

PICTURE STORY

Kicevo – A case study of Ohrid Agreement implementation

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In 2002 ESI published a report on Kicevo in Western Macedonia: Ahmeti's village. The political economy of interethnic relations in Macedonia. The Kicevo area, home to ethnic Macedonians and Albanians along with smaller groups of Turks and Roma, has not witnessed communal violence for decades. It even remained peaceful in 2001 during Macedonia's conflict. Although ethnic Macedonians and Albanians live largely separate lives, the tradition of inter-ethnic coexistence could be preserved.

However, the report found that Kicevo's "ethnic groups are undergoing deep social changes which are pushing them along widely divergent paths. It is a pattern of development (and decline) which seems programmed to generate inter-ethnic suspicion and fear." The report explored the difficulties lying ahead in implementing the Ohrid Agreement of 2001 and concluded that "any credible strategy must begin from the recognition that the underlying causes of insecurity – the collapse of Macedonia's industrial society, the weakness of its new private sector, the absence of a responsive state in many parts of the country – remain as acute as ever. When economic collapse becomes coupled with ethnic mobilisation, it makes for a uniquely combustible combination".

Three and a half years later we look again at Kicevo to examine how the implementation of the Ohrid agreement has played out. What has been achieved and which challenges remain?



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Kicevo 2002



One of Kicevo's decaying socialist companies

The social and economic landscape of Kicevo has been shaped by the rise and fall of socialist industrialisation. In the decades following the Second World War, most ethnic Macedonians left their harsh life as subsistence farmers in villages and moved to the town of Kicevo to take up jobs in the new socialist companies and the administration.

The amenities of the modern lifestyle that accompanied these new urban jobs, however, became increasingly uncertain in the 1990s, after the disintegration of Yugoslavia and the resulting economic downturn. In Kicevo – like in many small towns in former Yugoslavia – history seemed to turn into reverse, in the form of a process of de-industrialisation. Of some 6,600 jobs in socialist companies in 1990, half had disappeared by 2002.

While Albanians made up about half of the Kicevo area's population, they were much less affected by the industrial collapse. Largely excluded from these jobs during socialism, their economic survival strategies were early on strongly oriented towards migration abroad. Later on they also increasingly engaged in small private sector activities, primarily driven by money from the diaspora. Conservative estimates from 2002 suggest an inflow of at least € 16 million in remittances in that year, more than the total salaries paid to Kicevo's ethnic Macedonians in the public sector and the former socialist industries combined. However, opportunities for further emigration have been drastically curbed by the EU in recent years.

ESI found both ethnic Macedonians and Albanians unperceptive for the difficulties of the respective other group. Many Albanians perceived ethnic Macedonians as lacking initiative, wedded to white collar jobs and patronage networks. Many Macedonians saw Albanians as backward and prone to crime.

It is against this socio-economic background that the Ohrid agreement has been signed.

The Ohrid Agreement



Ohrid and Tsar Samoil's Fortress

The Ohrid Agreement, signed on 13 August 2001, does not read like a classical peace agreement. While cessation of hostilities and disarmament of the Albanian rebels were crucial parts of it, most of the agreement was about the increase of rights for the Albanian minority.

The main points were equitable representation of Albanians in the public administration, the use of the Albanian language in dealings with the state and a wide-reaching decentralisation programme.

By 2002, in all three areas some progress had been made, but it was largely restricted to initial legislative reforms. The most difficult part was yet to come.

Fighting over municipal boundaries



The new municipal boundaries

Besides enhancing both the responsibilities and financial resources of local government, according to the agreement municipal boundaries had to be redrawn. When a respective law, negotiated between Branko Crvenkovski's Social Democrats (SDSM) and Ali Ahmeti's Democratic Union for Integration (DUI) as government coalition partners, was presented to parliament in early summer 2004, it created more than heated debate.

The territorial issue was of particular sensitivity, because municipal boundaries could determine if a certain municipality would end up with an ethnic Macedonian or Albanian majority.

Along with Struga, Kicevo was one of the most contested cases. In 1996, the socialist municipality of Kicevo had been divided into five municipalities, leaving some 20,000 Albanians in two completely rural municipalities and thus providing Kicevo town with an ethnic Macedonian majority. Albanians now wanted the rural areas to reunite with the urban Kicevo municipality, while ethnic Macedonians were against.

The compromise between the ruling Social Democrats and their Albanian partner DUI was that Kicevo would be "reunified" in 2008 and not immediately. But this triggered huge local protest. A "committee for the rescue of Kicevo" was set up, including local SDSM representatives. In summer 2004 there were numerous protests, including the blocking of the main road to Ohrid on the weekends, causing tremendous traffic jams. After a couple of weeks, however, the protests died down.

Municipal elections 2005



Kicevo's main boulevard

Slightly more than half a year after these protests, in March 2005 local elections were held. None of the parties campaigned on the question of territorial organisation, but all focused on economic and development issues instead. All mayor ethnic Macedonian contestants, including the Socialdemocrats, VMRO-DPMNE and Vladimir Toleski, an independent candidate, distributed campaign material also in Albanian language. There were even Albanian-language spots on local TV.

The elections produced an equal amount of seats for the SDSM and DUI on the one hand, and VMRO-DPMNE and VMRO-NP on the other, leaving an independent candidate with the swing vote.

The run for mayor, however, was won by another independent candidate, Vladimir Toleski, a successful local businessman. One of his campaign posters consisted solely of a picture of him and four words: “economy – development – mutual trust – vision”.

Many voters, including a considerable number of Albanians, found his approach appealing. As a DUI official told ESI: “We told our supporters to vote for the SDSM candidate in the second round, but many did not listen.”

