Losing Values: Illiquidity, Personhood, and the Return of Authoritarianism in Skopje, Macedonia

Fabio Mattioli
The Graduate Center, City University of New York

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LOSING VALUES: ILLIQUIDITY, PERSONHOOD, AND THE RETURN OF AUTHORITARIANISM IN SKOPJE, MACEDONIA.

by

FABIO MATTIOLI

A dissertation submitted to the Graduate Faculty in Anthropology in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York

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by

Fabio Mattioli

This manuscript has been read and accepted for the Graduate Faculty in Anthropology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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THE CITY UNIVERSITY OF NEW YORK
ABSTRACT

Losing Values: Illiquidity, Personhood and the Return of Authoritarianism in Skopje, Macedonia

by

Fabio Mattioli

Advisor: Katherine Verdery

On May 17, 2015, over 50,000 people took to the streets of Skopje, the capital of the Republic of Macedonia, protesting against Prime Minister Gruevski and his party, the conservative neoliberal Internal Revolutionary Organization of Macedonia (VMRO). After nine years of authoritarian government, it was the first significant demonstration in which the population demanded accountability for Gruevski's despotic system of rule. This dissertation is the story of how Gruevski's system of power was built and why it lasted for so long. I argue that a series of failing financial processes, which included the use of illiquidity, created the material and moral conditions for subjection to this system of power.

This dissertation is also a story of loss. It details how the VMRO regime monopolized the Macedonian market, forcing companies either to become its cronies or systematically lose money (that is, Macedonian denars), by accepting partial or no payment for the work they provided. But it also analyzes the capacity of such monetary illiquidity to redefine what it means to be a person in Macedonia. Citizens and workers who found their own social worth diminished by illiquidity were forced to adopt rent-seeking behaviors that over time transformed their social personhood. It
is to this double aspect of subjection, material and existential, economic and political, that I dedicate the center stage in *Losing Values*.

Utilizing findings collected during 12 months of fieldwork in Skopje, *Losing Values* constitutes a bridge between classical studies in political anthropology and contemporary debates about finance as a process of subject formation. I see this intellectual work as an intervention into contemporary political debates. To date, we have many accounts of Eastern European countries' transitions from socialism, detailing the chaos that plagues the postsocialist condition. There is, however, very little scholarship about a second transition, which concerns the emergence of authoritarian politics at the fringe of Europe. Yet at this time of political turbulence, it is crucial to understand the combination of financial and non-financial techniques of governance that empower kleptocratic and neopatrimonial regimes. In Putin's Russia, financialization goes hand in hand with state control of the market; in Erdogan's Turkey, real estate bubbles go hand in hand with internal militarization. Presenting the case of Macedonia, *Losing Values* constitutes an insight into processes of value loss that connect financialization, its failure, and the peculiar resurgence of authoritarian politics in the region. More importantly, the research bridges the study of different areas, such as Mediterranean Europe, Western Europe, and Eastern Europe, promoting an integrated discussion of financialization at a critical point when the European process seems to have shifted from integration to peripheralization.
Acknowledgments

Many mentors, friends, and comrades helped me navigate through the rough seas of intellectual, economic, and existential uncertainty that I faced while writing this dissertation. My mother, Cristina, and my father, Luciano, have long prepared me for the journey; it was to their unshakable faith in my capacities that I held on like a compass in a stormy night. It has been inspiring to see Federico, my brother, grow up: his own trajectory, and his own writing, felt soothing, and reminded me of my own humanity and passion. The example of my grandparents, Enrico, Norfa, Beppe, and Marisa taught me the value and dignity of hard work. I learned that sweat knows no class nor color, but can be transformed into effortless performances thanks to the example of Maestro Faccini. Like a Nereid, my wife Bela held strong at the rudder, taking me to unexpected places, filled with real and imagined beauty, where my mind could wander, and be completed by the warmth of hers.

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Abbreviations

**BIS**: Bank for International Settlements

**CEE**: Central Eastern Europe. Typically, it identifies the area between Russia and German-speaking countries.

**Domakin**: Host, but also head of a household. It designs both the responsibility to welcome and treat guests, but also the power to make decisions in a social group.

**FDI**: Foreign direct investment.

**FX**: Indicates that a loan or other financial instrument is denominated in foreign currency.

**Gazda**: Patron or owner who exercises absolute authority.

**GINI**: A measure for the income distribution in a given country.

**GTC**: City Commercial Center. The GTC is the most famous socialist-era mall in central Skopje.

**HUF**: Hungarian forint, the currency in Hungary.

**IMF**: The International Monetary Fund.

**IPA**: Instruments Pre-Accession Assistance. Funds available to candidate countries for joining the EU and generally disbursed through capacity building projects.

**LIBOR**: London InterBank Offered Rate. It is a world benchmark for determining the interest rate on short term loans, based on the London market.

**MKD**: Macedonian denar, the currency in Macedonia.

**NaMa**: Naroden Magazen, socialist era shopping center.

**NPL**: Non-performing loans, generally defined as loans that have not been paid 90 days after their due date.

**OECD**: Organization for Economic Co-operation and Development.
**PLN**: Polish zloty, the currency in Poland.

**SDSM**: Social Democratic Union of Macedonia, a left wing party that led Macedonia in the first years of the independence and is currently the main opposition force.

**SME**: Small and medium enterprises.

**USD**: United States dollar.

**VMRO-DPMNE (VMRO)**: Internal Revolutionary Organization of Macedonia- Democratic Party for Macedonian National Unity. The right wing party that has been ruling Macedonia since 2006.
Introduction

1992, 2007/08, 2015: a sequence of dates that Macedonians know very well. In 1992, Macedonia separated from the crumbling socialist Yugoslavia and began its troubled independence. The years 2007-8 mark the beginning of the global financial crisis, an event that interrupted decades of financial growth and prosperity and wreaked havoc on major European democracies. Lastly, 2015 defines the crisis of the authoritarian regime built by the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity (VMRO-DPMNE, hereafter referred to as VMRO) in Macedonia, with massive popular protests.

1992, 2007/08, 2015. These dates are relevant beyond Macedonia, as they constitute crucial moments that articulated the increasing role taken by finance in shaping global politics. The 1990s marked not only the collapse of actually-existing socialism, but also the crisis of the economic model that generated growth for the social democracies at the core of the European Union (EU). As Eastern Europe was ravaged by ethnic wars, shock therapies, and sweeping privatization, the welfare state was being more or less silently dismantled in the Western world as well. The EU itself was morphing into a unified market more and more detached from the democratic will of the people. In parallel, the production of Western manufactured goods was moving massively to defunct socialist countries or emerging economies, leaving the first world to benefit from/depend on profits from financial transactions, rather than the actual production of goods, as the engine of its economy.

Initially, the growing importance of finance generated an unprecedented influx of wealth in developed countries. The devastation of the former socialist world allowed manufacturers in the West to expand into new markets, ripe with cheap labor, and hungry for Western brands. Western
multinationals invested their enormous profits into the financial sector that boomed, quite literally, producing myriad new products that absorbed and generated what looked like an endless flow of cash. Finance quickly took on a life of its own, resembling less and less a way to make production happen, and instead becoming increasingly auto-referential. Maybe for this reason, very few anticipated the 2007-2012 financial crisis. When Lehman Brothers went bankrupt and the mortgage backed securities it had sold as bulletproof turned out to be just bad loans, the game of finance seemed to have reached its end, finally trumped by the "real" economy.

What made finance so powerful in such a short timespan? As financial companies panicked in 2007, various public institutions stepped in to save banks they considered too big to fail. But was that the only moment when finance intersected with politics? If one considers the twentieth century alone, it seems increasingly the case that financial processes weighed on societies and shaped their political life. On the microeconomic level, rising levels of household debts, mortgages, and student loans have allowed financial schemes to dictate very intimate aspects of our everyday lives. Choices like getting married, having children, or going to college depend regularly on financial considerations. On a macroeconomic level, the growth of finance has paralleled a progressive reshaping of democratic institutions worldwide. In the European Union, for instance, the rise of German finances first fueled the Spanish, Irish, and Greek debt bubbles. After their collapse, the very same financial powers granted Germany the political leverage to impose austerity measures, even against the will of elected politicians.

At the edge of the European Union, the progressive importance of finance has gone hand-in-hand with the rise and consolidation of authoritarian regimes. Putin's Russia, Erdogan's Turkey, and Orban's Hungary are just a few examples of illiberal regimes that utilize a range of financial instruments to build non-democratic political structures. But how do they do it? One would expect
that the reach of local political institutions (such as the state) would be limited, rather than expanded, as financialization grows. With an increased connection of the local economy to global finance and a faster circulation of money in society, one would imagine a crisis of local sovereignty. Why, instead, do we witness its solidification in authoritarian regimes? In this dissertation, I utilize the case of Macedonia to explore ethnographically the paradoxical connection of finance and authoritarian regimes in Eastern Europe. The small, beautiful, and landlocked country, once part of socialist Yugoslavia, has been ruled by the VMRO party and its leader, Nikola Gruevski, since 2006. For about ten years, the country has seen the VMRO increase its control over the economy, as well as an increased relevance of finance in everyday life. In what follows, I explore the social relations that emerged from this specific financial landscape in order to explain how the VMRO regime sustained itself over time.

My analysis starts from a crucial ethnographic phenomenon, the widespread difficulty in getting paid, which my interlocutors generally called nelikvidnost, that is illiquidity. As I further investigated the causes of such a lack of money in society, I realized that, according to aggregate statistics, Macedonia is rather filled with cash. So why were companies and individuals that participated in my research not able to benefit from this money? My dissertation shows that the VMRO party has shaped the political economy of Macedonia into a hierarchical structure, whereby money is structurally syphoned towards the political center, occupied by the party and friendly oligarchs. Those who are not politically affiliated, such as the companies I researched, are left in an economic desert, fighting over the very little segments of market not controlled by the government. Illiquidity, then, is a result of one's structural condition—not a simple consequence of the presence or absence of money in society. While a postsocialist economy like Macedonia has
often suffered from lack of capital, it is the new centralization of political authority and control over the flows of finance that generate structural illiquidity.

The VMRO system of forced credit has been ensured by two large scale processes. Internationally, Gruevski's rule was fueled by the availability of international credit that followed the EU flag. Because Macedonia has no natural resources, Gruevski's capacity to control the country relied on loans. EU countries, interested in utilizing European investments for their own purposes, considered Gruevski an amenable partner. Private investors and financial institutions, instead, were convinced that Gruevski's Macedonia was indeed a business-friendly country, from which they could reap great benefits. Despite the fact that these ideas proved wrong, the inflow of funds granted Gruevski enough capital to jumpstart investment schemes that directly benefited his oligarchs. These companies, then, were able to attract other subcontractors and impose very burdensome deals on them. Ultimately, it was access to international finance that allowed the VMRO the capacity to attract and force domestic forms of credit. The system proved to be inherently unstable and did not grant the VMRO complete domination of the society.

Domestically, however, the birth of Gruevski's authoritarianism has been made possible by the weakening of the urban middle class. During socialism, urban consumption constituted a very important process of social integration. Yet such a possibility almost entirely disappeared during the transition, partly because of the collapse of Macedonian factories and partly because of the mounting level of inequality. Without enough economic or political power to claim their independence, many urban middle-class families did not oppose the VMRO, even if its power favored mostly provincial and dispossessed families. With time, many middle-class urban individuals found themselves facing an impossible choice: either to subject themselves to the
VMRO and became part of an aspiring rentier class, or to be relegated to the margins of the system and live in fear of the authoritarian rule.

Regardless of their choice, Macedonians were deeply impacted by the VMRO political economy. Participants in this research and various other friends lamented that there had been a shift in social behaviors and possibly even in what kind of persons they had become. Subjection, as I see it, signals the formation of one's personhood through the deepening of the existential footprints that make us unique. But it also emerges from the connection that a person's being establishes with the world around us. It is about being, but in the world, as Arendt (1958) would put it. In other words, subjection is a deeply political process, whereby an emergent political order is anchored to specific kinds of personhood that it has contributed to shaping. Subjection embodies a dialectic with the material world of political changes that can only be comprehended by examining the interconnections of structure and agency, personhood and political economy, emotions and materiality.

In this perspective, it is clear why the redefinition of value relations that followed the VMRO political economy of forced credit caused myriad implications for how individuals relate to each other and come together to form different collectives. In other words, by capturing and monopolizing money, the VMRO not only influenced how economic value was apportioned in society, but it also redefined what it meant to be a person in the eyes of others—that is, shared social values. In this dissertation I observe two aspects of such an emerging authoritarian subjection, both related to the workplace. First, I analyze how individuals who have been dispossessed from their job-related identity try to utilize spaces of uncertainty to generate individual opportunity. Secondly, I describe the increased tensions generated by the contradictory
dimensions of class, ethnic, and gender solidarity under the condition of authoritarian financialization.

Ultimately, I argue that financialization gives the Macedonian elite the tools to generate new forms of dependencies, not so different from the "wealth in people" observed in many other societies (Gluckman 1968, Ferguson 2013, Verdery 2003). Individuals, caught within the VMRO system of forced credit, see their economic and existential value disappear; by becoming dependents of the VMRO, they try to displace some of their own exploitation onto the shoulders of others who lack political protection. In other words, authoritarian financialization gives birth to a domestic set of core-periphery relations, and new forms of subjection center around tentative relations of interpersonal, gender, and ethnic dependency. Compared to other contemporary kleptocratic or rentier regimes, however, Gruevski's authoritarian system is inherently unstable. Not only does it depend on foreign loans, but it is also contingent upon the presence of a periphery to be exploited, which contrasts with the authoritarian aspiration to rule the totality of Macedonia. Because value is mostly transferred vertically to elites who are unable or unwilling to generate economic growth, the VMRO authoritarian financialization looks like a pyramid scheme, which needs to increasingly phagocytize new members to exploit in order to avoid collapse.

The vertical and horizontal hierarchies of subjection are particularly evident in Skopje's construction sector, which, since 2010, has been one of the busiest and most lucrative in Europe. Conducting fieldwork among various companies operating in Skopje's construction trade, I describe how illiquidity follows the paradoxical inflow of private and European investments and their capture by companies and individuals close to Prime Minister Gruevski and the VMRO party. Businessmen and workers without political connections, however, are left drowning in debt.
0.1 Macedonia: From Fragmentation to Centralization

Comparing Macedonia to a fruit salad annoys Macedonians enormously, yet the metaphor aptly describes the first decade of Macedonia's independence. Since the peaceful referendum that sanctioned the country's independence from the Socialist Federal Republic of Yugoslavia in 1992, the small country of approximately two million inhabitants has suffered from dramatic economic, political, and ethnic fragmentation. With the dissolution of socialism, the formal economy collapsed. Unemployed citizens turned massively to smuggling and other forms of the informal economy while ethnic tensions between the Albanian minority and the Slavic-speaking Macedonian majority exploded in an armed conflict. Serbia, Bulgaria, and Greece disputed the country's very existence, leading to years of economic embargos and the impractical effect of duplicating its name: Republic of Macedonia domestically; Former Yugoslavian Republic of Macedonia (FYROM) in many international bodies.

On an economic level, the transition from socialism and the privatization process that ensued were devastating. Most of Macedonia's production system consisted of heavy industry integrated in the overall Yugoslav production chain. With the breakup of the country and the wars in Bosnia, Croatia, and Kosovo, Macedonian industry lost the majority of its market. Many companies, part of bigger Yugoslav groups, lost their capital in war zones. Others were simply never paid for their work in different Yugoslav republics or abroad. Without a financially solid state or a functioning banking system, Macedonian companies were soon outpaced by Western firms and then sold for very little value to managers who stripped them of assets before condemning them to bankruptcy (Shajnoski 2015, Slaveski 1997). This resulted in a very high decline of industrial output, one of the most severe in the overall region.
As demonstrated by figures 1 and 2, Eastern European gross industrial output declined at different rates, dividing the region in two rather distinct areas. Countries such as Poland, Hungary, Czech Republic, and Slovakia constituted a European semi-periphery that became the destination of substantial European investment and outsourcing relatively early on. The Balkans, on the other hand, and other small countries such as the Baltic republics, experienced a drastic decline, which lasted over a decade and generated a veritable new periphery of the European Union.

Figure 1: Real Gross Industrial Output, Eastern Europe Semi-Periphery.

Despite losing 50% of their industrial capacity almost overnight and reaching a steady unemployment rate of 30 to 40 percent, Macedonians survived. Citizens used the informal relations they had developed during socialism to operate small businesses, especially in the service sector. Smuggling, from cigarettes to oil and gold, created dense networks of exchanges between Macedonia and the neighboring countries of Kosovo, Serbia, Bulgaria, Greece, and Albania. These informal activities seldom generated taxable revenues, yet they were crucial to create pockets of wealth and employment, to the point that the Social Democrat Party (SDSM) remained conspicuously silent and permissive towards this increasingly fragmented economic landscape. In power from 1992 to 1998, and then from 2002 to 2006, the SDSM enforced property and fiscal law only partially, and not bothering to control petty entrepreneurs allowed the SDSM to forge alliances with some wealthy managers who were left free to accumulate capital at the expenses of firms in the process of privatization and their workers. Despite their amassed riches, none of these
entrepreneurs became a proper oligarch, given the small size of the country's market and its lack of natural resources and foreign investments. Instead, the austerity policy promoted by the SDSM to stabilize the Macedonian denar rooted informal relations of local business within the productive tissue of Macedonia. Macedonians did not thrive, but it was precisely the economic and political fragmentation that condemned them to macroeconomic stagnation that also allowed them some degree of micropolitical autonomy.

Ethnically and politically, Macedonia is a highly divided country. The very name of Macedonia stirs endless debates, both internationally and domestically. Greece does not recognize the country's constitutional name Republic of Macedonia, arguing that Makedonia is the name of the Greek region surrounding Thessaloniki. Bulgaria, on the other hand, claims that there is no Macedonian nation—for Sofia, the Slavic-speaking population of the Republic of Macedonia are Bulgarians. Because an increasing number of Macedonians declare themselves Bulgarian to obtain a coveted EU passport, Bulgaria's claim could become bureaucratically true. Serbia, conversely, does not recognize an autonomous Macedonian Orthodox Church, claiming that it belongs to the Serbian Patriarchate.

