

# **Wine mafia and the thieving state: tension and power at the crossroads of neoliberalism and authoritarianism in 21<sup>st</sup> century Macedonia**

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**Abstract:** In addressing notions of opposition, disruption, and inside privatization, this paper calls upon fieldwork research conducted in the transitioning countryside of the Republic of Macedonia. Through an investigation of the country's large Tikveš wine region, the paper concurs with the systematization of authoritarian rule put forth by Borneman (2011) and Linz (2000), yet illuminates it using ethnographic vignettes which help explain the particularities of the post-socialist transition from state to privately owned wineries there, and the casualties that have come along with it.

**Keywords:** privatization, neoliberalism, post-socialist transition, wine, Macedonia

## **Introduction**

If any single characteristic defines authoritarianism in all its forms over time, it is hostility to opposition. By contrast, a central feature of democracy is that it must incorporate difference and opposition...in order to legitimate itself as political form.

–John Borneman, Princeton University<sup>1</sup>

In discussing the “oppositions” with which we’re familiar from the 20<sup>th</sup> century, such as those which ended the Cold War, John Borneman stated in his keynote address at the SOYUZ conference on post-socialist forms of authoritarianism at Columbia University in March 2013 that “(o)pposition today is different...less coherent, more diffuse, and perhaps more various in its forms, as are the kind of authoritarian movements and regimes which it opposes.” Borneman proceeded to give examples of current “disruptions” which stand in contrast to notions of opposition against nation-states and their ideologies in the 20<sup>th</sup> century, but through which the authority and legitimacy of a ruling government is brought to the fore. These include the Russian female rock group Pussy Riot and the protest they have waged against the ironclad rule of Vladimir Putin (and the consequent persecution they have faced), as well as the Syrian children whose graffiti in early 2011 sparked the ongoing civil war in that country.

In attempting to theorize the relation of opposition to contemporary authoritarianism, Borneman calls upon the work of Juan Linz (2000), whose systematized work on the topic references similar interrelated criteria. These include a concentration of power at the top, maintained through repressive means; submission to authority; unaccountable if not unchecked exercise of power; and intolerance of meaningful opposition. Yet Borneman admits that both his and Linz’s work is based on a top-down, political science perspective and that “if seen phenomenologically or ethnographically...our analytical perspective might change, especially if we want to account for the variability in forms of authoritarianism, the modes of relating what they foster in everyday life, and the diverse ways in which groups of people depart from authoritarian rule and introduce more democratic rule.”

In this paper, I thus call upon doctoral ethnographic fieldwork to illustrate the forms of disruption and opposition at work in one region of the Republic of Macedonia. Through research conducted in 2010-11, the cataclysmic effects of neoliberally guided economic policy (beginning with privatization in the late 1990s and early 2000s) have radically transformed the Tikveš region and its famous wine industry in the south-central of the

country. However, in discussing developments, oppositions, and disruptions around authoritarianism in Macedonia, it must be stipulated that opposition is in fact key to democracy and state legitimacy (Borneman 2011)—only without it or when it is oppressed do we see the tendency toward abuse of authority. Therefore, in this paper it must be considered how forms of opposition both exist and are subject to abuse, and what tensions if any exist.

### **Authoritarianism in contemporary Macedonia**

In October 2011 the New York Times published a story titled “Concerns grow about authoritarianism in Macedonia” (Brunwasser 2011). The Times’ article discussed the increasing concern by the international community over “growing authoritarianism” via insufficient protection of the rule of law and media freedom in the country. Citing an International Crisis Group (ICG) report from two months prior, the worry was the result of the ruling nationalist government’s state capture, and their role in rising ethnic Macedonian nationalism. Given as an example of media suppression was the shutting down of one of the country’s main television networks (A1), allegedly due to tax evasion, and three newspapers owned by its parent company—all known for their vocal opposition to the government. An EU report was then cited, claiming that journalists were being intimidated and that political, governmental, and business interests reign supreme.

Although the Times’ article raised legitimate concerns about freedom of expression in Macedonia, bullying the press there is nothing new. During the Yugoslav era the media was run from Belgrade by “*Tanjug*”<sup>2</sup> which strictly regulated the production of national news. And as Levitsky and Way (2010) point out in their book, such authoritarianism emerged soon after Macedonia’s transition to multi-party rule in the early 1990s, as the press were subject to intimidation then under the present political opposition party SDSM, just as they are now under the ruling nationalist party, VMRO-DPMNE.<sup>3</sup> What has occurred though in the last decade in particular is the monumental shift in economic policy and governance with the transition to a “free-market” and all that entails. One acquaintance who works for a large media network in the capital explained to me how the shutting down of the A1 news network was due to that station’s reporters calling up ruling party members in various towns around the country, posing as party officials, and asking how much they had bribed various individuals and how they had convinced others to vote for the party. When they got immediate responses, they of course had proof that this was occurring and reported it, to the Prime Minister’s chagrin.

Therefore, not only have economic and political policies changed in the past decade, but so have the citizenry’s awareness of and response to them. While on the one hand there has been the promotion of 20<sup>th</sup> century liberalism—regulated markets tied to the state—on the other hand, the implementation of largely neoliberal, “crony capitalistic” policies has resulted in a paradigmatic reorientation of government economic priorities. As I address further below, such policies reflect a particular form of economic ideology—one which prizes private growth and development over state led opportunity. For the majority of people, this has meant a relative reduction in their income, purchasing power, and thus life opportunities. Consequently, one could say that democratic tendencies have been fostered among the media and people, creating disappointment and dissent. Yet at the same time connected individuals have successfully created new enterprises and through privatization, taken control of those which were formerly socially owned and managed. The contradiction and conflict in this paradigm is evident: the combination of neoliberalism, including privatization, with democracy *cum* political nationalism and media suppression has led to what Andrew Graan (2013) claimed in his article on nation-branding in Macedonia to be a “counterfeiting the nation.” Although Graan uses this term to primarily describe the process

of re-historicization and identity development occurring at present in Macedonia, I borrow it in order to help illustrate the extent to which it demonstrates a conflict between the state and its people.

