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The Albanian Question

The Albanian Question
Reshaping the Balkans

James Pettifer and Miranda Vickers

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This book is dedicated to
John Maguire and Sue Comely

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List of Abbreviations

AACL	Albanian American Civic League
ATA	Albanian Telegraphic Agency
BBC	British Broadcasting Corporation
CIA	Central Intelligence Agency
CNN	Cable News Network
CSRC	Conflict Studies Research Centre
DP	Democratic Party (in Albania)
DPA	Democratic Party of Albanians (in Macedonia)
EU	European Union
FARK	National Army of Kosova
FBI	Federal Bureau of Investigation
FYROM	Former Yugoslav Republic of Macedonia
GDP	Gross domestic product
GMT	Greenwich mean time
HQ	Headquarters
IMF	International Monetary Fund
IMRO	Internal Macedonian Revolutionary Organisation
INGO	International non-governmental organisation
IWPR	Institute of War and Peace Reporting
JNA	Yugoslav People's Army
KFOR	Kosovo Force (NATO peacekeeping mission)
KLA	Kosova Liberation Army
KPC	Kosova Protection Corps
LDK	Kosova Democratic League
LKCK	National League for the Liberation of Kosova
LPK	Kosova People's League

LPRK	Popular League for the Republic of Kosova
MP	Member of Parliament
NAAC	National Albanian-American Council
NAPS	New economic space comprising western Macedonia, Kosova and Albania
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental organisation
NLA	National Liberation Army of Albanians (in Macedonia)
OSCE	Organization for Security and Cooperation in Europe
PASOK	Pan-Hellenic Socialist Movement
PDK	Democratic Party of Kosova
PLA	Albanian Party of Labour
PM	Prime Minister
SHIK	Albanian Intelligence Service
SP	Socialist Party (in Albania)
SPS	Socialist Party of Serbia
UCPMB	Liberation Army of Preshevo, Medvedja and Bujanovac
UDB-a	Yugoslav Secret Intelligence Service
UfD	Union for Democracy
UN	United Nations
UNHCR	United Nations High Commission for Refugees
UNMIK	United Nations Mission in Kosova
USAF	United States Air Force
WEU	Western European Union

Chronology of Events

<i>1989–90</i>	Imposition of Serbian martial law on Kosova
<i>December 1990</i>	Foundation of the Democratic Party in Albania
<i>March 1992</i>	Victory of the Democratic Party in Albanian elections
<i>1992–3</i>	Foundation of the Kosova Liberation Army
<i>Autumn 1993</i>	Overthrow of ex-communist leadership of the Macedonian Albanians
<i>July 1994</i>	Promulgation of the Constitution of an independent Kosova
<i>May 1996</i>	Democratic Party retains power in Albanian elections
<i>October 1996</i>	Onset of crisis in the Albanian banking sector
<i>January 1997</i>	Pyramid banking crisis
<i>February 1997</i>	Some parts of southern Albania seized by local insurgents
<i>March 1997</i>	Armed uprising in southern Albania
<i>April 1997</i>	International intervention begins in central Albania
<i>June 1997</i>	Socialist coalition takes power in Albania
<i>August 1997</i>	Operation Alba leaves Albania
<i>Autumn 1997</i>	Violent clashes in Kosova between Serb police and Albanian majority
<i>November 1997</i>	Public emergence of the Kosova Liberation Army
<i>March 1998</i>	Massacre of the Jashari family in Prekaz, Kosova
<i>March–May 1998</i>	Yugoslav ‘First Offensive’ against the KLA

<i>June 1998</i>	NATO air operation 'Determined Falcon' over region
<i>Summer 1998</i>	Refugee crisis develops in Albania and Macedonia
<i>September 1998</i>	Assassination of Azem Hajdari and attempted coup d'état in Albania
<i>October 1998</i>	Deployment of the Kosova Verification Mission
<i>November 1998</i>	Democratic Party of Albanians joins the Macedonian government
<i>January 1999</i>	Racak massacre in Kosova
<i>February 1999</i>	Rambouillet conference in Paris
<i>March 1999</i>	NATO bombing of Yugoslavia begins
<i>April 1999</i>	Kosova Provisional Government formed by Hashim Thaci
<i>April–May 1999</i>	Major refugee emergency in Albania and Macedonia
<i>June 1999</i>	NATO forces enter Kosova
<i>July 1999</i>	Refugee return
<i>September 1999</i>	Demobilisation of the KLA
<i>December 1999</i>	Agreement signed on the Joint Kosova Administrative Structure
<i>February 2000</i>	20,000 march to Mitrovica to demand reunification of the city
<i>March 2000</i>	Fighting in Kosova Lindore/Preshevo forces 5000 to flee to Kosova
<i>May 2000</i>	Assassination of ex-KLA commander Eqrem Rexha, 'Captain Drini' in Prizren
<i>August 2000</i>	Kosova electoral law adopted
<i>October 2000</i>	Local elections in Albania
<i>November 2000</i>	Local elections in Kosova
<i>February 2001</i>	Onset of armed conflict in Macedonia
<i>August 2001</i>	Ohrid Accords end the Macedonian conflict
<i>November 2001</i>	National elections in Albania

Language and Terminology

In the text we use standard Anglicised forms of Albanian place names. Within Albania itself, Greek, a dialect of Slav-Macedonian and Rom are also spoken and are sometimes used in place names. In Kosova there have always been two main languages in use: Albanian, the language of the 95 per cent majority; and Serbian, with smaller minorities speaking other languages such as Turkish, Croatian and Rom. Other Slavic minorities such as the Gorani, Torbesh and Bosniacs use their own dialects; some are closer to Macedonian, others to Serbian. Albanian is spoken in the northern Gheg dialect but is generally written using the standard Albanian literary language, which is based on the southern Tosk dialect. The Albanian language also retains many Turkish words, particularly in rural areas and small towns in eastern Kosova.

We have used the verbal forms most common in daily usage as we encountered them. Most Kosova place names have an Albanian and Serbian form (i.e. Vucitern/Vushtrri). In this book we have used, in the main, the Albanian majority community language conventions, terminology and spelling; for example, Kosova, not Kosovo, although the latter Serbian form is still more common in some sections of the international community. In some cases, though, we have not been entirely consistent as language usage varies from place to place (thus the book keeps the Serbian form Podujevo, rather than Albanian Besian, but uses the Albanian form Peje rather than the Serbian Pec). In both cases this is the adoption of the most common current usage practised by the international community in Kosova, and this also represents a personal view on common usage in the Albanian majority community. Thus, Serbian Urosevac has been generally displaced by Albanian Ferizaj, but Besian has yet to displace Podujevo. The UN Humanitarian Information Office in Prishtina publishes a very useful *Atlas of Kosova/a*, which reflects current usage.

Preface

In our first book on post-communist Albania, *Albania – From Anarchy to a Balkan Identity*,¹ we traced the history of the final crisis of the one-party state after the death of Enver Hoxha in 1985 and the subsequent process of democratisation and personal freedom in Albania after 1990. That book concluded with a description of events in the autumn of 1996, and alluded to the developing problems affecting the future of the government of Dr Sali Berisha. This volume in essence takes up the story from that point, and traces the dramatic and turbulent events during the turmoil of 1997 and the onset of the Kosova and Macedonian crises during the following five years.²

It does so in the context of the emergence of the Albanian ‘national question’ in a new form during this period.³ The serious concerns that we alluded to at the end of our first book grew very quickly to assume the dimensions of a threat to the foundations of the Albanian state itself, and thus the centre of gravity of our story is in the Albanian capital Tirana. The period from the collapse of the Berisha government and the armed uprising in the spring of 1997 through to the relative stabilisation of the country under the Socialist-led government, elected in June 1997, and the renewal of regional conflict constitutes one of the most dramatic periods in the history of the Albanian people.

Albania entered the post-communist world in an impoverished and broken state. Although some progress was made under the Democratic Party government after 1992, many underlying problems were not addressed. A highly overvalued currency developed as émigré remittances came to dominate economic life. Most local production, other than subsistence agriculture,

totally collapsed. Despite efforts by the international community to build democratic institutions and assist economic development, these processes were hindered by the entrenched and bitter rivalries within Albania's political class. The international community did not fully appreciate the extent of the deeply rooted antagonisms between the left and right of Albanian politics, and as a result was largely taken by surprise by the events of 1997. The national question did not appear to be a significant issue until the conflict in Kosova posed a major threat to the region's stability.

Since the onset of the ground war in Kosova in 1998, the national question has become increasingly important in pan-Albanian politics.⁴ It continues to remain central to the future stability of the southern Balkans. The Communist-period borders surrounding Albania and their movement restrictions have collapsed, and the Kosova refugee crisis played a central role in this. We have thus given a good deal of space to the events of the summer of 1998 in Tirana, as the massive refugee movement from Kosova began to take place.⁵

In our view the roots of the new national question lie in that period. The Kosova war posed the issue for the international community in a concrete form, something that was repeated in 2001 with the conflict in Macedonia. This opened the historic 'Macedonian Question' in a new context, with the Albanian minority actively participating in addition to the traditional Greek–Bulgarian dichotomy.⁶ Some regional spectators, principally Serbia and its allies, have claimed that these developments indicate the emergence of a so-called 'Greater Albania' as a threat to peace in the region. It is part of our argument that this is not the case. What appears to be developing is an extra-national pan-Albanian consciousness, which is growing within the modern European norms of the opening and abolition of national borders.

In 1999 Albania gained unprecedented world attention as NATO waged its first war to remove the Yugoslav police and security apparatus from Kosova. After a year of comparative tranquillity in 2000, with the apparent settlement of the Preshevo Valley disturbances, the spring of 2001 saw the outbreak of widespread violence, in what was then the Former Yugoslav Republic of Macedonia (FYROM), between the Albanian minority and the Slav majority. Human rights campaigns also developed to reassert the rights of the Albanian population in the Albanian-majority region of south-west Montenegro and in the disputed Chameria region of north-west Greece. The Chameria lands of Greece had a substantial ethnic Albanian population in Ottoman times, which was drastically reduced by Greek ethnic cleansing in the twentieth century, culminating in the massacres of the 1943–4 period.⁷ The Chameria issue played a significant part in the fall from power of the Nano-led Socialist government in 2005.

Since 1998, the Albanian National Question has become increasingly important in the politics of Tirana as a result of the liberation of Kosova and changes in the geopolitical priorities of the USA and NATO in the region. Traditional rivalries for influence between Greece and Italy over Albania also resurfaced during this time, after being obscured for most of the Cold War period.⁸ Such events are discussed in some detail, as the inherited structures from communist Albania and Milosevic's Yugoslavia broke down under the pressure of events after the 1997 Albanian uprising.

