

# Mass unemployment and poverty fuel ethnic tensions in Macedonia

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Macedonia has recently witnessed a resurgence of ethnic tensions. The ability of nationalist politicians to mobilise large numbers of demonstrators is fuelled by the terrible social conditions in the country.

In March, violence erupted in the capital, Skopje, after two ethnic Albanians were killed in the western town of Gostivar by an off-duty police officer. Two weeks of rioting followed, leading to dozens of injuries. On April 16, large crowds demonstrated in Skopje blaming ethnic Albanians for the killing of five Macedonian Slav fishermen near Smiljkovci.

On May 11, thousands of ethnic Albanians rallied in several Macedonian towns protesting against the arrest and detention of a number of Muslim suspects accused of the Smiljkovci murders. Demonstrators shouted “Kosovo Liberation Army”, “See you in the mountains” and “Greater Albania”. The offices of the Albanian party Democratic Union for Integration (DUI) were attacked. The DUI was formed out of the remnants of the KLA offshoot, the National Liberation Army (NLA), after the Ohrid Agreement in 2001 ended months of fighting with Macedonian police and army forces. It has several ministers in the coalition government with the right-wing Macedonian nationalist VMRO-DPMNE (Internal Macedonian Revolutionary Organisation-Democratic Party for Macedonian National Unity).

Macedonia’s 2 million-strong population includes 64 percent Slav Macedonians, 25 percent ethnic Albanians and some ethnic Turks, Roma and Serbs.

Some commentators in the region now worry at renewed attempts to carve out an ethnic Albanian state in western Macedonia.

“Clearly they do not want coexistence—their slogans betray the goal to misuse Islam to create an ethnically pure state, which means conflict in the region. Slogans in support of the Democratic Party of Albanians (DPA) also betray the involvement of some political parties to benefit

from such an abuse of religion,” declared former security studies professor Ivan Babanovski. Another Macedonian analyst told Radio Free Europe that the renewed tensions meant the country was “approaching an abyss.”

This situation and the ability of nationalist politicians to mobilise large numbers of demonstrators are fuelled by the country’s economic and social crisis. Promises from local politicians and the “international community” that liberalisation of the economy and wholesale privatisation of state assets after independence in 1991 from Yugoslavia would lead to a golden future have not materialised.

Macedonia now has Europe’s largest gap between rich and poor. The richest 20 percent of the population receive 42 percent of the total disposable income, while the poorest 20 percent receive just 5 percent. Criminal activity, such as smuggling through Greece and Bulgaria, has played a major part in the amassing of large personal fortunes.

Meanwhile, for two decades, workers have experienced continuous mass unemployment and poverty. Things have got worse since the global financial crisis broke out in 2008. The average monthly income in Macedonia is roughly 20,500 denars (€350, \$440) a month. The minimum wage is a paltry €130 per month.

For years, the official unemployment rate has hovered between 30 and 35 percent. Among young people it is 50 percent, and nearly 80 percent for the Roma minority. The black market accounts for nearly 30 percent of total employment.

According to the State Statistical Office, relative poverty has increased from 19 percent in 1997 to around 31 percent in 2011. An estimated 21 percent of the population live below the absolute poverty line (less than €245 per month), and 7 percent are so poor that they cannot get a minimum level of caloric intake. Large differences exist between Skopje and the regions,

particularly the northeast, where more than three fifths of children are at risk of poverty.

These are the results of programmes dictated by the International Monetary Fund and World Bank. According to the Economic Freedoms Index, compiled by the Heritage Foundation and the *Wall Street Journal*, successive government policies have made Macedonia “a regional leader in business friendly policies.” Last year’s World Bank *Doing Business* report ranked Macedonia the third top “economic reformer in the world”. The country has the lowest tax rates in Europe.

However, since the start of the “transition to a market economy” after independence, Macedonia has experienced low rates of economic growth compared to almost all of its neighbours. Following a severe recession in the early 1990s, growth was irregular, peaking at over 5 percent in 2008. It slowed down sharply in early 2009, with export revenues falling by 43 percent.

The government has lowered its forecast of economic growth for 2012 from 4.5 percent to 2.5 percent and cut €120 million from the €2.7 billion budget. In early April, it accepted a five-year loan of €250 million from Deutsche Bank at an interest rate of 6.83 percent.

Macedonia’s Slavic and ethnic Albanian communities exist separately. There are only a handful of intermarriages a year. The ethnic Albanians tend to live in enclaves in the main cities or in western Macedonia, across the border from Kosovo. Last October, a national census was abandoned after disagreements flared over data collection rules. Ethnic Albanian members of the census commission claimed the Macedonian majority had devised criteria that lowered the real number of Albanians in the country. Ethnic Macedonians claimed that Albanians wanted to inflate their numbers by including people who had emigrated years ago.

This endemic ethnic separation was enshrined in the Ohrid Agreement, the 2001 peace agreement signed between the country’s government and Albanian representatives. The NLA was disbanded and its leaders brought into mainstream politics, sidelining more-established DPA leaders, as the US had done with the Rambouillet accords in Kosovo. NLA leader Ali Ahmeti, a founder member of the KLA, became leader of the DUI party.

Sponsoring the KLA and NLA provided the US with a means of continuing to pressure the new regime in Serbia, following the ousting of President Slobodan Milosevic. *Time* magazine warned, “By essentially elevating the status of the NLA to that of a legitimate protagonist in

Macedonia’s future, NATO and the European Union may have already effectively conceded the carving up of Macedonia on ethnic lines.”

Macedonia continues to be closely affected by events in Kosovo, which declared independence in 2008 supported by the US. More than half of the world’s countries still refuse to recognise it, including China and Russia, and tensions remain in Serb-dominated northern Kosovo, which operates as a de facto separate state. Earlier this year saw nearly 100 percent of voters in an advisory referendum reject control by the Republic of Kosovo. Widespread recognition of Kosovan independence and partition in northern Kosovo could lead to a break-up of Macedonia.

Implicit in the Ohrid agreement was the carrot of NATO and EU membership. But the process of EU accession has been vetoed by Greece, which objects to use of the name Macedonia. Skopje’s international airport is named after Alexander the Great and VMRO-DPMNE prime minister Nikola Gruevski has commissioned a new nationalist project, at the centre of which is a huge statue of the warrior in Skopje’s central square.

The EU, acknowledging Greek concerns, continues to refer to Macedonia as the “former Yugoslav Republic of Macedonia”, a name agreed as a “provisional reference” by the United Nations in 1993. Resolution of the naming conflict is a major precondition raised by the EU for membership of the bloc.

Greece has also vetoed Macedonia’s entry into NATO, although the US recognised the name “Republic of Macedonia” several years ago and has said that Macedonia “has fulfilled key criteria required of NATO members and has contributed to regional and global security.”



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