I discuss further these developments in regard to the privatization of the Tikveš wine industry, established in the Yugoslav era as the federation's largest wine region, and do so in relation to the so-called "wine mafia" (*vinska mafija*) behind the process. The wine mafia is a label frequently used by the region's independent grape growers (*lozari*), who have suffered the wrath of manipulative winery owners who, since the financial crisis of 2008 in particular, have been able to get away with taking a grower's grape harvest and not paying the grower for anywhere from one to two years, and sometimes not at all. Therefore, the wine mafia are the owners of the wineries, as well as politicians who seemingly profit off of the region's wine production (such as one of the most notorious winery owner's brother, who is a member of parliament).

There are thus shifting notions of legitimacy of the state, private enterprise, and notions of corruption. I allude to these here in describing privatization's ongoing manifestations and the opposition and reaction to it in the form of street and café conversations (*muabet*), protests, and local government as well as political party town-hall like forums. This article therefore includes content from interviews and conversations with a variety of actors—winery owners, the grape growers (*lozari*) themselves, and a local NGO representative, among others. From these conversations a discussion emerges on the role of neoliberal, free-market capitalism and various manifestations of the democratic transition and change at hand in Tikveš, such as—whether intentional or not—the development of authoritarian governance in the region and the country as a whole.

### **Untangling the terroir-izing transition: neoliberalism, privatization, and power**

Although the word has not been adopted in the local wine lexicon, there is essentially a move towards *terroir* in Macedonia's wine industry. That said, there is a seeming "*terroir-isation*" occurring in Tikveš—growers are falling victim to modern wine standards and a government intent on seeing such standards "bear fruit" as the country undergoes a neoliberal privatization process and moves toward the EU wine market, a most challenging foe. For it is through both the potentially illicit, post-socialist privatization project and then more recently, the EU's pre-accession measures, that the industry has been subject to a variety of regulations and limitations on the names of its wine, how much of it can be exported, and most of all, the power over the country's industry. Indeed, the wealth and profit-seeking of oligarchs and other businessmen who have either acquired formerly state-owned wineries or created entirely new ones, along with the EU's measures, support a consolidation of wealth among the already connected elite, and a double-edged sword for the growers who work their own small plots of land in order to supply the wineries.<sup>4</sup>

Given the significance of privatization, the challenge is to understand what the meaning of the process is for different communities and individuals, and how its implementation affects life in general (Kideckel 1995). Several anthropological ethnographies, mostly from the 1990s, offer insight into the process of neoliberal privatization and its societal undoing during the era of post-socialist transition.<sup>5</sup> Yet Chris Hann's 2006 text, "*Not the horse we wanted!*" *Postsocialism, neoliberalism, and Eurasia* (2006), clearly laid out the connection to post-socialist neoliberalism in its title. Hann argues that the spread of neoliberal economic principles and identity politics alongside private ownership, multi-party politics, and the proliferation of non-governmental organizations (NGOs) are poor compensation for a decline in the substantive material and moral conditions of post-socialist citizenship. Stephen Collier's reworking of neoliberalism with social

modernity and biopolitics in *Post-Soviet social* (2011), takes the analysis one step further. Collier, however, steers away from the focus on the 1990s privatization of the post-Soviet sphere and its effects, and instead draws upon Foucault's lectures from the 1970s on biopolitics, examining neoliberalism as a central form of political rationality in contemporary societies.

I see rational explanations of neoliberalism in the work of both scholars, in the sense that I find various micro and macro level manifestations of neoliberalism's effects touching and shaping every level of human experience and society. I therefore take neoliberalism to be a particular set of phenomena—political, economic, social, and historical—and consequent lived experience, which on the one hand are strategically implemented within a unique set of circumstances, and which on the other hand emerge in random manifestations. Given the nature of today's interconnected, global markets and the resulting competition, I see neoliberalism as a reaction to and function of this economic structure and strategically speaking, as a particular way of organizing these markets in order to benefit particular interests—all in the name of "rationality." I thus turn to Hann's (2006) conclusion, where he decries the drastic changes in standards of living throughout the post-socialist world and emphasizes the specificity of local history in viewing these on-the-ground transformations. I also move forward with Collier's vision of neoliberalism as a tour de force in the early stage of the 21<sup>st</sup> century which must be examined in regard to its specific form of political rationality—how within a society it can be rationalized and supported through political systems and their actors. Because neoliberalism is undergirded by arguments of such logic and systematicity, an ethnographic examination of its valorization and permutations in practice, such as Borneman suggests, contributes to problematizing its claims.

