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**The neoliberal *katastrofa*: privatisation,  
development and a changing economy in  
Macedonia's Tikveš wine region**

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**Doctoral Thesis**

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## ABSTRACT

This thesis draws upon anthropological fieldwork carried out in 2010–11 in the Tikveš wine region of the Republic of Macedonia. Unlike most other countries of the former Eastern Bloc, Macedonia's post-socialist transition was held off due to the conflicts in the former Yugoslavia in the 1990s. The result is that a slower, more subtle shift has occurred there yet it has been one guided by neoliberal principles, thus significantly altering the livelihoods of the country's inhabitants.

My research in Tikveš illustrates the role privatisation (*privatizacija*, a term known and used locally) is playing in the region's transition from government to private ownership and production, specifically in the wine industry. Although the quality and selection of wine in Tikveš has improved, the lives of the independent grape growers and their families have not. Instead, the growers have been subject to the leverage of the winery owners—who have reduced and delayed payments to them—while a neoliberalised government has taken a *laissez-faire* approach to market regulation.

Combined with EU accession development policy, this thesis therefore focuses on how individuals in the region are both protesting and adapting to the change at hand through rearranging their livelihoods and work. Indeed, grape growers have been left with a surplus of grapes and a dearth of income and certainty, inciting some to produce vast quantities of homemade *rakija* (brandy) while others replace, abandon or sell their vineyards. New ways of bringing in income, such as selling one's brandy, produce or homemade goods are also modes of survival. Yet many claim that is all they are doing, merely 'surviving, not living'.

An argument is thus made that there is a return to the peasantry. Such repeasantisation is a process whereby the focus of economic activity becomes further centred on households and the pooling of family resources drawn from working the land and engaging in non-professional types of work. This form of repeasantisation is essentially that increasing numbers of individuals are not only working their small plots of land to provide produce for their family and for sale, but that in replacing the employment and income once provide by the state they are engaging in petty trade and precarious employment when it can be found. The thesis is comprised of six chapters, with an introduction and conclusion as well.

**(KEY WORDS: post-socialism, transition, privatisation, development, neoliberalism, former Yugoslavia, Macedonia)**

*Dedicated to all of the acquaintances, friends and family in Macedonia who, through their support, insight and experience, made the contents herein possible.*

## ACKNOWLEDGEMENTS

This thesis has been long in the making. My initial interest in a doctorate came about in 2008, when I returned to live (after serving there in the Peace Corps) and marry in Macedonia. Although my initial thoughts and interest were in continuing with my MA research on ethno-nationalism, marriage to my wife, Irena, in December 2008 and frequent visits to her hometown meant that I changed my research focus prior to evening beginning my project. That is, not long into 2009 I realised the severity of the agrarian transition occurring in my wife's home region, Tikveš.

I would therefore firstly like to thank my supervisor, Glenn Bowman, who admitted me to Kent to supervise one topic, but then ended up with an entirely different one on his hands. I would like to thank him for this, as well as his advice and patience in what has been a lengthy project and fieldwork research write-up.

I would also like to thank my wife, Irena, for her suggestions prior to and during my fieldwork, and unquestioning support of me throughout this lengthy process. I dragged her to reside in England twice for doctoral obligations, and then moved us to the US in 2012 to continue with my academic work, research and writing. I thank her because hardly a word of complaint have I ever heard from her. In fact, she along with our daughter Vera (born during my fieldwork), have been enthusiastic for the adventure that being an anthropologist brings, even if it has meant a lack of stability and financial security at times.

Financially speaking, I must therefore thank the School of Anthropology and Conservation at the University of Kent for their bestowing upon me a Graduate Teaching Assistantship, and to American Councils for their awarding me a Title VIII doctoral research grant for the bulk of my fieldwork in 2011. Without this funding the continuation of my doctorate would not have been possible.

There are many individuals who have given me not only sound feedback and thoughts on my research, but general advice as well. In the UK and Europe these include Daniela Peluso, who has been a friend and mentor; David Henig, who gave me the wise advice to write my thesis through conference and journal papers; Dimitrios Thessolopoulos and the feedback

received in his graduate research seminars as well as thesis examination; Deema Kaneff, who provided the most extensive feedback on my entire thesis, given her role as my external examiner; Michael Costello and Oana Ivan, among other ‘SACians’ who provided a sense of camaraderie and intellectual stimulation during my residence in Canterbury, including Friday night pub outings. I would also like to thank Chris Hann, for welcoming and accommodating me at the Max Planck Institute for Social Anthropology in July 2010, and providing early theoretical guidance then and throughout with his own research.

In the US, I would like to thank many scholars, but primarily Richard Wilk and Eduardo Brondizio at Indiana University, the former introducing me into the world of Food Studies he oversees, and the latter having brought me back to IU as a Research Associate with the Department of Anthropology in 2012; Croatian language classmate and fellow anthropology doctoral student Heather Meiers, who provided initial feedback and many thoughts and conversations in summer 2012; the organisers of the Soyuz and Society for Economic Anthropology (SEA) conferences, as well as those who accepted my papers for their panels at the last two AAA meetings in 2012 and 2013, and the many individuals I met at such events. In particular, these include John Borneman, Diana Mincyte, Yuson Jung, Ronan Hervouet, Austin Choi-Fitzpatrick, Peter Larsen, among others. I would also like to thank those who edited or provided significant feedback on various papers, including Laura Thompson and Jessica Hardin (Student Anthropologist), as well as Andrew Asher (Anthropology of East Europe Review).

Last but not least, as written in my dedication, this thesis and the information and experience relayed within it would not have been possible without the gracious hospitality provided by my wife’s family, and the neighbours, friends, informant-interlocutors and random acquaintances I met throughout my fieldwork in Tikveš. Their thoughts and experiences helped re-shape my understanding of their shifting conditions, plight and thus my project, and for this I am eternally grateful and forever changed.

## PREFACE

*I've often been accused of making anthropology into literature, but anthropology is also field research. Writing is central to it. –Clifford Geertz*

I call upon this quote in order to strengthen the case for the style of narrative ethnography which follows in this thesis. I call upon minimal theory in it, instead relaying the subjective experiences of not only my informants but myself. This exercise in reflexivity comes from my insider-outsider perspectives, which at times complement and at other times clash with each other. That said, the testimonies in this work are but a fraction of those I heard, observed and sensed while in the field. They come from some 500 pages of largely typed field-notes, most of which did not make it into the text. Nonetheless, I hope that this thesis evokes and conveys a sense of the magnitude of the Tikveš region's ongoing transition.

As for the ethnographic material I do include, I call upon James Scott (1985) in explaining why I paraphrase at times. As Scott found, 'human subjects often speak in shorthand, with similes and metaphors that they have no need to clarify to their neighbours but which sound strange and incomprehensible to an outsider (p138)'. I found the same, and have therefore sought to synthesise the information I received in order to demonstrate a particular trope in the discourse surrounding the wine region's transformation.

I incorporate myself into the text more than some anthropologists might because not only do I seek to adhere to a form of 'radical empiricism' (Jackson 1997, and which is defined in the Introduction) but because my understanding of the country is based on lived experience—five years of it. Further, my incorporation into the community extends beyond hospitality: by marrying a Macedonian I became someone else, a son-in-law (*zet*), and this defined my identity, as I was not just a foreign anthropologist. In fact, the latter aspects of identity were largely moot because my identity was based on which family I was married to—my affines and affiliations. It was always one of the first questions to come up when I was immediately seen as this 'stranger/foreigner' (*stranec*) but one who seemed local, in terms of speaking the language and asking questions that could be answered. For indeed, I



made my questions not so specific as to narrow responses and make informants feel they were revealing something, but broad so that they *did* reveal something through monologues about their situation. They told me their stories—about their past, their families, and their losses. Those stories, within the larger framework for this project, I have thus shared when appropriate.

Going back into the past, I would like to add my whole reason for studying anthropology as an undergraduate at Indiana University (1998-2002) was a summer spent in Alaska in 1999. Seeking escape, in May of that year I flew off to Anchorage and wandered down into the Chugach Mountains on the Kenai Peninsula. Working at a fishing lodge on the Kenai River, I spent my free time exploring the wilderness and under-going a self-imposed *rite de passage*. This affected me greatly and led me to the realisation that one of my goals in life was to be, among other things, an ‘observer’. This I noted in a journal entry from July 1999, and I thenceforth decided to seek out patterns in society and history.

It was therefore upon my return from Alaska three months later that I discovered anthropology as an academic discipline, and changed course in my academic studies (from biology and chemistry). For anthropology to me has assumed the place of traditional philosophy, and is about understanding humanity and the complex yet also simple differences in people. It is about pointing out the obvious and calling a spade a spade, but also explaining a reason or rationalisation for the custom, behaviour or tradition among a group of people, and what forces may be causing shifts to them. Last but not least, anthropology is about sharing the experiences of my informants and myself from a foreign location such as Macedonia, in order for the reader to broaden their horizons and knowledge about that country, land and its peoples.

This thesis therefore conveys my understanding of the processes surrounding the privatisation of formerly socially-owned Yugoslav enterprises, and the ensuing ‘development’ of Macedonia’s premier wine region. I debate the extent to which it is appropriate to refer to this period of transition as one to free-market democracy and all that entails, and instead demonstrate how particular aspects of the currently lived world there are

beyond post-socialism. In fact, the lived experiences of Tikveš grape growers and their families fall more in line with Foucault's notions of biopolitics-cum-neoliberalism, such as Collier (2011) demonstrates: theirs is a world of uncertainty, deference within various fluid bureaucratic and societal power structures, and a possible return to a peasant form of existence (in taking that the peasantry and self-sustenance is the base form of economy.)

Any shortcomings in this text I claim full responsibility for, as its writing was hindered by full-time employment at Indiana University since August 2012. Nonetheless, I hope readers will find it ethnographically rich despite its personal tone, and informative about a region and country little studied outside of the trope of (ethno)nationalism and post-conflict studies surrounding the dissolution of the Socialist Federal Republic of Yugoslavia (SFRY). Without further ado, I thank you for reading.

## **A NOTE ABOUT THE MACEDONIAN LANGUAGE**

A few notes on the use of the Latin alphabet variants of Cyrillic letters and their sounds. Without complicating things and including the Cyrillic, I include only Latin letters in this text and thus seek to clarify the differences between ‘c’ and ‘č’, ‘s’ and ‘š’, and ‘z’ and ‘ž’, as well as what constitutes the sound made by the letters ‘j’ and ‘y’ in English compared with Macedonian. They are the following:

- ‘c’ makes the sound ‘ts’, as in cats, whereas ‘č’ makes the sound ‘ch’ as in chat
- ‘s’ makes the sounds ‘ss’, as in sister, whereas ‘š’ makes the sound ‘sh’ as in shoe
- ‘z’ makes the sound ‘zz’, as in zoo, whereas ‘ž’ makes the sound ‘zh’ as in casualty
- The sound made by the letter ‘j’ in English (as in ‘John’) is written as ‘dz’ in Latinised Macedonian; eg, the red pepper condiment pindzur could be written in English as pinjur
- The sound made by the letter ‘y’ in English is written as ‘j’ in Latinised Macedonian; eg, the former Yugoslavia was written as ‘Jugoslavia’

## Introduction

This introductory chapter will discuss the project setting and history of the region and country in which it took place. Yet to begin, it explains the purpose, theme and contribution of this thesis. The purpose of this thesis is to describe the constantly transitioning state of affairs occurring in the Republic of Macedonia, and as a project it makes a contribution to a number of anthropological subfields, and overall is an ethnographically inspired work with a strong empirical foundation. Although change is constant everywhere in life, Macedonia has experienced a unique transformation in the last two decades. The transition from a Yugoslav, state-led economy to a 'free-market' one has been significant, and has altered the nation's psyche and the livelihoods of the people living there.

More specifically then, this thesis is an examination of the neoliberalisation of the wine industry and the predicaments faced by grape growers in the Tikveš wine region of Macedonia. This is done through a detailed and in depth ethnographic exploration, which provides a good case study for reflecting and understanding the privatisation of the Macedonian economy from a local point of view. In addition, the thesis makes visible the role of the family and informal networks in ameliorating the consequences of privatisation. This information can encourage an appreciation of the local parameters and experiences of the transition to unregulated capitalism in societies unaccustomed to neoliberal economic competition.

By focusing on wine production more explicitly, regional viticulture and the privatisation of land ownership are explained in the latter half of the thesis. What follows is an examination of the neoliberalisation of the wine industry, the emergence of a 'wine mafia', and the perception of pre- and post-capitalist structures of corruption during the transition to privatisation. These themes are further explored by focusing on the discontinuities that emerge from EU policies, and in particular the implementation of the Instrument for Pre-accession Assistance for Rural Development. What follows is the reaction to this transition, with a look at the efforts of the local inhabitants and grape growers and how they manage to survive in an unstable

and unsupportive economic environment. Additionally, the role of local networks—based on kinship, friendship and neighbourhood—illustrate the support that wider institutions fail to provide.

The thesis as a whole provides a case study of the post-socialist transition to privatisation that makes a valuable addition to the rather limited anthropological literature of the particular region. In this respect, it makes a small contribution to the anthropology of post-socialism, and economic anthropology more generally. Yet more importantly, it makes a contribution to the anthropology of Macedonia specifically, which has been particularly thin and dominated by the issue of national identity (at the expense of ignoring local social life). The thesis comes to fill this particular gap of knowledge, providing valuable ethnographic information that will be of service to future researchers working in this area from anthropological or interdisciplinary social scientific perspective, particularly those focusing on themes related to identity, citizenship, and economic, political and thus power structures. Further, through its discussion of neoliberalism, privatisation, EU accession, and state legitimacy, it highlights the existential crisis of a young nation seeking to create a new identity for itself, but finding such a path hindered by a crisis full of contradictions, ambiguity and disinformation.

To clarify its use of the terms transition and transformation, the former is the process of shifting from one economic and political system to another, whereas the latter is the result of such a transition. Thus the transition is officially characterised by the shift to a ‘free-market democracy’, along with increased uncertainty and inequality for the majority of Macedonians. In the wine region, this has been predominantly seen in the state’s disconnection from the wine industry. All of this though is *transformative*, affecting the behaviour, attitudes and perceptions of the people living there.

### **Historical considerations**

The Republic of Macedonia is but a kernel of the territory of the Balkan Peninsula yet the twenty year-old nation-state is a rich and flavourful ‘mosaic’ of peoples, their history and identity, and the places they inhabit in their mountainous country. Macedonia has been conquered (and divided) so

many times that explaining its inhabitants requires a good understanding of history. For the anthropologist, such knowledge can be enlightening. On the other hand, history can be overwhelming, full of bias and thus distracting. My most vivid early memory shortly after arriving in Macedonia in 2002 was of my friend's host-father<sup>1</sup> shouting at us (naturally to make us better understand) 'Five-hundred years we were under the Turks, 500 years!'<sup>2</sup> Given our poor knowledge of the language, he slowly counted the centuries and said how when the Turks came America did not exist, and they only left after the 1912-13 Balkans Wars and World War I—a discourse I have heard several times over the ensuing years.

While those first two years of living in Macedonia were full of stories and historical explanations, it took returning some years later (summer 2006, then more permanently from August 2008) and reading the history for myself to realise that some of the things I had been told were not exactly accurate, and some were possibly not true at all. I delve further into the country's history elsewhere in this thesis, but my point here is that what both citizens and foreigners are taught or told may not necessarily reflect the reality of a place, its people and their history. On the one hand this can mean we anthropologists receive false information, yet more importantly we can take this presentation of history as representative of the nation-state, and its perceptions and intentions. Indeed, as the state functions autonomously yet with great effect upon its inhabitants, both it and its citizens are actors in a semi-scripted production. Seeking to create a sense of authenticity, taught (and learned) history is not merely the lesson of school-books but is subject to great political manipulation, and in my fieldwork it was frequently mentioned when comparing contemporary Macedonia with its colourful past.

Therefore, perhaps one could write anthropologically about small-town life in Macedonia without tying the local community to the national government, to politics, to its Yugoslav or Ottoman past, and to its linkages not only within the country and region but to the European and global economies. However, I do not see how it would be possible to avoid

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<sup>1</sup> As a US Peace Corps volunteer, I lived with a host-family, where the man of the house is one's host-father, the woman of the house one's host-mother, etc.

<sup>2</sup> *Pet-sto (500) godini pod Turcite!*

connecting Tikveš villagers to their contemporary state or recent past (as in, the last few decades and century). The Euro-centric world and its particular millenarian philosophy of Marxism, which gave rise to the unique form of Marxism-Leninism then Titoism in Yugoslavia, coupled with the Ottoman legacy has become as much a part of the identity and history of today's Macedonians as are their own 'traditions' and local histories. Yet I attempt in this thesis to combine both the imagined past and convoluted present in order to explain contemporary Macedonia—who its people are and how they have come to this point.

In fact, things are often cyclical: market behaviour for example, from the ability to open a store to the right to hire labour shows how past and present, although ruptured during socialism, have met again. But what separates the market of yesterday from today is a complicated vortex of history and the opportunities that came and went throughout it. From Roman times onward, Tikveš lay near the Via Egnatia corridor—the road heading southeast from the Albanian port of Durrës (Drač) on the Adriatic Sea, through the mountains into and across southwest Macedonia into what is modern day Greece, before moving eastward to Istanbul. In Macedonia, the road turned south at Bitola (Manastir) but a major offshoot passed through Tikveš and went along the 'Black River' (*Crna Reka*), meeting the Vardar River at the archaeological site of Stobi. Artefacts found at Stobi and its surroundings indicate millennia-old wine production, trade and consumption<sup>3</sup>. Altogether, agriculture and viticulture have therefore long played a role in the Tikveš economy and obviously will continue to do so in the foreseeable future.

Culturally, Macedonia has been a diverse melting pot, with Romans, Greeks, Bulgars, Huns, Celts, Illyrians and Slavs, among others, mixing there since the first millennium AD, and various tribes living there for millennia before that. More recently, with the onset of the Ottoman Empire in the 15<sup>th</sup> century, the Sultan invited the Sephardic Jews expelled from Spain to settle

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<sup>3</sup> Stobi is not only near the Tikveš wine-town of Gradsko but is now the name of one of the largest wineries in the country, making it a heavy-weight contender in the local political and economic scene—the winery has sought local influence and through sponsorship, taken the place of the (in)famous Tikveš Winery in sponsoring the annual grape harvest and wine festival every September (discussed in greater detail in Chapter 3).

in the Macedonian port city of Salonica and throughout the young empire. As trade flourished in the Balkans, the region became even more diverse, with Jews and Muslims settling and prospering in the region's larger towns and cities. Indeed, before the 20<sup>th</sup> century's world wars, there were sizable if not predominant Jewish populations in the Macedonian cities of Salonica<sup>4</sup>, Skopje, Štip and Bitola, and given Ottoman rule and conversion of local populations, Muslims made up significant portions of towns and cities as well.<sup>5</sup>

Yet many of the above were traders, artisans and townspeople, whereas the countryside was comprised of a predominantly Slavic, Christian peasantry who only came into towns to take up artisan crafts in the 19<sup>th</sup> century. Rural land in Ottoman Macedonia existed for centuries in small to large fiefdoms, which had been parcelled out to the Ottoman Sultan's nobility near these Slavic villages (and labour). This included the famous *çiflik*, which functioned as a plantation, with Macedonian peasants conducting the labour as part of their tithe to the state. According to Adanir (1989), the main problem with these though was a shortage of labour and the fact that peasants' small plots were better cultivated and more productive than the commercially oriented yet poorly managed *çiflik*; perhaps early evidence of a form of resistance and utilisation of Scott's 'weapons of the weak' (1985).

Regardless, it is worth noting that the empire saw drastic changes due to international trade competition by the mid-19<sup>th</sup> century, raising the stakes in commercial production and shifting it as a result.<sup>6</sup> As historian Andrew Rossos writes of competition with the US and India:

Macedonia's agrarian sector was too backward and inefficient to withstand the foreign challenge. After the American Civil War ended in 1865, Macedonia could not compete with cheaper and better US and

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<sup>4</sup> As historian Mark Mazower writes in his text on Salonica, before WWI the city was predominantly Jewish, followed in decreasing size by Muslims (Turks), Greeks and Slavs.

<sup>5</sup> Their histories are full of tragedy: the [Turkish] Muslims were largely expelled after WWI with the great Greek-Ottoman population exchanges as well as the onset of Bulgarian and Serbian rule in Vardar Macedonia (today's Republic), and the Jews were deported in March 1943 and eventually murdered in Nazi concentration camps.

<sup>6</sup> For example, with increasing American and Asian textile competition and demand for tobacco, the Empire cut back on cotton production and began growing tobacco industriously in the 19<sup>th</sup> century in Macedonia. Salonica is still a large outlet for tobacco, shipping Macedonian tobacco (from Prilep) abroad.



Indian cotton and grain. The Ottoman state did nothing either to improve crops or to stimulate production. Indeed, burdensome, unfair, and arbitrary taxation...held the sector back. Peasants had no incentives to produce more: they were turning to subsistence and worked only enough land to feed their own families. There was no tax on uncultivated lands, and so only one-fifth of Macedonia's arable land was under cultivation—the rest was pasture (2008, p71).

Rosso also discusses changes in the early 19<sup>th</sup> century. Although Greek, Vlach and Jewish merchants still predominated (along with Muslims, of course), Slavic Macedonians migrated into towns and took up artisan work. In the 1830s in particular, major towns doubled if not tripled in size. This included my town, Kavadarci, which had three thousand inhabitants at the time. Livestock and textile trade fairs (*panaguri*)<sup>7</sup> became major trade events, which allowed Macedonians to create business connections throughout the empire. Some merchant families even had offices in larger cities—Salonica, Belgrade or Vienna. European powers thus took an interest in the region, helping the empire to build a railroad through it. Of course, this benefited Europeans more than citizens of the Ottoman lands, as the Balkans became a 'virtual economic colony, a source of raw materials and a dumping ground for agricultural surpluses and manufactured goods' (ibid). Evidence suggests that the region's economies stagnated with such competition, yet despite the absence of 'foreign capitalists and investors' and the small chance of a Macedonian town or village directly joining the capitalist world system, petty commerce flourished in local marketplaces, making them the focal points of social life. And to some extent they still are, as the Macedonian saying 'two women and you have a market'<sup>8</sup> rings as true as ever. But a market of what and for whom remains the question.

Clearly the transition has created power struggles, resentment and left resources to be battled over, yet I consider kinship and the role of extended family a significant factor which has allowed individuals to survive and stay on their feet despite the various challenges they have faced in recent years. Indeed, I have found in my married life in Macedonia (since 2008) that kinship and the connections that come from it are paramount to survival.

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<sup>7</sup> Which are still common today and usually occur in the spring and autumn.

<sup>8</sup> *Dve ženi, imaš pazar*

Although socialism cut down on family size (making as a standard an average of two children<sup>9</sup>), family plays a significant role, for better or for worse, in the opportunities they have. From getting good meat at the butchers, to manoeuvring through bureaucratic structures, to getting into the right school or university, family and the connections it brings trumps all.

What is interesting is how this plays into local power structures. A well-known family may appear to have more resources, thus individuals may express deference to and patronise them. Yet as is commonly noted of the well-off in the West, they are in fact less likely to be charitable and share their 'wealth'. Therefore, they are respected because of the authority and connection their resources command, yet this defies economic logic given that their wealth is in fact unlikely to benefit the less fortunate. Of course this depends on how we define wealth, an issue I address in Chapter 6 when considering what local economies and their goods are comprised of, and what the local 'market logic' is. On this topic and throughout this thesis, I use the town in which I lived, Kavadarci, as my main frame of reference, despite the contrast it may present with a smaller town or village. My research is thus not documenting the transition so much as the responses to it—what people say or do, how they are affected and how they react to the change they are experiencing. For many are shocked that things have gone as they have, though some have come to their own conclusions about the scenario; they have studied it as have I, an indicator of the value they place on knowing their past.

### **Tikveš in Yugoslavia and into the 21<sup>st</sup> century**

Modern agricultural policy began with the Kingdom of Yugoslavia (1918-1941), which conducted land reform after the demise of the Ottoman Empire, resulting in small plots of three hectares on average. Land formerly in the hands of Ottoman landlords had been managed under a share-cropping system, leaving the share-croppers to theoretically become owners of the land that they had farmed (Thompson 1993). But the trend to land reform

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<sup>9</sup> Ethnic Albanians however, who were excluded from many of the privileges of the 'south Slav' federation, maintain much larger families to this day. The majority of Albanians I have met are one of anywhere from five to ten children, and this has played a significant role in their communities and culture.

was reinforced by the Law on Agrarian Reform and Resettlement of 1945. This law aimed to 1) uproot the ‘exploitation of man’, 2) provide social and economic care for loyal peasants, and 3) ensure the political support of the population (Miljković 1996, p12). Under this law, 1.6 million hectares of land were expropriated from some 160,000 owners throughout the former Yugoslavia, and less than one-sixth were compensated for it. The land came from churches, peasants who held more land than the law permitted, as well as peasants who were considered enemies of the state.<sup>10</sup> Two-thirds of the land went to 320,000 families, and the rest went to the creation of state or collective farms. By 1953 though, food security had become an issue and the government sought to increase state owned property. Maximum land ownership thus decreased to ten hectares of cultivable land, and more land came to comprise state farms, given the government’s plan to see modern agriculture drive industrialisation. Yet those owning land were allowed to sell it to the state, and the owners from whom land was taken were to be paid reimbursement on an instalment plan over twenty years.<sup>11</sup>

In the 1960s the majority of the state-owned land was developed into vertically integrated agricultural enterprises, known as *kombinati* (pl.). Each region had its own *kombinat* (sg.), if not several of them, as the organisation of food production was not based on efficiency but on four main principles: 1) state control of land, 2) national food security, 3) balanced regional interests, and 4) minimal discontent among peasants (ibid p14). The latter is of considerable interest, because although today the rural agricultural population in Macedonia is nearly one-fifth of the workforce,<sup>12</sup> historically peasants were larger in number than the urban populace and had a strong spirit of independence and resistance. They were behind the numerous rebellions in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries against the Ottoman

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<sup>10</sup> I have met and heard of several families who fell into this category. One man’s father returned from America, where he had worked and saved for nine years, and opened a hotel in the centre of Kavadarci, only to have it seized and destroyed without compensation. Another family’s land and house were taken and they were forced to sign documentation saying they would never seek remuneration for it. They were given a small plot on which to build a new house, but also received no financial compensation. This documentation has prohibited them from seeking compensation even after the dissolution of Yugoslavia and the declared independence of Macedonia.

<sup>11</sup> By the 1980s land ownership increased to up to 30 hectares.

<sup>12</sup> Although I personally believe this statistic fails to reflect those who work part or full-time in agriculture, either for subsistence or as migrant labour.

Empire, as well as against the pre-socialist Yugoslav Serbian and Bulgarian occupations.

That said, although the role of government in Yugoslavia was seemingly less controlling in comparison to other communist countries of the Eastern Bloc, to understand power and decision making in the former Yugoslavia it must be understood that the government did nonetheless persecute those seen as a threat to the state and it had considerable control over society through the large public sector. The control mechanisms included control of property rights, political power, employment regulations, organisational structure and economic intervention through subsidies and support prices (ibid). Property rights were one of the most important elements characterising the social ownership system. 'Social ownership' assigned all of the ownership and management rights of the enterprise to the employees working in it, however no fixed assets, including land, were allowed to be sold to the private sector. The government therefore let the workers run the day to day operations of their enterprise, but all under the umbrella of directives and rules coming from above.

To better understand the post-socialist mentality in Macedonia, the difference between the Yugoslav socially owned enterprise (SOE) and a free-market, capitalist one should be clear—including consideration of employees' long term interests in their enterprise or company, respectively. If workers in a SOE developed and advanced the production of their enterprise (which they were likely not allowed to), they saw no additional benefits. In fact, they could not be easily dismissed and were only interested in their paycheques. They therefore had no interest in any expense or effort, for example, in large scale investments or research and development because there was no incentive and no competition. Salaries were paid uniformly, regardless of work done or position, and the right to work was guaranteed by the constitution—no one could be laid off unless they failed to perform their minimal duties, nor could factories be closed even if inefficient or not needed. Two neighbouring towns, for example, may have factories or *kombinati* not operating at full capacity—overstaffed with employees—while producing the same or similar products, despite the fact that economically it

would have made sense to have only one production facility. There was essentially no unemployment as a result of this system.

In fact, to prevent unemployment government legislation mandated that factories employ a set number of recent graduates at all levels every year, regardless of need, which led to enormous underemployment and a system slow to adapt to new technologies and demands<sup>13</sup>. The state supported SOEs by guaranteeing purchases from the 'state commodity reserves' or by giving cheap credit to state farms and growers. Economic loss was of little concern, as new organisations of associated labour were established based on local political interests, and shutting the SOEs or labour organisations down was not favoured by political leaders. Overall, there were few cooperative farms and state land was organised in the associated labour system and *kombinati*, meaning that workers would associate their labour with socially owned factors, such as land, tools, equipment and facilities, which individuals used 'on the side', such as Lampland (1995) observed in her fieldwork. Decisions on overall production, however, came from above and were the result of deemed need and political interest.

The government also subsidised inputs such as fertilisers, pesticides and seeds, making private venture production a formidable challenge in the face of cheap, state-produced goods. As the amount of state-owned land increased by fifty percent from the 1950s until the breakup of Yugoslavia in 1991, and production with new technologies increased even more, the number of private producers eventually dwindled. The remaining ones have taken up work with state-owned operations or produce only on the side. However, even though the number of employees of state farms and agro industries increased over time, it is difficult to gauge private agriculture production given family labour.<sup>14</sup> The latter, however, may be the only thing saving rural Macedonians today and will be discussed in the following chapters.

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<sup>13</sup> A situation which challenges the former Yugoslavia, from Macedonia to Croatia, today.

<sup>14</sup> Data on employment in agriculture therefore was and remains skewed by the fact that private sector production and labour is not easily quantifiable. For these reasons, the real bottleneck under socialism was underemployment in the state, not the private agricultural sector, a situation which has no doubt been alleviated since the 1990s.

### **Inter-subjective reflexivity in the field**

When I returned from the field in late 2011 I decided that the experiences I had and the information I had gathered through coffees, conversations and interviews with family, friends and strangers had given me sufficient material to work with, and an advantage over the few other Western anthropologists who have worked in the region, particularly in rural areas of the former Yugoslavia.<sup>15</sup> After all, I had spent a total of five of the previous ten years in the country, and had a solid understanding of the language and culture. Despite my time and marriage there though, I am not convinced that the fieldworker's insider privilege and empiricism enabled me to overcome the ethno-centrism that Hann claims has long characterised the Western intellectual outlook toward socialist and post-socialist societies (1987). But I wholly agree with him that we have a special strength and insight to describe and analyse the political and economic systems that few other scholars have access to. Instead of relying on sources produced via filtration and re-interpretation through institutions, bureaucrats, scholars and the like, we create ethnographies via first-hand, eye-witness, on the ground experience.

What this means to me is that through being at the local level—in villages, neighbourhoods and towns—and creating analyses there, we can use our findings for comparative research on socio-political and economic ideas, practices and behaviour among the post-socialist countries. The statistics compiled by economists, political scientists and other scholars at governmental or non-governmental institutions, universities and think tanks are based on various ministerial compilations, and present demographics, trade, production and consumption. Yet the national political structures which guide them can never convey what society is about at the street level, in the local café or out in the fields. That is not to say that such data are irrelevant (as they are not) and my understanding of Macedonia has been (like for most foreigners) initially based on such information. In fact, my area-studies Master's degree—researched and written while based in the US and which focused on changing economic conditions in Macedonia—would not have been possible without it.

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<sup>15</sup> See Chapter 1 for a literature review of their work.

However, I am certain that my understanding of Macedonia has multiplied exponentially through my doctoral fieldwork. Unlike working with NGOs, in an embassy or teaching in a school, such as I did during and after Peace Corps in Macedonia, my fieldwork was an experience of constant observation and engagement with those around me, not to mention living among my affines. Unlike some anthropologists who find it difficult to immerse themselves in the local community they reside in, I indeed arrived pre-immersed: married to a local and with a child on the way, with godparents in a small village and living with my parents-in-law, a respected doctor and nurse-midwife couple.

Despite this, I often felt privileged during my fieldwork and that those I sought out to study and work with had no use for me. I felt that I should be offering them some sort of help, and hoped my labour and more so awareness of their plight would be compensation for the often enlightening information I received from them. Yet as I will address later on, there were various reasons why my labour was not needed and was undesirable. The main issues I had, besides what I at first considered a distracting domestic situation with a wife, baby daughter and parents-in-law always taking my time and attention, was whether I could really begin to understand the local social and economic structures that I had set out to, not to mention people's motivations for the actions they undertook.

My overall concern now is therefore in how and whether I am able to intelligently relate what they told me and what I observed so as to not completely misrepresent those aspects of cultural life and the positions of individual informants that I want others to understand. Further, it was always difficult to know whether I fully understood—despite my advanced knowledge of the Macedonian language—what was being said, as I operated without a translator and conversations were often more monologues that were loaded with political and personal statements, whether direct or subtle, and which went on in great length with me trying to digest the information, make physical or mental notes and occasionally ask a question to keep the informant speaking.

However, it is my hope that my interpretation and presentation of information is as inter-subjective as Jackson (1997) suggests it should be, a sort of ‘radical empiricism’. As Jackson says of it:

Radical empiricism helps re-join that which classical British empiricism put asunder. If we have been led to believe that knowledge and certitude can only be secured by building boundaries that divide experience into separate domains, then radical empiricism is a form of bridge building that opens up the possibility of traffic across boundaries...The aim of radical empiricism is care. Its analogue in social life is empathy. Its field is experience undergone rather than gone beyond. Knowledge is seen as a form of worldly immanence, a being-with-others, an under-standing (p164).

Indeed, I sought to be empathetic, careful and understanding when ‘being-with-others’. Yet concerns of ethno-centrism on my part are legitimate, and at time somewhat necessary—they serve as a backdrop on which I and other students of Western anthropology can compare the ethnographic information presented hereafter. For we all have bias and convictions based on our own backgrounds and upbringings, and while we may have an open mind and ‘zen-ful’ approach, some things will never quite make sense nor be adopted by the ethnographer. Not that they are meant to—social systems are structures through which individuals behave, yet they are fluid, open-ended and always changing.

More worrying in my research and thesis is that what I write could fall into the wrong hands, those of hegemonic interests who would use it as political fodder against my friends and family in Macedonia. While the post-socialist Macedonian government is seemingly stable and focused on other issues within the country, I call upon history to supply me with the doubt that peace, democracy (or what semblance of it currently exists there) and power-sharing governments will last. Given the ‘powder-kegs’ (or at least long-term international security situations) of Bosnia and Kosovo, and the instability in the region overall—with ethnic Albanians in Macedonia, and nationalism and an ailing economy in Greece, for example—I think I am not being sensationalistic in feeling as such. Further, stories of political and other persecution are nothing foreign to my wife’s family: her grandfather was imprisoned for three years in Yugoslavia’s infamous island prison off the



coast of Croatia, *Goli Otok*<sup>16</sup>. I thus have legitimate concerns over ‘authoritarian’ like governance (and address this in Chapter 4) and a biased if not controlled law enforcement apparatus at work.

Indeed, the experiences that I had already had in Macedonia by the time I began my fieldwork—having spent more than three years in the country up to that point—meant that I did not walk in blind to the reality of political, economic and cultural life, nor did I embroil myself in petulant conversations debating cultural traits, tendencies and other issues which Western foreigners (namely Americans) so often find baffling, illogical or ‘backward’. I did that as a Peace Corps volunteer, and was eventually set straight. I learned why showing the bottom of one’s feet (such as putting them up on a chair or coffee table) is incredibly rude, and why there is a fear of the draft (*promaja*)<sup>17</sup>, among other things.

However, I did not understand as much as I thought of my field site’s personal characteristics, and the history and habitus which comprise these traits. The dialect was difficult for me in the beginning, as it is riddled with *Turcizmi* (Ottoman Turkish words), different accents and word use, not to mention the incredible penchant for swearing which residents of my town, Kavadarci, are known for. Further, my status as married to the daughter of the town’s primary oral surgeon and former Mayor was significant. It gave me instant connections and ‘ins’ most of the time, as it never took long for those I spoke with in and around town to find out who I was. However, sometimes this was not beneficial, as despite my father-in-law being the first Mayor after socialism and essentially doing very little beyond towing the former party line (in contrast with the newer parties and divided political spectrum of the past decade), he did have some enemies.

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<sup>16</sup> Goli Otok, or ‘naked island’ was where Yugoslavia’s, and more so President Tito’s political opponents—real or suspected—ended up. Prisoners there were subject to hard labour, and although it was by no means a death camp, many men died there or were permanently mentally and physically scarred from it.

<sup>17</sup> *Promaja* likely takes the prize as the most discussed cultural issue among Americans in Macedonia. It is simply the idea that when two or more windows or doors are open in a car, bus, room, etc., there will be air moving through that can cause severe headaches, muscular pain and even illness. While it is no doubt a culturally constructed perception, I do believe there is merit to it because the air in Macedonia is so dry, that even on mild days it can produce a chill when blowing through a cool house. Though on hot days and in stuffy buses, I will never quite agree with the passengers who would rather keep all but one window open.

Nonetheless, the project I set out to do was my own, with information I sought to acquire and questions I was keen to get answered. To say that I worked in my father-in-law's shadow would thus be incorrect, as I explored the entire region, put my own background (language skills and knowledge) to use, and avoided politics at all possible costs. That said, politics will creep up in this text, as I frankly feel it is impossible for anyone to write an ethnography about the local in the Balkans without considering the politics of the national (state), let alone the international levels of the EU and US in particular, but certainly Russia and China as well. Indeed, the latter two countries still seek influence in the post-Cold War world, and are the wine region's most sought after markets.

### **Methodology**

In order to trace how the economy, identity and livelihoods of grape growers in Tikveš were being affected by privatisation in the wine industry and agricultural sector, I spent the majority of 2011 (from January to September) in Tikveš. Through doing so, I was able to observe a full growing season of activities surrounding the production of grapes. Although the vineyards are not tended to formally until mid-February, with the pruning of the vines on St. Trifun's Day (14<sup>th</sup> February), beginning archival and institutional research, and speaking with various growers from January allowed me to gain a better understanding of their plight from the previous season's harvest (for example, whether they had received their due compensation instalments) and how they imagined the season to come. As the growing season lasts through to the end of October though, my preliminary research and residence from April 2010 had undoubtedly helped illustrate the political dimensions surrounding the harvesting, price setting and payment for grapes.

My methods for collecting this diverse information can be divided into three main areas: participant observation, archival and current events research, and interviews and surveys. Participant observation includes both the formal work I took up and the informal discussions from which I heard locals' and growers' thoughts and experiences. The formal work was primarily being involved in several aspects of grape growing. I had intended to find at least three groups or families of growers in Tikveš with whom I

could speak and work with on specific days of the week throughout the growing season so that I could go with them to their vineyards and learn their work. However, as I discuss throughout this thesis, this was difficult to manage and I worked with several growers when it suited them.

As sharing meals or appetizers (*meze*) in Macedonia is a cultural custom through which individuals spend hours in conversation, I thus spent as much time with family and friends involved in grape growing, getting to know their families and lives otherwise in order to see how they were being affected by shifting external conditions and forces in society. Yet I also spoke with owners of ‘agricultural pharmacies’<sup>18</sup>, local businesses and small winery owners—with whom I was able to hear their take on the current transition and ‘*katastrofa*’ in the region—and the local outspoken political leaders who had been involved in the 2010 growers’ strikes (which I observed as a bystander).

The archival and current events research I conducted was comprised of local research in Kavadarci, including the collection of news published in the print media<sup>19</sup>, and use of the municipal archives in the Kavadarci museum along with conversations with the Director there. I also networked with faculty at the Institute for Ethnology and Anthropology at the state university, Sts. Cyril & Methodius, and participated with scholars at the small but well established Euro-Balkan Institute (EBI) and its summer programme in Ohrid<sup>20</sup>. I thus hoped that academically, further insight and information would come to the surface through such relationships, yet interest seemed minimal in my topic given both the more classical and ethnological approach to anthropology in Macedonia, as well as the EBI’s predominant focus on gender issues. Furthermore, there was a clear concern by faculty—who either work for or are indirectly subject to the state apparatus—to speak out against it and the privatisation process.

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<sup>18</sup> *Zemjodelski apteki*—which supply growers with pesticides and materials for their work.

<sup>19</sup> Macedonia is rife with daily and weekly newspapers/periodicals which cover political topics, including the local *Kav'darečki Vesnik*.

<sup>20</sup> Co-founded by anthropologist, Keith Brown. I am well acquainted with the director and had visited there several times prior to my research project, and their summer programmes draw in scholars from around Europe. I participated in their July 2011 programme under the moniker ‘Ohrid Summer University’.

Branching my archival research to interviews, and indeed given the power of the central government, I interviewed individuals in the government's Ministry for Rural Development (*Ministerstvo za Ruralen Razvoj*) to find out their role in and opinion of agrarian reform and privatisation. I sought to find out how macro policies and subsidies for grape producers had changed, and how privatisation and thus private interests were affecting the government's control over agriculture in the country.

In Kavadarci and surrounding towns and villages<sup>21</sup> I fostered relationships and often informally interviewed grape growers and other members of the community<sup>22</sup>. I spoke with individuals who were willing to share their insights, observations and experiences with the recent effects of the privatisation process and transition. Such interviewees were my key informants, and through asking them about their income and expenditures they indirectly supplemented my understanding of the costs of grape growing and other agriculture, as well as how they were surviving.

In a different sense of the term, I also intended to do a life history of a bottle of wine, investigating how grapes act as a commodity, and thus following them along a supply chain through production. However, I did not produce such a 'life history' but did gain great insight into wine production in attempting to do so, as is discussed in Chapter 3. I also attempted to make two research trips elsewhere in the greater Macedonian region in order to give both a post-socialist and EU comparative perspective by visiting Bulgaria's Melnik (near Sandanski) and northern Greece's Macedonian (north of Salonica<sup>23</sup>) wine regions. The former I visited in August 2011, but the latter never came to fruition. Nonetheless, the information I gathered from visiting Melnik and through conversations had with friends and acquaintances in Salonica and elsewhere in Greece gave me great insight into the wine industries of those countries, which I discuss in the thesis Conclusion.

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<sup>21</sup> There are several villages and/or small towns in which I established relationships. These are in the five municipalities of Tikveš, and include Kavadarci and the village of Begnište; Negotino and the villages of Pepelište, Temjanik and Dolni Disan; Rosoman, Gradsko and Demir Kapija. They are all very close, within a 10-20 minute drive of each other (see Figures 3 & 4 in Appendix II).

<sup>22</sup> See Appendix I for a list of research questions.

<sup>23</sup> Also known as Thessaloniki.

Altogether, the conversations, research, interviews and regional visits helped illustrate the role of grape growing in the community, and through the inevitable tensions which have arisen from privatisation, they provide evidence showing the forces of change at work on grape growers, and their families and communities in Tikveš.

### **Thesis foundation**

In order to determine how Macedonia has been affected by its post-socialist privatisation, ‘development’, EU candidate status and transition to a sovereign ‘free-market democracy’, among other things, I sought out to find a place where something subtle was happening. I decided to steer away from my Master’s research of ethno-nationalism—with its clear involvement of the media, government(s), political parties, international organisations and the like. Instead, I focused on the ‘institutions’ surrounding rural life, namely kin and community, local economies and agriculture, and the livelihoods they support. With my wife being from the main wine town in Tikveš, Kavadarci, and knowing from our occasional visits of something radical and seemingly sinister occurring, I chose the Tikveš wine region as my ‘Petri dish’.

It was in Tikveš that I studied the implementation of largely EU development programmes and policy, as well as the reactions to privatisation (*privatizacija*)—a term known and used locally when decrying the region’s transition (*tranzicija*). One might hear someone exclaim ‘all of this is the work of privatisation and this transition!’<sup>24</sup>, for the effects of both on the individual grape growers and their local communities which supply the wineries have indeed been a ‘catastrophe’ (*katastrofa*). With claims of theft by the connected, corrupt elites which now command the business, there have been protests due to unpaid grape harvests occurring as recently as February 2013, evidence that this transition is ongoing.

The protests in 2013 over up to five years of unpaid harvests from one winery are extreme evidence of the problematic transition. The growers consequently blame the ‘wine mafia’ (*vinska mafija*)—connected

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<sup>24</sup> *Se e od privatizacija i ova tranzicija!*

businessmen and politicians—who have become the new owners of the former government wineries yet tout a ‘free-market’ approach to business. Although these ‘businessmen’ (*biznesmeni*) have modernised and improved the quality of wine in the country, the profits they earn come on the backs of the grape growers’ labour. The transition the growers are undergoing is thus a double-edged sword, where the conjunction of the state and capitalism is resulting in a subtle but imposing form of authoritarianism, and a ‘thieving state’ (*apaška država*), as many in Tikveš would claim.

The idea of studying repeasantisation came from hearing stories back in 2009 of grape growers who were indeed not getting paid for their crop and instead were replacing their vineyards with vegetables, so that they would at least have something to eat. With a decade of high unemployment statistics, I knew things were only going from bad to worse. But notions of state legitimacy from my Master’s thesis, further preliminary research in Macedonia, as well as contact with anthropologist Keith Brown, led me down the road to considering the role of the state, the EU, development and privatisation. Therefore, while I discuss and incorporate the notion of a ‘return to the peasantry’, so often discussed elsewhere in the former Eastern Bloc and Soviet Union, this thesis in fact has several components which I hope will present an illustration and explanation of the multi-faceted realities that the inhabitants of Tikveš have recently assumed or adopted. As new information and perspectives during my fieldwork naturally influenced my understanding of the situation, I came to realise that what I should be looking at was not just their methods of getting by and surviving on the one hand, but adapting by changing habits, consumption and even traditions on the other.

Although my fieldwork did not technically begin until January 2011, and I was busy with my daughter’s birth and preparing my fieldwork proposal the year before, I essentially resided in Macedonia from April 2010 until September 2011. During that initial eight month, pre-fieldwork period, I gained a stronger sense of what was occurring in Tikveš. I heard about the region’s ‘hyper-production’ (*hiperprodukcija*) of grapes, stories of two years of unpaid grape harvests, and saw the anger, uncertainty and frustration spill out onto the streets where growers were either trying to sell their grapes, or protesting by dumping them and blocking main roads in the region. They did

this because they sought help from a state which had paid and assisted them for so long that they knew nothing else of how to deal with the several tonnes of produce that they individually grow and harvest every year.

What they did not understand was the power behind the radical transformation to their region and the industry they were supporting through their arduous labour, and many still do not. I am certainly not claiming to fully understand the inner-workings of local and national power structures, but I do feel that given my work and life in Macedonia's capital, Skopje, and both institutional and societal education on markets, politics and economics, I have been able to straddle the rural and urban in Tikveš and see the two sides of the coin. That is, by meeting with the growers and getting a sense of their lives and livelihoods, I saw how sharply they contrasted with those of the businessmen, traders, bureaucrats and other working professionals, such as those I knew in the international community in Skopje. The latter go to work in offices, whereas growers go to *labour* in their fields. Both may suffer in one way or another, but how they do so differs considerably. My thesis, by virtue of my particular relationships with kin, acquaintances and friends, thus reflects my understanding of the region's various forms of habitus, culture and livelihoods. More specifically, I discuss kin-neighbours as I know them—their backgrounds, habits, concerns and pleasures—and use materials gathered in interviews and conversations with growers, winery owners, lobbyists, bureaucrats, politicians and ordinary citizens of Tikveš.

Given the general theme of returning to the peasantry, I am not suggesting a drifting back in time nor a form of backwardness. My point is that the agriculturalists of the region were 'peasants' until just a little over half a century ago, and that the industrialisation brought about by socialism was a liminal political and economic phase between post-Ottoman farming and sharecropping, and what we have today: a state with both a growing urban-rural divide and disparity between rich and poor. It is a dichotomy where some drive new European cars, others drive old Yugoslav or East European ones; some have all the food they could need, others significantly less; some have the newest technology, many others not so much; most have electricity, but some not at all.... Indeed, one could hardly imagine a greater contrast than that between some village families who have no electricity and

those with not only electricity, but food aplenty, new cars, televisions, computers, mobile phones and all of the information and opportunities these bring.

Throughout this text I therefore intend to demonstrate how what is occurring in Tikveš follows a pattern that shows similarities with other countries where relatively recent peasant-cum-industrialised societies have seen a dissolution of their markets and government support coupled with privatisation and a growing dichotomy in terms of access to goods, foodstuffs and resources. Bundled in an opaque package called transition, it is as I heard one individual quip ‘Do you know what socialism was? The long road from capitalism to capitalism’. Or one might alternatively respond, ‘from peasantry to peasantry’.

### **Peasant theory & history**

*Peasants are never rulers, only ruled (Wolf 2001, p240)*

In his earlier work, Hann (1985, p10) admitted that it was impossible to specify at which point the peasantry gave way to farming, but attempted a definition of the peasantry, reducing it to three classes:

- 1) It is a numerically dominant but politically passive section of pre-industrial states, and is part of an immobile and closed society.
- 2) Family, not machines, are crucial to the peasantry. Family work to satisfy wants and needs (by traditional cultural standards), not profit. Generally, a different or changing economic environment renders them relatively insensitive to changes in market prices.
- 3) Given socio-political and economic characteristics of the peasantry, it can be concluded that the necessary condition for it is psychological. Land was family property, but collectivisation was the demise of the peasantry throughout Eastern Europe.

As post-socialist studies in Eastern Europe show though, the peasantry are not relegated to the past as a part of a ‘pre-industrial society’ but are able to re-appear given certain economic conditions. Further, collectivisation was not the full demise of the peasantry. In Macedonia, while we can say that



collective farms did not exist as they did in neighbouring Bulgaria and elsewhere in Eastern Europe, land was initially collectivised and a traditional way of life was greatly compromised and altered. Yet, as Hann points out with Poland, who had a similar experience to Macedonia and the former Yugoslavia in terms of not realising full collectivisation, a peasant mentality remained because land was largely left to private ownership and utilisation, but with the option to work in the socialist sector (ibid). While he suggests that the problem was one of establishing a genuine market environment for agriculture given a lack of production incentives, agriculturalists were in fact left to operate with greater autonomy than in either the rest of the more fully collectivised Eastern Bloc or Soviet Union, and were able to maintain their own plots of land.

Yet Hann wrote of their egalitarian kinship based society: ‘A peasant does not combine formally...with other peasants to achieve his goals, though the goals...might be identical, and an observer could point out that the needs...might be better satisfied if some collective pressure were applied. In practice there is very little economic cooperation outside a narrow circle of kin’ (p 91). Indeed, in ‘Worker Peasants in the Three Worlds’ (1987), Hann discusses how family farms, particularly part-time ones such as those which existed during Yugoslavia and after, were so resilient: kin relations have been at the forefront.

I do not intend to debate who qualifies as peasants but to stipulate that I believe, like Teodor Shanin (1987), that a peasant existence has and continues to represent the majority of humankind, and that in the Tikveš wine region the demise of profitable grape growing has returned some of the population there to ‘the peasantry’. I only include some of the population because this existence fluctuates with the economic winds—immersion into a strong economy lessens the peasant nature of a group of people; exclusion or the absence of such an economy brings individuals back into the peasant fold. Contemporary peasant families and communities may be a dual mixture of individuals working the land, a trade or in factories (when the opportunity arises). What differs among peasants are the extent to which a hierarchy arises, creating clashing classes and values. As Wolf (1966) describes of this ‘peasant dilemma’, ‘the perennial problem of the peasantry thus consists in

balancing the demands of the external world against the peasants' need to provision their household' (p15).

Indeed, peasants flow both in and out of the wider society and marketplace. Despite their economic and political subordination, they have a good degree of independence in terms of controlling land and labour. By controlling their means of production, they are therefore able to operate in a dual fashion—providing for others by selling off surplus goods when times are good, and sustaining themselves in times of trouble. Although anthropological research has focused on this ability to move between worker and small-scale producer of goods for trade, several scholars disagree with the notion of the peasantry as a clearly distinguishable class (Harris 2005). Instead, the likes of Sidney Mintz (1986) and Eric Wolf (1966, 1987) discuss how peasants are in fact always being reconstituted in different times and space, which is precisely what I assert here.

