest in Albania this year is relatively easy to identify: the state was weak, lacking respect and influence, useless and easy to destroy. Moreover, Albanian society in relation to the state, expressed no respect for the state and its institutions, had little to lose from the destruction of the state, and had more than enough reasons to act as a mass against the state. Such a mixture would destroy any state at any time.

Wild Capitalism and Angry Albanians

Anger concerning the corruption of government officials and the impotence of state institutions was not the most important reason why Albanian society acted destructively as a mass against the state. On the contrary, the Albanian masses only rebelled when the illegal financial and economic life that functioned outside state institutions had broken down. It may sound illogical that a society would become angry with the state because the state allowed illegal financial empires to breakdown, but in Albanian circumstances it was only logical and predictable.

For years, the majority of Albanians had invested in so-called pyramid schemes, which had promised astronomically high returns on their investments (which they received at the beginning in order to hook first-time investors into continuing to re-invest with promises of ever-greater profit). In Albania, high unemployment, low salaries, and the naïve belief that one could get rich without having to work, brought hundreds of thousands of clients to the dubious investment firms operating the pyramid schemes. The number of Albanians attracted to the pyramid schemes grew dramatically. Many persons sold their apartments, businesses and other personal assets in the hope of multiplying their money in just a few months.

At the end of 1996, there were approximately two billion U.S. dollars invested in the pyramid schemes, several times the size of the government budget. The World Bank warned the government in Tirana, in the summer of 1996, that the pyramid strategy would push the country into economic catastrophe if allowed to continue. However, while the media shouted the alarm, neither the government nor the opposition saw any reason to address the issue. Perhaps this neglect was due to the high probability that government members themselves were benefiting from these pyramid schemes. The system also gave the illusion that a functioning market economy existed and that the majority of Albanians could live rather well within it, thus ending dependence on empty state coffers. Furthermore, the opposition did not want to risk becoming unpopular by attacking the pyramid schemes that drew great sympathy from the population. After almost fifty years of autarkic commu-

nism, Albanians had no rational relationship to money. During the dictatorship of Enver Hoxha's Albanian Party of Labor it had been impossible to invest money in financial institutions or to buy goods without rationcards: people had lived in an era of barter—work in exchange for goods. The investors were convinced that the pyramid schemes were part of a normal market economy and even believed that they had been especially created to help the population. Many of the investment firms publicly represented their activities in that way, and actually financed charitable projects from time to time. Public naïveté, which the investment firms exploited very effectively, combined with the bitter poverty across Albania, were the important causal factors in the schemes' success.

Rumors and Prosperity

Another important factor in Albania's wild capitalism was group dynamics, which are especially strong in Albania. Since powerful and reliable government institutions were essentially non-existent, rumors and imitation were the orientation lines in Albania's new market economy. It was compelling enough to hear from a person thought reliable that somewhere, someone had experienced some kind of success, to want to try it oneself. When stories circulated that a neighbor had sent his son to Greece as a guestworker and was receiving hard currency from him, his neighbors strived to imitate him. And this kind of imitation based on rumors of getting rich occurred again and again with respect to investing in the pyramid schemes. What one person did, everybody soon did—no matter if it was leaving the country in search of paradise, investing in pyramid schemes, participating in looting after the breakdown of the pyramid system, or storming the barracks that had been evacuated by the soldiers during the civil unrest. Those who did not follow the masses were immediately considered strange, suspicious and arrogant.

Albanians as Abused Children

In short, and in very unscientific and politically incorrect terms, Albanian society has many similarities with a poorly raised and abused child. The abused child not only represents the indescribable naïveté of Albanian society, but also its current incapacity to grow out of badly made children's shoes to create a responsible civil society. The poorly raised child stands for the incapacity of today's political and economic elite to guide Albanians in becoming the kind of citizens required by a democracy and a free-market economy. The abused child stands for the violence, unfairness, poverty, oppression, and discrimination that this population has had to endure for centuries, especially during the communist period of the second half of this century.

The reasons for the repeated madness of Albanian society against itself have to be looked for in the condition of the "abused child." It is well known that abused children tend to have disturbed personalities, which can lead to lethargy and aggression, but sometimes also to uncritical acceptance of widely

held attitudes. This disturbed personality led to tensions in Albanian society's relationships with authority—often seen between child and parent, but in this case between society and state. On the one hand, Albanian society constantly lived in a situation of cognitive dissonance, triggered by illusions and the error-filled history books of the communists, and on the other hand by the ugly and horrid reality of current life.