In the aftermath of the Kosova conflict, cultural and economic links were re-established between the Albanian peoples that previously had been limited or totally prevented by artificial communist borders for more than two generations. A new Albanian political, cultural and economic space subsequently came into existence, and it continues to develop a growing regional economic influence. In the large Albanian diaspora there has been a cultural and political revival, which provided key humanitarian and other assistance to the war efforts in Kosova, Preshevo and Macedonia, and continues to support pan-Albanian national development through various fundraising and lobbying activities.

Despite almost a decade of violent conflict the Albanian nation has been able to make substantial progress in recent years, with a dynamic economy and one of the highest rates of economic growth in the region. However, despite a substantial rise in national income and the general standard of living for the more privileged groups, many Albanians still live in grinding poverty amidst derelict social infrastructure.

In this book we have endeavoured to set out the main current of events as far as they have affected Albania itself. Thus, this is not a recent history of the wider Albanian world in the Balkans. The Kosova liberation struggle was of a scale and magnitude that reopened the entire national issue, and brought about a fundamental reorientation in the world of Tirana politics. In some instances, particularly concerning the refugee crisis and the coup attempt in the summer of 1998 in Tirana, the central event was precisely and exactly determined by events in Kosova, and the two stories merge, while on other matters (such as the economy and the armed uprising in 1997) the story is largely contained within the borders of Albania itself.

Albania's international relations during this period have been of considerable complexity and involve many countries, including its Balkan neighbours and major external actors such as the USA and the European Union (EU). Whilst we have made every possible effort to depict fully the course of events, it is inevitable that more information will become available as government archives are opened and individual participants publish their

memoirs. We have not, on the whole, spent much time on the activities of secondary international organisations and their initiatives, such as the South East Europe Stability Pact, as we have found that the effects of their activity on local events and political and economic developments have been much less significant than could have been expected in the aftermath of the Dayton Accords in 1995.

The book also contains less material on cultural and religious life than our predecessor volume, as the last five years have been totally dominated by political, economic and military developments. The post-communist cultural and religious transition that we outlined in our earlier book up to autumn 1996 has in general followed the same pattern of development in succeeding years. Churches and mosques have continued to be rebuilt and have growing observant congregations, but to date religion has been a moderate and sensible aspect of Albanian and Kosovar life and has not entered the political arena as a determinant factor. Cultural life has continued to develop in conditions of freedom, if often with some economic difficulty, as elsewhere in the world. The cultural and political differences between the northern Gheg Albanians and the southern Tosk groups have been discussed insofar as they have affected events – in the main to a much smaller degree than many external commentators on Albania had anticipated.⁹

The proliferation of contemporary source material has meant that we have been in a much more fortunate position to attribute views than was the case with our previous volume. The last restrictions on freedom of speech theoretically disappeared with the demise of the one-party state in 1990 but in practice, however, some negative traditions continued in the later Berisha years and this atmosphere affected our previous volume. These constraints finally disappeared in 1997 and since then complete freedom of publication has prevailed, and Albania has become a model for many other south-east European countries in this respect.

As employees of international research organisations, newspapers and universities, we have had the benefit of personal eyewitness participation in most of the major events described in this book. Miranda Vickers has mainly followed Tirana and the central issues of Albanian governance throughout the period covered, while James Pettifer was present in southern Albania in March 1997 and for much of the time at intervals in Kosova and Macedonia since.

In only a few cases have we not been able to disclose the identity of our sources as a result of security problems. These are in the main connected with the development of events in the summer of 1998, following the death of Azem Hajdari and the attempted coup. Both in Tirana and Prishtina numerous political leaders, journalists and military leaders have been most

generous with their time and recollections in discussing this momentous time in Albanian history with us. We owe particular thanks to Arian Starova, Neritan Ceka, Hashim Thaci, Ramush Haradinaj, Adem Demaci, Remzi Lani, Gani Geci, Sami Lushtaku and the staff of Dukagjini Enterprises. The same applies to a number of members of staff of diplomatic missions who were posted in Albania and Kosova in this period, particularly Geert Ahrens, Stephen Nash, Daan Everts, Louis Sell and Shaun Byrnes.

In the main the specifically military and media aspects of the Kosova war are not covered in this book, and readers should refer to James Pettifer's companion volume, *Kosova Express*¹⁰ for more material on that subject. We owe particular thanks to the following individuals: Iradj Bagherzade and Liz Friend-Smith at our publisher I.B.Tauris, Sara Millington, Russell Townsend, Alexander Pettifer, Robert Curis, John Phillips, Melanie Friend, Richard Owen, colleagues at the Conflict Studies Research Centre at the Defence Academy in Britain, and the International Crisis Group (www.crisisweb.org), for whom Miranda Vickers has worked as Tirana analyst for the period covered by this book.

In the UK Bob Churcher, Julia Pettifer, Charles Dick, Colonel C. Denison Lane and Professor Dame Averil Cameron have been kind enough to read and comment on parts of the draft text. Donald J. Smith and Primrose Peacock have provided very useful material on the crisis of summer 1997 in Tirana. In Washington Ambassador William Ryerson provided helpful and penetrating comment on our first book, which has enabled us to modify our earlier judgments of some events.¹¹ We have also benefited from reading a memoir document by Scott N. Carlson recording his eyewitness experience of the 1998 coup period.¹² In the USA we are grateful for the ever-generous support of Eqrem and Donika Bardha and the staff of Bardha Enterprises in Michigan and Tirana in marketing our work, Gani Perolli and family in New Jersey and Greg Kay, Henry Kelley and Antonia Young. We would also like to express our thanks to the journalists of *Illyria* newspaper in New York City, particularly Sokol Rama, Vehbi Bajrami, Ruben Avxhiu and Dalip Greca, and to Stacy Sullivan of the Institute for War and Peace Research.

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All errors and judgments are our sole responsibility.

James Pettifer
Miranda Vickers

PART

I

1997

THE CRISIS OF POST-COMMUNIST ALBANIA

1

The Pyramid Banking Crisis and the Democratic Party Government

In the aftermath of the 1998–9 Kosova conflict, the Preshevo Valley violence in 2000 and the conflict in Macedonia in 2001, it is often difficult to recall accurately the very different climate in the Balkans in 1996. To most observers then it appeared that the Dayton Accords signed in October 1995 had brought peace to the region, and that the commitment of the USA that Dayton embodied would bring an end to the Yugoslav wars of secession. Slobodan Milosevic, later on trial for genocide at the Hague tribunal, was then seen as a force for peace, a man to do business with, capable of constructive compromise.

There were high hopes for the creation of a successful multi-ethnic Bosnia. It was thought that the Kosova problem would be solved by reform within Yugoslavia and the return to political autonomy for Kosova and a revival of the 1974 constitution. The pacifist leadership of the Kosovar Albanians under Dr Ibrahim Rugova seemed unchallenged.¹ President Kiro Gligorov was the widely respected leader of a new Macedonian Republic, and the signing of the ‘small package’ agreement in the autumn of 1995 appeared to have resolved the most outstanding problems with Greece.² The existence of an estimated 25 per cent Albanian minority within Macedonia was generally unknown. Albania itself was seen as one of the most successful countries in the post-communist transition, with a widely respected President, Sali Berisha, who had pushed through essential economic reforms, which had helped alleviate the misery and poverty of the immediate post-1990 period of chaos in the country. The days of rioting and ship seizures by desperate asylum seekers appeared to be over.

Although there had been acrimonious arguments over the spring 1996 election, much of the international community dismissed the overwhelming evidence that the election had been rigged as being politically motivated by leftist troublemakers. The theory was still current in many quarters that 'strong Presidents' were the answer to the problems of the region, and Dr Berisha was seen as a representative example. It was not clear then that the extent of the apparent prosperity was based almost entirely on political, and particularly economic and fiscal, illusions.

In the autumn of 1996 an atmosphere of uncertainty was beginning to spread through the political elite in Tirana but the majority of the population, however, were unaware of the storm that was to come. The International Monetary Fund (IMF) had issued a statement, on 5 October 1996, expressing concern about the growth of the so-called pyramid banking schemes after meetings with senior officials in the finance ministry. The banking system that Albania had inherited from communism had not been privatised and was deeply dysfunctional and inadequate for coping with the new inrush of hard currency from émigré remittances after 1990. In a post-mortem report on the causes of the turmoil in 1997, the World Bank observed that:

Few countries have experienced such a rapid development of pyramid schemes and certainly none have experienced such a catastrophic breakdown in civil order verging on civil war following the demise of these schemes. The first such schemes emerged after the fall of the communist government in 1990. The number of pyramid schemes and investment funds grew to over 20 by 1996. Not all schemes started as pure, fraudulent pyramids. Some were more legitimate investment funds with commercial and trading activities that took on the characteristics of pyramid schemes somewhat later because of cavalier management and changes in the business environment (for example the end of UN sanctions against Federal Republic of Yugoslavia in 1995) ... it is unlikely that any legitimate bank could have offered deposit rates that would have forestalled the flow of funds into these schemes.³

As a consequence, new finance companies were started, to soak up this liquidity. In Albania, however, there were few avenues for investment in the 'real economy'. The pyramids flourished and were able to offer very high rates of interest with new inflows of money financing the high returns paid to existing depositors.⁴ Some Tirana citizens also had pleasant memories of the money made through the '2K' high-interest scheme in the early 1990s, run by Koco Kokedhima.⁵ Soon rates of 30 per cent or more were becoming the norm.⁶ Outside observers joked that people in Tirana had stopped doing any work at all, given the very high daily rates of interest payable by the

banks – over 60 per cent on some accounts. Albanians returning from a summer of work in Greece hurried to place funds on deposit as soon as possible, and then paid for long holidays on the beach with the proceeds. It was a time of Weimar-like optimism, but the dance was on the edge of the cliff. The government did not have any adequate financial authority capable of regulating the pyramids, even if it had wished to do so.

The administration of President Sali Berisha did not heed the warnings of the IMF office in Tirana in October 1996.⁷ The pyramid banks continued as before, with hitherto little-known figures such as ex-army sergeant Vehbi Alimucaj catapulted to public celebrity as the manager of the VEFA banking and retail group with a multi-million pound turnover. VEFA had many close links with the Democratic Party and the government.