In order to sustain themselves, Wolf (1966) distinguishes between different kinds of 'funds' which the peasant has to produce. The first and most basic is the need to have something to eat and stay alive. Peasants must also repair or replace their equipment and tools, and often to supply seeds for their crops. These two 'funds' form the basis for peasant reproduction and the creation of a surplus—that which they sell or trade with. However, cultural differences influence what is considered sufficient for present consumption and what is deemed surplus. Surplus is a primary consideration in day to day activities, 'yet in meeting this root problem peasants may follow two diametrically opposed strategies. The first of these is to increase production; the second to curtail consumption' (Wolf 1966 p15). There are two kinds of extra surplus provisioning: a fund for festivals, feasts and celebrations, and a fund for rent—the paying off of debts with money or goods. This debt distinguishes peasants from other independent cultivators, such as tribes-people, because this is how political control is exacted and a social hierarchy created; 'the peasant's loss was the power-holder's gain' (ibid p10). Peasants are therefore defined by Wolf as 'rural cultivators whose surpluses are transferred to a dominant group of rulers' (p3-4). In times of economic hardship, the peasant family can generally adapt by reducing the amount produced for its funds, and can diversify its crop production for

domestic consumption. So long as it can hold onto the land and resources which form its base, it will be able to return to viability at a later date.

While Hann (2006) says that the ingenuity with which people adapt in times of instability is often a reflection of their traditional ways of viewing the world, Wolf (2001) believes it is more so a reflection of economic reality—goods bought must be functional in peasant life, and goods sold must be ‘cheap, easily transportable and adaptable to the limited capital of the seller’ (p151). What both Hann and Wolf have seen, however, are changes in loyalties. Loyalty lasts only so long as there are incentives and relationships at stake. Wolf observed this in the corporate peasant communities of Latin America where there was, similar to Macedonia, a dualisation of society into a ‘dominant entrepreneurial sector’ and a ‘dominated sector of [native] peasants’ (p154). He saw that, from the point of the view of the former, the peasant sector remained most of all a labour reserve in which labour could maintain itself at no cost to the enterprises.<sup>25</sup>

I insist though that there is a culture clash between the two groups Wolf mentions. While peasants must keep a balance between their own resources and the ‘resources in people’ (p155) to whom they must maintain access through customary behaviour, such social relations among an entrepreneurial business class are less important and more fluid given their economic strength. This is a double-edged sword against peasants, who are thus subject to the cut that merchants take and their at times authoritarian influence and ruthless behaviour. Yet the symbiosis occurs as a result of the fact that peasants and agricultural production feed the urban population, and the latter cannot survive without the former.

As Wolf (2001) points out, in studying peasants-cum-rural producers, we must therefore be cognisant of how outside factors affect the world they inhabit, and how that world is organised into the larger socio-cultural whole. A significant difference between the urban merchant and rural peasant ‘classes’ is the extent to which peasant families do accounting in terms of labour. Increases in output and restrictions of consumption are carried out by

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<sup>25</sup> In Tikveš, even grape growers have expressed this—they know they will continue to work because they have to do something, and grapes are what they know.

the nuclear family, leaving the grower not entirely sure of where his income comes from in his capacity as a worker. In consideration of the entire family's labour, the family 'does not know how much its labour is worth' (p203). Even Alexander Chayanov, the late 19<sup>th</sup> century Russian agricultural economist, saw that the prevailing concepts of economics that explained the behaviour of the capitalist entrepreneur did not apply to the peasant family who rely on the labour of their own family members (Kerblay 1987). 'Labour, proportionate to the size of the family, is the stable element which determines the change in the volume of capital and land' (p78).

For socialism to fledge, the peasantry had to either be removed from the land or collectivised. Yet the concept of 'petty commodity production' helps shed analytical light on the study of peasants and their labour. The phrase refers to economic activities intended to generate income from market sales and in which there is a low capital investment and little dependence on hired labour, helping reveal the economic relationships involved (Harris 2005). Petty commodity production shows that peasants can be both 'capitalists' (owners of the means of production) and 'workers' (labourers who work for themselves). Their dilemma is navigating and dealing with the various demands on them, which can be dealt with in different ways depending on the time and circumstances. The availability of land, labour and capital, such as getting credit through patrons, are just some factors that affect their livelihood and adaptability. Most of all, however, it is the peasant valuation of labour in terms which are alien to the calculations of the market that gives them flexibility.

### **Today's reality in rural Macedonia**

I use the term peasant because I see the grape growers of Tikveš as increasingly subject to the kinds of ruling classes, such as money-lenders and middle-men that characterise the 'classical' peasantries, and more so returning to a subsistence form of economic agency. Yet as I have suggested, this thesis incorporates the role of the state, and how it exploits the agrarian

population<sup>26</sup>. The combination of factors such as these inevitably makes my project a study of the plight of existence in contemporary Tikveš, rural Macedonia and other parts of the Western Balkan region.

At the crux of my thesis lies the contention that while individually farmed plots of land (covered primarily with vineyards) in Tikveš continue to exist—and exist to supply the former socially owned enterprises (SOE) turned private wineries with grapes for the country's number one beverage export, wine—they are already undergoing a relatively quick transition whereby grapes are unpaid for, wineries want to own and manage their own vineyards, and growers are giving up and abandoning or replacing theirs. For all of the talk about making the transition to a capitalist, free-market economy with greater prosperity for the country and its people, socio-economic factors combine to render much of such rhetoric comical propaganda at best, and more realistically catastrophic for growers', their families' and their communities' livelihoods, standards of living and outlook. In short, they are becoming poorer, less satisfied with life and less optimistic. Fortunately, the land is fertile and the people are industrious and practical, yet the state and special interests will continue to exploit them with the knowledge that the rural, agrarian mentality is one that is seasonal, circular and always working for 'bread' (*leb*). Growers can continue to do this on their individual plots of land, but they will decry privatisation as they transition to a self-subsistence, barter and cash(less) economy<sup>27</sup> while the ruling elite go the other way.

Such a 'return to the peasantry' means that socialism has clearly been laid to rest and that the socio-economic ties and organisation that bound rural people to the central government's agricultural and economic directives have largely faded into the past. Essentially, what is occurring is that grape growers in Tikveš must move away from grape growing in order to grow

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<sup>26</sup> Ironically and interestingly, until recently the verb 'to exploit' in Macedonian, *eksploatira*, had been benign. It had been used in tourism brochures to explain how many natural resources the country has for the taking, among other things. Only recently has it become a word associated with something negative, as its noun form *eksploatacija* has been used to describe many of the ills of the post-socialist, 21<sup>st</sup> century world: privatisation, corruption, theft, human trafficking, sweatshop-like employment, etc.

<sup>27</sup> This in contrast to the government supplied inputs and income provided by wage labour during socialism and after, which allowed individuals to 'slough off' the state (Lampland 1995).

other crops which they can consume and/or sell, or to find work for which they will ideally be paid enough to keep their families properly fed and clothed. By my examination of life in Kavadarci and the region, I demonstrate how people have set about breaking from their association with the country's wineries (and the tradition of supplying them) both literally and psychologically while nevertheless pointing to the trials and tribulations that have arisen after decades of multi-faceted political and economic support from the former Yugoslav turned independent Macedonian state. Therefore, this transition is not one that is just political, economic, indefinite and seemingly to nowhere certain, but an alteration to the nation's psyche and through severance of government ties, one whereby the state has lost legitimacy in the eyes of many (though power and authority it increasingly maintains).

In an attempt to frame the current situation it is necessary to consider the rich past of the Macedonian region of Tikveš. I do so because an historical basis allows me to provide evidence that there are fundamental elements in the continuity of southeast European cultural life that link 'new' economic systems and the habitus of economic life to those which have existed before. However, most of the information I intend to link to the present situation has not so much to do with grape growing life and practices but with present commercial pursuits, and economic, political and power structures which comprise the region's various 'transcripts' (Scott 1985). For although agriculture makes up the base of the local economy (as it does the country's), there are large percentages of Macedonians in Tikveš who work in a variety of occupations, and all must continue to make ends meet. They do so through adaptation and entrepreneurship, but a renegotiation of kinship relations as well.

As for the businesses they work for, some are long established but others new. Kavadarci, for example—a town of some 30,000 inhabitants—has an industrial zone with factories and facilities for metals, cigarettes, nickel smelting and food production, as well as myriad registered companies involved in the international trade and shipment of these items, namely

trucking companies<sup>28</sup>. There are also the local shops and businesses providing everything from pharmaceuticals to gambling outlets to groceries to technology, not to mention the recent spate of used car importers and the niche business they have created (as discussed in Chapter 6). In short, Kavadarci is the informal ‘capital’ of the region, and thus contains the bulk of its wealth, economic diversity and most of the government jobs in ministries, schools and other institutions, not to mention agricultural suppliers and of course wineries.

Yet by the same token, it is not only those who label themselves as agriculturalists<sup>29</sup> who are doing the grape growing, it is the schoolteacher, secretary, merchant, doctor or even parents of the Mayor who tend to family land outside of their town or village. What separates these individuals from the agricultural production of the past is the unravelling of governmental inputs in the form of tractors, tools and payment for crops, and jobs with guaranteed pay, healthcare and thus overall security. Concurrently though, there is the privatisation process and corruption alongside it. By corruption I mean not just the willingness of an individual to take a bribe or do a favour for one person and not another and profit off of it, but the societal climate of disregarding rules and regulations, and using connections to get the latter changed—to ‘liberalise the economy’. Thus to borrow from Wacquant (2009), there are corrupt forces outside of and within the government who are ‘punishing the poor’ with a paternalist program of increasing then penalising poverty, all of which aims to curb the maladies brought about by economic deregulation while imposing precarious employment conditions on the ‘post-industrial proletariat’. This *is* corruption, and one aspect of the post-socialist transition in Tikveš.

The result of this is the oft-heard ‘suffering’ (*maka*), ‘misery’ (*mizerija*) and ‘catastrophe’ (*katastrofa*) for those who remain in Tikveš, but there are also shifting paradigms which mean that Macedonians are engaging

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<sup>28</sup> Trucking companies (*špedicii*) have been an unusually popular post-socialist business enterprise in my experience. I know many individuals who own trucks, and slowly accumulate one after another in order to ship goods throughout the Balkan region. I assert that this has to do with the number of Macedonians employed as *šoferi*, or drivers, during socialism. Indeed, I have met many who drove goods throughout Central and Eastern Europe, and others who delivered to the Middle East, namely Turkey and Iraq.

<sup>29</sup> Farmers in general are called *zemjodelci* and grape growers, *lozari*.

in opportunities not available since before World War II, if they ever were. These include going abroad for education, establishing larger companies in the international produce industry, as well as working on cruise ships, in Dubai or as airline flight attendants<sup>30</sup>. I even have a former student, a trained soldier, who works in Iraq for an international security firm<sup>31</sup>. Most of these positions are not enviable, but what they provide are opportunities to live, work and travel abroad, primarily throughout Europe, North America and Asia. The Macedonian diaspora is therefore once again growing, as it did prior to socialist Yugoslavia, and ultimately this is resulting in the re-creation of Macedonian identity—from the Yugoslav era notion of a historical ‘folk’ (*narod*) to the 21<sup>st</sup> century’s global individual.

Given the lack of opportunities for young people, the ‘brain-drain’ occurring is in fact a significant problem for the country, with some estimates claiming that around one-fifth of the country’s total population (or 450,000 Macedonian citizens) had migrated out of Macedonia by 2010<sup>32</sup>. The real figures about the brain-drain are hard to come by as the last census was in 2002, though if this trend continues Macedonia will not have the human capital to grow the economy, create jobs and collect taxes. All that would be left in Macedonia would be pensioners, public sector employees and some small businesses, making this trend unsustainable in the long-term.

Indeed, Macedonians have been free to travel within the EU’s Schengen Zone since 2009 and those of means are often keen on taking holidays in the eastern Mediterranean. From Greece to Turkey to Israel to Egypt, Macedonians have fanned out from their little corner of southeast Europe in search of opportunities within a neoliberal world system that is radically different from that of their parents’ generation. Macedonians and other citizens of the former Yugoslavia admittedly had far more freedom during socialism than their neighbours<sup>33</sup> and others within the Soviet socialist system. Yet what the past two decades’ transition has meant is not only that there is a pre-socialist connection (re)established, but that it is being

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<sup>30</sup> Qatar Airways advertises and recruits Macedonians regularly for such positions.

<sup>31</sup> Three years after teaching him, I ran into this student in the Istanbul airport in May 2012. I was flying home to Chicago, he eastward to Baghdad.

<sup>32</sup> [http://www.kapital.mk/mk/makedonija/86747/447\\_000\\_lugje\\_se\\_iselile\\_od\\_zemjava\\_makedonija\\_vo\\_grupata\\_so\\_najmnogu\\_emigranti!.aspx](http://www.kapital.mk/mk/makedonija/86747/447_000_lugje_se_iselile_od_zemjava_makedonija_vo_grupata_so_najmnogu_emigranti!.aspx)

<sup>33</sup> Namely Albania, Bulgaria and Romania



done largely outside of a politically imposed, non-historical Balkan phenomenon—the former Yugoslavia’s authoritarian political and economic system.

While it is difficult for an ordinary citizen to take advantage of such opportunities—finances, and all that money can buy, being the main obstacle—today’s political system does not prohibit Macedonians from engaging in international opportunities. In fact the government seeks support from its large diasporas in the US, Canada and Australia, and has growing diplomatic representation in those countries and others. Like the influential Greek, Albanian, Turkish, Armenian and other diasporas in the US, some Macedonians there are fervent nationalists, expressing their opinions and lending support through marketing campaigns, lobbying groups<sup>34</sup>, financial contributions to Macedonian political parties and, as of 2011, being able to vote in the nation’s parliamentary elections from Macedonian consulates and embassies around the world. Through such support, and a combination of post-conflict power struggles over political and economic power within (and outside of Macedonia with nearly all of its neighbours), the current (and re-elected in 2011) governing party, VMRO-DPMNE<sup>35</sup>, has harnessed domestic and international Macedonian support to complete a project known as ‘Skopje 2014’. This will be discussed at greater length in the thesis conclusion, but it is essentially a government led, nation and identity building mission on a grand scale.

### **The problematic transition**

Although the term ‘transition’ tends to be most associated with that of post-communism in Eastern Europe since 1989, I wager that there has been a much longer transition occurring, particularly in the former Ottoman lands of Southeast Europe. A century ago (1912) the First Balkan War broke out,

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<sup>34</sup> The United Macedonian Diaspora (UMD) in the United States.

<http://www.umdiaspora.org>

<sup>35</sup> VMRO stands for ‘Internal Macedonian Revolutionary Organization’, DPMNE standing for ‘Democratic Party for Macedonian National Unity’. VMRO though is a name which dates back to the self-proclaimed rebel-terrorist group who sought to draw attention to Ottoman Macedonia’s plight in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. The party in Macedonia is called *Vnatrešna Makedonska Revolucionerna Organizacija—Demokratska Partija za Makedonsko Nacionalno Edinstvo (VMRO-DPMNE)*.

which led to the Second Balkan War and then World War I with the assassination of Archduke Ferdinand in Sarajevo. These conflicts and the power shift that resulted created a geographical, political and economic ontology defined by the powerful West. Unique to the Western Balkans though is that a dangerous blend of ethno-nationalism tore the region apart throughout the 20<sup>th</sup> century and continues to threaten its stability.

Therefore, while neoliberal capitalism has moved full-steam ahead in the region, it has done so alongside tumultuous political conditions. Yet to make matters worse, there is the corruption, greed, inequality and illicit nature of privatisation, which thus characterises the transition as problematic, filled with ambiguity and potentially destabilising. Further, the use of the term 'transition' bears asking how long does this last and to where are they transitioning? Is it as Creed (1998) found in Bulgaria in the 1990s, a situation of 'always in transition', or is there an end to it? And what will justify that end? I address this in the conclusion, but if we look at the West and its obsession with consumption, new trends, personal economic gain and the like, the outlook is not a positive one. The equality of post-WWII governance, from Europe to the US, seems to be increasingly a thing of the past. Instead countries and people are riddled with increased expenses and debt, unemployment, and thus overall uncertainty.

In rural Macedonia things seem all the more unpredictable. European integration, as I assess in Chapters 3-6, alongside the government's resolute stance against compromising on the 'name issue' with Greece while that country seems to disintegrate into austerity measure induced depression, makes Macedonians sincerely wonder what path they are on. The slow transition in Macedonia initially, as a result of the conflicts elsewhere in the former Yugoslavia and due to the consequent wealth of money and NGOs which poured into the small country, have made the road to the 'free-market' a slow and less intimidating one. Furthermore, the legacy of socialism has held strong in terms of governance, bureaucracy, lustration (or a lack of it) and thinking, while neoliberalism has set a different course for the country's economic, political and social agenda.

A tug-of-war between such systems working simultaneously does function however, for although the socialist system has been nearly

annihilated, a lack of lustration means that many bureaucrats of the previous regime (or their offspring) remain in high positions, and regardless there has to be *some* sort of system in place. But merit, for example, plays little role in one's success, and this applies to not just government but law, higher education and medicine—an increasingly frightening reality when you need the attention of a qualified medical doctor at the hospital but have instead an individual who seldom attended classes and paid to get the best marks on his exams<sup>36</sup>. Concurrently, the less connected rural inhabitants of the country must scramble to find sufficient money and resources with which to keep their families fed and provided for. To borrow from the graffiti seen round Kavadarci, I consider this new economy one of 'surviving, not living'<sup>37</sup>.

In terms of repeasantisation, it must not be considered only part and parcel to processes of land ownership and cultivation, but also to the diversification in the rural economy engendered by the indirect internationalisation of true local market (*pazar*) economies. While there is the ideal (or perhaps just rhetoric) of new varieties of goods and jobs in the economy, the down side and reality of the matter is that these new (non-food) goods are often of poorer quality than those found in neighbouring EU countries, more expensive and are likely older in terms of the year they were produced. Such as during the Ottoman era when Rossos called the region 'a dumping ground for agricultural surpluses and manufactured goods' (2008, p71), so it is today where unsafe, non-EU standard products (or those meant for that market but which were rejected), from toys to pharmaceuticals to foodstuffs, are dumped in Macedonia and sold. Toxic toys or peanuts (produced using illegal, harmful pesticides) or unapproved medicines make their way daily into the marketplace and consumers' homes. But in the grand scheme of things that's hardly a worry for most Macedonians. What is a concern are the indirect, hidden forces at work on their livelihoods and communities, which make the local market a microcosm for what is occurring on the larger level.

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<sup>36</sup> This is a phenomenon of the post-socialist system of higher education, so one would be wise to choose an older doctor over a younger one.

<sup>37</sup> *Nie preživuvame, ne živeame*

While the bulk of my thesis deals with grape growers and the wine industry they support, it is those who do not work in agriculture but whose livelihoods are intricately tied to it that emerge at times as equally vulnerable to the plight of privatisation and the deleterious consequences of the transition. I refer here to those working anywhere from bakeries to shops to hospitals, as in many cases these individuals provide products or services which require the capital of the majority of the economy's inhabitants, namely grape growers. When the latter have no money to spend though, they drag down the entire economy or create separate economies impenetrable to those with fewer means. The majority of such non-agricultural workers are often poorly paid and paid unpredictably, yet doctors and nurses may earn little more than someone working in a shop, and both may have their pay held in arrears. Some may have a salary of 150 euros per month, others 300-400, but what many have in common is that someone is holding back on actually paying them. This withholding of pay or paying off debts then becomes endemic, because one person withholding means someone else connected to them does not have the income to pay someone they owe, and so on. But at the top, someone else is using that capital to essentially subsidise their own interests, or 'line their pockets' so to speak. As I discuss throughout this thesis, this is certainly the case in agriculture as well yet this ambiguity surrounding responsibility for the transition and the illicit dealings and degradation of life it has caused is really the dark cloud over Tikveš.

The result of this is that many people have taken to planting and growing produce for their own families as well as for sale at the market. It has become well known in Kavadarci and other agricultural towns in fact that the outdoor markets, limited in stalls and space, have grown beyond their means. Vans and trucks open up on the side streets, selling illegally but hoping to make a living as those in the market itself have done for so long. Yet is that not the idea of the 'free-market'? Ironically, although specialisation is a main-staple characteristic of capitalist economies, one could argue (as has Creed, 1995) that the professional variety has thus narrowed in the past decade in the post-socialist world (though food aplenty there is for sale).

Kinship and family interaction though have taken on entirely different and contrasting meaning in post-socialist Tikveš. There is greater dependence on family than there was a decade or two ago, as salaries are uncertain for those who have jobs, and most young people have no employment at all. Kin must therefore chip in and work together but they do so in an environment of insecurity and uncertainty. I address this throughout my thesis, but certain family members must strike out and do what they can, and one's character and personal connections often come into play here. Being married locally and knowing Americans and other foreigners, including the Israeli manager of the local ferronickel smelting operation, Feni Industries, I was sought out for connections and favours just as any family might seek out the same from others. This 'economy of favours' (Ledeneva 1998) is further discussed in Chapters 4 and 6, but must be fully taken into consideration when attempting to better understand the local economies that exist in Tikveš.

As inferred earlier, an obvious alternative to such a life (particularly among the young) is that of moving elsewhere for work. Macedonians have a long history of doing so, hence the oft-heard statistic that there are just as many Macedonians living outside of the country as there are within (2.1 million). They have gone and returned as *pečalbari* or *gastarbeiteri*, both terms referring to those migrant workers who go off for sometimes years at a time but always with the intent to return to their homeland. Locals often go where they know someone else, thus diasporic groups from one town in Macedonia have formed in another specific town or country. For example, Macedonians from Kavadarci are by and large either in the Patterson, New Jersey or Dusseldorf, Germany, while those from Bitola and Ohrid (southwest Macedonia) are known to be in Melbourne or Sydney, Australia, Detroit, Michigan or Toronto, Canada. The eastern Macedonia diaspora, such those as from the town in which I lived as a Peace Corps volunteer (Delčevo) was a bit closer to home: Turin, Italy.

Yet despite this legacy of diaspora, I argue that Macedonians are worse off today than they have been in quite some time. Granted there have been no recent devastating wars, of which there were many in the first half of the 20<sup>th</sup> century when the Macedonian diaspora first formed due to an exodus

of individuals, but rural Macedonians are paralysed by visa regimes alongside inflation and constrained finances. Despite television and computers, the modern world seems as foreign and distant as ever, a place where many young rural individuals might dream to be but cannot fathom getting to. Merely completing the paperwork and securing the money to apply for a foreign visa seems an overwhelming task to many I met<sup>38</sup>, for although their families struggle at home, the resources a family provides are compensation in another form. While not easily quantifiable, the family network includes labour, shelter, connections, protection, as well as economies in which to interact and seek out goods, opportunities and services—even if in limited fashion.

In Chapter 1, I introduce the Tikveš region but also discuss anthropology in and of the country and the greater Balkan region, including a general anthropological literature review of the former Yugoslavia, Greece and Bulgaria. I then discuss the geographical setting and local history, and how it has contributed to the customs and character of the inhabitants of Tikveš. Lastly I discuss the home and in reflexive form, gender and being male and a son-in-law in Tikveš, and how the male and female spheres differ within and outside of the house. In doing so, I hope to foster a stronger sense of the region and my life within it.

In Chapter 2, I focus on the notion of *'katastrofa'*, which encapsulates the precariousness of economic life in Tikveš. I use this opportunity to address and explain my use of the notions of privatisation, neoliberalism and transition.

In Chapter 3, I discuss the history, traditions, land and labour associated with grape and wine production. This includes the habitus of the region and its inhabitants, the grape types grown in Tikveš, shifting forms of production—both in the last decade and century, pricing, purchasing, subsidies and notions of the state's role in the industry. Lastly, as a preface to Chapter 4, I discuss the emergence of the 'wine mafia', privatisation and the crisis since 2008.

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<sup>38</sup> I often discussed (im)migration as an option with younger individuals I met in the field.

In Chapter 4, I discuss in greater detail the effects of privatisation and the players in the wine industry, calling upon conversations with a variety of them, including wine producers and grape growers, as well as the middlemen between them. For they are the special interest groups in this situation, and the chapter is meant to not only explain the transformation but investigate the factors behind the region's radical transition and the affect on these groups. Therefore, theoretical issues concerning neoliberalism, rule of law, democratic versus authoritarian governance, and state legitimacy are incorporated.

In Chapter 5, the region's future under EU agricultural policy, the market for its wine, and its (re)development by international foreign development agencies (namely European and American) is discussed. I do so primarily through a review of the Instrument for Pre-accession Assistance for Rural Development (IPARD) programme—how it is being advertised and implemented, who is using it and the projects realised. Leading into Chapter 6, I discuss the need for connections to take advantage of the IPARD, and the incompatibility of development programmes such as the IPARD with the needs and perceptions of growers, as well as how the neoliberal project fails to consider how it must incentivise individuals to become incorporated into it, as merely expecting them to become entrepreneurs is unlikely.

In Chapter 6, I discuss survival and entrepreneurship, as well as how everyday hospitality, sociality and reciprocity are shifting because of the region's economic transition. This conversation incorporates the con-social exchange among kin-neighbours in particular, and illustrates how 'economies of favour' are interspersed in such relationships.

Lastly, in the thesis conclusion I present a synthesis of the transition in Tikveš, and its effect on Macedonian identity there. I include in this discussion notions of not just privatisation and development, but power, inequality, and the intersubjective, lived experience of this transformation. I discuss to where the wine region and country seem to be heading and what options the country and wine region have as a wine producer, among other things.

This thesis is therefore a compendium of my thoughts, observations and experiences after not only a year and a half of fieldwork, but on top of

several years spent living elsewhere in the country. What began at university as an interest in both Mediterranean societies and post-socialism has serendipitously morphed into a place and life in which I have been immersed beyond my wildest dreams. Through such work, life and marriage, I have learned and experienced over these years more than I could ever put into words. Yet it is my hope that the reader will find my interpretation and presentation of life and culture in Macedonia generally, and Tikveš specifically, to be food for thought at least, and perhaps enlightening in terms of gaining a clearer understanding of what is occurring in this near Mediterranean, former Yugoslav, pre-EU, Balkan nation—as if that doesn't say enough right there.



## Chapter 1

### Timeless Tikveš: an anthropology of the region's people, land and life

#### Introduction: Anthropology in Macedonia

Like many regions and places of the world, anthropology in and of Macedonia and the Western Balkan region has held a unique position in both the eyes of the examiner and the examined. Modern anthropology barely exists in the region except for the political genre of ethno-nationalism, for which there has been a deluge of research since the violent dissolution of Yugoslavia in the 1990s. When I went to meet with some ‘anthropologists’ in early 2011 at the recently renamed Institute for Ethnology and Anthropology<sup>39</sup> in Skopje—most of them older faculty members who indeed only know their discipline to be ‘ethnology’ (*etnologija*)—they were delighted to hear that my research was not on the cliché topic of ethnic or national issues in Macedonia.

But indeed, use of the word *antropologija* in Macedonia is a recent one, and there was only one faculty member, the young Ljupčo Nedelkov, who seemed at all understanding of what I was interested in pursuing through my research. The other professors (with whom I sat drinking brandy at 11am on a weekday during term), were in fact used to discussing the long taught ethnology of the country—a discipline which has led to a wonderful categorisation of the peoples’ traditional dress and dances, architecture and artefacts via ethnographic research and archaeological excavation. However, the discipline is otherwise a very general description of Macedonia’s cultures, established to suit the nation (*narod*) based project of the former Yugoslav government<sup>40</sup>.

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<sup>39</sup> *Institut za etnologija i antropologija*; previously the ‘School of Ethnology’ (*Etnološki fakultet*)

<sup>40</sup> During the Yugoslav era the respective republics and some of their religious minorities (eg, Muslims) were categorized based on their national status. Therefore, the ‘Macedonian people’ were the *Makedonski narod*, Serbians the *Srpski narod*, Bosnians the *Bosanski narod*, though the Muslims of the federation were called *Muslimani* in general, and within different regions various other names. For example, in Bosnia they are known as *Bošnjaci*, in Serbia they are either the Albanians (*Albanci*) or the Slavs who converted to Islam called *Gorani*, which in Macedonia are called *Torbeši*. For more on this complicated yet

British visitors to the region have long written about the generally friendly and hospitable nature of the people there, but did so through various time-sensitive, political lenses. A century ago they wrote about the Ottoman regions of Europe, Macedonia being a large and cosmopolitan part of ‘Turkey in Europe’ (see Appendix 1, Figure 1). The exoticism of Ottoman life, particularly the harems of the empire’s nobility, led to a fascination with the region given its close proximity to Western Europe<sup>41</sup>. However, even foreign visitors got caught up in the region’s political divisions. Edith Durham (1905), who vehemently criticised the monarchical Yugoslav state as it developed and referred to the Serbs as ‘vermin’, was held in high esteem by Albanians, and was not only close with the Albanian people (including the exiled King Zog) but lived among them as a ‘sworn virgin’—a woman who dresses as a man and whose female gender is therefore largely disregarded<sup>42</sup>.

The politics and history of the time are perhaps best covered by historians<sup>43</sup> but the most interesting, widely publicised exposé of the Balkans came not from an anthropologist nor a historian, but the journalist and travel writer, Rebecca West. Travelling through the Kingdom of Yugoslavia from 1936-38, she wrote vividly in her massive work *Black Lamb and Grey Falcon* (1941) of the region’s peoples, land and history, considering all to be the heart of historical Europe. However, whereas Durham’s relationships and writing are seen as pro-Albanian, West’s are seen as pro-Yugoslav and Serbian. Nonetheless, her text, at over 1,200 pages in length, remains a window to the times: the post-Ottoman inter-war years in which 19<sup>th</sup> century nationalisms were being incorporated into the monarchy—whose legitimacy was fragile and which eventually lost out to the communist victories of World War II.

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fascinating aspect of anthropology and Islam in the Balkans, refer to the works of Frances Trix (1993, 2008), Tone Bringa (1995) and David Henig (2009, 2012), among others.

<sup>41</sup> The ‘Ottoman’ foot-rest stool, used in Macedonian households to this day for guests to sit at around a low-level coffee-table—and not for propping of the feet by any means—come from this era, as did what were deemed the lewd dancers of places such as the *Moulin Rouge* in Paris, given the 19<sup>th</sup> century interest in the Orient.

<sup>42</sup> A tradition which although rare, still exists to this day.

<sup>43</sup> Although anthropologist Keith Brown (2003, 2013) does an excellent job of using archival work to dissect just what was occurring in one Macedonian town in 1903, at the time of the famous *Ilinden* (St. Elijah’s Day) uprising and the notions of loyalty surrounding the revolts there.

Another adventurer's writings of the 1930s' are those of Olive Lodge, who compiled an ethnography of the vast region of what was then 'southern Serbia', which included not only Serbia, but Kosovo and Macedonia as well. In fact, he includes no bibliography to his text *Peasant life in Jugoslavia* (1942) because 'the contents of the book...are the result of field work—my own wanderings all over Jugoslavia, getting to know peasant and town dweller, studying old customs and ceremonies' (p24)<sup>44</sup>.

In terms of academic work in the region, the prolific writing of Eugene A. Hammel includes research on social structure, networks and kinship, primarily among the industrialising peasantry in 1960s' Serbia. Joel Halpern has also written extensively about Serbia and the former Yugoslavia; and although his more well-known works focus on the 1990s' conflicts and their aftermath, he also authored the text titled *Yugoslav social structure and demography* (1982), and earlier articles on the modernising Yugoslav countryside and *zadruga* social structure, as well as migrant labour (*pečalba*) traditions<sup>45</sup>.

Although about northern Greece, sociologist Irwin Sander's work *Rainbow in the rock: The people of northern Greece* (1962) provides an insightful look at a Greek speaking village in western Macedonia, just 50 miles south of the border from the Republic of Macedonia in what is a traditionally diverse region near Lake Prespa—a lake shared by Macedonia, Greece and Albania. The region has in fact been at the centre of Macedonian refugee claims to ancestral lands, and is the subject of Greek anthropologist Eleni Myrivili's research. She wrote her doctoral thesis *The Liquid Border: Subjectivity at the Limits of the Nation-State in Southeast Europe* (2003) precisely on the Prespa area, outlining the competing yet overlapping ethnic groups, discourses and power structures there. Far more contentious was the text *Fields of wheat, hills of blood* (1997) by another native Greek, Anastasia Karakasidou. It evocatively combined archival research, life histories and personal knowledge to describe the Greek nationalist assimilation project of the inter-war years, and explained with great precision how the portion of

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<sup>44</sup> The book is dedicated 'To the spirit of Kosovo' and includes appendices on everything from historical dates to market days in 'chief towns' to maternal and infant mortality rates to songs and toasts to traditional recipes.

<sup>45</sup> Both are available online at [http://works.bepress.com/joel\\_halpern/](http://works.bepress.com/joel_halpern/)

Macedonia which lies in northern Greece was Hellenised through propagandistic policies and laws coming from Athens, and their consequential draconian implementation and forceful assimilation on the ground<sup>46</sup>.

Tone Bringa's text on gender and household in Bosnia, *Being Muslim the Bosnian way* (1995), is not only a wonderful ethnographic text, but one which came at the end of Yugoslav rule and is thus a window into that era and the region's violent break up. In discussing neighbourly relations, identity constantly surfaces given her village's Catholic and Muslim population and helps to reveal the tensions surrounding the radical transition that began there two and a half decades ago.

Contemporary work on Macedonian identity and nation includes that by Keith Brown, whose main text *The past in question: modern Macedonia and the uncertainties of nation* (2003), I call upon later in this chapter. Loring Danforth also wrote a text on Macedonian nationalism (1995), and his most recent text (2012) is an investigation into the evacuation programs enacted during the Greek civil war and how they affected the 38,000 Macedonian children who were displaced by them. Andrew Graan (2010, 2013) focuses on post-conflict identity and nation-building, and how notions of image are incorporated into the 'nation-branding' process. Last but not least is Hugh Poulton's text on the diverse peoples of Macedonia, which seeks to answer the 'Macedonian question' and is in fact titled *Who are the Macedonians?* (2000)—a simple question which garners continued consideration yet which has no simple answer.

Native researchers in the region whose work I have come across include Milenko S. Filipović, whose ethnographies—conducted over several decades from the 1930s through the Yugoslav era—were mostly written in the author's native tongue<sup>47</sup> and Jozo Tomasevich, whose major work is *Peasants, politics and economic change in Yugoslavia* (1975). Ljupčo

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<sup>46</sup> The author's father was an Anatolian Greek, forcefully re-moved to Aegean Macedonia during the 1920s' population exchanges. A professor at Wellesley College in the USA, Karakasidou received acceptance then rejection by Cambridge University Press (which changed their mind due to feared political ill-will from Greece) and several death threats upon eventual publication of the book.

<sup>47</sup> Although an English compilation was put together and published in 1982, with the assistance of Eugene Hammel.

Nedelkov in Skopje wrote an insightful explanation of Tikveš birth traditions, which I call upon in the next chapter.

What one can deduce from this literature is that although the region has not been front and centre on the world stage (nor Western governments' interest in it), there has been little contemporary anthropological research done there. Yet there has been an ongoing fascination with and interest in the peoples and places of the so called Balkans, and the roles they have played in the last century. For the Balkans and southeast Europe have sat at the intersections of Europe and Asia, West and East, as well as time and space: pulled to and fro by competing external and internal interests, the region is an amalgamation of cultures, religions and traditions, as well as political and economic systems. Whereas the modern nation-state formed in Western Europe in the 18<sup>th</sup> century, it was not until a century later that it did so in the Balkans. Yet the diasporas of the region's inhabitants, be they Slavic, Greek or Albanian; Christian, Jewish or Muslim, have left an indelible footprint on the Western world in the 20<sup>th</sup> and into the 21<sup>st</sup> centuries. They are a people who have spread far and wide, and subtly but surely played a role in the modern world. For indeed, they come from a land steeped in tradition and conflict, seemingly always in transition from one political and economic system to another.

Indeed, the Balkans and in my experience, Macedonia, sit at a crossroads; their history imperative to understanding the present and the region a microcosm of the rest of the world. The Tikveš region, with its hillside vineyards, snaking rivers, mountains and plateaus, strewn with dirt roads and paths for man or machine, shepherd or sheep, is undoubtedly a part of this. Knowing the land, people and places is thus paramount in my opinion, and in the following text I hope the reader will gain a deeper sense of the region in which I not only first resided a decade ago as a Peace Corps trainee<sup>48</sup>, but married into and then conducted fieldwork within.

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<sup>48</sup> My first 12 weeks of my Peace Corps volunteer experience were living in the Negotino village of Pepelište, from late November 2002 to early February 2003.

### The Setting

The Republic of Macedonia is mountainous. Whereas central Aegean Macedonia, in northern Greece, rises ever so slowly from the Aegean Sea and allows one to look across great swaths of farmland north of Salonica, once one enters 'Vardar' Macedonia<sup>49</sup> they see a drastically different landscape. The road winds alongside the Vardar River, with steep ledges rising above, leading to nearby mountains. If one was to follow the main motorway, the E-75, all the way north they would pass by several mountain ranges and through two large canyon systems, that in the Tikveš town of Demir Kapija being the most impressive. The town's name in fact means 'iron gate' in Turkish, and it was historically a strategic geographical point and is indeed a formidable natural barrier. Donned with a fortress in medieval times and now a haven for rock climbers, it has in modern times been tunnelled through to give access to vehicles travelling south into the country's more Mediterranean climes, where citrus and olives grow on the border with Greece.

There are half a dozen mountain ranges in Macedonia, and within them fifteen peaks over two-thousand metres. Thus whereas the lowest point in the country is but fifty metres above sea level, alongside the Vardar River and E-75 at that same border with Greece, the highest point is Mount Korab, at 2,754m, on the border with Albania in the Šar Mountains<sup>50</sup>. Having lived in three distinct regions of the country and wandered their mountain ranges, I can speak to the diversity of the land and how topography and location affect culture. How individuals greet one another (what they say), respond to questions (how they gesture) and the many customs they practice, all depend on the way their local culture developed and how isolated they were or remain. Indeed, I feel rather certain that if Macedonia were instead flat, the country's cultures and peoples would be much more homogenous. Instead, the combination of history and geography has meant that with every invasion or migration, groups nestled themselves further up in the mountains in order

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<sup>49</sup> The portion of Macedonia which constitutes the Republic of Macedonia, and which will hereby be called 'Macedonia', is named so for the Vardar River which originates in its north and drains into the sea near Salonica. The third portion of the greater Macedonian territory is Pirin Macedonia in southwest Bulgaria, named so for the great Pirin Mountains there.

<sup>50</sup> The highest peak in all of southeast Europe is Mount Musala in Bulgaria's Rila Mountains, standing at 2,925m.

to avoid subjugation. Whether this was successful is debatable, but by isolating themselves various groups indeed developed different dialects, customs and characteristics. The Macedonian saying ‘a hundred villages, a hundred customs’ (*sto sela, sto adeta*) helps illustrate this, or to paraphrase the 17<sup>th</sup> century philosopher Blaise Pascal’s statement about the Pyrenees, *there are truths on one side of the mountain which are falsehoods on the other*<sup>51</sup>.

Granted socialist industrialisation led to a significant depletion of mountain villages, but Macedonians across the country are still attached to their ancestral regions, and I have heard more times than I can count the references given to the villages of one’s parents. Furthermore, while living in Skopje I heard the dialects spoken by friends from different corners of the country, and was told with pride about their various and often differing customs: how and which holidays are celebrated, which forms hospitality takes, how they greet one another, and the like.

Yet Macedonia is only 25,713 square kilometres in size, or just slightly larger than the American state of Vermont, and one-quarter larger than Wales. It is bordered by Albania to the west, Kosovo and Serbia to the north, Bulgaria to the east and Greece to the south (see Appendix 1, Figure 2). In every corner of the country, and indeed at different elevations, there exist a variety of ecosystems, soil and rock types, flora and fauna, and thus agriculture. There are olives and citrus between Strumica and Gevgelija in the south; rice paddies near Kočani in the east; tobacco in the southwest around Prilep; and grain grows throughout the lengthy plain of Pelagonia, leading to the former Ottoman regional capital of Bitola<sup>52</sup>. These agricultural concentrations are partially due to Ottoman and then Yugoslav government directed production though, for I have seen corn growing in every corner of the country, just as I have vineyards. However, as I discuss in Chapter 3, Tikveš takes the prize as the largest concentrated wine region, not just in the country but the whole of southeast Europe.

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<sup>51</sup> Written by Pascal (1666) in his *Pensees* (‘thoughts’), which was first published as a volume in 1669.

<sup>52</sup> Bitola, called ‘Manastir’ during the Ottoman era, is also known as the ‘city of consuls’ and is an impressively preserved town located at the foot of the beautiful Pelister National Park, whose mountains tower above the town.

The impressive agricultural production of Macedonia is due to its mineral rich soil and excellent growing climate. The winters are generally continental: cold, rainy, and snowy, and the build-up of precipitation in the mountains is an excellent source of water for the mostly hot, dry and sunny summers. Indeed, good soil, water and plenty of sunshine allow nearly anything to grow, and never have I seen such a diversity of wild and domesticated produce than in Macedonia. In town or country one will, depending on the season, come across apricots, peaches, strawberries, blackberries, blueberries, figs, persimmons, pears, plums and apples, among other fruits. Additionally, the abundance of sun makes for excellent melon and squash production, as well as vegetables, the most common being cucumbers, tomatoes, a variety of peppers, aubergines, cabbage and carrots.

Tikveš is a part of the Povardarie region—the rocky yet fertile stretch of land which runs south from Skopje along the Vardar River. The Tikveš valley is the largest section of it, however, and is comprised of the five municipalities of Kavadarci, Rosoman, Gradsko, Negotino and Demir Kapija (see Appendix 1, Figures 3-4). Further, the region has a distinctive Mediterranean micro-climate due to the Vardar River acting as a conduit. Although the water flows south, air from the Aegean Sea heads north through the Demir Kapija canyon (*klisura*). The effect of this warmer, slightly more Aegean humidified air is that Tikveš, surrounded on all sides by a variety of natural barriers in the forms of ridges, hills and mountains, acts like a Mediterranean climate bay: hot and dry summer days, but winter days which are sunnier than elsewhere in the country, and along with Gevegelija, are the warmest<sup>53</sup>. Nonetheless, it is not uncommon for winter temperatures to plummet to minus twenty Celsius, even though summer temperatures may well reach forty degrees at their hottest. The average temperature is thus thirteen degrees Celsius, yet the difference between day and night is usually significant, with temperatures shifting fifteen to twenty degrees.

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<sup>53</sup> Demir Kapija and Gevegelija are known as the warmest towns in the country—milder than the rest of the country during winter, and very hot in summer. Both hold the hottest temperatures ever recorded in the country, and often hit 40 degrees Celsius during summer.



Because Kavadarci is the largest municipality in the region (and the entire country, incidentally) and because I lived there throughout my fieldwork experience, I seek to elaborate further on the town and area. The municipality covers 1,132 square kilometres, and its southern half is comprised of the foothills, sheep pastures and then peaks of the Kožuf Mountains, which comprise one-sixth of the country's border with Greece. Kavadarci also makes up the largest share of the Tikveš valley.

Etymologically, the name Kavadarci supposedly originates from the Greek word *kavadion*, referring to a cape made from a specific sort of textile which was purportedly produced in the town or region. The first written record of the town's name dates to the early days of the Ottoman Empire in 1519, when Kavadarci and Tikveš were a part of the well known Salonica *vilayet*<sup>54</sup>, and Kavadarci was known as a small, agricultural town. Indeed, it has long been known for its agricultural production, as prior to socialism a variety of domesticated plant cultures flourished there in addition to grapes, including poppy, sesame, barley, cotton and tobacco. As I mention in the introduction, the latter two goods, in particular, were mass produced due to global competition facing the Ottoman Empire in the 19<sup>th</sup> century, and persisted into the 1950s when most informants mention having worked in their families' fields of tobacco and/or cotton while growing up<sup>55</sup>.

With a total population of just over 70,000 inhabitants<sup>56</sup> in Tikveš, the majority of who work in agriculture, there is a plethora of produce grown, much of which goes unaccounted for. Official statistics partially help to illustrate the importance of agriculture, nationally as well as locally in Tikveš. Nationally, agriculture makes up 9.5% of GDP but those employed in agriculture make up 19.9% of the work force. This data is skewed though

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<sup>54</sup> A *vilayet* was an Ottoman province.

<sup>55</sup> Macedonian tobacco, now coming predominantly from the city of Prilep an hour to the west of Kavadarci, still makes its way to Salonica's port for eventual distribution to international markets, and is known for its high quality, being labelled 'Turkish tobacco' and purchased for use in Camel cigarettes, among others. The major difference between cigarette production a century ago and now is that most of the cigarettes are actually produced in Macedonian factories, including one in Kavadarci. One former factory in Salonica is in fact a tobacco themed boutique hotel which I had the pleasure of staying at in 2010.

<sup>56</sup> According to the last census (2002) the municipalities of Tikveš have the following populations: Kavadarci: 38,741; Negotino: 19,212; Rosoman: 4,141; Demir Kapija: 4,545; Gradsko: 3,760

because, as I discuss in Chapters 3 and 6, there are many individuals—employed, unemployed or retired—and kin of all ages who work informally in agriculture. Indeed, entire households participate in the production, harvesting and selling of their produce. Further, unlike the industrial, service oriented capital, Skopje, where the latter occupations comprise the lion's share of job opportunities and GDP<sup>57</sup>, in Tikveš I frequently heard that three-quarters of its approximately 20,000 households live off of agriculture. In fact, in small villages, of which there are fifty in the Kavadarci municipality alone, only a small minority of individuals work in industry or services (for which they must travel to a town such as Kavadarci or Negotino). The clear majority of villagers therefore either work for former socially owned enterprises (*kombinati*) and their plantations, or subsist off of the land.

### **Historical interactions at the crossroads of Macedonia**

Tikveš is about as centrally located as possible in the greater Macedonian area. Just south of Demir Kapija there is a restaurant along the motorway and Vardar River called '113', referring to the number of kilometres to either Skopje to the north or Salonica to the south. And the western or eastern borders of the region, with Albania or within Bulgaria ('Pirin Macedonia') respectively, are three hours away. To reach Kavadarci one must travel ten kilometres north from Demir Kapija to Negotino (which also sits beside the Vardar River along the E-75 motorway), and then another ten kilometres southwest up and over hillsides of vineyards.

Despite being a part of the Tikveš valley, Kavadarci is a small valley town of its own, straddling the *Luda Mara* ('Crazy Mary') River coming down from the massive Vitač plateau above town, and the Kožuf Mountains even further up. The town is thus twice as long as it is wide, and sits on hilly slopes which the river has cut through over time. It has a beautiful city park on its east side, where cobblestone paths weave up to and around a large hill. The forested park, one of the few places one will hear melodic bird-song in

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<sup>57</sup> Twenty-seven percent of GDP comes from industry, and 63.4% comes from services; and in terms of the labour force, industry provides jobs for 22.1% of those employed, and services 58%. Further, one-third of the country's population (2.2 million) resides in Skopje.

the town, includes a restaurant, playground, wine house<sup>58</sup> (*vinoteka*) and at top, a large socialist monument<sup>59</sup> to the fallen heroes of the early 20<sup>th</sup> century. It is one of many monuments around town to such ‘fighters’ (*borci*), from both World War II (known as the National Liberation War in Macedonian) and uprisings against first the Serbian then Bulgarian occupiers in the inter-war period.

The most famous of these was the ‘Tikveš uprising’ (*Tikveško vostanie*) in 1913 against Serb occupiers—who remained until World War II—when approximately 500 local individuals and their family members were killed in reprisal. Another uprising occurred upriver from town at what is now a park-monument called locally ‘twelve children’ (*dvanaeset deca*, and officially ‘twelve comrades/friends’<sup>60</sup>). It commemorates the day in 1944 when 12 young men—some just teenagers—were gathered there and supposedly conspiring against the fascist-allied Bulgarian occupiers who ruled Macedonia from 1943-46. The men, with some young girls present as well<sup>61</sup>, were executed on the spot or as they tried to flee, and the event serves as a reminder of the distance between Bulgaria’s good-will toward Macedonia and its historical actions within the country<sup>62</sup>. I was told by one

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<sup>58</sup> The wine house is actually a recent installation—completed toward the end of my fieldwork through European Bank for Reconstruction and Development (EBRD) funding. Its completion, however, was plagued by corruption and the theft of its initial funds by the previous mayor, and it is only sporadically open for business.

<sup>59</sup> Known as *Kosturnica*, or ‘house of bones’ (bone being *koska*), the monument built of concrete yet with the bones of some of said heroes with its walls. It is an ailing monument and a serious danger because of its crumbling concrete and holes in the viewing platform atop, but with a height of 15m and sitting in a hilltop, it affords an excellent view of the town of Kavadarci and the surrounding hills.

<sup>60</sup> *Dvanaeset drugari*, the latter word being used during socialism as both comrade and friend, and still officially in use when referring to acquaintance-friends or school classmates (which contrasts with other former Yugoslav republics, such as Croatia, where there has been a strict, intentional separation from using such terminology; in both countries though the word for a good friend is a form of *pri(j)atel*.)

<sup>61</sup> I met one of these women in 2011 at the annual commemoration ceremony. She still vividly recalled the day she saw her older brother killed in cold blood, chased down and shot three times as he tried to flee.

<sup>62</sup> Bulgaria was the first country to recognise Macedonia upon independence in 1991, yet it denies that the inhabitants of the country are anything other than a mixture of Bulgarians, Serbs, Albanians, etc., nor that Macedonian is a separate language from Bulgarian (as they are mutually comprehensible). They thus deny Macedonians their identity and right to self-determination in short, and join many neighbours in their aspirations to dissect Macedonia into its supposed national parts—the Albanian populated northwest being part of a ‘greater Albania’, and the other neighbouring countries seeking the majority of its territory, as they did in the Balkan Wars, World War I and inter-war era, as their own. The history of shifting allying and fighting in 1912-13 are particularly good evidence of this, as the Greeks consider Macedonia to be inhabited by Slavs and others, but Greek in history and territory,

individual though how when the war ended, the Bulgarian officers were captured and publicly stoned to death by men and women on the spot where the Tikveš Winery now sits on the west side of town. That individual, my father-in-law's cousin, Kole, was just a boy when this happened but he was present to witness it.

The town and region therefore, while largely agricultural, rural and relatively distant from the tension of inter-ethnic border zones and large cities, sit along a key transit route and have been subject to occupations over time, and which for the elderly generation are still in memory. I heard many stories about the allied German-Bulgarian occupation in the 1940s, and the atrocities committed at the time. For example, my wife's father's family fled into the hills near to the secluded village of Begnište<sup>63</sup> when my father-in-law's oldest brother was just an infant. Without much food, they were not sure if who would survive, as young men such as my wife's grandfather, Aleksandar, stayed and fought, and the father of cousin Kole died in the eventual liberation of Kavadarci in 1944— a local holiday still celebrated annually on 7 September.

Another story I heard of German occupation occurred in the small village of Prždevo, a few kilometres from the Vardar River between Negotino and Demir Kapija. As recounted by my good friend, Slavko, whose father is from there, in retaliation for the ambushing of German soldiers the men of the village were gathered in a group and forced to play a game. With a locally married Slovenian woman who spoke German translating, the men were lined up and instructed to drop when they heard the rapping of a rifle. In this way no one knew who was going to be shot and all fell to the ground, yet they then had to stand back up and await their turn, as the Germans went on firing until all of the men were executed. And in a formerly Muslim village

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whereas Serbs and Bulgarians consider Macedonia to be inhabited by a mixed lot of ethnic groups, but the Slavic majority being either Serbian or Bulgarian, respectfully. Bulgaria has also granted citizenship to Macedonians willing to vow that they are Bulgarian, with the trade-off being an EU passport for Macedonians and Bulgaria upping its claims to Macedonia as a Bulgarian inhabited region. Further, a more recent historical issue came with the opening of the Holocaust Museum in Skopje in 2010 and a film made in 2011 about the extermination of Macedonia's Jews at the hands of the Bulgarian occupiers (*The Third Half*).

<sup>63</sup> Whose name likely comes from the Ottoman term *beg*, but which ironically means in Macedonian and South Slavic languages a place where refugees (*begalci*) or someone who is running away (*bega*) might be.

nearby, Besvica<sup>64</sup>, there is a plaque by the village fountain (*češma*) and crumbling mosque with the names of 50-60 men who were killed there by the fascist ‘beast’ (*zver*) of German and Bulgarian occupiers.