Understanding the overarching circumstances of the transition in Tikveš—namely privatization in the wine industry as the country prepares for EU entry—is essential to better examining the on-the-ground reworkings and negotiations linked to the neoliberal privatizing, yet EU development-oriented, transition at work in Macedonia. Indeed, a series of steps designed to supposedly streamline markets and create opportunity for workers at all levels has actually led to a more stratified society. This has been characterized by the shift from government-owned wineries and purchasing, to the creation and distribution of subsidies paid to both grape buyers (wineries) and sellers (grape growers). What we find in Tikveš, then, is similar to what Scott uncovered in his fieldwork where "we are dealing... with the undramatic but ubiquitous struggle against the effects of state-fostered capitalist development in the countryside: the loss of access to the means of production (proletarianization), the loss of work (marginalization) and income, and the loss of what little status... the poor could assert before" (1985: 241).<sup>6</sup>

Such development and privatization have been implemented in a variety of ways in post-socialist spaces, though in many countries beginning with a "decapitation of the state" (Chavdarova 1999:186) alongside the infamous post-socialist "shock therapy" experienced in Russia and elsewhere.<sup>7</sup> Macedonia, however, largely averted such an experience; the country and its economy slowly privatizing while being used profitably as a staging ground for military, aid, and other deployments to the north during Yugoslavia's violent dissolution. Yet with an end to the large Balkan conflicts of the 1990s, the country then had its own conflict in 2001, and was subject to the effects of a Greek economic embargo followed by the more recent EU accession mandates, privatization, and job losses in the last decade.

As Bartlett (2007) observes of privatization legislation in Macedonia, it was not introduced until 1993, was not enacted until 1995 and the 'financial deepening' of it was not evident until 2003. Nonetheless, over one-thousand enterprises were privatized by 1997 and 1,678 by 2003, with the main method being management and employee buyout. The most profitable though—234 with assets of €705 million to be precise—were "sold at substantial

discounts, often on the basis of severely undervalued asset valuations”, and were then bought out by management: “managers had acquired by far the most valuable part of the privatized company base” (204). Further, there were just 155 companies with assets of only €25 million which were sold to foreign owners, meaning that only the connected elite in Macedonia were benefiting from the privatization process.

As a result, the majority of Macedonians have become worse off financially, less trusting of one another and the government, and uncertain of the future. Indeed, the “transition” seen a decade prior elsewhere in the post-socialist world began to pick up speed in Macedonia in the first decade of the 21<sup>st</sup> century, and in Tikveš and elsewhere what has occurred is a transformation in the basis of the growers’ domination. Control and power, once based on the dependencies of government production, are now far more the subject of law(s), coercion, market forces, and political patronage. The concurrent reality is thus the seeming inability of individuals to make plans given poor and uncertain economic conditions, and an even higher rate of distrust in the government and politicians, not to mention fellow citizens who—being in a similar situation—are looking out for their own interests. For the most part though, the rich have violated the social contract and it is they who now *have all*.

Borrowing from Chavdarova’s research (1999) on Bulgarians suffering from externally imposed governance and rules combined with local, informal relationships in the wake of rapid privatization in the 1990s (and later EU entry in 2007), I put forth that there are two post-socialist “games” (Kideckel 1995) going on simultaneously: one of rural, peasant survival as a result of “pro-market” government policies, and one of “inside privatization”—the process through which such policies are created. I focus here on the latter, whereby “inside privatization” refers not only to the privatization of former socially owned enterprises, but the power play and shifting of responsibility from the state to the private companies which increasingly control it. As I seek to illuminate throughout this paper, such inside privatization affects not just the market but the democracy the country claims to be, and thus its judicial system, rule of law,<sup>8</sup> and legitimate governance.

### **Conversations in Tikveš**

I had several interviews and more often conversations during my fieldwork about the transition and its effects, ranging from a neighbor who ranted (as many did) that with privatization “things were given away—our winery, factories, jobs for thousands of people,” to a seller at the town market who, in discussing why live chickens are no longer sold for home butchering, replied that “we lost that somewhere in the transition to democracy.” Yet, there was also a local historian who claimed, on the note of Graan’s “counterfeiting the nation,” that “our history has been privatized,” meaning that it had been co-opted and was being re-written. Thus, such “inside privatization” has unequivocally been the predominant form of not just industrial ownership transition but an alteration to how people see themselves—their identity, livelihoods, history—and many are aware of how these aspects of their daily lives have been and continue to be hijacked.

I discuss such details because, since the dissolution of Yugoslavia, the standard of living, pay, legislation and protection of labor, created under decades of socialism, have decayed. Given decreasing government assistance (despite the introduction of subsidies<sup>9</sup>) alongside increasing debt, this has been a reactionary process. Yet combined with privatization and market forces, it is proving devastating to many. As one acquaintance, a young man named Vane who works in a nearby wire factory explained:

Privatization has meant people work six days a week, and with worse pay.  
And some people aren’t paid for months at a time. Fortunately I get my pay

regularly, but it's hardly enough to live off of. If I go out for an evening in town I'll spend several days' pay!

His salary was the equivalent of 230 EUR per month, though this was an improvement from the tiling job he had before, where he earned just 170 EUR per month. As a woman who works at a local NGO confirmed, "these are the rights Macedonian workers have lost with the transition: companies can more easily fire people; hire without contracts, benefits, retirement, insurance; and they force employees to work more hours than they're paid for."