The IMF had already observed the effects of this form of banking system in the pyramid crises in Romania, Serbia and Russia earlier in the decade, and felt the same risks might be reappearing in Albania. But the only practical effect of the IMF warning was that companies further increased interest rates in order to attract new deposit money. Alimucaj attacked the IMF in *Albania* newspaper, claiming that, ‘The IMF wants to sabotage investment in Albania. I feel sorry to see that the IMF, an experienced organisation, identifies the business with usury.’⁸

Gradually, as winter approached, a minority of intelligent depositors in the main urban centres began to feel that it might be time to take out their profits. Consequently, some of the smaller and weaker schemes began to be affected by withdrawals of cash. Tirana was not the centre of some of the largest and best-financed pyramid banks; this distinction was held by towns like Vlora, with the Gjallica scheme, and Berat with the Kamberi bank. It was therefore natural that the first bank failures should be in Tirana as the run on these banks, with their weak capital base, began.

The little Sudja bank was closed in December 1996, as angry protestors crowded outside its offices. The London *Independent* noted:

Albania has been in the grip of investment fever, with companies borrowing money from people and paying them extraordinarily high interest rates ... the schemes are a powerful magnet, providing a glimmer of hope in a country with an average wage of only \$55 and high unemployment.⁹

The exact amount of money invested in the pyramid banks is unknown but international financial authorities estimate that over \$2 billion was involved, a huge sum for a small country like Albania.

The economic development of Albania between 1992 and 1996 had been based upon many illusory premises, but in fact it had rested on the rapid

accumulation of hard currency from émigré remittances, which resulted in an overvalued currency. This coincided with the near total collapse in production in most of the old state-owned industries, and transition problems in much of the agricultural sector. Émigré workers were accused of irresponsibility and naivety in backing the pyramid schemes, but for most people there were few legitimate outlets for investment of money in real economy businesses. This created a very strange economy, where fiscal and economic life hardly connected. From the point of view of the foreigner observing superficially there had been considerable progress under the Berisha government, but in fact nearly all real economic value was being created by émigré workers outside Albania.

Once a crisis or 'run' on the banks began, there was little real economy available to prevent a major collapse affecting the entire foundation of society. The mechanisms of the Albanian state were too weak to prevent the government from being able to control popular street protest effectively. This was to emerge as particularly true in southern Albania where apart from a few towns such as Kavaja and Elbasan, where there was a tradition of active support for the Democratic Party (DP), the people were able to take control of their localities without difficulty.

At the same time, the Berisha government was encountering increasing unpopularity as human rights issues proliferated, and some key international backers in the USA and elsewhere began to withdraw their support. After several controversies following the 1996 election (in particular the expulsion of judge Zef Brozi and the exile of former Berisha henchman Gramoz Pashko¹⁰ to Washington), widespread concern began to spread in some parts of the US government apparatus about the real democratic content of the Berisha administration and its increasingly authoritarian tendencies. The influential Greek lobby in and around the State Department saw Berisha as an aggressive nationalist. The Pentagon, however, remained more sympathetic to the Democratic Party regime.

In Europe, the Conservative government of John Major in London remained strongly supportive of Berisha, as did the governments of Italy and France. European intelligence agencies such as MI6 in Britain were aware of the 'hidden wiring' linking supporters of the Democratic Party in the European nations with pro-Serb forces, and were anxious to keep Berisha in power.¹¹ The Albanian diaspora in the USA exerted very different influences. Although traditionally very right wing and dominated by rich Kosovar families, there had been a trickle of important refugees from Tirana after 1991, such as ex-Foreign Minister Muhammed Kapallani, and a number of leading officers who had been purged from the armed forces by Berisha. They had begun to



1. President Sali Berisha addresses a meeting, 1 September 2005

affect opinion within the US diaspora, which in any event was growing more militant and better organised as a result of the emerging Kosova crisis.

On the issue of Kosova, the Berisha government was seen within the US diaspora as ineffectual and weak. In London, Albania was perceived as needing 'strong government' in the aftermath of communism. The government of John Major did not appear to see, or wish to see, that many of the political habits of the communist past carried on in the leadership of the Democratic Party.¹² The British government appeared unconcerned that Albania did not have adequate institutional or democratic development to restrain the President from excessive behaviour or extremist policies, or to protect him from the popular movement in the streets as it evolved in early 1997.¹³ In regard to the growing disquiet in Kosova, the Europeans also seemed unaware of the significant new factor in 1996 of the emergence of the Kosova Liberation Army (KLA) as a paramilitary force, following attacks on Serb military and police installations in May 1996.¹⁴ In reality, the omission of the Kosova question from the Dayton Accords had fatally weakened the leadership of the Kosova Democratic League (LDK) and Ibrahim Rugova.

Meanwhile, the crisis in Tirana began to intensify after Christmas 1996, with larger and larger crowds on the streets outside the offices of the pyramid companies as rumours spread about their waning financial health. On 3

January, the London *Independent* reported that ‘huge losses in Albanian savings fraud’¹⁵ were causing many families to face financial ruin as a result of their involvement in the investment schemes. In the centre of Tirana the offices of VEFA Holdings, the largest and most powerful of the investment schemes ‘shot laser beams of white light over the city rooftops. It was a symbol of the brash new capitalism pervading Albania’s post-communist society.’¹⁶ The previous day, Finance Minister Ridvan Bode had warned that catastrophe faced Albania if the schemes collapsed, and made the first attempt by a member of the government to come to terms with the looming financial disaster.¹⁷ The statement rebounded on the government when several pyramid operators increased their interest rates in response, as a move to reassure worried depositors, so that one competitor of VEFA was offering 32 per cent interest for just 55 days of deposit period. VEFA produced a new slogan for its supermarket advertisements on television: ‘VEFA Holdings – always near you’, an ironic commentary on later events.

The pyramid operators were more aware of the severity of the financial crisis than the majority of the government, and the following week *Albania* reported that \$130 million had been taken out of Albania on a speedboat going to Italy.¹⁸ It was also reported in Tirana that money was being taken from Albania to buy gold to deposit in Swiss and Austrian banks. In the capital itself, money poured into real estate, and *Voice of America* statistics showed that although in the poorest country in Europe, Tirana was the second most expensive capital in the whole of ex-communist Eastern Europe. Flats that could be bought for a few thousand dollars in 1990 were fetching ten times that amount in 1996.¹⁹

Some more informed people were returning their money to ordinary banks from the pyramid schemes, usually in foreign currency, and thereby increasing the strains on the pyramid operator’s finances. But many pyramid banks continued to distribute largesse to their local communities; in an extreme example, the Lushnja-based pyramid operator Xhaferi paid for the local soccer club to have Brazilian and Nigerian soccer players imported. Although the glass bubble of prosperity seemed secure in Tirana, in other parts of the Albanian world, in the forests and fields far away to the north-east, the military struggle of the Kosovar Albanians against Serbia was intensifying. But in those days Kosova was far from the concerns of Tirana.

On 16 January the crisis deepened in the capital when the Sudja pyramid declared itself bankrupt, and a crowd of angry depositors besieged the headquarters. There were also angry demonstrations in the southern town of Vlora over the same issues.²⁰ Although the Sudja operation was a small scheme, it had attracted many depositors who were residents of central

Tirana. The colourful personality of Mrs Sudja, an extrovert Roma woman who had started life as a washerwoman, made much media coverage. She had claimed to be able to foretell the financial future and the level of interest rates by consulting her crystal ball.²¹

The angry Tirana depositors converged on the Sudja offices and rioted after buckets of dirty water and urine were poured over them. In an ominous sign for the Berisha administration, the police stood by and did not attempt to prevent the demonstrators venting their anger on the Sudja premises. The demonstrators shouted 'O Sali, o fajdexhi', 'Sali, you usurer', abusing the President. Around 500 demonstrators broke away from the main demonstration and marched on the central Skanderbeg Square, where police eventually acted to prevent them attacking government offices. Given that the Sudja scheme had stopped making payments to depositors as long ago as mid-November 1996, it was perhaps surprising that street protest had taken as long to materialise as it did.

Immediately, the Socialist Party sought to capitalise on the situation, and called for nationwide street protests against the government. For some, though, their position was compromised by close links between a small minority of prominent Socialists in the south and some of the pyramid operators. A few of the more intelligent among them, such as the Silva scheme management, were now lowering interest rates to as little as 5 per cent a month, and the Gjallica organisation attempted to placate worried depositors by forming a creditors' committee to represent its 200,000 account holders after it had reported problems in repaying depositors funds. The Populli scheme also ran out of liquid funds in the week of 16 January and its director, Bashkim Driza, blamed the government for the crisis as it tried to limit daily account liquidations to a maximum level of 30 million Albanian lek (about \$300,000).

The Berisha government, seeing the situation worsening, attempted to consolidate support for the key pyramids close to the Democratic Party, VEFA and Kamberi, by giving them the status of banks. VEFA boss Vehbi Alimucaj later told a foreign reporter he had many non-banking assets, such as the 30 supermarkets he owned all over the country, and claimed that VEFA was in a stable condition.²² It was certainly true that VEFA had worthwhile industrial and agricultural assets, unlike many of the pyramid organisations, but most of them were incapable of generating anything like the enormous amounts of cash to underwrite the liabilities of the pyramid banking parts of VEFA. According to the Central Bank of Albania, funds deposited in the secondary banks had increased in 1996 by \$290 million compared to 1995. Prime Minister Alexander Meksi said that the government would compile a law to

close down the pyramid schemes, saying that 'all Albanians deserved equal compensation from the division of the properties of these companies'.²³

During this critical week, although three operators had been closed down, the government took no action to stem the flow of funds out of the remaining schemes, and it was not until 21 January that an order was issued by the finance ministry to freeze hundreds of thousands of accounts. The government appears to have hesitated to act, as closure of the schemes would have dented the Berisha government's reputation as an architect of popular capitalism. The closure decision was taken after a large and angry Tirana demonstration the previous day but only led to a growth in militancy elsewhere in Albania, particularly in the Adriatic coastal city of Vlora. Vlora people had been some of the most active participants in the pyramid schemes, and the tough and poverty-stricken city has a strong nationalist and popular political tradition. Under communism, Vlora had been the power base of leading politicians such as Enver Hoxha's Foreign Minister Hysni Kapo. The town had also housed numerous Albanian refugees from Greece, known as Chams, in the post-Second World War period, and was a febrile mixture of intense political loyalties.²⁴ Additionally, a significant number of army officers who had been purged from the army by the Democratic Party government Defence Ministers came from Vlora.