Internally, Macedonia is highly fragmented. Somewhere between 25% to 35% of the population is ethnically Albanian and in large majority Muslim. While under socialism Albanians were informally discriminated against, they had a set of recognized cultural rights. After independence, the Macedonian state was constitutionally defined as a Slavic and Christian Orthodox space; that is, ethnically Macedonian. This provoked a six-month-long armed conflict between a paramilitary Albanian formation and the Macedonian Army, which, in 2001, led to the Ohrid Frame Agreement, an internationally brokered agreement whereby political power became constitutionally shared along ethnic lines. This peace deal has ensured some degree of stability,
allowing Albanians (and other minorities) to create autonomous structures of power; as a consequence, today's institutions and urban spaces are even more divided across ethnic and party lines.

It is against this backdrop of social, economic, and political fragmentation that Gruevski and his party, the VMRO, instituted their political economy of subjection. Promising to fight corruption, to restore dignity and order to the state, and to bring Macedonia out of its economic stagnation by attracting foreign capital, Gruevski convinced a large part of the rural population to vote the VMRO party into power in 2006. The VMRO has won every election since, as the Prime Minister relied on having elections early in order to prevent others from organizing against him. The VMRO won the 2006 parliamentary election with 33% of the vote, the 2008 parliamentary election with 48%, the 2011 parliamentary election with 39%, and the 2014 parliamentary election with 42%. Under Gruevski's rule, the state reversed the route it had taken in previous years, entering a process of power centralization. Gruevski did essentially eliminate corruption as Macedonians knew it, although the practice did not disappear in absolute terms. What had once been an example of an informal and "human" economy became a source of illiquidity, whereby the VMRO became the only arbiter to determine a company's economic success. Informality continued to be widespread, but in a centralized form: instead of linking people at the fringe of the political system, it has been absorbed as the guiding principle for the functioning of the VMRO state.

Gruevski's centralization did not remain confined to the economic sphere, but spilled over into other domains of social life. Among these, the VMRO insisted on promoting new, or rather, traditional moral values. His government endorsed homophobia as an official policy, restricted women's reproductive rights, encouraged pro-natalist policies, and institutionalized nationalism.
and religious/ethnic exclusivity. However, the conservative character of his social agenda provided many citizens with an existential anchoring. In fact, many interlocutors saw Gruevski as a providing father, a "right-wing person who implements left-wing social policies." For this interlocutor, Gruevski's welcome paternalism was embodied at best by his capacity to provide jobs. After having destroyed people's economic autonomy by promoting illiquidity, the VMRO emerged as the provider for both economic and existential value. The VMRO not only implemented an internationally-backed neoliberal agenda, which is often the case in financialized economies, but also invested in the public administration, de facto providing economic resources to a part of the population. Nevertheless, in so doing, the party aimed at cutting off most of Macedonia's workers from access to money, controlling who did and who did not have access to it.

It is no secret that to get a job in Macedonia one needs the VMRO card. Gruevski effectively transformed the VMRO into a job reservoir in the hope of creating a new aspiring rentier class. During his nine years as Prime Minister, Gruevski dismantled the previous state apparatus by demoting, firing, or replacing most of the influential figures within the state administration who did not pledge political alliance to his party. He then centralized power within the VMRO itself, promoting to the highest level of the party and the state a group of energetic, albeit inexperienced, business-oriented youth. Utilized as his proxies, these young ministers were frequently replaced with new ones to prevent them from acquiring overwhelming influence in the party. Finally, he endorsed a massive hiring of (mostly unskilled) public personnel from the ranks of the VMRO party. Recent analysis shows that the number of public employees in the country has nearly doubled since 2006 (Kapital 2015).

The breadth of the VMRO's control over the Macedonian society went much further than simply institutionalizing bribery and patronage. Gruevski took almost complete control over the
media by allowing oligarchs close to his government to acquire most of the print newspapers and television channels. He imprisoned an oligarch who did not support him and closed his TV station, the major private channel in the country. Journalists were often threatened and in 2014, they were literally beaten by security guards while asking questions in the national assembly and thrown out. According to widely circulating rumors regarding reports from US ambassadors posted on Wikileaks, NGOs critical of the government's operation were called in by the police for questioning. In 2008 one of the leaders of the opposition and then-mayor of Strumica, Zoran Zaev, was detained (and then released) for alleged abuse of power.

Since 2015, a massive amount of tapes recording conversations between Gruevski and other officials have been revealed to the public. In these conversations, we can hear Gruevski and other officials discuss how to use thugs they hired within the Ministry of the Interior to punish or terrorize some reluctant businessmen. Gruevski and others discuss how to replace, pressure, or secure favors from judges. They also discuss how to scrap existing urban regulations to allow for speculation, how to send inspectors and eventually demolish the building of a businessman who did not want to conform, and how to disguise the whole affair so as to make it seem legal. The extensive capacity of the Gruevski regime to spy on and control people's lives was expressed to me by a heightened fear that my interlocutors had in 2013 and 2014. I had close friends look over their shoulders and lower the tone of their voices when talking about the government in public.

The widespread fear of and resignation to VMRO domination was actively cultivated by the party. There was a coordinated effort to generate anxiety about the consequence of not conforming to the VMRO. This did not mean necessarily "punishing" individuals who did not conform, although it did happen. By and large, individuals without the VMRO pass just found themselves stuck, without answer, with their plans delayed. This, I argue, sets Macedonia aside
from other transitional states, where corruption is a common practice that does not contribute to solidify an authoritarian ideology of government. Yet I would hesitate to call Gruevki's Macedonia a form of Fascism, because it seems to lack a clear ideology and direction. The predatory, rather than modernizing, nature of the VMRO elites and their piecemeal attempts to gain domestic power by intercepting geopolitical finance seem to set them aside from historical iterations of Fascism, focused on autarky or colonialism. At the same time, the VMRO did not only empty the state from within, as Ganev (2007) has remarked for the case of Bulgaria. Instead, the VMRO built a substantially centralized system, where the aspiration for statehood and rent generated a solid social cohesion.

0.2 Regional Comparison: A Typology of Authoritarian Regimes

Since the early 2000s, various Emerging European countries have seen the rise of progressively authoritarian regimes, which I understand as regimes where informal reciprocities (such as bribes and patronage) generated a widespread sense of fear, control, and intimidation. The 2016 Freedom Reports characterize Eurasia, overall, as "not free," with the exception of Ukraine, Georgia, Moldova, and Armenia that are classified as "partly free" together with Macedonia, Kosovo, Albania, and Turkey. Poland and Hungary, on the other hand, are still ranked among free countries, albeit with a downward trajectory (Freedom House 2016).

In journalistic accounts and EU policy circles, the resurgence of authoritarian regimes is described as a populist drift. For instance, on January 13th, 2016, the editorial board of The New York Times dedicated a lengthy and concerned piece to Poland. The Polish "retreat" and "deviation" from the "fundamental values of liberal democracy" is seen as "foolish," "reprehensible" and "deplorable" (The New York Times 2016). In a similar vein, albeit with a more

Such accounts suggest that "frightened" (to use *The New York Times*'s words) or "frustrated" populations are duped by politicians that camouflage their "egotistic goals," to borrow from the European Commission's own President Tusk (Barker 2016), as national priorities. While some European elites such as Rupnik (2007) portray authoritarianism and populism as a constant scapegoating tactic by national elites, few realize that authoritarian regimes are today not only playing the national issue against Europe: they actually emphasize the growth of economic inequality and peripheralization that followed the 2007-2012 crisis in Europe (Mudde 2015).

Besides the tense relationship with Brussels, what unites such authoritarian regimes? While by and large defined by a growth in the powers of the executive government (or president) that exist in a strong state, the actual forms of government control vary across the region. Generally, they include various levels of censorship over the media, capture of the economy, influence over the judiciary, and sabotage of the opposition. Some countries, like Montenegro and Belarus, have essentially never transitioned to a democratic life. Milo Dukanovic has been the prime minister of Montenegro since 1991, with only short interruptions in 2006-08 and 2010-12. Dukanovic controls the country's political and economic systems thanks to his connection to organized crime and the Italian Mafia (Nuttal 2016). Alexander Lukashenko, on the other hand, has been the president and de facto dictator of Belarus since 1991, manipulating elections and managing the country's political, social, and economic life. In Russia, Vladimir Putin rose to power in 1999 as the designated successor of Yeltsin and has since maintained power together with his proxy, Medvedev (Gessen 2013, Dawisha 2014). A former KGB official, Putin has been associated with
a series of political imprisonments and killings that involved dissenting and critical voices from the media as well as oligarchs, opposition politicians and former operatives in the secret service.

Recep Tayyip Erdogan's rise to power in Turkey has been equally marked by a stronghold on media and, more recently, by a full-fledged internal war against the regime's most credible electoral menace—the Kurdish population and parties. While nationalist rhetoric and the creation of internal enemies have been crucial in cementing the leadership of Viktor Orban in Hungary and Jarosław Kaczyński in Poland, these regimes have not (yet) implicated the country in a bloody conflict. Instead, both leaders have begun a series of constitutional and economic reforms that aim to encroach on the parties in power and redress their countries' unequal integration within the European economic system.

Where is Macedonia located within this spectrum of authoritarian policies? In what follows, I analyze a series of economic indicators to understand the variation in political choices across authoritarian regimes. I especially focus on three interconnected areas: first, I discuss the macroeconomic picture focusing on the kind of resources that dominate the country's economy. Then I analyze public and household debt, giving particular attention to mortgages. Finally, I focus on liquidity, measured through the availability of money and reserves in the banking sector.

Data suggest that authoritarian regimes in Russia and Turkey are directly connected to periods of instability and GDP decrease. In both cases, authoritarianism followed immediately after financial crises, Russia's liquidity crisis in 1998-9 and Turkey's financial meltdown in 2001, respectively. In Hungary, the victory of Orban's party followed the 2007-2012 world financial crisis and EU-imposed austerity, which also constituted the background for the victory of Kaczyński in Poland. In Macedonia, however, external economic shocks do not seem to be directly connected to the ascent of Gruevski, who was elected in 2006, at a moment in which the
Macedonian economy seemed to be recovering from the fifteen years of transition. As we will see in the dissertation, however, financial crisis and illiquidity will be particularly important for the structure of Gruevski’s regime.

Macedonia is by far the poorest of these economies, although the difference between Macedonia, Russia, and Turkey is slightly larger or smaller depending on the unit of measure chosen. On the other hand, the income per capita of Hungary and Poland is almost invariably three times that of Macedonia. If one looks at how different sectors contribute to add value to the GDP in Macedonia, Hungary, and Poland, it becomes immediately clear that the two Central European states present a significantly higher contribution from industry and manufacturing sectors, composing over 41% of GDP in Hungary and 37% in Poland. These two sectors combine to make up only 27% of GDP of Macedonia, which instead presents a higher incidence of construction, real estate, and agriculture (combined 39% of the value added, in contrast to 14% in Hungary and 13% in Poland). While data of comparable detail on Turkey and Russia are not available, my analysis of exports suggests that Turkey resembles Hungary and Poland, and Russia Macedonia.

This is partly an issue of size: Macedonia does not have a large enough internal market, qualified workforce, or the historical expertise to support highly lucrative manufacturing. Instead, the Macedonian economy has been historically dominated by heavy industry (especially iron and steel), textiles, agriculture, and mineral extraction. The role of exports provides additional insights into the relative importance of industrial sectors, and therefore the class structure of authoritarian regimes.

Russia, just like Macedonia and Hungary, presents a low level of diversity, while Poland and Turkey have developed a wide range of exports in 2014. Natural resources, and especially oil and gas, dominate the Russian economy and its exports, explaining its extraordinary growth over
the years and recent decline with the decrease of the price of oil in 2015. Natural resources, especially minerals such as zinc, lead, and marble are important in Macedonia and to a lesser extent in Turkey, where gold is more prevalent. The extractive sector, and generally heavy industry, is typically organized around large conglomerates. While the returns in this industry are high, they are not often distributed throughout the population; instead, they favor the growth of a class of oligarchs.

Manufacturing industries are crucial to Hungary, Poland and Turkey. Although with clear differences, one can see that textile industries, one of the most exploitative and least beneficial for employees, have become less important in Turkey and have left space to the production of machinery and other transportation products—industries which have facilitated the rise of a lower-middle class in Poland and Hungary, thanks to higher salaries and higher tax revenues. On the contrary, the decrease of the importance of textiles and natural resources in Macedonia has not had the same benefits; not only because it is very recent, but also because the industries in question are located in special economic zones, pay very low salaries, are heavily supported by the state, and pay only a 10% fixed tax.

Examining the rise of income inequality through the GINI index, which measures the income distribution in a given nation, and the share of wealth owned by the highest percentile, as presented in the Standardized World Income Inequality Database (Solt 2014), confirms the suggestions provided by the analysis of exports and the breakdown of the GDP. Macedonia is the country with the highest level of inequality in the sample and generally in Europe. There have been two distinct periods where the share of wealth possessed by the top one percent rose significantly: immediately after the transition (1991) and in the aftermath of the election of Gruevski in 2006. The spike in 2004 can be associated with the signing of a trade agreement with the EU. In 2010,
the top one percent possessed 12.2% of the national wealth (in comparison to 11.68% for Russia and 10.20% for Turkey).

Figure 3: Share of wealth detained by the top 1%, selected Eastern European countries.

Figure 4: Inequality share, GINI index, selected Eastern European countries.


Figure 4 shows that social inequality, as measured by the GINI indicator, escalated rapidly after the VMRO's ascent to power in 2006. The GINI index reached 42.55 points, slightly less than Russia's 43 points and more than Turkey's 39 points. This suggests that, until 2006, it was the SDSM government that had allowed the oligarchs and other members of the urban petty bourgeoisie to gain their fortune. Gruevski had to fight, replace, or convert many of these oligarchs, in an attempt to create his own rentier class.

This is not unlike what happened in Russia, where Putin also had to face significant opposition from oligarchs who controlled the oil industry. But Putin had more resources than Gruevski: his personal connections in the KGB allowed him to draw from powerful, dangerous, and often well-funded allies in Russia and beyond, who were able to fund and support his early
actions (Dawisha 2014). In addition, Putin had the Russian State at his disposal, a powerful and repressive regulatory system, albeit in considerable disrepair after a decade of transition. Rich with oil, a prized global commodity, Putin was able to construct a strong authoritarian regime that not only centralized wealth, but also concentrated power in an institutional way that was harder to achieve in Macedonia.

Erdogan faced similar challenges compared to both Putin and Gruevski. A prominent member of the Islamic Welfare Party, Erdogan had been mayor of Istanbul from 1994 to 1998, when the party, which had then been voted into power, was forced to step down by a non-violent military coup. After the party was banned, Erdogan was imprisoned. In 2001 he founded a new party, the Justice and Development Party (AKP) and won the general election the following year, despite his opposition to the powerful and wealthy oligarchs such as the Koc and Sabanci families, among others, which had strong connections to the Turkish Army and the secularist Kemalist parties. Erdogan's own support came mostly from Islamic groups, including those led by Abdullah Gul, which had become popular among the emerging entrepreneurial class composed by owners of small and medium sized companies from Anatolia, usually referred to as the Anatolian Tigers or Islamic Calvinists (European Stability Initiative 2005). Banking upon the increasing capacity to intercept offshoring from global multinationals, especially in the textile sector, Erdogan fueled the development of small, self-exploitative enterprises rooted in family businesses into large-scale conglomerates. In fact, one can see the share of income of the top one percent augmenting rapidly in the first period of Erdogan's election, going from 6% in 2002 to 14% in 2007. Some of these companies then bought out their previous investors (as in the case of Taha textile, which bought out the French giant LC Waikiki). The Anatolian Tigers cemented Erdogan's power, providing his regime with not only the resources of large conglomerates, such as Russia's extractive industry,
but also the backing of myriad emerging small and medium sized companies. This helped an entire Islamic middle class to emerge, and to rally behind Erdogan at critical times, such as the failed coup of July 2016. While income inequality is still high in Turkey, one can observe a downward trajectory in the share held by the top one percent since 2007, potentially linked to the increase in inflation—a move that helped citizens access credit while also jeopardizing their financial sustainability.

This is a completely different scenario in comparison with Macedonia, where early oligarchs built their empires by cannibalizing the (then socialist) middle class. When Gruevski set out to confront these oligarchs, he could not count on an emerging stratum of small and medium enterprises, nor an emerging middle class. Urban entrepreneurs in Skopje were surviving, but mostly thanks to the SDSM's tolerance for the gray market. As will be clear in Chapter 5, the large majority of the ethnic Macedonian middle class struggled to maintain some of its class privileges. This probably explains the importance that Gruevski assigned to attracting foreign investments, which included revamping an agency called Invest in Macedonia and hiring a set of economic promoters based in different countries that responded directly to him. As shown in the chart above, the share of Foreign Direct Investment (FDI), which captures the participation of foreign companies in the ownership of local enterprises, has risen constantly since 2007, although not at a very fast pace compared to the previous ten years. In fact, while Gruevski counted on investors to generate revenues and solidify his regime, Chapter 1 will show that his rentier strategy proved counterproductive for many international investors, who decided not to get involved with his government. Still, the opening of a factory by Johnson Matthey significantly impacted the Macedonian economy, whose main article of export is now emission control catalysts.
FDI is particularly high in Hungary, where it reaches 80% of GDP. By comparison, FDI stocks are around 45% of GDP in Poland and Macedonia and much lower in Turkey and Russia. In 2014, 48.6% of Hungarian FDI regarded the financial and banking sector, while 35% was invested in manufacturing. While generally the financial sector is foreign owned throughout the region, including in Macedonia and Poland, Hungary is peculiar insofar as it has received massive investments from large global multinationals like General Electric, Audi, Nokia, and Philips (Santander 2015).

Figure 5: Comparison of FDI stocks in selected Eastern European countries.

![Graph showing comparison of FDI stocks in selected Eastern European countries.]

Source: Eurostat, Central Banks. Data expressed in Percentage of the GDP.

The different nature of international investors explains why FDI amounts in Poland are a smaller percentage of GDP, although they are actually double in absolute value. In 2014, Polish
FDI was worth 245 billion euro and in Hungary, 98 billion euro. If Hungary has become a production and service hub for global corporations, much of Poland's production is directly dependent on Germany, either through FDI or offshoring, which explains why Poland has navigated the global financial crisis somewhat better. German companies and investments have thus generated a more balanced development in Poland, where FDI is more diversified compared to Hungary and reaches sectors such as investment in trade (14%), real estate (6%), and research (5%), together with finance (25%) and manufacturing (30%). This is consistent with the different structural position of Poland and Hungary, which both constitute semi-peripheries for EU flows of capital, and Macedonia, whose peripheral position limits the amount and kinds of foreign investors interested in relocating their production.