I discuss such historical events because they indeed persist in the conversations and oral histories of the region’s inhabitants, and understanding who the people think they are clarifies for the outsider what individuals feel constitutes part of their collective identity. For instance, old photos of my wife, Irena’s, family show some of the more subtle effects of these occupations, and this knowledge plays into her family’s perception of those nation-states today and their role in current affairs. A post card addressed to Irena’s grand-father, Aleksandar, had his surname, Manakov, spelled with the Serbian suffix *-ić* (Manaković), and a later photo of his shop (where he was a tailor) had the Bulgarian Cyrillic accent ‘Ь’ (which the Macedonian alphabet does not have) placed at the end (МАНАКОВЬ). In addition, their name was Vlach<sup>65</sup> to begin with, and not Slavic at all—it went from Manaki to Manakov and beyond as a result of politics (and the accompanying lexical shifts) in the 19<sup>th</sup> and 20<sup>th</sup> centuries.

Like so many Macedonians, Irena’s grandparents, born in the 1920s, lived through World War II and significant social change. But her great-grandparents, born just before the turn of the century, lived through the demise of the Ottoman era, the First and Second Balkan Wars (1912-13) and World War I, not to mention its aftermath and into Serbian occupation and World War II. This was a time of great destruction, migration and tragedy in greater Macedonia, as various budding nation-states and armies vied for power and control over the region, and peoples were persecuted based on their supposed national identities.

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<sup>64</sup> Most of its inhabitants went to Turkey with the onset of socialism after WWII. Tikveš was in fact a densely populated Muslim region of Macedonia, given its location and the agricultural trade over which Ottoman nobility presided. Old photos of towns such as Kavadarci and Negotino show several mosque minarets towering above, and in fact the towns were primarily populated by Muslims, with the Christian Macedonians living in smaller, rural villages.

<sup>65</sup> The Vlach are a minority group in the Balkans who descend from the Aromanians, a Latin speaking group residing in the Balkans since the time of the Roman Empire when legionnaires and native peoples who were Latinised and made citizens of the empire mixed. Indeed, Aromanian comes from the term *Romanus*, or Roman citizen.

In fact, as anthropologists such as Keith Brown (2003) and Loring Danforth (1995) have illustrated, many inhabitants of the region were not sure what to call themselves in the shifting political landscape, as the Ottoman millet system of categorising the empire's peoples based on their religion—namely Christian, Muslim or Jew—was shifting into categories of ethno-national identity. In particular, given the national Orthodox churches of neighbouring states, the Christians of the region suddenly became Bulgarian, Serbian or Greek, and patriarchate or exarchate, as these nations sought to indoctrinate the people of Macedonia into their own churches and national folklore, and concurrently take Vardar Macedonia as their prize. To do so, national schools were setup alongside Bulgarian, Serbian or Greek Orthodox churches, and depending on the location locals may very well have expressed deference to the newcomers, particularly if they seemed to stand to gain from doing so. Names were changed, allegiances shifted and families and communities divided.

Indeed, for many the first half of the 20<sup>th</sup> century was a time of confusion, chaos and great uncertainty, as there were large migrations and expulsions of Turks and Jews alongside the region's leaders vying for their share of Macedonia. In Aegean Macedonia, Slavs were forced north into modern-day Vardar Macedonia, while at the same time the Greek and former Ottoman governments agreed to population exchanges of Greeks in Anatolia (modern day Turkey) with Macedonian Turks and other Muslims. This resulted in a radical transition in and ethnic cleansing of Aegean Macedonia<sup>66</sup>, which has been rarely discussed in recent decades outside of the region except for by academics such as Karakasidou and Myrivili, as well

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<sup>66</sup> Indeed, with the concurrent expulsion of Turks alongside the 600,000 Anatolian Greeks who were re-settled in Aegean Macedonia in the 1920s, as well as due to the 1926 Greek 'Law on Topographical Names' whereby all towns, villages, rivers and mountains were given Greek names, the region's ethnic and cultural makeup was drastically altered within a very brief period of time. Furthermore, there was the strict prohibition of the use of the Slavic Macedonian language—be it in public or at home—from the late 1930s on, a draconian measure which still exists in various forms. Knowledge of this historical fact was shared with me by several informants in Kavadarci, as the region's proximity to Aegean Macedonia meant many refugees (*begalci*) fled into and settled in Tikveš, referring to their homeland as *Egeska* (which resulted in a street near our house being called the same).

as Mark Mazower (2006) in his book on Salonica and its pre-Greek religious diversity and Ottoman cosmopolitanism.

The 20<sup>th</sup> century indeed saw significant change in the region, and this was evident in the old photos of Irena's great-grandparents. Their dress, with her great-grandmother wearing a headscarf covering all but her face and her great-grandfather wearing a long coat and a *fez* cap, was taken at the end of an era—Ottoman Macedonia's demise. This history helps paint a portrait of the Manakov family in the 20<sup>th</sup> century, as they have lived in the same region of Macedonia for over a century, and likely longer. Irena's great-grandparents, all from and living in the Tikveš region their entire lives, were born during the Ottoman era; her grandparents were then born into the Kingdom of Yugoslavia in what was being called 'Southern Serbia'; her parents were born just after World War II into the fledgling Socialist Federal Republic of Yugoslavia (SFRY), and Irena and her brother, Igor, were also born into that federation's increasingly independent 'SFR Macedonia'. And now, our daughter and the generation born after 1991 will only know the independent Republic of Macedonia—the first time in the nation's long history that Macedonia has in fact been an independent, sovereign republic.

Therefore, while Ottoman rule lasted nearly five centuries, in just one century the Tikveš region—along with the rest of the country—has been subject to the rule of six different states, kingdoms, regimes or republics, with governance coming in various forms from Istanbul, Berlin, Belgrade, Sofia, Skopje and Athens (if one considers the plight of the refugees from what is now northern Greece). Moreover, some born just before the Balkan Wars of 1912-13 who lived into the 1990s would have passed through and experienced all of these changes. What effect this tortuous past has had on the culture, customs and character of Macedonian and Tikveš society and its people is difficult to pin down, but cannot be disregarded and I hope will come through as a consideration of mine and for the reader throughout this thesis.

### **Living in 'Timeless' Tikveš Macedonia**

One of the first things I realised upon moving to Kavadarci was that I needed to learn to speak the Kavadarci dialect (*da lafam Kav'darečki*), though others

said I just needed to learn to drink *rakija*, swear (*p'cue*)<sup>67</sup> and work in the vineyards (and no doubt the dialect would be picked up in the process). All these things I did, but it was not through living in a small village, rather it was by living with Irena and her family. For it was not an option to live on our own when one's immediate family was right there, even if it meant (in a wholly Western form) sacrificing our privacy. Further, it would appear that there was some discord in the family if we were to have done so—and discord may have been the result if I had insisted on living separately, as I would be offending my parents-in-law. Back in her home domain and always fearing the detriment of gossip, Irena was thus very concerned about this; she did not understand why I would want to pay rent on an old flat anyhow, and she had a point: living with her family saved us money and was enriching in multiple ways. Besides the practical aspect of sharing food and utility costs, as well as helping us care for our new daughter, Vera, Irena's parents were informative, helpful and wonderful to live with overall. We had our moments of disagreement of course, but I came to speak daily to and learn from Irena's father, Mančo (whom I could hardly understand prior to my fieldwork because of his use of the rich colloquial speech), as well as her mother, Rosa<sup>68</sup>. They are gracious, generous and always engaging individuals, despite my father-in-law's archetype, Macedonian-male personality<sup>69</sup>.

Although an agricultural town, life in Kavadarci is always in a flurry of activity. Individuals are constantly coming from or going to work, the vineyards or fields, the market, a café, shop, the grocery or just a walk into town. Relatives and neighbours visit one another from mid-morning until

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<sup>67</sup> People from Kavadarci (*Kavadarčani*) are well known for their swearing. It is not uncommon to greet a friend with a 'How are you, I'm [going] to screw your mother!' (*Kaj si da ja ebam majka ti!*) In fact, either in casual conversation or out of frustration, men predominantly will use the 'I'm [going] to screw it/your mother' (*da go ebam/da ja ebam majka ti*) or the less threatening but equally sexual 'pussy of your mother' (*pičku mater*).

<sup>68</sup> The name Rosa means 'dew' and is not pronounced with a 'z' but a 's' sound. The name which comes from rose would be Roza in Macedonian.

<sup>69</sup> Although I do not engage much in discussions of gender other than toward the end of this chapter, my father-in-law was the embodiment of such archetype male traits as charisma, machismo and authority. Because of his previous political standing as the first mayor of the town after the breakup of Yugoslavia as well as his position as the town's only oral surgeon, he is respected, used to negotiation and full of character, and in turn exudes a sense of authority. Further, his rare given name is co-incidentally so similar to the word 'macho' that it only seems natural for his character to match up.



early afternoon, and again after the traditional lunch time and afternoon siesta<sup>70</sup>. Society and its social structure, in short, seem characterised by a busy-ness, and one could say that people seem anxious to enjoy. Yet in fact there are the mundane tasks and chores of daily life, along with religious and ritual celebrations and other events to prepare for, hold or attend, bureaucracy to deal with and connections to maintain.

The town is comprised of distinct neighbourhoods, or *maala* (*maalo*, sg). Ours was the ‘church neighbourhood’ (*crkvinsko maalo*), since our house sits just below the town’s main church near the centre, while the newer buildings (built since the 1960s) are known as the ‘new centre’ (*nov centar*). Unlike in villages, where houses are clusters of buildings and space—such as the house, outdoor oven (*furna*), hen-house, utility shed, garden and pig-pen, houses in town are more likely to be on small, demarcated square plots, separated by fences, walls or just the structure of the houses themselves. Indeed, although not always fully enforced, there has been urban zoning, and the houses may not have any outdoor space except for a terrace or balcony on the property. Further, whereas in towns urban planning has led to a more defined grid of streets, the roads weaving through a village are often centuries’ old, and thus the village exists in a circular shape. That said, in Tikveš one will rarely see a street sign or hear people use the names of streets to describe location. Instead, it is determined by its proximity to a public place, building or something or someone else mutually known between those conversing (eg, an acquaintance’s house).

What both Tikveš villages and towns have in common is that most households are patrilineal and patrilocal, and although several homes will occupy an area of buildings, there are often kin relations among them, comprising the main social units of society<sup>71</sup>. Kin relations are both intimate and intense, and indeed make up the social lives of individuals and neighbours in Tikveš. Houses in Kavadarci may have back gardens but they almost always have front gardens and/or seating in front of the house, either

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<sup>70</sup> There is no word in Macedonian for the afternoon break other than that used for lunch, *ruček*. However, shops are closed in the afternoon after one or two o’clock and re-open in the early evening (usually between four and five o’clock), working for several hours more.

<sup>71</sup> See Chapter 6 for more on such kin-neighbour relations and the reciprocity which binds them.

on balconies, terraces or just in the garden itself. A table and a few chairs make for an easy place to sit, have coffee, chat with passers-by and keep an eye on things. Privacy (*privatnost*) is not a word often heard, as Macedonians' social perspective is geared toward their collective kin (*rodnini*) and neighbours (*komšii*), not just their immediate [nuclear] family (*semeјstvo*) within the home<sup>72</sup>. Houses, being largely un-insulated and built of stone or brick, remain cold until the constant heat of summer warms them. Therefore, on a warm spring or early summer day it may very well be chilly inside, but hot in the sun outside. This of course lends to the concern about a draft (*promaja*), described in the thesis Introduction.

To illustrate what a typical contemporary Tikveš Macedonian home is like, I will use two households in which I have visited or resided in Tikveš—those of my wife's family and my former Peace Corps host-family in the Negotino village of Pepelište. Both houses are modern, having been built and renovated during the latter half of the 20<sup>th</sup> century. Unlike earlier housing, made of wood beams and mud bricks, modern houses are made of cinder blocks filled with concrete and supported with steel rods, making for very sturdy albeit poorly insulated structures<sup>73</sup>. The windows, made of wood frames, often lack any sort of additional insulating lining as well. Fortunately, modern homes do include the common to Central Europe built-in, drop-down shutters, which are operated by a cord inside. When these are closed a room becomes both nearly pitch-dark and slightly better insulated—the heat staying in better and the cold out.

Both of the houses in Pepelište and Kavadarci have mudroom entryways, which are tiled floors at ground level where shoes are removed (and in most seasons of the year except summer, slippers are put on<sup>74</sup>). There are doorways from the mudrooms leading into a cellar-like storage room

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<sup>72</sup> Immediate family members are in fact the most important thing to most people, and the conversations had within the closed walls of the house differ significantly from those held outside, as I discuss in the next chapter as well as Chapter 6. Further, the maintenance of good relations is more than a genuine form of good neighbourly relations—it is a way of ensuring one's presence in the local social network and its economy of favours.

<sup>73</sup> Mud brick homes, if properly constructed, are reportedly better insulated, as the walls are built up to a metre thick.

<sup>74</sup> There are often ample slippers in a Macedonian home for guests, as concerns about catching a cold in the winter from a cold floor are legitimate—with poor insulation, tile or wood flooring and an unheated ground floor beneath the living space, the floor remains cool in the winter at best, even if the house is well heated.

(*podrum*), and the house in the village has half a flight of steps leading down into its cellar, as it is in fact partially subterranean. In both houses these storage rooms contain a variety of goods, and are where produce is kept. There are always baskets for potatoes and onions, which are staples in Macedonian cooking; large bags of flour for the intensive baking and production of *pecivo*, or pastry dough and other such goods (bread usually being bought in shops) which many Macedonian women make regularly; and *zimnica*, which are a variety of homemade jarred goods. Such goods are a significant portion of the winter and spring diet, and include the roasted red pepper and aubergine spreads called *ajvar*, *pindzur* or *lutenica*, the aubergine only condiment called *malidzano*, pickled salads and vegetables, tomato sauce, jams including strawberry, apricot and blackberry, and traditional *slatki* ('sweets'), which are a variety of fruits but often raisins, grapes, cherries and even aubergine, in a thick, sweet syrup and traditionally served to guests with Turkish coffee. The *podrum* is of course also where wine and brandy are stored, as the cooler temperature keeps the former in better condition as it ages. Depending on the house, there may be other items there such as a washing machine and a wood burning stove, which is connected to radiators elsewhere in the house, as was the case in both of these modernised homes<sup>75</sup>.

To reach the living room, (*dnevna soba*<sup>76</sup>) and main living space of the house, one must go upstairs to the first floor. Traditionally, the first floor is where families cook, eat, socialise and sleep. In our house this was the case—the ground floor contained the *podrum*, a garage-storage room<sup>77</sup>, as well as a dental clinic which Mančo had installed in the 1990s, and which is rented to a young dentist for her practice. In Pepelište, there is living space on the ground floor—one of two kitchens (*kujna*, sg.), the dining room (*trpezarija*), a toilet (*toalet*) and a bedroom (*spalna soba*) which housed Zoran's grandfather (before he passed away at the age of 104 in 2005—at the

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<sup>75</sup> To have radiators installed in a house is an expensive affair and a sign of relative wealth. The majority of town or village homes have only wood-burning stoves in the kitchen and living rooms, with bedrooms left unheated. This means that in winter, families spend an exceptional amount of time together in the living room and kitchen areas.

<sup>76</sup> Literally 'daily room'

<sup>77</sup> This is not the norm, and our garage was just barely large enough to fit a car into it.

time the oldest living man in the country), and where Zoran's mother now sleeps.

On the first floor there are two bedrooms on one side of the hallway, a bathroom, and then a large living room with doors to an outdoor terrace (*terasa*) with a table and laundry lines. In Kavadarci though, the kitchen and living room are connected and L-shaped around the east and north sides of the house. There is a long and narrow balcony (*balkon*) alongside the kitchen, used mainly for drying the laundry, and another on the west side of the house, attached to one of the four bedrooms. The main bathroom in the house (*kupatilo*<sup>78</sup>), where there is both a shower and bathtub, is located in close proximity to the bedrooms.

Because of the structure of the houses and the arid environment—where even on warm days the temperature falls significantly by early morning—Macedonian homes are relatively pleasant to be in except for during the intense heat of July and August. At such times the house will heat up like an oven, and will stay warm throughout the night, though sleeping with an open window will bring some relief after midnight. To maintain a warm house in the winter is another predicament. A family must feed their stove regularly, and indeed nearly all homes are heated in such a manner. For longer-lasting fuel, we used Macedonian coal (*jaglen, čumor*), though like many families we predominantly burned wood which was gathered the previous summer<sup>79</sup>.

Most families, however, with restricted access to such fuel, only heat their home in the afternoon and evening. At night they sleep in thick pyjamas and under an even thicker blanket (*kjebe*) and duvet (*jorgan*). Given Irena and Vera being home most of the day, however, we heated our house throughout the day—a luxury we were able to afford because of my research support<sup>80</sup>. Mančo or Rosa would usually start the fire in the morning (by

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<sup>78</sup> *Kupati* is the south Slavic verb infinitive 'to bathe', though the actual verb used to describe bathing in Macedonian—as opposed to Bosnian/Croatian/Serbian (B/C/S)—is *se banja*.

<sup>79</sup> The distribution of wood is a political process as much as it is a bureaucratic one, but regardless is state run and happens in June and July. Illegal logging is common—because wood costs nearly 50 euros per cubic metre, or 600 euros for an average winter's worth—but those caught are increasingly subject to severe fines.

<sup>80</sup> Incidentally, I could never actually get my father-in-law to sit down and discuss how we might help out financially, and he never asked. Therefore, we purchased the majority of

which time on cold winter nights the house had chilled considerably from lack of heating at night) and it would be fed throughout the morning. On mild days it would be let to die out but in the late afternoon to early evening, when the winter sun disappeared and temperatures fell, would be relit.

The unfortunate result of burning wood and coal (among other things<sup>81</sup>), is that the town's air quality goes from bad to worse in the winter. Whereas in the summer air pollution is just tractor and car exhaust combined with dust on hot days, in the winter it is a combination of everything being burned and emitted otherwise, the accumulation of such particulate matter, and the more frequent cloud cover which seemed to hold in the pollution. When out walking or going to the market though, the winter is a more comfortable time to be in town, as in the summer the air and heat make it unbearable except for in the morning and late evening. In short, summer and winter both require adjustment to the extreme heat or cold, respectively, and are at times rather arduous to deal with.

However, life goes on and people stop to say hello and drink coffee indoors or out depending on the weather, and men selling the sesame seed, bagel-like rings (*gjevrek*) from their push-carts shout for your attention: 'Warm *gjevrek*! Warmmmm!<sup>82</sup> There is in fact a particular way of socialising in Kavadarci, characteristic of small-town southern European and Mediterranean societies: older individuals speak at their garden gates or on the streets, while younger adults go for drinks in a *kafič* or congregate in parks, and children play in their families' gardens, on the streets or in alleyways. Even in the winter, primarily older men stand about in the town centre (*čaršija*) or sit in male-dominated taverns (*kafani*), engaged in conversation and games such as cards or backgammon. But teenagers, most of all, walk the streets in groups with their classmates (*drugari*) and friends (*prijateli*). They walk arm-in-arm, stalling to chat as they have learned from their parents and grandparents, yet being mixed-gender, seek to connect with

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food and paid for miscellaneous goods to make sure that we were paying our fair share of the household expenses.

<sup>81</sup> The odours in the air and from what others have told me indicate that many will burn anything they can to stay warm, including plastic bags, bottles and other refuse, as well as tyres.

<sup>82</sup> '*Topli gjevrek, topliiii!*' Tikveš *gjevrek* are boiled like bagels but are more like round sesame seed pretzels—thin and 5-6 inches in diameter.

others in a way only adolescents do; like youth around the world, they seek company (*društvo*) and to converse with one another.

Regardless of age, there is a locally constructed art to conversation everywhere, and Tikveš is no exception. The constant contact with people on the street means that the questions are general rather than specific, and work (such as in the vineyards or fields) and family affairs are usually mentioned in response. Indeed, there are not direct questions expecting direct answers, but circumlocution and exchanging of pleasantries. People speak to one another theatrically, but also like one speaks to a foreigner who does not know English well—slowly, audibly and often repetitiously<sup>83</sup>. Further, whereas with a group (or at dinner) in the West there might well be several conversations going on at once, this is very rare in my experience in Macedonia. Individuals may speak, balk, yell, interrupt or jest, but it is perfectly normal to do so and such discourse occurs within the group with all eyes on the speaker. Naturally though, an individual who carries on too long may eventually be cut-off by others wanting to speak, and the topic of conversation will change. Yet the latter are rarely exchanges of ideas and knowledge, nor attempts at truth-seeking and enlightenment. Instead they are a splattering of metaphors, stories or jokes on the more positive side, and a ruing of deleterious societal trends on the other—politics (local, domestic and international), the government, the economy, etc. Regardless of topic though, a conversation is a canvas quickly covered with verbal illustrations, and there is not a rush to complete it. There may be pauses and immediate observations made at the time though, and social engagements thus often last several hours at least. Such social contact and connectedness might therefore constitute a good amount of one's day, making time a matter of less concern, and in fact paid little attention at all.

Indeed, the perception of time is a culturally particular phenomenon, and in Macedonia it is hardly the case that there is an imposition of time and

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<sup>83</sup> And this makes sense given the melting pot Macedonia was a century ago and before. The multi-lingual inhabitants trying to communicate with one another, yet there being five, six, seven languages to possibly work with—Macedonian, Serbian, Ladino (Sephardic Spanish), Greek, Vlach/Aromanian, Turkish, Romani, Albanian—one would *have* to speak slowly to try to understand what was being said.

schedules. Instead, children enjoy and do not learn at a young age to know what time it is, or to calculate the time it takes to get from one place to another so as to arrive ‘on time’—the word-construct *na vreme* rarely being uttered<sup>84</sup>. In fact, it is unusual to plan to be anywhere at a particular hour—with the time of day (morning, afternoon, evening<sup>85</sup>) used instead. Nor is it unusual for one to be ‘late’; for to show up a half hour to an hour after a set time is perfectly normal and acceptable. Life there has a harmony to it whereby the foreigner becomes accustomed to this timeless rhythm, and engaged in a conversation with someone else while waiting for their acquaintance or friend.

The country has actually advertised itself as ‘timeless/eternal’ (*večna*)<sup>86</sup>, and if appearing too eager to get something done<sup>87</sup> or moving too fast to get somewhere, one will be chided and told ‘slow down, there’s time’ (*poleka, ima vreme*). When visiting another family (going *na gosti*), custom has it that departing should not be sudden. One must never appear anxious to go, for it is disrespectful to the hosts given the effort they exert in accommodating you, and your first insistence on going will always be in vain. Even if you have been there several hours, you will be asked ‘why, where do you have to go? You’ve hardly been here, come on sit and drink, eat some more!’ Another conversation will start and it may take some time and another one or two announcements of needing to go to actually be able to depart. That is the way of things—‘Macedonia, timeless’ indeed.

### **Reflexivity in the field: gender and being male in a Macedonian home**

My life in Kavadarci took some getting used to, but I changed and adapted by mostly falling into proscribed gender roles. In line with what is expected of men, as my fieldwork proceeded I would leave by mid-morning and only come home for short periods of time during the day. If I was in a village or

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<sup>84</sup> Even in schools which I have taught at teachers do not constantly remind students to be on time. In fact, it is often the teachers who are late in arriving to class.

<sup>85</sup> In Macedonian: *sebažle/utro, popladne, večer*, respectively.

<sup>86</sup> A series of ‘Macedonian-Timeless’ commercials were aired on CNN international to lure tourists to the country, romanticising the country’s history, archaeology, natural beauty, culture, cuisine and wine. They are available at <http://www.macedonia-timeless.com/>

<sup>87</sup> I have and will likely remain guilty of this, having been told on many occasions in my life in Macedonia to ‘slow down’, from while walking through town to jogging on a country road. Fortunately, with age and time I have learned to indeed slow down.

another town I may not come home at all, and I sometimes slept a night or two in Pepelište or at friends' in Demir Kapija. But when I was in Kavadarci I would return home, grab a sandwich and see what was going on, perhaps be instructed to run an errand, and then be on my way. I did so because over time I came to feel alienated by the house and the activities occurring within—for neighbours and relatives came over daily, but they were always women. Men only visit when there is an official occasion or matter to discuss, and otherwise spend their free-time on the streets, in café-bars or at the town square and *čaršija*. Women who are relatives or next-door neighbours, however, will let themselves into the house and come upstairs to the main floor for coffee. There is rarely anything else drunk on such occasions (though juice or mineral water may be offered), and I know that my mother-in-law and the various aunts who come by usually drink three to four cups of Turkish coffee<sup>88</sup> a day. They immediately jump into conversation about their children or increasingly, grandchildren, and discuss who is doing what—getting married, going away for work, dealing with unpaid crops, unemployment, etc. Yet despite my good relationship with all of these women, I was never asked to sit and have coffee with them and often received a cold stare when attempting to converse with them in such a setting.

Indeed, similar to what Bourdieu (1979) saw in Algeria and Herzfeld (1985) in Crete, men are to be out representing the family and maintaining connections—an integral part of the local economy—with the home the domain of women. Within the house though, women indeed carry their weight. Irena and her mother communicate constantly when they are in the same room, discussing situations and working a variety of things out. I was not always privy to the content of these conversations, but I do know that much occurs in terms of women planning things. They discuss needs and then plan the shopping, doctors' visits and trips to realise such needs. If

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<sup>88</sup> Turkish coffee (*Tursko kafe*) is made from coffee beans ground to a flour-like fineness, then boiled in a small, long handled pot called a *dzezve*. The sugar is added while it's boiling, but when one drinks it they must be cautious at the end to avoid consuming the fine grounds which settle into a silt at the bottom of the cup. Incidentally, women will sometimes turn their cups upside down to see how the grounds disperse, and perform a fortune-telling from the lines and images they see. Some women are known to be particularly good at this, including our neighbour Olga.



enough needs accumulate a trip to another town or the capital is planned, which turns into a social occasion—to see friends and family in the big city. However, I have been privy to some female only conversations because of my insistence on sitting around, not to mention that I do not feel as ashamed as the average Macedonian male might. Indeed, men are usually doing other things when at home—watching television, working in the garden or on something related to their crops, or are often out on the streets, in cafes or at the *čaršija* speaking with those they know passing by. Men walk, talk, jest and represent, whereas women entertain, discuss, prepare and plan—and only among immediate family and between spouses does the information gathered in both spheres come together.

Men thus represent the rules that women impose on their household. There may be an apparent patriarchy, but I must contest it when I see how women send men on errands to get meat, produce and bread for lunch, and men should return with these in due time. I think it is thus very interesting to consider the playful relationship men and women have with each other in this regard. Women give birth, nurture, feed, raise, tend house and give direction to their families. Yet when around men they express a sort of deference, appearing to submit to their husband's authority but essentially only lending him that power. For as the Macedonian saying goes, 'there's nothing [done] without [the help of] a woman's hand'<sup>89</sup>.

This suggests a matriarchal aspect to society, where men may be the 'heads' but women are the 'necks'—steering the husband in a certain direction and allowing him to do the talking. And there is no shortage of strong-willed women in Macedonia—they maintain their femininity but work the same jobs as men do and more. Women not only work in typically female-dominated fields such as teaching, banking (as tellers), as pharmacists, shop cashiers, or in factories and fields, but they are full professors and deans at universities, business managers, journalists, MPs and politicians. Admittedly they are the minority in such positions of public power and are clearly discriminated against in terms of pay and promotion, yet they have options and leverage and are not subject to the sexual

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<sup>89</sup> *Nema ništo bez ženska raka.*

distinction that may be presumed given their modest behaviour and apparent subservience to men in what is considered a ‘patriarchal’ society and country full of tradition. While socialism greatly contributed to the empowerment of women in this regard, as I discuss below surrounding my life as a son-in-law living with my wife’s family, there are plenty of early 20<sup>th</sup> century ethnographic examples of men marrying older women because of the bride’s family and resources, and living with her family ever after.

However, it is how men are taught and supposed to act that maintains the sense of patriarchy in society. Women and men each have their own domains, and they rarely cross the proscribed boundaries of them—girls being raised to cook and socialise with other women indoors, and boys taken out onto the streets and into the social world of men<sup>90</sup>. Unfortunately, women usually suffer more as a result of this, as they are taken advantage of socially, psychologically, physically and economically, both at home and in the work place. As Sanders (1962) noted, women are ‘bound to busy-ness’ and ‘a woman’s work is never done’. Indeed, it might be argued that they are perceived and treated as creatures needing to be tamed and in the service of men. Whereas men sit or stand around, women cook, clean, iron, shop and take primary care of their children and grand-children. My mother-in-law Baba Rosa, for example, is on her feet most of the day. The only time when she sits is when visitors come for coffee and in the evening when the family sits around watching TV and reading the papers. The only TV programme she watches regularly is one of the famous Turkish soap-operas (*serii*), which along with Brazilian and Indian soap operas have internationalised drama and romance for Macedonians.

Yet men do not always benefit from prescribed gender roles either, and I think the roles men are supposed to take are restricted. Whereas in cosmopolitan Skopje men and women are more likely to work on either side of the gender aisle, and have more options as a result, elsewhere in the country one could suggest that Macedonians are confined to customs which do not best suit the needs of a modernising European nation in the 21<sup>st</sup> century. Although EU integration seems increasingly questionable, it appears

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<sup>90</sup> When visiting from Skopje, our primary school-aged nephew will always be out and about with his grandfather in the evening.

that young people resoundingly want the opportunities it affords yet traditional gender roles stand in the way of availing the freedom to make such choices.

### **Life as a ‘zet’**

More than anything else, being a local son-in-law (*zet*) defined me in the eyes of those I met. My in-laws and the neighbours ceased using my name and called out to me ‘*zete!*’<sup>91</sup> Although I found this strange and slightly irksome at first, I became used to it, and on more than one occasion I used my status as a Kavadarci son-in-law (*Kavadarečki zet*) to make a connection either in person or over the phone when trying to meet with someone. But to justify it—given that it is the bride who traditionally goes to live with the husband’s family—people often recited to me the saying ‘from where your wife is, is where you are from’<sup>92</sup>. This frequently used statement, along with use of the well-known term *domazet* for a married man living with his wife’s family, was evidence that others are not only accepting of this arrangement but have developed a discourse surrounding it. Indeed, I met many a *domazet* over my time in Tikveš, and according to Hammel (1968), being a *domazet* is in fact relatively common. Although not usually favoured and the result of not having enough resources (eg, land or a house) or too many brothers, such individuals constitute a small minority—one-eighth of married men according to Hammel (p18). Yet their social status is not usually any the worse, and sometimes is in fact significantly improved when a wife’s family has resources to impart on their resident son-in-law. In my experience, there was thus reciprocity in my acceptance into the community that was a real necessity for my access to relationships (and to information for my research). To be a *domazet* meant that I had to represent the family who adopted me in many ways, and to become a part of their social order and kin network, as well as to practice their traditions<sup>93</sup>.

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<sup>91</sup> The suffix –e on the end of nouns in the South Slavic languages is the vocative case, and a formal conjugation implying respect for someone. For example, *gospodin* (‘Mister’) becomes *gospodine* when being spoken to formally, such as in a place of business.

<sup>92</sup> *Od kaj ti e žena od kaj si ti.*

<sup>93</sup> Hammel wrote about such incorporation, and discusses how a *domazet* will adopt his wife’s family’s saint day celebration (*slava*) at first, but may then revert to his own once his father-in-law and/or any other males in the family pass away.

As one local *domazet* said to me of our status though, we are ‘like a TV without the sound’<sup>94</sup>. The Macedonian word for ‘sound’ (*glas*) used in the phrase has alternative meanings though, and means ‘voice’ as well as ‘vote’. Therefore, the implication is that a *domazet* is not only less vocal, quiet and ‘without the sound’, but has no voice or say in matters. I can testify that there is some truth to this, as a wife’s subservience when a daughter-in-law (*snaa*) within her husband’s family’s home is greatly lessened in her own family’s home<sup>95</sup>. Furthermore, her authority—and that of all women in the house—is strengthened given strong mother-daughter and sister relationships.

Indeed, trying to maintain a relationship with my wife such as we had prior became nearly impossible, as our private time was severely diminished and we had different obligations and schedules. The only thing we really seemingly shared, besides our daughter and our innate love for each other, was an obligation to the extended family to represent and maintain its name, honour and identity. This likely helps maintain marriages and decrease the likelihood for divorce, as the latter is still stigmatised<sup>96</sup>. In short, relationships are thus more about safety, support and shared success for the extended family than autonomy and self-success and happiness for the married couple and their nuclear family. Further, upon having our daughter and living in Irena’s family home and hometown, I realised the full extent of my purpose from a kin perspective—even as a *domazet* I am a patriarch in the making—father of Vera, husband (*maž*<sup>97</sup>) of Irena, son-in-law to Mančo and Rosa, and brother-in-law to my wife’s brother, Igor<sup>98</sup>.

Regardless, I never ceased to appreciate my privileges as a *zet*. I was both an American and a foreigner yet also a local, able to ease my way into anything using a combination of these identities. In Kavadarci I merely mentioned my father-in-law and was generally well received—and I became

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<sup>94</sup> *Kako televizor so boja, bez glas.*

<sup>95</sup> In addition to Sanders, Lodge and Hammel, anthropologist Tone Bringa writes about daughter-in-law, mother-in-law relationships in Bosnia and the common tensions among them—ethnography which applies to Macedonia’s multi-generational households as well.

<sup>96</sup> In fact, Macedonia is in the top ten countries in the world in terms of lowest divorce rates.

<sup>97</sup> Literally ‘man’.

<sup>98</sup> In the complicated structure that characterizes Tikveš kinship, although we are brothers-in-law, I am Igor’s *zet* but he is my *šura*.

accustomed to doing so because I was always immediately asked which family I married into<sup>99</sup>. If in another town in the country, just being a ‘Kavadarci son-in-law’ was enough to gain a form of respect and social entry into a situation, including a different form of conversation—friendlier and more engaging. I was not merely viewed as a Macedonian-speaking foreign anthropologist (and perhaps a spy—as was often wondered of me during my Peace Corps days) but as a fellow countryman and distant relative.

In conclusion, the agricultural Tikveš region in the south of the Republic of Macedonia is a region steeped in history and diversity. For the author, it was not only the first place I resided in the country over a decade ago and then again for fieldwork, but it is a second home and one where affinal relationships tie me in and down on the one hand yet give me immediate social entry and access to people and information, on the other. While the over-arching topic of my research was privatisation in the wine industry, my kin relations and daily life were paramount to my success and satisfaction in living there. I therefore discuss the rather mundane details about the house and daily life to illustrate where individuals live out their daily lives, and where the intersubjective, shared experience of sociality and survival is enacted. Although the latter is discussed at greater length in Chapter 6, in the next chapter I discuss kinship and the traditions surrounding marriage, birth and parenting which I experienced just prior to and during my fieldwork, and how friends and family play a role in perpetuating the customs surrounding them.

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<sup>99</sup> *Asked either as ‘whose are you?’ (čija si ti?) or ‘who is your father-in-law?’ (koj e dedo ti?)*

## Chapter 2

### **Deconstructing *katastrofa*: neoliberalism, privatisation and the precarious transition in Macedonia**

As discussed in the thesis Introduction, use of the term transition refers to the shift in economic as well as political structure in the last two decades, and Macedonia could thus be characterised as a transitional economy. Focusing on economics, however, underscores the significance of the transition in the country since its separation from the former Yugoslavia in 1991. In fact, there have been drastic alterations to the political system, and both economically and politically the country's transition has been overshadowed by the at-times ambiguous effects of global neoliberalism and privatisation. The onset of such neoliberal capitalism means that inequality and uncertainty are the new structured norm, and the equality, social stability and regular income that characterised life during socialism is seemingly a thing of the past.

Given the ramifications of these changes in Tikveš, most frequently summed up by use of the term '*katastrofa*' (catastrophe), this chapter deconstructs this term—including the 'connected' network of actors who comprise the 'catastrophic' system—and elaborates upon the country's transition both politically and economically. Indeed, the transition could be characterised by the shift to a 'free-market democracy', but what this term means and implies for governance and livelihoods is unclear. In fact, few ever claim that their life is better now than before nor that their overall standard of living has improved. Therefore, this chapter largely focuses on the root causes of the *katastrofa* at hand—privatisation and neoliberalism, and the false consciousness they proscribe—and incorporates evidence of the political transition to these ideologies and the theoretical consequences of it. The chapter concludes with a brief discussion of globalisation's effects on the wine industry.

### ***Katastrofa, vrski and the role of networks in Macedonia***

Use of the term *katastrofa* has undoubtedly been a catchphrase in local discourse for some years now, and it serves as an indicator of the general mood in the region. I thus assert that the '*katastrofa*' in Tikveš and Macedonia is in direct response to the onset of neoliberalism. Where there is discussion of the corruptible leadership in government or industry, the sham that was the privatisation process, and individuals' plight as a result of these factors, the term *katastrofa* was used to sum up most peoples' feelings. Although this term is a key to further investigating the 'crisis' in the wine region and elsewhere in the country (and it is referred to not only in the title of this thesis but throughout it), what is arguably more important to understand is the social hierarchy in which Macedonians live out their daily lives. For it is not a meritocracy, where individuals acquire opportunities based on their qualifications and the merit of their character, but a society connected by networks. Such connections are called '*vrski*' in Macedonian, and are directly referred to in spoken conversation.

More specifically, *vrski* refer to the use of personal networks, connections and informal contacts to obtain goods and services in Macedonia<sup>100</sup>. As a form of social capital, however, the term is scarcely written about within the country (such as in media) and there is in fact little academic literature on *vrski* in Macedonia. Instead *vrski* are mentioned when a discussion ensues about an individual of means, and the term's informal meaning is widely understood. If asked 'How does s/he have...?' the reply will often simply be '*vrski*' and an explanation of someone's or their family's connections.

For *vrski* are the connections one's family has and as anthropologist Ilká Thiessen (2007) observed, they help individuals not only get a job but ensure that one will not be easily laid off. In fact, Thiessen noted that through *vrski*, work may be given to someone who is not only unqualified but who may never perform the expected duties. Expertise is thus not most important in acquiring work, but it is instead a matter of 'who you know'. Indeed, Keith Brown wrote of *vrski*: 'the reported prevalence and importance of *vrski*

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<sup>100</sup> This section is taken from a contribution I made to the forthcoming (2015) *Encyclopaedia of Informality*, edited by Alena Ledeneva at University College London.

is at the heart of many Macedonian critiques of how their society operates: *vrski* underpin corruption, nepotism, the black market, and every other obstacle citizens face in negotiating everyday life' (2006, p74). Therefore, use of *vrski* can be both legal and illegal, and helpful when successfully transacted or a hindrance when formal mechanisms for a procedure are disregarded due to a lack of such connections.

While the practice of *vrski* is seen as corrupting, the use of such informal connections is common and many Macedonians will instinctively call upon the contacts of friends and family in order to assure the best outcome in a situation, be it acquiring work, a public service (such as getting their child into the best school or completing a bureaucratic procedure) or a particular good. Shared origins are very important in a small nation such as Macedonia and in the capital Skopje, where many inhabitants are only one or two generations removed from their ancestral villages and towns. Therefore, if there is knowledge of such regional ties they will also be discussed and utilised.

Once a connection is made, enacting the use of *vrski* often includes meeting the connection outside in public or just outside of their office (so as to be escorted in and better assisted), and the individual being helped might bring a small gift (eg, a package of Turkish coffee, chocolates or a bottle of brandy) as a token of appreciation. Occasionally, a bribe (*mito*) is necessary in the transaction, though this is not common for most Macedonians engaged in such informal transactions. Conversation about their connection is important as well, because the closer the connection, the greater the importance of the service or favour being successfully completed. In fact, the individual providing the service may feel particularly obliged to lend their assistance if the individual seeking such help has been sent by a particularly important acquaintance (eg, a mayor, godfather, or someone to whom they are indebted). The practice is thus cyclical, and helps maintain a social fabric and 'economy of favours' (Ledeneva 1998) comprised of cooperative, overlapping structured behaviour.

At the state and institutional level, use of *vrski* has contributed to the post-socialist restructuring of government and the economy, whereby the effects of *vrski* on state services have been intentionally deleterious. Through



ceasing to provide services the state is opening up opportunities to private actors—who are aware of these niche markets through their networks and connections. Consequently, politicians and their acquaintances have profited off of the state’s capital through the privatisation of its services, from utilities to higher education to agriculture (cf. Otten 2013). In another form of corruption induced by *vrski*, if a private business offers a particular service, its owner may be contracted by a government agency to offer such service, but both the bureaucrat and business owner will expect personal gain from the engagement and transaction. *Vrski* are therefore suitable for the current capitalist market economy, where profits supersede services in importance. This is particularly ironic given the neoliberal argument that privatised industries offer better services, as is discussed later on in this chapter.

Additionally, Keith Hart (2009) has defined ‘informal’ economic practices as those falling outside of or which are invisible to bureaucratic form, and thus states that ‘the task is not only to find practical ways of harnessing the complementary potential of bureaucracy and informality, but also to advance thinking about their dialectical movement’. Further, Hart asserts that neoliberal globalisation has expanded the scope of informal activities, so that there must be an examination of the social forms which organise them and their relation to governments, corporations and international agencies. Of great concern then with *vrski* should be the development of what Saskia Sassen (2014) calls ‘predatory formations’, which are mixes of elites, global networks, laws and government policies, all of which help constitute a ‘brutality’ in the modern global economy and the ‘expulsion’ of mass numbers of individuals from a decent standard of living. Such brutal predatory formations should be kept in mind when considering the effects of neoliberalism discussed in the following section.

### **Neoliberal capitalism: a theoretical background**

Since the 1970s neoliberal capitalism (neoliberalism) has become the dominant hegemony in the United States and much of the world (Harvey 2005, Saad-Filho and Johnson 2005), as during this time the classical liberalism that defined American economic and social policy during the 19<sup>th</sup> and early 20<sup>th</sup> centuries was revitalised and intensified, resulting in

government cuts to services and programmes, if not their dissolution. Furthermore, there has been the extension of an economic rationality to cultural, social and political spheres, and the redefinition of the individual from a citizen to an autonomous economic actor. Despite the economic inequality, lack of any increase in ordinary workers' wages, significant growth in personal debt, as well as the massive shift in power from the state to multi-national corporations and global financial institutions, neoliberalism continues to be the dominant hegemony around the globe (Dumenil and Levy 2005, Harvey 2005).

Neoliberalism is defined by a drive for profit and efficiency, but is a broad and at times ambiguous term. It is used to encompass a variety of economic, social and political ideas, policies and practices, functioning on both individual and institutional levels. It is not so much a singular ideology as it is a plural set of concepts stemming from numerous sources that affect various aspects of society and political-economy (Plehwe, Walpen and Neunhoffer 2006, Saad-Filho and Johnson 2005). The policies and practices of neoliberalism are thus variable, and may operate at local, state, national and/or global levels, making their identification and elucidation difficult. The assemblage of various ideas, policies and practices that are in a constant state of flux in the neoliberal world confounds attempts to define a consistent set of fundamental aspects of neoliberalism. That is, neoliberalism is often amorphous, and manifests itself in unique ways depending on the time and place (Otten 2013).

The expansion of economic rationality into cultural, political and social spheres is the most distinctive aspect of neoliberalism and one of its most powerful ideological tools, and the universalization of economic logic helps to create the appearance that it is the natural approach to the world. Since alternatives are excluded and the same logic is used in every aspect of life, it easily becomes assumed that such rationality must be in some way innate to human beings. This assumption is seen through the rise of 'social Darwinism'—the belief that competition is part of human nature (Hofstadter 1992), and the idea that unfettered free-market capitalism is an inherent part of a free world, as well as in the fundamental assumptions of certain rational choice and human capital theories that insist all action is guided by

cost/benefit analysis. The pervasiveness of economic rationality culminates in ‘saturation of our consciousness, so that the educational, economic and social world we see and interact with, and the common sense interpretations we put on it becomes...the only world’ (Apple 2004, p4). This Marxian false consciousness is the epitome of neoliberal ideology; neoliberalism defines not only the social, economic and political institutions and policies, but it is also used to dictate the manner by which individuals make day-to-day decisions and structure their lives.

The root of neoliberalism—liberalism—comes from the classical liberal economic theory of Adam Smith, David Ricardo and the Manchester School that is based around free markets and minimal state intervention in the economy (Palley 2005). The ‘neo’ or new aspect of this liberalism comes from the ways in which it alters the liberal economic theory to correspond to new material conditions (Turner 2008). Neoliberalism is thus a return to and extension of the laissez-faire economic theory that reigned until the 1930s but was adapted to the post-Depression then World War II and post-war era of strong state control (Harman 2008). Indeed, the most powerful of these extensions is the expansion of economic rationality past the economic sphere and into the social sphere, where there is no longer a distinction between the market and the state, between public and private, between the individual and the social (Lemke 2001). Neoliberalism redefines the social as an economic domain, governed by the ‘rational choices’ of entrepreneurial individuals who see everything they do in terms of maximising their ‘human capital’. While neoliberalism refers to a varied collection of ideas, practices, policies and discursive representations (*ibid*), these are united by three broad themes: the benevolence of the free market, minimal state intervention and economic regulation, and the individual as a rational economic actor (Harvey 2005, Turner 2008).

Such as in classical liberalism, a fundamental aspect of neoliberalism is what Karl Polanyi (1944) called the ‘self-regulating market’. Proponents of neoliberalism view the market as the natural and inevitable organizing and evaluative force in all social, cultural and economic matters, and they assert that competition and free trade will lead to economic growth and global prosperity to the benefit of all individuals (Shaikh 2005). If these do not

actually transpire, proponents will blame outside interference in the market's operation, from regulations to trade unions to geo-political issues (eg, international conflicts). The free market thus allegedly ensures efficiency, maximum profits, and a fair playing field. Neoliberalism expands the classical liberal idea that the market is the governing mechanism of the economy to include every aspect of society, and Polanyi foresaw this in his discussion of the logical extensions of a free-market society when he stated 'instead of economy being embedded in social relations, social relations are embedded in the economy' (p60). The expansion of the market results in the commodification and marketization of not only goods, services and labour, but also of culture, relationships and social institutions. In a neoliberal world, everything is economic (Lemke 2001).

If neoliberalism is the ideology, capitalism is the system in which it is put into practice. Petras and Veltmeyer (2011, p11) define capitalism as a wage-labour system of commodity production driven by the search for private profit. As a global system, it is comprised of four different institutions:

1. Private property in the means of production;
2. The social relation of wage labour comprised of two different classes: the owners (the bourgeoisie) and the workers (the proletariat);
3. The state, which serves in a variety of ways to assist in the accumulation of capital, and to reproduce and legitimise the capitalist system;
4. The market, which is an institution that serves as an economic exchange of society's resources.

As England and Ward (2007) state though, neoliberalism is a 'current phase of capitalism' (p1) and 'binds together those with a stake in its continued reproduction' (p2). Government ministers, venture capitalists, corporate chief executives, and officials in media and international institutions (among others) are involved in practicing neoliberalism (Bourdieu 1998, Harvey 2006). Most scholars refer to it as an economic and political orthodoxy marked by commitments to policies of free trade, privatisation, deregulation and welfare state retraction (p3). Peet (2001) says it is 'the doctrine that economic growth is maximised when movement of

goods, services and capital, but not labour, are unimpeded by government regulations' (p330).

I concur with England and Ward when they make a distinction between neoliberalism as an end-state and a process, consisting of a multiplicity of openings and closures, and find that analysis of it is interdisciplinary. Indeed, Johnston and Saad-Filho (2005) contend that neoliberalism 'straddles a wide range of social, political and economic phenomena at different levels of complexity' (p1) and as Tickell and Peck (2003) describe, neoliberalism is 'contradictory' and has 'the capacity to bring forth countertendencies...existing in historically and contingent forms' (p165). They thus assert that analyses of this process should 'focus on change...rather than on binary and/or static comparisons between a past state and its erstwhile successor'.

This is in fact the intention of this thesis and is discussed throughout, and particularly in Chapter 6 where individual entrepreneurship and adaptation to current conditions are illustrated. For as Chris Hann (2006) said of neoliberalism, it is 'the notion of everyone acting as an entrepreneur' (p7). Neoliberal ideology, just as any successful ideology, is based partly in people's lived experiences, where successful ideologies are grounded in our general individual experiences and attempt to reconstitute and represent them in a way that extracts consent to certain policies, institutions and ideas (Eagleton 1991). Through minimal state intervention in their lives individuals are 'free' to pursue their interests, though they must bear the costs and responsibility to do so.

### ***Neoliberal privatisation and the role of the state***

Privatisation has become a major part of a broader set of neoliberal reforms that have transformed society. Such reforms are connected to the globalisation of economy, and have contributed to the shift from Keynesianism to neoliberalism whereby public institutions have been encouraged (if not compelled) to adopt the principles of market dynamics in their management practices. The resulting new discourse and indicators have been ones focusing on gross domestic product (GDP), foreign direct investments (FDI), economic growth, and other market oriented economic

factors. Together, they provide the basis for a new managerial approach to public administration that redefines the relationship between the state and its institutions, and individuals and society as well. In Macedonia, this means that formerly state and socially-owned enterprises (SOEs) were sold off to private interests and were expected to restructure the way in which they make management and product decisions, all with a profit incentive in mind. And in agriculture this translates into a growing doctrine of reduced state assistance and intervention, despite the fact that the industry is subject to non-market, nature related volatility. Nonetheless, there is a belief that the state should no longer run agricultural industries, only subsidise them.

Therefore, there is indeed a convergence towards a neoliberal discourse in which the idea of privatisation is located. For Foucault (1991), these ideas of privately managed economies represent a new form of governance, understood as a response to economic globalisation and a shift from Fordist to flexible forms of production. What he calls 'neoliberal governmentality' involves a redefinition of the relationship between state and society in which primacy is accorded to economic factors in addressing the totality of human behaviour. Foucault highlights the specificity of contemporary forms of governance premised on the active consent and subjugation of subjects rather than their oppression, domination or through external control. Indeed, neoliberalism requires governments to reform the conduct of individuals to make them more competitive and efficient as a way of ensuring global economic advantage. As Hoogvelt (1997) claims, an awareness of global competition constrains both individuals and governments to 'conform to international standards of price and quality' (p154), which if they do not, they are marginalised and possibly penalised through sanctions imposed by the International Monetary Fund (IMF) and World Bank.

Therefore, the idea of privatisation refers to the transfer of services provided by the public sector to a range of private sector interests. Having emerged in the USA in the 1970s in order to separate decision making in public policy from service provision, it has become globally pervasive, increasingly assumed to be the most efficient way in which services are delivered and industries are managed. Many activities can be construed as

privatisation, from selling state-owned enterprises to contracting out public services, and most of the reasons for privatising are thus economic. It is argued that privatisation leads to more cost-effective operations and even enhances the growth and productivity of government agencies, who must compete with the private sector to get the best human resources, who in turn work harder. However, such economic rationale cannot be easily substantiated, and conversely there is evidence of compromised quality when cost-cutting and profit motives come into play. Thus economic arguments cannot justify privatisation, nor the notion that the private sector is more productive than the public. And to try to do so excludes the other side of the coin—the political nature of privatisation and the role of ideology in promoting it. Indeed, notions of freedom and justice also play into the neoliberal privatisation sentiment, which help perpetuate a mode of existence and the processes of governmentality described by Foucault.

A range of theories underpin privatisation, such as theories of public choice, transaction cost analysis and property rights, among others. Each of these theories assumes the key rationale for privatisation to be the need to increase economic efficiency through better organisational performance. Collectively, these theories amount to what Waters (1995) refers to as ‘organisational ecumenism’, which is a single idealisation of appropriate organisational behaviour and includes generic management skills, quantified performance targets, devolution and the use of private sector practices such as corporate plans, monetary incentives and flexible labour practices. Aligned to these concepts is the idea that private ownership of property results in superior profitability and effectiveness. Taken together, these theories make efficiency, productivity and profitability paramount, and backers of them feel they should apply to all kinds of organisations and industries. This is an issue of contention in agriculture, among other areas, and what these theories mask is the range of perspectives on how society and its institutions should be organised. Insofar as these diverse perspectives and the needs they reflect are obscured by the capitalist discourse of profit and productivity, the interests that the ideology of privatisation serves are protected.

### *Neoliberalism as state restructuring*

England and Ward (2007) make the important point that neoliberalism is a process of state restructuring, not withdrawal, and to leave the state out of consideration is to ignore a significant aspect of neoliberal forces. This is certainly the case in Macedonia, where the state is not just subject to the effects of neoliberalism but shapes it in various ways, either through implementation of policy or shifts in bureaucratic structures, or the influence of private interests. As its former functions are redefined, the state remains strong, though the use of its power is now channelled in different ways using a different logic: economic rationality. It is thus important that scholars 'keep the state clearly in view' (Kingfisher 2002, p8) and I would add, to understand that neoliberalism is not necessarily imposed from outside of a country but instead exists as an international trend of sorts with various manifestations emerging from within.