Yet, it was being in Tikveš and seeking out the experiences of the region's grape growers that I received the greatest insight. That said, it must be stipulated that I came to realize how their opinions were affected by personal experience, as well as political and economic views, among other things. Some were members of the ruling party (VMRO-DPMNE) and others of the opposition (SDSM); some bought into the notion of privatization and/or benefited from it, others (most) did not. Despite the many conversations I had with such individuals, the situation did not immediately become any clearer for me. For, as one individual below said, "it's not black and white" and one cannot say precisely who is to blame. In fact, the flurry of activity and fluid discourse makes deducing such a conclusion difficult. A prime example of this came at the start of the 2011 grape harvest in late August of that year. After several years of delayed payments or unpaid debts, the Ministry of Agriculture and its inspectors announced that three of the larger wineries would not be allowed to export their wine unless they paid off their 2009 debts to the grape growers by September 22, 2011. This announcement naturally set in motion a sense of government intervention and assistance on behalf of the growers, and thus temporary faith in the system. It was also, of course, a time to express their discontent, disbelief, and disapproval (at best) of how the wine industry was being run. The conversations<sup>10</sup> I proceeded to have brought forth the following comments:

It's a fact that something smells (*smrđi*) and it's not like it should be. But don't just blame the wineries. Ask why in the time of SDSM<sup>11</sup> there was a higher price and the grapes were paid for by the New Year? And today with VMRO it's the other way around! The government, not the wineries, is controlling agriculture (*zemjodelstvo*). Today if you don't appreciate the state, they don't appreciate our product, no matter the quality! The minister should help, not fine us. If they want to keep fining, they need to find those government promoters (*promotori*) who spend tens of millions of euros for nothing. They haven't opened any new markets or done any deals, so they might as well enjoy the people's money!

Such as the above, who accused the state of inefficiency and corruption, other growers induced notions of lawlessness, fraud, theft, and trust:

A: This is a clear criminal example of theft—the wineries took something and didn't pay. I don't know how that the inspectors are napping and then you're supposed to have trust in them and the police. With these double standards?! And then if some little shop doesn't give a receipt<sup>12</sup> they'll seal it shut right away (*plombiraat odma*)!

B: Only with a million fines (*kazni*) for the wineries will the problem of paying for the grapes be solved once and for all. Better is the complete confiscation of their whole property. A winery can't have a business worth millions of euros and yet have three years of unpaid grape harvests. The grape

growers can't finance the buying of *their* grapes—but only in our country does that exist!

C: How are they not ashamed? They still make out the people (*narodot*) and agriculturalists to be illiterate and naïve (*neumni*). By September 22<sup>nd</sup> the grape-picking (*berba*) will be done. After that there's no paying. Nothing functions in this state of ours—only fraud (*izmami*).

A disagreement between a local businessman (A) and a grower (B) about how the growers should respond illustrates different perceptions and knowledge of the situation:

A: Why are the growers crying? Because they must pick the grapes, for two reasons: to take the subsidies from the government, and to take money from the grapes handed over. That is, they must give the grapes to some winery. Why don't they sell them instead for cheaper but in cash on their own scale (*na vaga*) instead of waiting for the “determined” (*utvrdeni*) prices which they'll be lucky to receive in a year or two? Isn't that more logical and easier? They don't do so though because it's not black and white with trade, not here nor in the EU—it depends on how they market it, and are they satisfied. From the other side, the wineries set conditions for the quality of the grapes, because however greater the quality and the richer in sugar, then it's better for them and they'll make better wine. I guess because of the global economic crisis, importers aren't buying the wine like before, with that kind of intensity, which is filling up our wineries with wine to be exported. Everything just coincided in a period of a few years (since 2008<sup>13</sup>) and the crisis (*kriza*) is felt by all of them, unfortunately.

*The grower's heated reaction to the above comment:*

B: Maestro<sup>14</sup>, you probably don't know anything about the grape industry. First, if grape growers give their grapes to random buyers in cash then they can't get subsidies. Second, last year the price of those grapes were only around 4-6 MKD (0.07-.10 EUR) a kilo while the prices the wineries were giving were 6-8 MKD (0.10-.13 EUR) and sometimes more, and of course you get the subsidy. You do the math! And something else: go work in the vineyards for a few days in temperatures of around 40 C without any shade and then ask whether you'd give away your grapes for those prices!

Some were even more vocal and descriptive than others however, such as the following:

Since 2009 my grapes aren't paid for. I gave them to the winery for three years and I still haven't received a *denar*. How do I live, does anyone ask me? This government needs to tell the wineries: if you have money for purchasing, deposit it in the bank and start with your buying. Don't take our grapes for three years and not give us any money! Well, from where do I eat? My kids and I burned in the fields (*izgorea po nivite*) for those... They should open the borders and allow for the export of our grapes, and give the subsidies to *those* buyers. Don't please our wineries anymore—they've already got some thousand hectares of vineyards; because of that they've cooled it (*se ladat*) with us. I don't know how much [debt] I owe, I've already started to sell off some fields (*nivi*).

Another commented:

Am only I to ask whether this year we *lozari* need to buy the rope for hanging (*jažeto za besenje*) ourselves on our own or will the wineries again give it to us for free? So the last couple years of harvests were difficult for the wineries? Where there is this kind of situation, where you can take raw material and not pay for it? Not paying for grapes is a black hole for the entire industry (*stopanstvo*) in which we're all falling if something's not done right away to save us. Take and don't pay? Everywhere else that's called theft, and here—business? They know nothing's going to happen to them. The courts are disputing? I'm suing (*tužam*) a company for a small debt and still after three years there's no decision (*presuda*)... There wasn't money for the wineries to pay me? 'Blink Asan'<sup>15</sup>, look in the parking lot and you'll see—those who owe the most drive the most expensive cars.

All of these comments help illustrate the situation, tension, emotion of the wine region's transition, yet the latter testimony is one of the more gripping. It hits home the reality of several years of unpaid grape harvests, the “mafia” rule, the incurred debt, and the ineffective legal system. However, the others touch on the depression, suffering, and anger with the powers that be for not assisting the growers and their livelihoods.