A new mayor



Kicevo Mayor Vlado Toleski

Before Vlado Toleski became mayor, he was the director (and partial owner) of the company *Tajmiste*, one of the few socialist-era companies in Kicevo that managed to survive the end of Yugoslav socialism. With 320 employees it is the second biggest company in the Kicevo area after the thermal power plant in Oslomej. His entrepreneurial success was one of the key reasons why local people voted for him. Furthermore, the fact that he had also employed Albanians and Turks in his company earned him some points with these constituencies.

His management style and hands-on approach set him apart from his predecessors. Toleski explains: “Given that the municipal budget is small, we have to use the human resources that are available. When I talked to the director of *Komunalec* [the municipal utility company] about the garbage collection problem, he pointed out that he had only three trucks. I told him, ‘no, you have nine!’ – ‘Nine?’ – ‘Exactly: three in the first shift, three in the second and three in the third one.’”

People appear to value the improvement in garbage collection. Also the fact that the new mayor started asphaltting the main roads only a few months after he took office created the impression that something is moving.

But there are many challenges. One is to increase the employment of Albanians, Toleski points out: “Now there are only 5, out of 54 employed.”

Employing Albanians



Teke mosque

The last three years have brought a considerable increase in employment of Albanians in the state administration, a key provision of the Ohrid Agreement. In 2002 ESI counted only three Albanians in slightly more important administrative positions in Kicevo: the director of the centre for social assistance, the secretary of the municipal council and the deputy police commander.

By autumn 2005, there were 20, including the director of the Kicevo hospital, the director of the biggest (of three) primary schools, police station commanders in Zajas and Oslomej, the deputy police commander and the deputy commander of uniformed police in Kicevo. Six outlets of ministries are headed by Albanians. And also other administrative institutions, from the outlet of the health fund to the sports centre, are now led by Albanians.

Albanian staffing is increasing also on the lower levels. Albanian policemen in the Kicevo region doubled to 85 (of a total of some 350). At the hospital it increased by from 33 to 57, while the total number decreased from some 365 to 312. In the *Sande Sterjoski* primary school the number of Albanian employees increased from 51 to 58, while the number of ethnic Macedonians decreased from 74 to 65.

Saziman Alili, a former politician, now director of the Kicevo hospital, sees dramatic change: “For Albanians now it’s not 100 percent better, it’s 300 percent better!” While others are more critical or cautious in their assessment, most Albanians admit that the situation clearly changes for the better.

Macedonian reactions



Kicevo centre by night

These developments hurt the economic prospects of the ethnic Macedonian population. Of 25 newly hired in the hospital in 2004, only one was ethnic Macedonian, one Vlach. Finding employment in the state administration as an ethnic Macedonian is difficult these days, and will remain so for the foreseeable future.

Kicevo's ethnic Macedonians deserve credit. There has been no public outcry, no protests, and while most are not happy about the new employment policies, they acquiesce and agree – when pushed – that the practice of earlier times was not fair. But even if outright confrontation could be avoided so far, the economic consequences are tough to swallow.

Ilija Kitanovski, a former VMRO-DPMNE mayor of Kicevo, put it like this: “It is good that more Albanians are included in the state administration. And it's clear to the Macedonians that this has to be that way. There is however a danger that this leads to frustrations on the Macedonian side if it takes too long before economic development provides positive prospects.”

The economic side



Kopačka, another company in ruins

While the implementation of the Ohrid Agreement has gone much further in Kicevo than many expected, the news on the economic front are dire.

Half of the 6,600 jobs in Kicevo's socialist industries had already been lost from 1989 to 2002. In the following three years, another 465 of the remaining 3,298 jobs were gone. The only positive development was the tripling of the workforce of "Izvor" in Drugovo municipality, a textile company that was bought by a private investor from Struga. Two former socialist companies went bankrupt, and at least four others have downsized their workforce while fighting for survival.

The private sector is not in better shape: All four private companies that in 2002 employed more than 30 workers, are in crisis. The Albanian owner of *Himara*, a textile company, is considering to close down and return to France where he had worked until the late 1990s. Cheaper world prices for piece work have rendered his company unprofitable. The other textile company, *Osogovo*, struggles with similar problems. *Bemos* and *Bistra Drvo*, two construction companies, had to shrink their work force considerably because after the 2002 elections they had difficulties winning public tenders. Another company has emerged at their place, but except for this, in the three years from 2002 to 2005 not a single new production company with more than 10 people has been opened in Kicevo.

In addition, Albanian businessmen complain about lower spending by their diaspora when they come to visit in the summer months. From these capital injections many Albanian private companies used to live through the rest of the year.

The challenge ahead



Kicevo's main boulevard by night

In 2002 ESI wrote:

“For the nascent common European foreign and security policy, Macedonia has been a model for how a concerted intervention can contain a conflict, turning a crisis into a diplomatic success. To build on this, however, the European Union will have to develop a credible programme not just to implement the provisions of the Ohrid Agreement, but also to address the structural causes of ethnic conflict. Only a serious commitment of European assistance which addresses the problem of industrial decline and rural underdevelopment can alleviate the dangerous dynamics which currently shape Macedonian society. The battle for stability in Macedonia is far from being won. It is in places like Kicevo and Zajas that Ohrid implementation must begin to make a difference in people’s lives.”

The case of Kicevo illustrates that a lot has been achieved with regard to the implementation of the Ohrid Agreement. The “structural causes of ethnic conflict”, like industrial decline and rural underdevelopment, however, have not been successfully addressed. Today it does not seem any more likely than in 2002 that Kicevo can overcome its economic development problem that is deeply rooted in its socialist legacy on its own.

A credible European perspective could make a crucial contribution.