Aware of the risks to its future, VEFA Holdings republished its public relations booklet, entitled 'Our aim is to create as many jobs as possible', and stated that the centre of its business was in Vlora, where it managed 45 enterprises ranging from battery chicken farms and macaroni factories to brickworks and other construction material enterprises. The publication went on to claim that VEFA had established 'the ABC of capitalism in Albania'.²⁵ Cynics might claim that, in view of later events, it would have been helpful if popular knowledge had extended nearer to the end of the alphabet. Before long, the political agenda of the demonstrations became clear, with demonstrators in Tirana fighting a pitched battle with the police in central city streets on 22 January, shouting slogans such as 'down with the Berisha dictatorship' and 'we want our money'. Much of the growing turmoil went unreported in the international media, which with its characteristic Serbo-centric preoccupations was still concentrating on the foundering middle-class street demonstrations in Belgrade against the Milosevic regime.

Although the Tirana demonstrations were violent, the government did not start to lose control of a locality until two days later, when in Lushnja thousands of demonstrators blockaded the town and cut off the railway line linking the town with the capital. A police truck was set alight and barricades were hastily built of wrecked cars, heavy rocks and railway sleepers, and the

government radio reported that the crowd had set fire to the town hall and wrecked a cinema. The boss of the dominant local pyramid scheme, Rrapush Xhaferi, had been arrested the previous week and the depositors believed that the Berisha government had stolen all their money.²⁶ Xhaferi (known as 'The General' locally) was, like many of the pyramid operators, from an ex-military background. Lushnja crowds beat up visiting Democratic Party Foreign Minister Tritan Shehu, and elsewhere in the south demonstrators attacked town halls and public buildings.

In the closure of the Xhaferi pyramid scheme, the Berisha government was acting on the orders of foreign diplomats and international officials, who knew (which the Albanian people did not) that this scheme contained substantial funds belonging to the people of Kosova, deposited there by the Kosova 'government in exile'. The organised crime lobby within the international community saw this as a way to strike a blow against the nascent KLA, and as a way to weaken the Albanian cause in Serbia generally. But by doing so, the Berisha government alienated a key constituency of support in the coming struggle for power. Kosova money in Albania was concentrated in Lushnja, Kavaja and nearby Shijak, and officials may have been right to see some criminal involvement, but the action was profoundly destabilising for Berisha.

Meanwhile, back in Tirana, the government began to deploy soldiers in the capital to protect government offices, and President Berisha himself assumed emergency powers on 27 January. The move followed an ominous sign for his government, as normally staunch northern Democratic Party supporters began to join in the street demonstrations. An emergency session of parliament enabled the President to rule by decree on public order issues and to use the military to clear the roads and protect security. In the north-western city of Shkoder an estimated 40,000 demonstrators took to the streets against Berisha, while Prime Minister Alexander Meksi accused the opposition Socialists of orchestrating the demonstrations in a bid to keep power, as water cannons were used to prevent demonstrators storming public buildings.

This day's events marked the first time that the word 'anarchy' was used in foreign press reports, along with sententious observations about the nature of the Berisha regime. The London *Guardian* noted that Berisha 'earned Western tolerance by his resistance to any pan-Albanian tendency which might add to the problems in Serbian Kosovo and in western Macedonia'.²⁷ The material that was being released by the CIA to selected journalists in London and elsewhere also contributed to the process of destabilisation, as it was hard for even very pro-Berisha governments to maintain their support for a government that seemed to be so entwined with organised crime.

The vision of army trucks on the streets provided only a temporary respite for the government, as it was becoming clear to many Albanians (and to foreign reporters) that the very structure of the state was now under threat, and a struggle for power and control was beginning between the Democratic Party government and the demonstrators. It had not been long since the violent and chaotic days of the end of the one-party state in 1990 and 1991, and intelligent people had every good reason to fear what might materialise. However, despite the alarmist tone of much of the reporting of events there was little international diplomatic activity, with most diplomats seeing the crisis as a teething stage in the development towards capitalism and the Albanian transition, akin to the Serbian and Romanian pyramid crises of 1992–3. In an Olympian editorial, *The Times* observed that capitalism was not going to give the Albanians a free lunch.²⁸

For many opposition activists and protest leaders, the key issue during the ensuing days was not whether they would receive a free lunch from the government, but whether they would remain free at all. The feared SHIK (Albanian Intelligence Service) secret police swung into action in an effort to arrest the leaders of the actions in the southern towns, and on 31 January the Interior Ministry said that about 250 opposition activists had been detained.²⁹ Dr Berisha appeared on television in late January and promised that during the next week the government would begin repaying lost deposits through funds seized from the closed-down schemes. This produced enormous popular anger, as people saw their money being transferred primarily to save the key VEFA pyramid organisation that was generally believed to be very close to the Democratic Party.

In a political response to the crisis on the streets, and prompted by the American embassy, the seven opposition parties, including the Association of Political Prisoners from the former communist era, announced that they had formed the 'Forum for Democracy' to make an alliance against the ruling Democrats. In retrospect this could be seen as too little, too late to affect the popular movement. If the initiative had been undertaken in autumn 1996, it is possible it could have defused the crisis into parliamentary channels, but by the time it actually occurred the crowds had little interest in the doings of the political elite in Tirana and their foreign associates. The financial reality affecting them and determining their outlook was that after a government refusal of direct financial aid on 30 January, VEFA was doomed and the rest of the pyramid banks with it. In a surreal move, the VEFA management claimed to the august audience of the *Financial Times* that they were not a pyramid scheme, and that the company was 'rhythmically forging ahead', with 'subsidiaries in the USA and most world countries'.³⁰ There was now a

complete divorce from reality in the Albanian fiscal world. The value of the lek plunged by nearly 10 per cent that last day of January as people tried to turn their savings into foreign currency.

President Berisha and the government were now awakening to the magnitude of the crisis. Public order seemed to be the main priority, in the absence of capacity to halt the run on the banking system. The mobilisation of the army held the line for the government during the next week, as a precarious equilibrium developed between the government and the people, and fear of arrest drove some opposition leaders into hiding or even into temporary exile.

The government writ did not, however, run in the port town of Vlora, where over the first week in February there was a collapse of the local state and a takeover of the town by the opposition. At this stage, the Berisha inner circle did not appear to have had a survival strategy, or any clear grasp of what needed to be done. As a northerner, Berisha saw Vlora as an opposition heartland and he may have felt that it was better to leave it alone militarily until the anger subsided. But he could not afford to see a total loss of government control spread from the town all over southern Albania.

Within the next month, however, this was exactly what was to happen. The special police units were sent southwards to open up blocked roads and stop demonstrators from cutting off links between Vlora and Tirana. On 10 February 1997, heavily armed forces fired on demonstrators, killing two people, while another citizen died of a heart attack.³¹ More than 1000 riot police tried to drive demonstrators out of the main square, which they had been peacefully occupying for five days. A large number of people marching from the neighboring industrial town of Fier tried to come across towards Vlora from the east, but were held back by troops. Local journalists linked the violence to the final collapse of the Gjallica pyramid scheme, which was based locally and had been the recipient of most people's savings.

The funerals of the dead were held in Vlora on 11 February and marked another stage in the acceleration of the crisis. About 30,000 people attended the funeral of Artur Rustemi, aged 33, who had been shot dead by the police two days before, and families looked down from their balconies as the enormous crowd wound through the streets. The headquarters of the Democratic Party was burnt down as the funeral progressed; an action for which the timing may indicate the entry of more planning and media-savvy leadership into the ranks of the demonstrators. Vlora had been a strong communist town, and old secret police and party networks undoubtedly played a part in providing local leadership for the mass movement. On the government side, although the security forces kept well away from the funeral, troop reinforcements were sent to Sazan Island, in the Bay of Vlora, which residents saw as a prelude to the power struggle for the town.

Meanwhile, in Tirana Parliament was debating whether to introduce a state of emergency in the Vlora area. The plan of Prime Minister Meksi to put Vlora under martial law had not materialised, with some Democratic Party leaders fearful that it might lead to a bloodbath and civil war. In London and Washington the focus turned to the Major government and its relations with the Berisha regime, with media allegations that John Major himself, Foreign Minister Douglas Hurd and other members of the government had received presents from President Berisha whilst on a visit to London that were illegally looted from Albanian state museums. These allegations were a revival of the claims that were prevented by MI6 and/or Foreign Office pressure from appearing in *The Cook Report* on British television in November 1995, and were an uncomfortable reminder of the close links between the Democratic Party, the British government and the London Foreign Office.

Following a raid by armed police on the home of opposition leader Neritan Ceka, many members of the Tirana elite were beginning to see themselves drawn into the maelstrom that was centred on Vlora and the south. They would have difficult and complex decisions to make in the coming weeks. In the light of documentation that has surfaced since 1997 their fears were justified, with the revelation that a list existed of many prominent political figures that the government wanted to arrest.³² Yet their position was not straightforward. Although nearly all feared and despised Berisha and wished to see new elections, most were closely integrated into the traditional Tirana political elite formed under the communist system, and instinctively distrusted popular political initiatives. Many who had recently been senior communist officials regarded the majority of the population with open distaste, particularly peasants and the urban poor. Those with knowledge of northern Albania had no illusions about the depth of unresolved revenge instincts there, and the possibility of a national schism over the pyramid crisis. Unlike in Kosova, whose Albanians had built strong trades unions, in Albania there were no rank-and-file organisations commanding the loyalty of ordinary people or with leaders that might act as mediators between popular anger and a sensible governmental response.

The political elite in Tirana were a small, often socially isolated group and although no longer communist, they remained in many ways prisoners of the modus operandi of the Enverist political world, or even, some might claim, aspects of the narrow world of inherited political traditions of pre-Second World War Tirana. This isolation and the seriousness of the crisis meant that from the point of view of most leaders, a priority was to stay in Tirana and attempt to curry favour with key international community and diplomatic figures, in the hope of becoming part of a post-Berisha political settlement.

It was also a factor in their oppositional psychology that with Tirana government authority itself under threat, a responsible course was to stay in the capital and try to reinforce government authority and prevent civil conflict.

However understandable all these motives may have been, it meant in practice that the crowds of angry depositors in the provinces were either leaderless, or open to influence from old political networks surviving from the communist period. There were no obvious 'moderate' leaders who might try to control the movement and open negotiations with the government. In that sense, the development of the crisis is part of the wider crisis of political elite development in Albania after the end of the one-party state in 1991. The foreign diplomats trying to control the crisis in many cases rarely left Tirana, and consequently had little knowledge of provincial life.