In hindsight though, the likely reason for the entire announcement from the ministry to withhold the licenses of the wineries had to do with the grave concern in the inner circles of winery owners and government officials that the growers might in fact revolt as they had done the year before, and not pick their grapes, as many had been threatening up to that point. Having lost faith in the system, why would they bother to invest in the labor (their own and hired) that it takes to complete a seasonal harvest? With the ministry's announcement however, the growers were back on their feet and feeling, although obviously bitter and skeptical, also invigorated. I recall vividly that week because the tension had become so palpable, and then there was the outpouring of commentary in homes, gardens, cafes, and on the streets as the government apparently shifted its weight behind the growers. While this saw most of the grapes harvested, the “game” of privatization was merely being played out one day at a time.

### **Punishing the privateers: a “special selection”**

The wineries that had come under fire—though there were, as many informants stated, more wineries than just the three who should have been included in the ministry's actions—owed debts from two years' prior and were forced to pay them off. But those wineries then proceeded to withhold 2010 harvest payments and collect grapes in 2011, not paying the growers for them until mid-2012 at earliest for those who received payment—and par for the course, not at all for some growers.<sup>16</sup> At the same time, the wineries themselves began complaining that they were being unfairly treated, were being selectively chosen and blamed for the crisis, and were in unenviable positions (as one informant above testifies). In fact, an individual down the street from where I lived, who owns a winery outside of Tikveš (in the city of Štip) but sources grapes locally, said in August 2011 that they were still trying to empty two large cisterns which held some 50 tons of wine. Further, he commented that he felt the laws must be respected but that some sort of “emergency decision” (*vonredna odluka*) needed to be made to assist with this crisis, which in his opinion had to do with the inability of wineries to export freely. The whole situation is thus a seeming return to a pre-socialist way of living: the government does little to control prices or assist with exporting the country's second largest export (after tobacco), relying on the often variable and

unpredictable nature of the market instead, and only intervening sporadically and through mediocre subsidies. This came up in an interview with the head of one of the region's newer but successful luxury wineries, who diplomatically stated "(i)t would help if there was an international campaign to promote our wines."

However, in discussing the problems of exporting to the large, sought-after markets of Russia and China, the owner, G. Kolev (pseudonym), then commented that it is best to go it alone:

I don't think there's any sort of problem, we follow all government laws and we don't have trouble getting it from here to there. But in financial terms we have to show that we have good wine for the money and we have to deal with the fluctuating price of wine. We and the markets set the price, not the government.

This statement collided with the reality for growers. Although Kolev repeatedly stated that cooperation with the growers was of great importance, what his winery has done is increasingly cease their sourcing of grapes from individual growers and instead create their own vineyards. These vineyards in fact comprised 90 percent of their grapes in 2011, and is the model for most of the world's wineries, as it allows for better regulation of the grapes—their growth, maintenance, and harvesting. Such regulation is therefore the pivot point in the Tikveš wine industry: regulation has shifted from the government's once socially-owned wineries, where grapes were largely bought from individual grape growers working a few hectares of vineyards on average, to private wineries who must compete with one another in both the domestic and international (primarily EU) marketplace. Sympathy for the region's famous independent grape growers is thus political—the wineries cannot merely dismiss them, as it would negatively affect their reputation in the region and the country as a whole (as much sympathy has been extended to the growers' plight, particularly by other agriculturalists in the country). As Kolev stated:

We need to maintain good production and partnerships domestically with grape producers for the sake of the quality of the wine. But this situation, such as what happened last year, must not continue and it must be regulated. However, we have here 60 ha of vineyards which provide 90% of our needs. Looking at the situation though, it has a negative effect on the industry, yet we have quality wine at a good price. What remains is for us to work together and bring positive results. The government needs to play a role in making this happen, investing in the marketing and promotion of wine, and regulating the industry so that the lives of the growers and those involved with wine production improve.

Kolev implicitly admitted to the benefits of cheap (if not free) labor in the statement "we have quality wine at a good price." Yet he alluded as well to the tension between not just the growers and the wineries, but the latter two and the state: both seek the state's assistance in improving their business, either in terms of marketing (wineries) or earning a living (growers). Therefore, what constitutes the crisis in the Tikveš wine industry differs between the growers and wineries; now it is the growers and buyers who must play a game with the state. But the love for the state of yore has been replaced by the bitter resentment on the part of growers, as the state's lack of support and regulation, not to mention interference, leaves growers baffled and the game one-sided.<sup>17</sup> As the comments from the growers illustrate, they

feel manipulated and used—that they are giving their grapes away, subsidizing the wineries, and being taken for fools.

What lies underneath this mix are changing perceptions of moral and political economy, including power relations as well as buying power. Similar to what Hann (2006) noted in his work in Hungary, enthusiasm for privatization coupled with a weak state unconcerned with equality and a healthy standard of living has left many in post-socialist countries concerned. It is as if “the community must give way to the sovereign individual” (13), and as I add—the powerful sovereign individual then goes unchecked as he and his friends accumulate wealth and assets on the backs of others. Further, even if there is increased production and wealth in a country, people will point out that prices—particularly for food and energy—in the era of a market economy are far less stable than they were during socialism and are more expensive overall, and that many have lost the security of employment and a regular salary (Hann 2006). In Hungary, for example, Hann discovered that property and laws passed requiring farmers to account for every liter of wine produced resulted in bankruptcy, abandoning vineyards, producing for self-consumption, and/or decreasing production altogether. Strong anti-EU sentiment ran among them, as they felt they were not benefiting from EU subsidies and were seeing land privatized and exploited by Austrian interests.