Regardless of the share of FDI, however, it is clear that Hungary's and Poland's manufacturing sectors are structured to fulfill export-oriented production. The relatively low level of income inequality compared to Russia, Macedonia, or Turkey signals that foreign investments in manufacturing of medium to high-technology products (including computers and phones) have supported the emergence of a lower-middle class. Contrary to Turkey's petty entrepreneurial class, the two Central European countries do not feature a structure of highly interconnected small- and medium-sized companies. Very few Polish or Hungarian companies have had the upward trajectory of the Anatolian Tigers, remaining the de facto back office for Western European conglomerates. That implied a slightly less exploitative labor relation, with higher wages on average, but also the lack of a concentration of capital from local entrepreneurs. Stuck in this subordinate position, aspiring middle-class workers in Poland and Hungary resorted to acquiring debts, rather than salaries, as a viable path for social betterment.
In the wake of the crisis in Greece, most of the international discussion focused on public debt, and especially on the debt-to-GDP balance (Duman 2013). However, in the aftermath of a crisis in which salaries have been blocked by austerity measures, excessive prudence or bankruptcies in the private sector, households have increased their borrowing to face everyday payments globally (Mason and Jayadev 2012). In fact, household debt was a crucial element in determining the beginning of the 2007-2012 financial crisis, with the proliferation of bad loans and their repackaging and sale (Bellamy Foster 2008). Countries like Poland and Hungary did not have the same level of household debt at the onset of the crisis. OECD data shows that debt for US households was 145% of disposable income; for Polish households debts were 39% of disposable income, while Hungarian households owed 62% of their disposable income. This is comparatively low in comparison to other European countries hit heavily by the crisis. In Greece, the debt to household income ratio was 80%, in Ireland 263%, in Portugal 145%.

Yet loans and especially mortgages were generally denominated in foreign currency (FX), or with FX clauses, which meant that as the crisis progressed, households faced heavier installments because of the devaluation of the local currency against the Swiss franc or the euro. In 2003, only 20% of the mortgages had an FX clause; by 2010, it was over 70% (Hungarian National Bank 2015). The change was partly due to more favorable rates provided by the incoming euro integration, but also by the cessation of home ownership subsidies in 2003-4 that suddenly made mortgages denominated in Hungarian forint more expensive and caused an immediate spike of 30% to 40% in the value of installments of FX mortgages (Harmati 2005, Westerwelt 2012).

Orban made the mortgage issue a central political question. Since 2011, he pushed through agreements, laws and legal verdicts that shielded customers from bank speculation on FX mortgages. This included banning FX loans, forcing banks to repay excessive installments
charged, accept payment of FX mortgages at lower exchange rates and eventually to convert FX mortgages into Hungarian forint. Orban also extended the moratorium on eviction and instructed the National Asset Manager (NAMA), the agency in charge of social housing, to purchase repossessed homes from banks at a substantial market discount (between 30% and 50%), de facto nationalizing mortgages. Finally, the Fidesz government started an ambitious plan to provide social housing and loans to families for building their own homes, especially for those who had lost their homes because of FX mortgages (Lambert 2015, Eddy 2016). These measures proved effective as the ratio of debt to disposable income decreased to 57% after having reached 81% in 2010.

FX mortgages were a problem in Poland as well, although not as acute as in Hungary given the overall better performance of the country's economy that buffered the mortgage impact. Since the 2000s, it has become common to borrow at cheaper rates in mortgages denominated in Swiss francs rather than in Polish Zloty (PLN) (Laszek, Augustyniak, and Olszewski 2015). As I will show in Chapter 1, Europeanization in Poland, Hungary, and the rest of emerging Europe allowed banks lucrative opportunities through various lending instruments. In Poland, FX lending was not as indiscriminate as in Hungary but mostly targeted a higher middle-class population. In addition, while in Poland, interest rates followed the London Interbank Offered Rate (LIBOR) plus a premium, in Hungary they were fixed and determined by private banks. When the crisis hit, the LIBOR went down with the PLN, thus mitigating the impact that currency devaluation had on interest rates. Interests on Hungarian FX mortgages, instead, were fixed or determined by the banks, which amplified the impact of forint depreciation and made loans more expensive (Laszek, Augustyniak, and Olszewski 2015). Possibly because of the more contained nature of the problem, the Polish state was not as radical in tackling the issue (Barrel et al 2009). While banks did stop
offering FX lending in 2012, household debt continued to grow—reaching an all-time high of 59% of disposable income, or 625 billion PLN, in 2013. Kaczynski, after winning the 2015 election, explicitly proposed following Orban's steps by converting FX loans into Polish zloty, a decision that has been criticized for its non-liberal and potentially destabilizing nature (Sobczyk 2016). In Macedonia, 94% of housing loans are FX denominated or with an FX clause, which is generally in euro. Nevertheless, the MKD is pegged to the euro and has not substantially appreciated or depreciated throughout the crisis, hence not significantly impacting loan repayment so far. FX loans and their growing interest rates have been of concern in the region as a whole, as proven by the creation of an FX loans committee of lawyers engaged in protecting consumer rights.

In Turkey and Russia private debt has quickly risen, yet it is mostly consumer credit that preoccupies financial analysts. In both countries, loans are mostly denominated in local currency, resulting in less exposure to the volatility of exchange rates. Following the depreciation of the ruble that ensued after Russia's recent military interventions in Crimea, Ukraine, and Syria, Russian banks have further converted a large amount of foreign denominated loans into rubles (Hirst 2015). The reasons that push families and individuals into debt are, however, not the same in Turkey and Russia. While real estate seems to have a minor influence in Russian household debt dynamics, a recent push to transform dwellers of informal settings and citizens into entrepreneurs (Parmaksizoglu, personal communication) has resulted in a sharp decline in homeownership, pushing families to become more dependent on consumer credit as disposable income declines (Duman 2013). Tunc and Yavas (2015) notice a decrease of household saving rates and an increase in mortgage contracts despite the rise in inflation and salaries. This suggests that Erdogan is utilizing liquidity, in the form of loans and salary growth, as a tool for political support from an aspiring middle class.
In Macedonia it is public, rather than private, debt that shapes the life of the country. In 2003, household debt amounted to 0.2 billion international dollars (I$). By 2015 it had reached an all-time high of 2.5 billion I$. In this period, Macedonia's household debt increased 13 fold, while Russia's increased 47 times and Turkey's 26 times. The sheer amount or velocity of increase of private debt is, however, not telling. Hungary and Poland saw much more contained figures, with household debt growing only 2.7 and sevenfold respectively, yet, because the increase was composed mostly of FX mortgages, it created a debt environment much more toxic than in Macedonia, Turkey, or Russia. Mortgages in Macedonia make up less than a fourth of the overall household debt, which is dominated by consumer loans. In fact, just as in Turkey and Russia, banks have generally maintained a more prudent approach to housing loans, with an approval rate between 70% and 80% for residential mortgages, than for consumer loans, approved well above the 80% threshold (Hungarian Central Bank 2015).

Figure 6: Household debt in Macedonia.

Source: Macedonian National Bank. Data expressed in billions of MKD.
Throughout my fieldwork, the Macedonian credit system seemed schizophrenic. While small consumer loans of up to 5,000 euro were commonly offered at relatively low rates, families and businesses who wanted money to invest in larger purchases (such as apartments) or new business activities found it increasingly hard to access bank credit. This is not because of a lack of funds from Macedonian banks. Quite the contrary, Macedonian banks seem to be holding on to their liquid assets and cash, as their ratio of liquidity to assets is stable around 25% and has consistently been one of the highest in Eastern Europe. In 2015, only Hungarian banks had higher liquidity—probably a consequence of Orban's plan to curb FX lending and to capitalize banks to provide affordable loans.

Figure 7: Banks' liquid reserve to GDP ratio in selected Eastern European Countries.

What explains Macedonia's liquidity paradox? Why are banks well-funded and yet the Macedonian market suffers a chronic lack of money to the point that in-kind transactions such as kompenzacija, the core of Chapter 2, are widely popular? Certainly the high percentage (over 40%) of nonperforming loans that plagued Macedonia's banking in the 1990s influenced expectations about the 2007-2012 financial crisis. On the other hand, such risk aversion, as most of the economic commentators and researchers I interviewed described it, might stem from a real lack of profitable opportunities. Banks might have realized that very few companies in Macedonia are well-positioned to utilize loans in profitable ways. The macroeconomic importance of private transfers also indicates that Macedonian banks intercept a large section of grey and illegal money that is not easily invested but is rather maintained on accounts.

Figure 8: Macedonia's trade deficit, private transfers, and account deficit.

Source: National Bank of the Republic of Macedonia and World Bank staff calculations. (Blue corresponds to trade deficit, red to private transfer, green to account deficit, expressed in percentage of GDP).
While all of these factors play a part, it is also important to notice that the lack of liquidity that is generated by banking policies strengthens the position of the state and the VMRO political structure as crucial platforms for accessing money. I argue in Chapter 2 that it is then necessary to understand the relation between banks and the government, in order to capture Macedonia's selective liquidity, or rather illiquidity. As the whole dissertation makes clear, the configuration of credit, illiquidity, and authoritarianism that emerged in the country amplified the potential for exploitation, centralized the Macedonian economy, and promoted personal dependency on the state.

Macedonia is not the only emerging European society where the state is regaining a prominent role in the economy, especially in Hungary, Poland, and Slovenia. As Turkey and Russia come under greater international pressure, it is the networks of oligarchs and their companies that maintain internal control over the workforce by providing jobs or manipulating the media (Tugal 2016). While Macedonia's social climate was extremely oppressive, the VMRO was not able to turn into a genuine totalitarian state by institutionalizing control over the economy. Macedonia did not nationalize its own financial or productive system—mainly because the country and its middle class have not had the productive resources or the purchasing power to sustain it. On the contrary, the VMRO strategy has been to utilize public debt, originally from international investors such as the IMF, EBRD, and FDI to propel the national economy. This has allowed the Macedonian public debt to skyrocket. Since Gruevski's election, Macedonia's debt increased threefold from 1.3 billion euro (20% of GDP) in 2006 to the current 4.10 billion euro (46% of GDP).

A comparison of countries in the region shows that such an increase is significant, but not quite as dramatic as some. As I highlight in Chapter 1, Slovenia and Albania have seen a much
higher increase of public and private debt. The selective reliance on foreign finance has characterized the Gruevski regime with a markedly less anti-imperial rhetoric when compared with the anti-EU sentiment exuding from Orban's or Kaczynski's governments. In more recent years, however, as internal protest received international attention, the government shifted its debt to domestic banks. While the EU remains the overarching authority in political matters, the VMRO has pursued closer commercial and political ties with Moscow and China, and has promoted an instrumental approach to EU funds—a pattern of explicitly rent-seeking behaviors that I document in Chapter 1.

0.3 Financialization and the Urban

Financialization has been defined as the tendency to invest in the stock market rather than in industrial development in order to achieve quicker profit (Smart and Lee 2003, Sokol 2009, Arrighi 1994, Magdoff and Sweezy 1987, Harvey 1978, Krippner 2005). Thanks to the technological developments of financial markets, anything can be turned into a financial product: objects, investments, companies, land, private and public debts, currency spreads, or even food future prices are securitized. These new products are then bought or sold not because of their productive capacity, but in relation to the speculative potential, also known as shareholder value (Aglietta 2000, Boyer 2000).

Three aspects seem to be crucial to the workings of financialization. First, financialized economies experience significant wealth redistribution. Typically, such transfers proceed from the bottom part of the population to the upper percentile of earners. Whether through wage suppression or increase of value added (Lapavitsas, 2009), these processes signal the onset of financialization. The following step is generally constituted by an expansion of lending activities, whereby
managers of funds or investment bankers, in constant competition for higher gains, turn to predatory lending and junk bonds. Scholars who have theorized the mortgage crisis point out that the housing bubble at the core of the 2007-2012 crisis was generated by the aggressive behaviors of underwriters, brokers, and investors who earned fees and premiums by convincing working class citizens to acquire more debt despite having declining or stagnating wages (Ho and Pennington 2006). Second, financialization percolates across social domains and deeply transforms social relations. James (2012), Guerin (2014) and Williams (2005) among others have demonstrated that the spread of financial debts conflicts with other forms of social reciprocities and transform the habits, behaviors, and even identities of people who contract such debts. This also affects the banking and financial professionals themselves as they experience the pressure of debt not as consumer, but as labor forced to forgo most of their personal life and work 110 hours or more per week in extremely hierarchical environments (Ho 2008). Both groups of people, consumers and producers, become extremely involved with the risk of finance. Yet while the risk of being "liquidated" becomes a productive gamble for investors and financial professionals (Ho 2008, Miyazaki 2006), common citizens such as youth of color in inner cities described by Williams (2005) experience it mostly as a form of loss.

The final point emerges from ethnographic analyses regarding the emerging forms of comparisons and calculations that sometimes generate illusory conclusions concerning economic processes and realities. Poon (2012) traces the mortgage crisis to the adoption of the FICO score by state-backed Fannie Mae and Freddie Mac. The FICO score allowed a wide array of financial players to evaluate customers without having to actually know their particular situation, and made it suddenly possible to compare, convert, and exchange mortgages. Such a performativity of markets, whereby new modes of thinking or technologies generate actual economic shifts, have
also been crucial in creating an illusory understanding of financial markets, whereby insolvent debts have been repackaged and by that very act, made magically good assets (Crotty 2009). While studies have shown that the performances of financialization are based upon specific technological and cultural structures, I show here that their material and political implications are also extremely different according to their location. In places like Macedonia, financialization happens through forced credit, in-kind exchanges, and illiquidity. As such, the Macedonian case is crucial to highlight the variety in which actually existing financialization operates beyond Wall Street.

Geographically it makes sense to consider the similarities and differences of financialization at the core and the periphery of a newly constituted global order (Arrighi 1994). After all, scholars who studied the dynamics of neoliberalism or late capitalism have shown the spatial movements of capital (Harvey 1989a) and its capacity to follow increasing real estate values (Smart and Lee 2003, Smith 1979, Whitehead 2008). On the urban level, surprising parallels can be noticed between the disinvestment of global corporations from industrial centers, their relocation of production facilities overseas, and their investment into newly-created receptors of global finance. The creation of the Rust Belt, as well as the fate of Detroit and New York City, seem to be part of this process. Yet one can argue productively that a similar process has been at the core of the de-industrialization and transformation of former socialist societies. The collapse observed in many provincial cities such as Leipzig is not very different from that of Detroit. But what about the gains of financialization? Do investments in urban spaces in postsocialist societies look like Bloomberg’s New York (Brash 2011)?

While financial investors see their investments in cities as equivalent to other stock or bond purchases (Charnok, Purcell, and Ribera-Fumaz 2014, Rafferty and Brian 2006), some studies have shown that the political context matters in promoting or pushing away financial flows.
Chicago, for instance, has recently attempted to finance the city's infrastructure by issuing bonds on future tax increments, also known as Tax Increment Financing (Weber 2010). But the reason why financial investors were so attracted by TIF was the minimal risk presented by having a powerful city government as their lender, one that could resort to forms of political control to make urban development happen. Such cases beg for comparative deepening of the intersections between politics and financialization. What would happen with societies where the market is not segmented according to corporate power but political oligarchy? It stands to reason that in emerging European societies, how and why financial credits and debt are managed could highlight different structures of political control. If, as noted by Rutland (2010), urban development involves the interests of many actors, then the kind of urban financialization that takes place in small, capital-poor societies dominated by oligarchies should be different from that of Chicago or New York.

One of the main points of difference could be in the relation between financialization, political power, and forms of popular financing, such as mortgages. In fact, while in countries like Spain, Greece, the US, Ireland, and Hungary, mortgages proliferated before the crisis, that has not been the case in authoritarian countries such as Russia or Macedonia. Consumer mortgages for home ownerships in Macedonia have started to become more available, and between 2013 and 2014, I was able to see a significant reduction of interest rates, which declined from eight percent to six percent for most banks. Nonetheless, that banks were reluctant to give mortgages confirms that home ownership is located somewhat in between "anchoring wealth in place via property … [and] facilitating global investment and the extraction of value" (Fields 2014: 148, Aalbers 2008).

Does that suggest an unwillingness from (mostly foreign-owned) banks to risk capital in the periphery of Europe? Or, conversely, does it suggest that authoritarian governments utilize
different means of wealth redistribution and credit—in other words, that urban financialization in authoritarian regimes works differently? We know that flows of money fueled urban investment in cities like Barcelona (Charnock, Purcell, and Ribera-Fumaz 2014). Why did they not invest so much in Macedonia? Did it have something to do with the VMRO authoritarian regime? In the following chapters, I will explain the specificity of urban financialization in Macedonia by describing its geopolitical relations, internal and non-financial mechanisms of redistribution. But I will also describe the specific forms in which urban financialization has altered individual subjectivities and generated a fertile ground for the VMRO regime.

In the Macedonian case, it is not financial institutions or banks that benefits the most from monetary rents. It is the state that regulates how, and to what extent, private and international investors can convert their capital into urban development and profit. The lack of extensive financial capital and the strong presence of the government produce subjection through illiquidity; that is, by selectively preventing the circulation of money. This is the opposite of what has been observed in most of the anthropological studies of financialization, in which the ease of borrowing and circulating money created by predatory lending induces wide sectors of the population into the debt trap (Williams 2005, Palomera 2014). In fact, as I will show in Chapter 2, Macedonia's state-driven illiquidity shows the dangers not of debt, but of credit.

0.4 Illiquidity, Personhood, and Political Economy

Illiquidity is often taken as a mere fact that derives from the volatility of financial markets. In this dissertation, I analyze Macedonia's illiquidity as a result of a system of forced credit, whereby financialization translates into authoritarian subjection. In fact, my study suggests that there are radically different kinds of illiquidity, which stem from opposite political and economic factors.
For instance, chaos and political fragmentation framed illiquidity in Russia in 1998. In 2007-8, worldwide illiquidity was generated by the fear that a domino effect would lead major global banks to bankruptcy. This is not the situation in contemporary Macedonia. Instead, illiquidity shadows centralized political structures that allow the VMRO elites to capture the market and to influence how people think about themselves. While this dissertation mostly focuses on the mechanisms of forced credit that cause the transfer of wealth and value from the wider society to the VMRO elites, illiquidity figures as a relevant existential and economic social fact at the core of authoritarian financialization. Given the small size of the Macedonian market compared to that of other predatory regimes such as Turkey or even Bulgaria, the transfer of wealth is dramatic and the control of the state extensive. Such control rarely takes explicitly violent forms, but those outside of the machine are left with fewer options to survive. By describing what generates illiquidity and how people react to the slow pace of monetary payments, then, I capture the weight of the authoritarian financialization on individuals. Illiquidity is a protracted condition rather than an event, and it induces subjects to shift their behaviors and values to accommodate opportunistic behaviors or political control. In the theoretical architecture of this dissertation, illiquidity constitutes the social context whereby economic and political processes translate into feelings and personhood.