According to neoliberalism, state power should focus on facilitating the operation of the market and the securing ability of individuals to operate freely within it, including creating new markets through the use of the military (Klein 2007), establishing free-trade agreements with different nations (Harvey 2005), and restructuring the tax system and regulations to support corporations (Turner 2008). These are all legitimate uses of state power within neoliberal ideology, and all require a strong state. Therefore, as Colas (2005) claims, 'developing countries are not hapless victims or passive objects of global neoliberalism; they are, like other states, populated by classes and social forces with their own interests and strategies' (p78).

However, England and Ward (2007) find that the more research done on neoliberalism, the more its vagaries and ambiguity are brought to surface, as it affects both the centre and the periphery and the relationship between the two. Nonetheless, they have outlined four different ways in which neoliberalism is used in scholarship:

1. *As an ideological hegemonic project*: this refers to the places and peoples behind its origins that are involved in its apparent uptake in geographically discrete but socially connected parts of the world. Dominance is exercised through the formation of class-based alliances who produce and circulate a coherent program of ideas and images about the world, its problems and how these are best solved. Acceptance



of these perceptions and opinions by the subordinated class is what creates the hegemony of it.

2. *As policy and programme*: this refers to the transfer of ownership from the public to private sector, and often involves a reworking of what these categories might mean. Policies involve such shifts in ownership to private interests justify it based on notions of market efficiency, and the notion that the privatised entities will perform better. It is not just states and local actors overseeing this process though, but the IMF and World Bank, along with myriad international actors.
3. *As state form*: this refers to the quantitative and qualitative restructuring of nation-states, involving redrawing the boundary between civil society, market and state. This embrace leads states to denigrate their own capacities and potentialities, to restructure and to cut themselves, to engineer their own reform and downsizing.
4. *As governmentality*: this refers to the ways in which the relations among and between peoples and things might be imagined, assembled and translated, to effect coordination at a distance. This process aims to transform recipients of assistance into entrepreneurial subjects, who may be motivated to become responsible for themselves. However, this may be based on a model of helping, training and empowering, or on a police model of governing every aspect of life.

Neoliberalism in Macedonia seems to be a combination of these, where the upper class have accepted and benefited from free-market policies, encouraging and often through being a part of the government, deconstructing the state apparatus so that the forces of neoliberal economics and the ‘individual as entrepreneur’ can be best accomplished. England and Ward also state that it is important to consider networks and their role in neoliberalism, from its implementation to its practice.

As for social inequalities, they have risen during this implementation of the new world order, leading to a social polarisation between the rich and poor in the distribution of income. However, as unequal accumulations of capital increase, welfare benefits decrease. Such issues are in fact endemic to capitalism but they can be adjusted with proper regulation, taxation and redistribution. Yet this transformation is occurring in Macedonia despite the fact that around the world neoliberal policies have wreaked havoc for several decades. Such policies are purely financial and seek to exploit resources, both in terms of human labour, natural resources and cheap commodity production. The last two decades of the 20<sup>th</sup> century could thus be

characterised by the installation of a new world order, several cycles of structural or policy reform, increased integration into a global process, the fall of socialism, as well as widespread resistance to the obvious inequality and social cost of neoliberal capitalism (Petras and Veltmeyer, 2011).

In places where neoliberal policies have been implemented, there has concurrently been the influx of significant international capital. In fact, according to Petras and Veltmeyer (2011), 'capitalism has become a world system, the latest advances in information technology and the policies of the neoliberal world order working to integrate economies across the world into one system' (p3). Capitalism in its neoliberal form has set the stage for significant but uncertain change, and a struggle to organise and mobilise these forces of change in a new direction. Indeed, there are several defining features of capitalist development in its current form:

- The inequality predicament: this predicament can be summed up as the unequal distribution of wealth and income that results from contemporary neoliberal capitalism, which in turn threatens societal stability and equality.
- A propensity towards crisis and unevenness in forces of production, as well as society in general through a class structure of rich and poor.

Thus the 'poverty problematic of capitalist development' (ibid, p4) consists of a fundamental tendency in capitalism towards impoverishing the working class. A 'war on poverty' can then be engaged and development priorities ensure that the poor do not deviate from a capitalist path of resisting progressive change. Uneven development processes consist of the competitive struggle among different sources of capital to influence the system as they see fit, and capitalist development over the forces of production implies the transformation of a traditional agrarian society based on pre-capitalist relations of production. Such a process leads to the development of the owners of such forces of production and those who only have their labour to offer. Thus the process leads to the formation of a class of capitalist entrepreneurs who have seized or been granted a proprietary claim on the means of production, and whose success depends on the

continued reproduction of a working proletariat. As Petra and Veltmeyer (ibid) state, ‘the capitalist development process has been theorised in the mainstream of development thought and by the economists at the World Bank as the working of forces of progressive change promoted by ‘pro-growth’ policies of structural adjustment and neoliberal globalisation.’

Like most industries, the wine industry has not gone unchanged and while its privatisation in Tikveš is covered in the following chapter, outlining the key factors and concepts at work there and in the global wine industry will help clarify the lived reality of the region’s inhabitants and to what ends their labour is utilised.

### **Globalisation in the wine industry**

Concurrent with neoliberalism, over the last 30 years the world of wine has been transformed by forces and processes of globalisation. The production, distribution and consumption of wine have all been transformed in profound ways by and through globalisation, which is itself made up of multiple and often contradictory dynamics. The result has been an increasingly complex wine world, both internally complicated and linked to other domains of economy, society and politics in increasingly diverse ways. The globalised wine world is full of contradictions, ambiguities and controversies.

The globalisation of wine production has involved a whole series of interlinking transformations. Wine is a multi-billion dollar global industry, with huge profits to be made by those who are able to take advantage of the dynamics of regional and world wine markets. But there have also been losers in the new wine economy, most notably regions and producers that have engaged in over-production or have failed to represent their products in ways that new groups of consumers find appealing. As the world wine economy has changed, so too has the structuring of its geography—old wine growing areas have been changed profoundly in terms of how they grow wine and how they market it, while completely new locations for the production of wine have been created. Just as older areas have been re-branded, with often ambivalent results, so too have new areas had to be presented as if their products are worthy of the ongoing attention of consumers. In both cases there has been a creation and re-creation of value,

with world wine markets operating on the basis of perceived forms of worth that in many cases were only recently invented.

The economics of wine production are also being transformed by transnational forms of expertise and the application of globalised technology. New types of actors, such as viticultural advisers operating routinely across national borders, have appeared on the scene and become increasingly influential, bringing in their wake novel assemblages and apparatuses of science, technology, culture and nature. Concurrently, trends towards organic and biodynamic production highlight how the wine industry has responded to broader trends having to do with environmental degradation and risk, and consumer desires both for ‘authenticity’ and health, construed in various ways, and apparently virtuous forms of production and consumption.

As production has in many ways become more homogenised across the world—with the development of mass market wines on an industrial scale in many territories—there has been a growth in resistance to the perceived detrimental consequences of such homogenisation in the forms of political resistance to the ownership of large wine-growing areas by transnational corporations. As a result, the globalisation of wine production has become a profoundly political issue in various countries, with ramifications both for the wider agricultural industries and for national and transnational types of politics.

Just as the production of wine has become globalised in ever more complex ways, so too have the ways in which wine is socially organised and symbolically represented. There now exists both a worldwide cultural economy of wine, as well as more specific regional and national economies. At these various levels, wine has become mediated by a wide range of actors and institutions, all of whom both shape processes of wine globalisation and are in turn shaped by these. For example, wine tourism is an increasingly important sector within the broader tourist economy, attracting affluent visitors to wine growing areas, whose needs are catered for by an expanding viticultural culture industry that brands, markets, promotes and represents not only the wine itself but such factors as *terroir*, geography, tradition, local and national cultures, and family wine-making traditions. This culture industry

can have profound consequences for how wine is actually made, priced and consumed.

The world wine economy is also structured through events such as wine fairs and the prizes awarded at them, these prizes carrying great economic and symbolic worth, and being able to create reputations that can be globe-spanning in nature. If such promotional devices now have global aspects, so too do the institutions of criticism and evaluation. For example, the American critic Robert Parker holds tremendous power in shaping not only which wine gets highly evaluated and consumed, but also how wine-makers understand the nature of their own products. Relatedly there is now a worldwide system comprised of restaurants, bars and wine personnel such as sommeliers, the latter operating as brokers and intermediaries between the wine industry and on increasingly diverse array of consumers. In essence, the various social apparatuses which surround wine have become more globalised, leading in some ways to more homogenisation but also to new forms of complexity and difference.

Both mirroring and to some extent driving the globalisation of wine production, the increasingly globalised nature of wine consumption is in need of serious attention at the present time. Many large-scale transformations have been and are taking place in terms of who drinks wine, why they drink it, and which wines they drink. Older class-, gender- and ethnically-based patterns of consumption have either been re-enforced or profoundly altered as both production and the social management of wine have changed. Whole new classes of consumers have arisen, often in response to the cultivation of tastes and aspirations by the wine cultural industry. From the lower classes in Europe to the new middle classes in China and India, the entry of new social groups into the field of wine consumption has had lasting effects on what sorts of wines are made and how they are presented to various publics. And in locations where wine drinking is a novel social activity, new consumers have been tutored in how to deal with wine. Relatedly, new forms of social distinction and cosmopolitanism have been created, as new types of consumers express their aspirations through the means of wine drinking. Such processes have been particularly spectacular in the case of China, where the consumption patterns

of both the hyper-rich and the new middle classes are having very large impacts on wine prices in various regions, including ‘old world’ production areas like France, Spain and Italy.

But it is not only in the newly rich countries where new types of wine consumers have appeared—wine consumption has appeared relatively recently as a mass pursuit in parts of Europe, especially the Nordic countries, where hitherto it was merely an elite activity. How to stimulate a wine market in a context where wine was hardly drunk before has been a challenge that the wine industry has often successfully risen to, and this process mirrors the creation of value being created from nothing (or very little), which has characterised the emergence of new wine-producing areas. New forms of production and novel modes of consumption are often entangled with each other, as is evidenced by the success of emerging regions’ wines in places with no strong tradition of wine consumption. Yet at the same time as some national contexts have exhibited very rapid increases in per capita levels of wine consumption, other locations have suffered a decline in consumption, such contexts often being those with long-established wine industries and traditions of wine drinking. New types of alcohol consumption are displacing wine in some countries, stimulating often anguished debates about the possibility of maintaining cultural traditions within a world of (apparently) open cultural borders and of trans-national drinks corporations which possess the financial muscle to promote successfully new drinking patterns. This again shows that wine is thoroughly bound up with multiple controversies and dilemmas, which are simultaneously cultural, economic and political.

The worldwide wine industry is both increasingly homogeneous, yet complex and diverse too. An understanding of it must examine the production, distribution, social management and consumption of wine, analysing these from a wide range of disciplinary perspectives. The wine world thus intersects in diverse ways with other major domains of a globalised world, in political, economic, social and cultural ways.

### **Conclusion**

In Macedonia, the wine industry has experienced such shifts in ownership, production, consumption, branding and marketing. Politics and economics,

both state-led and ideologically driven by the neoliberal market, have and continue to transform the wine world there. Indeed, neoliberalism is a tour-de-force around the world, and as I assert in this chapter is the catalyst for the '*katastrofa*' in Macedonia. As discussed in the previous sections, it has embedded itself in every aspect of life, from society to government to economy, including the global wine industry, and globalisation and individual consumption are indeed key to it.

The most distinctively neoliberal phenomenon is the redefinition of the individual as 'homo oeconomicus', a rational economic actor whose behaviours, both economic and non-economic, are determined by a cost/benefit analysis (Lemke 2001). In a neoliberal world, there are no social problems, only individual challenges, and there cannot be a social solution to an individual challenge without restricting the individual's freedom. It is perpetuated through ideological control of all aspects of society, whereby there is an exclusion of alternatives and rival forms of thought (ibid). Consequently, neoliberalism so saturates consciousness that it defines common sense beliefs and becomes indivisible from basic ideas and fundamental assumptions (Apple 2004). The acceptance of neoliberalism is understandable; it is reasonable for people to desire change when the current economic system is apparently failing them, just as it is reasonable for them to believe the new system works when they appear to or more likely, are potentially able to benefit from it. Yet this is a neo-Marxian form of ideologically induced false consciousness.

Indeed, all successful ideologies obscure the true economic and social impacts of their implementation (Eagleton 1991), and neoliberalism is no different. If more attention were to be given to the growing concentration of wealth, massive inequality, lack of a rise in real wages, growth in personal debt, and the restriction of most economic prosperity to wealthy individuals and financial institutions as a result of neoliberalism, people may be less willing to accept the ideology (Dumenil and Levy 2005, Harvey 2005). To ensure that the outcomes of neoliberal policies and institutions are removed from the dominant discourse, the media, schools, and other ideological institutions are utilised to hide and distort the true impact of the pervasive ideology (Herman and Chomsky 1988). The reality conveyed through these

institutions is only a partial picture of the neoliberal world, as they obscure the devastating impacts of neoliberalism while highlighting any beneficial outcomes that could possibly be related to it. When this occurs, people are more likely to accept the neoliberal regime, thus reducing any immediate need to question it or create alternative systems.

Devoted followers of neoliberalism attempt to prove the legitimacy of the extreme disparities in wealth through a fairly simple argument, though one with extremely contentious premises that often go uncontested. The argument begins with the assertion that neoliberalism allegedly frees the individual from the oppressive interference of the state allowing each person to realise their personal autonomy, and individuals within neoliberalism are rational, autonomous economic actors (Lemke 2001). Next comes the claim that the market is self-regulating, ensuring that the distribution of wealth is a legitimate product of free competition (Turner 2008). Since everyone has equal opportunity and the means for acquiring wealth are just and fair, the unequal distribution of wealth is necessarily legitimate. A corollary to this conclusion is that any inequalities of wealth are a result of individuals not working hard enough, and they can remedy their situation by changing their personal approach to the world—the ‘pull yourself up by your bootstraps’ mentality. If in the rare chance someone does work hard and does not succeed, the assumption is that it is not due to any structural inequality but only to a deficiency in his or her natural abilities. Further, free market fundamentalists allege that the wealth that is created at the top of the economic strata will ‘trickle down’, believing that what is good for the wealthy is inevitably good for everyone else. This basic line of reasoning largely shields neoliberalism from claims that it intentionally helps the wealthy at the expense of the poor, uses the structural inequalities increasingly embedded in governments and societies around the globe to exploit individuals and social groups, and forsakes the welfare of the individuals for the sake of creating profit (Chomsky 1998, 2005).

In the following chapters these claims are substantiated through evidence from and discussions of the wine industry, governance in the region and country, and adaptation to such conditions by grape producers.



## Chapter 3

### ***In vino veritas*: Tikveš grape and wine production in the 20<sup>th</sup> century and after**

*I walk through the fields of Tikveš, Kavadarci town of wine;  
The grape growers were picking their grapes, the wineries making their wine;  
Wine is your destiny, with it you'll live long and with the rakija cure your pain.<sup>101</sup>*

#### **Introduction: History, traditions, land and labour**

In this chapter I discuss grapes and wine as they exist in contemporary Macedonia, giving a historical, cultural, economical as well as viticultural background. I discuss the agriculture surrounding their growth, maintenance and harvesting—and changes to these processes and factors, how particular growers sell their grapes, the production process which occurs at most wineries, as well as how the wineries get their product to market, and which markets those are. This chapter also begins a discussion on perceptions of grape and wine production (*lozarstvo*), and the labour, customs and traditions surrounding it, as well as what the transition means for growers and the industry in terms of new standards, laws, subsidies and expectations.

The fermented grape beverage of wine reportedly dates back over 8,000 years, artefacts of its oldest production being found in the Republic of Georgia. However, according to the director of the Kavadarci town museum and local historian, Petre Kamčevski, with whom I had many fruitful conversations, Tikveš is possibly one of the oldest wine regions in Europe. In one of his several books, ‘Grape and wine production in Tikveš throughout history’ (2007)<sup>102</sup>, Kamčevski discusses how wine production there dates back millennia, with the region among the first in Europe to grow grapes agriculturally. For although the oldest known grape production indeed originates in Georgia, the evidence points to its transport through and around the Black Sea into modern day Turkey, Bulgaria, Greece and Macedonia in the ensuing centuries.

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<sup>101</sup> From the song ‘Kavadarci, town of wine’ (*Kavadarci, gradot na vino*)

<sup>102</sup> Published as *Lozarstvo i vinarstvo vo Tikvešijata niz istorijata*

Ancient artefacts (including coins, tools and pottery) found in Tikveš (some of which date back four millennia) illustrate the role of wine in society, and show that it was a divine and sacred substance. Wine was used in ceremonies, celebrations and war, with burial chambers and other decorative stonework excavated at the Stobi archaeological site in Tikveš showing extensive use of grapevine imagery. With several layers of building, the site is an expansive exposé into centuries of life in the wine region, and includes streets, a basilica, synagogue and many artefacts from the 2<sup>nd</sup> century BC onward. Altogether, they show not only grape production but worship of the ‘god of wine’, Dionysus. Stone reliefs of him with other gods are ubiquitous, and one includes a rare image of vines growing out of the hand of Dionysus.

The Macedonian ruler, Alexander the Great, was known to give wine rations to his soldiers, as wine was often drunk in place of water when the latter’s quality could not be guaranteed. Famous writers noted the region’s wine consumption as well, such as Homer who wrote in the Iliad about the consumption of ‘*oinos*’ in Macedonia and Plutarch, who wrote about ancient Macedonians’ constant imbibing of wine. From ancient to Ottoman times, wine was used as currency and a tithe to the state: taxes were paid and goods, including livestock, were acquired with it (Kamčevski 2007).

In several Macedonian folk songs and poems comes the mention of wine, and in Tikveš folk songs herald the livelihoods made from wine production and consumption. There is the song ‘Black Tikveš’ (*Crno Tikveško*)<sup>103</sup>, which is often sang in restaurants in chorus, as the words are drawn out ‘*crno e, crno Tikveškooooo!*’ Another tune in the song ‘Daphne, red wine’ (*Dafino, vino crveno*), tells the story of Daphne’s lover, whose coat was stolen by a Turkish *hajduk* and sold for red wine and brandy. Among many others, there is also the famous ditty by poet Jovan Strezovski, which goes:

Beautiful is the spring  
 Beautiful is the blue sky  
 But most beautiful of all

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<sup>103</sup> Red wine is traditionally called ‘black wine’, though ‘red wine’ (*crveno vino*) will be heard as well, referring to the same sorts of wine.

Is Tikveš wine!

Wine is also referenced in the well-known Macedonian saying ‘plant a vine, drink some wine’ (*bucni prčka, pij vino*)—said to those expecting too much, too fast. And as I discuss here and in Chapter 6, many growers equate it with ‘bread’ (*leb*)—as a life and livelihood giving substance.

A vast variety of grapes (*grozje*) are grown in Tikveš, some more recent introductions than others. Red sorts grow better than whites given the intense summer heat and aridity, and constitute the majority of grapes grown<sup>104</sup>. The sorts grown include white grape types such as *Riesling*, *Traminer* and *Chardonnay*, as well as *Smederevka*, *Hamburg*, *Temjanika* and *R’katsiteli*. Of the red grape types, one will certainly find *Cabernet* and *Merlot*, but more so *Kratošija*, *Stanušina*, *Kardinal* and *Vranec*—whose blend is called ‘blue blood’ (*plav krv*).

*Vranec*, however, is Macedonia’s premier grape and constitutes the majority of Macedonian red wine. Grown in Montenegro as well, it is the primary grape in ‘*cuvée*’ blends and is seen as the industry’s most unique and thus marketable wine, and winery owners boast that it can compete with an Italian *Sangiovese* or Spanish *Rioja*. Dark with a full-bodied aroma, *Vranec* is the California grape brought nearly a century ago gone native (after the phylloxera epidemic, described below). It is in fact a cousin to *Zinfandel*—which incidentally originated on the Balkan’s Adriatic coast and was brought to California by Croatian immigrants—and grows well in the long, hot and sunny Tikveš summer days.

*Vranec* is perceived to be such a quality grape not only because of the full-bodied wine it produces, but because its sugar content levels are extremely high—usually anywhere from 20-28 brix<sup>105</sup>. Overall, the intense aromas of Macedonian wines are the result of the region’s *terroir*—the combined influence of the Mediterranean and continental climates on largely clay-like soil, with hot summer days, cooler nights and sufficient cool

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<sup>104</sup> Approximately 65 percent.

<sup>105</sup> Brix refers to the sugar content of an aqueous solution. One degree brix is one gram of sucrose in 100 grams of solution and represents the strength of the solution as percentage by weight. Comparatively speaking, sub-par grapes have sugar content levels of 10-15, and typical decent quality grapes between 15-20 brix.

mountain rain. The lengthy ripening process concentrates the sugar and acids in the grapes, ensuring rich colours and complex aromas in the wines.

There is an irony but a tale to be told in current rates of wine consumption in Macedonia: they are in decline. To begin, statistically Macedonians drink far less than their neighbours to the north. This is ironic because of the immense production of wine and brandy in Macedonia—in both Tikveš and in other parts of the country—but it belies another fact as well: of the wine that is consumed in south-central Macedonia, much of it is homemade. It thus goes unaccounted for, as does the massive production of *rakija* brandy, which remains an annual tradition that has only increased with the crisis in the wine industry. That is, growers with excess, unpurchased grapes have made more brandy than ever before—but largely for trade (as is addressed in Chapter 6).

Macedonians in fact are reserved in their consumption of alcohol, particularly women. Coffee, tea and juice are much more likely to be offered and consumed when visiting a home or meeting with someone in a café-bar during the day. Alcohol is only offered and drunk occasionally at the day's main afternoon meal (*ruček*) or in the evening, and generally in minimal amounts. Men drink more than women, particularly if out in the evening, though the tendency is to drink beer (which has been cleverly marketed by large European producers such as Heineken as well as the domestic brewery, Skopsko). Until 2011, in fact, the Kavadarci harvest 'grape-picking' (*grozdober*) wine festival allowed beer to be served, and beer sales surpassed wine sales at the event.

Unlike Georgia, for example<sup>106</sup>, the customs surrounding alcohol consumption at home are few, but brandy is drunk at the beginning of a meal only when one is eating salad, with wine or beer possibly to follow during the main meal. When toasting, it is imperative to look everyone in the eyes—as it is bad luck not to—and to gracefully clink glasses with them, saying 'to health' (*na dravje*) or 'to life' (*živeli*). That said, *rakija* brandy may be drunk at a variety of times of day and is used for various purposes. I met several mostly older individuals who drink a small glass of it every morning and

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<sup>106</sup> The '*supra*' as it is known, includes a series of toasts and traditions which combine both honour with humour and might address everything from the nation to politics to women.

claim that their good health is a result of this habit. However, it is also used when one runs a temperature—their socks are soaked in brandy and when worn, are said to bring down a fever. Indeed, it is made into medicinal syrups through ageing it with added sugar and certain herbs or fruits. *Mastika*, for example, is a liquorice flavoured brandy made with honey, anis seed and sometimes chamomile. Brandy is also commonly aged with walnuts, mint or fruit (most often cherries or berries), and my mother-in-law makes a variety of these annually. Different grapes yield different kinds of brandy though—growers claimed that the *Kardinal* and *Hamburg* sorts were the best. And last but not least, sub-average brandy is used as a cleansing agent—on the skin as a disinfectant, and on other surfaces such as tables or glass.

Growing the grapes which make the wine or brandy, however, is arduous work. Vineyards require a good amount of attention, from pruning to watering to spraying with pesticides to replacing. When new vines are planted, it takes at least three years for them to yield fruit. The initial pruning (*krojenje*) of mature vines is done in February, and in the summer bunches of grapes are actually removed to ensure that those which remain are of better quality. Further, large grape leaves covering the vines are cut away to increase sun exposure to the remaining grapes and to accelerate ripening.

The average life of a vine is 40 years, but with no disease and temperate weather vines can live to up to 100 years. When branches or entire vines are removed, they are burned either on the vineyard or taken home and used as fuel in the winter, as old vines are in fact the size of small tree trunks, and the ‘wood’ is caloric and produces high heat when burned. The work performed on vineyards is most often done with the help of both machinery—a tractor, namely—and kin labour. Couples work the land together, though with gender based restrictions: women do not drive tractors, nor prune the vines in the spring, as these are strictly the work of men. Women’s work in the vineyards is thus often subservient to men, and their duty is to prepare and serve lunch, tea and coffee as well <sup>107</sup>.

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<sup>107</sup> Lunch on the vineyard is usually comprised of bread with either a pate like spread (*pašteta*), sliced deli meat and cheese (*kaškaval*), or one of Macedonia’s mild red pepper and eggplant condiments (*ajvar*, *pindzur* or *lutenica*) and feta-like cheese (*sirenje*). A small gas powered burner is brought to heat water for herbal tea or Turkish coffee in the cooler months.

I must state that the work I did in the vineyards during my fieldwork was far less than I imagined when I set out on my project, and this was for a variety of reasons. For one, I did not live with a strictly grape-growing family<sup>108</sup>, so I did not have daily interaction at home with grape growers (though I did otherwise in town). Two, the work growers do is often relatively solitary and unplanned—only during the harvest is a significant amount of labour employed for a set period of time in the vineyards. Otherwise, the attention vineyards receive depends on a variety of factors, from the weather to the need to water, spray or prune them. Growers will not venture out in a cold rain, and if there has been too much rain the clay-like soil becomes extremely difficult to work in—feet sink and nearly get stuck in it. Alternatively, too little rain calls for irrigation or transporting water in large, 2,000 litre tanks on the back of tractors. Planning to go is thus often a last minute affair, and the nature of society in Tikveš means that if I was not engaged with a grower at that moment, I was not kept in mind and called along. Furthermore, I am foreign, and despite my kin-relations through marriage to a local, I was eternally shown a sort of hospitable deference—even our godfather said he did not want to burden me with the dirty work of grape growing (though I insisted on several occasions). Indeed, cut fingers, dust in the eyes and mouth, and long hours in the sun are just some of the burdens of working in vineyards.

In terms of the seasonal labour (*argati*) hired for the annual harvest, their work is the most intense of all. Once it is decided that grapes should be picked—and this depends on everything from the grape type to its location to the grower's or winery's preference—anywhere from three to six labourers are employed to work from before sunrise until near sunset (though with an afternoon break for lunch and rest from the heat). They are indeed fed several times to ensure their productivity and as part of their compensation, which is 600-800 MKD (10-13 EUR) per day. Men tend to be slightly higher paid, particularly if they are assigned to stacking the heavy crates of grapes into a truck or tractor-trailer. Although intense, such work can net an *argat* 300-350 EUR per month, which is good pay for anyone in agriculture and an

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<sup>108</sup> The family's vineyards were managed by my wife's aunt and uncle, and harvested with hired help only.

incentive for young men and even retirees to get involved. In fact, although Roma families migrate throughout the country and region for such work (including in other industries) and constitute the majority of those employed, I knew several young Macedonians in Kavadarci and the villages I frequently visited who worked as hired day labourers during the harvest, and heard of older men and women employed as well. Yet the availability of employment for such labour was decreasing during my fieldwork as a result of the transitional crisis in the region.

For grape growers and their families, their vineyards and the grapes they produce are what they toil for, and holidays and saints' days are tied to beliefs about and work in the vineyards. For example, St. Trifun<sup>109</sup> is considered the patron saint of the vineyards, and his day (14<sup>th</sup> February) is a celebration and beginning of the new grape-growing season. On the morning of it in Tikveš, growers gather at local churches to see the priest prune (*kroje*) the first vine of the season—a vine which has in fact been removed from the vineyards and brought to the church to be used ceremoniously. Thereafter it is divvied up and passed along to spread good fortune in life and vineyard labour, and brandy and wine are served. Some priests and certainly parishioners continue onto the vineyards themselves, pouring wine onto the soil as a ritual blessing. For it is after St. Trifun that growers should begin clearing the vineyards from the prior year, cutting and burning them—but not before the jubilation of the day has its way. Indeed, with the St. Trifun holiday being in mid-February, when snow may very well be falling, the day is more ritual than labour oriented, and brandy and wine are poured freely. Although most growers in Tikveš celebrate and the region's main towns hold some sort of formal recognition by the Mayor, in Demir Kapija there is a large municipality-organised event that includes folk dances and speeches by guest (often diplomatic) dignitaries<sup>110</sup>.

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<sup>109</sup> Known as a healer in the 3rd century AD, he was from Phrygia in what is today western Turkey. Rumour has it that his healing powers were so great that, as a teenager, he was summoned by the Roman emperor Gordan to heal his ailing daughter. He did so successfully, but not long after he was forced to renounce Christianity under the rule of Emperor Decius. He refused, and was tortured and murdered for it.

<sup>110</sup> The event is one of the several clever ways in which the town has garnered attention and a name for itself (in addition to its wineries and outdoor activities, namely rock climbing).

Despite this rich history and tradition in viticulture and grape production, the mythological legends and proverbs from other parts of Europe are not mentioned in Tikveš in the present day, and glorifications of wine—such as perhaps the most famous ‘in wine there is truth’ (*in vino veritas*)—seem non-existent except for in folk songs. I assert though that this does not discredit the historical evidence of the region’s wine production, but it is due to the fact that although Tikveš is a wine region and has been one for millennia, it has undergone not just a post-socialist transition but a significant ongoing one in terms of politics, economy, religion, ethnicity and thus identity. The Macedonia of two thousand years ago was one of Dardanian, Illyrian, Thracian and Greek tribes, which in the ensuing centuries slowly mixed with Roman, Slavic, Bulgar, Byzantine, and then Turkish and other ethnic groups of the Ottoman Empire.

Indeed, historically Macedonia was clearly a wine producing region during Roman times and saw agricultural development via the establishment of *latifundia*—parcels of private land for the sole production of grain, produce or wine. And by the 14<sup>th</sup> century the villages of Tikveš were given to monasteries which were known to have the highest standards of wine production (Kamčevski 2007). However, these shifted hands and purpose during the Ottoman Empire’s development, and wine production fell as the Middle Eastern, Islamic empire brought in new varieties of grapes and with a general prohibition on alcohol<sup>111</sup>, produced grapes more for juice, raisins, preserves and use in desserts (many of which are still found in Macedonia<sup>112</sup>). The pride, tales and traditions of wine production were thus likely lost for many during that time, as were any religious associations—one

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<sup>111</sup> The prohibition waxed and waned in its enforcement, and Christians continued to produce and consume alcohol, and at times so did their Muslim overlords. Indeed, some Ottoman nobility were known to be lax about alcohol, while some Sultans, such as Suleiman ‘the magnificent’, strictly prohibited it, had vineyards ripped up and fined producers during his reign in the 16<sup>th</sup> century. Of lasting effect were the declaration and condemnation by Mustafa the III, who in 1760 had producers’ homes burned, and fined and arrested them and buyers of alcohol. Such strict regulations lasted into the 19<sup>th</sup> century (Kamčevski 2007).

<sup>112</sup> Syrupy desserts, called ‘sweets’ (*slatki*) in Macedonian, include raisins and aubergines, and raisins are used in sweet breads as well. Further, there is a syrup (*madžun*) made from the boiling down of grapes that is considered both medicinal and a delicacy. It is akin to the ‘must’ (*mosto cotto*) made by Italians for ageing into balsamic vinegar, but is not taken to that level. The syrup is usually eaten with fried dough (*mekici* or *pešii*), but is considered healthy and a traditional bronchial medicine.



never hears mention of the pagan pantheon (be it South Slavic or Greek) and its gods (such as Dionysus), which if not lost in the centuries after Christianisation (9<sup>th</sup>-14<sup>th</sup> centuries) were certainly suppressed and forgotten during the Ottoman era (14<sup>th</sup>-20<sup>th</sup> centuries).

At present, rest from work in the vineyards is only taken on Christian holidays, including ‘forgiveness day’ (*pročka*)—when individuals should seek forgiveness from one another, and when couples and/or their children should pay visits to their godparents—as well as on the Thursday before Easter (*Veliki Četvrtok*) and Easter (*Veligden*) itself. Of further significance, on Orthodox Christmas Eve (*Badnik Večer*, 6 January), the loaf of bread with a coin inside (*pogača*) baked for the dinner is split in two—‘one side for the house, and one side for the vineyards’—and whichever side contains the coin is seen as a blessing for it in the coming year.

Wine production therefore dates back centuries in the region, and one researcher-visitor to Tikveš in the early 19<sup>th</sup> century (Jovan Cvijik) labelled it a proper wine region and the largest wine producer in all of Macedonia even then. He stated that Kavadarci was the centre in terms of sales and distribution of both the beverage and grapes for its production elsewhere (Kamčevski 2007). That is, grapes were grown then as they are today: not for domestic consumption so much as for export. Cvijik wrote of the many inns (*anovi*, from ‘*an*’ in Turkish) built for the traders, which were mostly occupied during the harvest when buyers came from north and south for the region’s wine<sup>113</sup>. Furthermore, as is discussed in Chapter 1, a significant boon came in the 19<sup>th</sup> century with the rise of industrialisation in Europe alongside the Ottoman Empire’s immersion into a more global economy. During this period railroads were built in the Balkans, including through Tikveš, allowing for the transport of products to markets throughout Macedonia and the wider region.

To compare Tikveš to Bordeaux or even Napa Valley though misrepresents it. Tikveš is a significant wine producing region because it has the right climate and was actively made into one during the growth of 19<sup>th</sup> century trade networks, followed by the monarchical then socialist Yugoslav

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<sup>113</sup> Traders came all the way from the Serbian city of Niš, 250km to the north, and the majority from Skopje or Salonica, 110km to the north or south, respectively.

era when land was appropriated, divided and redistributed to both individuals and the large, state owned enterprises. Indeed, since the end of the Balkan Wars of 1912-13, the region has seen the coming and going of several armies, states and their policies, along with various ruling classes and the institutionalised history they possessed and imposed. Consequently, with the wine industry there has been a drastic shift in not just the production of one product (wine) but a shift in the culture, traditions and political economy surrounding it.

### **A century of change: Tikveš since the end of Ottoman rule**

By the end of the Ottoman Empire, Tikveš produced one-seventh of the grapes grown in the vilayet of Salonica (Kamčevski 2007). Yet in this era surrounding World War I not only was there significant political change at hand as a result of the Second Balkan War and demise of Ottoman rule, but a ravaging phylloxera (*filoksera*)<sup>114</sup> outbreak annihilated the region's vineyards. There was thus a consequent period of stagnation, which along with WWI led to a drastic decline in wine production. It was not until the 1920s that the industry was partially revived with the import and growth of grapevines brought from California. The post-Ottoman, inter-war years saw slow growth but a shift back into greater wine production, though it was not until Macedonia's incorporation into the Federation of Yugoslavia that grape production increased exponentially.

Indeed, modern agricultural policy began with the Kingdom of Yugoslavia (1918-1943), which conducted land reform after the demise of the Ottoman Empire, resulting in small plots of three hectares on average. With the onset of socialism, food security then became a priority and the government sought to increase state owned property. Maximum land ownership—which had grown by the 1940s—thus decreased to ten hectares of cultivable land, and more land came to comprise state farms, given the government's plan to see agriculture drive industrialisation. A form of

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<sup>114</sup> This outbreak was well known among today's grape growers, who fear another such epidemic and/or fungal illness (*bolesti*)—which grapes are very susceptible to—but spray pesticides despite their cost in order to prevent it. For more information on phylloxera please see <http://en.wikipedia.org/wiki/Phylloxera>

collectivisation, yes, but those owning land were allowed to sell it<sup>115</sup> and the collectivisation project was abandoned in Yugoslavia by the mid-1950s. Nonetheless, two-thirds of the land was redistributed to 320,000 families, and the rest went to the creation of such state farms and enterprises.

Consequently, by the 1960s the majority of state-owned land had been developed into the vertically integrated, state run agriculture enterprises (*kombinati*, pl.). Each region had its own *kombinat* (if not several, such as in Tikveš), as the organisation of food production was not based on efficiency but on the four main principles outlined in the Introduction to this thesis. While the *kombinati* employed many workers, they were never collectives in the strict sense of the term, such as in much of the former Eastern Bloc. Instead such collective enterprises were just large swaths of land developed and used by a state industrial production facility. While they were the largest farms of their time, altogether they only took up one-thousand hectares in Tikveš, whereas private plots made up nearly eight thousand hectares altogether—clearly the majority of the region’s agricultural production. Such a system stands in similar form to this day, though the former *kombinati* are now largely private.

In terms of development of the wine industry during socialism, Kamčevski writes that ‘immediately after the country’s liberation [in 1946] the new government made increasing the production of grapes, wine and *rakija* a priority in Macedonia’ (p84), and the construction of the largest and now infamous Tikveš Winery (*Tikveška Vinarija*, formerly ‘AG *Kombinat Tikveš*’) in Kavadarci followed in 1947. Its production was modest in its incipience, but grew annually alongside modernising expansions to the facility in 1956, 1966 and several times in the 1970s. Indeed, the *kombinat* produced a variety of non-alcoholic juices and foodstuffs, and its winery was satisfying increasing demand from not just other Yugoslav republics, but Germany as well<sup>116</sup>.

The Tikveš Winery began as a family owned winery in the 1880s, when much of the region’s grape growers grew grapes and produced wine

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<sup>115</sup> By the 1980s the allowed land ownership increased to up to 30 hectares, though it is extremely rare for most individuals to have even one-tenth of this.

<sup>116</sup> Under Yugoslav President Tito’s rule, contracts were made with German importers—relationships which continue to this day.

individually. However, with nationalisation under socialism, its purpose and indeed production shifted significantly: primarily, its facilities were invested in by the government and townspeople<sup>117</sup>, and it began to source grapes from the industrialising towns and villages of Tikveš rather than just its own vineyards. Overall, the key feature of the Tikveš Winery during socialism was that it only maintained ten percent of the town's vineyards, as they were a part of the *kombinat*; otherwise, it sourced its grapes during the late summer harvest from over two thousand of the region's Tikveš growers and their families.

Lasting over two months (from approximately mid-August to mid-October), these growers sold their grapes to the winery during the annual grape harvest (*berba*, which literally means 'picking'). The selling process transitioned along with technology over time, but the growers came and went an average of fifteen times during each harvest (Kamčevski). They would pack a tractor-trailer (*prikolica*) full of grapes, drive them through town to the winery and queue all day (in a line up to a kilometre long) to have them weighed and inspected—a situation the author saw for several years until the winery's transition to contracts after 2009. The inspection during the Yugoslav era and into the 2000s was basic and rudimentary though—the grapes' weight and appearance being of primary concern<sup>118</sup>. Growers were then given a payment slip (*potvrda*) through which they would receive payment at the bank.

In terms of wine production, socialism meant guaranteed supply of such inputs and more so, government payment for the growers' grapes. At the height of the state's purchasing, the grape harvest of 1984 was so abundant that the city swimming pool (drained for the season) opposite the Tikveš Winery was fully filled with grapes. The federation was clearly going through other political and economic turmoil at the time, but such poorly planned and needless production was no doubt part of what, in local

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<sup>117</sup> It being employee owned and built was an issue of contention during my fieldwork, as many claimed that when the modern winery was constructed it was with the mandated assistance of the town's families, who had to each pay a portion of their income toward it. When it was privatised, however, they received nothing in return.

<sup>118</sup> And because they were paid based on weight, growers were known to under prune and over water their vineyards in the weeks prior to the harvest, fattening up what is a greater quantity of grapes but consequently reducing their sugar content and thus quality.

discourse there, is now called ‘hyper-production’ (*hiper-produkcija*). Such hyper-production is in fact touted as part of the problem with grape production in the post-socialist era.

To compare production over three decades, the Tikveš Winery produced approximately 300,000 litres of wine in the late 1940s when it went from being family to state-owned, whereas by 1984—at the height of the winery’s utilisation—this number had risen to 70 million litres, making it the largest winery in Southeast Europe<sup>119</sup>. The winery’s growth did not occur due to ‘market forces’, but as a result of the socialist government’s planned economy. With a growing population, increased consumption of factory produced goods and guaranteed employment by the government, the region and Tikveš Winery thus serve as an excellent example of development in the wine industry during and after the Yugoslav era. Furthermore, the winery was and remains a source of both pride and contention.

### **Privatisation of the Tikveš Winery & wine production today**

Tikveš Winery was first de-nationalised and put on the path to full privatisation in the late 1990s by distributing shares (*akcii*) of *the kombinat* to its employees, thus being made into a public, employee-owned entity (*akcionersko društvo*). However, it continued to buy nearly all of the grapes grown locally at higher prices until the winery was fully privatised in 2004, when a shareholder and millionaire businessman (Sveto J.) bought a majority stake in and took full control of it<sup>120</sup>. What followed was the liquidation of employees, decreased production and thus grape purchasing, contracts with certain growers, and a shifting of the winery’s ownership and administration to the country’s capital, Skopje.

According to locals, the privatisation of their winery best exemplifies the ‘catastrophe’ (*katastrofa*) in the region, but is just one example of privatisation in Tikveš. The result of the process though is that the Tikveš Winery of today has changed significantly. It was indeed fully privatised in

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<sup>119</sup> To put this in a comparative perspective, one of the largest wineries in the world (and certainly in California) is Ernest & Julio Gallo, which produces 70 million *cases* a year, which is equal to 168 million gallons or 638 million litres of wine.

<sup>120</sup> Sveto is the CEO of M6, a large conglomerate investment firm, which produces the country’s most popular beer, *Skopsko*, as well as Coca-Cola beverages, and owns franchise rights for McDonalds.

2004, and over the ensuing years shifted its administration to the capital, Skopje, altering its entire system of sourcing grapes and producing wine as well. Two acquaintances who still work for the winery complained of strict management practices, where they must either comply with what are intense demands or face dismissal<sup>121</sup>.

Outside the winery, the previous long queue of local growers was replaced in 2010 with appointment times for contracted growers to drop off their grapes. The contracts, however, come with strict terms of agreement and penalties if the growers fail to comply with them. Namely, if the grapes are damaged or their sugar content differs from that specified, the growers may lose any payment for their crop. Incidentally, although such a loss is devastating, with growers earning only 150-175 EUR per tonne of grapes this main ingredient in wine is only a very small percent of the cost of wine production itself.

As for the quantity of wine produced, the winery has maintained significant exports (roughly 80 percent of its wine) but decreased overall quantity considerably, to 35 million litres annually<sup>122</sup>. However, the winery has shifted to less bulk and more bottled wine in a move toward ‘quality over quantity’, and because of the increased profitability of bottled wine: whereas bulk wine is sold for 0.25-.30 EUR per litre to foreign bottlers (primarily in Germany or Slovenia), domestically bottled wine is sold for anywhere from 3-10 EUR per bottle (.75 litre), depending on its quality. With glass bottles (imported from Bulgaria or Croatia) only costing .30 EUR each, the profit is clearly greater with bottled wine sales.

At the Tikveš Winery facility in Kavadarci there are essentially two wineries in one. The first is the old winery which, although updated and calling upon more modern forms of technology for inspection, processing and storing, produces the winery’s average traditional wines. These cost 3-5 EUR per bottle or are exported in bulk, but as the winery seeks to increase both its bottled and high-end wine production and sales, the sale of bulk wine is being phased out. There is thus the need for the ‘second’ winery: a state of

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<sup>121</sup> However, these informants said that despite this along with periods of understaffing, the winery is in fact more efficiently managed than previously.

<sup>122</sup> Allowing locals and growers alike to vilify ‘Tikveš’, given how far fewer grapes the winery now purchases.

the art facility which uses modern Italian technology and machinery to perfect the wine production process. Additionally, as opposed to the decades' old two and a half metre tall barrels in the older part of the winery, the newer winery's oak barrels are used to age the wine for two years only.

Prior to production though the 'special selection'<sup>123</sup> occurs: only grapes of desired sugar content (which depends on the kind of wine or blend, or *cuvée*, they are making) are chosen, which then go through a stem and seed removing machine. The grape crusher gently crushes the grapes so as to only take the best of the juices (and less of the pulp) from them, a kilogram of grapes yielding enough juice for one bottle of wine<sup>124</sup>. The juice is then treated with a varying amount of yeast and enzymes before going into large, temperature regulated, metal cisterns for initial regulating and fermenting.

Although the largest winery in Macedonia, the Tikveš Winery is but one of dozens in the region, and there are an estimated 75 wineries in the entire country. In Kavadarci, its transition to a privately owned company was a hard pill to swallow: the winery was built with the help of locals and it 'bought' their grapes for decades; to the inhabitants of the town, *Kavadarčani*, it was therefore 'our winery' (*naša vinarija*). One friend, Dragan, lamented its loss, saying it was built with the equivalent of 'thousands of euros from local families' and then sold for a pittance, 'below one million euros, which does not even amount to the value of the equipment within'. Given its value, its director at the time—who Dragan claimed 'hides out in his villa and won't dare show his face in town'—made a small fortune off it. Indeed, there is clearly a bitter resentment toward the corruption which oversaw the winery's privatisation, and toward the wineries which use the growers to subsidise their business today.

### ***Vinariii & vizbi: wine producers and the grape purchasing middlemen***

I use the Tikveš Winery as an example because of its notorious privatisation, as well as its location in my field site. But as I attempt to evoke in this chapter and those that follow, the industry and its ongoing transition has been

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<sup>123</sup> The winery has a 'special selection' label for a series of its wines.

<sup>124</sup> Otherwise, grapes may be pulverised to the extent that one kilogram yields enough juice for two bottles.

much more complicated than it may appear, for the number of ‘wineries’ (*vinarii*) above includes ‘*vizbi*’, where grapes are bought but not necessarily turned into wine. Further, the *vizbi* have sought grapes from growers in a franchise-like way, increasingly going to villages to ‘buy’ the grapes, which are sold at a purchasing point (*punkt*). For example, another large *kombinat* turned private winery and *vizba*, Povardarie (from nearby Negotino), was aware of the surplus of grapes in Kavadarci due to the Tikveš Winery’s use of contracts, so for the first time in 2010 used a logging facility in Kavadarci to purchase grapes. Such purchasing alleviates the burden on growers, who usually have to use their tractors to make what are sometimes ten mile journeys to sell their produce (and which would have been more for many Kavadarci growers had they had to travel to Negotino). Furthermore, it allows the purchasers to get grapes from what are increasingly sceptical and impoverished growers, and I am aware that some of the most notorious—as in, the wineries who have significant debt to the growers—were using such methods in purchasing grapes as well.

Overall, the Tikveš wine industry can be characterised as significant, with roughly 250,000 tonnes of grapes being grown on 24,000 hectares of land. Although the word has not been adopted in the local wine lexicon, there is essentially a move towards *terroir*—the notion that wine quality comes from the very specific geographical location of the grapes<sup>125</sup>. While knowledge of geographical origin (*poteklo*) and its importance in determining the wine’s overall quality is nothing new, the competitive global wine market and trends in the industry have meant that wineries must promote not just themselves but the vineyards from which particular types of grapes come. Therefore, the Tikveš Winery now has an entire label of wines from their ‘Barovo’ vineyards (which sell for three times the average price of a bottle of wine), for example, and other wineries have followed suit.

Yet in addition to this, the wine industry has faced what I call *internationalist* competition: due to Greece’s ongoing opposition over use of the

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<sup>125</sup> *Terroir* refers not just to the region but the hillside, its specific location and amount of rain and sunlight, the soil quality, etc. For those with an understanding of it, it becomes evident that many large Tikveš vineyards are not well positioned—they are essentially fields of grapes, which receive less sun and air than those on a hillside, and which are more susceptible to illness as a result.



name ‘Macedonia’, a new label for Macedonia’s Povardarie (Vardar River region) wines was adopted in 2013 through collaboration among the ‘Wines from Macedonia’ trade association. The association had been working with the United Nations Food and Agriculture Organisation (FAO) and the European Bank for Reconstruction and Development (EBRD) to help resolve not just Greek opposition to the name Macedonia, but their threats to European (eg, Slovenia, Germany) importers of it that they could end up in court. The association therefore developed the new moniker, and claims that the label, ‘Vardar Valley’ wines, which pinpoints the geographic origin of the wine rather than its country of origin, will boost its value. As an FAO representative claimed, ‘(w)ith the geographic qualifier Vardar Valley, Macedonian wines will be able to compete worldwide. It remains for the wine producers to accept, use and promote this tool and to profit from what they have’ (Marusic 2013). Others, however, disagree with such a seeming capitulation, and competition over use of the name Macedonia in the wine industry is just one aspect of the larger ‘name dispute’ between the country and Greece.

In terms of land ownership, seventy percent of vineyards are owned and/or maintained by individual growers, and the rest controlled by former *kombinati* and newer wineries who have leased or bought land for their own production. One newer winery for example, ‘Stobi Winery’, has led the way in purchasing land for controlled production, and several others source grapes from their own land only. Nonetheless, the industry in Tikveš is still comprised of an estimated 10,000 grape growers, roughly 1,000 individuals employed by wineries in administration and labour, and an additional 15,000 seasonal labourers employed during the harvest. The latter are often domestic migrant workers and predominantly Roma, but also include both young (unemployed) and older (retired) Macedonians.

As for the ‘hyper-production’ which exists in the region, it is arguable that such *over-employment* and excessive production of grapes and wine have left Macedonia as a whole in the dark, and unable to compete with the European wines that have entered the market in recent years. On the one hand this is true, but on the other hand the wine is being sold in one form or another, and the government is still incentivising growth. The shift has

therefore been in capital and its distribution, and control over it and the wineries; namely, who gets subsidies and how as the wine industry has been reconstructed to suit a more neoliberal, free-market style of business.

### **From *lozar* to loser: laws, subsidies, pricing and profits**

For decades grape growing has offered primary or secondary employment opportunities for local citizens of the Tikveš region: for many, growing grapes has been their main form of income, while for others (such as my parents-in-law) it is supplemental income. This latter notion of hobby grape production comes from the significant incentives setup during socialism and the initial need in the 1960s for as many locals to contribute to the industry as possible. Today, regardless of whether one grows as their primary or secondary form of income, the Macedonian government has turned away from supporting the industry in such a way. Instead, they now give subsidies to both grape growers and wine purchasers and producers. To spin it positively, by subsidising the industry while stepping aside otherwise, the government may be indirectly contributing to an improvement in wine production by fostering competition among wineries. Yet as this section shows, such unregulated competition and transformation is catastrophic for the region's grape producers (*lozari*), as privatisation has meant higher standards expected by what are now private wineries, decreased grape purchasing overall, and severely low prices paid—when growers are actually compensated. Indeed, growers are unwillingly subsidising the wine industry through their arduous labour and expenditures.

For what has occurred in the past decade is essentially a separation of the grape growers from both the state and the beverage toward which their labour in grape growing contributes. Whereas they used to be paid by the state and *kombinat* for their crop, and wine was a standard beverage (albeit most of it average in quality), now wine producers are organised, high-class and have established their own trade associations, such as that called 'MakVino'. Through an interview with one of MakVino's representatives (below), I learned a significant amount about the industry's perceptions of the market and their product. First of all, most of the wineries are owned by well-off (if not very wealthy) individuals, who are socially and politically

connected, and this has resulted in grape growers labelling them ‘wine mafia’ (*vinska mafija*). Yet this is really just an example of how the post-socialist transition coupled with free-market and EU accession mandates have affected the industry, juxtaposing the grape growers against the wine producers. Indeed, a great disparity exists in terms of not only wealth and control, but an understanding of the industry as this transition occurs: many growers do not know about the marketing of wine and where it goes beyond the winery, while wine producers indeed contrive new ways to market and sell their product, and hence increase their profits and market share. Thus your average grower (*lozar*) has lost out, going from *lozar* to loser.

As approximately eighty percent of wine is sold abroad (wine being the second largest export in Macedonia after tobacco), grape growing and wine production statistically deliver approximately 20 percent of the country’s agricultural GDP and therefore are crucial to consider in planning agricultural policies<sup>126</sup>. Such policies include property management—the leasing of state owned land—and subsidies, which despite the government’s *laissez faire* approach to the industry they are continuously involved in. Subsidies must be distributed because the cost of grapes has decreased significantly in the last five years, and pricing for various types has seen incredible volatility. For example, prior to 2008 most grape varieties were sold for 20-25 MKD (.33-.41 EUR) per kilogram, but since then have dropped to an average of 8-12 MKD (.13-.19 EUR). Based on their sales and what they have in their cellars, wineries may one year claim need for a particular grape type but not another, leaving an entire grape sort undervalued and unpurchased.