In Tikveš, the same could be said but the private interests are largely domestic. So-called “euro-skepticism” though runs high given the crisis in nearby Greece<sup>18</sup>, and few even consider or debate the merit of joining the EU. The effects of the Union’s policies (or lack thereof)—not only in terms of grape and wine production but in acceding to Greece over Macedonia’s name issue<sup>19</sup>—leave many pushing forth on their own accord. Then again, some would say that the powerful in Macedonia prefer to keep the country out of the EU. As one acquaintance asked: “They control everything here and have all the power, so why would they want to destroy that with competition from the EU?”

Regardless, one example of the contrast between the daily lives of Tikveš villagers and the national (Macedonian) and international (EU) focus on industry is that of a village on the eastern side of the Vardar River north of the region’s second largest town, Negotino. Just 200 meters from the country’s main E-75 motorway corridor, the village was made inaccessible when the bridge to it was washed away by floods in November 2010. The locals went a month without being able to cross the river, and only after materials were locally collected was a foot bridge built, over which they were able to haul all of their groceries and other goods. However, it was washed away in March 2013, and the village has now gone without a proper bridge for several years. Thus, the state has proven itself unreliable and unsupportive at best, and this situation merits the question: When a bridge is washed away and the people have to build themselves a footpath over the country’s main river, yet hundreds of millions of euros are taken from the state budget for identity building projects, subsidies, and state building (largely in the capital), what are the people to think? This situation and question encompass much of the sentiment toward the state: that it is “thieving” (*apaška*) and unreliable, with politicians just wanting to enrich themselves (*se zbogatat*).

### **Village visits, protests, and the thieving state**

In this section I discuss further the perceptions of theft as experienced by grape growers, and the protests they waged as a result. My fieldwork was riddled with experiences that strengthened my resolve that such change as I have discussed was at hand. In town or village, I spoke with individuals whose lives were undergoing an uncertain transformation. I have discussed thus far a handful of these events, but I attempt below to use additional ethnographic vignettes to relay the experience and observations of growers from a couple of

Tikveš villages, so that the reader may better understand the ambiguity, uncertainty, and overall difficulty surrounding this era of life in country's premier wine region.

### ***Begnište***

In late August 2010, just at the beginning of that year's grape harvest, I biked with a friend, Ilija, to the small Tikveš village of Begnište. Nestled five miles down a dead-end road up in the hills above Lake Tikveš, the village has been acutely subject to the effects of the wine industry's privatization: except for the school and a couple of shops, the inhabitants of Begnište are nearly all grape growers who have until recently brought their carts or tractor drawn-trailers of grapes down into town upon harvest. Upon arrival at the village center, Ilija and I stopped to rest and converse with the mostly older men who were staring curiously at us. We sat near them to drink some water and in Macedonian fashion, be brought into the conversation. Speaking about the lack of payment for their prior harvest, one individual exclaimed "hell, the price of grapes is so f—king low and we're not even paid! Fifteen years ago, five years ago even, they'd give us 15 *denari* (MKD, equal to EUR 0.25) per kilogram; now it's seven or eight!" The grower was literally up in arms, orchestrating his monologue through gestures, but eliciting responses from those around him. When I confirmed that they were grape growers (*lozari*), one replied "we all are, but we've not seen one *denar* of last year's crop, and have no money at all. We can't pay bills, so the electric company (EVN) turned off our electricity. It hasn't been so bad since Turkish times (*Tursko vreme*)!"

This was not the first or last time I would hear such a comparison, but the suffering and uncertainty were clear. From privatization of the wineries to the electric company—which has become both more expensive and stricter in severing service if payments are not made—the process of privatization has cast the state into the realm of the burdensome, uncharitable, and seemingly thieving.<sup>20</sup> This trope of "thieving state" (*apaška država*) was uttered frequently when the behavior of the state and its functionaries was inferred. Thus when I asked growers why they thought they were not receiving more attention from the state and why the wineries were not being condemned, they always lamented the *vinska mafija*, *privatizacija*, and politicians' connections to them both. Indeed, it is believed that the attention of the general public and the media is intentionally focused elsewhere, as nowhere in the country's main daily newspapers will someone find reference to the "wine mafia" who are so commonly blamed for the crisis. Further, as many grape growers retorted: "What do the politicians care about us? They just want to get rich."<sup>21</sup>

Through such statements, and with the most notorious wineries taking the lion's share of subsidies<sup>22</sup> (up to €2 million each), the situation slowly became clear to me while in the field: media suppression and focus on government dictated issues—from economic development to EU entry to national and international politics—meant the country's primary wine region was undergoing a neoliberal, privatization process whose effects were only known to those living there. An older couple in Begnište who I came to know during my fieldwork, Vesna and Pero, condemned both the political parties and state for corruption and theft, saying that they see little interest by the government in their village. Whatever they get is left-over, they claim: "If they're building something in town—new sidewalks—and they have enough bricks they might bring them here and fix part of our street." This comment in fact followed the recent laying of a mere 20 meter stretch of road in front of their and a neighbor's home had been recently laid in brick, as previously it was only cobblestone and dirt, and much of it remained as such beyond their property.

Conversations such as those in Begnište were had on several occasions, yet every grower was affected and reacted differently. For the many who work elsewhere and grow grapes on the side, or who have a spouse, sibling or parents with a job (*rabota*), or pension

(*penzija*), they are able to get by better. But for those such as the older men in Begnište, they are isolated in many senses of the word—in terms of geography, political affiliation, economic standing, and gender.<sup>23</sup> “The state doesn’t do anything for us,”<sup>24</sup> they claimed that day. They only respect the state so long as it benefits them, otherwise they tend to reject it—there is not the mindset nor desire to support and be a part of the state structure.