Despite being mentioned in nearly every analysis concerned with the 2007-8 world financial crisis, few authors have actually proposed a theoretical take on illiquidity. In Wall Street jargon, illiquidity generally stands for a lack of cash, or an inability to transform one's capital into cash. Because in a financialized world most transactions do not use actual money but are based upon short term credit, illiquidity can also mean the inability to obtain credit. This common-sense definition is, however, inadequate. Experience shows that even in the direst of crises, it is generally
possible to sell one's capital, or at worst, to give it away. The mere possibility of exchangeability is almost never in question. The problem is, of course, that anyone selling during a crisis would not receive the expected value of the property, let alone realize a profit. Keynes (1936) had this idea in mind when he suggested that liquidity was maintained by the ability to anticipate the market, catching the right time to sell and enhancing the value of one's capital. In his definition, it was the "velocity of exchange" that defined liquidity as a capacity to transform capital maintaining or augmenting its value. Conversely, it can be deduced that Keynes considered illiquidity the opposite phenomenon: not the permanence of value through exchange, but its evanescence.

While in some kinds of transactions value might be equally shared between exchange partners, in a capitalist market, value is typically contentious. In financial transactions, the control of a company or the ownership of debt is transferred from one shareholder to another, which engages in such a transaction to multiply the value invested and therefore its power. But what happens during illiquidity, when such transactions and payments are hard or impossible to make? Who benefits from illiquidity? Who is able to realize the value of one's labor, when a bubble bursts, the market crashes, or there is not enough money to pay? In this dissertation, I take a hint from Donald Trump, who, in 2006, famously declared that if there was a crash in the real estate market, "People like me would go in and buy like crazy" (quoted in Meckler 2016). Even the most dreadful of crises does not prevent transfer of values—instead, market crashes become prime opportunities whereby political elites accumulate incredible shares of wealth. I suggest that by simply invoking illiquidity, classical economic accounts prevent a full analysis of the predatory mechanisms that shape finance and make illegible the political structures that frame the market.

In early anthropological work, the issue of value emerged within studies of exchange practices and networks. Seminal figures in the discipline, including Malinowski (1978), Firth
(1959), Mauss (2007), and Ortiz (1995), were interested in understanding the social structures and mechanisms that regulated the exchange of goods, status, and money. In their work, however, the power dynamics that were engendered by value transfer were left in the background. Early debates that focused on the rationality of exchange tended to highlight the tension between cultural and economic values, generally arguing that primitive tribes inclined towards one or the other. Political hierarchies were often mentioned but rarely considered as a factor that shaped the very architecture of value transfer, systematically advantaging one group over another.

Jane Guyer (2003) has been particularly important in shifting the debate about value, exchange, and politics. Re-evaluating Bohannon's classic work, Guyer realized that what were described as discontinuous and autonomous spheres of exchange were in fact a series of transactions that had come into being during colonial times. While at the core of the economic system described by Bohannon, valuables such as brass rods or cloth were not exchanged for everyday commodities, these exchanges happened at the geographical periphery of the system. Adopting an historical and regional perspective, Guyer showed that even in strongly organized cultural systems, value underwent considerable transformation through exchange. The question thus becomes what kinds of values are convertible, and how are they made equivalent by specific economic and political configurations, and who benefits from it. In this dissertation, I utilize such a perspective in describing how financialization generates an economic condition of illiquidity whereby economic and social values become uncertain. The authoritarian regime becomes a way to secure one's economic as well as social existence. Seen in this way, authoritarian financialization is a process of value transformation, whereby economic illiquidity allows for the transformation of social values such as forms of patriarchal solidarity into individualized fragmentation that favor the consolidation of the VMRO.
My study of authoritarian financialization expands on the work of scholars who studied the emergence of new political configurations through value circulation. Coming from different theoretical paradigms, authors such as Pedersen (2012), Graeber (2001), Maurer (2012), Ferry (2005), Rogers (2005) and Strathern (1988) have proposed thinking about the circulation of values by analyzing how moral and economic values enmesh one another within existing political structures. While still very much concerned with the cultural logics of value generation and transfer, these authors have progressively devoted larger analytical spaces to the political aspects of infrastructures of payments and reflected more intensely upon the consolidation of power that follows the expansion of financialization. Maurer, for instance, devoted his early work to the study of practical reasoning embedded in Islamic banking (Maurer 2005), while his most recent writing focuses on the rent extracted through the privatization of payment networks by credit card companies (Maurer 2015). Similarly, Graeber (2001) started off with a notion of value as cultural desire, and more recently developed theories of financial debt centered around domination and bureaucracies (Graeber 2011).

In this copious body of literature, there is a growing tendency to include, together with processes of value creation, other mechanisms whereby value is lost, dissipated, or dispossessed. Ferry (2005), for instance, demonstrated how the circulation of minerals in Mexico and the US prompted different processes of value creation. In Mexico, the extraction and exchange of non-precious minerals in silver mines are embedded in a network of social relations. Minerals are at the center of negotiations between workers, the mine's management, and mutual obligation. Yet, once exported from Mexico to the US, the minerals lose their social value and acquire a status of pristine, natural beauty.
Rogers (2005) is even more explicit, analyzing the social context that produced liquidity in Russia in the late 1990s. Comparing payments made in moonshine, rubles and reciprocal labor, Rogers shows the different social values associated with differing means of payment. In the postsocialist context of social fragmentation and monetary instability, moonshine is cheaper and more readily available than rubles because it can be produced locally. However, payments received in the form of moonshine are embedded within the values of male sociality and can be manipulated by both workers and employers to increase or decrease the labor thus exchanged. In the context of a postsocialist state, where previously stable socialist and collective values are collapsing, moonshine appears as the one circulating value that ensures rural Russia's collective survival.

Despite their overall focus on the social production of value, both Ferry and Rogers show the centrality of loss, risk, and uncertainty in the processes of conversion. In Russia and Eastern Europe more broadly, the transition from socialism disrupted the value system supported by the socialist state (Verdery 2003), while in Mexico it is the physical movement of objects that strips them of their social meanings. However, both accounts focus mostly on the new sets of values that become associated with the objects that circulate, rather than the process of losing value itself. The value of the object circulating is, in both accounts, an analytical abstraction resulting from the sum of the qualitatively different meanings associated with moonshine or minerals by different people. Because the object's circulation is a narrative device to discuss social positioning, what they describe as loss is mostly a change in the narrative perspective.

But what happens when people experience intimate kinds of losses, such as the loss of one's salary, one's respect as worker, or one's possibility to fulfill the gender roles considered ideal? Who capitalizes upon such unrealized value? In my ethnographic accounts, I show that illiquidity does not simply mean a dissipation of value, magically lost. Rather, illiquidity testifies to a rapacious
political economy whereby Macedonia's construction sector is monopolized by the country's elites. While oligarchs close to the VMRO party accrue their economic value, the rest of the sector experiences increased uncertainty and risk associated with loss of economic value. Faced with an increasing amount of financial pressure over time, which they describe as illiquidity, workers and managers found a space of economic and existential protection in the VMRO. Protected by the party, they could fend off the increasing competition they faced as a consequence of illiquidity.

As both an economic consequence of financialization and a political process that expands subjection to the VMRO authoritarian regimes, the illiquidity I observed in Macedonia goes against a substantive strain of literature that, in the social sciences, has depicted modernity and finance as a process of continuous acceleration or abstraction. Non-Places (Auge 1992), Time-space compression (Harvey 1989b), or even the opposition between human and debt economies presented by Graeber have been conceptual tools that associated advanced capitalist exploitation with impersonal and faster rhythms of value exchange and production. Yet, in this dissertation I show that financial debt and personal patronage combine in extremely complex ways to generate different forms of violent oppression and inequality. I show that the "presence of men with weapons" and the "means to specify numerically how much a debtor owes" discussed by Graeber (2012: 75) can act together to produce a financial landscape whereby the velocity of value exchange decreases. In Macedonia, it is precisely such a low intensity of transactions, or illiquidity, that generates dispossession and domination.

To capture what it means to live and navigate through illiquidity in Macedonia, the dissertation has to strike a difficult conceptual balance between providing a quantitative description of economic mechanisms and an empathetic presentation of their subjective and sometimes contingent lived aspects. The analysis of both the subjective and the material level is,
for me, the essence of critical political economy. I am aware that subjection is not widely associated with the tradition of critical analysis of the political economy that started with Marx. Yet every time I read the most functionalist work inspired by critical political economic thinking, I am carried back to my grandfather's stories of theft, where he and his brothers climbed trees, crawled into tunnels, and ran through woods to gather some fruit to eat. I cannot stop feeling their anger, as they remembered how their landlord preferred to feed his crops, the produce they cultivated with their labor, to pigs, rather than let them eat. But mostly I remember his hands, calloused and thin, worn by years of hard work, and yet stronger than mine. Those hands are for me an intimate argument about the political nature of economical processes and their capacity to shape humans to the furthest depths of their being.

0.5 Beyond Postsocialism?
Anthropological studies that detail the political, social and economic conditions of Eastern European countries argue that chaos, fragmentation, and uncertainty constitute the everyday traits of postsocialism (Shevchenko 2008, Buyandelgeriyn 2012, Burawoy and Verdery 1999). A few anthropologists have since discussed the centralization and production of power in security states, but their chronological reach has rarely expanded beyond late socialism (Verdery 2014, Gokariksel 2015). The centralization of power has, however, not gone completely unnoticed: political scientists have spent rivers of ink analyzing emerging neopatrimonialism (Szelenyi and Csillag 2015), kleptocracies (Dawisha 2014), rentier states (Franke, Gawrich, and Alakbarov 2009) and authoritarianism in the region.

Political scientists generally describe contemporary Eastern European states such as Hungary, Russia, Ukraine, Macedonia, Belarus, and Moldova, as "hybrid regimes." This
conceptualization stresses how states deviate from their expected path to democracy, presenting authoritarian drives and a weak civil society. Second, hybrid societies are generally seen as examples of variously embedded economies, whereby neoliberal markets have been captured by political elites. In this sense, hybrid regimes use state power to direct and distort the market. From a critical anthropological perspective, this description is laden with normative judgments that demonstrate the ideological expectation and approaches of Western political scientists and policy makers rather than the actual facts on the ground. Very early on into the transition, anthropologists documented that democracy, free market, and other such ideological claims were not the actual results of the transition, and possibly not even its real goal.

Their prescriptive assumptions notwithstanding, these terms embrace a very restricted circle of actors, usually located at the top of the power hierarchies. Thus, "kleptocracy" describes the elites' predatory behavior, whereby state resources are funneled towards private bank accounts. But what is the rest of the population doing while predatory politicians feast on the few resources left from the transition? Do they take part in kleptocratic endeavors, or do they simply suffer from them? This absence in the literature is one of the reasons why I consider my research with workers in the construction industry a relevant intervention. Showing the tense relations between workers and elites at the core of Macedonia's political economy, I try to provide a different perspective on the workings of power within autocratic systems in Eastern Europe.

Macedonia constitutes an interesting case in this respect. The country has had a relatively uneventful early phase of transition, without major political or humanitarian crises. Macedonians voted for their independence from socialist Yugoslavia by referendum and negotiated a deal for the exit of the Yugoslav troops without fighting. Blessed with fertile land and substantial agricultural production, Macedonians' survival was not completely jeopardized by the collapse of
the socialist state or its industrial production. Unlike some parts of Russia, which were left literally without food, Macedonians remember only a handful of days of rationing in the cities and none in most of the villages. Because the country’s population had moved to cities only in the second half of the 20th century, Macedonian citizens had access to land and agriculture. Macedonians, and the urban population in particular, benefited during the late socialist years from cheap credit for purchasing houses, land, and other consumption goods. As the crisis was prolonged and temporary unemployment became structural, citizens started selling their properties. They survived somewhat easily compared to other countries, but, left without capital, were unable to transition out of the transitional survival economy.

If Macedonia's economic fragmentation and agricultural production mitigated the collapse of socialism, it also burdened the country in the following years. Towards the turn of the twentieth century, most of the East European countries experienced some form of growth fueled either by their natural resources (Russia, Central Asia) or their proximity to the EU (Hungary, Poland, Czech Republic, Romania). Socially far from the EU and with obsolete infrastructures, Macedonia was largely excluded from these flows of investments. Compared to Macedonia, countries like Romania and Bulgaria that used to be considerably poorer under socialism looked like advanced countries in the early 2000s.

This slowing down of economic activity can explain the relative absence of oligarchs in Macedonia, as economic stagnation reduced the opportunity for private accumulation. Limited by the size of the country, its closed market, and the substantially declining purchasing power of the population, few managers were able to become very rich in Macedonia compared to Russia, Ukraine, or even Turkey after the military dictatorships. While the SDSM government did favor some urban entrepreneurs and oligarchs, in 2006, the VMRO found it easier to negotiate with
consolidated economic and political empires, unlike what happened to Putin or Erdogan, who fought the fierce opposition of the oligarchs during the early years of their mandates (Dawisha 2014).

While Gruevski aimed at centralizing power, the different class composition of Macedonian society pushed him to utilize methods only partially similar to those utilized by other emerging authoritarian leaders. Like Putin, Orban, or Erdogan, Gruevski extensively gagged the media. Dissident businessmen who persisted in publishing and broadcasting critical news were imprisoned and their television channels shut down. Journalists found their activity increasingly confined. In one instance they were even beaten by the police while asking questions at a press conference in the national assembly. The government's constant pressure resulted in what some described to me in 2013 as self-censorship.

Like most of the other eastern European autocrats, Gruevski’s power came to be based on control over the judiciary, and the security forces. Thanks to the operations of Gruevski’s cousin, Sasho Mijalkov, the budget of the security forces within the Ministry of the Interior increased nearly tenfold in the past ten years. Part of this budget was used to indiscriminately wiretap the phones of Macedonia’s citizens. Records released in the spring of 2015 show that over 20,000 people had their phones under surveillance in the country, including most foreign businessmen, dignitaries, journalists, and members of the opposition (Ceka 2015).

While the building of the security apparatus did prompt many to fear expressing their opinions and created a heavy climate of silence (as a high ranking member of the police confided to me), political violence never became a civil war like the one organized by Erdogan against the Kurdish population and their leftist supporters. Journalists and many interlocutors consider Gruevski responsible for some political imprisonments, various hate-driven beatings of gays and
other minorities, and possibly the homicide of a journalist. Though police violence seemed mild compared to what was observed in Turkey or Russia, during the tense protests of May 2015, when over 50,000 people filled the streets of Skopje for weeks, Gruevski's regime utilized anti-riot special police forces to disperse the gatherings and beat or arrest at least 30 citizens (Jordanovska 2015). Police officers went so far as to hunt down fleeing crowds in one of the public university libraries, where they beat and injured many students who were studying and had not participated in the gatherings (Human Right Watch 2015).

On May 9th, 2015, newspapers across the globe showed the guerrilla-like images of Kumanovo, a town in northern Macedonia, where the special forces of the Macedonain police and army had fought a very violent battle against unidentified paramilitary and terrorist Albanian cells. Most of the commentators saw in these actions an attempt from the Gruevski government to revamp conflicts between ethnic Macedonians and ethnic Albanians—a desperate move to shut down protests and justify the VMRO regime. Gruevski's use of terror tactics justifies his inclusion amongst the other autocrats of the region, such as Erdogan or Yanukovych, who also utilized various degrees of state-sponsored terror. While in 2015, Erdogan banked upon the fear generated by the Ankara bombing to escalate military actions against the PKK, and Yanukovych backed orders to shoot protesters during Euromaidan (Channell-Justice, personal communication), Gruevski did not immediately target his own citizens. Instead, he encouraged fears about extremist groups coming from Kosovo or other (possibly Muslim) countries.

Gruevski did not cultivate his own personality cult, but preferred to act in informal, personal ways. Rather than going Putin-style, playing in an All-Star hockey game, fishing with bare torso, or piloting a submarine (Walker 2015), Gruevski popularized his image as a hardworking government official, competent, and reachable by the citizens. In order to expand his
grip on the territory, he relied less on personal charisma and more on the building of his party. The VMRO became an important reality for the everyday life of Macedonians, de facto mediating jobs, taxes, and other difficult issues on behalf of its members. Yet while building the party, Gruevski also made sure that nobody could reach a threatening level of power or popularity, frequently changing ministers through early elections.

In sum, while the power of Putin, Erdogan, or Orban seems to be based upon explicit and direct acts of domination, Gruevski's style of government and control is oriented towards maintaining pervasive authoritarian subjection. This means that subjection is micromanaged, developed through informal rumors and delays and through uncertain and nebulous issues that sap one's moral and economic value, rather than directly forcing one to action. Financialization is central to Gruevski's political economy of subjection. Centralizing resources, and especially money, and spreading illiquidity in the rest of the economy pushes people to the fringe of the system, competing among themselves for access to resources and fighting for entry into patronage relations within the VMRO. Such a system of political control happens through informal channels, obvious to every party involved but never plainly admitted; thus, bureaucratic sources of power like laws or urban plans do not constitute real sources of power and authority, but only proxies for the VMRO political cronies.

In Hungary, or even Turkey, laws had to be changed, or urban plans could be impugned by citizens' movements (Parmaksizoglou, personal communication). In Macedonia, laws and citizens' attempt to enforce them did not matter as much. What is a law, or a plan, if there is no political will to enforce it? In the absence of an independent executive administration to persecute government abuse, citizens were left alone to deal with the VMRO oppression. Faced with the explicit and yet informal threat of economic loss and political insignificance, most of my
interlocutors did not see a tool for emancipation in laws, institutions, or even in collective politics; their way out of illiquidity was by becoming clients of the VMRO, a party where those ambitious or desperate enough can thrive. But climbing the illiquidity ladder has the explicit price of living in fear both of one's superiors and of one's peers. Rent-seeking behaviors allow citizens to recover some of the economic and social value stolen from them through illiquidity, but it costs them much of what they value for themselves.