In fomenting a form of nostalgia and seeking the security of state wine production, grape growers still want the government to participate with price setting and buying, and demanded such in their first set of strikes in 2010 (discussed in Chapter 4). Yet this is no longer the case, at times to the wineries’ chagrin as well. For example, one day while I spoke with a neighbour, Georgi, who is the owner of a smaller winery, he received a call for a meeting he was to attend that afternoon to discuss grape prices. These

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<sup>126</sup> Tina Ericson, Erik Pelling and Yves Surry ‘Support to agriculture in FYR Macedonia’ [2009] RSIE, 164, 156

were the prices he and his colleagues would pay for grapes in the upcoming harvest, as well as the quantities and sorts they would need for that year's production. But his comments after taking the call showed a reluctance and hesitation in the matter. As he stated, 'this is a very difficult matter because here we [wineries] are competing with one another but also working together. We don't want to see the industry and grape growers destroyed (*uništeno*), but we also have to justify our business and earn enough to make it worthwhile'. That said, he added that the wine industry is run at the top by criminals (*kriminalci*) who are taking advantage of everyone, and this meeting was a case in point: winery owners such as himself were being summoned to a meeting to hear what the wealthier winery owners had decided. Further, he agreed that it is unfair to expect the growers to wait for their payments. 'Granted it's not socialism any more, but they need their money and I paid the growers who supplied me last year within a month. Tikveš [Winery] blames its distributors in Serbia and poor wine sales on its not paying growers, but this isn't true—they have millions in the bank'.

A member of the MakVino association, his sentiments were similar to the association's main representative whom I interviewed in June 2011<sup>127</sup>. Divna, whose family began one of the first private wineries in Macedonia<sup>128</sup>, had a respectable understanding and appreciation of the wine market and industry. But she spoke of so many failures as well—the failure of the neighbouring Negotino municipality to keep up the wine information centre that had been setup in 2005; the disabling of the last website (setup through a USAID project<sup>129</sup>); and the government's overall inability to plan for the long-term and make appropriate investments in what must be a state supported branding and marketing programme—as is the norm around the world—for Macedonia's wine industry. As she said, 'the promotion of the wine sector is the final link [after subsidies, other support of the industry, etc] which is missing. It is good to support agriculture but they must target sales appropriately'. She mentioned as an example the small grants the government gives to individual wineries so that they may promote

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<sup>127</sup> This interview took place in Kavadarci, and was had in a mixture of both English and Macedonian.

<sup>128</sup> Which could not seemingly compete and/or which was forced to sell itself off in 2010.

<sup>129</sup> See Chapter 5 for more on this project.

themselves at wine fairs abroad, saying ‘it just doesn’t do any good if it is not consistent and holistic. Foreigners don’t know much about Macedonia let alone its wines, so if there’s a tasting by one winery in the centre of London once every few years it’s useless, because the market is so challenging and competitive. We must work together as a country’.

This led us to speak about the *vinska mafija* and first off, whether it exists. She retorted:

No, it’s not mafia because nothing is prohibited! This is a free market economy now—no one has to do anything anymore, such as buy all the growers’ grapes. There’s understandable confusion among growers because of the transition—they were used to selling their grapes based on quantity, not quality, so when Tikveš Winery, which was built with local money in the 1960s, was privatised and introduced sugar content levels it almost caused a revolution! And with older growers it’s understandable, they’re not used to it. But younger growers need to learn that quantity isn’t important, but factors of quality—the land<sup>130</sup>, brix, variety and age of the vines. Yet the winery is private now, it’s no longer theirs as they claim. It produces based on the market and pays its growers when it can.

In discussing this topic—the late or lack of payment to growers—she admitted that it is a problem, but she claimed that the wineries have invested a significant amount of money and are not always getting it back. However, they know—though it is difficult to tell sometimes—that if they do not pay the growers then the grapes will eventually stop being supplied and the industry will suffer. She confirmed as well that smaller wineries, such as Georgi’s, do not generally withhold payments—instead paying the growers within a month or two because they do not have the leverage to act otherwise. In addition, such winery owners usually know their growers personally and may have kin connections with them, potentially altering the business relationship significantly.

When I asked Divna about increasing government subsidies though, such as the current government continues to give in light of EU entry and the European wine market, she stated:

It’s good, but there’s so much development that needs to be done. There must be long term investments in wine tourism because the EU and its wine market are so competitive. Even though there’s hyper-production

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<sup>130</sup> This is essentially a reference to notions of *terroir*, but is expressed as the ‘land/earth’ (*zemjata*) or ‘geographical origins’ (*geografsko poteklo*).

the government is giving subsidies to increase the number of new vineyards. This is good on the one hand because there are old vineyards which need replacing, but it's being done because there's an EU regulation which says that upon EU entry a country cannot increase the number of hectares of vineyards of typical varieties, only indigenous varieties.

This last point she made is significant for a couple of reasons. One, this EU regulation is there to in fact protect traditional wine producing countries like France, Italy and Spain, as well as to avoid a sudden in-flow of wine into the EU. Two, it means that there is an ironic situation occurring: an increase in grape production at exactly the point where it should—according to the market—continue declining. Bulk exports may be increasing but bottles are less so (despite the Tikveš Winery's marketing campaigns at home and abroad), thus even Stobi Winery, because they have so many vineyards and source their own grapes, have sold some of their excess grapes for cheap to smaller bulk wine producers—such a scenario which only hurts individual grape growers all the more.

Therefore, a situation exists today in Tikveš in which grievances are aired yearly by growers whose primary income derives from the selling of grapes to wineries, a practice that is increasingly declining as there is less interest among wineries to source grapes in this manner. Instead, many wineries have begun to acquire more vineyard land in order to consolidate production processes, and using modern technology are able to quickly test grapes for quality and then make up to 50 percent more wine from them<sup>131</sup>. Pleas by growers for state intervention to require wineries to buy their grapes or at least mandate prices have become progressively more desperate since the full privatisation of large, formerly state owned wineries such as the Tikveš Winery, which has left many formerly stable families with stockpiles of unsellable grapes and put severe restrictions on their financial security and purchasing power.

Thus it is evident that, due to aggravations from low prices set for crops before the harvest to rejection of their grapes by collectors with refined demands from wineries and corrupt instalment payment plans, growers have

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<sup>131</sup> Per discussion with Jane G., former Director of Tikveš Winery and now private wine producer.

suffered financially and emotionally. The situation is ongoing, but in autumn 2010 Tikveš was at an unprecedented low in its post-socialist transition: at no time in recent memory had the region and its grape growers seen such chaos, confusion and hurt. The local weekly paper titled and subtitled its end of October 2010 piece ‘A catastrophic year for grape production in the Tikveš region; The wineries’ single-handedly will destroy a centuries’ old tradition; The vineyards will be dug up, but what should be put in their place[?]’,<sup>132</sup>

### **Crisis in 2010 and after**

The year I began my fieldwork in 2010 was in fact a particularly pivotal one: having gone largely unpaid for their 2009 harvest, growers protested and by late October (passed the end of the main harvest) approximately half of them had left their grapes unpicked. Further, strikes and protests saw symbolic quantities dumped in streets and on roads. While some of those who did expend the time, money and energy to pick their crop were able to ‘sell’ it, the prices they were offered and consequently owed were indeed lower than the previous year, and the wineries were generally not taking their entire harvest. The latter claimed that this was due to excess wine being held as a result of the 2008 global financial crisis, but many growers and other specialists in the industry, such as an agronomist (*agronom*) I knew, doubted this; they felt that since Macedonian wine is not a luxury product, it was unlikely to be a significant expenditure for its consumers<sup>133</sup>. But with no timeline for payment, growers have been essentially subsidising the wine business and, until payment, getting nothing in return. The most common consequence is that growers have been left with several tonnes of grapes—

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<sup>132</sup> ‘Katastrofalna godina za lozarstvo vo Tikvešijata, monologot na vinariite ke ja uništi vekovната tradicija, lozjata ke se kopačat, no što da se sadi na nivnoto mesto’ (Kav’ darečki Vesnik, 22 October 2010).

<sup>133</sup> Nor did the 2008 global crisis even severely affect the Western Balkans. Living in Skopje at the time, from 2008 to early 2010, there was much discussion about whether Macedonia’s and the region’s economies were suffering from the collapse of the financial markets. However, despite some lost migrant worker remittances when their jobs dried up and reductions in FDI and demand for some industrial products, for the most part the economy of Macedonia remained rather insulated given its lack of integration with the global financial marketplace.

leading many to take up or increase home wine and brandy production—and little to no money in their pockets<sup>134</sup>.

As Divna of MakVino mentioned, there is an interesting paradox occurring in Tikveš: although the number of grape producing vines and vineyards has been decreasing since the mid-1990s, the percent of wine being exported is on the rise—bulk wine having nearly doubled in production from 1998-2008 (Macedonia in Figures 2009, p31).<sup>135</sup> And by April 2012 it was reported that the Tikveš Winery was earning record profits on its sales<sup>136</sup>, claiming that ‘Tikveš’ netted twice as much in the first quarter of 2012 as compared to the first quarter of 2011, going from 1.24 million to 2.58 million MKD (20,328 to 42,295 EUR). Coming from both the domestic and foreign markets, their market presence grew by 14 percent over the year prior, and the largest gains in income came from foreign markets. A small part of this was due to sales in the US where the company had been selling through an importer there, and they claim to be looking into market opportunities in Russia and China—both countries’ markets being seen as a panacea to the region’s woes. Interestingly, and perhaps indicative of misinformation about the industry, the article added that Tikveš Winery had entirely paid off its debts to growers for the 2011 harvest and was intensifying its cooperation with them.

Thus this situation merits the question: even if exports are on the rise, where are wineries’ significant profits coming from? In fact, it is not from just increased sales and wine prices for bottled wine—of which little is being exported—but from government subsidies. The Macedonian government began giving subsidies in order to cushion the blow that their withdrawal from grape purchasing (among all other agricultural production) was. But

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<sup>134</sup> There was an estimated four to five times as much *rakija* being produced in homes around Tikveš in 2010 compared to 2009. As the grape growers’ nominal leader and President of the Agro-Tikvešija union stated: ‘There is now more *rakija* than water coming out of grape growers’ homes. There’ll be enough for export—enough to flood the whole Balkans’ (‘*Lozja se prodavaat, nema koj da gi kupi.*’ Dnevnik, 4 November 2010).

<sup>135</sup> Bulk wine production increased from 583,207hl in 1998 to 924,348hl in 2008, with exports of it growing steadily, from \$24.2 million in 2004 to \$42.6 million in 2007. Macedonia’s exports of bottled wine also grew from \$9 million in 2004 to nearly \$17 million in 2007.

<sup>136</sup> *Vo ‘Tikveš’ rast na dobivkata vo prvot kvartal od godinava*, Dnevnik, 28-29 April, 2012



while subsidies tend to be strong for tobacco<sup>137</sup>, for example, they have fluctuated for grapes: growers have traditionally received a certain subsidy in order to plant more grapes, as well as based on the amount of grapes they produced and sold—not the size of the land on which the vineyards are located. However, in recent years the EU accession process has meant changes to these subsidies, and they are now given based on the vineyard's size in order to subsidise quality, not quantity. Subsidies are still given for new vineyards (and with protest that such funds should go to growers in another form), but whereas state subsidies used to go to growers directly in terms of price paid per kilogram of grapes sold, they now go in order to subsidise the difference between a 'fair' price and what the private wineries and *vizbi* are willing to pay—a very contentious issue for growers because of the apparent collaboration between industry and government<sup>138</sup>.

Nonetheless, by 2011 subsidies for grapes had increased substantially so that of the top three companies receiving agricultural subsidies in all of Macedonia, wineries took second and third place. Although the Tikveš Winery was number three, receiving 495,000 EUR, it was another winery-*vizba* that took the lion's share, 'Dzumajlija'. Dzumajlija is a *vizba* located just outside of Tikveš which, in buying the most grapes out of any winery or *vizba*, managed to rake in 608,000 EUR in subsidies in 2011. Yet as is addressed in the next chapter, Dzumajlija was notorious for not paying their suppliers and eventually closing its doors in 2012 despite its debt. It was their debts that were partially blamed for the 2010 strike-protests in Tikveš, and several growers I knew had 'sold' their grapes to this *vizba* only to see no remuneration.

In 2011 there were 85 million EUR of subsidies distributed by the Ministry of Agriculture in total. But for grape production there were three main subsidies given:

- 40,000 MKD (645 EUR) per hectare of vineyard tended to, given to growers or wineries for the land they tend

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<sup>137</sup> Tobacco, Macedonian's number one export, receives nearly 50% more in subsidies than grapes and other fruits combined.

<sup>138</sup> For example, if the price was deemed to be nine MKD per kilo (such as for the common *Vranec* grape) but the *vizba* was only willing to pay seven, the government would give growers the extra two MKD per kilogram.

- 140,000 MKD (2,257 EUR) per hectare for new vineyards, given only once and to either growers or wineries who are expanding production
- 2 MKD (.03 EUR) per kilogram of grapes that have been ‘sold’ to a winery or *vizba*, given to growers (who must provide proof of ‘sale’)

The first subsidy, for pre-existing vineyards being tended to, benefited both growers and wineries equally—except that overall, this income combined with the third subsidy based on kilograms of grapes sold was a net reduction for growers compared with their previous earnings.

For example, if a grower harvested three tonnes of grapes on two hectares of vineyards, he received approximately 500 EUR for the grapes<sup>139</sup> plus 1,290 EUR for his two hectares, totalling 1,790 EUR. Although this amount totals more than what a grower received prior to the subsidy system when the government was purchasing grapes (at double the price, thus 1,000 EUR) in lump-sum payments, what is not factored in is the fact that additional inputs are no longer supplied or reduced in price by the government like they were previously (not to mention inflation in food and energy costs). These inputs primarily include petrol for their tractors, pesticides for spraying, as well as crates (which cost 2 EUR each) for use during the harvest (which were previously supplied by the winery-*kombinat*, many of which are still being used)

Furthermore, the irrigation system setup during socialism no longer functions—the small paved canals cracked and dry—therefore hauling water to one’s vineyards plus insuring them (primarily against hail and drought, both significant annual threats) must be done, and are additional expenses for the grower. The fact that the grapes must be sold to a winery or *vizba* to claim the subsidy combined with the delayed payments to the growers by both the wineries or *vizbi* and from the government, mean that the growers must shoulder the costs of grape growing far longer than they did before. In doing the math, the inequality in subsidies is evident: the top wineries and *vizbi* altogether took several million euros in subsidies in 2011, while growers averaged less than 2,000 EUR each.

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<sup>139</sup> Assuming a total sale price of 10 MKD per kilogram, including the subsidy.

Additionally though, in speaking with a couple of individuals at the Kavadarci Rural Development Agency (*Agencija za ruralen razvoj*)<sup>140</sup>, an additional subsidy for wineries in 2011 was pointed out to me. As an example, they described the activities of ‘Povardarie’—the aforementioned Negotino winery that setup a buying station in Kavadarci in 2010—which was buying as many grapes as possible because the winery was getting 5.7 MKD per kilo for every kilo they bought *over their previous year’s purchase*. What this meant was that they reaped incredible subsidies in purchasing, while also gaining control of the local grape market. They were then selling the grapes they bought to smaller wineries which did not have the capital to purchase so many grapes, but prohibiting those wineries from earning subsidies on those grapes. For if such wineries and *vizbi* are buying hundreds of tonnes of grapes then they are making a significant amount off of subsidies, all the while growers are receiving only 5-10 MKD per kilo as the sale price. Thus it costs the winery nearly nothing to produce a litre of wine (which they are able to produce from one kilogram of grapes), meaning that wineries have gone from barely doubling their earnings a decade ago—when wine prices were lower and grape prices higher—to now selling wine for five to ten times its production cost.

The reason that the Macedonian government has been giving subsidies for the expansion of vineyards, despite the *hiper-produkcija* and evident over-abundance of wine and grapes, is that European Union wine production and marketing are a looming threat and challenge, and wine from the EU began entering Macedonia’s market tariff-free in 2013. Therefore, although exports of Macedonian wine are on the rise, it is due to EU regulations which will restrict Macedonia’s ability to increase its wine production once in the Union that the government is seeking to expand it now as an investment for later. As Georgi, the neighbour and owner of the small winery previously mentioned, explained to me in 2011:

I’m not optimistic, but the government is giving subsidies for new vineyards because once the country joins the EU new vineyards cannot be planted. Why do they want to do this though? I’ve wondered, but it’s because while there’s a quota on exports of bulk and bottled wine at present and tariffs on imports, those will be lifted upon EU entry. This is

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<sup>140</sup> Discussed in greater detail in Chapter 5.

important and advantageous for Macedonia because the country exports all of its bulk wine and consumes little of its wine anyhow. Bottled wine is a problem, as the current export quota for it—five million bottles—is never fulfilled, and in fact only ten percent of it usually is. The current crisis is thus in part the result of the government here stretching the industry thin in order to prepare it for the day when it can export freely and in large quantities.

While a stimulus to business and investment for the future is not necessarily a bad idea, such collaboration between the grape buyers (*vizbi*), wineries and government angers grape growers in Tikveš. In addition, the growers point out the hypocrisy in the wineries and *vizbi* saying they have no need for all grapes grown in Tikveš when they cost above 10 MKD per kilogram (such as they have in prior years), yet are willing to double their purchase when the price is half that<sup>141</sup>. Growers remain dissatisfied with the little finances that the government gives them per year for owning vineyards and for each kilogram of grapes that they ‘sell’, as well as because they are given their grape sales’ subsidies based on the ‘purchase receipts’ they receive from the wineries—even if, as is nearly always the case now, growers are not paid immediately by the wineries. In not implementing adequate laws nor attempting to alleviate the consequences that result, this matter is a serious weakness for the country’s wine industry and is addressed further in Chapter 4.

Overall, in purchasing grapes the wineries will not say how much of a particular grape sort they need until the harvest comes, disclosing no analytical information to better assist growers and the region in determining what they should plan for, both in the short nor long term. The transition is thus not only a catastrophe fraught with uncertainty for the growers, but one filled with continuous ambiguity and disinformation, and such illicit behaviour and consequent inequality has infiltrated the judicial system as well. Indeed, lawsuits and legal intervention have done little to force the wineries to pay for the grapes they purchase, even with the 2010 ‘law on wine’ (*zakon na vinoto*) passed in tandem with the crisis that year. The law’s various articles control the production and trade of grapes, wine and their

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<sup>141</sup> Most grapes that year were sold for five to seven MKD—between .08-0.10 EUR—per kilogram; ‘the cost of one egg’, many say.

products; the description, designation, marking, presentation and protection of wine; and it regulates the national register of vineyards as well as the rights and obligations of the legal and other entities that are producing and trading wine in the region<sup>142</sup>.

Although in theory the law seems an attempt at appropriate regulation, in hindsight the section of the law on the production and trade of grapes appears to have only been a carrot used to quell the grape growers and keep them working. But just a year later, before it could even be enforced, the law was deemed interference in the marketplace and overturned by the country's constitutional court (*ustavniot sud*). More precisely, one of the law's main articles insisted that grape buyers (such as wineries) pay for the prior year's purchase by the 30<sup>th</sup> of April in any given year. The constitutional court thus decided that the relationship between the grape growers and wine producers is founded on obligatory rights between the two different parties, and as a signatory to that contract and therefore adopting a law that will protect only the grape growers, wineries are put in an unequal position since no law was adopted that would guarantee that they will be paid by wine buyers.

Such a ruling makes it evident that if there is a silver lining to the cloud which rests above the Tikveš region, it is not visible to the majority of those below. Even though it is the wineries who owe the money, the growers are the ones who have found themselves both in debt and under siege, with no institutional authority seemingly at their side, from the Ministry of Agriculture to the judicial system with which they should be able to seek remuneration and justice. They fear that by taking legal action they stand to lose what semblance of business relations they have with buyers, and those who have attempted to sue (*tuži*) have only found their cases held up in court for not just months but years. As an example, in 2013 one informant was still awaiting a response from the court for his unpaid 2010 harvest, for which he had filed suit in early 2011. When asked about it, his response to the situation was 'there is no law, only tyranny' (*nema zakon, samo tiranija*).

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<sup>142</sup> Law on Wine [2010] Official Gazette of the Republic of Macedonia 50/10.

## Conclusion

The remarkable thing about the transition in Tikveš is not that growers have ripped up several hundred hectares of vineyards—for it seems a natural response—but that so many continue to ‘work for bread’ and toil in their vineyards. Undoubtedly there is some value in the crop (particularly if sold and paid for) and the brandy they can produce from it, but their persistence in working speaks to the true nature of habitus—the arguably irrational habits which comprise a group of people within a particular culture and society<sup>143</sup>. As I have attempted to relay throughout this thesis and chapter, it is the indirect effect of privatisation in the grape industry on livelihoods that has so significantly altered the face of the Tikveš region and the habitus of those living there. The result is thus much nostalgia and bitterness as growers, their families and others whose businesses had thrived alongside the wine industry in previous decades wonder in disbelief at the changes occurring. For example, two men whom I frequently saw at the *čaršija*, Pero and Atanas, openly lamented the changes in the Kavadarci economy. They claim it used to be one of the wealthiest towns in the [Yugoslav] region, but now has ‘fallen [from grace]’ (*propadnal*). The crisis thus extends beyond the wineries and growers’ ability to pawn off their crop—it has affected the soul and identity of the people and their past. Furthermore, as Pero and Atanas explained, factories and companies have been privatised and closed down, with foreign owners coming in and not paying the workers. The new owners then pocket the profits, and sell the factory off to a friend who claims no ties with the former owner and says he cannot do anything about pay in arrears. It is a common story and cycle, and as one hears often there in terms of the transition, a ‘catastrophe’ indeed.

Concurrently, despite disinformation about the effects of the 2008 global financial crisis, the wine market has thrived. MakVino’s representative, Divna—whose family winery declined because of

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<sup>143</sup> According to Bourdieu, habitus is composed of ‘[s]ystems of durable, transposable dispositions, structured structures predisposed to function as structuring structures, that is, as principles which generate and organize practices and representations that can be objectively adapted to their outcomes without presupposing a conscious aiming at ends or an express mastery of the operations necessary in order to attain them’ (1990).

competition from larger wineries, selling off its production units and remaining wine in 2011—admitted that it is in the wine industry’s lack of regulation and its consequent competitiveness that her family’s winery could not compete. Larger wineries with more money are able to market more, and pay restaurants and even servers to sell their wines, using incentives and bonuses. As an example, she referred to the café-bar where she and I met in Kavadarci, which has an all wood bar from Villa Marija, a Demir Kapija winery. With ‘Villa Marija’ and imagery of grapes carved into it and all around the island station that the terrace-bar was, there were also small wine refrigerators with the winery’s name on it. What she then pointed out that was not visible is the money switching hands—servers there and elsewhere usually get 50 MKD (.85 EUR) per cork (bottle of wine) they serve, so it is in their interest to sell from whichever winery that will pay them the most. This lack of restriction differs from in the US and EU, where such promotional items can only be used to target the consumer as marketing, not payment to distributors and business owners to be partial toward one winery over another.

So when I asked what privatisation has meant to her, Divna said ‘it presented an opportunity that didn’t exist before’. At first it was ‘exciting though difficult’, she claimed, because laws were based on socialist wineries and her family were able to let ministry officials know how much needed to change. And along with others in the fledgling private wine business, they did so successfully—restrictions and regulations were lifted. Yet the lack of regulation means wineries can now get away with far more than they should be able to, particularly if they have the resources and money to do so, and Divna’s family’s winery is an example of one of the victims of this process.

She mentioned the Stobi Winery—owned by wealthy businessman Menče J., who invested 20 million EUR into building it, and bought up a former state company and its land to make way for 200 hectares of vineyards. Tikveš Winery, with an investment and real estate holding firm at its helm, has invested heavily too, overhauling their entire system of production, employing a French oenologist and allocating resources to marketing and product design. Indeed, they have spent heavily on

marketing—taking out full page spreads in the newspapers and using a Croatian pop-star model speaking French in their adverts on television.

Overall, Divna said there is a clash of values, ideas and norms, and that her work is a challenge because of various development strategies, which often conflict and are not well connected. For one, more recent EU accession measures and laws have meant increased restrictions yet again, such as the employment of an oenologist at every winery—something which is certainly not the case nor are there enough trained individuals in the country to satisfy such demands. In addition, ‘there must be a long-term wine tourism strategy’, she expressed, as she lamented the government’s unwillingness to assist the industry in marketing itself internationally.

As for the fledging wine tourism industry, she seemed to represent her MakVino consortium’s resentment toward the one major success story in the region, that of the Napa Valley style winery, Popova Kula, in Demir Kapija. Its owner, Jordan T., is not a member of MakVino, and regardless she said the winery was a great example of what the region’s tourism industry should be like. Yet her opinion was that he is not seen as a team player—‘he wants to be first in everything, which he cannot be, and this makes people dislike him’. This seemed contradictory to notions of competitiveness in the industry, but as my neighbour Georgi’s meeting was evidence of, there is indeed collaboration among the winery owners. Yet having the only full service winery-hotel-restaurant I asked why people are not copying Jordan’s style, and she said they will when the demand arises. Indeed, wine tourism is still in its infancy, but its development may be a saving grace for the region in the coming years<sup>144</sup>.

The irony behind the transition is that the business of wine production and the increased luxury associated with wine has helped to distance grape growers all the more from the end product they help produce. For the image, marketing and cost of wine stand in stark contrast to the diminishing standard of living for the growers. The little income and appreciation they receive in return for the intensive labour involved in grape growing has left them both figuratively and literally ‘in the dirt’. The toil of their daily labour and the

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<sup>144</sup> See thesis Conclusion for a further discussion of future opportunities and possibilities.



frequently heard ‘suffering’ (*maka*) thus helps support a hierarchy in which they must defer to the power holders—the winery owners, businessmen and politicians. The latter group, and the power they wield, are the subject of the next chapter, where in explaining their function it is hoped that the structure and rules of the new system will become clearer.

## Chapter 4

### **Authority, wine mafia and the thieving state: tension and power at the crossroads of neoliberalism and democracy in 21<sup>st</sup> century Macedonia<sup>145</sup>**

#### **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>146</sup>*

In this chapter the theoretical discussion of neoliberalism from Chapter 2 is brought together with the political implications of the transition and privatisation that has occurred since the 1990s. As will be discussed in this chapter and the next, the transformation has not only been economic, but political, with those affected claiming that there is a new sort of authoritarianism at hand. With the ongoing ‘democratic transition’ in Macedonia, notions of authoritarianism are relevant in that there is a fine line between them and what constitutes democracy and the liberties which accompany it.

Hence I discuss further these developments in regard to the privatisation of the Tikveš wine industry and the so-called ‘wine mafia’ (*vinska mafija*) behind the process. As mentioned in Chapter 3, 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 and politicians. The ‘mafia’ have received such a moniker because, since the financial crisis of 2008 in particular, they have used their power, authority and connections as leverage against the grape growers. Yet as was stated of them in Chapter 3, they are ‘not mafia because nothing is prohibited’. Indeed, they have been able to get away with taking a grower’s grape harvest and not paying him for anywhere from one to two years, if at all, yet they

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<sup>145</sup> This chapter is a synthesis of several papers given at the SOYUZ and AAA conferences, as well as one published in the *Anthropology of East Europe Review* (AEER).

<sup>146</sup> Taken from the manuscript of the keynote address at the SOYUZ Conference, held at the Harriman Institute at Columbia University, on 22 March, 2013.

face no prosecution for their misbehaviour and illicit dealings. The ‘wine mafia’ are thus the owners of the wineries, as well as various politicians who profit off of the region’s wine production, and one of the most notorious wineries, Dzumajlija, was in fact owned until 2012 by an individual whose brother is a member of parliament. As a result of such connections and limited opportunities for the majority of citizens, there are shifting notions of state legitimacy and what private enterprise means in Macedonia. I allude to these here in describing privatisation’s ongoing manifestations and the opposition and reaction to it in the form of street or café conversations (*muabet*), protests and perceptions from the villages. Indeed, shifting forms of identity and a clear separation of three interest groups have come into play, where besides the wineries and the grape purchasing *vizbi*, the growers constitute a weak majority whose voice can only be heard locally and in person.

This chapter thus includes content from interviews and conversations with a variety of actors—winery owners, the grape growers themselves, and agricultural and governmental agency representatives. From these conversations a discussion emerges on the role of neoliberal, free-market capitalism and various forms of the democratic transition and change at hand in Tikveš, such as—whether intentional or not—there is the development of authoritarian governance in the region and the country as a whole.

### *Oppositions and the democratic conundrum*

As the Borneman quote helps elucidate, democracy must incorporate difference and opposition under a system of rule of law, and not be hostile to it. In discussing the ‘oppositions’ with which we are familiar from the 20<sup>th</sup> century though (such as those which ended the Cold War), Borneman stated in the address from which this quote was taken 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’. He 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.

I call upon Borneman's work because it has been a goal of this research project to clarify what features of an ideal democracy have been gained or lost in Macedonia since its independence, and how legitimate the state is as a result. Yet given the neoliberal nature of post-communist political and economic systems—namely their exclusivity and tendencies to benefit a small minority—it has become evident that the subject matter is a two-sided coin, with democracy on one side and authoritarianism on the other. With severe ramifications for the state and its citizenry, the most important question is thus: when does the state go from having authority and enforcing the law to abusing authority, law and thus the people? It is indeed one goal of this chapter to discuss such perceptions in Tikveš, and what sort of subtle 'oppositions' exist. Such an assessment is similar to James Scott's (1985) notion of various 'transcripts' at work in society, but is more systematised in that it calls upon various criteria that exist as part of the state structure.

Borneman discusses the work of Juan Linz (2000) on the topic of authoritarian tendencies and includes these interrelated criteria: 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 chapter, I therefore call upon both the work of others in Eastern Europe and my own fieldwork to address these criteria, and to illustrate the forms of disruption and opposition at work in the Tikveš region. However, in discussing developments, oppositions and disruptions around authoritarianism in Macedonia, it must be reiterated that opposition is key to democracy and state legitimacy (Borneman 2011), and only without it or when it is oppressed do we see the tendency toward abuse of authority. Therefore, in this chapter it must be considered how forms of opposition both

exist and are subject to abuse, and what tensions exist between the different strata which comprise the region's power structures.

### **The state of the state 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>147</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.

What has occurred then in the last decade is the monumental shift in economic policy and governance with the transition to a 'free-market'. One acquaintance who works for a large media network in the capital explained to me how the shutting down of the A1 news channel 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

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<sup>147</sup> *Telegrafiska agencija nove Jugoslavije*

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 brought it forth in their reporting—to the Prime Minister’s displeasure.

Thus not only have economic and political policies changed in the past decade, but so has the citizenry’s awareness of and response to them. One could therefore say that democratic tendencies have been fostered among the media and people, and that these create opportunities for such expressed disappointment and dissent. For in contemporary, post-socialist Macedonia there has been both the promotion of 20<sup>th</sup> century political and economic liberalism—regulated markets tied to a democratic state—alongside the implementation of largely neoliberal, ‘crony capitalist’ policies. Coupled together, they have resulted in an economic reorientation for the country’s inhabitants, and for the majority of people this has meant a relative reduction in their income, purchasing power and thus life opportunities, along with a greater cognisance of just what these should be.

Yet at the same time, individuals with connections (*vrski*)—which frequently include ties to the former socialist state apparatus—have successfully created new enterprises and through privatisation, taken control of those which were formerly socially owned and managed. As Keith Brown wrote of such connections:

The reported prevalence and importance of *vrski* is at the heart of many Macedonian critiques of how their society operates: *vrski* underpin corruption, nepotism, the black market, and every other obstacle citizens face in negotiating everyday life (2006, p74).

While the practice of *vrski* is lamented, the use of these informal connections is indeed common and many Macedonians will instinctively call upon the contacts of friends and family in order to assure the best outcome in a situation, be it acquiring work, a public service, or a particular good.

The contradiction and conflict in this paradigm is evident: the combination of neoliberalism, including privatisation, with networks, democracy-cum-political authoritarian governance and media suppression, has led to what Andrew Graan (2013) claimed to be a ‘counterfeiting the nation’. Although Graan uses this term to primarily describe the process of

re-historicisation 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.

### **Untangling the terroir-ising transition: neoliberalism, privatisation and power**

As addressed in the previous chapter, 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*'<sup>148</sup> occurring in Tikveš—growers are falling victim to modern wine standards and a government and privatised industry intent on seeing such standards bear fruit as the country undergoes a neoliberal transformation and moves toward the EU wine market, a most challenging foe. For it is through both the illicit, post-socialist privatisation 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, control of the country's industry. Indeed, alongside the EU's measures lay the profit-seeking of oligarchs and other businessmen, who have either acquired formerly state-owned wineries or branded entirely new ones. They support a consolidation of capital among the already connected elite, which is a double-edged sword for the growers who work their own small plots of land in order to supply the wineries. For as Winters (2011) found, oligarchs are defined by their wealth and seek only to defend it, and politically they are entrenched within the so-called democratic system—perpetuating but always needing to be tamed by it.

Given the significance of privatisation, the challenge in it 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). It was on this note that I setup my research project, yet along the way I discovered several anthropological ethnographies, mostly from the 1990s, which offer insight into the process of neoliberalism and its societal undoing during the era of post-socialist transition. These were, for example, works in

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<sup>148</sup> Borrowed from Veseth's (2012) use of '*terroirists*'.

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).

Yet more recent works such as Hann's 2006 text, *'Not the horse we wanted!'* *Postsocialism, neoliberalism, and Eurasia* (2006), clearly lay out the connection to post-socialist neoliberalism in its title and contents. Hann argues that the spread of neoliberal economic principles and identity politics alongside private ownership, multi-party politics and the proliferation of non-governmental organisations 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 privatisation 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 its 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 organising these markets in order to benefit particular interests—all in the name of economic rationality.

I thus turn to Hann's conclusion, where he decries the drastic changes in standards of living throughout the post-socialist world and emphasises 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



rationalised and supported through political systems and their actors. Because neoliberalism is undergirded by arguments of such logic and systematicity, an ethnographic examination of its permutations in practice, such as Borneman suggests, contributes to problematising its claims (Otten 2013b).

Understanding the overarching circumstances of the transition in Tikveš—namely privatisation in the wine industry as the country prepares for EU entry—is essential in order to better examine the on-the-ground reworkings and negotiations linked to the neoliberal privatising 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: growers are being left out while winery managers and owners reap the profits of the privatised wine market.

Such (re)development and privatisation 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, p186) alongside the infamous post-socialist ‘shock therapy’ experienced in Russia and elsewhere in largely the post-Soviet sphere<sup>149</sup>. What we find in Tikveš though is similar to what Scott (1985) uncovered in his fieldwork, where we are dealing with the ‘ubiquitous struggle against the effects of state-fostered capitalist development in the countryside: the loss of access to the means of production (proletarianisation), the loss of work (marginalisation) and income’ (p241).

Concerning privatisation, Macedonia’s was delayed given the violence that ravaged its former Yugoslav neighbours, and by the books there were strict labour laws with high dismissal costs into the beginning of the 21<sup>st</sup> century (Bartlett 2007). Nonetheless, it was an early economic reformer legislatively, implementing pro-market policies which tried to reduce the barriers to small and medium enterprise entry and growth. Yet as Bartlett found of privatisation legislation in Macedonia, while it was enacted in 1995 the ‘financial deepening’ (p204) of it was not evident until 2003. By that time 1,678 enterprises had been privatised, with the main method being

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<sup>149</sup> Sampson (1995) wrote of the transition in Romania though that there was ‘shock but not much therapy’ (p160).

management and employee buyout. The most profitable though—234 enterprises with assets of €705 million to be precise—were ‘sold at substantial discounts, often on the basis of severely undervalued asset valuations’ (p204), and were then bought out by management. Such as with the Tikveš Winery, ‘managers had acquired by far the most valuable part of the privatized company base.’ Further, there were just 155 companies with assets of only €25 million which were sold to foreign owners, meaning that it was largely the connected elite in Macedonia who were benefiting from the privatisation process (ibid).

The latter is indicative of Macedonia’s status as a tenuous state, where the mix of its institutions is unstable and ambiguous, and exacerbated by the significant presence of organised crime. The creation of this tenuousness is undoubtedly comprised of the networks and connections which lead to compromised quality in governance, policy and project implementation, while ‘lining the pockets’ of the politicians and businessmen involved in state-led endeavours. Like in other countries, the result is that the majority of Macedonians have become worse off financially, and less trusting and certain of things. In short, they have become defined by a condition of ‘precarity’ where there is little to no financial certainty and security. Indeed, the ‘transition’ in Tikveš and elsewhere in the country 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 coercion, market forces, legislation and political patronage. The consequent reality of the present situation is thus the seeming inability of individuals to make plans given poor and uncertain economic conditions, and for the most part there is a high rate of distrust in the government and politicians. The rich have violated the social contract, and it is now they who *have all*.

Since privatisation, a number of factors have converged to influence the dynamics of the emerging wine industry. First and foremost, the process of privatisation itself was assumed in economic and political discourses on transition to naturally lead to the efficient and rapid integration of post-socialist spaces into Western market like economies, including growth and wealth. Behind these beliefs are Western assumptions that capitalist notions

of property and ownership are somehow superior to other forms of production and management, and are necessary to an efficient and productive society. As several researchers (Verdery 2003; Alexander 2004; Creed 1998, Hann 2006, etc.) have shown though, the process of privatisation and development of ‘free-market democracy’ in former socialist contexts is far from a natural course of events and is always mediated by historical circumstance, socio-cultural factors and political-economic interests.

Therefore, borrowing from Chavdarova’s research (1999) in Bulgaria (which experienced rapid privatisation in the 1990s and then EU entry in 2007) on ordinary Bulgarians suffering from externally imposed governance and rules combined with local, informal relationships, I put forth that there are two post-socialist ‘games’ (Kideckel 1995) going on simultaneously—that of rural, peasant survival as a result of ‘pro-market’ government policies, and that of ‘inside privatisation’—the process through which such policies are created. I focus here on the latter, whereby ‘inside privatisation’ refers not only to the de-nationalisation of former socially-owned enterprises, but the power play and shifting of responsibility from the state to the private companies which increasingly control it. Such inside privatisation affects not just the market but the democracy the country claims to be, and thus its judicial system, rule of law and legitimate governance. For as one US diplomat told me, ‘there’s not rule of law, but rule by law’ in Macedonia<sup>150</sup>.

### **Conversations in Tikveš**

During my fieldwork I conducted several interviews and more often had informal conversations about the transition and its effects, from that with a neighbour who ranted (as many did) that with privatisation ‘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 notion of ‘counterfeiting the nation’ (2013), that ‘our history has been privatised’—meaning that it had been co-opted and was being re-

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<sup>150</sup> Stated during informal conversation at a Peace Corps event I attended during my fieldwork in July 2011.

written<sup>151</sup>. Thus such ‘inside privatisation’ 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 altered.

I discuss such details because since the dissolution of Yugoslavia, the standard of living, pay, legislation and protection of labour, created under decades of socialism, have decayed. Given decreasing government assistance (despite the introduction of subsidies) alongside increasing debt, this has been a reactionary process. Combined with privatisation 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:

Privatisation 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’ of it!

His salary was the equivalent of 230 EUR per month, though this was in fact an improvement from his prior job laying tile where he had earned just 170 EUR monthly. As a woman who works at a local NGO (funded by the EU, incidentally) 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’. Therefore, despite strong labour laws into the 21<sup>st</sup> century, the country has significantly shifted course and indeed become largely deregulated.

Being in Tikveš and seeking out the experiences of the region’s grape growers, it was with them that I received the greatest insight. That said, it must be stipulated that I came to realise how their opinions were affected by personal experience, and 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 privatisation and benefited from it, others (most) did not. Despite the many conversations I

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<sup>151</sup> Stated during the commemoration ceremony at the ‘12 children/comrades’ monument in Kavadarci (discussed in Chapter 1.)

had with such individuals, the situation did not immediately become much clearer for me. For, as one individual in the following paragraphs states, ‘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, and as I explained of neoliberalism, it is an amorphous assemblage of systems at work and its permutations are often equally ambiguous.

An example of this random execution of policy 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 22 September, 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 I proceeded to have<sup>152</sup> 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>153</sup> there was a higher price and the grapes were paid for by New Years? And today with VMRO it’s the other way around! The government, not the wineries, is controlling agriculture (*zemjodelie*). 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 fine those government promoters (*promotori*) who spend tens of millions of euros for nothing. They haven’t opened any new markets or done any deals!

Fines (*kazni*) and threats of them have in fact become a recent trope in the transition’s discourse, as such fines can be significant—at thousands of euros, they are up to a full year’s average income. Although they are rarely levied, their existence is one more reminder of how the government is able to

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<sup>152</sup> The conversations were held mostly in the town centre around its main square (*ploštad*) and in cafes, as well as with neighbour acquaintances. As addressed in Chapter 1, such individual diatribes are quite common in Tikveš, and establish a competitive and at times contentious form of conversation.

<sup>153</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.

use threats and to leverage what it and the private enterprises it represents seek.

Such as the above individual, who accused the state of inefficiency and corruption, the following 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>154</sup> they'll seal it shut right away (*plombiraat odma*)!

B: Only with a million fines 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 mindless (*neumni*). By 22 September the grape-picking (*berba*) will be done, and 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:

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 'predetermined' (*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. 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 and the crisis (*kriza*) is felt by all of them, unfortunately.

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

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<sup>154</sup> The government enforces the use of receipts and the machines which produce them, in order to ensure tax payment and collection.

B: Maestro<sup>155</sup>, you probably don't know anything about the grape and wine 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 40C without any shade and then ask whether you'd give away your grapes for those prices!

Some growers were even more vocal and descriptive than others however, decrying their plight and suffering:

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 is there 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*) into 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 [supposedly] 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>156</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 tension and emotion surrounding the wine region's transition, yet the latter testimony is one of the more

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<sup>155</sup> *Majstore*—said sarcastically.

<sup>156</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.

gripping. It hits home the reality of several years of unpaid grape harvests: the oft heard of ‘wine mafia’ and their rule, the incurred debt and the ineffective legal system. However, the others touch on the depression and suffering, and the 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 might have 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 claiming up to that point. Having lost faith in the system, why would they bother to invest in the labour (their own and the hired *argati*) 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 sceptical, 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, cafés 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 [inside] privatisation was merely being played out one day at a time.

### **Punishing the privateers: a ‘special selection’**

As the latter interlocutors stated, there were more than just the three wineries which should have been included in the ministry’s actions. Yet of the wineries that came under fire, which owed debts from two years’ prior and were forced to pay them off, they then proceeded to collect grapes in 2011 and not pay the growers for them until mid-2012—for those who received payment (and par for the course, not at all for some growers<sup>157</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 to). There was some truth to this though: as my winery-owning neighbour, Georgi, said in

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<sup>157</sup> This information was collected through personal correspondence and return visits to Tikveš in May 2012 and May 2013.



August 2011, they were still trying to empty two large cisterns which held some 50 tonnes 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. In stating such, he was referring to foreign buyers who were seeking to buy Tikveš grapes but were not allowed—some actually trying and having their purchased grapes confiscated at the border.

The whole situation is thus a seeming return to a pre-socialist way of living, but one with potentially illicit and authoritarian intrusions: in free-market fashion, the government does little to control prices or assist with exporting the country’s second largest crop. Instead, it relies on the often variable and unpredictable nature of the market instead and only intervenes sporadically and through mediocre subsidies, thus prohibiting the export of its crops unless officially sanctioned.

Such concerns came up in a conversation with the owner of one of the region’s newer but successful luxury wineries, Bovin, who stated ‘(i)t would help if there was an international campaign to promote our wines’<sup>158</sup>. However, in discussing the problems of exporting to the large, sought after markets of Russia and China, the owner, Goran P., then commented that it is best to go it alone:

I don’t think there’s any sort of problem, if we follow all government laws then 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 though, not the government.

This statement, however, collided with the reality for growers. Although Goran 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. As he said below, these vineyards in fact comprised ‘90 percent’ of their grapes in 2010, and is consistent with the model for most of the world’s wineries (as it allows for better regulation of the grapes).

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<sup>158</sup> Conducted in April 2011 at the Bovin Winery in Negotino.

Such regulation is therefore the pivot point in the Tikveš wine industry: it 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 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 wider region and country as a whole (as much sympathy has been extended to the growers' plight, particularly by other agriculturalists in Macedonia). As Goran 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 percent of our needs. Looking at the situation, 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.

Goran implicitly admitted to the benefits of cheap (if not free) labour 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 and profiting (wineries), or receiving their due payment and earning a living (growers).

Therefore, what constitutes the crisis in the Tikveš wine industry differs between the growers and wineries, though both must play a game with the state. But respect for the state of yore—during socialism and into the 2000s—has seemingly 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. As the comments from the growers illustrate, they feel manipulated and used in giving their grapes away and subsidising the wineries. As one individual quipped of the state: 'the 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!

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 Poland and Hungary, enthusiasm for privatisation coupled with a weak state which disregards 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' (p13), and as I add—the powerful sovereign individual then goes unchecked as he and his acquaintances 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, are more expensive overall, and that many have lost the security of employment and a regular salary (ibid). Indeed, Hann found that property and laws passed requiring farmers to account for every litre of wine produced resulted in bankruptcy, abandoning vineyards, producing for self-consumption or decreasing production altogether. Strong anti-EU sentiment therefore ran among them.

In Tikveš, I have found a situation similar to that which Hann discovered in rural Hungary—feelings by farmers that they were not benefiting from new subsidies and were seeing land privatised and exploited by outside interests. So-called 'euro-scepticism' thus runs high given the crisis in nearby Greece<sup>159</sup>, and few find merit in joining the EU given known high prices, unemployment, corruption and mafia in neighbouring Bulgaria (an EU member since 2007). 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 the name issue—leave many pushing forth on their own accord and *hoping* that the state does so on their behalf. That said, some would say

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<sup>159</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 labourers to head into Greek Macedonia, to the shrinking of wealth and opportunities, Macedonians—as cheap labour—have been nudged out of the picture.

that the powerful in Macedonia prefer to keep the country out of the EU, proffering: ‘They control everything here and have all the power, so why would they want to destroy that with competition from other European companies and countries?’

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 metres from the country’s main E-75 motorway corridor—on which people and goods make their way daily between the city and ports of Salonica up into the Balkan peninsula’s markets—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 collected locally was a foot bridge built, over which they had to haul all of their groceries and other goods. However, it was washed away in March 2013, and even worse of course is the fact that the village has gone without a proper bridge for several years to date.

Thus in this case, the state has proven itself unreliable and unsupportive at best, meriting 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 maintenance of the motorway, 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 in Skopje just wanting to enrich themselves (*se z bogatat*).

Regionally, the most notorious of such cases of self-enrichment as presented in Western media (and perhaps factually) are those in Bulgaria. The New York Times has reported both on the development of a term coined from the name of the two Galev brothers, *galevizacija*—which refers to the ability of criminals to act with impunity and to manipulate state, political, municipal and judicial institutions (Brunwasser 2010b). Though perhaps the most incredulous example of connections and abuse of power in that country is that of Delyan Peevski, whose mother heads one of the country’s main

media companies (and some would say empire). Through her connections she had Delyan appointed head of the large Black Sea port at Varna at age 21, and then by age 32 he was appointed to head the State Agency for National Security (Brunwasser 2010a). His last appointment has been the ‘straw that broke the camel’s back’ in Bulgaria, and the cause of repeated protests throughout 2013. Yet as I have attempted to evoke in this chapter, there is evidence of similar occurrences in Macedonia, and of a power struggle between the state and the elite which run the country’s various industries and conduits of power. These powerful interests backed by a neoliberal world order are a undefeatable foe for the majority interest group of growers who supply the wine industry with its crop.

### **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 already discussed 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.

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 privatisation: 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 centre, 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 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 0.25 EUR) 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 privatisation 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 privatisation has cast the state into the realm of the burdensome, uncharitable and seemingly thieving. This is not only in Macedonia, however, as the resignation of neighbouring Bulgaria’s prime minister in February 2013 came on the heels of fierce protests about their privatised energy costs, and there are regular protests in Kosovo over energy prices as well. Regardless, this trope of a ‘thieving state’ (*apaška država*) was uttered frequently in Tikveš when the behaviour 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, to return to this chapter’s earlier discussion on corruption in the media, 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>160</sup>.

Through such statements and with the most notorious wineries taking the lion’s share of subsidies (up to €2 million each), the situation slowly became clear to me while in the field: media suppression and focus on

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<sup>160</sup> *Ne im e gajle za nas, samo sakaat da se z bogatat.*

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, privatisation process whose effects were only known to those living there. Indeed, although subsidies were meant to be encouragement for wineries to purchase from grape growers, from the perspective of the latter it appears to only be further evidence of the wine mafia at work in business and government, enriching one another on the backs of those labouring in the vineyards.

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, otherwise we see nothing. Half of us don’t have regular electricity, the school has broken windows and is nearly abandoned, and anyone who can, leaves’. These comments in fact followed the brick-laying of a mere 20 metre stretch of road in front of their and a neighbour’s home, but were in reference to the shattered school windows and lack of young women, in particular, in the village<sup>161</sup>.

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. ‘The state doesn’t do anything for us’<sup>162</sup>, they claimed that day. Simply put, they only respect the state so long as it assists them, for there is not the mindset nor desire to support and be a part of the state structure if it does not do the same in return. From a rural perspective this is understandable —as Vesna and Pero testified, the state does little in terms of reaching out and developing infrastructure, improving

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<sup>161</sup> Women are sent to live, marry, work and do their schooling in Kavadarci or other towns, with young men being more likely to stay behind and work the land.

<sup>162</sup> *Državata ništo ne pravi za nas.*

schools, standard of living and rural 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.

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, Grujo, come see us’, to ‘we’re bringing our grapes to Skopje without money’. Yet when that did no good they realised 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. As mentioned in Chapter 3, in symbolic revolt an estimated fifty-percent of growers left their grapes to rot on the vines, unwilling to even consider putting forth the labour 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 largest, formerly state-owned winery, the Tikveš Winery.<sup>163</sup> At the meeting, the company 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 whose license plates indicate their origin to be in Tikveš (which might be carrying the homemade spirit).

I have therefore seen a form of authoritarianism arise in terms of the state's indirect approach as the 'wine mafia'—of which the Tikveš Winery's owner is one of the most notorious individuals—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—where the Tikveš Winery is now run from as well—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 semi-authoritarian. When the model of law and its rule no longer apply equally, such authoritarianism arises and indeed, rather than work on behalf of its citizens, the state currently works on behalf of the winery owners (in this case).

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 instil fear and uncertainty and prevent due payment for growers' grapes. These changes in policy, production and protection represent a shift in the role of the state in its markets, both domestic and foreign, and signifies a further push into the realm of the burdensome bureaucracy at best, and 'thieving state' at worst.

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<sup>163</sup> As well as the rights to Coca-Cola and McDonalds, the nation's largest brewery, and other ventures.

### **The state and its markets**

Changing markets and systems of production bring to light the research of Alexander (2004), who argues that one cannot dislodge questions of value from the holistic context in which market production and distribution take place. Writing about Kazakhstani industry, she argues ‘without transport, supply and distribution networks, an industrial enterprise is a bloodless pound of flesh’ (p255). Such a scenario could be translated into the problem of small-scale production in Macedonia where, along with the retraditionalisation of landowners, the obtainment and creation of wineries by groups of inexperienced individuals (some with few to no previous connections to wine or the communities in which the wineries exist) has created further fragmentation between the new winery owners and local grape growers. In addition, there are few ways to get new products to market, and as I discuss in Chapter 6, the new crop (peaches) and industry which has shown promise has already been hijacked by middlemen and traders.

Privatisation in Macedonia has taken place within the context of an infrastructure that was not only made temporarily inoperable due to the destructive force of war throughout the former Yugoslavia in the 1990s but which, as in other former socialist spaces, had long been formally suited to the imperatives of Yugoslav socialist production and distribution (which were not guided by larger market imperatives). The difficulty of foreign (mostly EU) competition and the integration of Macedonian wine production into new ‘markets’—be they local, regional (Southeast European) or Western—cannot be understood without reference to large-scale processes in which business, government and social relations become entangled. Indeed, in the last decade the informal, grey economy in Macedonia has grown, leaving less to regulation and more to exploitation. Therefore, there is an ambiguity surrounding who or what is at fault for the current situation in Tikveš and regardless, the outcome is a disaster for the country’s ordinary citizens, who often suffer at the hands of both business and the government.