This is understandable though from a rural perspective—as Vesna and Pero testified, the state does little in terms of reaching out and developing infrastructure, improving schools, education, and livelihoods. All the while the government spends hundreds of millions of euros on renovations to the capital city, Skopje, not to mention lining their own pockets. “Left hand, right pocket” (*leva raka, desan dzep*), many say in lamenting such corruption. Indeed, to the average rural Macedonian, democracy is a farce. A close friend commented on this when he quipped that the word democracy in Macedonian, *demokratija*, where *demos* is people (in Greek), and *krati* is “to cut” (in Macedonian) is in actuality a cutting [off] of the people from the system.

### ***The grape growers’ protest and revolt***

Having reached a meltdown after two years of unpaid harvests, the Tikveš grape growers reacted in September 2010 by “striking” (*štrajkuva*) at first, and then revolting. At the so called strike, protestors placed signs making a variety of political statements, from directly addressing the Prime Minister, Nikola Gruevski, by saying “We’re grape growers (*lozari*), Grujo, come see us,” to “we’re bringing our grapes to Skopje without money.” But when that did no good they realized they were at a turning point. For although the government was involved in quelling their three days of protests through a compromise, and peacefully breaking up the blockades they had setup on the region’s roads, the growers were left to deal with the situation and adapt in the end. That is, none of their demands—for set grape prices, timely payments, and the exclusion of sugar content levels (brix)—were met. In symbolic revolt, an estimated fifty-percent of growers left their grapes to rot on the vines, unwilling to even consider putting forth the labor and costs associated with harvesting them. Others began using their grapes to produce vast quantities of the region’s famous brandy (*rakija*), or replacing vineyards with other cash crops or tradable produce.

The production of mass quantities—a “flood” (*poplava*), as many said—of the local *rakija* brandy could not have come at a worse time though, and serves as an example of the state’s increasing control at the behest of business interests. Whereas *rakija* making for personal use was tolerated and its distribution little regulated before, the leaders of the private wineries—who also produce brandy—have lobbied hard to reign in on such bootleg production. I was made aware of this through an informant who translated at a meeting with the multi-millionaire head of the conglomerate which now owns the region’s formerly largest, state-owned winery (as well as the rights to Coca-Cola, among other ventures). At the meeting, the company’s head claimed that private brandy production was detrimental to the sale of the winery’s own brandy, and that he was doing all he could to pressure government MPs to implement restrictions on it. His efforts were fruitful, as police checkpoints on the country’s main roads have become commonplace in recent years, and are used to flag down suspicious looking cars which might be hauling the brandy, whose license plates indicate their origin to be in Tikveš.

In the context of my own research, I therefore have seen authoritarianism in terms of the state’s hands-off approach as the “wine mafia” has taken hold. Grape growers are being subjugated and subject to a process they have no say in, but of which they experience the lobbying, closed-door decisions, and consequent policies. Laws made in the capital such as those which regulate the sale of homemade brandy but which fail to regulate the wineries

themselves, make it clear to growers that the state has in fact become not just authoritative, but authoritarian. Rather than work on behalf of its citizens, it works on behalf of the winery owners in this case, and other private interests. Furthermore, there is a spread of disinformation to growers, and a constant use of a national and international financial crisis (*kriza*) in the discourse surrounding (inconsistent) grape purchasing. These do as they intend, to instill fear and uncertainty and prevent due payment for growers' grapes.

## **Conclusion**

A subtle form of authoritarianism has taken hold in Macedonia. Accompanied by the shift to neoliberal economic policy, this form of governance works alongside and within the democratic system. Indeed, neoliberalism is malleable in the sense that its implementation depends little on the political-economy in which it is being realized. Thus it should not be seen as a rigid institution through which 21<sup>st</sup> century "free-market capitalism" functions, yet *it is* an institution and system of governance in the sense that it manifests itself with unique effects. Citizens may vote, but both businessmen and politicians—wine mafia in the case of Tikveš—seek profits and the freedom to dictate the country's path. As a result, the state's authority may continue to increase, but so do its notoriety and questions of its legitimacy as it becomes an enforcer of policy created elsewhere.

Therefore, by using Macedonia as an empirical case to illustrate the neoliberalising process, the latter's promotion is thus revealed to be a causal factor in the country's inability to consolidate democracy during its transition. Brought about under the neoliberal rhetoric of economic development and growth which should benefit all, this preoccupation serves as a smokescreen behind which lay the interests of political and other elites—such as the "wine mafia"—who stand to profit at the citizenry's expense. Individuals such as the Tikveš grape growers may fiercely contest these particular interests in a quest for the democracy they are so incessantly offered, but observations from outside the spheres of power such as the ethnographic vignettes in this paper yield insight into the illicit and opaque activities surrounding the region's transition.

To return to the paper's introduction with Linz's and Borneman's systematicization of authoritarianism, we can see in the transition in Tikveš and the power play at work ("inside privatization") that indeed, there is a concentration of power at the top (the winery owners and government), maintained through repressive means (withholding of payments and an ineffective judicial system usually unwilling to prosecute winery owners); submission to authority (the growers being forced into submission—unable even through strikes to exact change); unaccountable if not unchecked exercise of power (again, the "wine mafia"); and intolerance of meaningful opposition (from the grape growers).