Myths and Cognitive Dissonance

Almost every Albanian lived daily the myth of an allegedly glorious past. Every Albanian who went to school or watched television learned that the Albanians were the oldest culture in Europe; that they were the most courageous of all peoples and the best warriors; that the Albanians saved Europe from the Ottomans; that they were the first Christian peoples in Europe; and that Albania had the oldest and most beautiful language in Europe—in short, that Albania was the most perfect nation on earth. But in reality, the Albanians did not even manage to protect their territories from attacking neighbors. Today half of its nation lives as oppressed minorities in neighboring countries; the history of Albania outside its own borders is almost unknown; and its culture and language are even more obscure.

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Every foreigner who has ever traveled to Albania or met an Albanian somewhere knows how the conversation proceeds: at first it is about the glorious past and pride in that past; but soon the Albanian talks about how incapable, stupid and cowardly Albanians have always been. The same ritual is repeated when one talks about the present. Albania is full of riches, natural resources, natural wonders, and beautiful, well-educated people—soon Albania will be the Switzerland of the Balkans. But very quickly comes the insight that Albania is the poorest, most chaotic, most corrupt and most hopeless country in late twentieth-century Europe.

The same dissonance is present in perceptions of the Albanian state. One is proud to be an Albanian and to have an Albanian state, but the first attempt to get a visa at a foreign embassy shows how little respect and trust the outside world has of that land and its citizens. The only way to get out of Albania is usually through illegal immigration into western countries, a process that is accompanied by discrimination and chicanery. Often Albanians attempt to obtain visas or working permits by denying their origin and religion: thousands of Albanians, for instance, pretend to be Greeks in order to facilitate immigration to Greece.

Children who have such a family history cannot be expected to respect their parents unconditionally. It is not surprising that such children want to take revenge, consciously or unconsciously, against their parents for the discrimination, poverty and violence to which they have been subjected.

It is not surprising that societies with such a high level of cognitive dissonance in regard to such elementary notions as history, state, nation, future and past, develop disturbed personalities. These societies are not capable of addressing their dissonances civilly and non-violently, but instead will try to solve their problems by violently destroying the root causes of the dissonances with respect to those elementary notions.

Madness of the Albanian Masses

In short, we can identify two underlying conditions for the madness in Albania—on the one hand, the absolute impotence of the state; and, on the other, the relative power superiority of the masses over government institutions. A population that is disturbed by the unique Albanian experiences of the last fifty years hardly understands feelings of solidarity, patriotism or loyalty to state institutions and laws, and actually has no good reason to know these feelings.

It became clear during the recent upheaval of the Albanian masses, that this was not an organized revolutionary mass with a clearly defined goal or clearly defined leader. It was, instead, an ill-defined mass that did not generate or accept any goals or leaders. The mass was incapable, given its dissonances, of even defining a goal—and thus it went mad.

This ultimately led to the cessation of unrest: without a goal there is nothing to obstinately pursue until it is realized. Some Albanians wanted to shout their anger; others wanted to soften their anger by destruction, looting or shooting in the air. As soon as everyone had been mad enough, they went home—relieved and perhaps a little bit shocked at what had taken place.

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Another aspect of Albania's madness was the senseless desire to destroy—as incomprehensible as the destruction of public property created by the collective madness seemed to be. Albanians did not have a feeling for collective institutions and public property, in spite of the collectivity ordered by Albanian communism. When property was not linked directly to a person, family or a clan, it did not belong to anybody—and was therefore free to be taken if no power directly guarded or protected it. No Albanian would get angry watching somebody steal or destroy property that had no owner.

There has been much destruction, looting and illegal seizure of property in Albania's recent history. When Albania's communist dictator, Enver Hoxha, decided at the end of the sixties that religion was hateful, he ordered the destruction of virtually all religious symbols in the country. During those times, large youth groups with hammers and other tools roved throughout the country destroying churches and mosques. Most of those "children of destruction"

are now in their forties or fifties, and do not mind destroying something for themselves and their children that is considered hateful today—that is, state symbols and institutions.

The political turn in 1991-1992 had been relatively free of bloodshed, but destruction and looting continued for months. And no one has been punished for that. Immediately after the "turn," and at the beginning of economic liberalization, large numbers of Albanians seized public parks or other land in order to erect kiosks without even thinking of obtaining government authorization. No one was held responsible for that either. All in all, the upheaval only brought to the surface what have been constituent parts of the system and society in milder form: lawlessness, chaos and administered anarchy.

There are people who can explain the events in Albania in a much easier way: they argue that the masses went wild because they had lost their money, their plans for the future and their hope. I would agree with this position if it were not clearly visible behind the madness of the masses that they were releasing aggressions built-up over a long time. These were aggressions released by a badly led and abused society. Or put differently, it was the punishment of the historically thoughtless and egoistic parents—that is, the state.

What Next for Albania?