Yet the wine market is particularly complicated, as Beckert (2009) asserts. He focuses on the social preconditions of capitalist economies and their core institutions, and discusses ‘coordination problems’ that actors face in market exchange. Using wine as an example, he states that:

In the case of the market for wine, similar social processes lie behind the possibility of differentiating a product that is perceived by outsiders...as largely homogeneous. Assigning vastly different values to wine based on the grapes used, the producer, the location of the winery, the year of production...is a complex process without which this market would not exist at all (p41).

There is thus a discord in valuations of a product such as wine between those it is marketed and sold to and those who produce it, or at least grow the grapes for it.

The need to maintain control over the producers of its main input therefore becomes a necessity, yet who maintains power over rural [peasant] production? The state, who as Alexander (2002) argues, has ‘a monopoly on legitimate coercion and lawmaking, acting on its own interests or those controlling it’ (p4). It is therefore worth considering the legitimacy of the state in Tikveš, the wine mafia’s involvement, as well as the separation of the ‘governors from the governed’ (Hann 1990).

Wine as a product plays only one part in the changing livelihoods of Tikveš growers, for indeed most have grown grapes to serve the state—the former SFR Yugoslavia now the Republic of Macedonia. From this transition there comes forth an example of Creed’s ‘conflicting complementarity’ (1998, p29)—where the market is viewed as problematic to the former socialist system’s ‘inner logic’ (Verdery 1996, p30)—yet creating a market economy has become synonymous with the move toward democratisation and choice. Hence, the post-socialist marketplace raises the question about individuals’ economic freedom: now that the neoliberal market is dominant and state production in decline, have individuals engaging in market activities experienced an increase or reduction in their economic choice? This is addressed further in Chapter 6, but while product choice may have increased, the means of acquiring such goods—income—has clearly declined for many. A lack of income also means a lack of power and agency in the new socio-economic landscape.

In fact, in her work on the Turkish state Alexander says that in order to understand political systems we should heed Foucault’s internalisation of power relations where, ‘the focus shifts to the micro-workings of power, certainly the traditional domain of anthropology’ (p4). She argues that the

state is more than an arena where institutions and individuals jockey for power, and is an institution which acts on its own interests ‘even if not coterminous with societal preferences’ (ibid). It is in states in which the owners of capital hold great influence that the division between those who own capital and those who sell their labour creates two classes (Stiglitz 2005). Such is the relationship between oligarchs and democracy which Winters (2011) discusses as well, where various production roles carry different income and prestige, but the most important feature is the difference in the power that they confer. Economy and distributions of wealth (or lack of) mean that a small capitalist class has the power to organise and direct the economy, while workers have little control in the market, politics or culture.

It is thus the state’s and private interests’ control over means of production that, when combined with a historically fruitful relationship (such as earning a state salary or receiving inflated subsidies for crop production), leaves grape growers feeling devastated. Further, the former relationship of co-dependence between the state and growers is what I argue threatens the state’s influence, legitimacy and power. Memory of such positive relations along with the state’s present unwillingness to intervene when power is shifting into private hands means that the state is not responding to the needs of its citizens, and is consequently delegitimising itself through this past-present contrast and the installation of class differences.

An additional repercussion of this transition is indeed the return to a bourgeois class, largely in urban areas, and how their lifestyles compare with those in poorer parts of town, rural areas and villages. Such as Creed (1999) saw after 1989 in Bulgaria, there was a reversal of allegiance whereby a return to the peasantry fuelled a polarisation between villagers and urbanites<sup>164</sup>, tension which seemed to be leading to a major restructuring of community relations at the local and national level. Whereas with socialism villagers had ‘ceased to think of themselves as peasants and identified instead with their non-agricultural occupations’ (p233), severance from their

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<sup>164</sup> A change which is coming about in Macedonia: during the significant protests by the grape growers in September 2010, where the growers blocked a major thoroughfare in Tikveš for several days, there were such epithets, slurs and even a few punches thrown their way; tensions and comments at sports’ matches between locals and spectators from the capital are also frequent.

work was tantamount to severance from the state. In Macedonia, such a lack of commitment and attachment to the state casts grape growers and other rural inhabitants into a sustenance based economy, and clearly threatens the state's legitimacy if not existence, constituting it as a 'thieving state' in the eyes of many.

### **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.

Neoliberalism is malleable in the sense that its implementation depends little on the political-economy in which it is being realised, and according to Canterbury (2005) a closer look at authoritarian states through the prism of global capitalism shows how neoliberal democratisation has led to such authoritarian rule. He contends that the Euro-American justification for the free-market is that through liberalism, economics will encourage political participation and overcome the potential for tyranny. Such notions are in line with modernisation theory—how as a society modernises, it should concurrently become more democratic.

While neoliberalism and democratisation hold to the notion that authoritarian states interfere with economic development and that policies and politics determine economic outcomes, Canterbury points out that why democracy must have any connection with economic policy is questionable. For when a controlled economy fits into a larger market economy, such as is the case with modern China and the global economy, there is little need for a democracy to be in place. In other words, according to Silva (1999) 'there is no unilateral relationship between economic development and the form of the state' (p48). Thus to maintain their authority and power, a political regime must control the economic apparatus.

Therefore, neoliberalism 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 when allowed, it manifests itself with unique effects. Citizens may vote, but the oligarchic 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 in order to secure profits for its elite.

To return to this chapter's introduction with Linz's and Borneman's systematicisation of authoritarianism, we can see in the transition in Tikveš and the power play at work ('inside privatisation') 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 to meaningful opposition (from the grape growers).

Through the grower interest group's 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 oppression. It is one which, unlike the nationally touted, explicit draconian authoritarian 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 accept a false consciousness that they have any voice or real choice, and to continue to play the game of privatisation whereby they are fed with disinformation in the media, excluded through poverty, 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 like. 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 the game of neoliberal privatisation at work.

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 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 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 chapter yield insight into the illicit and opaque activities surrounding the region's transition.

## Chapter 5

### **Utopia *Europa*? The CAP, IPARD and development in Macedonia**

#### **Introduction**

Contemporary Macedonia is unique for many reasons already stated, from its geography to its ethnic makeup to its history, but also because the privatisation process as a whole and in this case, in agriculture, occurred much later than in the rest of the post-socialist world. With privatisation and ‘transition’ happening within the past decade primarily, the country stands in stark contrast with neighbouring Bulgaria, Romania and the other countries of Eastern Europe studied by so many scholars since their transitions began in the early 1990s. There is much to be learned from those studies, but it was one goal of my fieldwork to focus on how such variables as economic and development policies, local power relations, as well as the experiences and perceptions of the growers were affecting the transition and being played out in Tikveš. Only this gave a clearer picture of the implementation of changing domestic, EU and other foreign policy, which while seemingly distant from the vineyards of the wine region has been one cause of the transition and its effects on the identity and livelihood of the grape growers. For as Kogut and Spicer have shown, the post-socialist transformation has overwhelmingly been shown to be a neoliberal economic ideology that framed foreign aid strategy in post-communist countries (2001), and there has been a significant ‘land-grab’ in the past decade in Eastern Europe, where corporations and financial groups have seized public lands and farms for the sake of expanding EU industrial agriculture (Scozs 2014). Yet in Macedonia, with the last embers of the explosion that was the dissolution of Yugoslavia in the 1990s all but extinguished, the country has entered into a new phase of its transition that draws us to seek an answer to Creed’s (1998) question of ‘a transition to where?’

Indeed, for a variety of reasons to be discussed, Macedonia sits in a liminal position at present. The country’s independence is over 20 years running, but bitter neighbourly relations over issues such as who are



Macedonians and their language (contested by Greece and Bulgaria primarily), to the rights of the significant and provocative Albanian minority in the country and region (contested within and by Albania and Kosovo), mean that the country's political structure exists as a fragile peace. Furthermore, the country's eight year-old EU candidate member status has long since lost its appeal as the Union batters its way through its fiscal crisis and the effects of austerity measures in neighbouring Greece.

This chapter therefore discusses the extent to which joining Europe (as an EU member) is still seen as a legitimate and suitable goal for the country, and what the effects of European integration and development are on the wine region. I illustrate these concerns through locals' experience with EU accession and development programme procedures, namely the Instrument for Pre-accession Assistance (IPA) under the Common Agriculture Policy (CAP), as well as from their testimony to the concerns they have based on the ongoing crisis in the euro-zone. Indeed, I expand upon not just euro-scepticism in Macedonia, but the justification for it based upon the unsatisfactory experiences of EU member-neighbours Greece and Bulgaria. With half of the CAP subsidies going to a small percentage of [large] farms (Scozs 2014), this question merits attention.

In order to join the EU, Macedonia is waiting alongside neighbours Montenegro and Serbia (among others<sup>165</sup>), both of which gained candidate status later than Macedonia but which may well enter the EU prior to it. This is because, due to Greek opposition to the use of the name Macedonia, the country is wading through pre-accession measures (and was denied NATO entry in April 2008). Yet despite repeated recommendations for its entry into the Union, no date to even begin accession talks has been offered and will likely not be until the country 'resolves the name dispute' with Greece. Having spent so many years in Macedonia, however, I am fully aware that no government—be it the current nationalist VMRO-DPMNE party or the opposition, SDSM—would commit political suicide by allowing the country to compromise with Greece on this matter. For Athens is not only seen by Macedonians but much of the international community as being irredentist

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<sup>165</sup> Iceland and Turkey are other EU candidate members

and a bully about the name issue. Therefore, in Tikveš there is a perpetual sense of uncertainty not only due to the wine region's transition but also because of the future of the country's EU and NATO membership.

Nonetheless, European development policies with the EU's Common Agricultural Policy (CAP) at the forefront, seek to boost the competitiveness of European agriculture and to develop rural economies beyond their production of crops by stimulating rural industry and tourism. However, to call on long-time EU member Greece, for example, the CAP has been considered detrimental by many (Demoussis 2003). This is because CAP funds have generally accounted for almost half of the country's total agricultural value, providing too much government support and control over agricultural production for the EU. With the persistent structural problems of the Greek agricultural sector, such as its small and fragmented land holdings, an ageing farmer population, the seeming inability of farmers to form co-operatives and the bureaucratic public administration, it seems only natural that the 'competitiveness' of agriculture there has not improved and that the CAP is partially to blame (*ibid*).

Such problems already do and could continue to apply to Macedonia as well, unless it can avoid doing what Greece has, and not intervening with national policies in areas of agriculture that were not directly addressed by the EU's agricultural policy. That is, there is a fine balancing act necessary in agriculture, whereby the government (ideally through an informed and educated Ministry of Agriculture) helps guide the country's production in order to keep its rural communities productive, necessary and competitive. Greece has therefore been at one extreme of this spectrum—too much government control, and Macedonia at the other end with not enough in recent years.

As mentioned in the previous chapter, the combination of the government's non-interventionist approach with the distribution of subsidies illustrates that at present, and for better or for worse, Macedonia is steering clear of the path of its southern neighbour. Yet a notable problem has arisen: while on the one hand Macedonia is addressing structural changes through its distribution of subsidies, on the other hand the situation can be characterised as a seeming aiding and abetting of the elitist element behind privatisation in

the wine industry and the country overall. Indeed, the government has been subsidising not only grape production but by giving subsidies to grape collectors and wineries when buying grapes, wine production as well. At the same time, wineries are consolidating land holdings and reorganising business operations in order to ensure a higher level of wine quality for export, and to meet international and European ‘standards’ (*standardi* or *merki*) that are increasingly seen as central to the new wine industry’s success. One significant part of the transformation in Tikveš is therefore occurring as a result of EU accession preparation, including the EU’s Instrument for Pre-accession Assistance (IPA).

With the country receiving tens of millions of euros annually from IPA funds, and political rhetoric and institutionalisation instilling European pride and awareness in citizens, support of European integration comes through the opportunities it would offer in terms of education, travel and trade. Yet with the country in accession limbo, integration may be a step in the wrong direction—devastating for the grape growers of Tikveš, among other agriculturalists in the country, and corrupting to the political apparatus. With EU entry framed through neoliberal opportunist discourses, it is seen as an incentive for the Macedonian wine industry to reorient itself to the world market, meaning that the burden of this ‘transition’ in the form of the severance of wineries’ connections with rural producers is often obscured in the name of economic development.

With prior involvement in international trade prior to the break-up of Yugoslavia, Macedonia is thus the ‘under-developed’ country targeted by development agencies, priorities and measures. Wineries may continue to ‘purchase’ grapes from the growers yet the standards, connections and power of the former give them indisputable strong-arm leverage. As Macedonia’s position on the EU candidate stage is unique though, I hereby discuss the overarching goals of both European and other development initiatives within the country, and give examples of their implementation in Tikveš.

### **Tikveš re-developed: European and international policy at work**

It is within this particular context that a combination of state, private and international development interests have converged in an effort to revitalise

and reorient the country and in this case, the Macedonian wine industry. In particular, the US Agency for International Development's (USAID) Macedonian Competitiveness Activity (MCA) served as an incredible conduit for information, restructuring, partnerships and exploring markets. Lasting from 2003-06, the MCA helped six small wineries band together to create a business partnership, which included funding the creation of their websites, sending several winery owners to Napa Valley and the University of California-Davis for training and demonstrations in American wine production, and developing a new market for niche wines and wineries. Among others, USAID also sought to boost the country's privatising wineries, and gave Tikveš Winery an award for 'introducing contracts and quality criteria in grape purchasing' (MCA Quarterly Report 2006). Yet these are precisely the sort of criteria that growers detest because of the extent to which such changes demonstrate corruption at the governmental and developmental level, and which worst of all, have greatly compromised their livelihoods.

More specifically, the USAID project's 'wine cluster' sought to improve Macedonian wine quality and to help shift exports from bulk wine into higher value bottled wines. Strong emphasis was put on the promotion, new marketing techniques and a specialised export test market programme, and as part of these efforts, in September 2005 five small and medium sized wineries formed a consortia under the name of 'The Macedonian Fine Wines Export Group' and presented their best wines to the UK market. Furthermore, the MCA was 'working with its Macedonian partners to create better strategies, better products and stronger companies with better access to international markets through improved production, operation and quality...helping Macedonia to choose prosperity'<sup>166</sup>.

As my fieldwork did not coincide with the MCA project's work in the wine region, however, I only know of the programme from USAID publicity for it during my residence the decade prior, and again during my fieldwork when hearing from informants who had participated in the programme. I will address those individuals and their experiences later on in the chapter, but

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<sup>166</sup> <http://macedonia.usaid.gov/en/sectors/economic/competitviness.html>

hereby state that such development remains one of the central organising and defining systems of Macedonia's recent transition. Globalisation and the competitiveness of the wine trade mean that development projects such as the IPA and MCA programmes merit attention from anthropologists because they seem nonsensical to the free-market's logic, and I call upon Chris Hann to show how these programmes stand in contrast to the controlled economies of socialism. Hann states of the former Yugoslavia that where there was 'a major variant of a political society with development at its core', neo-liberalism is 'the notion of everyone acting as an entrepreneur' (Hann 2006, p7).

This therefore brings into question how much 'development' is being done under the guise of transitioning to a free-market ripe for exploitation, and who is in fact able to be an entrepreneur when the local economy is in shambles? Indeed, upon greater consideration development seems to be a diverse institution often with a judgemental, evolutionary sense to it, and it can be associated with ideas about the increasing social, economic and political complexity in transitioning from 'traditional' to 'modern' societies (Lewis 2005, p473). Macedonia lies between the former and the latter, but such planned social change, or the intervention of one group (usually foreign) in the affairs of another in order to 'improve' or 'produce positive change', is also a common feature and example of the disruptiveness of such development priorities.

It is therefore apparent that intervening groups such as EU, governmental and other development agencies are using economic and political muscle to change what they perceive to be a less-developed system than their own (in Macedonia) into the form they see fit. Unfortunately, this is seemingly done without concern for the consequences it brings upon the large majority of people who live within it, as while there are undoubtedly 'gains' and 'advances' to be made from this transformation (particularly if one ascribes to modernisation theory and its notion of the development of self-sustaining growth), dependency theory suggests that under-developed economies on the periphery are integrated on unequal terms—with the favour of influential individuals or parties gained—and to 'provide cheap raw materials for export to rich countries' (ibid, p475). While wine may not be

considered a raw material, I wager that when exported in bulk—as most Macedonian wine is—it becomes such, and overall the country's rich produce (not to mention natural resources) are indeed 'ripe for the plucking'. The need for modern industry and technology thus presents perfect opportunities to EU member-state companies.

Additionally, there is a hierarchical element to the economic value systems put in place in recent years, whereby one system dominates all others<sup>167</sup>. Calling upon Scott's (1985) notion of 'transcripts' and the use of deference by a less powerful group of people, I observed in Tikveš an acceptance of the European and international financial system only so far as it is seen as beneficial to the country's population, and otherwise it is disregarded as unnecessary and burdensome. Certainly the country's political apparatus has accepted EU accession measures and mandates for various reasons—from the benefits it may bring to their country to the financial and status benefits it brings to the politicians themselves. Yet the majority of Macedonians must merely express deference to the overarching [European and global] financial system at work, for the value systems in place combined with the dependency upon networks is seen as unofficial at best and illicitly criminal at worst. As I illustrate below in terms of implementing the pre-accession measures of the IPA, however, there is a mixture of these systems and the customs surrounding them at work in Tikveš.

In terms of the EU, every country entering or already a member of the Union differs in its history of production and trade. For example, prior to its entry, Slovenia (the northern most former Yugoslav republic) already had the EU as its largest trading partner, had high prices given little liberalisation and

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<sup>167</sup> Economic systems are based on customs, relationships, resources and varieties of consumption, making the understanding of such cultural variables a necessity. They may be monetary or not, and although a system may work for one group, community or country, it may not for another. This calls to attention notions of 'use value' versus 'exchange value', which are explained by Chibnik (2011) in the following: 'production for use value aims at the acquisition of specific goods; production for exchange value... aims at the accumulation of general "wealth"' (p45). This applies to the wine industry in that there are essentially both systems at work in Tikveš: the government, businesses and wineries holding the reins of the monetary financial system, while the agriculturalists do the grunt work of feeding society and being intertwined with both economies of capital (cash) and of favours (connections). Indeed, even though earning profits and doing business *might* be universal human traits, how such trade is conducted and with what currency (be it monetary, goods-based or in-kind) is a cross-cultural affair full of potential misunderstanding.

imported more than it exported. It was therefore an easy transition for the country to EU membership. The country's earlier wine industry, which largely handled and marketed imported Macedonian bulk wine, held an arrangement whereby there were mutual preferential trade concessions via a special wine agreement (Bojnec & Münch 2000). Yet because Slovenia was a net importer (compared with the EU as a net exporter), market price support was delivered through import measures and state marketing systems rather than export subsidies (ibid). In contrast, given the cost of extending CAP benefits being laid on Polish consumers, low production intensity there meant Poland needed restructuring to increase 'production to a level which is rational in the EU economic environment' (Piskorz 2000, p87), and farmers only received increased subsidies incrementally as their output has increased.

I discuss these examples because overall, Hann (2006) has found that the ability of states to shape agricultural economic policy has been curtailed with EU entry and adoption of European agricultural policy, and while farmers in a small town in Poland where he worked were satisfied with EU subsidies in 2005, they were concerned that such subsidies would be withdrawn given a centrally planned, EU-wide policy. Such curtailment could unequivocally be applied to Macedonia as well, given the EU pre-accession measures being undertaken there. A further explanation of these measures will thus help to lay the foundation for understanding their effect on rural communities like those in Tikveš.

### **The IPA(RD) programme in Macedonia: an overlay**

In preparation for eventual entry into the European Union, the Macedonian government has been complying with the IPA and through it, has received half a billion euros since 2007 for five components, from institution building to rural development. My fieldwork research focused on the rural development (RD) component, known as the Instrument for Pre-accession Assistance for Rural Development, or IPARD.

The IPARD programme was adopted by the European Commission (EC) in February 2008 through the National Agriculture and Rural Development Plan. Its overall objective is to 'support implementation of policies to promote competitive and sustainable agriculture; develop strong

and sustainable communities, and a diverse and sustainable rural environment' (Delegation of the European Union, Fact Sheet 2010/03). In addition, the IPA Rural Development component supports the preparation for implementation of the EU Common Agricultural Policy (CAP)<sup>168</sup>, including management of the European Agricultural Fund for Rural Development (EAFRD). Although the bulk of the funding comes from EU taxpayers, the management of the IPARD is the responsibility of the national authorities—the Macedonian government and its respective ministries. Together they should ensure the existence of sound financial management and implementation of the funds, including the required structures, rules and procedures. In 2009 the European Commission confirmed that the institutional capacities were in place and adopted a decision to confer the management of the IPARD to the national authorities in Macedonia.

The IPARD's operational programme has been covered by budgeting for a period of seven years (2007-2013), and includes a financial allocation of over 42 million euros, including co-financing by the Macedonian government. Overall, the IPARD programme is designed to 'improve the technological and market infrastructure of commercial agricultural holdings and the food processing industry, aiming to increase the added value of agri-food products and achieve compliance with EU quality, health, food safety, and environmental standards, whilst at the same time assuring the quality of life of the rural population, increasing rural incomes and creating new employment opportunities'. Furthermore, 'the main beneficiaries of the measures' are to be 'agricultural holdings, agriculture cooperatives, the food industry, rural economic operators, rural entrepreneurs, and the rural population as a whole' (Delegation of the European Union, Fact Sheet 2010/03).

The IPARD programme is thus significant for a predominantly agricultural country such as Macedonia, and its clearly stated aims are to indeed transform not only the agricultural industry in Macedonia but also the communities in which they exist. Yet such reorientation of production is difficult, as rural producers are rarely capable of generating the required

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<sup>168</sup> The CAP is the overarching European policy for agriculture, which once a country joins the EU they are thenceforth subject to.



capital needed for change themselves, particularly such as the IPARD programme calls for. Further, the EU's policies, reflecting the open 'free-market', seek to incorporate Macedonian agriculture into an international financial market that scarcely exists there—and one which seems to in fact be in decline. Namely, Macedonian agriculture had until recently looked more like the European policy of two to three decades ago: protected by government price setting, subsidised by and for government-owned industrial production, and not meant to be competitive. This has all changed with the selling off of state-owned wineries and the hands-off approach taken by the state, yet this process has occurred with great speed—in the past decade primarily. Although many have called foul on the strong-armed businessmen behind the wine industry's significant transition in Macedonia, the wine law passed two years ago to help the struggling grape growers receive a fair price for their crop (discussed in previous chapters) was struck down by the country's Constitutional Court, which considered it interference in the market.

As David Kideckel (1995) observed early on in Romania, however, agriculture is a unique branch of industry because land *is* a fixed and limited resource, and influenced by local customs and conditions which growers cannot quickly adjust to external demands such as those imposed by market-development priorities. For example, in Macedonia several grape growers were advised through the media publicity of a USAID agricultural consulting report to grow edible, table grapes for the Western market. Yet of those who did, few found a market for them: '*Nema plasman*', they said—"there is no channel/outlet"<sup>169</sup>. Indeed, in Macedonia it takes personal connections with traders to get a product to market, and therefore the extent to which grape growers can sell their produce depends not just on demand but on access to the markets themselves.

Social relations and different customs surrounding production mean that growers see little incentive at present to shift to another crop,

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<sup>169</sup> Another example comes from Hungary, where in writing about Hungary's Tokaj wine region, Hann (2006 p134) saw that the small-scale production of the socialist era had no future if EU subsidies to agriculture declined, and that investments in vineyards there were thus in vain and should never have happened given competition from other European wine producers.

particularly when grapes are not only what they have produced for so long but like other crops, require a significant initial financial investment and several years of growth before literally ‘bearing fruit’. Who would rip up their land in order to plant other produce which might take just as long to create revenue at best, and which in all probability will not have a solid market in the near future? This question harkens to the general discussion on government involvement in agriculture and the fine line between regulation and protectionism, but no one can blame growers in Tikveš for lacking the inclination to take chances with a new crop. Indeed, the current transition there is a game of chance with few rules, and an international affair whereby most grape growers are anything but confident in the future of their livelihoods. They continually ask whether there will be demand for their grapes or other produce in the future, and wonder whether the country will ever even join the EU. Only a few business-minded growers and traders consider EU membership in terms of market opportunities, though with the European financial crisis euro-scepticism runs high and the Europe of a decade ago seems to be an increasingly distant utopian ideal<sup>170</sup>. Moreover, agricultural support for current EU candidate countries has been decoupled and limited compared to that provided to the countries which entered the Union previously.

In addition to the IPARD programme, the rural development plan for Macedonia is outlined in great detail in a 486 page document produced by the European Bank for Reconstruction and Development (EBRD). One of many observations within the text is the following: ‘Wine grape producers suffer from several management problems. Grape producers do not have the ability to obtain credit, or to influence raw materials supply, exert price control of the grape, and ensure timely payments for their deliveries’ (EBRD FYR Macedonia Strategy 2010, pp.70-71). What we thus see here are powerless growers facing a multi-pronged EU policy perspective that is essentially intent on downsizing wine-grape production through

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<sup>170</sup> This is due to several reasons: the crisis in the Union and neighbouring Greece, Brussels itself expressing doubt that it can afford to take on new member states, anecdotal evidence from EU member neighbours of the decline in their standard of living (often heard when traveling through Bulgaria and Greece), and last but not least, the Greek government’s staunch opposition to the Republic of Macedonia’s right to self-determination and use of the name Macedonia.

standardisation and regulation. From an EU perspective, this aim is somewhat understandable, as the European wine-market is saturated<sup>171</sup>. Yet whereas Macedonia overall stands to fare well in the near future with its agricultural production in tobacco, fruits and vegetables, given abundant produce and niche markets in the former Yugoslavia, Ukraine and Russia, one study states that ‘the only direction in which trade with Southeast Europe is expected to occur *with EU countries*<sup>172</sup> is in viticulture and the wine trade’ (Totev & Shahollari 2001).

That is, direct competition with other EU grape growers and wine producers was expected to significantly challenge the country’s wine industry from 2013—when Macedonia had to cease its tariffs on EU member-state wine imports—yet Macedonia does not stand to gain much ground within the EU from its other agricultural produce due to domination by suppliers in Spain, Italy, and Africa. Further, because the EU’s agricultural policy has traditionally rewarded farmers who produce more, larger farms (of which there are few in Tikveš) benefit more greatly from subsidies than smaller ones, such as the family-labour holdings of Macedonia and the former Yugoslavia in general (OECD, 2010). Therefore, Tikveš is in transition yet the blueprint for the region’s future may not be the most compatible with the EU nor viable for the country’s wine industry.

It thus becomes apparent that the complications associated with the transition to European agricultural standards in Tikveš are deep-seated, and make it essential to look at the balance of power, the social relations of production and the local experience with the transition there. In reality, policy coming from Brussels and implemented through Skopje seems to result in something akin to the children’s game of ‘Chinese whispers’ or ‘telephone’, where a sentence whispered from ear to ear among a circle of children ends up rather different at the last child than what it began as. The same could be said of European policy and how it is ‘translated’ and implemented as well. This is not only because the government has its own

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<sup>171</sup> The European and global wine markets are incredibly profitable and thus competitive. New World wines—from North and South America, as well as Australia—have surpassed European wine sales in the UK, for example, showing the strength of their marketing efforts.

<sup>172</sup> Italics mine.

interests and concerns with how its agricultural industry is run, but because the on-the-ground reality of implementation depends greatly not just on bureaucratic measures and funding but social relations and connections. In short, there is an ‘economy of favours’ at work in Macedonia which most individuals must dance around, and even at the administrative level they must express deference, utilise connections and return favours for assistance with whatever endeavours they partake in. For the Tikveš region of Macedonia, although in the Balkans<sup>173</sup> and part of the former Yugoslavia, is (as addressed in Chapter 1) also very Mediterranean in character, and such as elsewhere in Southern Europe there is a social collectiveness that dictates norms and customs.

In the rest of this chapter, I therefore not only look at how the IPARD’s focus on rural development is implemented and utilised, I consider the cultural influence and testify to it through ‘pointing out the obvious’ from a local perspective. For although national ministers and EU bureaucrats may idealise that rural agricultural development measures (such as those of the IPARD) can be taken advantage of by any citizen with the will to do so, this simply does not reflect the economic reality, both in terms of familial finances and connections.

### **Implementation of the IPARD in Tikveš**

The procedural steps for the IPARD application include gaining access to credit; providing documentation that verifies ownership of the land to be worked or built on, necessary permits and official registration as an agriculturalist (*zemjodelec*); and last but not least, having the connections to see through the combination of these into a viable and successful application.

These are indeed obstacles for many individuals, but I observed two problems with the IPARD separate from these: poor advertising and the

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<sup>173</sup> I use Balkan here not in the pejorative sense but to refer to the countries of Southeast Europe and the former Yugoslavia in all their cultural and geographical diversity. This includes the cultural milieu there that results from the geography, customs, rural livelihoods and isolation of its peoples. The latter make the region unique in comparison with Central Europe, or those countries considered Mediterranean—which have different climates, cultures, international affiliations, and so on. Macedonia and Tikveš are in fact on the dividing line between Balkan and Mediterranean, and inhabitants of southern Macedonia have indeed long looked toward Salonica (and the Aegean Sea) as a regional destination for commerce as much as they do Skopje.

consequent drawing of potential applicants to the presentation sessions held. Throughout the bulk of my fieldwork in 2011, during which there were four rounds of applications and funding for the IPARD, only in a few locations did I see posters advertising the programme beyond the Rural Development Agency (*Agencija za Ruralen Razvoj*) office. Although in central locations, they had only been placed in the windows of either the local library or cultural centre in the two largest Tikveš towns, Kavadarci and Negotino, as well as in a central, local café in the smaller town of Rosoman. On one occasion they advertised the presentation to be made in a nearby town only a day in advance, and as I further discuss below in the first ethnographic vignette, for those that I knew who were aware of the programme and attended such presentations, they perceived the application process as extremely complicated at best and often impossible given a lack of official documentation, a solid business plan and accessible funding needed to match the IPARD grant.

***Demir Kapija: ‘for people with big cars’***

The poorly advertised presentation mentioned above occurred in Demir Kapija, the small town mentioned in previous chapters that has seen significant development. Besides its stunning geographic setting, it is also famous for its two wineries. One dates back nearly a century to the 1930s, when the country was under Serbian rule during the inter-war years, and was built for the Serbian King Aleksandar Karadjordjevic. It is thus locally called the ‘King’s Winery’ (*Kralska Vinarija*), and being privately owned by a Kavadarci family, produces affordable wines under the label Villa Marija.

The second winery is much newer, and is the product of a Macedonian businessman with an MBA from an American university and a dream to see a Napa Valley style winery and tourist destination in Tikveš. The winery, Popova Kula, has been very successful with wealthier Macedonians and foreign tourists, yet sitting atop a hill in town, the winery and its clientele stand in stark contrast with the town’s mainly agricultural inhabitants below and the livelihoods they eke out. Those I spoke to said the winery was good for the town, but they would never go ‘up there’. One woman, contrasting the smaller cars of the Yugoslav era that locals still drive

with the larger, newer sedans and SUVs of wealthier Macedonians (primarily from the capital) said 'it's for people with big cars'. Indeed, local inhabitants live in a town which has never had a large factory or other socially-owned industrial enterprise, and which has been primarily agricultural throughout its history. Vineyards dot the landscape along the riversides, and growers depend on the country's wine production for their income. I visited Demir Kapija often for this reason, as the economies of Negotino and Kavadarci, in particular, were both larger and more diverse.

On a hot day in July 2011 I drove there specifically for an IPARD presentation. I had indeed only found out about the presentation the day before—when it had been announced—by the Rural Development Agency's office near where I lived in Kavadarci. Only a day of planning meant little time for advertising, so I was surprised to see even nine persons in attendance when I arrived. The presenters, however, rapidly went through a lengthy and difficult to read Power Point presentation. Lasting just a half hour, two representatives from the agency office in Negotino showed slides on a screen behind them on the stage in the town's cultural centre (*dom na kultura*), and because of small letters and an over-abundance of text on the slides, the slides were largely unreadable. The agency representatives proceeded through the details of the application and then asked for any questions, but rather hastily dismissed the two they received. One was from an apparent farmer asking about a parcel of land in a certain vicinity of the municipality and whether it was suitable for IPARD rural tourism funding (it was not), and the other was about developing beehives for honey production. This was possible, but the answer to it reflects the natural difficulty most interested individuals face: although the IPARD's funding could support honey production, the total project expenses must total at least 5,000 euros for there to be any agreement and contribution from the IPARD. Many growers, however, cannot fathom matching half of that, or 2,500 plus euros—an average farmer's annual earnings—so must dismiss the idea of participating.

The presentation had ended quickly with little casual conversation about the programme, so I exited and headed to the main-street café restaurant (*kafana*) just outside the cultural centre. There I saw and spoke to

an acquaintance, Tošo, who said he would have liked to have attended had he only known the presentation was going on. His idea is for developing a five hectare plot of land that he and his brother have. Two hectares are grapes—but un-irrigated and thus poor quality ones (though he had still been optimistically tending to and spraying them with pesticides)—so he was interested in what he could do with the other few hectares. This round of the programme lost him, however, and another guy there with him exclaimed ‘nothing’s clear to me about this programme—we’re sitting right here and we didn’t even know it was going on in there!’

Advertising for the programme is problematic, but coming up with funding to match an IPARD grant is the most significant issue for most interested applicants. The requirement that a project cost at least 5,000 euros, with half of the investment coming from the applicant, is impossible for many. With an average income of 300 euros a month *for the employed* in Macedonia, 2,500 euros is more than two-thirds of a year’s income and as I have discussed in terms of a ‘returning to the peasantry’, for farmers such income is not guaranteed. Indeed, although it is difficult to gage what a farmer’s income actually is—for it depends on a number of factors from personal production and sales to other familial income and costs—the amount of money required for an investment such as through the IPARD is substantial. Thus it came as no surprise that Agency officials seemed to have little faith in their presentations resulting in viable applications, particularly from a town such as Demir Kapija.

In fact, back in the Rural Development Agency’s office in Kavadarci, a place I visited regularly and was well-received, we discussed the latter the following day. The administrators there admitted that the presentation I had attended was poorly planned, but did not blame their colleagues in the Negotino office who presented it. One said ‘it’s difficult in a town like Demir Kapija. Who can participate? They’re all farmers there’. This statement clearly reflects the administrative attitude around the IPARD and who should or is likely to participate. But having missed another presentation that they had done, I asked them how one in the nearby town of Rosoman had gone. It had been better planned and advertised, as I had even seen a poster for it the

week before when in the small town investigating their peach market<sup>174</sup>. My main informant in the Agency office, Dragi, said that they had 34 people show up. I asked whether any were applying and he said some will, but whether they would receive funding was debatable. ‘It takes large investments which farmers don’t have. How can they be expected to conform to European standards [via IPARD funds] when they’re hardly paid for their produce? They’re supposed to put what they earn into investments for an uncertain future?’ Dragi had a good point and knows personally—he is from a farming family and is not employed by the Agency but has immersed himself into the local office as a volunteer of sorts. On several occasions we discussed over Turkish coffee the transition and plight of grape growers in the region. But with no guarantees for export markets and thus income, life for growers like Dragi and his family is indeed full of uncertainty.

We had spoken, for example, about why there are not individuals renovating their homes for rural tourism, an issue which had come up several times when chatting with grape-growers about other opportunities, such as the IPARD might assist with. Dragi, as did other acquaintances, towed the typical line of ‘there aren’t tourists in Macedonia’, to which I countered and said that indeed there are—just look at Popova Kula in Demir Kapija, or other wineries in the region providing tours and building tasting rooms. ‘But they won’t come’, he declared, and his point was clear: rural agriculturalists, and even someone affiliated with the Agency such as himself, lacked optimism and seemed unwilling to admit and thus recognise the change necessary to make a programme such as the tourism component of the IPARD work.

The programme is thus not only impossible given most families’ financial means, but it is incompatible with their perceptions of the region’s future: they have not adopted the agency that the EU and Macedonian government seek to instil. This is arguably because of a lack of incentive—neoliberal notions of economic behaviour assert that individuals should and

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<sup>174</sup> As discussed in Chapter 6, Rosoman has successfully shifted its production in the past decade from primarily grapes to peaches. This crop, which is mainly exported throughout the former Yugoslavia, and into Ukraine and Russia, has been a boon for the town. Other farmers have thus sought to get in on the business, but in doing so have created a market surplus, and brought the attention of traders keen on getting their share of the profits.



will become entrepreneurial yet such a theory disregards the extent to which the capitalist project requires a form of incorporation. That is, if grape growers (among others) are to participate in a larger marketplace than that in their town, then they need to be brought into it and incentivised to do so.

Furthermore, for the individual who does not come from a connected family—as most successful IPARD applicants do—there are not only the bureaucratic hoops to jump through in submitting a good application, there are true dangers in accessing the necessary capital to match the IPARD grant. As evidence of this, one story I heard was of a few grape grower friends sitting in a café in the town of Negotino. They had an idea for an IPARD application and were speaking about how to get the funds to match their share of it when a man near them approached and said he could help them out. Claiming he was from the capital (Skopje), he said he had the connections to get them the money they needed. Obviously very skilled in what he was doing, the scam-artist said he needed some money up front, which after lengthy discussion, they provided. The sum is uncertain, but they did not hear from him again so after a few days the authorities and general public were notified of the opportunist at work.

This is unfortunate but in some ways banks are doing the same: there are several advertisements for agricultural loans (*kredit*), with banks claiming that they are ‘supporting agriculture’. One bank in particular, the Austrian-owned Sparkasse, loaned out three-quarters of a million euros to agriculturalists by the middle of 2011 (Angelovska 2011). While many grape growers seek these funds for new equipment, such as tractors, and for installing better irrigation systems in their vineyards (and may combine them with IPARD funding), I am well aware of some individuals who took the loans simply to cover costs during what has been a very difficult period of unpaid or under-paid grape harvests. The repercussions of taking these loans, however, are significant. With high interest rates (*kamata*) of up to 20 percent, to qualify for such loans individuals must provide collateral. Their inability to pay off their loan could thus result in the confiscation of a variety of property, from the machinery they purchased to other possessions, including property such as their home.

There were some successful IPARD applications that year for alternative projects, including funding for cheese making, bee keeping (for honey), berry farms and fruit orchards, produce facilities (such as large walk-in refrigerators) and of course wineries. Yet all of the recipients I met were well-off by Macedonian standards, as evidenced by what they had to invest in order to receive the IPARD funding. In the Tikveš town of Gradsko, I met the owner of a milk production company who had received funding for cheese and yogurt production. His investment was 28,000 euros, which he had to initiate production with, as the IPARD funding was not to be distributed for three months. The owner, Zlato, told me that he was very pleased to have been helped by the Rural Development Agency to link up with banks for credit and loans. However, I was told by other informants I knew in the town<sup>175</sup> that he is well-off because the factory he runs was bought for a pittance through privatisation a decade prior, and dairy is a very lucrative industry itself<sup>176</sup>. He, like many connected individuals who partook in the country's privatisation, got something for nearly nothing, and has made a significant amount of income off of it. This capital he has then been able to use to participate in programmes such as the IPARD, a scheme which for most is off-limits. Indeed, as the head of the local Federation of Farmers (*Federacijata na Farmerite*) in the region stated 'a large portion of farmers aren't able to use [the IPARD] European funds. They need to have official documentation for the applications, they must satisfy several government set criteria and standards, they don't have proof of property ownership, and of course they're missing the money they would need at the start of the investment'.

Funding for wine related expenses includes the 'cap-by-cap' (*kapka po kapka*, as explained in Chapters 3 & 6) irrigation systems, and a diverse array of machinery for everything from soil tilling to pesticide spraying to wine production facilities. Although I met no one personally who had used the IPARD funding for a cap-by-cap system, it has indeed been a growing

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<sup>175</sup> One family in particular were always open to conversation when I visited Gradsko. They owned a grocery store on the main road passing through the town, and I knew them through two Peace Corps colleagues who had lived with them for three months during our training in 2002.

<sup>176</sup> Given income and the amount of local dairy production, milk is quite expensive in Macedonia and costs up to a euro/litre.

trend to put such a system in place and the IPARD did support it. One Kavadarci winery which received funding in 2011, however, was a significant expenditure and project that was well publicised in the national daily (*Dnevnik*) and on television. The family, whom I shall call the Teodorovi, had put significant effort into the wine production facility they built using the IPARD's funding. Including new tanks to stabilise their wine and its fermentation, the project multiplied their production by a factor of six. I asked the Teodorovi's daughter, Elena—who has a degree in agricultural engineering and is an integral part of the family's project—what sort of niche they were looking to create and where all of their wine would go. She said 'we'll focus on both regular and dessert wines. The wine sector is difficult right now, but that is just more of a challenge for us. The domestic market is very small, but we have some agreements in outside markets (*nadvorešni pazari*) which I think will be realised, and we've already sold a portion of our wines'. The representative from the European Commission, Gerrard Quille, commented on the merits of the IPARD during the Teodorovi winery's opening ceremony, stating that he was very pleased with the 'interest by Macedonian agro-businessmen', and added of the IPARD that 'the goal is the realisation of the European Union's standards, which will act as a guarantee for greater interaction with those markets'.

However, these statements illustrate that the IPARD did not have what could be considered a successful year of rural development funding in 2011. Out of 245 applications through the first two rounds of funding in Macedonia, there were 27 agreements and three projects completed. Even Quille commented that 'maybe it is a small number of accepted applications, but in general we are on a good path and farmers should take advantage of this possibility' (Angelovska 2011). Yet of the 112 applications in the second round there were just over a dozen agreements, with most (67) application being from individuals interested in replacing equipment, such as tractors and other machinery (the vast majority of which dates from the Yugoslav era). Only 25 were interested in product processing and promotion (such as juice, canned or jarred goods, etc.), and just 20 were for rural economic development activities (*ibid*).

Yet Quille's comments verify the extent to which the European community are intent on integrating Macedonia while discarding the political reality of the matter specific to the county, as well as the economic matter specific to the Union—namely a lack of confidence in the euro-zone and southern European economies. Unfortunately, neither of these issues paints a positive outlook for Macedonia's accession to the EU. Thus, whether the IPARD programme is worthwhile in terms of preparing Macedonia for a status it may never have is one question, but another is to what extent does the IPARD and EU accession contribute to a growing disparity between rich and poor in the country? While integration is meant to foster what are the virtuous ideals of the EU, there clearly seems to be a different reality in many EU countries in recent years (Greece being the most obvious). Cultural incompatibility among the countries, therefore, means that the marriage between north and south, east and west, may be imprudent. That is, those countries who have been supported by the EU yet which have non-transparent political and economic systems have enriched their political and business leaders through the generous support of West and Central European EU taxpayers. Such a situation is rife in Macedonia, with opportunism and self-gain contagious and spreading. Among the opportunistic in Tikveš were our neighbours, a family who owned Kavadarci's largest, dual import-export companies.

### ***Ovošje Komerc***

Another example of the IPARD funding's recipients is that of a family who lived down the street from us. We went to the complex of '*Ovošje Komerc*' at the suggestion of my wife, Irena, who has known the family all of her life. As she had told me and their son Vlatko explained further, the company's history is lengthy: In the 1970s during the SFR Yugoslav era, Vlatko's grandfather began transporting grapes, among other fruits, to Croatia and Serbia and selling them there. Unlike most enterprises his was private from the beginning. He used a *kombi*, or van, to transport the produce at first, then bought a truck with a camper trailer, so that he could stay in Croatia and Serbia all summer, sleeping at the markets and only returning to transport produce from Macedonia. As his family and business grew though, his sons

bought the produce in Macedonia and a driver brought it up to wherever their father was located.

The company grew significantly and was then divided into two a decade ago (2001) in order for the two sons to have an equal share in it. They in fact still manage the family's business together, and the other half of the company has its warehouse-office facilities directly next to *Ovošje Komerc*. They are thus only divided on paper, and over three decades the business as a whole has grown into the largest produce import-export group in Kavadarci and the region, owning a dozen trucks and sending their produce throughout the former Yugoslavia and into Ukraine, Belarus and Russia. They not only transport a variety of produce, namely Tikveš table grapes, but due to the crisis in the last decade also wine grapes bought at extremely low prices, which are then exported to other countries for wine production there.

The family has thus been opportunistic and successful, and is comparatively wealthy as a result. They have taken advantage of not only EU but USAID funding as well—they visited California on a MCA sponsored wine development trip, visiting the oenology labs at UC-Davis to learn about modern wine production. They enjoyed this visit and opportunity greatly and told me about it at length, showing me a book they had acquired on various ways of positioning vineyards and the vines themselves<sup>177</sup>. However, when asked, they told me that they had not actually implemented in their own vineyards any of the strategies they had learned about.

The family then took advantage of the IPARD's funds for their winery project, for the purchase of two cooling tanks for the cellar beneath one of their warehouses. For it, they acquired two cistern tanks which cool the wine to kill off bacteria and better preserve it. With both costing upwards of 30,000 euros and the IPARD covering half of the costs, this was a significant amount of money *poured* into their wine cellar. Yet as they told me, their bottling is mostly hobby and for local sale, and they only sell

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<sup>177</sup> The 'Y' concept was that which they were most interested in replicating (but had not up to that point). This formation is essentially the placing of grape vines on 'Y' shaped rows. There are many benefits to this system, from the grapes receiving more sun and air (and thus being less susceptible to fungus and disease) to the grapes being at chest and head level for easier picking.

abroad just over the border in southern Serbia through some friendly acquaintances there.

So why would the IPARD fund such a project? The answer to this helps to explain how the well-off and connected are able to maintain their success, and how the EU's development strategies are not in fact enabling just anyone in Macedonia but quite the opposite: it is the elite families who are able to take advantage of the IPARD's funding. Further, the *Ovošje Komerc* wine cellar was described in their IPARD application as a business opportunity, when in reality (as they told me) there is little actual likelihood of growing that aspect of their business and producing wine to sell. One visible piece of evidence for this is that their wine bottling and labelling lacks the sophistication of other serious commercial producers, and they clearly told me that they did not intend to expand their limited wine sales; their business is indeed in produce transport.

Therefore, along with the Teodorovi, among others, they are able to qualify for the bulk of the IPARD's funding for such large projects and have essentially covered their expenses with EU taxpayer money. They are among the elite who benefit from the IPARD's programme because they can afford to make the financial investment necessary to participate. But what does their success mean for Tikveš and Macedonia once in the EU? Are they preparing the region for the global market, or for a 'return to the peasantry' in the sense that elites will run the industry for which agriculturalists will labour subserviently? I address these questions further in the next section.

### **Tikveš in the EU: Preparation for the global market or a return to the peasantry?**

To tie this chapter into an overarching theme in my thesis, I would now like to discuss further how Tikveš might fare under the EU's transition scheme and Common Agricultural Policy, and conclude with thoughts on the implications of such policies for production and the livelihood of Macedonians in the region.

In comparison with the rest of Europe, Southeast Europe possesses a large amount of rural industry and potential for rural development. This has been duly noted since the end of socialism and the beginning of EU

integration, with financial assistance intending to help countries in the region introduce the necessary reforms in line with EU standards (EC Enlargement and Financial Assistance, 2010). Borrowing from the European Commission's website, it is stated that 'before joining the EU, a country must have a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the EU; assistance is therefore provided to support economic reform, leading to economic growth and better employment prospects' (ibid).

But for current EU members, research has shown that while the CAP only slightly decreased production and increased costs in the traditional EU-15 countries upon its introduction, the ten new members (NMS) who entered in 2004 saw substantial increases in costs with various changes in production—though often an increase in production for export but with an overall decrease in domestic consumption (Beghin et al, 2007). Restructuring for a country such as Macedonia will likely result in the same, but will also continue to mean layoffs in the industrial sector, shifting more individuals back into agriculture (Totev and Shahollari, 2001).<sup>178</sup> However, such a shift is indeed the opposite of what the EU would like to see happen and which it is trying to thwart through the IPARD programme.

It must therefore be emphasised that all of these modifications in agriculture and rural development are happening at a time of major challenges and 'transition' in rural Macedonia. Many industries have shut down and unemployment is high, yet all the while agriculture is undergoing a lengthy restructuring process with limited competitiveness. Moreover, it is a radical leap from the socialist agricultural framework of the former Yugoslavia whereby the government paid out for a crop such as grapes, but also owned the wineries that produced the wine that the grapes went to. The ongoing problem with the grape growers not being paid harkens back to the previous chapter, and suggests that either the country's laws are poorly drafted or simply not enforced. In this particular situation, one can conclude that it is a little bit of both but it seems clear that with the control over the producers, market and thus consumers, wineries and their lobbying take the

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<sup>178</sup> Whether a return to agriculture will coincide with an increase in fruit and vegetable production though remains to be seen.

upper hand. Primarily, the official ‘Law on Wine’ discussed in Chapter 3 is continuously claimed by the wineries as being misinterpreted even though it fully regulates the industry and is in agreement with the EU’s measures on production of wine and grapes.

Thus due to EU integration, whose intention is to enhance the domestic economy and bring it up to the European level of food safety and quality, Macedonia’s agricultural products should also be brought to the levels of the European market’s demands concerning their quality and price. Yet that this is being done in a situation of constantly increasing market competition makes it seem of crucial importance to restructure the mainly undesirable organisational scheme and practise of farmers, who may come to produce a limited surplus for the market or only to satisfy their family’s needs<sup>179</sup>. In fact, this has become an increasing norm in the past decade in particular, whereby desperate and poor farmers cease to produce one crop, and instead grow a variety so that if they are not bringing in income they are at least providing food for their family.

I thus assert that this ‘return to the peasantry’ is alarming in terms of the inequality it represents and should be replaced by a ‘return to’ a specialisation, whereby farmers produce according to market demands, yet become more competitive by having the government assist in reducing their costs and recovering their lost productivity. If implemented this would result in the less competitive farmers starting to produce agricultural products that are not traditional but are demanded by the market, which should bring those individuals higher income.

Nevertheless, the main goal and the fundamental principles drafted in the country’s development plan also represent its objectives regarding rural development, sustainable agriculture, forestry and fisheries, and need more than the implementation of a funding scheme such as the IPARD and the scant subsidies given by the Macedonian government. They need the close attention of government officials who are empowered to be concerned about the future of the country’s agricultural production and the livelihoods of the

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<sup>179</sup> Ian Bache, George Andreou, Gorica Atanasova and Danijel Tomsic. ‘Europeanization and multi-level governance in south-east Europe: the domestic impact of EU cohesion policy and pre-accession aid’. *JEPP*[2011]18, 1,122-141, 135



growers who comprise it. Unfortunately, as I refer to in this chapter and discuss in the following one on networks and survival, with personal enrichment and Rural Development Agency employee comments on the poor farmers of Demir Kapija, this is not the case at present.

### **Conclusion**

In conclusion, there is indeed a dilemma in the EU's rural development strategy. On the one hand, it was the EC's representative Gerrard Quille who stated 'This is [just] the beginning for Macedonian farmers. Some of them are not used to the conditions [required] and they do not know exactly how to submit applications. Yet the number of rejected applications decreases every year' (Angelovska 2011). On the other hand, there is an evident tendency for the IPARD programme to support those who already have the finances to invest. Admittedly, this is potentially beneficial for the region and country in terms of increased income and capital, but the problem lies in the lack of redistribution and thus opportunity for lower-income, independent agriculturalists. They not only do not have the wherewithal and income to receive the IPARD's funding, but they are subject to the demands of the rich and powerful—the politicians and wine mafia—who are left unchecked by the government and any form of regulation.

I thus suggest that the EU, through the IPARD in this case, is using its muscle to change a much less-developed system than its own into the form it sees fit, but it is due to a cultural misunderstanding that Brussels policy-makers continue on this path. For the faith they invest in the Macedonian authorities to ensure equal opportunity in the IPARD funding process is in reality met on the ground by a cultural milieu whereby patron-client and kinship relationships, and the power that comes through them, supersede institutional authority. The latter, which the EU is in part attempting to establish through the IPARD's distribution of EU taxpayer money, is only one layer of Macedonia's diverse social strata and the 'transcripts' which play out through them.