0.6 Notes on Methodology

This dissertation is the product of twelve months of participant observation, which I conducted between August 2013 and August 2014. It also draws from some twelve additional months of research I conducted since 2008 in Macedonia. Most of my research is based in Skopje, but it has important implications for the wider country, considering the fact that the capital has some 800,000 inhabitants, or two fifths of the entire population of the country.

Some anthropologists feel empowered by fieldwork, even in challenging situations. I did not. Quite frankly, I felt out of place and rather a nuisance most of the time, even when I wasn't. Most of my participant observation and time was spent in the company of construction workers, who were not being paid for a long time. They were nervous, preoccupied about their future, but also stuck in the workplace. This, together with the turnover of people on construction sites, made my presence not so difficult to accept. While we came to enjoy each other's company and share intimate moments, I felt generally useless throughout my study. Was my study going to help them? I wanted workers to discuss details about their household financial conditions and debts with me. Was it right to find ways around workers' reticence to fulfill my research goals?
I could not find many justifications for forcing my way into the workers' private sphere. Yes, following workers at home after shifts in the workplace lasting ten or more hours would have made for a more complex picture of their lives, an aspect that would have greatly nuanced my account of gender (Chapter 4). I did not feel that was a decision respectful of workers' wishes, especially given the actual purpose of this study. This dissertation might be helpful to a community of scholars who think about power, crisis, and labor. Yet it does not provide any benefit to people who participated in my study, besides an abstract analysis of the workings of power that is unlikely to filter through policy circles and impact my interlocutors' lives.

I generally spent a minimum of four and a maximum of ten hours a day on construction sites and in administrative offices of various companies. I had originally planned to divide my time between a large, a small, and a medium-sized company. The large construction companies I contacted, however, decided that my questions were too politically compromising and withdrew their permission to conduct research. I ultimately decided to spend most of my time at Construx, where I was able to access not only the company's fifty employees but also its network of subcontractors (which was constituted at any given time by at least fifty more employees). Construx had been growing steadily until the spring of 2013, a few months before my arrival. In the last part of my research, I devoted more time to two additional companies, Ideale, a very successful company specializing in real estate with over 250 employees, and Planek, the subsidiary of another construction company specializing in planning. There I mostly focused on administrative activities, planning, and management techniques—materials that generally inform my understanding of political relations and that I briefly present in Chapter 5 but do not extensively discuss here.
The VMRO party was already in power when I first arrived in Macedonia, and over the years I have personally experienced the consolidation of social and political control and the tightening of spaces for dissent. That directly affected me, as I witnessed visa and residence regulations harden and become the object of increasing police scrutiny. I came to the realization that political subjection would become a central part of my dissertation rather late in my research. None of the data collected in the previous years refer explicitly to this process, documenting instead the transformations of urban space. Until 2013, I did not collect systematic data on political subjectivities and their connection to the economic situation. It was my interlocutors' fear of talking to me about financial flows, and especially the root causes of their own illiquidity, that made me realize the importance of the VMRO in managing networks of political oppression.

Clearly, this lack of comparative historical data poses some challenges to my argument, according to which the VMRO politics of illiquidity has permeated people's personhood and embedded it within networks of rent. I am aware of the fact that the VMRO did not build its political power out of thin air but expanded upon informal reciprocities that accompanied the economic vagaries of the transition (Berdahl 2010, Verdery 2003, Humphrey 2002). However, three major indicators suggest to me that the VMRO has had a profound influence on the country's social life. First, people in Skopje tend to complain that today "there are no people anymore" (nema covek). This expression suggests that there has been a shift in people's relations to each other, today described as increasingly exploitative, self-serving, and egoistic. While these kinds of complaints can be found in different societies, they accurately describe the behavior of public officials I witnessed. Needless to say, such rent-seeking individuals have been put in their administrative position thanks to connections with the VMRO leadership.
Second, the government has promoted discriminatory ideas on topics such as gender, ethnicity, and religion—ideas that reinforce ethnomasculine hierarchies. I observed and documented working class men struggling with these ideas, sometimes negotiating them, but most often reproducing them in their own subjectivity and behaviors. Finally, urban space and temporality have been materially impacted by the VMRO brand of authoritarian financialization. The VMRO has literally remade Skopje, both physically and virtually, as I explain in Chapter 5, and has created havoc in people's working lives, forcing companies without political connections into endless waits for credit, money, and materials. There, too, I observed social and emotional reactions that closely followed these material changes.

Although the VMRO inscribes its political domination within a larger history of decline and economic stagnation, this dissertation avoids a fatalistic vision of Macedonian history. At the time of writing, it is commonplace in Skopje to complain about the current situation; but at the moment of singling out its dramatic specificity, and especially of attributing or taking responsibility, my interlocutors tended to back down, claiming that "it is the same everywhere." I see this very tendency to relativize as an alarming proof of people's conflicted implications within the VMRO system of power. It is a tool for emptying everyday relations of their critical charge, and keeping the status quo, utilized both by common citizens and the VMRO alike. As my connection to Macedonian society deepens thanks to my new family (my wife is Macedonian), I find it all the more urgent to single out the specificity of the VMRO political system, rather than brush it away in a sweeping gesture of relativism; it is my personal and intellectual way of highlighting the current climate of fear, resignation, and complicity that rules Macedonia's public life.
0.7 The Layout of the Dissertation

The dissertation discusses two interlocking phenomena. First, I examine the international and domestic dynamics of financialization for the case of Macedonia. This includes international flows of money and domestic hierarchies of monetary redistribution. Second, I detail the extent to which the primary consequence of financialization in Macedonia, that is, illiquidity, impacts the lives of people in the construction sector. There, I describe the struggles, dilemmas, and strategies faced and deployed by individuals, and I stress what that meant for the way they understood their identity and their relations to others. Specifically, I focus on three pillars of my interlocutors' being, which other studies have shown to be crucially impacted by financialization: time, identity, and space. Because I began this research trying to explain how the built environment was produced in Skopje despite the lack of money, I built this dissertation to explain how financialization produces authoritarian subjection through illiquidity at the various stages of the building cycle. The layout specifically shows how illiquidity is produced through international relations, distributed domestically, negotiated and reproduced by workers, and finally results in new spatial structures.

The dissertation starts with the flows of money that finance the VMRO government and its illiquidity. Chapter 1 discusses Macedonia's relation with the EU as a form of colonialism that I name "Neucolonialism." I explore Neucolonialism in practice from the vantage points of Italian investors in Macedonia, discussing how desperate managers of small firms, well-connected directors of medium-sized companies, and institutional project leaders face European and local rent structures. Here, I argue that Neucolonialism fosters rent capturing within the EU, which fuels but also conflicts with rent-seeking behaviors within Macedonia. I conclude by suggesting some reasons why the EU might have been complicit in supporting the VMRO regime and why
Gruevski's authoritarian way of managing financialization has helped shield the country from the 2007-2012 financial crisis.

Chapter 2 discusses how financialization reorganizes payments in Macedonia. I focus on a class of in-kind exchanges called *kompenzacija* in order to stress the hierarchies of conversion and redistribution that are promoted domestically by illiquidity. Here, I show how companies that are politically distant from the VMRO government are progressively forced to accept goods that they do not want as payment. These objects, such as apartments or broken eggs, lose value, thus obligating a chain of companies not connected to the government to lose money. I conclude by suggesting that *kompenzacija* constitutes a form of domestic credit that has supplemented external debt in fueling authoritarianism. Financialization in authoritarian Macedonia has to be understood as a sequence of formal and informal, monetary and in-kind, international and national credit.

Chapter 3 focuses on the workplace, discussing the impact of illiquidity on temporal relations. Temporality has long been identified as a prime focus where political and economic forces impact people's lives. Here, I discuss how illiquidity produced by authoritarian financialization disrupts rhythms of work sites. The lack of money forces workers to adopt alternative working strategies, such as contracting additional jobs in their free time. The chapter describes not only the existential burden of finance-driven uncertainty as workers and companies spiral into debt, but it also shows the potential created by uncertainty as a space of action, whereby individuals try to negotiate acceptable compromises.

Gender and ethnicity are the focus of Chapter 4, where I show how VMRO illiquidity shapes working men's identities. The chapter first shows how contemporary illiquidity renders heteronormative and patriarchal masculinity impossible, despite the VMRO's insistence on aggressive masculinity as a fundamental component of Macedonian identity. Faced with
economically ascendant ethnic Albanians, Macedonian men express their troubled masculinity by challenging and dominating each other. The chapter shows the dilemmas that workers face and their struggle to find models of identification that constitute viable political solutions to the economic challenges brought about by the illiquidity created by authoritarian financialization.

The fifth and final chapter explores the subject position of Skopje's middle class in relation to space. In this section, I focus on the various spatial transformations that altered the city in recent years, discussing urban transformations in Skopje's center and peripheral neighborhoods. I discuss the contemporary debates around aesthetics, focusing on the value of kitsch facades for the imaginaries of middle-class professionals in the field of construction. Zooming in on practices of planning, I show how the VMRO utilized urban politics to propagate an illusion of invulnerability and control. I also discuss the despair of individuals who have to face planning bureaucracies on their own, and how they try to reach out to the VMRO for support. I conclude the chapter by showing how, in a climate of increasing fear and control, space itself came to be understood as a political actor—one that allowed individuals enough stability and protection from the VMRO's encompassing power to gather collective support.

The conclusion engages with theories of financialization, showing how the Macedonian case helps a comparative understanding of the political implications of finance in other countries in the region. I suggest that it was not only Macedonia's relative scarcity of financial capital that allowed it to navigate the world financial crisis. The VMRO regime, in fact, has been effective in both attracting as well as taming financial investments and translating them into wealth in people. But why did the VMRO want people? In the final sections, I analyze some of the implications of "having" people in Macedonia, providing insights into the oppressive political potential of financialization. I conclude by stressing that, in Macedonia, accumulating people was one of the
ways in which the VMRO regime tried to "make something out of nothing"; that is, generating wealth through rent. While its successes were mixed and mostly favored powerful oligarchs, the trajectory of the VMRO shows the limited options available to peripheral countries such as Macedonia, deprived of natural resources and ravaged by large-scale processes of deindustrialization. Compared to the US and other European societies, where democracy is questioned by moments of collective effervescence, symbolized in Trump's throwaway xenophobic lines, authoritarianism in Macedonia seems utterly dull, almost sensible—as long as one doesn't have to carry its financial and existential burden. For such countries, accumulating people rather than financial capital becomes an attractive method for survival in an increasingly financialized global economy.
1. Neocolonialism Italian Style

Towards the end of our conversation, Sandro grew excited. "Did I tell you that I was about to start a deal with Italian investors? What was this guy's name…he was from Napoli…let me show you, you see this? [opening a folder and showing me some pictures] It is a site for shredding and incinerating trash. He wanted to build a new system, you know, a very innovative one." Sandro paused for a long second, waiting for my question. "So what happened to that? Well, the minister, you know, an Albanian guy who I know personally, did not approve it. He was going to, but then he asked for a commission, you know. Money. A lot of money. And so the Italians decided to let it go."

It was not the first time I encountered Italian investors in the construction sector. I had originally thought it was some kind of joke, or an attempt to bond—showing me that people had had experiences with Italians in the past. With time, I realized that there was a significant number of Italian expatriates, investments, and projects in Macedonia. This chapter explores some of these Italian connections in order to understand how the geopolitics of finance embedded in the European integration process interact with the authoritarian regime in Macedonia. On paper, the EU should promote democracy and freedom—both of the market and of its people. Yet in recent years, a number of EU states have taken an authoritarian path, and the EU itself seems to take popular sovereignty less into account. What is the value of the EU project today? What kind of economic and social values does it harbor?

The case of Macedonia shows that European institutions and investors supported the VMRO government's political economy structure until late 2014, not only because of their own strategic interests. That is to say, while EU institutions and countries benefit directly from
communitarian money invested in Macedonia, I argue here that EU elites were not concerned with the development of authoritarian politics in Macedonia because they unfolded along cultural and economic paradigms the EU had long embraced. In retracing the peripheralization of Eastern Europe and Macedonia in parallel with that of Southern Europe and Italy, this chapter shows that financialization and rent-seeking behaviors have become common among elites in both groups of countries. This change of the EU project shows that monetary transfers, projects, and investments from the EU to Macedonia are not used to transmit monetary value from the center to the periphery and promote "democratic values" in exchange. Rather, EU investments are contributing to a centralization of wealth in the hands of the few, which, in the case of Macedonia, allowed the VMRO to build a distinctively oppressive authoritarian system.

In this chapter, I examine EU contributions to the VMRO authoritarian regime, mostly in terms of financial programs. This includes direct loans and credit from international bodies, private investments, international aid from EU pre-accession funds, and bilateral projects that provide technical assistance. As a consequence of the 2007-2012 financial crisis, banks divested from what they perceived of as risky sectors, such as the private construction business, and investment flowed into what appeared to be a reformist government—the Macedonian regime. The same crisis also incentivized private Western investors to look eastward as a way to escape mounting economic stagnation within the EU external core. I present the case of some Italian entrepreneurs who ventured into Macedonia as they fled the downturn of the Italian economy, and I describe their frustrated hopes to conquer new markets. I then move to examine institutional flows of money that took the form of grants and loans awarded from international organizations to the Macedonian government. There too, I focus on Italian companies in construction trades who compete for lucrative contracts funded through Macedonia's international development funds and loans.
Finally, I look at EU institutional projects in order to understand not only monetary flows but also their governance mechanisms and the political interests of the EU in Macedonia. Reflecting on the process, I conclude that the EU integration process—a process that I call Neucolonialism—shapes the political structure of both Italy and Macedonia, fostering rent-seeking behaviors in both countries.

1.1 Neucolonialism and Parallel Peripheralization

While Macedonia attracts investments that are not coming from EU countries alone, the EU is certainly Macedonia's most important political and economic interlocutor. In 2015, imports from European countries (including non-EU Balkan countries, such as Serbia) constituted USD 5.08 billion out of USD 6.41 billion, while exports amounted to USD 3.85 billion of a total of USD 4.35 billion (Simoes and Hidalgo 2011). Before the 2007-2012 crisis, export was linked to a variety of countries, including Greece and Italy, that suffered enormously from the recession. After the crisis, Germany became the destination of the majority of Macedonia's exports, a factor that highlights a significant change within the very structure of the EU core.

The integration of the Macedonian economy into the European market, the adoption of EU administrative and legal techniques, and the partial reshaping of Macedonian political sovereignty constitute what I call Neucolonialism. On a conceptual level, Neucolonialism acknowledges what, in the aftermath of the Greek crisis, has been accepted as fact: the EU is a colonial formation (Böröcz and Sarkar 2005, Dunn and Bobick 2014, Tlostadanova and Mignolo 2012). This seems obvious, considering that the EU operates with an executive organ, the Commission, that is not elected by the population it regulates; the current president of the EU Commission, Junker, was the Prime Minister of Luxembourg who promoted the country's transformation into a tax haven,
stripping other EU countries of their tax revenues. Additionally, the EU has been directly or indirectly involved in the manipulation or disregard of the popular vote in a number of member states. The most obvious is the case of the referendum on a proposed EU constitution, which failed because of the majority of nays in France and Ireland but was still pushed through as a treaty. More recently, the EU has disregarded the Greek people's vote, inflicting economic austerity on the country and directly trying to influence the vote with public declarations of influential figures; in Portugal, the current president did not charge the leftist majority in parliament with forming a government for fear of repercussions from the EU.

While in current critical journalism, academia, and public discourse, the use of colonialism or neocolonialism indicates a critical approach to European identities and hierarchies (Hansen 2002), these terms are often used without analytical scrutiny. How is EU colonialism linked to other colonial or imperial formations? Is colonialism in the EU a consequence of its member states' past, or is it due to its expansion to the East, as suggested by Böröcz (2001)? My choice of qualifying colonialism with the German preposition "neu" instead of the more common "neo" is an attempt to bring further clarity to the specificity of EU coloniality. If broken down further, N/eu/colonialism suggests that within the EU, Germany holds the central political and economic power, which negates (N) the supposedly horizontal structure of the union, recasting complex colonial relations even within the EU core countries.

A wide array of scholars has stressed the permanence of imperial, neo-imperial, and neocolonial structures of power in the world system. Hardt and Negri (2000), for instance, made the argument that with the expansion of finance and technology, the global system has moved towards a global, unified empire, regulated not by nation states but by powerful private interests. Arrighi (2002) has partially corroborated this hypothesis, remarking that, while the expansion of
finance has certainly unified transnational markets, significant inequalities between countries and territories remain relevant to understanding geopolitical phenomena. The European Union is a particularly interesting place to study new financialized core-periphery dynamics because it seems to embody both a tendency to integrate different political economies while at the same time increasing inequality.

At its outset, becoming a hegemonic project was not the EU's goal. Rather, the Schuman Plan of 1950 imagined the European Union as a mechanism to avoid wars between European countries by creating joint ownership over coal and steel production (Hitchcock 1997). The creation of a joint market with the Rome Treaty was subsequently followed by a significant push for greater political and social integration that eventually led to a flourishing of European institutions, agencies, and treaties. In the wake of the 1991 collapse of the Berlin Wall, however, the European Union came to be increasingly dominated by neoliberal policies (Van der Pijl, Holman, Raviv 2011). Even scholars who describe the EU as a project aiming to reinforce their power by reducing their competition (Agnew 2001, Delors 1991) note that such a project needed to devote significant attention to the economic inequalities of its members. In 1992, the signing of the Maastricht Treaty fixed the condition for a new, uniform economic policy throughout Europe, dominated by deflationary mechanisms that were supposed to generate economic stability and allow for the creation of a unique currency (Gambarotto and Solari 2015). This choice was also followed by more or less dramatic waves of privatization, deregulation of labor markets, and cuts to public spending.

According to scholars of EU integration, this was a crucial point in reorienting the EU from a redistributive to a neoliberal economic project (Agnew 2011). Countries like Italy, France, and Germany had to endure significant neoliberal and austerity reforms that provoked "economic harm
to every country" (Connolly 1995:378), causing a rise in unemployment and accelerating the crisis of tax-sustained welfare states. The PIIGS, that is Portugal, Italy, Ireland, Greece, and Spain, saw their productive tissue significantly weakened by this transition. Their economic growth had been mostly fueled by Small and Medium Enterprises (SMEs), which had low technological value and profit but benefited from a growing domestic market and various forms of public investments (Gambarotto Solari 2015). As highlighted below, SMEs in PIIGS countries are about 20% more than in Germany and 13% more than the EU27 average. With the reduction of state spending, the introduction of deflationary measures, and the intensification of global competition, such enterprises became less and less viable or able to export.