In the British case, ambassadors in the Balkan region were dependent for intelligence on MI6 officials, many of whom were imbued with strong pro-Serb sympathies and an uncritical, almost religious admiration for Berisha. In contrast, the USA's CIA was making more objective material available to journalists, such as detail on the London government gifts scandal, but did not have a significant presence in Albania outside of Tirana. Italy, with Germany, the main international backer of the Berisha government, was preoccupied with population movement issues, and feared the return of the days of ship seizures and the mass emigration attempts of the 1991–2 period, and lacked the diplomatic presence in Tirana to influence events. France had a number of prominent experts on Albania, but most of them were close to the old ex-communists and were often of an elitist personal culture and unaware of developments on the streets.

The week beginning 17 February 1997 was one of some success for Berisha on the public order front, and may have accounted for the obduracy he showed later in the crisis. It appeared from the centre of Tirana that his public order measures might be working. Although demonstrations of several thousand people took to the streets every day in Fier, Vlora, Patos and other southern towns, the anti-government movement seemed to be contained there, and the police and security apparatus were able to prevent mass action on the streets of the capital. At this point President Berisha was beginning to attract some media support from conservative figures who saw the whole crisis as one of 'anarchy and criminality'. Prominent apologists for the Berisha government were able to write in major international newspapers on the government's behalf claiming that the whole issue was one of organised crime and the mafia.³³ *The Times* correspondent Richard Owen interviewed Berisha on 14 February and found him confident of survival, and noted that the protests 'lacked direction'.³⁴ In Tirana, some small amounts of money

began to be repaid by the government to some favoured investors, which may have taken some of the heat out of the protests.

Yet in terms of international opinion, the January and early February protests had delivered a potentially fatal blow to the government. The *Financial Times* wrote on 19 February that the hopes of the past were in tatters, and money continued to flood out of the country and the value of the lek currency reduced further.³⁵ Although the rebel-controlled area of the south was not growing in size, being comprised essentially of Vlora, Patos, Lushnja and Fier with some smaller adjacent centres, there was no sign of the government having the capacity to retake control of them.

The power of SHIK was now being tested to the full, with random arrests and imprisonment of suspected militants, and a free hand being given against suspect foreigners, particularly British journalists (such as Joanna Robertson of the *Guardian*, one of several foreign reporters beaten up by SHIK outside parliament in Tirana on 28 February). In the capital the reign of SHIK terror seemed to be succeeding, but the position in the provinces was less clear. While in the south the rebellion continued, in the north the prospect of acting as storm troopers for an anti-Berisha movement clearly did not appeal to many who might otherwise have joined the protest movement.

The divergence between American and European policy on how to contain the crisis continued to grow. The USA was concerned for the future of Albanian democracy and its Tirana Embassy issued a strong statement on 27 February calling for early elections and a new constitution. The British and European missions, however, remained silent, clearly hoping that Berisha would gain a public order victory and that the protest movement would collapse. In practice, it appeared that the Europeans were prepared to see a period of martial law in Albania and the complete suspension of democratic rights as Berisha established a de facto dictatorship.

Faced with this prospect, militancy grew in the Greek-speaking areas of the south. Relations between Greece and the administration of President Berisha had been very poor since the 'Omonia' human rights trial in autumn 1995. Greece also had close links with many Socialist leaders, a significant number of whom had been in exile in Greece during the Berisha period. Southern coastal towns such as Saranda and Himara had always been some of the most prosperous places in Albania, with their good climate and prosperous agriculture based on olive and fruit cultivation, together with some tourist income. Under communism, links with Greece had grown since the 1976 agreement on trade between the two countries, and some humanitarian and medical exchanges (with Ioannina) were permitted to citizens of

whom the Albanian Party of Labour (PLA) did not disapprove. The Greek-speaking population laid claim to large sections of the old Ottoman *ciflik* estates that dominated agriculture in the interior river vallies, although many of these restitution claims have been questioned in the post-privatisation period. During the 1992–5 land privatisation they had been favourably treated on this basis by Berisha. A surprising number of communist leaders originating from the deep south had Ottoman Muslim Bey family roots and Berisha had no wish to reward his political opponents in the privatisation process.

Thus the Democratic Party land reform and privatisation policy, however understandable from the point of view of the short-term interests of the Democratic Party, was highly divisive, and produced dissatisfaction on all sides. In Tirana few people realised the explosive nature of the crisis that was developing in the south, with most of the elite and virtually all foreigners seeing the north as the traditional place of violence and insecurity. The Greek-speaking community had large land holdings but no way of farming them satisfactorily and were leaving in ever-greater numbers each year to work in Greece, whilst the mostly Muslim Albanian majority felt a sense of grievance with the DP over the land issue, in addition to widespread cultural alienation from the northerner-dominated government in general. Some Kosova refugees and economic migrants from the north were beginning to move south, and contributing further to the land shortage among the non-minority population.

In the meantime the Athens government exacerbated the economic crisis by giving preference to Orthodox applicants in the work permit application process; so Muslim villages like Vrina, south of Butrint, sank into deeper and deeper poverty. The large-scale communist-period agricultural collectives such as the Lukova terraces, which had been very productive, collapsed due to lack of workers and disputes about who owned the land. The Greek Orthodox Church, under the nationalist extremist the late Metropolitan Sevastianos of Drinoupolis, had started to use the newly reviving church for northern Epirot propaganda.³⁶ Right-wing émigrés from Greece, particularly Corfu, were beginning to move back to restituted land going back to the pre-1939 period, particularly in Himara and Gjirokaster. Pro-Berisha and Hellenophobic enclaves, such as the maverick village of L Lazarati near Gjirokaster, moved into confrontational relationships with their neighbours. The recently purged army and ex-secret police and border control officials formed a coherent and bitterly angry anti-Berisha group, who saw the patriotic achievements of the Hoxha period at risk from both the DP government and Greek interference.

There was a plentiful supply of small arms in the numerous magazines in towns and villages that had been organised so that, according to Hoxhaist

military theory, the population could repel a Greek invasion. Heavier weapons were available in the army bases in Gjirokaster and Saranda. Southern Albania was a potent mixture of different social groups with an intense suspicion of each other and numerous economic grievances that caused savage social tensions. This provides the background for the extraordinary speed with which violence spread throughout south-west Albania in the spring of 1997.

The roots of the crisis lay in many misplaced policies that the international community had followed towards Albania in a politically motivated attempt to secure the long-term future of the Berisha government. As the World Bank pointed out in 1998:

Albania in 1992 was an unusual country. The State was in an advanced state of disintegration, and yet the strategy treated Albania as a more conventional transition economy with sector and policy deficiencies that could be remedied by a swift inflow of resources, liberalization, regulatory reform, and traditional financial instruments. The strategy did not adequately recognize that the existing State/Society nexus was extremely fragile, demanding a very strong emphasis on governance issues and a prioritization of key institutional and sector reforms.³⁷

In an odd way, the policy behind Berisha mirrored the voluntarism, to use the technical Marxist–Leninist term, of the Enver Hoxha period. In his key article in the *The Times* comparing Berisha to Enver Hoxha, Richard Owen encapsulated this fact, although the article infuriated Berisha's London coterie of support.³⁸ Then the Albanian people were expected to disregard 'objective difficulties' in agricultural and mining development based on forced labour in order to achieve preset norms of production. The international community neglected the objective difficulties facing the country in the transition and put forward a perspective for Berisha of capitalist voluntarism, where a market economy and institutions could be built by neglect of real problems.

The failure of this policy was to prove very expensive, in every sense, for its progenitors, as the events of February and March in the country were to demonstrate – as the reality of events punctured international illusions and those of Sali Berisha himself. The looming prospect of disorder and chaos was on many minds in Albania in this period, but few people could have anticipated the scale of the deluge that was to come, bringing the country to the brink of civil war within a matter of weeks and ending in the deaths of over two thousand people.

2

The March Uprising

The nature of the coming struggle for power in Albania was becoming clear to local observers by the middle of February 1997. At that point the rebellion in the south was still confined to a number of small areas, mainly the city of Vlora and the town of Lushnja. As yet there was no sign of disorder spreading to the capital: an important factor in a small, highly centralised country. The partial success of the public order crackdown in late February had encouraged President Berisha and his few close advisers to press on in the same policy direction. After a period of stasis in the last few days of February, with neither side strong enough to shake the resolve of the other, the government declared a 'General State of Emergency' on 3 March, which was done within the framework of communist-period legislation designed to mobilise the country against foreign military attack.

The Emergency Laws gave the government draconian powers to rule by decree, and to use the army against internal opposition. There was to be complete government control of the media. This emergency decision was taken as a response to the incapacity of SHIK and the police to effectively crush the uprising and as Berisha and Prime Minister Alexander Meksi began to see the seriousness of the challenge to their authority. Reports were reaching the government of random militant actions, often small-scale, against public property, particularly police stations, the offices of pyramid organisations and the Democratic Party. A key factor in raising their alarm was the involvement of the Greek-speaking areas in the south. Berisha insisted upon a shoot-to-kill policy against the rioters, which was authorised

for southern Albania, in conjunction with a dusk-to-dawn curfew, censorship of the media, and roadblocks and car searches on all main roads.¹

Dr Berisha was now struggling to maintain his hold on power as the final struggle for the future of post-communist Albania under his government began. In the south, old Socialist Party and Sigurimi² networks spread the power of rank-and-file workers and peasants into new localities, some coming under the control of 'People's Committees' (also referred to as 'Salvation Committees'). These committees were generally based on local Socialist Party organisations, which saw them as the only way to preserve Albanian democracy against the prospect of military rule or open dictatorship. Some, as in Korca, called themselves 'pluralism committees' to express their priority of defending democracy in Albania from one-man rule. Ex-military figures that had been purged from the army by Berisha were often prominent, such as the self-styled 'General Gozhita' in Gjirokaster. These people often had direct links with the Partisan Army traditions dating from the Second World War. Particular features of the Partisan military tradition were soon to emerge in the rising.

The Berisha government, however, saw the Salvation Committees as reviving the old communist-period local town and village party committees, thereby embodying the threat of a return to communist rule. The stage was thus set for a final, inevitably violent confrontation.³ The supply of weapons was to become a major issue. As long as SHIK, the army and the police held a monopoly of small arms, Democratic Party power would be secure. In an ominous development, on 3 March in Vlora, crowds broke open military and police arsenals and began to form local militias. The scene was set for a potential north-south civil conflict. It is unclear whether the emergency measures passed by the government were taken as a response to these developments in Vlora, or whether the committees themselves acted to open military magazines and loot police stations as a response to the government crackdown. The exact sequence of events on 2-3 March is less important than the fact that both sides moved the power struggle onto a military footing.