One issue that both sides of the spectrum face in Tikveš is the fact that the majority of registered farmers are older than 45 years of age, and statistically only seven percent of officially registered farmers are under 45

years-old (ibid)<sup>180</sup>. However, this without a doubt reflects another reality of the transition over the last decade: not only are younger Macedonians less inclined to go into agriculture, they have a visible disincentive in doing so. On top of this, agriculture has gone from being a viable, official occupation to being an occupation of last resort. Plots of land which are owned by the older generation of farmers have remained in their hands as a result, with their children only working the land because there is little other opportunity available. Indeed, including inherited land, less than a quarter of owned land belongs to these younger farmers.

In terms of the IPARD, this creates a problem. It is the younger generation, working most of their adult lives after the breakup of Yugoslavia, who tend to have the inclination and dare I say ability to make changes and create opportunities for themselves in the region. This is evidenced by the fact that in 2010, only 13.5 percent of the IPARD's applications came from those farmers younger than 45 years-old, but 64 percent of the approved projects were from those younger individuals (Angelovska 2010). Yet if interested applicants do not have their own land, then they are not qualified to apply for the IPARD funding unless they take their relative's land under concession (*pod naem*). This helps explain why such a small percentage of the IPARD's applications came from younger farmers and shows that, indeed, it is also administrative procedures and bureaucratic formalities which stand in the way of younger agriculturalists applying.

The IPARD is attempting to modify Macedonia's agricultural sector and conform it to EU standards but in doing so is, to borrow from the Macedonian saying, trying to 'bury the vine and drink the wine'<sup>181</sup>. Said to those expecting too much, too fast, the EU may be guilty of not only aiming too high but missing the mark in terms of understanding what needs reforming in Macedonia. For it is not just the agricultural sector but the culture of bribery and corruption at the governmental, bureaucratic and judicial levels that needs reform and better regulation. Only addressing this

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<sup>180</sup> Although there are certainly more than seven percent of farmers under the age of 45, this statistic shows that agriculture has become less of an official occupation, and that individuals see little use in registering themselves as farmers. It is thus not uncommon to see farmers driving tractors with Yugoslav era registration plates on them.

<sup>181</sup> *Bucni prčka, pij vino*

will help ensure agriculturalists such as the grape growers of Tikveš a more equitable livelihood and future. In the meantime, however, life goes on and grape growing communities must adapt to the system as it transitions. This and their survival are the subject of the next chapter.

## Chapter 6

### **‘Not living, just surviving’: calling upon entrepreneurship, empathy and connections in coping with the crisis and growing inequality**

#### **Introduction**

The crisis (*kriza*) that privatisation has caused in the Tikveš region is significant, and my research project has sought to understand and address the effects of this transformation. Yet my fieldwork has not been only an attempt at documenting the transition but the local responses to it as well. Indeed, in observing ongoing changes during my residence in Tikveš, I have seen how individuals and families have been forced to continuously re-evaluate their circumstances, not only in terms of their income and what they are able to consume but in what they have been forced to produce for themselves. This situation has led some to entrepreneurship, others to an often tense competition for resources, and many to various forms of reciprocity.

In this chapter, I therefore present further ethnographic vignettes which speak to the ways individuals have adapted to the transition and how society as a whole has changed. In doing so, I discuss the methods of not only adaptation but for some, survival. Graffiti in Kavadarci such as ‘I’m not living, just surviving’ and ‘I haven’t eaten like a man in years’<sup>182</sup> serve to reflect the region’s situation, which is indeed dire for many. Further, such statements lend weight to claims of the transition as a *katastrofa*, so often uttered in response to questions about privatisation and various changes in recent years. This has not only been said by grape growers about their losses but by numerous others: an older retired couple who have to provide for three generations because their grown children cannot find work, and their grandchildren are still going through their schooling; by women in a shop in the small Tikveš town of Rosoman, whose peach production (discussed later in this chapter) was hoped to be the region’s saving grace; by an employee in a pastry shop who has seen her benefits and pay cut as the government

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<sup>182</sup> In Macedonian: ‘*ne živeam, preživeam*’ and ‘*ne sum jadel kako čovek vo godini*’, respectively.

deregulates labour and healthcare. Although use of the term *katastrofa* has undoubtedly been a catchphrase in local discourse for some years now, it serves as an indicator of the general mood in the region. In fact, few ever claim that their life is better now than before nor that their overall standard of living has improved.

What such individuals are dealing with is what Marx (1992, p809) referred to as ‘the dull compulsion of economic relations’—the daily imperative of earning a living and surviving. Industrialisation, of course, sought to shift the extent to which people had to fight for their survival, which makes it worth highlighting how the transition is not only the result of privatisation but a de-industrialisation at the national and local level. Whereas the socially owned enterprises<sup>183</sup> of the Yugoslav era were meant to not only modernise society but to employ its local populace, the profit and consolidation oriented aspect of neoliberalism discussed in previous chapters is incompatible with notions of redistribution and equality<sup>184</sup>. Consequently, it is through family members and other close affiliates that individuals are able to make ends meet.

I therefore discuss here not only the variety of opportunities that grape growers and others are making for themselves, but the ‘economy of favours’ (Ledeneva 1998) and forms of network utilisation and reciprocity at work in Tikveš. I further explain such circumstances and forms of adaptation, including some of the success stories, because altogether these help to alleviate the economic and psychological constraints imposed in recent years. However, I argue that survival comes down to a few things: flexibility and a willingness to take risk, as well as kin ties and the connections they afford. To illustrate the recent circumstances of some of the inhabitants of Tikveš, I begin with an ethnographic vignette from a village I visited in spring 2011.

### **Terror and survival in the village of Dolni Disan**

Sitting on a hillside looking down at what once was a Turkish village, the minaret of a mosque below me still stood yet the structure of the building

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<sup>183</sup> Such as *kombinati*, discussed in the thesis Introduction and Chapter 3.

<sup>184</sup> This inequality lends to the crisis in state legitimacy addressed in Chapter 4. Or as the economist Nouriel Roubini (2011) said, ‘Any economic model that does not properly address inequality will eventually face a crisis of legitimacy’.

itself had fallen in. Grass and small shrubs grew wild on the property, next to which was a Muslim cemetery. The headstones, mostly fallen over, were all engraved with fading Arabic script—the winds of time washing away history. Indeed, the mosque and its centrally located property seemed undisturbed and left to the elements. However, as I learned while in Dolni Disan, a village near to the large town of Negotino in the heart of Tikveš, the Turkish inhabitants there did not leave until industrial, ‘south Slav’ (*Jugoslav*) socialism came full force in the early 1950s.

From the hilltop I sat and watched the village, enjoying the simple sound of people at work and an absence of cars. A donkey whinnied as it rolled around below me at the foot of the hill, taking some loose stones with him. Families from the houses nearby were busy cutting wood, tilling their gardens, re-arranging things; one old man, very hunch-backed, yelled at his teenage grandson who was climbing on the roof of the house to fix the TV antenna. The youth was determined and disregarded his grandfather, who was stumbling around the house and cursing as loud as he could for a good minute. It was quite entertaining, and in the end the old man wandered back to his garden, defeated by the youth’s insistence. I descended and made my way down the road.

Upon entering the village it did not take more than a couple of minutes to be stared down by some older ladies, whom I approached to make their acquaintance. I told them who I was and what I was doing, and just stood casually speaking to them for a while. One sat ten feet back in her garden while the other was standing at the gate with me, apparently watching for something or someone in a village where not much happens. Both were likely in their late 40s to early 50s, and smoked while we spoke. Once they felt comfortable with me, they welcomed me into the garden for Turkish coffee.

In conversing about the region and grape production, they said that there is no longer any pleasure (*merak*) in working when you have not been paid in years. It is all ‘a loss’ (*za dzabe*) and the state is to blame, they claimed. ‘They don’t intervene, they don’t provide like they used to’, the woman named Dragica said. ‘We work for Skopje—there’s plenty of money in Skopje, this country, and they’re using it to build statues and lions...and

stealing the rest! Everyone steals there and in the government now'<sup>185</sup>. When I asked though whether the local Negotino municipality was doing anything for them, they said 'no, no, they only take'. Certainly they do not do much in terms of visible infrastructure, as the road to Dolni Disan was riddled with potholes, and as I learned later has not been repaved since it was first laid 35 years ago. Rubbish is strewn everywhere, particularly off the road outside of town—a mini, impromptu landfill.

Hearing of their displeasure with grape growing and governance, I asked why they do not just dig up their vineyards and plant something else. They replied that it was because they need permission—they cannot just dig them up. Having never heard this, I asked for clarification, and they stated that they need permission and if they do not get it or they stop tending their land then they may have it confiscated. This is because Dolni Disan was home to one of the semi-collective *kombinati* during socialist Yugoslavia, and as a small community many still have a relationship with it. Even if the land they tend to is now their own and the *kombinat* has been privatised, the tools and machinery used by many growers today are still owned by the enterprise and the land is meant to be cultured for vineyards and grape production only. Thus as a whole, they are unable to shift their agricultural production, as so many others in Tikveš have done.

The house where I sat belonged to Dragica, who was originally from Dolni Disan but married a (now deceased) man from Skopje. She spends the fall and winter in the capital, returning to Tikveš for the spring and summer. She has a large garden in the village, one part covered with a greenhouse and the other tilled for planting a variety of vegetables. As we spoke about her situation, she said that financially she was getting by and that she does not depend on her family's vineyards but only works them as an old pastime, to make brandy for her friends and family in the capital. Otherwise, she lives off her late husband's pension.

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<sup>185</sup> They were referring to the government's 'Skopje 2014' project, which quickly set about renovating and rebuilding the capital's centre in 2010 to supposedly look like it did a century ago—in Baroque style—but with a theme park entourage of national historical characters and other statues. Its price tag is estimated to be some 350m euros. See the thesis Conclusion for a further discussion of Skopje 2014 as it relates to shifting identity, and for an analysis of the project and its background in the context of the nation's brand-image, see Graan (2013).

The other woman, Stojanka, spoke of tougher times. A little younger, she has two teenagers and she and her husband, Blažo, are solely *lozari*—grape growers. They earn no income other than what they make from their grapes and had not received their due pay in two years. Like many growers, they had sold their grapes to the notorious Dzumajlija Winery (see Chapter 4) two years prior, but receiving no payment for them, knew better than to do so the following year. But by then other wineries were catching on to this trend to delay paying growers, and the large and local Povardarie Winery to whom they sold their grapes in 2010 had not paid them either.

I asked them how they survived, and they said that somehow they manage. They grow their own vegetables at their house, including a plot of potatoes, and seem to draw on money from elsewhere—a phenomenon I have sensed many times but information which is not readily disclosed. Further information came though when Stojanka's husband, Blažo, came over, followed by his brother Kole with his wife, jumping off of their tractor as they passed by on the way to the vineyards. The Atanasovski family, as they were called, were curious to see who this stranger sitting in Dragica's garden was.

Kole, Blažo's younger brother, was an energetic and good spirited individual, and when I spoke to him he enthusiastically told me about his work. Like his brother he is a professional *lozar* yet he and his wife predominantly grow table grapes given the higher price they receive. They have not got any particular buyer, such as the former *kombinat* in Dolni Disan, but buyers (including Albanians) come from around the country for the late summer harvest. Further, Kole and his wife take their grapes to markets throughout the region to sell them.

While drinking an anise flavoured brandy, *mastika*, with the brothers Atanasovski, I was told that the land around Dolni Disan is some of the best in Europe for vineyards—the hillsides, soil and elevated climate of the 'Belgrad' area in particular, on which they each have a sizable five hectares of land<sup>186</sup>. Although Blažo's and Kole's pride in their village and work was

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<sup>186</sup> Their statement was bold but backed by historical record—Belgrad produced the most grapes in the region according to Ottoman tax records in the 19<sup>th</sup> century (Kamčevski 2007), and a famous folk song sings of its rich earth and wine. The lack of wind as well as the low



apparent, it was dampened by the downturn in the industry, so I inquired what they did to make ends meet. Obviously Kole has some disposable income given the effort he put into selling his crop around the country, but Blažo said that with a daughter studying medicine in Skopje and the need to maintain his vineyards, it takes ten thousand euros a year to support a family and he is not able to provide it. Yet like Stojanka, they gave vague answers regarding how they survive—‘somehow we do’, they said. They find enough income ‘for bread’ (*za leb*, a common expression), knowing that they ‘only have 200 euros but spend 300 a month’, as Blažo stated.

They blame the state for their plight, and the conversation was interlaced with mentions of figurative theft, a lack of trust, and how people, politicians and businessmen are all stealing. Ironically, they speak of themselves in the village as a good people (*narod*) yet no one else is to be trusted. Dragica said though that this conversation could not happen in Skopje—‘people can’t sit out in the open and discuss such things, the mafia is strong’. I asked ‘because of the *vinska mafija*?’ and she said ‘yes, yes, it’s terror (*teror*)’. I never heard the word terror associated with the supposed wine mafia otherwise, but I do not discredit the notion that there really is such fear and anger pervasive in Macedonian society. The state again rules supreme but in contrast to socialism, the power structure neglects concern for the people and serves private interests—the many government apparatchiks, or their friends and family who manage the country’s private sector.

The tension was apparent on several occasions during my fieldwork, with these informants and so many others tapping their legs, pacing around smoking, speaking in exclamation. Blažo eventually seemed bothered enough with the topic that he just got up and left, saying he needed to work in the vineyards. Indeed, with land to work but little outside connection otherwise, growers just carry on not knowing what better to do. The businessmen running the game know this, and that is why they can get away with what is illicit if not criminal behaviour.

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acidity in the soil makes for such high quality grapes. As I heard at the village’s former *kombinat* turned ‘Venec Winery’ a bit later on, the Vranec grape variety around Dolni Disan is naturally 25-28 brix sugar content. This is very high, and thus they can produce a sweet medicinal wine from it, another beverage that is sold in regional markets.

Leaving Dolni Disan that day, it was incredible to see how people continue to labour in the vineyards. They rightly complain about the situation yet go on working—out of habit, hope and obligation. It is what they know and have done for so long—perhaps a ‘dull compulsion’ indeed—yet they claim that few other opportunities exist. While I assert in Chapter 5 and continue here that growers, among others, have not been sufficiently incentivised and indoctrinated into the new system, I am aware of several individuals who have found opportunity in the era of the free market and discuss those below.

### **Surviving the transition, returning to the peasantry: growing individualism and entrepreneurship in Tikveš**

Dolni Disan was like many villages I visited during my fieldwork. Regardless of location, the ability to draw on income from elsewhere and ‘only have 200 euros but spend 300 a month’ was evident. I know Macedonians are clever economically—‘*Homo Economicus Balkanicus*’, a Macedonian friend of mine coined—living thriftily and stashing income away for future weddings, events and unanticipated hard times. Yet in Tikveš much of this income comes literally from the ‘fruits of their labour’. While walking one will see that much of the land is cultivated, and the produce is diverse and plentiful—fruits and vegetables with melons, grapes, peaches, plums, apples; peppers, tomatoes, potatoes, onions, cucumbers. It is from this and hard work that people are able to get by.

Indeed not long after my visit to Dolni Disan I was in the village of Temjanik and spoke to a family of growers. They had a sizable six hectares of vineyards, half of them table grapes and the other half grapes for wine. For the latter there is only sorrow over their inability to sell them, but for the table grapes the woman said ‘thank God that Albanians come and buy our grapes’. Given the long and recent history of tension and conflict with the country’s ethnic Albanian population (with an inter-ethnic conflict in the northwest of the country in 2001), this was somewhat surprising to hear. Yet the crisis has in fact spawned an inclination to sell grapes, brandy or any other locally produced good to anyone willing to buy—evidence of business taking precedence over ethnicity. Several individuals I knew were therefore

taking their grapes and brandy (albeit illegally) to sell in other towns in western Macedonia and Kosovo, thus largely Albanian ones, and glad when Albanians came to Tikveš to buy. As one neighbour said of selling to them: ‘they pay the asking price, and in cash right away’.

Another example of an entrepreneurial individual comes from a neighbour in Kavadarci, Mitko. He began growing table grapes several years ago and is said to have some of the best in town. He is thus able to command a high price for them, and being an industrious and driven individual, takes his grapes to market himself (to avoid the losses that selling to a middleman trader or wholesale buyer brings<sup>187</sup>). Despite incurring expenses and taking risks in doing so—namely through travelling and hauling his crop, he reported to me significant profits from his labour and efforts. I asked how much he earns from his grapes in comparison to his full-time day job (as a hotel caretaker, where he earns just over 2,000 euros annually), and he replied that minus expenses—500 euros for tractor fuel and fertilizer—he earns nearly 6,000 euros from his sale of his grapes and brandy. Thus in total he earns 8,000 euros per year, which is a reasonable salary off of which to live in Kavadarci.

As an ambitious individual, however, he was not resting on his laurels but investing in his vineyards to increase and improve his grape production. Having gone with him to his vineyards on a hilltop several kilometres outside of town, I saw how he had to haul tanks of river water a kilometre up from the main road on his tractor and drain them into concrete basins above his vineyards. These existed because he was in the process of installing the drop-by-drop system through which the water is then dispersed throughout the vineyards. He showed me the benefits of this by pushing a pole a foot into the ground—a feat not possible in the dry earth around the vineyard. The following year he was intending to finish off his investment by installing a piping system that would bring water up to the vineyard’s basins from the local river—at a total cost of over 6,000 euros.

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<sup>187</sup> In general, traders (*trgovci*) will only pay one-third to one-half the value of table grapes, and this depends on where they will sell them. In Tikveš, such grapes will be sold at markets for half a euro per kilogram, but in other cities and towns in the country the price may be more than double this.

I wish to emphasise though that Mitko is one of the most energetic 50 year-olds I have ever met. He jogs through his vineyards while working, jumps from his tractor to the cisterns, then to the ground another metre and a half below. He does everything with intent and focus, which makes it imperative to realise that behaviour is just as diverse in Tikveš among agriculturalists as it is among people anywhere else. That is, Macedonians might often move slowly and state that others should ‘slow down’, but not all do. Indeed, I met many, mostly younger entrepreneurial individuals who brought to light the other side of Macedonian society that has been fostered in the last two decades: the ‘return to the peasantry’ on the one hand, but to the rugged, competitive individual as well.

Included in his 6,000 euro income from grapes, Mitko was selling his *rakija* brandy for over two euros per litre in the western Macedonian towns of Gostivar and Kičevo—a price that is far higher than that commanded in Tikveš, where one will often be given a bottle of brandy when visiting nearly any household as a guest, and many families have barrels of it in their cellars. Indeed, the resulting ‘flood’ of homemade grape brandy and increased demand for quality grapes has been a boon to some—when only good grapes go to the wineries, the others are made into brandy. Further, the negative publicity from the crisis in Tikveš has caused a new interest in the region’s liquor, with demand for it increasing along with its quantity despite the overall pricing (elsewhere in the country) staying similar to years prior. This example of supply side economics<sup>188</sup> was mentioned to me by a couple of individuals who were profiting off of selling their brandy or transporting it for others; despite the increased quantities of it in the region, they were able to sell more in the capital and elsewhere than previously—no doubt to the annoyance of the wineries such as Tikveš, whose 0.75 litre bottles sell for the significantly higher price of seven to eight euros.

While agriculture remains the predominant form of work for most, some local individuals were exploring new markets. One niche opportunity that opened up, for example, was in used automobiles. With families unable to buy a new car because of decreasing income and increasing new car

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<sup>188</sup> Supply side economics holds that consumers benefit from lower prices and consume more when supply of a given product is greater.

prices, one younger acquaintance, Igor, and a group of friends set up an imported car business. Together, they flew to Germany or Austria, purchased used cars (usually at least a decade old) and then drove them back to Macedonia. They paid all fees associated with importing the vehicles, including for a Europol background check on them, and were required to register them in their names. If they had a buyer already then the car was sold immediately, but if they did not then the cars were kept in an empty lot on the edge of town. Despite the costs in importing the vehicles, they were able to then sell them and generally make 300-500 euros profit on each. Given that the former is the average monthly salary in Macedonia, if they could sell even a couple of vehicles per month then they were making above average income. Furthermore, Igor is a barber by trade and has his own shop in the town centre, where he earns 100 MKD (1.60 EUR) per haircut. Thus on a busy day he and the young barber he employs may bring in up to fifty euros income from cutting hair.

There are indeed several such individuals who are creating income for themselves as entrepreneurs, with no help from the government or companies. Conversely though, there are others who seek to adapt and increase their income but do so with staple agricultural products, from tomatoes to potatoes, and there was a boon in such production during my stay in Tikveš. In peasant society fashion, this production helps families to feed themselves when their income is low, and many have tried to sell their surplus, causing the town markets to swell with sellers plying their tomato, potato, pepper, or cucumber crop. Such an increase in the number of sellers on the streets outside of the market has begun to cause problems for traffic, the licensed sellers within, as well as the municipality which regulates the '*pazar*'. Yet despite fining some of sellers, the latter persist in trying to earn a living off of their agricultural labour.

Potato production is particularly unique though, as seeking to counter the socialist era potato producers from the mountainous east of Macedonia in an area called Berovo, agriculturalists in Tikveš have been replacing vineyards and other crops with the root vegetable. However, the problem is that increased supply will not affect consumption but may in fact drive price down. For example, a man named Dragan in the village of Pepelište began

selling to a supplier in the city of Prilep in 2011. Yet he was also going there and selling his potatoes himself, so they got to the local market in two ways but regardless they went for a low price—10 MKD (0.16 EUR) per kilogram, he reported. Interestingly, he's doing what plenty of large global businesses do to increase sales—sell through other suppliers and directly to the customer.

Another less profitable but positive example of surviving the transition came from one of many visits to my mother-in-law's ancestral village, Begnište. A beautiful village tucked away in the hills above Lake Tikveš several miles outside of town, the village numbers dwindled throughout the 20<sup>th</sup> century and, as I wrote about in Chapter 4, its inhabitants feel neglected by the state. However, the couple I came to know there, Vesna and Pero, were in fact satisfied with their livelihood, and glad to work the land and breathe the fresh air rather than idle in town in unemployment limbo. Although Pero is from the village originally, there have been several instances of individuals moving back to villages such as Begnište in order to live off of the land.

On one occasion I showed up in Begnište spontaneously, and despite the fact that Vesna and Pero were hosting friends from the capital, they welcomed me in to join them for *meze*. Incidentally, the visiting friends played a role in the couple's brandy selling, distributing their *rakija* in Skopje. Vesna and Pero sold it to their friends for just over a euro and a half per litre (100 MKD), but their friends then made another half a euro per litre when selling it in the capital. I asked about how things were going though compared to the year before, to which they replied 'the same—a kilo of grapes cost less than one egg, and that's if you get paid for them!' They added though that they have no interest in supporting the *vinska mafija* in their 'business' by selling them grapes for 5-10 MKD per kilo, only to see the wine sold for anywhere from 10-20 times that, so were glad to produce brandy with their crop.

Having just returned from work that day, Pero discussed his situation. He works the fields for the Goce Delčev plantation, a formally state-owned, 100 hectare vineyard. It used to be part of the Tikveš *kombinat* (now Tikveš Winery) holdings, but was sold in the late 1990s. Regardless, Pero began

working there in his 20s, and has worked that and his own land as a professional farmer ever since. Yet he lamented his labour for the plantation, stating that he earns just 7000 MKD (115 EUR) per month, so subsidises his income with the grapes and *rakija* from their two hectares of land. In fact, Vesna and Pero produce ten barrels of brandy, bringing them significant additional income: if one barrel contains roughly 150 litres, which they can sell for some 225 euros, then ten barrels would net them over 2,000 euros. Although this brings their annual income to approximately 3,500 euros (far less than Mitko, for example), their expenses are minimal and certainly less than someone in Kavadarci where property taxes, groceries, and the like are more expensive. Instead, they grow their own tomatoes, peppers, beets, onions, potatoes, melons and corn on the land around their village house, and preserve much of it for winter. Consequently, they only need to purchase dairy, flour (for bread) and meat. It is unusual that they do not have any chickens or a pig, so do not reap the benefits of such livestock, but they do fish in the lake and while I was there Vesna was preparing some freshly caught fish from that morning. Their expenses are thus very minimal: they estimated 100 EUR per month for utilities, pesticides for their grapes, and the foodstuffs they buy.

It is worth mentioning though the value of a true ‘piggy-bank’ in Tikveš, in the sense of raising swine at home. From my first month in Macedonia in 2002 (when I lived with my host family) throughout my residence in the country, I have taken notice of the number of families—particularly in villages—who raise swine for pork production. A family will usually only have one or two pigs, but since piglets are for sale at bi-annual agricultural markets (*panaguri*) for 50-60 euros, their ultimate yield in terms of meat makes them a worthwhile investment: they grow throughout the year and are butchered in early winter. Nearly all parts of the animal are used, including the swine’s meat, fat, organs, intestines and even brain, and the preparation of specialties involving these is celebrated.

Regardless, families throughout Tikveš are dealing with similar conditions of limited employment and salaried work, and must therefore adapt to their circumstances. One family member may possess full-time work or a pension, but many are living off of the land. From the villages near

Kavadarci to those around Negotino, there has been a return to both sustenance-based food production and a self (rather than state) driven mode of living. This is what I mean by a ‘return to the peasantry’, where the peasantry is a base form of production and consumption, with merchants and professionals earning and consuming solely on cash income having departed from such a status, even if they interact in the same economy as the more self-sustaining and farming ‘peasants’<sup>189</sup>.

For example, the father of a young neighbour who owns a boutique on the corner returned to his village between Kavadarci and Negotino to live and grow crops in the garden of an old family home. Further examples of such self-production range from the growing of staple crops and trying to sell them at regional markets or on roadsides, to growing less common niche products (peaches, asparagus, kiwis, raspberries), to seeing a resurgence in tending to flocks of sheep, cows and goats for dairy and meat production. The annihilation of the latter was in fact a devastating blow to the livelihoods and traditions of many at the incipience of socialism in the SFR Yugoslavia. I was told this by a kin-neighbour whose family’s flocks of over a thousand head were slaughtered and not allowed to be replaced. Although her father was given employment with the state instead, the large plateau above Kavadarci, Vitač—famous for its grazing fields in the past and which is seeing a resurgence in its utilisation as such—was taken over by the region’s ferro-nickel operation, Feni Industries. Although the main facility is down in the valley below, ‘Feni’, as it is known, still has an elevated and covered metre wide, five mile long conveyer belt that runs across the plateau to bring metals down from the company’s mines in the Kožuf mountains.

Feni, however, cannot go without further mention in this chapter or thesis. Its name dons the Kavadarci municipality, and many would agree that in reality Kavadarci is not just a ‘wine town’ (*vinski grad*) but a ‘metals town’ (*grad na metali*). For there is also a large metals supplier on the edge of town, IGM, and Feni in particular holds significant clout, employing over three thousand individuals in Tikveš (though mostly from Kavadarci and surrounding villages) as well as the region to the east, where it owns a mine

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<sup>189</sup> See the thesis Introduction for a lengthier discussion of peasant theory.



near the city of Štip. As a site manager there, my wife's uncle makes the commute to Štip six days a week, leaving at 5am on the company's employee bus and not returning until 7pm. He, like many, are overworked and underpaid for their labour but see few other opportunities. For although privatised and owned by an Anglo-Israeli consortium, Feni has grown in recent years, as has its pollution and power. Indeed, insiders know that the Mayor and other politicians are paid off by Feni, and an acquaintance who drives a truck at the facility said how it is only cleaned up and filters used when inspectors—who give advance warning of their arrival—come to visit. To local inhabitants this is obvious though: there is a red cloud visible from Kavadarci that hangs over the valley where Feni sits, and many claim that increased cancer and health issues are resulting from the unregulated nickel dust in the air and on the crops (including significant acreage of vineyards). Yet bringing in metals from all corners of the world for smelting, the operation is incredibly profitable and one will occasionally see in town the foreign engineers and managers (mostly Israelis and Indians) who run the finer details of things. They earn handsomely, but I am not aware of any Macedonian working for them who earns more than 300 euros income per month.

Feni constitutes one aspect of the region's change, but I shall now turn to another town whose crop lies under the cloud of nickel dust yet whose farmers have turned en masse to a fruit they hoped would be their saving grace, and to some extent has been.

### **Peaches and cream? The Rosoman peach market**

The boon in peach production began in the small town of Rosoman (pop. 4,150) to the north of Kavadarci, and during my fieldwork peach orchards were replacing vineyards in some places and being seen as a saviour to the region's viticulture crisis. Although some farmers in Rosoman have been growing peaches for decades given the decreased demand for grapes combined with an increased demand and price for peaches, the majority of Rosoman growers began replacing their vineyards with peach orchards in and after 2005. While investment in the young saplings is significant, including the time it takes for a tree to yield fruit (two to three years), the

initial profits from peach production had been proving worthwhile in Rosoman. Until 2010, peach producers were often able to sell their crop for up to half a euro per kilogram at local markets and to produce traders, who transported and sold the crop for far more in Ukraine and Russia. Indeed, at the commencement of my fieldwork in late 2010 locals were continuing to plant more orchards, and as their Mayor said in an interview on the local Kavadarci TV channel (*KTV*) late that winter ‘soon enough there will not be a family without peaches’<sup>190</sup>.

As the Mayor added, Rosoman claims to produce one percent of the world’s peaches and given an ideal climate for peach cultivation, was producing beyond its expectations. In addition, sophisticated producers and wholesalers there were making significant investments in the peach industry: by 2011 there were 14 refrigerated facilities (similar to those of *Ovošje Komerc* in Chapter 5) in which to store the fruit. Such facilities not only allow for the slower distribution of the crop, but they prevent surplus dumping and the decreased prices that flooding the market causes (over a short period of time). Instead, refrigeration combined with a lengthier harvest season than grapes offers producers and/or merchants involved in the peach industry a longer distribution period with higher prices.

Rosoman has therefore successfully shifted its production in the past decade from primarily grapes to peaches, a transition which has been a boon for the town. Other farmers have consequently sought to get in on the business but in doing so have created a market surplus, and brought the attention of traders keen on getting their share of the profits. What I witnessed in the town when I visited was thus less positive than I had expected: peach growers were subject to afternoon long negotiations with buyers and traders from other towns in the country, in the end being paid half the price they had received in years prior. As I discuss below, the family with whom I spent one afternoon observing such negotiations had travelled ten kilometres by tractor, and when underpaid for their crop left angry and upset.

As an example, in July 2011 I spent a day in Rosoman in order to learn more about the shift in purchasing that was occurring. I arrived early to

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<sup>190</sup> *KTV Vesti*, 14 March, 2011.

have coffee in a café and get oriented, but discovered that my voice recorder's batteries had died so entered a shop to purchase new ones. After answering the cashiers inquiry as to why I was in Rosoman, I asked how things were going in their opinion. Surprisingly, given that the market for peaches had been reportedly excellent just the year prior, they immediately replied '*katastrofa*'. As I was used to hearing this term only regarding the wine industry and standard of living for grape growers, I sought clarification. The ladies thus added, saying 'it's just not going (*ne odi*) and the price is down; the peaches are pretty much free'. They referred to a Serbian-run buying station just across the road from their shop that was buying soft, mushy peaches for juice production for 5 MKD (.08 EUR) per kilogram, and only paying 15 MKD (.25 EUR) maximum for quality peaches <sup>191</sup>.

After hearing this, I headed to the agricultural market-place (*kvantaški pazar*) in Rosoman, where producers sell in bulk, to see who I could sit with in order to gain a better understanding of the situation. I met a peach farmer named Zoran along with his wife, Stefanka, who had come nearly an hour by tractor from their village near Kavadarci to sell their crop. With two teenage sons, they were farmers and worked nothing else, so had a large trailer half-full of peaches to sell. Their crop was only average in quality but as I had heard at the café, the price would drop by afternoon as producers sought to unload their goods, thus Zoran and Stefanka were keen to make an early sale.

Yet what began as a price of 20 MKD (.33 EUR) fell after an hour. Given the informal way of doing business, I did not realise at first that a man sitting with them was a buyer from the city of Prilep who was talking them down. He was therefore not only distracting them from other potential buyers, but slowly bringing down the price through his presence, conversation and comments about pricing. He would say things such as 'you'll be lucky to get 20 MKD for those', but not making any direct offers

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<sup>191</sup> It is an unfortunate reality and legacy of Yugoslav socialism that much of Macedonia's fruit meant for juice production is sold to Serbian buyers at incredibly low prices, taken to Serbia for production and packaging, and then imported back into Macedonia and sold for up to one euro per litre on grocery store shelves. One of the ladies lamented in this case that in addition to Macedonian and Serb traders, it is '*šiptari*'—a pejorative term for Albanians—also coming to buy their peaches.

himself. His tactic was effective though, and after another hour Zoran and Stefanka began negotiating to sell their crop to him.

Shortly thereafter the buyer's sons and their large van (*kombi*) showed up, and although Zoran and Stefanka had already begun packing the peaches into crates, the buyer continued haggling with them as the fruit was loaded. Ultimately, 30 crates of peaches were sold to the buyer at 120 MKD (2 EUR) each. Where one crate holds ten kilograms of fruit, this means that the peaches sold for only 12 MKD (.23 EUR) per kilogram. And what of the wood crates, which cost up to 100 MKD on their own? The buyer gave them a dozen or so that he had but then took them back along with Zoran's and Stefanka's crates, thus depriving them of another dozen and half crates that they had brought along, which by their calculations were valued at 30 euros. In the end, the buyer paid 60 EUR for the produce, but of course this does not include the loss to Zoran and Stefanka in terms of crates, petrol for their tractor, and the time and cost for producing those crops. While Zoran said afterward that they had earned 40 euros earlier in the morning on selling the other part of the crop, he left angry.

Irritated by the transaction, the couple quickly told me how traders similar to the Prilep buyer sit with sellers to break them down so that they eventually dump their crop for a lesser price. I could in fact sense the trepidation in the whole event while it unfolded, and as soon as the sale was complete they mounted their tractor to head home. I rode with them to the edge of town, and despite the sour business transaction, Zoran commended locals in Rosoman (*Rosomani*) for being hard working and business oriented. The unfortunate fact, in his opinion, was that he had little choice where to sell his crop, despite the fact that peaches sell for a euro a kilo at least in town markets (*pazari*) and may sell for several euros abroad. All the while growers are getting 15-20 MKD at best, and Zoran only got 12 MKD per kilogram—a very poor price, particularly given recent years' prices. Zoran's rationale though was that he is not a market seller (*pazardzija*), Rosoman is the region's only official peach trading market, and it was better to earn 100 euros in total for the day's crop than to drive them back to his village.

The picture that was painted for me of the peach market thus contrasted greatly with what I had expected and heard just the year prior, but

before leaving Rosoman I sat and had another espresso. Conversing with the server I had met that morning, several growers ended up coming around to join us. One had five hectares of peach trees, another just one. They spoke about the Mayor and buyers in town as the ‘mafia’, the ones who were making sure that certain buyers do not enter and that the prices get driven down by those who are welcomed. An investigation into the connections implied in their statements would yield further insight, but in their opinion the money the growers are no longer getting is going to the Mayor and local power players, similar to the grape industry. Indeed, in light of the *vinska mafija*, the growers half-joked of a ‘peach mafia’ (*praska mafija*). Therefore, for peach growers the situation is worse than it had been and there are significantly more gripes than before. Regardless, after that year the combination of an overproduction of peaches with persistent negotiators as purchasers was driving supply up and price down, and destroying hopes of the peach market as a saving grace for agriculturalists elsewhere in Tikveš.

### **Kin & komšii: levelling mechanisms, reciprocity and economies of favour**

In this section I turn to the value of kin ties, and the connections that individuals within such networks maintain. For if it has not been evident, most work and socialising is done with kin who are often neighbours. I therefore elaborate here on how individuals are surviving this transition by maintaining close ‘kin-neighbour’ relations. In doing so they help to ensure connectedness, redistribute wealth and thus mitigate and alleviate financial and social burdens. As relations of reciprocity exist among neighbour-relatives that are often manifested through the practice of frequent visiting and non-monetary exchange, I argue that in the current situation of economic hardship and growing inequality people call upon these relationships out of necessity more than they did in the recent past (when employment and financial security were more prevalent). Furthermore, I assert that reciprocity becomes less equal as some fare better than others in the new economic climate, and more frequent requests arguably create tension that people try to conceal in order to maintain the public image of harmony. Given the theme of this thesis, I begin by discussing reciprocity in the region’s grape harvest

in order to better understand the shared time, labour and resources among local grape producing families. I then address the growing inequality in the neighbourhood (*komšiluk*) in which I lived, and how reciprocity creates tension but may help ameliorate the effects of the ‘catastrophic crisis’.

Of all wine-growing enterprises, reciprocal labour exchange is most intensively practiced during the grape harvest (*berbata*). From the middle of August and into October, all available family labour is mobilised to pick grapes. Many vineyards utilise hired labour during this period of time, but smaller ones—of one to two hectares—call upon only the labour of household members and other kin. Wives, siblings, children and in-laws are all recruited to assist with the laborious but time sensitive harvest, and this work is without any sort of direct monetary compensation. In partnership, kin-related households—all of which have their own vineyards requiring attention and which are usually run autonomously—work together during the harvest. When hired labour is incorporated as well, then there is a ‘self-exploitation’ (Chayanov 1966) whereby all labourers work together despite the fact that the non-kin labour are being paid.

The mobilisation of family labour is not always available, however, as kin ties and resources go both ways and vineyards may need harvesting at the same time. Grape growing households thus act simultaneously as both employers and employees, and such informal work and lack of monetary compensation constitutes a significant micro-economy of its own. For manual labour and the homemade products produced through the grape harvest—namely brandy—bind the growers and their families in networks of reciprocity which not only allow them to exist but to better survive difficult times. For example, in August 2011 one family’s vineyards had been all but destroyed by a late summer hail (*grat*) storm—a common enough occurrence that many vineyard owners will have insurance against it. However, this grower did not and thus he and his immediate family stood to lose significantly given their devastated crop. By being bound into a kin network though, he and his wife worked with their siblings and one of his uncles in their vineyards to the point that they in fact received a portion of the harvested grape crop. The latter was undoubtedly a token of sympathy and gesture which allowed for the traditional production of brandy and possibly

wine, and was not equivalent in value to what the grower would have received from his own vineyards. Yet the grower could be assured that by participating in his extended family's harvest, he was solidifying a reciprocal relationship and ensuring that his immediate family did not suffer greatly due to their lost harvest and whatever income would have come from it.

Growers and their families not only exchange labour, but machinery as well. With a decrease in tractor ownership<sup>192</sup>, one grower may have a tractor and will lend it out but only whereby he operates it. Thus entire operations are conducted which require machinery, labour and forms of insurance, but which contain no monetary financial transactions. Such reciprocity is therefore a form of what I call *ensurance*, whereby such actions act as a way to ensure stability and economic survival, and are likely why many growers forfeit purchasing actual insurance policies despite government support which reduces their cost. Growers instead rely on kin, who in turn rely on them should they suffer any misfortune.

Most of my daily interactions in Tikveš were with kin-neighbours, and I witnessed how such neighbours (*komšii*) call upon traditional forms of hospitality (*gostoprinstvo*) to alleviate both their labour and financial needs. For example, reciprocal activity among kin-neighbours is a daily experience, and consists of everything from bringing by cakes randomly—though often in exchange for something given prior—to exchanging recipes, borrowing an item, or giving gifts for a birth, name or saint day. The gifts are ambiguous in terms of their monetary value, for the precise value of a doll, toy or box of chocolates may or may not be known, but their perceived value increases or decreases based on whom it is coming from. A godparent (*kum/a*) may give a doll of low financial value but it is allotted great value by the recipient's family, who will partake in a form of deference in the company of the godparent by pointing out and discussing how the child likes and plays with it (whether true or not). Further, the value of non-monetary goods exchanged between individuals and families seems to act as a symbol of mutual support.

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<sup>192</sup> Whereas growers lament that prior to privatisation they could 'buy a new tractor every year' if they had wanted (after being paid for their harvest), tractors are increasingly seen as a luxury: they cost to purchase, maintain and fuel. Therefore, given increasing financial hardship among growers, the latter are not only less inclined to use tractors, but may in fact sell them or their parts for income.

In terms of hospitality, I observed that the expectation of daily visitors keeps women active within the home—doing chores and cooking sporadically, so that they may be free to concurrently socialise throughout the day. For hospitality is a custom which is not only expected but enforced, as women who are relatives or next-door neighbours will freely drop by and let themselves in, with the certainty that they will soon be accommodated. As Herzfeld (1985) among others found, hospitality is a field for the ritualised exchange of intimacy and respect, and although I do not claim that there are always significant calculations made in performing most of the visits between the members of the household in which I lived, I am certain that some visits are made with a clear goal in mind and that the (often related) women who come to drink Turkish coffee (*na kafe*) maintain much more than bonds and relations through such daily socialising (Bringa 1995). To illuminate the extent to which kin-neighbours socialise but also utilise their relationships with one another, I thus call upon the relationship between my parents-in-law, Mančo and Rosa, with my host father's cousin and his wife, Kole and Stojanka.

Kole's and Stojanka's house, although not immediately next-door, such as Mančo's brother's and another cousin's, is just down the street, allowing them to visit regularly. However, in terms of gender it is Stojanka who comes to visit on a regular, nearly daily basis. Such visits range from a half-hour to an hour, though may be longer and if able, she lets herself in and comes upstairs to the main floor of the house on her own accord. Conversations, of which I was occasionally privy to as an outsider male (who was not always out of the house during the day), are usually about ongoing situations with one another's families. In the case of Kole and Stojanka, they have two grown daughters, one who has two teenage daughters and a son of her own, and at the time they all lived within the same house. Stojanka therefore usually discussed her daughters or grandchildren, or her husband's ailing health, while Rosa discussed her family and increasingly dissatisfying work as a nurse in the local hospital (which has undergone state led privatisation as well). Economics, however, were always a subject of conversation—from the broader themes of increasing costs and



unemployment, to personal finances, to the purchases of wealthier acquaintances.

Stojanka is an avid knitter, and during my year and half of residence in Tikveš, brought several knitted items as gifts for members of the household, including myself. However, there was always a form of Maussian exchange occurring during these visits: occasionally the exchange of gifts, though more often favours in the form of services or even loans. Yet the relationship in our *komšiluk* was somewhat lopsided, for although Mančo and Rosa called upon Kole's seniority and older age to receive their allotment of winter fuel earlier than they should have<sup>193</sup>, and at times curried favours through his former ties to the state, it was usually Mančo and Rosa who were asked to give, both through favours and financially. Mančo, who is a doctor and former political office holder, has an extensive network of connections. Further, it is important to consider a household's income and expenses, as for Kole and Stojanka, their means of income are Kole's military pension and their daughters' jobs, which totalled approximately 900 euros per month. Mančo's and Rosa's income was not only double, but they had far fewer mouths to feed—only their own and that of their daughter, granddaughter and son-in-law. However, during my stay with them, we were perceived to be an even wealthier household because of my supposed American riches—my research grant supplying me with one-thousand dollars per month. As a household, we were therefore comparatively wealthy and a clear target for redistribution.

Stojanka, with one of her granddaughters marrying in 2011, thus began soliciting loans from our household in late 2010. On the first occasion, she asked for 100 euros, which my host mother, Rosa, obligingly gave her. However, she asked again a month later, and at that point was given half of what she had requested, thus 50 euros. However, one of her daughters, Aleksandra, then came to the house just a week afterward, when only Irena was home. An unexpected and infrequent visitor, Aleksandra came in but

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<sup>193</sup> Retirees (*penzioneri*) receive their winter fuel—either wood or coal—from the state earlier than others. Mančo and Rosa therefore had Kole and Stojanka double their order, not only so that they could prepare sooner for the winter cold, but in order to ensure that they would receive fuel, as not all do.

within no time asked Irena for money as well. Taken aback, Irena refused to give her any, and Aleksandra left shortly thereafter. The situation thus became somewhat tense, as there was an apparent premeditated scheming occurring—loans were not just being requested through the frequent visits Stojanka made whereby her family's financial troubles arose in conversation, but outside of that sphere. Indeed, when Stojanka borrowed money from Rosa, it was within the realm of hospitality—where individuals are forced to be empathetic. Aleksandra's request, made while she was obviously aware of Rosa's absence, was therefore in violation of what is culturally appropriate.

Incidentally, when Stojanka borrowed money from Rosa, she would request that Rosa not tell her husband, Mančo, likely so that he would not tell his cousin, Kole. Whether Kole was aware of his wife's and daughter's requests remains unknown, for he may have known but Stojanka wanted to make it appear as if he did not. Yet such a request by Stojanka was meant to indeed leave this transaction within the realm of the female dominated hospitality and ritual exchange. In reality though, all of us found out about what was occurring, as the conversations had inside the house in Macedonia are generally open to all members of it, but are implicitly understood to be kept within its confines. I thus witnessed a local enactment of customary behaviour in Tikveš, whereby the ritual of hospitality intersected with both customary methods of seeking redistribution as well as traditional gender boundaries and perceptions of what information is relayed between men and women.

However, despite the tension and conversations that arose during this time, I was reprimanded for my initial frustration with Aleksandra's request for money from Irena. As Irena told me 'this is not something for you to get involved with' and 'we must be careful about how we deal with this'. In fact, her concern was with the extent to which, beyond our two households, any animosity would be perceived and discussed by other neighbours. That is, the honour and image of the extended family were at stake, and this minor dispute was to be kept strictly confidential. She was undoubtedly right, as despite the brief hiatus in terms of Stojanka visiting—and the fact that Mančo and Rosa never received any money back—their relationship with Kole and Stojanka remains. Mančo and Rosa attended the granddaughter's

wedding, which they helped cover some of the costs of and gave a generous wedding gift (100 euros). Further, they continue to interact with one another as if the incident of conniving borrowing had never arisen. Yet the conversations about finances persist, and Stojanka continues to request occasional injections of cash, but in exchange for favours and knitted items. The tension and memory of the incident therefore persists, and when Stojanka gave our young daughter a birthday gift, the comment made afterward was that Stojanka was ‘trying to pay off their debt’.

Differing incomes and the accumulation of goods indeed serve as a challenge to existing relations with kinfolk, as there is a redefining of personal relationships and the behaviour used to retain social status. Yet such kin-neighbour relations help to ameliorate these differences and serve as levelling mechanisms. That is, reciprocity persists because there is a sense of obligation among those who are better off to give, in order to not only help one another survive but to maintain the image of family harmony.

Reciprocity may have significant material and social effects, and as Gudeman (2008, p40-41) found, it ‘shares identity’ yet is a risky venture because it ‘establishes mutuality and maintains it, but with the possibility of breaking it’. One’s family is therefore not always the tonic to society’s ills, and during my fieldwork a non-kin neighbour across the street was in a dispute with his brother over the property boundary between their two houses—a dispute which was not resolved throughout my 17 month residence there. The two households ignored each other and did not interact, which created an odd tension when both families were out in their gardens or on their terraces opposite each other. Such as Gudeman points out, reciprocity is indeed a back-and-forth movement that takes place over time; ‘never immediate, it is based on mutual trust, which can be violated or broken’ (ibid).

Nonetheless, reciprocity is the basic social transaction and the glue of society and economy. It is therefore a non-market exchange that is more of ‘a commitment than a contract’ (ibid), and there are undoubtedly levelling enforcing mechanisms used in expressing aversion to accumulations of wealth. As evidenced in the case of the grape harvest’s reciprocal labour utilisation, the obligations one has beyond their own are those of extended

family. Yet if both harvests are occurring simultaneously or extended kin on opposite ends of the family need help with their harvest, then someone will be left short.

As Ledeneva (1998) discusses with regard to post-communist Russia, one is obligated through reciprocal relations to those who help him/her, and one *must* help them in return; what she calls ‘economies of favour’ consist of clashes of shortages, resource allocation and human needs—factors which clearly play a role in the transition in Tikveš. These are based more on what people do for others than what they do for themselves, with the differences being in degrees of pressure, obligation and imposed reciprocity, and the roles of kinship, tradition and class divisions. Individuals have thus formal expectations based on informal practices, and such ‘economies of favour’ are examples of trust where little of it exists otherwise. Through consociality, such systems therefore seem able to mitigate crises, radical reforms and societal changes.

To recapitulate, individuals with connections across a predominantly kin-based network fare better in times of hardship than those with limited or only immediate family connections. In Tikveš, given what has been a challenging post-socialist to pre-EU transition, this is evident in how broad kin-neighbour relations help to maintain connectedness, redistribute wealth and mitigate and alleviate financial and social burdens. For although there is an aspect of shame and secrecy in borrowing from one’s kin, there is an egalitarian levelling mechanism which forces redistribution as well as a sense of obligation to provide one another with the means to survive, be it through cash or connections. In the form of hospitality, the frequent visits by women in the community to their kin-neighbours’ homes help to maintain their social and familial relations, but also allows them to make their case for needs and charity.

### **Conclusion: surviving the illogical market**

Grape growers and their families have faced years of crisis in the form of decreased demand, unpaid and under-paid grape harvests. There have thus been a variety of reactions to this transition, and use of the excess grapes produced. Besides ‘selling’ the grapes at makeshift purchasing-points setup

by wineries (discussed in Chapter 3), growers have taken to a variety of measures to deal with their surplus crop. These include producing homemade wine and excessive amounts of brandy (or selling one's grapes to individuals who are willing to do so); utilising networks and selling the brandy elsewhere in the country; replacing one's vineyards with other crops such as peaches, potatoes or tomatoes; and certainly relying on close relatives and kin-neighbours for assistance and redistribution.

The onset of neoliberal capitalism means that inequality and uncertainty are the new norm, and the equality, certainty and income that growers of everything from peaches to potatoes to grapes are seeking is only temporarily possible, at best. The Rosoman growers and others who replaced their vineyards with peach orchards hoped they would be able to regain the income and standard of living they had before, but the reality is that traders and power holders seek to profit off of farmers' labour and the growing market. In addition, producers such as the grape or peach growers feed into this system by expressing deference to the elites, with the hope of gaining some sort of connection and thus comparative advantage.

Being married into and residing with a family who were skilled professionals and not agriculturalists, I was often amazed by the seeming *ill-logic* of the market: even when I wanted to pay full price for a service or good, I was rarely allowed to. For example, I took my bike to have a brake cable fixed and some adjustments made. The mechanic was not familiar with my bike because it was from Germany, however he did the hands-on labour and I was pleased with the fix in the end. I therefore expected to pay him at least a few hundred *denari* (five euros) for his work yet he would not accept it, saying 'give whatever'. When I handed him 200 MKD (3.3 EUR) he objected and threw a hundred back at me. I insisted he take it, but he simply would not have it.

I pondered over how to explain this 'logic'; he was not a farmer or grower so had different and likely fewer expenses. In the end I realised that he does not work for profit so much as to maintain social connections, and either because of the family I married into and/or because I am foreign but someone he knows of, he would not want to offend me and take my money as such. In fact, he was also aware of the fact that my father-in-law would

ask how much I paid for his services (which he did), and if it was too much it would cause offence and he may lose both future business and the social connection to Mančo. Another similar example of how social perception may trump monetary gain came when having new shocks put on our car. The husband of a friend of Irena's who sells car parts cut the price by 25 percent, and the mechanics who put them on the car—father and son repairmen, Mitko and Saško, who are also neighbours—only asked us for 100 MKD and to buy them a coffee. We gave them 200 MKD (3.33 EUR) and said we would go for coffee soon, though as is often the case when saying such, we never did<sup>194</sup>.

Surviving the transition is therefore laden with social expectations—networks must be constantly maintained and re-worked—and while such behaviour may be considered reciprocal or falling within an 'economy of favours', there is also an aspect of what James Scott calls 'conformity and the partial transcript' (1985, p284). Scott described how the villagers with whom he lived always adopt a protective disguise in their relations with more powerful individuals or outsiders. Scott says that class struggle should therefore not be misunderstood to be a moral or fundamental worldview difference, but one of 'bread and butter' issues: the appropriation of work, production, property and taxes (p296). This disguise is apparent both in the subordinate classes' conformity *and* their resistance: one conceals his anger when he is underpaid but vents it when at home, as 'dissimulation is the characteristic and necessary pose of subordinate classes everywhere most of the time (p284)'.

Scott's work helps to explain why there is not open resistance to the growing inequality and profits of the winery owners in Tikveš. As he succinctly writes, 'the village poor are hedged in by links of kinship and/or petty economic dependencies that they are reluctant to jeopardize. If they disagree with their relative, landlord, or employer, they are likely to do so with circumspection (p244)'. Indeed, to return to the chapter's introduction, it is the 'the dull compulsion of economic relations'—the daily imperative of

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<sup>194</sup> I posit that merely the suggestion or invitation to drink coffee is an effort to maintain social relations. That is, even if going for coffee never occurs, the act of suggesting it seems to have a social effect, particularly if one individual is expressing deference to another.

earning a living and surviving—which drives most daily interactions and behaviour in Kavadarci and the Tikveš region. By accepting the way of living at hand but doing one's best to find another opportunity, individuals see most employment as dissatisfactory, and as one older grower said to me (when speaking of the younger generation) during my fieldwork, 'they will look for work but pray they don't find it'. Indeed, the coercive context in which employers manage their labour force helps to create and maintain the setting of relative powerlessness within which such a 'dull compulsion' can extract its daily toll.