Table 1: Relevance of small and medium-sized enterprises (SMEs) in selected European economies.

<table>
<thead>
<tr>
<th></th>
<th>Number of persons employed</th>
<th>Value added</th>
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</thead>
<tbody>
<tr>
<td>EU 27</td>
<td>67.1</td>
<td>57.6</td>
</tr>
<tr>
<td>Germany</td>
<td>60.6</td>
<td>53.2</td>
</tr>
<tr>
<td>Greece</td>
<td>81.9</td>
<td>69.6</td>
</tr>
<tr>
<td>Spain</td>
<td>78.7</td>
<td>68.5</td>
</tr>
<tr>
<td>Italy</td>
<td>81.3</td>
<td>70.9</td>
</tr>
<tr>
<td>Portugal</td>
<td>82.0</td>
<td>67.8</td>
</tr>
</tbody>
</table>


Other measures included sweeping privatization of formerly state-owned enterprises, increasing the flexibility of the labor market, and a continuous reduction of welfare spending (Tridico 2013). Just as in Eastern Europe, new and former private investors have not matched previous public investments; benefiting from their newly created private monopolies, they have
generally preferred to cash in on or redirect their investment into the financial sector, or into some of the same Swiss or offshore accounts that also received money from Eastern European oligarchs (Borioni 2012). As a result, productive capital has tended to leave PIIGS countries, which have been left with a weak body of often technologically retrograde SMEs and a dominance of speculative capital, especially in the construction sector (Gambarotto Solari 2015).

Germany, considered the "sick man of Europe" until the end of the 1990s, embarked on a growing upward trajectory. Thanks to its lesser reliance on SMEs, sweeping deregulation of its labor market, and a significant investment by capital owners in technology investment sectors such as automobiles and chemicals, Germany emerged as a top exporter in the EU. Stalling wages in relation to labor productivity, German brands eclipsed EU competitors, and German capital gained prominence in EU economic policies (Van der Pijl, Holman, and Raviv 2011). Maybe more importantly, by investing in high-priced goods with expanding markets such as new technologies, Germany has been able to accumulate massive capital that then fueled its banks' financial investments in the rest of Europe (Storm and Naastepad 2015).

Table 2: Labour productivity and wage increase in selected European economies.

<table>
<thead>
<tr>
<th></th>
<th>Labour productivity</th>
<th>Wage increase</th>
<th>Difference</th>
<th>Labour productivity</th>
<th>Wage increase</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1,8</td>
<td>1,7</td>
<td>-0,1</td>
<td>1,6</td>
<td>1,5</td>
<td>-0,1</td>
</tr>
<tr>
<td>Greece</td>
<td>2,9</td>
<td>6,7</td>
<td>3,8</td>
<td>3,1</td>
<td>5,7</td>
<td>2,6</td>
</tr>
<tr>
<td>Italy</td>
<td>0,9</td>
<td>3,5</td>
<td>2,6</td>
<td>0,2</td>
<td>2,8</td>
<td>2,6</td>
</tr>
<tr>
<td>Portugal</td>
<td>3,5</td>
<td>5,4</td>
<td>1,9</td>
<td>1,4</td>
<td>2,9</td>
<td>1,5</td>
</tr>
<tr>
<td>Spain</td>
<td>0,2</td>
<td>2,2</td>
<td>2</td>
<td>0,7</td>
<td>3,2</td>
<td>2,5</td>
</tr>
</tbody>
</table>

Source: OECD data, computed by Gambarotto, Francesca, and Stefano Solari. 2015. "The Peripheralization of Southern European Capitalism within the European Monetary Union."
These transformations of the EU economy have followed what Stockhammer (2011) has described as a finance-led accumulation regime. Solari and Marangoni (2012) claim that the rise in debt levels between 2000 and 2007 signals an institutional adaptation of the overall economic structure of the EU to the interests of institutional investors. While financialization has embraced the whole of the EU, its impacts have been unequal. Orsi and Solari (2010) claim that finance has driven growth in northern countries, while it has substantially impaired PIIGS economies by redirecting credit from production to consumption. In turn, this has generated building bubbles that have had devastating financial effects after the beginning of the crisis (Palomera 2014), doubling the financial burden and risks carried by households rather than institutional actors. The chart below shows how Italy, Spain, Greece, and Portugal have seen an explosion of private debt, which in some cases has almost doubled, while in Germany it has declined.

<table>
<thead>
<tr>
<th>Table 3: Stock of household and government debt, selected European and Eastern European countries.</th>
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<tbody>
<tr>
<td>Household</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>Italy</td>
</tr>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>Greece</td>
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<tr>
<td>Portugal</td>
</tr>
<tr>
<td>Hungary</td>
</tr>
<tr>
<td>Poland</td>
</tr>
<tr>
<td>Turkey</td>
</tr>
<tr>
<td>Russia</td>
</tr>
<tr>
<td>Macedonia</td>
</tr>
</tbody>
</table>

Source: OECD, BiS, Macedonian National Bank. Data expressed in percentage of GDP.

In many policy and EU circles, the 2007-2012 crisis has been blamed on excessive public spending. In the event of the 2015 general election, for instance, the incumbent British Prime
Minister David Cameron effectively based his re-election on promising to tame government deficits (Skidelsky 2014). Similarly, Wolfgang Schaubel, the powerful German minister of finance, has extensively criticized the Greek government by claiming that it had brought the disaster upon itself by lacking fiscal discipline. Similarly, public finances have been at the center of intense political battles between the governments of countries and EU officials. In 2011, Italian premier Silvio Berlusconi resigned just days after Greek Prime Minister Papandreou had done the same. In the case of Italy, the resignation came after the spread between Italian bonds and German bonds had soared enormously. Monti, a former EU commissary, professor of economics, and advisor to Goldman Sachs, approved austerity measures praised by the Merkel government (Donadio and Povoledo 2011). In 2015, Portugal's President Aníbal Cavaco Silva reappointed former Prime Minister Pedro Passos Coelho to a second term, despite his having lost the parliamentary elections. The president defended his actions in a public speech, where he publicly claimed that "it is my duty to do everything I can to make sure that wrong signals aren't sent to financial institutions, investors and markets, which would put into question the confidence and credibility the country has been recovering with great effort." In the same speech, he characterized the reversal of austerity measures advocated for by the left parties during the elections as anti-European (Kowsmann 2015).

Few, however, question to whom these countries are indebted (Bofiger 2015). Storm and Naastepad (2015) show that EU "consensus economists" such as Sinn (2014) have been quick to blame the EU banking crisis on fiscal profligacy, whereby wage growth has outpaced labor productivity. As seen in the table above, this is a tautology and comes down to calling into question the whole model of capitalism found in PIIGS. Operating from a macro-economic perspective, Stockhammer (2011) shows that the deficit of the public or private sectors in countries like Spain
or Greece is directly linked to the account surplus of Germany. Put differently, wage suppression in Germany has generated a surplus of capital that have been invested by German banks in Greek public debt and in Spanish private housing development. When the newly elected Greek prime minister Tsipras tried to push for a political solution to its public debt, the EU circles opposed potential debt forgiveness. After protracted negotiations, they forced Tsipras to accept a USD 93 billion bailout package with a new set of austerity measures that appeared to be more punitive that the one originally offered (Arvith 2015).

Finance-led processes of peripheralization that originate within the EU not only create or reinforce center/periphery relations in the union. Eastern Europe is being significantly affected by them, in a process that many scholars have described as one of re-peripheralization. Agnew (2001) shows that from very early on, Eastern European countries were ranked upon mental maps of readiness to join the EU, mostly based upon their capacity to assimilate neoliberal market mechanisms that included low public deficit and low inflation—that is, the same economic policies that had initiated the process of economic decline in the PIIGS. Such Eastern European countries, then, are conceived of as the places of production for companies that are headquartered in the EU (Horvat and Stiks 2015, Ehrlich, Kiszan and Land 2012, Hardy, et al 1995, Croft, et al 1999). The rise of power of German companies is evidently connected to their integration into lower-wage areas of Poland where they have outsourced production (Marin 2006). This, in turn, has made Eastern European countries dependent upon FDI, as local companies have been generally outcompeted by EU partners (Vliegenhart 2010). As Böröcz (2014) shows, Eastern Europe has also been plagued by a substantial emigration towards the EU, which has rendered these countries dependent on remittances.
Compared to other colonial processes, including the British system or the US post-World War II system, the political economy of Neocolonialism seems to promote increasing interconnection between colonized and colonizer. Economically, but also socially, as will be clear below, newly peripheralized countries from southern Europe, such as Italy, have much in common with Eastern European countries like Macedonia.

1.2 Hunting for Investments: VMRO Branding of Macedonia

Since 2006, when the VMRO and Prime Minister Gruevski took power, Macedonia has committed a significant amount of resources to attracting foreign investors. They created a specific agency, called Invest in Macedonia, dedicated to creating promotional material for foreign companies and governments that wanted to relocate production. The company regularly bought airtime on major international channels such as the BBC, put up billboards at international airports (including Istanbul Ataturk), and shot and circulated dozens of videos showcasing the attractiveness of Macedonia. Macedonia's qualities were portrayed mostly through three strategies. First, clips directed by the world-acclaimed artist Milcho Manchevski branded Macedonia's history as a continuum between the empire of Alexander the Great and Gruevski's Macedonia. Second, the center of the capital, Skopje, was completely renovated. The Skopje 2014 plan covered older socialist buildings with Neo-Baroque and neoclassical facades; a new set of governmental buildings were constructed, together with two fake galleys, two new bridges over the river Vardar, hundreds of new statues, a triumphal arc, a panoramic ferry wheel, and other copies of famous European monuments. Redressing the aesthetics of the city constituted in part a classical attempt to raise the city's land value as portrayed in rent-gap theory (Smith 1979), but it was also a way to bring Skopje back onto the tourist and investment map of Europe.
Aside from beautifying the city, the government subsidized various airline companies, renovated the Skopje Alexander the Great airport, and promoted the city as a tourist destination. Turkish Airlines and Wizzair low-cost flights now have daily connections to Istanbul, Paris, Milan, Venice, and other European cities, and rumors suggest that soon, the European giant Ryanair might choose Skopje as its Balkan hub. But, more importantly, the government marketed Macedonia as a source of cheap and qualified labor. Invest in Macedonia insists on the country's high-quality and inexpensive skilled workforce. A wide array of graphs and charts make clear that Macedonia's labor is the cheapest and most educated in the region, ready to be exploited.

Attracting foreign direct investment was not left to branding alone: since 2010, "special economic zones" (SEZ) have been built in the country, starting with one zone in the Skopje area and spreading throughout the country. At the moment, four zones (two in Skopje, one in Stip, and one in Tetovo) are active out of the planned eleven. These areas were conceived for foreign corporations as tax-free spaces to conduct business for export. Companies that decide to invest in Macedonia's SEZs can take advantage of a ten-year tax break, discounts on utilities, up to 500,000 euro in incentives, and ready-to-use land with infrastructures. Additionally, companies pay no customs duties. The government spent considerable time touring the globe in search of interested investors, achieving only modest success attracting companies—although almost every day, television channels boast news about deals with companies that will create thousands of new jobs. Some of the international investors that relocated to Macedonia's SEZs are Johnson Controls, producing car seat covers, the Belgian bus producer Van Hool, and the multinational chemical firm Johnson Matthey, which produces emission control catalysts in Macedonia and has become the most important exporter of goods from the country.
Business analysts and international organizations hailed the beginning of Gruevski’s tenure as Prime Minister as a positive development. Under his leadership, the country significantly reduced the bureaucratic steps that companies have to undertake to open a new business and promoted a flat personal and corporate taxation level of 10%, making it into the top ten best reformers, according to a 2010 report by the World Bank. Clearly, the world's financial and economic community expected Gruevski to open up Macedonia's markets to foreign exploitation. An expert on financial and monetary issues, Gruevski had worked for the World Bank and had been the Minister of Finance for the only VMRO government during the 1990s, overseeing the privatization and sale of major state assets to foreign investors. Macedonia's telecommunications industry and their largest refinery, Okta, are some of the state assets that were transferred to foreign investors under his leadership as Minister of Finance. After he came to power again in 2006, Gruevski did not only liberate capital's access to Macedonia. According to widespread rumors, US diplomatic cables published on Wikileaks show that Gruevski encouraged specific kinds of foreign investments, principally those he could domesticate. This fact has been confirmed by various interpreters I interviewed, who told me how VMRO officials were interested in directly managing meetings with investors. The goal was, according to my interlocutors, to manipulate investors by inviting them in, forcing them to hire local members of the party, and extracting bribes for the VMRO officials. When my interlocutors refused to take part in this game, they were forced to leave in the middle of the negotiations.

But what kind of capital was Gruevski going to use? In his seminal work on the emergence of Venezuela as a petrostate, Fernando Coronil (1997) distinguished between societies based on the commodification of labor and others that rely upon the commodification of nature. "In one case, productive structures must be constantly transformed in order to increase productivity and
profits; in the other, rents must be maximized and access to their distribution ensured by a variety of political means" (Coronil 1997:32). The distinction, however, opposes developed core countries, where capital and labor are located in the same geographical and national space, to countries that source raw materials. What about countries that do not have natural resources or capital but only labor? There, production is delocalized and profits flow back into other countries so that investment and technologies do not really generate development—a process common to many core-periphery dynamics worldwide (Wallerstein 1979). In these countries, money is generally scarce, labor is abundant, and any job becomes a prized commodity. In places like Macedonia, being paid for one's labor becomes akin to a natural resource upon which elites can extract rent. But because labor constitutes the most obvious way to have access to money, rent can be extracted both from international investments and from local workers and companies. Thus, labor constituted a perfect political venue for fostering Gruevski's rentier project, both internally and externally.

As we shall see, exploiting labor in Gruevski's Macedonia has become both easier and harder. Foreign investors are actively sought and facilitated by the neoliberal climate and reforms promoted by Gruevski. Yet Gruevski and his circle try to control foreign (but also domestic) investments: flows of international money, investments, and aid are required to pass through the bottleneck of governmental control, which extracts various sums of money in creatively informal ways. It is not just a question of bribes, of course, but of liquidity. The government uses Macedonia's liquidity in the international sphere to amplify the effects of internal illiquidity and create a system of power. As the following sections will show, different international flows of money, investments, and aid are funneled through state-driven hierarchies created by illiquidity. The VMRO is available to exchange the Europeanization of institutions and legal systems for
financial assistance and credit lines from international partners. This liquidity, then, becomes the basis for increased control on the domestic market that looks increasingly like a web of VMRO clients. Despite the anthropological views of corruption as local resistance (Dunn 2004), the VMRO-linked elites are not protecting local workers from international exploitation but doubling market exploitation with political rent extraction. Illiquidity favors the spread of rent-seeking relations throughout Macedonian society: as individual foreign entrepreneurs experience directly, subjection does not stem only from vertical rent extraction, but from a generalization of rent-seeking behaviors that I analyze as a consequence of the country's illiquidity. It is one's peers, friends, and business partners that internalize and reproduce subjection, utilizing social relations to extract money.

1.3 Semi-peripheries go East: The Italian Context

I distinctly remember the series of lectures that our elementary school teacher gave us about colonialism. In the end, we were left with a sense of dissatisfaction: why did Italy not become a great colonial power? Every European nation had found colonies full of natural resources located in strategic positions; why did we colonize…Albania? When we studied Italian colonialism, up until the end of high school, we always confronted descriptions of Italian good faith in colonizing. During the Second World War, Italians were portrayed as good modernizers, who provided poor Africans in Libya, Eritrea, and Ethiopia with hospitals, roads, and much-needed infrastructures. Of course, we also used nerve gas to suppress rebellions (Del Boca 2005) and committed some genocidal acts here and there (Labanca 2000, Burgio 1999), but I had to learn that on my own in my university years.
The colonial past of Italy is mostly denied, or otherwise portrayed in the Italian public sphere as a benevolent, necessary process. This is not simply due to a lack of public scrutiny or a possible continuation of structural Fascism within Italian institutions. It also reflects a trend common throughout the EU, perhaps in its most flagrant form. While some countries like France or the UK have had public and intellectual discussions about their colonial past, mostly thanks to intellectuals from the global south, such as Fanon, Trouillot, Asad and Cesaire, the EU as a whole has not. Hansen and Jonsson (2014) suggest that such an erasure is not accidental. On the contrary, it derives from the parallel between the pre-World War II colonial plans to create a Eurafrica and the post-1945 integration plans that propagated the very same ideas.

But the EU has very strong ties to colonial enterprises. Historically, the European Union is the limited merger of former colonial powers. More importantly, many of the politics of the EU, with respect to its own member states and periphery, have colonial undertones. As many have stressed for the case of the Balkans, there is an almost institutionalized orientalization of Balkan subjects (Wolff 1994, Todorova 1997, Aman 2012). Even the official policies of the EU's eastward enlargement are structured around an unequal subjectification without integration. Citizens of Romania and Bulgaria who joined the EU in 2007 were subjected to work restrictions in EU countries until 2014; even after the limitations were officially lifted, individual EU countries (including the UK, France, Netherlands, and Belgium) have maintained special requirements for Romanian and Bulgarian citizens, including special applications for work permits (BBC 2014). One can see and feel a mounting racism expressed against eastern European citizens—Romanians in Italy, Eastern Germans in Germany, Poles in the UK. Eastern Europeans are often victims of social and institutional discrimination.
Analyzing Italian investors and institutions is, then, a very apt method of scrutinizing Neocolonialism, as it shows the recursive colonial aspect of the EU, whereby a semi-marginal state like Italy, part of the PIIGS, exploits a further peripheral state like Macedonia. At its fullest, it also embodies the EU's lack of memory and benevolent mask with regard to colonial processes. Italians benefit precisely from hiding the complex relation between the *bel paese* and the Balkans. After 15 years of colonial economic policies, Italy invaded Albania in April 1939. That was just the beginning of Italian aspirations in the Balkans; in October 1940, Italy invaded Greece, leading to an inconclusive campaign and forcing Germany to intervene in the Balkans. Italian troops soon entered Kosovo, Montenegro, and the southwestern part of Macedonia. Some of my older interlocutors recalled the invasion: Italian soldiers always emerged as the nice faction, more interested in good food and women, than colonizing. Similarly, Italy was remembered by people nostalgic for socialism as a good partner of Yugoslavia, a coveted destination for vacations and shopping. This is interesting, as the relations between Italy and Socialist Yugoslavia were not always sunny: control over Trst/Trieste, Rijeka/Fiume, and the surrounding territories that had a complex historical past and mixed population caused a great deal of anxiety and national preoccupation both on the Italian and the Yugoslavian sides. Similarly, the various crimes against the Yugoslav population committed before and after the end of the war did not seem to project onto the Italian people—at least, not in the same way that the conflict with Albanians projected onto the entire ethnic group.