By now the international media was becoming critical of Berisha and began reflecting the views of many Berisha critics in Tirana who felt the way was being paved for a new dictatorship.⁴ In a television broadcast, Berisha called the events 'a communist rebellion backed by foreign intelligence agencies'.⁵ The President's rage turned onto his old inner circle. For several days, Prime Minister Meksi had been uneasy about the implications of the more extreme measures, and the recourse to military confrontation.⁶ As an intellectual and a renowned scholar from a Tirana family that had held senior positions under King Zog, he had a less confrontational character than the President, with his northern Tropoja background.

In a fury, Berisha dismissed Meksi's government on 2 March, using the Prime Minister very much as a scapegoat, and assumed personal rule himself. This was a legitimate tactic, but as the government tried to mobilise the army against the rebels, the army as the chosen instrument of state repression began to fragment and head for collapse. In the crisis, Meksi may have had a more realistic view of the incapacity of the army than Berisha. Many soldiers were deserting their posts and the officer class was split into several political factions. In Tirana Berisha clashed with his army generals, and the following day General Shemi Kosova was sacked as chief of staff and replaced by Berisha's military adviser, Adem Copani.⁷ This was a result of Berisha's anger at the failure of the country's military leaders to take effective control of the situation, but in reality the army had been run down for a long period and by the spring of 1997 was in a state of decay, if not collapse.

Questions relating to individual officers' leadership and their capacity, or lack of it, were irrelevant. The Officer Corps had been repeatedly purged to remove those whom Berisha saw (sometimes justifiably) as pro-communist, and overall resource and organisational neglect was universal. The top US military adviser Colonel Dennison Lane had been removed from his post in autumn 1996, after being declared unwelcome in Albania. He had reported to the Pentagon on the real decline and disintegration of the Albanian forces that was taking place in the field and in the barracks, and had clashed with pro-Berisha generals. This crisis within the military was largely unknown to the outside world, even among those generally well informed about Albania, and many European foreign ministries and defence experts assumed that Berisha could win the power struggle using military methods. The idea of a successful popular uprising in mainland Europe in the late twentieth century was beyond diplomatic comprehension. In reality the army was as alienated from the government as the rest of the population, particularly in the south, and in practice Berisha could count on the loyalty only of the SHIK secret police.⁸

General Kosova was blamed for the reluctance of the army to open fire on civilians, but the armed forces were barely capable of physical deployment in many places. On the ground in the south, the capacity of Tirana politicians to influence events was proving fruitless. Their calls for people to stay calm within their homes were met with further angry demonstrations, often fuelled by the growing realisation that the collapse of the pyramid banks was final and their savings had definitely been lost. In Vlora, the undisputed heart of the rising, deafening volleys of gunfire filled the streets. On 4 March in Tirana, pro-Berisha thugs ransacked and burnt down the office of *Koha Jone*, in those days the main opposition newspaper, as Parliament, surrounded

by scruffy troops with automatic weapons, re-elected President Berisha for another five-year term. SHIK operatives in black leather jackets toured the capital at night, ready to fire on anyone found breaking the curfew. But although the rebellion had developed into a major crisis in the past three weeks, the area controlled by the rebels had still hardly changed.

The key features of the first week in March were the rising militancy in the rebel areas and the incapacity of the government to prevent the transfer of looted small arms to the wider population. The Berisha government policy was in essence based upon an appraisal of the situation that suggested the uprising could be confined to the deep south-west and gradually crushed. The insurgents, however, depended on being able to spread their movement like a bushfire north towards Tirana for victory. The Communist Partisan military tactics of the Second World War closely influenced this perspective. The stand-off was unstable, and in practice, once paramilitary organisations had been formed in Vlora and elsewhere, there was little to prevent the spread of street power to the Greek-influenced areas around Saranda and Gjirokaster.

Saranda saw the streets full of angry demonstrators, and an attempt by an army detachment to move into the town was defeated after a pitched battle along the Saranda-Delvina mountain road, in which rebels seized a government tank. The Saranda army commander resigned his post on 4 March and ordered his men to desert and go home. The next day the army base at the little coastal town of Himara, with its Greek-speaking element, was looted, a barracks at Fier was overrun, and the local army commander was captured and had to be rescued by police. These events and other evidence of the 'virtual' and desultory nature of the Tirana military 'crackdown' were a catalyst for the beginning of a general uprising.

Italy began evacuating foreigners from Albania, and mobilised the border police and Italian coastguard in anticipation of mass migration attempts along the lines of those in 1991. The Roman Catholic Archbishop of Tirana, Rrok Miredita, called for direct Italian intervention to stabilise the situation; an indication of the connections between the Catholic Church and sections of the Democratic Party. The EU echoed calls made by the USA for a new government of national unity to be formed.

This weak response from the international community fell on deaf ears, as more reports came in to Tirana of the looting of military barracks in the south, and an Albanian Air Force pilot flew his MIG fighter to Italy and asked for political asylum⁹. Foreign Minister Tritan Shehu said on television that the south of the country was 'completely out of control', and German Foreign Minister Klaus Kinkel said he was 'extremely concerned' and called

for an Organization for Security and Cooperation in Europe (OSCE) delegation to visit Tirana immediately.¹⁰

Southern villages near the Greek border quickly continued to come under the control of armed groups, while in Tirana long queues formed for bread and other basic commodities. Roadblocks around the capital were reinforced with special police units, while people anxiously gathered in the maze of new cafés in the central park and tried to get accurate news of developments in the south. During the course of this week, the doors of the last functioning pyramid operators closed and angry depositors surrounded the buildings, although VEFA supermarkets and other businesses continued to operate normally.

When on 7 March in the Greek-influenced town of Saranda the people's committee declared itself the local government authority, it was an auspicious harbinger of developments over the next two weeks. Later there were allegations that the Greek secret police and right wing extremist 'Northern Epirus' organisations had played a part in this decision in Saranda. It does not, however, seem likely that this is the case, as the then Greek government was fearful of the growing disorder spreading southwards into Greece, as the mobilisation of the Greek Army infantry forces to Ioannina during the next week showed.¹¹ If any secret services were involved deeply in the south, it was the old pro-Socialist Sigurimi networks. Those in charge in Saranda were an indigenous mixture of traditional Socialists and mainstream Greek-speaking political leaders, whom by background and experience since 1992 were profoundly alienated from the government of Dr Berisha.

Media controversy spread in foreign countries where the Albanian lobby was influential, but was often bitterly divided into pro- and anti-Berisha groupings. US State Department spokesman Nicholas Burns had condemned the state of emergency legislation in strong terms, saying 'We're very concerned the state of emergency declared by Parliament is being used to stifle free expression.'¹² In the London *Guardian* on 5 March, Miranda Vickers had called for Europe to rethink its hitherto unconditional support for Berisha, and a cartoon showed Berisha standing on a crushed ballot box. The pro-Democratic Party Oxford Helsinki Human Rights Group replied in kind in other publications. The Vickers article enraged the President and worsened the atmosphere between the government and the foreign media.¹³ In *The Times*, James Pettifer wrote that it was doubtful whether the army could maintain discipline if there was a prolonged occupation of the southern towns.¹⁴

In retrospect, this was already an over-optimistic evaluation of the capacity of the army. The soldiers only held two major southern towns, Gjirokaster and Korca, and soon the power struggle would move to these centres with little prospect of the survival of DP government control. In London, NATO General Secretary Javier Solana ruled out any NATO military operation in support of Berisha, a decision which seemed to come as a surprise to the President, and which demoralised some of his associates considerably. Solana did, though, leave open the possibility of a future peacekeeping mission, of an unspecified character.¹⁵ In neighbouring Macedonia the army was mobilised to defend the western border, and in Greece the dingy small hotels in the regional capital of Ioannina were suddenly filled with uniformed army officers.

In military terms by 7 March a *de facto* front line had formed right across south-west Albania: along the Vjoses River, from Vlora on the coast, then following the main road south via Ballsh and Memaliaj to Tepelena, and then eastwards towards Permet. South-west of the line of the river Tirana's authority had ceased to exist, except on or near some main roads. Pro-Berisha forces had a monopoly of heavy vehicles and armour, but the basic situation closely resembled the Partisan warfare of the Second World War, where these vehicles were very vulnerable to attack in the steep mountain gorges and tough local terrain. The insurgents often used donkeys and other pack animals rather than any kind of motorised vehicle and usually moved north on foot if they ventured into the hills. Most of the time, however, they remained holed up in pro-Socialist urban centres with a supportive population.

The key industrial city of Fier remained ostensibly neutral at this stage, although the small SHIK force controlling the town hall was greatly outnumbered by oppositionists milling around in the streets. The government writ did not run in the countryside within this zone, and rebel groups which had taken on a paramilitary character were pushing northwards towards key towns such as Lushnja that were known to be sympathetic to the rebellion. Lushnja was also the strategic gateway to Tirana itself along the lowland north-south main road artery. Armed formations from Tepelena – by 5 March firmly in hard-line rebel hands – had fought a pitched battle at Memaliaj to prevent Berisha trying to gain control of the road north.¹⁶ This action involved dynamiting of an important bridge over the Vjoses River.

Although when the crisis was viewed from Tirana the government seemed to be holding a territorial front line, in reality in the countryside on both sides of the 'front' the army was suffering a continual erosion of control and loss of personnel through desertion. The Tirana government did, however, control most of the southern perimeter towns, such as Permet; the result of a

reign of terror by the firmly loyal SHIK secret police. This was also the case in the key armament manufacturing towns of Gramsch and Poliçan, south of the strategically vital town of Elbasan, where SHIK operatives held trades-union and political activists prisoner in local police stations.

As a result of the rudimentary nature of the transport network and the uncertainty about who actually controlled the roads, it was not possible at this stage for towns like Vlora (where there was a large surplus of armed militants) to bring much assistance to the insurgents in the Osumit Valley to the east. In order for this to happen, the key city of Gjirokaster would have to pass into rebel hands. The terror tactics of SHIK in Permet lasted three days, on 5–8 March, and led to clandestine meetings of local opposition and people's committee leaders from other southern towns and villages. Here old political networks and groups of angry ex-army officers were activated to coordinate activities to attack SHIK operatives and seize control of the remaining towns in the south-west not under rebel control.