Through the growers' opposition and disruptions, from striking, protesting, leaving their grapes unpicked, and making demands on the wineries and the shield of state power which protects them, they are on the one hand participating in a democratic system. But on the other hand, largely due to the oppression they face and lack of success they have in advancing their case, they are subject to a subtle yet modern form of authoritarianism. It is one which, unlike the nationally touted, explicit draconian measures of the 20<sup>th</sup> century socialist era—where in the case of Yugoslavia, political prisoners were publicly denounced and locked up on the Croatian island of *Goli Otok* (naked island)—today's opponents, disruptors, and "prisoners" are left as they are: to continue to play the "game" of privatization whereby they are fed with disinformation in the media and otherwise largely ignored. Instead, the government and its global, free-market oriented ruling class litter the media with stories of the country's seemingly ceaseless and certainly questionable advance into the European Union, Euro-Atlantic integration, and the growth of its gross domestic product (GDP).

Indeed, both the grape growers of Tikveš and the country's thousands of other agriculturalists are largely being shunned, with the knowledge that they have virtually no power to change the rules of play.

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<sup>1</sup> This quote was taken from the manuscript which, with slight modifications, was presented as the keynote address at the SOYUZ Conference at the Harriman Institute, Columbia University, on March 22, 2013.

<sup>2</sup> *Telgrafska agencija nove Jugoslavije*

<sup>3</sup> SDSM stands for *Socialdemokratski Sojuz na Makedonija* ('Social Democratic Union of Macedonia') and VMRO-DPMNE stands for *Vnatrešna Makedonska Revolucionerna Organizacija—Demokratska Partija za Makedonsko Nacionalno Edinstvo* ('Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity').

<sup>4</sup> See Otten (2013).

<sup>5</sup> These include works from countries such as Bulgaria (Creed 1997, Kaneff 2002, etc.), Romania (Kideckel 1995, Sampson 1995, and Verdery 1996, 2003, etc.), and Hungary and Poland (Hann 2003, 2006; Lampland 1995).

<sup>6</sup> Scott found in his groundbreaking text, *Weapons of the Weak*, that it may appear that the peasantry (or agriculturalists such as the grape growing *lozari*) often waiver between an unquestioning deference and violent outbursts. But, in fact, there is a massive middle ground that is the partial/hidden "transcript"—various layers of deference to authorities and those who wield greater power in society. According to Scott, the exercise of power nearly always drives the full transcript underground, and it is only when we compare—if we can—the unedited transcripts of the elites versus the subordinate classes that we uncover the extent of mutual dissimulation that prevails in the context of power relations.

<sup>7</sup> Sampson (1995) wrote of the transition in Romania though that there was "shock but not much therapy" (p160).

<sup>8</sup> As one US diplomat stated, "there's not rule of law, but rule by law," in referring to the selective implementation of laws, such as against political or other opponents.

<sup>9</sup> The distribution of subsidies began in 2010, but have in terms of net income been a drastic reduction for grape growers. When the government bought grapes, as it did throughout the Yugoslav era and into the 21<sup>st</sup> century, growers could pay for all of their inputs, hired labor, familial needs, and some claimed, "buy a new tractor every year if needed." This is no longer the case.

<sup>10</sup> These conversations were held mostly in the town center around its main square (*plošad*) and in cafes, as well as with neighbor acquaintances. Such individual diatribes are quite common in Tikveš, and establish a competitive and at times contentious form of conversation.

<sup>11</sup> SDSM, as the reformed communist party, governed Macedonia throughout much of the 1990s and until the current Prime Minister and VMRO-DPMNE came to power in 2006.

<sup>12</sup> The government enforces the use of receipts and the machines which produce them, in order to ensure tax payment and ultimately collection.

<sup>13</sup> Author's insertion.

<sup>14</sup> *Majstore*—said sarcastically.

<sup>15</sup> This is a local Turkish-Macedonian saying, which in full goes 'blink Asan, so I can trick you' (*miži Asan da te ba'am*) and which is used when one suspects they're being lied to.

<sup>16</sup> This information was collected through personal correspondence and return visits to Tikveš in May 2012 and May 2013.

<sup>17</sup> As one informant sarcastically quipped, "(T)he government is like a church here. People must respect it, they pray it will give them something for doing so, and if they question it they're a heretic!"

<sup>18</sup> The Greek crisis has directly affected many individuals and families in Macedonia. From severing the rail line on the Greek side to the Macedonian border, which was used by many laborers to head into Greek Macedonia, to the shrinking of wealth and opportunities, Macedonians—as cheap labor—have been nudged out of the picture.

<sup>19</sup> The "name issue" refers to the fact that Greece refuses to recognize Macedonia by its constitutional name, claiming the name "Macedonia" to be Hellenic in origin and the propriety of Greece. The result has been Macedonia's inability to join NATO, and stalled EU accession talks.

<sup>20</sup> This is not only in Macedonia, however, as the resignation of neighboring Bulgaria's prime minister in February 2013 came on the heels of fierce protests about their privatized energy costs, and there are regular protests in Kosovo over energy prices as well.

<sup>21</sup> *Ne im e gajle za nas, samo sakaat da se z bogatat.*

<sup>22</sup> Both grape producers and purchasers receive subsidies, with the wineries collectively taking the majority of the subsidies available. This is meant to be encouragement for them to purchase from growers, but on top of unpaid "purchases" it appears to grape growers to only be further evidence of the wine mafia at work in business and government, the latter enriching one another on the backs of the growers.

<sup>23</sup> To make matters worse, the village is three-quarters men, as young women are more likely to go to university, receive low-wage work in towns, and/or marry elsewhere. Men, who work predominantly in agriculture, face the added inability to attract a bride as a result of their low income due to crisis and privatization in the wine industry.

<sup>24</sup> *Državata ništo ne pravi za nas.*

## Notes

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