I thus assert that individuals are only able to survive because of their networks of friends, family and neighbours, as the pooled resources of such networks are better than the lousy conditions of going it alone. Through levelling mechanisms and notions of reciprocity, such as those demonstrated in the situation of Stojanka coming to our house looking for charity, individual families are able to bring in sufficient income to not only cover their costs but put them on a more even ground with those around them. This notion of equality is central to human happiness and sociality, and has been documented by anthropologists and economists alike. As economist John Galbraith (1958) argued over half a century ago, and which I assert is prescient when considering the modern capitalist world order, many consumer demands arise not from need but from social pressure. That is, people assess how well they are doing not only by how much they earn or consume, but by how much they earn or consume in relation to others they know.

This I believe is key to explaining survival in Tikveš, from the family in Dolni Disan to Stojanka and Kole in Kavadarci. Although there might be increased pressure to gain what others have, by comparing oneself among kin-neighbours and other friends and family and then acting within those networks to seek redistribution, individuals and their families are able to level the playing field. In doing so, there is not only a redistribution of resources, but a mutual empathy and a solace in one another's company. Overall, the sharing of lifeworlds and obligation to assist one another makes for a constant tension and interaction among relatives, and helps create a sense of optimism as well. For the value in social relations, including trust

and reciprocity, must be seen as key elements in considering to where the Tikveš wine region and its inhabitants are transitioning. Given EU accession and neoliberal governance, and the rising inequality, injustice and the disparities in wealth and opportunity that accompany it, growers and their families must continue to place managing their kin-neighbour and other network relations as a top priority in order to better survive.



## Conclusion

*There is nothing permanent except change. –Heraclitus*

The primary assertion in this thesis has been that the economic transformation of the Tikveš wine industry and region in the last decade has led to a reversal of the tendencies toward state run and regulated production set forth during socialist industrialisation. Throughout it, grape growers and other individuals have been severed from a significant amount of industry labour and forced to ‘return to the peasantry’ so to speak, while an elite minority have profited. Such a series of processes has come about through the combination of domestically and internationally supported neoliberal privatisation and development policy, and the consequent notions of power, governmentality, and false consciousness that they have fomented.

As an anthropological study conducted in a specific place over a significant period of time, it serves as evidence against the notion that the ‘transition’ to the free-market would be a harmonious one, beneficial to all. Indeed, it appears to the contrary—that the new generation of Tikveš (and other) Macedonians are already and will continue to experience growing poverty and inequality such as Kaneff (2011) found, alongside a decimation of standards of living and social welfare. This rupture to their established norms is both psychologically and economically distressing. Therefore, as an ethnographer I have included herein an illustration of the life alterations there through my six chapters on everything from the region’s history, kinship and various traditions to the wine industry’s (re)development and privatisation, and the inter-subjective nature of such societal transformations.

Although peasant-growers in Macedonia have been working in a semi-commercialised industry for decades, government subsidies have shielded them from the market and in Tikveš, the growing private wine industry’s needs. While decades of socialism may have decreased what Wolf (2001) calls ‘inherent peasant conservatism’<sup>195</sup> (p150), I discussed peasant theory early on in this thesis because of the extent to which grape growers in

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<sup>195</sup> Generally defined as the exclusion of the outsider and limiting of the flow of outside goods and ideas into the community.

Tikveš remain distant from for-profit farming as the economic system shifts around them. They instead function in a peasant manner—struggling to earn money which they could use to create such an enterprise in the so-called ‘free market’. This inability is their exclusion, and appears for some growers to be resulting in a return to a lifestyle which characterised their forebears’ lives a half a century ago and prior. Therefore, though on the one hand this thesis is partially about ‘repeasantisation’, on the other hand I have not desired to portray the inhabitants of Tikveš as peasants in the traditional sense. Instead, I argue that peasantising processes are probably creating more occupational variety in people’s lives than during socialism because of the lack of official, full-time remunerated labour.

Indeed, as Verdery and Burawoy state in their book *Uncertain Transitions* (1999), since the fall of socialism there has been a breaking down of macro structures, such as the administered economies of most formerly socialist states. This has allowed the creation of space for ‘micro worlds’, and such places and spaces ‘produce autonomous effects that may have unexpected influence over the structures that have been emerging’ (p2). That is, in response to unstable environments there is both innovation and reversion to old ways, hence repeasantisation. Furthermore, this occurs in response to the new order, which cultivates entrepreneurs and traders who threaten the integrity of the local community and its habitus, ultimately (and ironically) driving the community away from the international free-market economy while exploiting it. According to Verdery and Burawoy, overall the transition must be understood to be in between the rooted past and imagined future, bringing with it ‘multiple trajectories’ and regressive as well as progressive dynamics simultaneously (ibid). And similar to what Creed was told by a villager upon commencing his fieldwork in Bulgaria, the country is ‘always in transition’ (1998, p1).

Therefore, in the context of growers’ lives in the Tikveš wine region, there is an increasing perception among them that their work is in vain, and that unregulated profit-making is to be associated with (often political) corruption. Further, as the same sorts of grapes in different locations and commodity chains are experiencing a change in their pre- and post-harvest production, there is concern that when the country joins the EU and

competition in the wine industry increases further, such small-scale production as exists (given predominant small, family-labour plots) will have no future and that a way of life will be lost. Yet the transition in Tikveš at present is already heading that way, without the country being a member of the EU. It is full of contradictions, changing values, customs and traditions—in short, uncertainty prevails. To study the region I sought to consider how a country or place gets into capitalism yet gets marginalised at the same time, and how free-market capitalism is creating such margins and contradictions<sup>196</sup>. Given the nature of unfettered global capitalism today, framing this transformation in neoliberal theory seemed most appropriate.

Even within the same country, the experience of an economic system differs based on local factors such as culture, as well as access to work, technology and thus modes of production. As Hann concludes in his text on the topic of neoliberalism and post-socialist disillusionment, *Not the Horse We Wanted* (2006), to understand such a scenario we must take into consideration new processes of identity formation. We need ‘to recognise that economic dislocation has reduced living standards and increased economic uncertainty for very large population groups’ (p254).

As new information and perspectives during my fieldwork naturally influenced my understanding of the situation in Tikveš, I came to realise that what I should be looking at was not just growers’ and other locals’ methods of getting by and surviving, but how they have been adapting by changing habits, consumption and even traditions—thus their overall identity. This is because although it has not been a systemic collapse, the transition in Macedonia in general has been characterised by both a slow disintegration of infrastructure and protectionist policy combined with a need for individual agency and resourcefulness.

For while those affected seem to have keenly attuned interpersonal attention in all directions, in contrast those with the most power in society seem to pay particularly little attention to those below them. This has profound implications for societal behaviour and government policy: tuning into the needs and feelings of another person is a prerequisite to empathy,

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<sup>196</sup> Thanks to comments made by Stephen Gudeman after presenting my preliminary research at the Max Planck Institute for Social Anthropology, 8<sup>th</sup> July 2010.

which in turn can lead to understanding, concern and even compassionate action. When in positions of power, freely dismissing people can easily extend to dismissing inconvenient truths about them.

Given such power among the elite, who have become more secretive in their strategising as they separate themselves from the majority of citizens who must live through the new order and its policies, I conclude this thesis by discussing this identity transformation in Tikveš and speculating on what the future of the country and wine region are. To do so I incorporate research from EU member Bulgaria and its Melnik wine region, and notes from an interview with the ‘leader of the *lozari*’ in Tikveš, as well as discuss further aspects of the Tikveš wine region’s transition and its future.

### **History, shifting identity and power**

As discussed earlier on in this thesis, Macedonians are fighting for their identity at the international level, particularly due to the protest of Greece over use of the name Macedonia. This ‘identity crisis’ so to speak is front and centre in domestic politics, and after his party won the 2011 elections the president of the country, Georgi Ivanov, said in a speech ‘we will continue to fight for your name and identity’. At the same time, his party (VMRO-DPMNE) has been spearheading the ‘Skopje 2014’ project, constructing statues of famous Macedonians (and some might argue Greeks or Bulgarians) from antiquity to present. These include Alexander the great, the Emperor Justinian, the king ‘Tsar Samuel’, Mother Teresa, and literally dozens of political figures and revolutionaries from the 19<sup>th</sup> and 20<sup>th</sup> centuries who played a role in overthrowing Ottoman rule and then establishing national identity among Macedonians through what is called ‘ASNOM’ at the incipience of socialist Yugoslav rule.

The Anti-Fascist Assembly for the National Liberation of Macedonia (ASNOM), led by Metodija Andonov-Čento<sup>197</sup>, was held on 2 August, 1944 and eventually created the governmental structure that was to be backed by and function under the ideology of communism. Although there were violent purges of Bulgarian intelligentsia involved, what ASNOM essentially did

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<sup>197</sup> A bust of Čento, as he is known, has long stood on the old stone bridge in the centre of Skopje, and one of the official neighbourhood-districts in the capital is also called ‘Čento’.

was help Macedonia establish itself as a republic within the SFR Yugoslavia. In creating an ethnic Macedonian identity (*narod*), the country was then later able to declare itself an independent republic after the dissolution of the Yugoslav federation.

While there is evidence of a national Macedonian conscience from prior to ASNOM and the establishment of Yugoslav Macedonia<sup>198</sup>, the post-war era to the present has contributed significantly to the cementing of such an identity. The discourse surrounding Skopje 2014, however, asserts that the Yugoslav model divided Macedonia more greatly than it united it, and that the aforementioned famous individuals constitute a Macedonian identity that was ignored during the SFRY era and which dates back millenia. In implementing this discourse locally, at the ‘twelve children’ (*dvanaeset deca*) commemoration ceremony I attended in June 2011 (mentioned in Chapter 1), the (VMRO-DPMNE) Mayor defied the Yugoslav notion of different ethnic groups (*narodi*) saying of the pre-war era ‘whether Serb, Bulgarian, Greek, Rom, Albanian—the people lived together as Macedonians’. Yet he also used the word privatisation in a way I had never heard before, saying ‘let us not privatise our history<sup>199</sup>’. This use of privatisation seems to refer to a sort of manipulation, but how it came into the lexicon is obviously through its meaning in recent history—to make private that which was formerly public (and in an exploitative fashion). Being stated in such a speech, it thus seemed to be implying that history is at risk of being dominated by a select few who concoct it as they see fit. However, by calling such attention to it the Mayor was doing precisely that.

As there is significant literature on development’s link with the nation (*narod*) building project of socialism, as well as the connection between nationalism and identity<sup>200</sup>, I do not discuss it further here. What I seek to do instead is to, in calling upon the contents of this thesis, demonstrate how the

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<sup>198</sup> Misirkov’s famous text from the late 19<sup>th</sup> century, ‘About Macedonian matters’ (*Za Makedonski raboti*) is the most often cited example of this, as are the poems of Konstantin Miladinov.

<sup>199</sup> *Da ne ja privatizirame nasata istorija*.

<sup>200</sup> Including my own MA thesis (2007) from Indiana University’s Russian & East European Institute, titled ‘Power and conflict: economics, ethno-nationalism, and the state of security in the Republic of Macedonia since 2001’.

Skopje 2014 project and the ruling government's nationalist and populist agenda clashes with the shifting identity in small communities outside of the capital such as those in Tikveš, and how this represents the growing schism between the powerful and powerless. For as Cohen asserts, 'the more privileged a group is in society, the more secretive and mystifying it tends to be about its organisation and strategies' (1974, p110). Indeed, neoliberal privatisation and governmentality (such as that leading to the government's Skopje 2014 project) is allowed to masquerade as a good development, when actually it is often destructive and corrupt by nature in its most advanced forms. It is a system which requires incentives and indoctrination if it is going to be successful, yet the concentrations of power and wealth brought through it foster inequality and division when left unchecked.

Although there is a growing local and international response to this accumulation of power and wealth in the hands of few and the consequent growth in inequality, including from world leaders, there is also an alienation felt by many toward such deleterious manifestations of neoliberal capitalism. For one, peasantising processes can sever groups from the 'democratic free-market', keeping production and consumption local. Further, as evidenced through the '12 children' ceremony quote, modern society and consumer goods are seen as threatening to local culture, identity and history, thus their absence helps to preserve social norms and keep uncertainty at bay.

While this could be considered a rejection of modern notions of fetishised materialism, among those who do partake in the consumption of such consumer goods there are significant enough concerns about forced redistribution through reciprocity (such as that discussed in Chapter 6) that rather than pretentiously show off newly acquired items, individuals and families may keep them hidden from the public's (and kin-neighbour's) eye—a situation I witnessed in Kavadarci among family there. The last possible benefit of the transition on local identity therefore comes through notions of reciprocity, forced redistribution and reliance on kin-neighbours, and altogether these do several things. They arguably lubricate sociality and the sharing of daily life-worlds and help to ameliorate inequality, yet they also contribute to the cooperation and collaboration necessary to survive in the unregulated, free-market (and non-state guided) economy.

Therefore, although I see the silver lining in the transition, in that reciprocity and reliance is better maintained among kin, and the capitalist market may be shunned to an extent, I assert that neoliberal capitalism and commercialism can also undermine social relations and trust, rendering contact between individuals unreliable and unpredictable. As Karl Polanyi (1944) asserted, ‘instead of economy being embedded in social relations, social relations are embedded in the economy’ (p60).

In addressing such ‘ritual decline’, as he calls it, Creed (2002) writes as well about how changing wealth, work and other activities seem to result in significant shifts in identity and social relations. He claims that this can be characterised by the ‘post-socialist diminution of the prior bases of social relations and engagement’ (p66), and that such ritual decline was due to ‘state lack of interest and withdrawal, complementing political exasperation and economic disillusionment’ (p69). According to Creed, this results in a loss of dignity and self-worth, a decline in the quality of life and indeed a change in notions of identity.

Similar to what Wolf found in his observations of societal transformation, ‘individuals continue to be burdened by inherited tradition, but the social relations required to uphold that tradition show ever more severe signs of strain’ (2001, p240). Such value and social relations are key elements of grape production that growers are and certainly will see changing. Lastly, Samuel Popkin counters the rational self-interest of a transitioning political economy with a ‘moral economy’—an approach which equates culture with values and values with morality, and then explains social action as the effect of values (in Wolf 2001, p165). There is thus a potential redefining of personal relationships and behaviour used to retain social status in such transitioning economic systems.

Consequently, in terms of the relationship between the people and system of governance, Creed (*ibid*) found in his research that there was a failure in the democratisation process, and Alexander (2004) discusses this rethinking of value, writing that it could not be just a quality of material objects in relation to prices but something which is created in an ‘agglomeration of political and social institutions’. When these fall apart the

value is lost and there is a perceived theft, which indicates a loss of social relations and which creates various forms of uncertainty.

I thus borrow from Johnston and Saad-Filho (2005) and contend that neoliberalism ‘straddles a wide range of social, political and economic phenomena at different levels of complexity’ (p1) and as Tickell and Peck (2003) describe, neoliberalism is ‘contradictory’ and has ‘the capacity to bring forth countertendencies...existing in historically and contingent forms’ (p165). They thus assert that analyses of this process should ‘focus on change...rather than on binary and/or static comparisons between a past state and its erstwhile successor’.

The problem then for Tikveš is in grappling with how to retain the material safety and cultural richness of a non-capitalist society and economy, but in also gaining the health, wealth, education and life opportunities the available elsewhere in the world. In fact, one premise of Collier’s book on neoliberalism (2011) is that the questions first posed in the debate around ‘transition’—framed by Polanyi’s analysis (1944) of the battle of so called free-markets versus society<sup>201</sup>—have not lost interest. Indeed, the fate of the substantive economy produced by socialism and the tradition of thought that claims the mantle of classical liberalism, not to mention government adjustments to them, all remain crucial problems and considerations for the future of a region such as Tikveš (Hann 2006).

### **The future**

In terms of the future of wine production in Tikveš, I firstly call upon the past and the notion of the deeply imbedded ramifications of Yugoslav socialist production in viticulture. That is, policy, production and memory of it have played a significant role in the conflict surrounding the region’s transition well into the 21<sup>st</sup> century. The legacy of the government’s dominance in the planning of inputs, outputs and production goals was a form of tight regulation and job security that is not painlessly unravelled, as

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<sup>201</sup> Polanyi argues that there are three general types of economic systems that existed before the rise of a society based on a free-market economy, and called them redistributive, reciprocity and house-holding systems.



evidenced by growers' loss of income and their constant uncertainty in a privatised industry.

As for the industry, by being largely closed off from market economies and trading only within the socialist federation previously, it was shielded from competition and consumer induced change. With the focus on industrialisation during the Yugoslav era, wine was therefore considered a low-level priority and was only developed in Tikveš in order to supply the planned economy. From a supply and demand point of view such production is dysfunctional: by having both government mandated quotas and inputs (labour, materials, etc.) the problem was an incompatibility with actual product demand. Against this backdrop, during socialism private winemakers were not incentivised to focus on quality but quantity, and as mentioned throughout this thesis, small producers were absorbed by the agro-industrial *kombinati* that dominated the industry (and which in private form today, have continued to remain strong). The end result was a system where the taste and variety of wine was secondary to its quantity of production and the employment that it guaranteed.

The upside of the transition to private wineries, however, has been the production of better wine, and the wine industry as a potentially profitable activity for the whole country given wine tourism and wine as an item of global trade. The downside of course, given capitalism's mantra of reducing costs to maximise output and profits, has been the cost to the myriad individual grape growers, small wineries such as that of my informant Divna and her family, as well as reduced wine production overall with the dissolution of the socialist economy and marketplace.

For with free-market competition from other (largely European) wine producers in the former Yugoslavia, wineries have faced a difficult time of finding markets for their product.

Consequently, in these new trade relationships the 'newbies' to the global wine industry (such as Macedonian wines) are dealing from a position of weakness. Further and somewhat ironically, traders from wealthier capitalist countries—who are more skilled at business and marketing—are able to dictate prices and minimise profits further for the Macedonian wineries. Although labour and production costs are cheaper in Macedonia

compared with France or Italy, the result for wine and grape producers there is a situation of reduced profits and income, with the growers bearing the burden of such losses.

With the expansion of the EU into the Southeast European region, the re-development of the wine industry throughout it is therefore in progress. This is due to the fact that the benefit of EU membership—and even candidate status such as Macedonia has—is meant to be a secure environment for labour, trade, investment and favourable exchange rates<sup>202</sup>. Yet the EU is an interesting player in the game of wine production in that on the one hand it is seeking to unify Europe, while on the other hand it encourages regional autonomy and cultural identity. Regulations are thus in place to ensure unique product production, particularly with wine given notions of region of origin, appellation and *terroir*, so that if a product is named after a place then it will contribute to that region's development and identity.

Therefore, despite the 'catastrophic' effects of privatisation on grape growers in Tikveš, there is the re-development of the region as an appellation and as a result of increased exports in Asia, Europe and the US, the Tikveš Winery in particular is gaining a name for itself internationally, as well as the region through the winery's name. Further, this may be helping to bring individual grape growers back into the game, as the winery reportedly used 50 percent more grapes in 2013 compared to 2012, foreign sales outside of Southeast Europe continue to increase, and even the UK retailer Marks and Spencer began selling Tikveš Winery wines in October 2013<sup>203</sup>.

Foreign sales outside of Europe and the US—which are both seen as formidable markets, well saturated with wines from several continents (eg, South America and Australia)—is a primary goal of Tikveš wine producers. For example, Russia—where according to the locals in Kavadarci, all of Macedonia's wine could be consumed in one day given Russians' alcohol consumption—is seen as an ideal wine market. However, my neighbour in Kavadarci, Georgi (mentioned in Chapters 4 & 5), who owns a small winery and who is a frequent informal spokesman for the industry, said it is

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<sup>202</sup> Macedonia's currency is, at 61 *denari*, pegged to the euro.

<sup>203</sup> <http://kurir.mk/en/2013/10/22/macedonian-wines-conquer-the-uk-market/>

incredibly difficult to sell there. The reason for this is that there is a 20 percent tariff on wine from Macedonia, and one must have contacts and money to throw around—for promotional parties, fees and bribes—and only then can the market be penetrated. According to Georgi, advertising will not do any good if one's product is not allowed on the market and blessed by the power holders. In fact, the only way at present for bulk wine from Macedonia to make it there and turn a profit is through repackaging it as Serbian wine so it can be sold without the high tariff. For example, Serbs and Germans buy all of his wine but only the Germans bottle it and label it Macedonian by origin. Where it goes once in Serbia though, he is not entirely sure.

Even at the new, large and well-funded Stobi Winery<sup>204</sup>, its head winemaker with whom I spoke, Dane, complained to me about how competitive the global and European market is. European bottled wines dominate and Macedonia is largely without a name, image and brand for itself. The government does little to help the wine industry appear as one and represent it abroad, and as previously mentioned, bulk wine sells for as low as 0.20 EUR/litre. Further, without being able to charge a high price when exported, bottled wine is expensive to produce because bottles make up 40 to 50 percent of the cost of wine production. Bulk wine is thus cheaper to produce and sell, but it brings down the standard of Macedonia's wine industry as a whole.

As one of the special interest groups discussed throughout this thesis, the Tikveš wine industry is therefore in transition, engaged in the free-market's battle for consumers and brand recognition. How this affects the grape growers though I have naturally sought to illustrate at greater length, and call upon here an interview with the 'leader of the *lozari*' (*vodač na lozarite*), Ljupčo A., conducted toward the end of my fieldwork in August 2011. Several topics were discussed in the interview, from the high quality of Macedonian wine to the divisive politics and corruption which only add salt to the wound of privatisation.

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<sup>204</sup> See here for a good explanation of the winery from an industry perspective <http://stobi.co.uk/blog/man-on-the-inside-journey-to-macedonia-2013/>

During our evening meeting, Ljupčo began by indeed boasting of Macedonian wine—claiming its superiority to French wine, as many do—and said that the EU needed to do more to help the industry primarily by increasing the quota for bulk wine. As mentioned in Chapter 3, this is because the quota for bulk wine is quickly filled every year within a couple of months, whereas the quota for bottled wine is never filled. His opinion thus contrasted with that of Georgi's, who wants better marketing for the country's wine industry as a whole so that the value and quantity of bottled wine will increase. Ljupčo, however, was representing the grape growers in his concerns for their plight but was seemingly unaware of how the wine market operates outside of Macedonia. As for the grape growers, he admitted that they are not only independent in their production—and often unwilling to form cooperatives—but divided by politics (and the populist politicians politicking to them, such as at the strike-protests in 2010).

Ljupčo also spoke about Bulgarians buying already crushed grapes in order to export them in their cheapest form, fruit juice, which is then made into wine in Bulgaria. This is a particularly interesting phenomenon because as Kamčevski (2007) writes, this used to occur a century ago with wineries in Niš, Serbia, which bought Tikveš grapes for wine production there. Altogether, this means that not only are grape growers returning to pre-socialist ways of existing, but so are the wineries themselves. What we may be encountering is thus a return to a pre-industrialised life for many.

Neighbours Greece and Bulgaria though both present interesting case studies of wine regions within the EU. Greece, which has been an EU member for several decades, has a vastly different form of wine production but one which Greek acquaintances from Salonica lamented was suffering. They claimed that the country used to be like Macedonia, and to its benefit. Once it joined the EU however, Greeks were given directives regarding what to grow, as well as subsidies to sometimes *not grow* anything at all. Thus the country produces less produce and wine now than it used to, having lost its smaller but more productive rural farm-plots. Furthermore, my informants said that Greece was dependent on foreign products with a higher carbon footprint, and which were of lesser quality yet which cost more. Lastly, there is also the unemployment of local farmers to contend with, as such EU policy

and competition caused rural businesses to flounder in the present era of austerity there, and decades of migration to cities have only exacerbated the situation.

Although austerity measures since 2008 have caused rather negative opinions of the EU, I asked what the general opinion was of the Union. They said being an EU member was no longer good nor viable, and gave as an example the fact that when Greece had recently wanted loans from China with only one percent interest they were barred from taking them, having to take loans from Germany or France with 20 percent interest rates. They also said that the EU seemed great at first because of the easy money coming their way, but in the long run it was not, being highly regulated and inflexible. Such a system thus seems contrary to that developing in Macedonia and elsewhere in the post-socialist world, and this contrast may help us understand why Bulgaria and Romania are at the bottom of EU lists in terms of production and output: the EU's finance and market based capitalist structure hinders development in countries where the state ran the economy for so long, and despite industrialisation and urban development, kept its populace dispersed throughout. As for Greece, my informants there claimed that with EU entry, by so heavily regulating the countryside and agriculture, rural parts of the country were depopulated and notions of self-sufficiency destroyed. Additionally, prices and unemployment went up, there is now the euro and austerity induced financial crisis, and yet they have to privatise their state-run industries.

Turning to the more economically, politically and culturally similar Bulgaria (which is more comparable to Macedonia given its recent government controlled economy), my visit to the Melnik wine region just over the border from Macedonia was eye opening. When I entered a shop selling wine in the village of Melnik, the woman there, Marieta, was not forthcoming at first, but I was patient in asking her about the region and situation. I used the situation in Tikveš and questions from my research as a template and with which to contrast the condition of Melnik's and Bulgaria's wine industry. I asked, for example: 'Was the wine industry changing and if so why? How much do grapes sell for?' She replied, telling me in lackluster

tones and short statements that it was terrible. ‘It’s falling apart...wine doesn’t sell’. With a short yes or no she answered my questions:

Has privatisation occurred? *–Yes.*

Has it been good or bad for the industry? *–Bad.*

Do you have vineyards, how many *dekari*? *–Yes, 50 dekari<sup>205</sup> near Sandanski.*

Do you work them? *–A little, my son does the work.*

And does it pay? *–No, here’s our wine and we make a lot of rakija as well.*

So you don’t sell it to a winery? *–No, no one wants the grapes.*

Do wineries, such as those here whose bottles you have, buy grapes or produce their own? *–Both, it depends on the winery.*

What’s the price if they buy? *–It depends, usually around one lev (0.50 EUR) per kilo.*

Our conversation was brief, but the latter price for grapes is of course much better than in Macedonia, hence the profit motive for Bulgarian wineries to buy from Tikveš grape producers. Marieta also told me that her son was planning to leave the country because the situation was so bad. I asked where to and she said Spain or Italy, like so many Bulgarians. I tried a little of their red wine, made from ‘Melnik-55’—an odd name for a grape sort I thought—and paid four euros for a two litre bottle.

Marieta was friendly enough and honest, but she suggested I speak to the owner of the shop she was in, Ilija, who ran another shop up the street. When I headed there, Ilija was without customers and free to speak with me. I asked him some similar questions but was more curious about post-EU entry and the effects on the industry. We moved in and out of the shop, first speaking on the sidewalk where he had wine and grapes for sale.

I learned from Ilija a few interesting things about the Bulgarian wine industry. First, it is big—and Melnik is one of the smallest wine regions. He showed me a ‘Bulgarian wine map’ hanging on the wall inside, describing how the largest wine regions were near Plovdiv and Stara Zagora in the east.

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<sup>205</sup> Equal to five hectares.

But from the Black Sea to the northwest corner near Serbia and Romania there are vineyards and wine regions: ‘Bulgaria has dozens of grape varieties, and over 300 registered wineries’, he said. He added though that this does not include the smaller, family-owned wineries where there might be a decent quantity of production but only for often local, private sale and distribution.

He confirmed that the Bulgarian wine industry as a whole was falling apart. ‘There’s too much wine and competition, and the larger wineries are taking over’, he said. Telling him about the term *vinska mafija* in Macedonia, he said he had not heard it and that it was not mafia but, like in Macedonia, wealthy businessmen and their wineries alongside foreign wine on the Bulgarian market which have made it very competitive. Interestingly, when I asked whether he thought that EU entry was bad for the industry, he said ‘no, it creates competition and offers better choice. It’s been good for us as well because we can travel and work freely now, and in terms of the wine industry we receive subsidies for our vineyards, which is great’.

Unlike in Macedonia where there are different subsidies based on planting, selling, or maintaining vineyards and grapes, he explained that growers simply receive 15 EUR per *dekar*, thus 150 EUR per hectare of vineyards. Ilija told me more about the local industry, saying he was aware of the situation in Macedonia and that some wineries have been going and buying grapes there because of the cheap prices. I asked whether it was worth it with customs but he said ‘there’s no tariff, just a bribe (*mito*)’.

This reality of not only wine but Macedonian peach, tomato and other produce production makes me wonder how Macedonia is playing a role in an EU country’s agricultural industry indirectly and apparently unintentionally. That is, not only is Bulgaria dealing with European and Bulgarian wine on their market, but Macedonian grapes (and wine) too. Further, with other fruits and vegetables, it is well known in Macedonia that Bulgaria, Greece and Serbia sometimes illegally import Macedonian produce, claim it was produced in their country and then possibly export it or products made from it through free-trade deals (such as to Russia). This is one of the hidden secrets of the local economy in Macedonia, and one which makes it worth considering whether the country should join the EU given the effects it will

have not only on it, but its production and trade with neighbours. On the one hand, being an EU member could help Macedonia increase the value of and profit made from its exports. On the other hand, EU regulations, competition, price inflation and migration might mean an abandonment of the rural agricultural life, affecting not just the local Tikveš and Macedonian economy but the regional, southeast European one too.

Since Russia (along with China) is considered a top export destination on the international wine market and I assumed Bulgaria must have a niche there given their former relations with the Soviet Union, I additionally asked Ilija about the Russian market for Bulgarian wines. To my surprise, he claimed that very little Bulgarian wine is exported to Russia. They lost that market, I was told, and do not export a significant amount of wine overall. The Bulgarian wine market therefore seems to be suffering the wrath of a double-edged sword as well, but one forged under different conditions than that in Tikveš. That is, there is both diminished production and export, as well as decreased domestic demand (due to foreign imports) for its wine.

One problem is that wine markets in the Balkans are very national and local, and one will not see Bulgarian wine in Greece or Macedonia, or Macedonian or Greek wine in the neighbouring country. Except for Macedonian wines in Serbia, Kosovo and Bosnia, which have small domestic wine industries and historical Yugoslav ties with Macedonia, the Balkan wine industry is in fact a system of trade relationships between a Southeast European country and one outside of that sphere. Except for Serbia, Macedonia will largely export to Slovenia, Germany and increasingly the US and UK, but besides its former Yugoslav neighbours, not to any other countries in the region.

This is a general summation, but at the local level individuals either want locally produced wine or wine that is deemed exotic and therefore prestigious, often coming from Western Europe or ‘new world wine producers’<sup>206</sup>, and marketing and brand image are key. For example, in Bulgaria West European wine is prominent, and as Ilija remarked, Bulgarians

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<sup>206</sup> Australia, South Africa, North or South America, etc.



who live in Spain and Italy are bringing back their newly acquired tastes, affecting the local wine market all the more. Bulgaria though has always been and still is better developed for tourism, and as I walked through Melnik there were a dozen shops, carts or signs for ‘wine cellars’ where one could taste and buy local wine. This aspect of wine tourism is one giant step ahead of Tikveš, which brings me to a discussion of the prospective for it.

The prospective for wine tourism in Tikveš is great, but the problems with its realisation are many. For one, the wineries have little national government backing. This was a complaint of the Tikveš Wine Roads representative, Divna, as well as Dane from Stobi Winery and my neighbour Georgi, among others. Without collaborative advertising and national representation, it is difficult for a wine region to establish a name for itself at wine fairs and thus in the wine world. The other issue is local politics and culture. In Demir Kapija there is clear tension between the Napa Valley style Popova Kula winery, which is clearly the forerunner in wine tourism in the region, given its facility, location right off the main motorway, restaurant and overnight accommodation. Yet Divna among others scorn it and its owner, whom she claimed ‘always seeks to do things his way’. The local municipality further has issues with pollution from the winery, which did not have a proper sewage system installed in their hilltop location, causing nearby fields and waterways to occasionally be flooded with sewage. Lastly, there is simply a clear lack of both cooperation and vision among the grape growers.

Certainly grape growers are the most likely to be in dire straits and their lack of optimism is understandable, but both the Macedonian government’s Ministry of Agriculture and the Dutch development agency, SVN, were investigating during my fieldwork why growers are so unwilling to work together in modern cooperatives. In particular, the director of SVN told me he wanted to know why farmers are not developing agribusiness and cooperatives the way it would be expected. Although some claim the shock of 1950s collectivisation is to blame, once that project was abandoned Yugoslav Titoist socialism was largely a positive experience for growers—so why not work together to rebuild the industry?

This question spawned a series of conversations for me with locals about such cooperatives, with the explanation often coming down to a matter of trust or leadership. Regarding the former, individuals do not trust one another and the only cooperation is that between kin, such as discussed with Mitko and his brother in Chapter 6, or the brothers who run the *Ovošje Komerc* business in Chapter 5. Indeed, outside of kin relations, there is little which assures individuals that their business partner will not steal or siphon off income, become nepotistic and hire only his kin, or abandon the enterprise altogether.

The other explanation was about a lack of knowledge and leadership to form such an enterprise. I spoke at length about this with the owner of an agricultural supply shop (*zemjodelska apteka*), Pane. To begin, Pane felt that cooperatives or businesses could not work without a series of skilled professionals such as managers, economists and oenologists (for wineries), and there simply is not the capital to bring these individuals into business together. In our casual conversation in a café, we debated the individualism and innate leadership of most individual farmers, and while we agreed it was high, he claimed it was beside the point and asserted:

Look, business requires a positive regulated atmosphere, with a clean slate and little worry about past dues and future production. That it not what exists here. Growers here aren't paid for 2-3 years, they owe us and other shops money, and they're not certain to what end they're growing the crop they are at present—many digging their grapes up, planting other crops, etc. Why would they work together when they don't know what they're working together on? An overall agricultural strategy is what's needed here, and that can only come from the government, not the 'free-market'.

Pane's points were valid ones, and led us to discuss the future and what that strategy should be. In his opinion, wine producers must continue doing what they do because of the market, yet such as Ljupčo A. asserted, the government and EU must increase the quota for Macedonian wine exports in order for the grapes (and wine) to be bought, and growers need to be compensated immediately. With the present conditions, including too many vineyards but limited ways to get the grapes and wine to market, it amounts to a clear loss. He said some winery owners are therefore aggressively

lobbying MPs to get this quota raised, and to decrease the bottled wine quota which goes unfulfilled by leaps and bounds.

This brings to question what else could be produced beside grapes and wine in Tikveš? As far as creating wine reserves, which has been proffered by some locals worried about the industry, Pane claimed it is not necessary or practical—there is plenty of wine in the world, most wine is not meant for lengthy ageing, and indeed it will not last long in tanks. Ethyl alcohol production is one way to dispose of excess wine, but he did not know of anyone making it at present. There are certainly a variety of grape products, from raisins to juice to candies to the medicinal syrup *madzun* (only homemade at present), but also grape seed oil that could be produced with the Tikveš grape crop—yet no one is doing so. Beyond grapes, the region could return to its early 20<sup>th</sup> century and prior production and grow crops such as wheat, cotton, tobacco, poppies and myriad edible fruits and vegetables. In some ways it is doing so already, particularly the repeasantising individuals with their gardens and replanted vineyard plots. Yet the Mayor of Kavadarci's suggestion that the region start growing poppies again for pharmaceutical purposes was met by the hysterical protest of locals.

Therefore, producing a product is only one half (if even) of the equation. The real problem comes in determining what to produce and marketing it—both creating awareness (advertising) and getting it to market—and getting farmers and producers on board. The frequent replies to my questions of 'why not grow/produce...' were always 'there's no market [for it]' (*nema plasman*), and given the time, energy and resources required, suppliers and state infrastructure are therefore seen as key to agricultural production. To call again though upon the 'leader of the *lozari*', Ljupčo, he said that the most important thing that needed to happen was the annihilation of the scheming and stealing at the state level ('*mangupska politika*'), because it is indeed preventing so much good from happening. Thus there is a belief that both the region can prosper if such problems as corruption and lack of trust are dealt with, and that other opportunities for the region are clearly in tourism.

In fact, some towns, individuals and companies are already making headway in the tourism arena: wineries and travel agencies bring in groups of largely Dutch tourists, with Stobi Winery hoping to build a hotel on one of their large vineyards; alongside its wineries, Demir Kapija is establishing itself as a rock climbing destination, with an annual international climbing festival and the local residence of one of Russia's most famous climbers there; the Mayor of the peach-town, Rosoman, wants tourists to come see the blooming peach trees in spring, which he claims are equivalent in splendour to the blooming of Japanese cherry blossoms; and indeed, individuals such as those who work at the market along the regional highway running through Rosoman are taking it unto themselves to produce goods and sell them.

More could be done though, particularly in terms of accommodation and getting tourists to unique attractions, and developing these in the first place. Further, the country is routinely criticised for not branding products, and losing opportunities to other countries. The delicious roasted red pepper condiment, *ajvar*, for example, is trademarked by Slovenia (despite their minimal production of it), so that the *ajvar* produced for commercial sale in Macedonia must be spelled *ajver*—a previously unknown name for the product. Of greater significance and discussed in Chapter 3, since 2011 Greece has been trying to claim hegemony over use of the name Macedonia on wine labels, and of worry is that Bulgaria might trademark the name *rakija* for its own brandy production. The possibilities are certainly endless, and the region and country will inevitably change along with the rest of the world as time carries on.

In conclusion, while my thesis may be an indictment of the neoliberal order, I should assert that there have been some positive changes as a result of the wine region's transition. The quality of wine has improved and markets for it outside of the former Yugoslavia and Germany have opened up<sup>207</sup>. Thinking then about Macedonia as a microcosm of the global order—individuals reacting to internationally induced changes and creating opportunities in order to bring fortune to their families—only now is the dissolution of socialism really being played out; a new generation born after

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<sup>207</sup> The New York Times even listed the Tikveš Winery's Vranec as one of the top five red wines to consider in the 2014 holiday season.

the breakup of Yugoslavia who know no guaranteed employment and accompanying benefit—vacations, pensions, a passport they can freely travel anywhere with, and the entitled mindset—are engaging with society in new and different ways, and increasingly commanding it. They only know that they have to do what their forefathers did, which is to work hard and follow the rainbow to ‘the pot of gold’ on the other side. Incidentally, rainbow in Macedonian is *vinozito*—wine [coloured] grain.

### **Final conclusion**

As modest an effort as this thesis surely is, it remains my hope that it will contribute something of value to scholarship. Given that there has not been a recent foreign assessment of the Tikveš region outside of the lens of development, and of Macedonia much beyond issues related to inter-ethnicity, nationalism and post-conflict, I hope that this thesis provides a window into the people there—how they live, work, socialise and consume. Indeed, I wanted to write a thesis that would not only support evidence for some obscure academic topic, but that would also serve to inform curious readers about the human factor of Macedonian society. I have tried not to personally worry about documenting a disappearing world or customs, for loss and replacement is the nature of life everywhere on a daily basis, and I have been comforted by the resilience and flexibility of the culture(s) I encountered in a region such as Tikveš.

What I wanted to do was present the ordinary culture and lives of the Macedonians living there, and indeed the micro-level culture of how they are adapting to the change at hand through their shopping, politicking and socialising. Thus I tried to carry out such a task, though have admittedly struggled to present it and wrap it into the larger discussion and context of what is perhaps *post* post-socialist life in Macedonia. For the world has changed significantly in the last two and a half decades, and in continuing to do so it is always necessary to re-focus the lens of intellectual observation.

As for the argument of repeasantisation, I again assert that this work is not meant to be considered a part of peasant studies but that it allows us to realise that a reversal of productive modes is possible given certain political and economic conditions. The situation is in fact similar to what Wolf (2001)

found, where a peasantry can be re-formed when individuals or families retreat from the market and cash economy into one of self-sustenance. As to why there is not a violent resistance and reaction in such situations, Wolf also points out that individuals living through transition (even if permanent) often become ‘spectators of political struggles, or they may fantasise the sudden advent of a millennium, without specifying for themselves and their neighbours the many rungs on the staircase to heaven’ (p232).

This makes it apparent that the political breaking point of such rural inhabitants is remarkably high. To reach that point requires an unusual worsening of their plight, and the conditions under which they live and suffer. Whatever the precise factors, be they economic, political or social, they all increase the possibility of unpredictable events and disorder, which in turn disturbs a sense of routine and daily survival. These forms of chaos and uncertainty therefore make for ‘a willingness to see existing institutions as disorderly and...illegitimate’ (ibid, p233), and as I argue in this thesis on the transition in Tikveš, for those suffering to latch on to notions such as the ‘wine mafia’ and ‘thieving state’.

Then again, as I cited in Chapters 2 and 6, Chris Hann (2006) said of neoliberalism that it is ‘the notion of everyone acting as an entrepreneur’ (p7). Neoliberal ideology then, just as any successful ideology, is based partly in people’s lived experiences, where successful ideologies are grounded in our general individual experiences and attempt to reconstitute and represent them in a way that extracts consent to certain policies, institutions and ideas (Eagleton 1991). Through minimal state intervention in their lives individuals are ‘free’ to pursue their interests, though they must bear the costs and responsibility to do so—hence the notion of the repeasantised, stoic individual.

I hope that this thesis contributes to the area of economic anthropology, as although it is in many ways as diverse as all of anthropology, by focusing on shifting economic conditions as a result of privatisation, marketization and development, and considering the rationale of modern finance behind it, I feel confident that the reactions to the ‘transition’ in the form of new forms of socialisation—such as those among kin-neighbours discussed in Chapter 6—are key aspects of economic

anthropology. My thesis therefore marks the beginning of further ethnographic activity, and many of the issues included herein (and many left out) will undoubtedly need further investigation. Indeed, assessing perceptions of inequality, along with the relations between finance and democracy—and how regulation of the former can help ensure a better realisation of the latter—would be pertinent to this project and making sense of the future of Tikveš and Macedonia, as well as the rest of the constantly shifting globalised world we inhabit.

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## APPENDICES

### Appendix I—Research Questions

As my research covers a range of topics, my research questions reflect the ‘macro’ view of minutiae which I intend to observe and seek to understand. I therefore have two sections of questions: the broader and the more specific questions I intend to address.

*In broad terms, the following research questions will be addressed:*

- How have resources changed since 1991 and in the past decade? How were conditions different under and immediately after socialism in Tikveš?
- If Yugoslav industrialisation meant the destruction of peasantry, then what does post-Yugoslav privatisation mean? A return to the peasantry?
- How is grape growing changing as an occupation, and what do such changes mean for individual identities, values and social relations of production?
- To what extent are growers able to keep growing because of reliance on semi-socialist conditions—reliance on another source of and thus dual income?
- How are free-market changes—private and governmental—affecting community relations, livelihoods and trust in each other and the government?
- What do the CAP, IPARD funds, and EU accession and development policies mean to locals in terms of their perceptions of them, and the effect such policies have on the growers and their communities?

*In more specific terms, the following research questions will be addressed:*

- What aspects of change are a legacy of socialism, and which are responses to the change itself? Has maintenance of private plots helped growers be committed and take initiative with the land?

- How does cultural variation within Macedonia and the region itself affect grape-growers in Tikveš? What do the words ‘reform’, ‘transition’ and ‘privatisation’ evoke in growers and locals?
- Does ‘retraditionalisation’ include a return to patriarchy and *zadruga*-like collaboration, or limited household choice and material consumption? Is there increased barter?
- How do debts and employment affect the buying and selling of labour? Are payments made in kind or in cash?
- What broader economic changes can be traced through the labour force? How are any bottlenecks in labour resolved?
- How have reform and privatisation contributed to the growth of the informal sector (and at a time when EU mandates attempt to rein in on precisely such activities)?
- How do growers perceive their relation to the state and market? What ‘compromises’ are being made?
- What is the significance of agriculture, formally and informally? How does this compare to other parts of the country and elsewhere in the Balkans? Is there any increasing economic manoeuvrability in local agriculture due to outflow or migration by the younger generation?
- Who owns the land and how much public land is being farmed? Moreover, as Hann asks, what different meanings of the land exist and how do these affect social relationships? If land is a commodity then how does the agricultural sector stand in relation to other sectors?
- Tenants tend to seek security through accepting outside controls over the arrangements of production and distribution, whereas peasants retain greater control of their processes of production. Is the former giving way to the latter in Tikveš?
- What action are growers taking (if any)? Is there increased collaboration, adaptation, entrepreneurship, taking up of other work, migration? Are any [new] agri-business or co-operative associations being formed by them?

- What power do *the growers* have? If socialism provided a connection to the state and this tie has been severed (or severely damaged) what are the implications on state power and legitimacy?
- How many are solely growers by occupation (*'zemjodelci'*)? How are privatisation and the changing market affecting perceptions and realities of grape-growing as an occupation? Does the 'habitus' of the community reject the free market and de-regulated agricultural sector?
- How are growers helping or hindering each other's success, and why? Why don't they trust each other?
- How do politics and political party affiliation affect growers' ability to sell grapes? Are there some buyers who will only buy from fellow party members? How does the political divide affect growers' frustration, or willingness to acquiesce, compromise?
- With wine the end product in Tikveš, there is undoubtedly an assessment to be made of it—its production, consumption and value. What criteria do growers and locals use in discussing wine, and what sort of gradations exist?
- How are the mundane actions of growers and other locals affecting the development and transition process? Is there any optimism among growers that they have more control now?

*Field Lead-in Questions:*

- What percentage of agricultural production do grapes make up in your town/village?
- How have growers been reacting to the grape crisis?
- Have you received any of your due payments for the 2009 or 2010 harvests?
- Have growers or other individuals been producing wine or *rakija*? Is this an increase or even new process compared to before?
- How does home production differ compared to five, ten or twenty years ago?
- How does grape production and the industry surrounding it differ compared to five, ten or twenty years ago?

- What is the current state of buyer-producer relationships in the wine sector?
- How is grape growing as an occupation changing? Would you say your standard of living is worsening as a result? In what ways?
- What do you think should be done to improve the situation?
- Is anyone you know (im)migrating, looking for other work?

## Appendix II—Maps

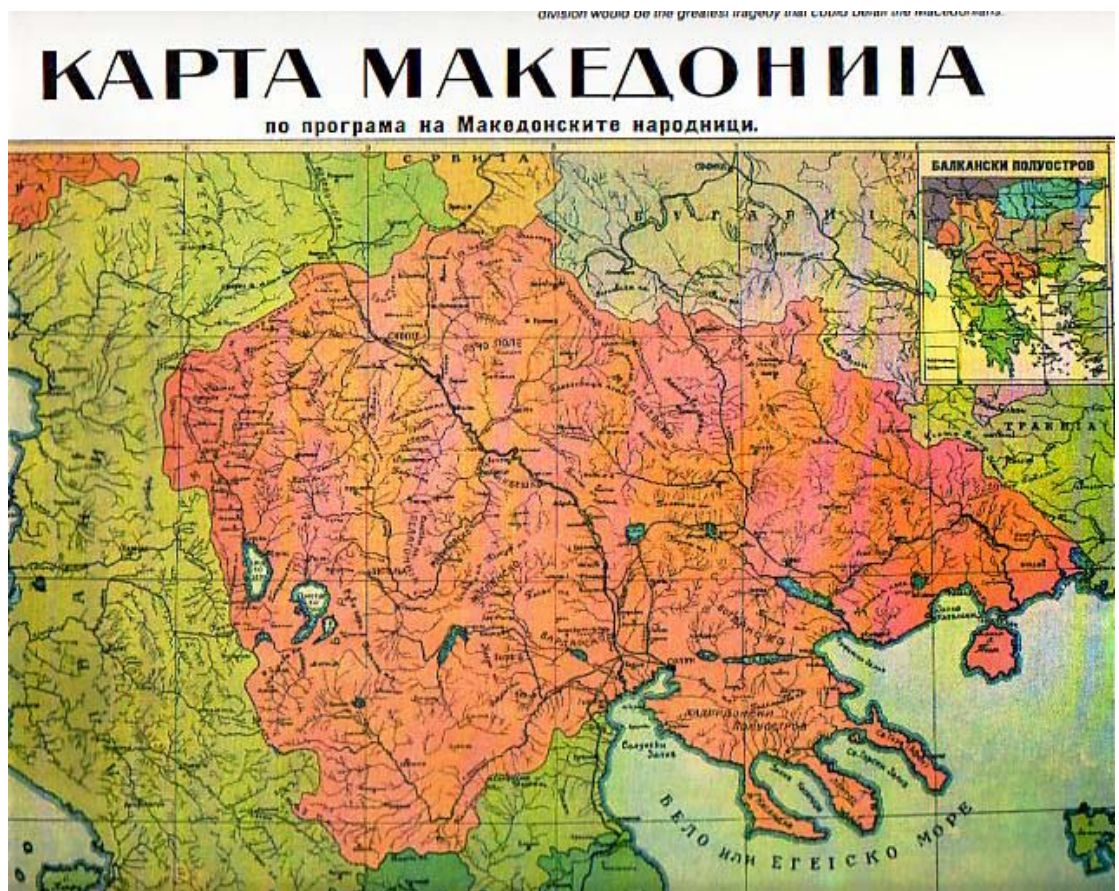


Figure 1. Ottoman era Macedonia<sup>208</sup>

<sup>208</sup> <http://www.historyofmacedonia.org/ConciseMacedonia/map.html>





Figure 2. The contemporary Balkan Peninsula and the Republic of Macedonia

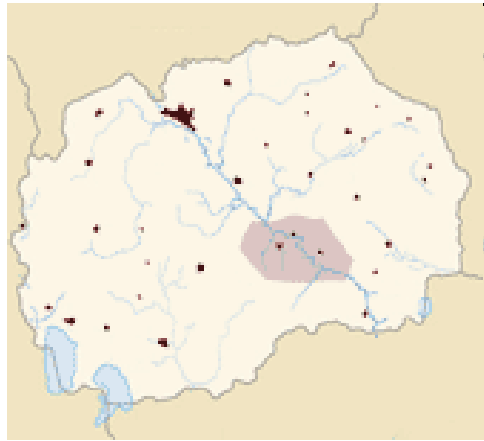


Figure 3. The Tikveš region (shaded), with the three dots representing the three largest wine towns of Kavadarci, Negotino and Demir Kapija (from left to right)

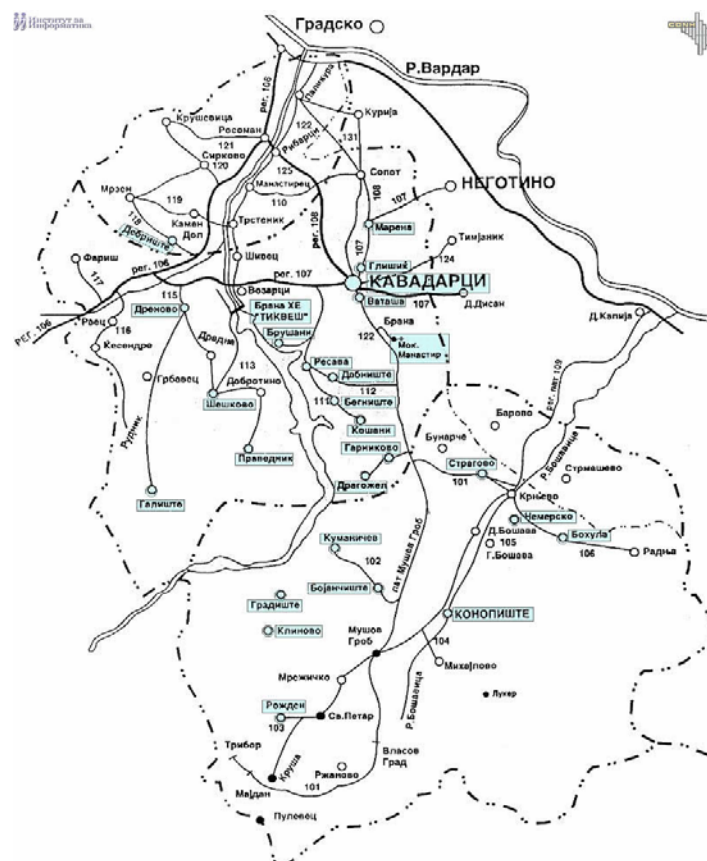


Figure 4. The Municipality of Kavadarci, including the four other Tikveš towns/municipalities of Gradsko, Rosoman, Negotino and Demir Kapija to its north and east