News of this must have reached Tirana through SHIK spies or friendly foreign intelligence agencies, or both, and Berisha and Copani made military plans for a final showdown with the south. Special forces units in helicopters were prepared between 5 and 8 March, with a view to a 'final assault' on the rebels and Berisha denounced Socialist Party leaders on television, accusing them of organising an armed rebellion 'to overturn the constitutional order and Albanian democracy'. This had the effect of driving hitherto passive Socialist Party figures into active support for the rebellion, as they feared that Berisha would not hesitate to take on dictatorial powers against their party in the event of a victory over the rebels. Rumours swept through the circles of the Tirana elite that the government had prepared a long list of people it wished to arrest, a rumour that later turned out to be correct.

On the morning of 6 March tanks on transporters rumbled southwards, and the security operation began throughout southern Albania. A MIG plane bombed the small south-western town of Delvina.¹⁷ Four hundred armed and hooded men surrounded Saranda as cars brought looted anti-tank weapons and explosives into the town. In Vlora, armed men were stationed on the roofs of buildings. At last, sensing the depth of the crisis, the Major government in London began to modify its hitherto ardently pro-Berisha line, and in a limp gesture Foreign Secretary Malcolm Rifkind threatened to cut off foreign aid as a protest against Berisha's dictatorial behaviour. An important factor in this policy change was the cogent position put forward to the Foreign Office by ex-SOE¹⁸ officer and leading diplomat Sir Reginald Hibbert, who exposed the secret links between the Democratic Party and key members of the right-wing and generally pro-Serb political establishment in Britain.

Back in southern Albania, there was a mass mobilisation of rebel forces, with the Fier–Tepelena road finally falling to armed groups and lorry loads of armed civilians taking up positions in the hills above the road to protect their new strategic asset. Berisha's soldiers fled north to a secure area in hills near the oil refinery town of Ballsh.¹⁹ In the chaos, the already weak command and communications structure of the army in the south was rapidly breaking down. Groups of soldiers remaining loyal to the government were often without radio communications, money and food. Many simply deserted, fading into the countryside and going home. In the next critical week, as in many previous Balkan conflicts, control of the roads was central, and the new link-up between the Vlora and Tepelena militants isolated Berisha-controlled Gjirokaster. This ancient and famous town admired by Lord Byron occupies a dramatic site above the Vjoses Valley, and secures control of the main road route down to Greece and across to Korca, the main town of the south-east. It held a massive military magazine, with tens of thousands of weapons. If Gjirokaster fell to the rebels, Berisha would soon lose control of all of southern Albania.

The military odds were moving against the President as every day passed. In Vlora an estimated 15,000 men were now under arms and the military initiative moved back to the rebels again, after the previous two weeks had seen a relative stabilisation in favour of the government. In a desperate bid to contain the rebel assault the government concentrated soldiers north of the Vjoses estuary to try to hold the road but were attacked and driven away by a Vlora insurgent force under the leadership of Zani Caushi, a local paramilitary leader from a well-known Vlora criminal family resident in the Cole district of the town.²⁰

The President was in essence relying on the power of heavy armour and tanks to subdue the rebels. But in the severe southern mountainous terrain, armour is of limited value, and the low operational capacity of the army handicapped its effectiveness. As General Colin Powell, the US Army Chief of Staff had commented in another Balkan context, 'we don't do mountains', but in effect that was what the Berisha forces had to try to do, with an army in a state of advanced disintegration. Although in theory the army had about 55,000 men in uniform and hundreds of armoured vehicles, only a few were in good condition, and in an ominous development for Berisha a tank had been seized by rebels on the Saranda road almost as soon as it had been deployed there. The military post on the Muzines Pass road finally fell to the rebels after a long firefight on the morning of 7 March. In classic insurgency style, barricades were built across the roads outside rebel-held towns; a product of the compulsory military training in Hoxhaist-period

education, when Albanians were taught how to improvise defence against foreign invaders.

This training was an important background factor in the sweep of the rebellion northwards; most Albanians did not need to be instructed on methods of popular community defence, as it had been rammed into them in the civilian population military education process for decades in the Hoxha period. The same applied to the use of weapons; virtually the entire population knew how to use small arms and AK-47s. Military Chief of Staff Adem Copani and his military team in Tirana had increasingly few options to clamp down on the insurgency. In an effort to disrupt the rebels by attacking their communications, telephone lines were cut between Tirana and the south. Mobile phone networks did not exist in Albania at this time, and the government believed that this would have a major impact but this analysis neglected to acknowledge the power of the informal networks of personal communication in the southern communities, and the power of the Partisan popular military tradition where everyone knew how to improvise basic military techniques.

By the morning of 7 March it was clear that the government offensive had largely failed and Berisha was forced to change tack, offering a truce if the rebel leaders handed over their weapons. In Tirana, Alliance Party leader Neritan Ceka had assembled a 'Forum for Democracy' of centrist politicians, and this was strongly supported by Tirana's diplomatic community. Round-table talks were held between the President, the Forum, and those members of the opposition who could be pressured by foreign ambassadors to join them. Almost immediately, however, the talks between the Forum and Berisha broke down in acrimony.²¹

An important factor during these volatile days appears to have been the relative success of the SHIK in terrorising the north of the country, where opposition protests remained muted. The President seemed to have believed, even at this late stage, that his coercive tactics would still be equally effective in the south. But in reality the southern rebellion continued to gain ground, with the demolition of the main bridge on the Gjirokaster–Saranda road on 8 March cutting off the key government-held base in Gjirokaster from the coast. On the same day, hundreds of armed men paraded through Tepelena after they had driven the last holed-up SHIK operatives from the town. In Saranda, former army officers took command of the militias and began the construction of defensive positions around the town.

The international community began to see the emergence of the feared civil war, with the north remaining loyal to Berisha and the south passing out of government control. In Tepelena a Revolutionary Council was formed,

consisting of 15 local politicians and ex-army officers, drawing on the area's rich traditions from the Second World War Partisan period. Berisha's soldiers withdrew into the hills to the north of Tepelena while different militia groups began to take control of the perimeter roads. In a desperate attempt to secure Gjirokaster on 8 March the government sent in special forces in helicopters to disarm the town, but the local police chief led an attack on his own police station and then army magazines were opened and the jubilant population was armed. The special forces troops were forced to retreat to their helicopters and to withdraw northwards.



2. *The fall of Gjirokaster, 10 March 1997*

Gjirokaster and virtually the entire south-west of the country was now fully under rebel control. In scenes more reminiscent of the Paris Commune than twentieth-century Europe, the armed citizens of the city beat off the military assault and drove the SHIK operatives from the town hall. Many of the last 200 regular soldiers of the original 1000-strong garrison fled into the countryside as crowds flooded into the magazines, seizing a plethora of weapons. Anti-aircraft guns and artillery pieces were set up in the town, and mortars were positioned below the ancient citadel. A hail of fire was directed across the Vjoses Valley into the few remaining government-held villages on the side of the valley near the Glina mineral water factory.

Amid the chaos, groups of army deserters marched north towards Ballsh to set up a formal front line, across the Ballsh-Zulaj road, in the hope of

securing the road routes north to Tirana. A few small pockets of support for the government remained in traditional rightist villages such as L Lazarati, south of Gjirokaster, but in general between noon on 8 March and evening on 9 March, government authority had ceased to exist over a wide area in and around Gjirokaster, and the foreign media began to describe southern Albania as being in a 'state of anarchy'. This was a dramatic and major setback for Berisha, particularly because most of the international media were in Gjirokaster so the rebellion story there broke straight onto most front pages. It made it very difficult for Berisha to continue to claim to his foreign friends and the international community generally that he had any realistic chance of a military victory over the rebels.

In practice, although central government authority certainly had collapsed, and criminals and socially marginal people were given full scope to indulge in robbery and attacks on state buildings, a new local form of authority soon sprung up. In most towns a senior ex-military officer, such as 'General' Agim Gozhita in Gjirokaster, acted as spokesman for a local people's committee. In Korca, a 'pluralism committee' took over the government of the town, meeting in the old communist party offices, and it was able to provide a modicum of social authority that enabled the town to avoid much serious violence. The traditionally radical villages near Korca were in the hands of militant armed insurgents who drove out any police in the vicinity and ruled the little communities through revolutionary committees.

A key issue for the insurgents was to determine how to spread the anti-government movement northwards towards Tirana. It is not clear how far conscious decisions were actually taken by a political leadership, but in practice a strategy soon evolved. When a town on the road north fell to the rebels the pro-Berisha elements in the urban state apparatus would leave, and the poorer and always more radical country people would then quickly evict the secret police from their rural localities. The Socialist Party had always retained considerable support in the southern countryside throughout the Berisha period, and even though peasants may not have participated in the pyramid banking schemes as much as town dwellers, they had many grievances against the new aggressive market economy and many dissatisfactions with the government. In particular the often mediocre but universal and free medical and educational systems of the communist period had completely collapsed, and rural people found they had few sources of income in the new economy.

On 9 March, after the fall of Gjirokaster, pack animals loaded with weapons and ammunition were made ready to bring in military supplies to Permet, the town that dominated the next branch of the Vjoses Valley, 30 miles to

the east of Gjirokaster. Tepelena was fortified with military heavy artillery from the Gjirokaster barracks and rebels began marching north in informal groups towards Tirana.²² Berisha's soldiers and SHIK men still held the key crossroads at Kelcyre, ten miles north of Permet, and pack roads across the mountains were used to make ready the assault on them.²³ In Gjirokaster on 10 March, wild crowds celebrated their victory by firing thousands of rounds of ammunition into the air all night. The Greek consulate, with the only functioning telephone in the town, was full of journalists sleeping on the floor like sardines in a tin. Berisha appeared on television and made a worried appeal for 'Partisan' activity to stop. In Vlora Commander Skender Sera, one of the insurgent leaders, said that the insurgent victory in Gjirokaster was 'a celebration with Kalishnikovs and Berisha is giving up step by step'.²⁴

The rebellion was certainly spreading up the southern valleys, much as the anti-Axis resistance had after 1943, and unless it was stopped it would only be a matter of time before Tirana was threatened. As a result, on the evening of 10 March, Berisha ordered his forces to make a stand at Permet. Vicious fighting went on for over 48 hours, resulting in the destruction of several public buildings by fire.