Now that the upheaval appears to be over, the old and new political players in Albania today must work to prevent any resumption of civil conflict that could develop according to one of the two following patterns: 1) A struggle for power between left and right has the potential to degenerate into an armed conflict, especially since every political group now has an armed faction as a result of the massive looting of the military's arms depots. 2) A conflict between the rebellious south, which has been the traditional stronghold of the left, and the north, the main source of support for Sali Bersiha's Democratic Party, with Tirana standing in the middle.[2]

Due to the enormous organizational efforts of the Organization for Security and Cooperation in Europe (OSCE), and the presence of international troops, the June 1997 elections were held in relatively calm surroundings, thus forstalling, for the time being, the danger of an open conflict. The elections brought to power the Socialist Party (SP), which now exercises a tenuous degree of control over the country. The former communists hold exactly 100 out of 155 parliamentary seats, and together with smaller left-wing coalition parties have secured a two-thirds majority in the parliament, which is enough to enable the governing coalition of President Fatos Nanos to change the constitution.[3] Under these conditions it is not likely that the new socialist government will be inclined to create the much needed political culture of compromise. Instead, we now have to fear a new wave of political revenge and the settling of personal accounts, with economic crime as well as lawlessness certainly not disappearing under the new elite. Anticipating this, and probably also thinking about protecting their new riches, several of former Presi-

dent Berishas most important aides left the country immediately after the Democratic Party lost the June elections.

The newly empowered Socialist Party elite are confronted with many, virtually unsolvable, problems. One of the most difficult problems in the long term will be the issue of re-paying the investors in the failed pyramid-schemes, especially since Fatos Nanos has his back against the wall after promising during the campaign that his government would pay back the deceived investors. Only two weeks after the elections, the rebels in the south refused to accept the authority of the election winners if they did not pay back the savings of all investors. Furthermore, without the disarmament of the population and the punishment of all those who participated in looting, murders and other cruelties, it will be difficult to restore law and order in the country and to rebuild confidence in the government.

However, these problems are far too difficult for the new government to successfully solve by itself. In order to rebuild confidence in democratization, in a completely disillusioned population that has lost any sense of patriotism, and restore the importance of the rule of law, Albania requires a political elite that, unfortunately, does not exist. And rehabilitating the economy that broke down completely after the upheaval also stands as an almost impossible task to achieve. The infrastructure of the country is completely ruined. That combined with an average income of US $690 per capita, makes Albania one of the poorest nations of Europe with the economic structure of a bankrupt third world country.

Albania, ironically, is at the same place where it was at the beginning of its political independence in 1912. After eight decades, it is still not able to constructively contribute to a resolution of the ethnic Albanian minority problems simmering in Kosova and Macedonia. Domestically, there has been no leader able or capable of forging an Albanian nation and founding a state of Albanians capable of living together under constitutional rules. Today, the Albanians still cling to the "sovereignty" of their clans and only become involved in public life and politics when they are negatively affected by the excesses or errors of an impotent state.

Notes

1. Jose Ortega y Gasset, *The Revolt of the Masses*, authorized translation from the Spanish (W. W. Norton and Company, Inc., 1932), 119 and 117.
2. Ethnic Albanians are divided into two sub-groups: the Gegs, who occupy Albania north of the Shkumbin River, and the Tosks, the majority of whom live south of the Shkumbin River. Enver Hoxha, the communist dictator, was a Muslim Tosk landowner from the southern city of Gjirokastra. The bulk of Hoxha's political support came from the south, and most Albanian Party of Labor leaders and rank-and-file were Tosks. The Albanian Party of Labor was renamed the Socialist Party of Albania in June 1991, with current President Fatos Nanos as chairman. This ethno-political division is played out today in the form of the Tosk dominated Socialist Party and the Geg dominated Democratic Party, established in December 1990. This is, of course, a very simplified description of a highly complex and conflictual affair.
3. The June 1997 election results, ironically, parallel the Albanian parliamentary elec-

tions of 1996. In the first-round held on May 26, Sali Berisha's Democratic Party (DP) captured 95 of 115 directly elected parliamentary seats. The second-round runoff in nine electoral zones on June 2 netted the DP six more directly elected seats, for a two-thirds parliamentary majority of 101. With a secure DP majority controlling the parliament, Berisha hoped to push through his draft constitution that failed to neither win majority approval in a 1994 popular referendum nor gain two-thirds majority approval in the previous parliament. With 101 Democratic Party MPs out of a total of 140, Berisha would have had little difficulty in obtaining the two-thirds majority necessary for parliamentary passage of a draft constitution that would have given the president broad, extensive powers and strengthened presidential control over the police and judiciary. The prospects for a similar revision of the constitution by the Socialist Party (SP) controlled parliament is very high today. Growing evidence of political purges of DP appointees and increasing demands by the SP rank-and-file for government jobs and patronage supports this.