On the contrary, memories about Italians evoked brotherhood and fraternity. Almost as if Italy was the parallel of Yugoslavia on the other side of the wall, people remembered Italy as the dreamland of consumption. Older interlocutors went from Skopje to Trst/Trieste in Italy to buy jeans and other Western goods, which they would then smuggle and resell in Macedonia. Italian
companies had collaborations with Yugoslav counterparts. Fiat, the state-subsidized Italian car manufacturer, had famously licensed Zastava, the Yugoslav car company, to produce some of its models. Many other Yugoslav companies sold raw materials in Italy and bought technology from their Italian partners—known to be reliable but cheaper than German or English ones. While the war in Bosnia and Croatia interrupted these flows of technology and business, Italians did maintain a strong presence in the former Yugoslav countries.

UniCredit, for instance, has massively invested in Eastern Europe and claims to be the first bank in Central Eastern Europe with over 163 billion euro of active accounts and over 3,100 branches (Unicredit 2016). Even in the midst of the crisis, Unicredit has been reported to recognize that Eastern European banking sectors granted a profit of about 10%, double what they are in Western Europe (Milosevic 2013). The most profitable markets for Unicredit were Russia and Turkey—two authoritarian states. In 2016, Unicredit envisioned an increase of 20 billion euro of credits to the region. Its capital allocated to the area should see a projected increase from 27% to 33%. CEE will account for 40% of the growth in profits of the bank (Secolo XIX 2016). This is not surprising, given that in 2014, foreign banks controlled slightly less than 70% of the total assets of Eastern European banks. The trend, however, is towards increasing state ownership, either because of state investments through restructuring the sector, as in Hungary and Poland, or by bailout, as in Slovenia (Raffäisen 2015).

Since the late 1980s, but especially after the collapse of the eastern bloc, Italian companies invested massively in former socialist countries. Rassegna ad Est, a web portal specializing in helping Italian companies to gather information on Eastern European markets, shows that the number of Italian companies in Eastern Europe increased dramatically prior to the 2008 crisis. In 2011, the total revenue of Italian companies in Central and Eastern Europe (including Russia) was
about 87 billion euro, about 15% of the overall revenues of Italian companies operating abroad. In fact, the renewed importance of the Eastern European market was crucial for Italy. Italian exports correspond to approximately nine percent of the world market in non-EU Europe (Ministry of Economic Development 2012). Over 350,000 companies operated in CEE countries, about 22% of the total 1.5 million Italian companies in the world. Most of these companies are located in Romania (1,992), Poland (772) and Russia (486), with a far lower share in the former Yugoslavia. Besides banks, other notable investors include Fiat, which decreased its employees in Italy from 77,000 to 61,000 between 2007 and 2012, and relocated, among other places, to Poland and Serbia (Tamburini 2013). Brembo and other very profitable producers of automotive components are also reported to be relocating eastwards, a move already completed by Telecom's call centers (in Albania and Romania) and Geox and other famous textile companies that produce in Romania and Slovakia (Tamburini 2013). Adriatic SMEs have typically relocated across the sea in former Yugoslavia. Newer data suggests that in 2015, over 7,000 Italian companies were present in CEE, two thirds of which were supported by the Italian Bank Unicredit (Il Secolo XIX 2016).

Italy has been hit very hard by the economic crisis. Juvenile unemployment skyrocketed from 20% in 2007 to over 40% in 2013, while overall unemployment reached 12.5% (Sacchioli 2015). Meanwhile Italian industrial production decreased 28% and the country's debt increased from around 100% of GDP in 2007 to 130% of GDP in 2014 (Ministry of Economic Development 2015). From 2008 to 2013, over 59,000 companies have closed, with an average of two bankruptcies every hour (Vesentini 2014). The regions that drove Italian and even European productivity during the 1990s have struggled to survive, with the whole northeastern section of Italy coming to a productive halt and experiencing a sudden process of de-industrialization. Not only did the crisis have a devastating impact on people's immediate financial capacities, but it also
destroyed prospects for future growth as small and medium-sized companies, unable to navigate the financial crisis, closed for good.

The world financial crisis had profound consequences on many countries worldwide, especially in Europe. Ireland, Portugal, Spain, and Greece have all been on the edge of bankruptcy but have been saved thanks to the injection of liquidity from EU countries, the Central European Bank, and the IMF—at the cost of neoliberal structural adjustments. A similar process has happened in Italy, too, although not as overtly and on a smaller scale. Although Italy is still included in the G8 and is considered a world power today, the crisis has almost flattened its geopolitical influence. While Italy has historically been a semi-peripheral country within the European continent, the formation of the EU beginning with the Treaty of Rome (1958) seemed to stabilize its economic and political role. At the moment, however, both Italian investors and Italian citizens are leaving the country to try their luck in the East—many of them armed with just a few ideas, modest savings, and many stereotypes. I have met a growing number of Italian expats who tried to make their fortune in Macedonia, evidence that Macedonia is becoming the outlet for a specific kind of capital (and investments): spillover from other semi-peripheral areas in crisis.

1.4 Leaving the Sinking Boat: Italian Hopes of an Eastern Eldorado

It was a strange request. The director of Construx, the construction company where I was conducting research, wanted me to go back to their offices because of something that had to do with Italians. His assistant wouldn't say more on the phone, so I grew anxious as the taxi drove me closer to the headquarters. Was it about the purchase of second-hand construction machinery from Italy? The director had charged me with monitoring Italian bankruptcy auctions to see if there were used cranes, trucks, steamrollers, and concrete pumps on sale. Even used, this machinery cost a lot
of money, so he eventually decided to drop the idea for the time being. Had he changed his mind? Or was it just an excuse to talk to me? Had I told the workers something I should not have?

Much to my surprise, it was actually about Italian businessmen. Marco and Giovanni, two middle-aged northern Italian men, were sitting in the director's office accompanied by Nikola, a local Macedonian businessman who seemed to be translating for them. I sat down in the room, close to the director, and listened to Nikola present some thermal and acoustic insulating mortar material that they had developed. It was not too clear who was in charge, as it was mostly Nikola who was talking and answering questions—even if they were directly posed by the director in his slow but accurate Italian. But it was not the only unclear element: before thinking about striking any deal, the director wanted to see proof of the characteristics of the materials, with certificates from Macedonian institutions. Nikola claimed they had certifications, but not with them. "Then we'll talk again after we see them. Meanwhile, you'll be in touch with Fabio—he's my right hand in these matters," concluded the director. Before dismissing us, winking at me while I crossed the threshold of the office he said, "Find out what you can about them, I trust your judgment!"

As much as I was impressed by this assignment, which the director forgot about very quickly, I was genuinely interested in Marco and Giovanni. The following week, I visited them on a construction site nearby. They were working with a team of young Albanian men from the nearby city of Tetovo, where both Marco and Giovanni were living at the moment. Despite the cold and humidity, the team was finishing the external flooring of a new eight-story housing building. When we sat down to drink salep, a typical winter drink of Turkish origin, Marco told me he had been in Macedonia for over a year in order to develop his materials. He was a chemical technician who worked for an Italian company until its closure around 2010. He then embarked on an exploratory study with an entrepreneur who wanted to use Macedonia's raw sodium carbonate to produce
construction materials to build in Georgia. Sometime after Marco moved to Macedonia, however, the company failed. Realizing that Macedonia did have abundant supplies of high quality sodium carbonate, Marco had decided to stay and develop his own material. He had moved to Gostivar, a city in the Western part of the country that had a large Albanian population. There he had found an intermediary who could work for him, mixing products he bought through local resellers from different mines—a complex arrangement necessary to preserve the secret of the formula and circumvent the monopoly on sodium carbonate, whose mines were owned by international companies. Realizing that the product was not yet ready to hit the market, he relocated to Tetovo to be closer to the main construction market in Skopje. As Marco was in the middle of his narration, Giovanni interrupted us, pulling Marco’s arm and pointing outside. "I saw him…there, behind… I think it is him." Marco looked worried for a second, then he waived his hand, "No, it is not. Come on."

Marco had finally developed a number of products and enlisted Giovanni, a friend from his hometown, to help him out with the logistics. "I was selling electrical stuff, you know, furniture and chandeliers. But with the crisis I had to close down, so here I am," joked Giovanni. In the winter of 2013, they had not yet started full-scale production of their materials and worked mostly with small quantities. But they were expanding with the help of Nikola, their local partner. The strategy was simple: they took on some small jobs, mostly related to giving the final touches to external paving and flooring, which would help them develop their contacts. Meanwhile, they had recruited and trained a small number of Albanian men from Tetovo, some of whom spoke Italian, having worked previously abroad. The developer for whom they were working now was also an Albanian, who had made money working in Italy and then had come back to take advantage of the construction boom. Soon he arrived as well, and they started discussing problems they were facing.
In order to realize the external flooring of the building, they needed to cut parts of the sidewalk. Yet this called for specialized tools and workers they did not have. In fact, he was only the developer and had hired various firms for each specific job he needed done. After some tense discussions, Marco and Giovanni gave in and called Lollo, their Macedonian "insurance," as they called him. Lollo was another Macedonian construction worker whom they had met in Italy when he was working in the northern city of Ravenna. Lollo was also part of Marco and Giovanni's company, and he had the responsibility of keeping contacts with the authorities. For the moment, he seemed to be mostly concerned with allowing them to get along with traffic police and driving their van with an Italian registration plate around the city for deliveries of material. "I'll get you a Macedonian plate—just let me call my friend the commissioner in Tetovo, and you'll see," joked Lollo, after lending them some of the tools they needed.

Macedonia was an opportunity for Marco and Giovanni, who had been able to start a company with almost no money by exploiting their technical knowledge and the low local wages. But that was not the only reason why they decided to stay. I understood it one night, when I accompanied Marco and Giovanni to the opening of an exclusive lounge bar they had contributed to building and that aspired to gather the high society of (right wing) Skopje. As I squeezed past the mass of tightly packed bodies, Giovanni pulled unceremoniously at my shirt. "Look at him," pointing at Marco and his housemaid hitting it off. "He's happy! Now I have to get lucky too," he insisted, while writing his number on a piece of paper ripped from a cigarette package, with the intention to pass it to a woman he had been staring at the whole night. What I had imagined as a classy business environment had soon turned into a trashy pick-up party. Marco, his maid, and a friend had left to get a drink at another place, but Giovanni had insisted I stay as his wingman while he made his move on the woman. Waiting for the right moment, he told me about his
daughter, in Italy, and about Marco's family as well. He could not help but be aroused by all the short dresses and long legs of Macedonian women, which he caressed with his eyes like a teenager on his first school trip abroad. Finally, he struck up a conversation with the woman, delivered the piece of paper with nonchalance, and walked away. In our taxi, we kept on talking about the propriety of the strategy. Had it been a good idea? Would she call? Was it too straightforward? We examined all possibilities at length, concluding that, indeed, it had been a good move—now at least he could stop thinking about it. When we reached the rest of the group at a Cuban bar, we found Marco avidly dancing with his housekeeper, while the other Italian friend was working his charms on three more barely-legal girls. Hugging me and Giovanni in a comradely gesture, he introduced us all, and then ordered one more bottle of white wine. "Pretty good, ah!" he screamed to us, his face red, "Oohohoooo!" answered Giovanni, his glass in hand. I raised my glass too, with a shadow of shame lurking on my smile.

1.5 Paradise Lost: Entrepreneurs Meet Macedonia's Rent-seeking Behaviors

Marco and Giovanni's good time was going to be over pretty soon. After that night out, the two Italians disappeared for some months. They had offered to give me a ride back home, since they were going to drive to Italy for Christmas, but they kept on postponing their departure, and finally they stopped answering my calls or texts altogether. Some months later I received a call at Construx's office from an unknown company from Gostivar. It was Marco again, this time alone, who claimed to have lost his phone and wanted to see me. "It is a long story, I will tell you more once you come to Gostivar." When we met in Gostivar, he was with Besart, an enthusiastic and charismatic Albanian investor whose personal story will be explored in Chapter 5. Besart had become Marco's host and sponsor; he drove Marco around, presented him as the great director of
his company, and made him sit at the director's position in his own office. But that was a theatrical move, as Marco told me when we had a chance to speak in private. "Do you remember when Giovanni was nervous, in the cafe? Well, he thought he had seen our Macedonian partner, Nikola. Some months before meeting you, we had closed a deal for almost 50,000 euro, but neither Giovanni nor I had a registered company in Macedonia. So we talked to Nikola: we would use his company's name to take on the contract, and he would be in charge of finding us clients—you know, everybody gets a cut, everybody is happy. We started working, but a couple of months into the contract our workers told us that they had never been paid! We went to the developer and told him that we needed to be paid. And he showed us the receipts of the deposits on Nikola's account! The bastard did not pay us, not even the workers! So we went to speak with him, and it turned out he was full of debts. He could not pay us, because the bank had blocked his account. We gave him an ultimatum, and he finally scraped together some money in cash, some in euro, even Swiss francs and US dollars…he probably went door to door to his friends and relatives to get them!"

That was just the beginning of their misadventures. Since then, Nikola had tried to steal some of the tools they worked with, had organized the meeting at Construx behind their back, and had harassed them when Marco and Giovanni decided to cut him out of the small job they were working on when I met them. Although it was a minimal amount of money (around 5,000 euro) they were desperate for cash to pay for materials they had taken to work on the other bigger projects. Plus, it was Christmas, and they had no money to pay for gas to go back home. When they finally got the 5,000 euro, cash, on December 24th, they drove back to their house to pack their things and leave for Italy. But in the middle of the highway between Skopje and Tetovo a black car cut them off. It was Nikola with two thugs. "They got out of the car, beat us, and took the money, plus our phones and watches. You know I was in the military, right? I did not react
because I was scared they had a gun—so I let them beat the hell out of me." Marco and Giovanni immediately went to their partner and friend Lollo, whose role was to "insure them" through his connections with authorities in Tetovo. "And by the end of the day, they find them! You know, with our money, in cash, our phones, exactly all they had stolen from us! And you know what they say? Lollo and his friend at the police can't do anything about it. And there I understood. They fucked us."

Without money, without work, without even the gas to reach Italy, Giovanni and Marco were broken—physically as well as mentally. It was then that they talked to Besart, who gave them some money to go home and forget all about their business. Giovanni decided that it was too risky to do business in Macedonia: he had learned the hard way that the centralization of power that came with illiquidity left a lot of starving wolves. Because they were not part of the hierarchical structures of dependency that rule Macedonia's political economy, Marco and Giovanni were fair game for anybody who was desperate and dishonest enough to use them for extracting rent revenues.

Marco, on the other hand, had a different investment in Macedonia and a potentially good receipt for producing a technologically valid material. So he partnered with Besart and went back to Gostivar—this time in the Albanian social world. "You know, here among Albanians I feel protected. They have my back, for real. And I know Besart sent word to Nikola and others not to mess with me again." In fact, Besart did everything he could to present Marco as his revered guest and partner, partly to make him and everybody else forget about his past misfortune (and gullibility) but also to cement their partnership. Besart had not only financed the production of Marco's material and inserted him into his own business network but also managed to build his own factory for chemicals and other related products. His eyes lit up when he brought me to see
the site he had bought to build the factory, and he started sparkling with pride and joy, noting that he had started with nothing to eat, and now he would own a factory that produced things. Adding a fancy Italian technician to his deck of cards was a way to ensure the quality of his products; that is, of creating rent.

The different treatment Marco received was not just the result of a different personality. Clearly Besart was an expansive person, slightly egocentric, who read philosophy and embraced the possibility of organizing a roundtable with some of the most important professors in the country (and my help). But more importantly, Besart was able to invest 200,000 euro promptly in their business venture. The money came partly from his savings, but he also borrowed money from family, friends, and relatives who also had available cash. Partly isolated from the Macedonian spheres of power and EU legacies thanks to their influx of cash from their own diaspora in Western countries, the Albanian community I met in Gostivar was relatively autonomous from the illiquidity that generated authoritarian subjection. Their own family and friendship sheltered liquidity from Macedonian rent-seeking behaviors; understanding their social position as increasingly positive, they were willing to risk, invest, and lend money to each other.

Albanians I spoke with in Gostivar preferred to lend money to friends or trusted acquaintances, rather than deposit it in banks, which they felt had held discriminatory attitudes towards their ethnic group in the past. In the Albanian social sphere, the presence of money, especially cash, allowed for a market of some sort to develop along with a marginal centralization of liquidity. As a consequence, the rentier class did not emerge as prominently as in the Macedonian social environment, and when it did, it appeared as an offspring of networks rooted in household and kinship solidarity. It was through embedding themselves in a self-exploitative kinship business that my interlocutors gained access to liquidity, rather than rent generated by
political allegiance. In the case of Besart, he routinely provided services for both Macedonian and Albanian political structures to whom he was not connected. His company was very profitable mostly because of the exploitation of his kinship networks. He paid his son, nephews, and other family members close to nothing and was proud of the way in which Albanians accepted poorly paid jobs to build up their family income. Once, he pointed to an old guy in a backyard, "I respect that guy. He goes around picking up copper wires. Then he separates the plastic from the copper, you know, by hand, and he literally breaks his bones for pennies. See? We Albanians work hard."

In addition, his competitive advantage over other local companies was constituted by his extensive networks of connections in Italy—a set of acquaintances he had developed thanks to years of underpaid migrant labor in northern Italy.