A pitched battle was then fought along the road between Permet and Kelcyre resulting in several deaths. Kelcyre was the old Ottoman capital of the region, and was still a Muslim and pro-Democratic Party town. The local mosque had just been rebuilt with funds from Democratic Party leader Azem Hajdari, who was to be murdered in the summer of 1998.²⁵ Permet was one of the few cities in Albania where there had been overwhelming popular support for communism, and the town had become the regional capital in communist times. There was little love lost between the two towns, and a de facto front line in the conflict formed across the main road to the north of Permet. On 11 March, the traditionally Enverist stronghold of Berat began to become more involved, with skirmishes on both the roads to the north and to the south of the town. Soldiers loyal to Berisha were dug in north of the little town of Ura Vajgurore, seven miles north of Berat. This had been both an Ottoman and a Zogist garrison, and its strategic importance on the river crossing led to its role in the 1997 rising.

At the same time there was an acceleration of foreign diplomatic activity. The USA still held to its principled position that new elections were urgently needed and a broad-based government of national unity should be formed, but in Europe the focus was much more exclusively on public order issues, led by Italy, who would bear the brunt of any refugee influx.²⁶ Greek attitudes were more ambiguous. Italy always had close links with the Albanian Right in the post-communist DP government period, but Greece had given political

asylum to many Albanian political oppositionists, purged soldiers and secret policemen who had fallen foul of the Berisha government. Some of these people had then started businesses, both legal and illegal, and so economic interests were also involved.

For whatever reason, the southern insurgents began to receive favourable coverage on Greek television. One reason may have been that many southern insurgents, from whatever ethnic background, could often explain themselves to the media in quite reasonable Greek – a much less common skill among Berisha supporters. In the background, religion was also a factor. Many Greek Orthodox clergy privately relished the downfall of the northern, predominantly Muslim government. As always in Balkan conflicts, religion is a major factor under the surface and there is no doubt that the Greek Orthodox Church was very privately happy to see the departure of the DP government. It was also clear to Athenian politicians that if they gave a certain amount of tacit diplomatic help to the rebellion, they could expect a post-conflict government in Tirana that was likely to be much more sympathetic to Greece and its regional priorities than the Berisha administration.

The downfall of Berisha's power in the south and the crumbling of the Albanian state itself were now causing alarm bells to ring in European and other foreign ministries. It had been assumed for several weeks that the unrest would subside and that the Albanian army and security forces would be capable of quelling the 'anarchy', actually the popular uprising. These were both ill-founded ideas, and indicate a major intelligence failure by the EU nations.²⁷ By the end of the last week in March, however, politicians and officials believed they might be seeing the beginning of the end of the Albanian state.

The local committees that were growing up in all localities were composed of people who had often been in positions of authority for many years until 1992,²⁸ and saw themselves as agents for the restoration of democracy. In such a small country there were numerous family and community links they could draw upon, and the popular movement grew in confidence as one government military failure followed another. The effect of the widespread acquisition of guns and munitions on popular confidence cannot be overestimated, as the government and the state lost its previous monopoly of armed force.

Thus, at a key stage there was disunity between Italy and Greece, the two NATO and EU members most closely involved in the crisis. It is also worth bearing in mind that by spring 1997, the full costs and difficulties of the post-Dayton period in Bosnia were becoming clear, and this had blunted the appetite for further Balkan intervention with some international political

actors. There was no international community representation in provincial Albania at that time. Therefore, had the insurgents in remote places such as the 'no man's land' south of Saranda or in the high mountains of the Acroceraunian Alps wished to follow the international community leaders' advice, they had no means of knowing what it was other than through the BBC World Service or the *Voice of America*. The former had for a long time had a difficult relationship with the Tirana government over human rights abuses, and its objective reporting made it a major news source throughout Albania.²⁹

The collapse of government authority in the south ended the geographical isolation of Vlora and relieved the intense pressure that had been on the town for several weeks. Militants from Vlora moved down the Adriatic coast towards Saranda, with some bitter clashes in Himara en route, where traditional rivalries and the influence of organised crime links with Italy was a factor. In Himara numerous buildings that had been constructed illegally by speculators who had profited from the pyramid banks were attacked with bulldozers, and a significant proportion of the population left the town during the violent chaos. Most villages along the coast, such as Vuno and Pigeras, that had traditional socialist and communist orientations supported the rebels with enthusiasm, but some pro-Democratic Party villages nearby, like Borsch, were still loyal to the government.

During the following weeks, the entire coast was racked by random violence, until it became clear that the Berisha government was finished in the south and local score-settling had run its course. Pro-Socialist militias wrecked the British ecotourist project at Qeparo, which was locally believed to be a cover for British intelligence activities. A British Council teacher living there had to be evacuated from his house by helicopter. Local people have since claimed that two helicopters were needed to remove all the technical equipment from the site.³⁰ An Australian tourist company official, Wilma Goudapple, was shot in the stomach in Saranda ten days later.³¹

Over the next few days, the focus of events moved to Berat and the surrounding towns. Berat investors had lost heavily in the pyramid schemes, and were generally strong leftists, but some inhabitants also blamed the socialist elite and leadership there from profiting from the pyramids. During the nights of 11–12 March Poliçan, south of Berat, came under rebel control. Berat and the military airport at nearby Kuçova followed the next day, although SHIK forces still held Gramsh, the armaments manufacturing town near Poliçan, and the town was closed off. The effectiveness of the SHIK forces was limited by the fact that most of them were northerners, or certainly not from the locality. They lacked detailed local knowledge of the

packhorse roads that were used to move insurgents and weapons by mule and donkey, usually under cover of darkness, and beyond a few prominent socialist leaders in a locality often had little idea of whom to arrest in order to halt the spread of rebellion.

The fall of Berat was a key event from the point of view of military supply, as it was a favoured military town and 'Hero City' under communism, and had a very large barracks and arsenal. To the east of Berat lay Lake Ohrid and the numerous mountain passes to Macedonia, and during these tumultuous days Pogradec and the surrounding villages were the scene of fierce battles between pro- and anti-government forces. Some of the villages near Pogradec had a strongly rightist tradition, while the town itself had been one of the last bastions of communist control during the fall of the one-party state in 1991–2.³²

By the evening of 13 March, the only significant concentration of government forces in the south was between Fier and Lushnja, protecting the main road to Tirana. At the same time, the land south of Gjirokaster finally passed from government control down to the Greek border post at Kakavia, and Albanian border and customs officials fled. The small military post at the border was overrun and looted by insurgents from Vlora, leaving the building stripped apart from pathetic heaps of conscripts' possessions abandoned, as they fled into Greece or north back to their homes and families. The disintegration of the Albanian Army in the south was now complete, and with it went the last vestiges of state authority. On 14 March Defence Minister Safet Zhulali fled the country to Italy, and then to Turkey.³³

Meanwhile, in rebel-controlled Gjirokaster, the de facto capital of the liberated areas, food was in short supply and there were long queues outside bread shops as families stockpiled food as best they could. Most fuel was seized for military use. In marked contrast, in the north the authority of the government held on, with officials going to work in towns such as Shkoder under armed guard. The international community could by now see the depth of the crisis but there was little sense of any agreement on how to deal with it. In a way this was not surprising, as the rebellion was turning into an armed uprising of the people against a repressive government along lines that had not been seen in Europe since the nineteenth century.

Although the Yugoslav wars of secession had been a serious shock to the transnational leadership pretensions of the EU, the popular movement in Albania seemed a new and dangerous contagion that could affect the simmering Kosova crisis. It was an event that was certainly not supposed to happen in a unified and tranquil post-communist Europe. As many of its features seemed to represent the development in practice of classical Marxist

revolutionary tenets, it was not long before right-wing commentators started to look for conspiring groups who were seeking to replace Berisha with a neo-communist regime.³⁴ These concerns were misplaced, with the exception of the aspects of Greek influence alluded to elsewhere.

Few foreigners understood much of the real nature of the Albanian state as it had evolved under Enver Hoxha's brand of communism. This state had been rigidly enforced for over 50 years and parts of it remained in operation in 1997. As the Enverist state as a whole was widely, and correctly, seen as dictatorial, it was assumed by foreigners that there was no internal democracy or organisations that gave popular empowerment at any level. They neglected the damage done to the party institutions by the ideological zigzags of the Hoxha years. Most of all, few understood the regional nature of communist support.

In southern Albania almost everywhere there was some active support for communism and, in a few places, genuine majority popular support as late as 1997 for at least some aspects of the old regime. Within the Enverist system, there was the mass organisation of the Democratic Front, to which almost everybody had to belong. Local Party committees were not always able to centrally control it very effectively, and the experience of the link with China in the Cultural Revolution period had bred a younger generation who were suspicious of authority in the party, and of bureaucracy and its structures. From an ideological point of view, suspicion of the bureaucracy had been legitimised by the opposition of Enver Hoxha to revisionist Yugoslav communism where the 'New Class' based in Belgrade had so exploited and misled people, with the results that have been seen post-1990. In terms of state legitimacy, the Albanian political elite in Tirana had been losing ground for many years, long before the crisis of 1997.

In the south, and a few places elsewhere like Kukës and Peshkopi in the north-east where the Communist Party was well supported and the leadership did not feel threatened, there was a significant degree of local autonomy and partial but genuine democracy in decision-making. To these people, in areas that had done much better than the north under the one-party state, knowing the Berisha 'biography'³⁵ and his modus operandi, aspects of the Democratic Party government seemed to embody the return of centralism and government by diktat, with foreigners forming a new bureaucratic class. The DP government seemed to them to have all the disadvantages of Enverist leadership, with none of its more positive features. The early stages of the uprising devolved power back to the traditional local leaderships, who had been at best bypassed and often vilified and even put under arrest by the DP. In the capital and in much of the north, the Socialist Party leadership lost

legitimacy as a political force as much as the Democratic Party. This was due in part to the fact that Tirana did not have such effective popular structures, a key fact in the events that were to develop in the ensuing weeks.

In the perceptions of foreigners, all this was subsumed under the banner of 'anarchy', whereas in fact what was being worked out was an advanced stage in the conflict between two traditions formed under communism: the 'Enverist', with its emphasis on revolution and popular empowerment, which could also incorporate aspects of Albanian nationalism; and the 'economist and technocratic', represented by President Berisha and his government. 'Enverism' did, in its way, embody a genuinely revolutionary content that had taken deep roots in popular political consciousness – perhaps not surprising given the brainwashing the people had been subjected to in their education. Few foreigners realised, either, the degree to which the remnants of an extreme egalitarian ideology from the rigid communist system still affected the national consciousness, and it took little for the revolt against the excesses and corruption of the pyramid bank operators to become a revolt of poverty-stricken rebels against the practice of capitalism itself. Many ordinary Albanian people had been seriously impoverished during the transition period, and the crisis of the spring of 1997 was offering them an undreamed of and unanticipated opportunity for revenge against those who had grown rich so quickly.