Marco and Giovanni's violent encounter with Macedonian rent-seeking behaviors is shared by many other Italian "adventurer" investors. I have met many other small entrepreneurs who came to Macedonia seduced by the idea of low labor costs, the slow and human lifestyle, and easy life. Usually, the first contact with Macedonia's social life confirmed these ideas. Many of them found Macedonia a nostalgic land: "Macedonia is just like Italy, fifty years ago," they often explained to me, while relaxing in some restaurant, drinking the cheap but tasty beer and eating delicious local food. Generally, such entrepreneurs were males who had been deeply unsettled in their personal and professional fortunes by the European crisis. Marco and Giovanni had both left their families in Italy and saw Macedonia as a second chance to achieve entrepreneurial maleness. Their flirtatious encounters with Macedonian women, who embodied the ideal of white, European and Mediterranean beauty, showed a pattern I often observed among other EU expats, who, in what they conceived of as the Macedonian "Wild West," were able to reclaim aspects of their identity they felt unable to express back home.
Unable to capture the historical and political economic factors behind local Macedonian socialities, foreign entrepreneurs associated working rhythms to cultural laziness, lack of experience, and fundamental dishonesty. Such judgments, which include orientalizing local socialities, hedonism, and a feeling of travelling through time, are common characteristics of expat life (Cole 2007, Redfield 2012, Royrvik 2011). Nonetheless, compared to expats who are part of international humanitarian organizations or big corporations, adventurous entrepreneurs like Marco and Giovanni could not rely on the bureaucratic structures of humanitarian governmentality to protect and insulate them from local rent-seeking behaviors. In fact, petty entrepreneurs hit the limits of the Macedonian market relatively quickly and soon become entangled with illiquidity, both in terms of non-payments or, worse, plain attempts to shave revenues out of their meager capital. Many leave at this point, disheartened. Those like Giovanni and Marco, who try to force the situation, often meet the solidified and hardened forms of power that regulate the Macedonian economy. Then, the loss of value they face becomes not only economic and moral but can also threaten their very existence. As foreigners, they find themselves on the outside of the concentric relations of power that sustain or produce illiquidity, which, as will be clear in Chapter 2, exposes them to violence. Unable to mobilize support from international organizations, few manage to stay and recover their losses. In the words of another small international entrepreneur, "It is like an octopus, you know. It is everywhere, it is oppressing you. If you are one of those huge companies, then you can navigate it. But if you're like us…you start feeling a knot around your neck. And it is tightening."
1.6 International Investments and Loans: Development Money

There are other external sources of capital and money in Macedonia besides small-scale investments from "adventurer" entrepreneurs like Giovanni and Marco. Since 2006, Macedonia borrowed heavily from international bodies such as the IMF, the World Bank, and other private international and national banks. Contrary to its predecessors, the VMRO government did not make fiscal rigor a pillar of its financial, monetary, and economic vision. On the contrary, they heavily invested in debt. Between 2002 and 2008, the country's debt decreased significantly in relation to GDP, a consequence of both increased foreign investments and early repayment from the VMRO government of outstanding international loans (Koczan 2015). Subsequently, the debt tripled in absolute terms from around 1.3 billion euro (20% of GDP) to the current 4.10 billion euro (46% of GDP), while it nearly doubled in relation to GDP. This increase in debt has been slightly higher than in the other countries in the region. In the Western Balkans, the public debt has increased on average from 33.0% of the GDP in 2008 to 49.9% of the GDP in 2013. In the same period, Central and Eastern Europe saw its public debt grow from 32.5% of the GDP to 52.8% of the GDP.

The Macedonian debt is scheduled to increase further. As the Central European Bank has continued to lower interest rates since 2008 to an almost negative rate, the Ministry of Economy plans to borrow increasingly from domestic and international banks, bringing the debt to 4.65 billion euro, or 48% of GDP, by 2016. Despite the preoccupation evidenced in literature of the increasing lack of sustainability of Macedonian finances, this scenario shows that under the VMRO, Macedonia did not face the highest financial imbalances (Raiffeisen 2015).

One can compare Macedonia's 90% loans to deposit ratio to those in figure 9, including Slovenia's peak of 160% in 2008, and the subsequent bank bailout that generated an explosion in
public debt from 22% of GDP to 80% of GDP. Mortgage loans, while increasingly at risk, seem to have been moderately growing in Macedonia (figure 11), compared to the dramatic increase in Hungary or Romania from 2002 to 2008 (figure 10). Similarly, banking assets in Macedonia constituted 60% of GDP in 2008 and 76% today, while they increased from 36% to 103% in Bulgaria and from 36% to 92% in Bosnia and Herzegovina between 2000 and 2014 (table 4).

Figure 9: Loan to deposit ratio in Eastern European countries.

Figure 10: Mortgage loans in Eastern Europe.

Source: Raiffeisen. 2015. "CEE Banking Sector Report." Data expressed in percent of the GDP.
Figure 11: Composition of household debt in Macedonia.

Source: Macedonian National Bank. Data expressed in billions of MKD.

Table 4: Banks' asset to GDP ratio in selected Eastern European countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>2000</th>
<th>2014</th>
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<tbody>
<tr>
<td>Poland</td>
<td>61</td>
<td>89</td>
</tr>
<tr>
<td>Hungary</td>
<td>67</td>
<td>100</td>
</tr>
<tr>
<td>Russia</td>
<td>32</td>
<td>109</td>
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<tr>
<td>Bulgaria</td>
<td>36</td>
<td>104</td>
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<tr>
<td>Bosnia and Herzegovina</td>
<td>36</td>
<td>92</td>
</tr>
<tr>
<td>Macedonia</td>
<td>60</td>
<td>76</td>
</tr>
</tbody>
</table>

Source: National Banks and Raiffeisen.
There were significant reasons why previous governments tried to keep Macedonia's debt low. The first one is the historical legacy of Yugoslavia's own debt crisis, a chapter often overlooked when talking about the dissolution of the socialist state and its ensuing wars. As Woodward (1995) shows, grants, loans, and international aid credit from the US and other Western institutions were crucial in "keeping Tito afloat" so as to constitute a viable alternative to Soviet influence on the Eastern bloc (Lees 2005). After the collapse of socialist Yugoslavia, the Macedonian productive sector shrank about 50%, thus requiring a drastic reduction of debt.

When the VMRO came to power, they were confronted with a sluggish economic landscape—and, more importantly, with the country's lack of resources. How could they build their political power without resources that are coveted in the current global economy? Macedonia, however, had one resource that it could exploit: debt. Especially at a time of uncertainty on the international market, a promising neoliberal country with a very low level of debt can be attractive for international financial capital. Having access to money and credit allowed the VMRO to turn the public administration into a rentier mechanism, with higher stakes compared to those it had earlier. Borrowing did not follow the greed of a rentier class; instead, it served to create it and to structure political dependencies.

The elites that support the VMRO today are not the majority of those managers or directors of former socialist enterprises that had gained control over their assets during the first phase of the transition. Velja Ramkovski, for instance, was able to create an empire in the aftermath of the transition, thanks to ownership of the trading company Uniprokom, and had owned, among other things, the powerful private TV channel A1. After a brief period of flirtation with and support of Gruevski, Ramkovski was arrested in a raid by Macedonia's Special Forces, which seized assets and documents of his television company in 2010. Ultimately, A1 was shut down in 2011 (RSF
Steljo Nakov, owner of the shipping company Fersped and of the TV channel Alfa TV, sold 2.5 million euro worth of shares of his TV company to CHS Invest Group for 150,000 euro. The sale took place after a Skopje court determined that Fersped's privatization, operated by Nakov, broke the law. After the sale, Alfa TV changed its editorial policy and became less critical of the government (Dimovski 2013).

Other powerful managers, such as Jordan Kamcev, sensed the potential offered by the VMRO structure. Jordan's father, Ilja Kamcev, had created Orka holdings, one of Macedonia's biggest clothing companies, thanks to the privatization of a former state clothing company (Campbell and Traynor 2006). Jordan Kamcev also owns Mediagroup, the parent company that owns Macedonia's major daily newspapers—one of the reasons why he has been able to prosper (Cvetkovska, Jordanovska and Apostolov 2014). The case of Ideale, a competitor of Construx where I briefly did fieldwork, serves as further proof of such transformismo. Ideale's manager had been the director of an important heavy industry complex in the final years of Yugoslavia and a parliamentarian for the SDSM government in the 1990s. His company had allegedly been involved in a shady deal with Serbia at the time of the NATO embargo, gaining significant sums of money. Upon leaving the former socialist company, he created Ideale, which, over a span of 10 years, had become one of the major residential construction companies in the country. While within the company, workers were not political fanatics of the VMRO, the owner publicly demonstrated his ideological proximity by funding various major churches.

Of course, gaining support from such powerful oligarchs that had gained power thanks to the SDSM required significant funds, which means that the VMRO can influence internal economic decisions, such as a bank's commitment to purchasing government debt. In fact, about half of the public debt is owned by domestic actors. In 2014, the central government's external
debt (excluding municipalities and publicly owned companies) was 1.6 billion euro, while overall, the country's external debt was 6.38 billion euro, or 69.8% of GDP, which was about 8.5 billion euro. This marked a significant increase compared to 2008, when the external debt stood at 49% of GDP. In 2015, the external central government debt rose to 1.9 billion euro, and the domestic debt 1.2 billion euro. Between 2010 and 2013, the Macedonian government took out loans from multilateral creditors—that is, international organizations such as the International Monetary Fund (234 million euro), the International Bank for Reconstruction and Development (229 million euro), and the International Development Association, an agency within the World Bank, (277 million euro). Yet, in order to pay back these loans, the government borrowed from commercial banks and other private creditors, which owned about 616 million euro of the central government debt in 2013 (Ministry of Finance of Macedonia 2014).

The increase of foreign debt also served the Macedonian monetary policy. With a negative trade balance and a worsening outlook, the Macedonian Central Banks had to drastically intervene on the currency market at the height of the crisis in order to keep the MKD pegged to the euro. Classified official documents I have consulted show that government borrowing was the obvious way to access foreign currency without burning up the banks' gold or currency reserves. In fact, 78% of the government debt is FX denominated (mostly in euro) (Deutsche Bank 2015). Yet the fixed currency arrangement forces the accumulation of foreign currency reserves, especially at a time when remittances have been at an historic low due to the European crisis. But illiquidity follows the Macedonian monetary policy for another reason: if Macedonian citizens had more cash available, this would open the door to inflation. Inflation would allow the MKD to diverge from the euro, thus shattering the established low interest for loans. Consequently, the government would not be able to borrow enough money to finance its rentier structure.
One fundamental issue haunts the government's strategy: how is Macedonia going to repay these loans? In theory, money taken out by the government should be repaid by increased taxes or revenues generated by the government's investments. Typically, investments that aim to stimulate productivity consist of roads, infrastructure, or research centers. Alternatively, an increase in taxation from newly developed private enterprises could provide some debt relief. Yet there is significant evidence that much of the current loans has been used to expand employment in the public administration by either directly hiring people in governmental or local institutions or through companies controlled by the state. Recent data show that in the last nine years, the number of workers employed by the central government has increased by nine percent, in the local municipalities by 45%, and in state-owned companies by 100%. These companies are mostly public utility companies and companies that manage infrastructures, such as roads. Today, around 170,000 people in Macedonia work for the public sector, which corresponds to one public employee for every 11 citizens. In August 2015, Gruevski announced 700 more public jobs (Kapital 2015).

Despite their lack of economic value, projects such as Skopje 2014 have received significant amounts of internationally loaned money. These projects have directly helped companies close to the government (such as the construction companies Beton, Granit, and Bauer, among others) by providing them with contracts that compensated for what most of the people I spoke with in the field described as their inability to compete on international markets. Many of these companies are working with materials, technologies, and knowledge left over from the Yugoslav era. In the 1990s, these constituted acceptable standards and allowed them to participate in projects around the world. Companies that built in Russia, Ukraine, Iraq, Iran, and Libya were progressively forced back to Macedonia, in part because of the collapse of Yugoslavia and the lack
of financial and military resources that supported them in international deals. More recently these companies have been outcompeted for foreign markets due to the obsolescence of their technology and their very limited operative capacity. The graph below shows the decline in Macedonia's construction companies' ability to win foreign projects.

**Figure 12: Value of construction completed abroad by Macedonian companies.**

Unable to reach international money on the global market, construction companies knocked on the VMRO's door. Such companies have received a significant transfer of borrowed money (around 600 million euro for the Skopje 2014 project alone), independent of the productive potential of such construction projects. In addition, construction companies close to the VMRO have been the recipients of international aid destined for Macedonia for development purposes. Institutions such as the World Bank, the European Bank for Reconstruction and Development, Europe Aid, and even NATO have invested considerable sums of money in various infrastructural
and developmental projects. While all of these projects are awarded through a call for offers, there is ample room for manipulation on the part of the Macedonian government. Construction companies close to the government have won most of the remunerative projects.

1.7 The Unbearable Transparency of Subjection

"Why is it that a cubic meter of cement costs the same in Macedonia and in Italy? We know that here in Skopje you pay a worker 300 euro per month, while in Italy it is for sure four times that. But the price of the cement is the same. "I did not have an answer to Gennaro's question. After all, he was the expert: he had been managing the Macedonian office of an Italian company that specialized in the supervision of public work for a year now, after periods in Vietnam and Ukraine. We had just spent a whole day supervising a major infrastructural project in the country (which I cannot name here), and we were both tired, but he had this one last pearl of wisdom he wanted to share in the parking lot. "Because certain costs," said Gennaro, rubbing his thumb and index in a very Italian gesture alluding to illicit money "cannot be squeezed. In other words, here you pay less for labor, but you have added costs for...you know...you understood me, right?" I did not understand him, and I was looking into theories of profit, taking his sophisticated language a tad too literally. "I mean that you have to bribe them. That money you cannot recover. And it is not just the bribe for getting the contract. It is all that comes with that! Let me give you an example. We recently participated in a call for offers regarding an important project. We offered a low price for our standard. The company that won offered one third of our sum. But for them it makes sense: once you're the supervisor, you are the person who decides if a finished work is approved or not. So you can deny the approval, say, if the contractor uses a certain product instead of another. Usually you need to give technical reasons—like, one product has a given mechanical set of
properties that the other does not offer, or can guarantee better performances over time. But sometimes the products are equivalent and you can still force the contractor to choose one, if the company that sells that product pays you something personally. So even if you get a contract for zero, as a supervisor you have ways to make money."

Gennaro's revelations show the extent to which rent-seeking behaviors do not simply involve predatory individual instincts or attitudes; they are actually inscribed into self-exploiting relations at the core of Macedonia's institutions. Illiquidity is the motor of these rent-seeking enterprises: as will be clear in Chapter 2, companies that do not affiliate with the government see their economic value plummet as they have increasing troubles getting paid. On the other hand, companies that get patronage from the VMRO usually get some money, if not always the entire agreed-upon sum in the official contracts. The mere knowledge that the government has money, due to its international loans, is enough to fuel rent-seeking behaviors, whereby companies fight with each other to affiliate with the government. The VMRO government has capitalized on international credit by hiding illiquidity at the core of its confusing institutional and financial politics. In fact, the government counts on the loss of value, skimming value from contracts they award to companies close to the VMRO. In exchange, these companies can and will exploit other firms with fewer political connections, generating a veritable cascade of surcharges along the way for every step of subcontracting. I have been told that, for some recent deals, the surcharge yielded by the two directors finally reached over 40% of the total sum.

Maintaining such a structure of rent and exploitation demands considerable work and pressure, especially because the Macedonian government finances illiquidity with money that is not its own. International organizations, while they might have political reasons for funding the VMRO and might be inclined to accept corruption, are, in theory, supposed to ensure fair
competition, especially when a foreign company (of the same country or region of the international
organization) is applying to the call for offers. So how does the VMRO manipulate these
competitions? Different international organizations have different standards for awarding
contracts. While it is the relevant Macedonian ministry that manages the calls for offers, the
requirements vary according to the provenance of the funds. EuropeAid, the international
development and cooperation branch of the EU, requires each call for offers to have both a
technical and a financial component. "That means that if you have a much better technical
proposal, with personnel that is much more qualified than your competitors, you might win even
if you ask for more money. Generally, these EU calls give around 70% weight to the technical
aspect and only 30% to the financial side," said Gennaro, when I met him the following week in
his office. Calls that are financed by other international bodies, in cases of loans or grants, do not
have such requirements. Only financial matters are taken into account, "And in those cases you,
as an international company, cannot win. We simply can't compete with companies willing to work
for zero."

International companies like the one that Gennaro managed did not stand idly by while
being outcompeted by locals. First, every time he had the manpower, he applied for suitable grants,
just to force the competitors to lower prices and to see if it was an organized call or not. "It is easy,
you see. Even for major projects, like the Chinese-sponsored highway, you could see that out of
all the companies that submitted an offer, only some of them were deemed suitable. Usually, only
three offers are retained. Then two withdraw, and only one is left to win the contract. Sometimes
it is company A, sometimes B, other times it is C, but it is all previously settled!" I asked him how
they disqualified the other offers. "Even if the call considers only the financial prospect, they might
still include odd technical qualifications in order to enter the bidding process. Why would you ask
a supervising company to provide a security in the workplace certificate? The company cannot have its own rules—it needs to abide by those that the contractor establishes in the workplace! This is just one example: it is clear that in a market like Macedonia you know very well who can offer certain certificates or technical requirements, and it is very easy to design calls especially for them." Much of Gennaro's allegations corresponded to rumors and street knowledge, so I remained skeptical. Together, we consulted the online records that display winners of public calls for offers, and we verified that companies known to be affiliated with the VMRO have been awarded the most lucrative projects.

Gennaro knew that he could mobilize the Neocolonial institutions in order to push for a more fair ruling on the contract, one for which his Europeanness would count as a political asset rather than as a form of belonging based upon (democratic) values. This was a tricky issue because, as every major Italian company knew, Italian institutions were not too engaged and had limited bargaining power. "It is not like Austria, you know. Italy has minimal investments and little power in Macedonia. Okay, maybe the ambassador can go and hit his fist on the table. And then?" This was a serious question for Tullio, a manager of another Italian company that had worked on the Skopje 2014 project. "It is very hard to be in our situation. Look, I am going to tell you because you sound like a good guy, smart, and it looks like you do not ask stupid questions. You have to be careful around here. See, the other day I was in Gevgelija, on my way to Greece, to take a break from this mess here in Skopje. I enter a grocery shop, and turns out that the daughter of the owner speaks Italian. She tells me that she is working for the Ministry of the Interior, translating conversations of Italian businessmen in Macedonia! Our phones are under control, you see! And yet, I receive calls from the Ministry of Transport or the Ministry of Education, in which the ministers themselves tell me to come, meet the person they want me to hire if I get the tender, and
telling me how much money I should give them both! It is so in your face, so transparent!" I asked him how much we are talking about, and he answered, after a long sip of juice, "Ten percent. It is the standard rate."

The closed and hierarchical system that allocated international money created widespread illiquidity, which pressured international companies hardest. But it was not only this systemic issue that put the Italian managers at odds. It was the openness, obviousness, and rawness of the rent-seeking behaviors that were implied. "Look, I'm Italian, right? It is not like these things do not happen in Italy. But first, you do not get exposed to them so directly. I feel I have learned how things work better in Italy and Europe after being in Macedonia—because here, you will constantly be called by the minister in person, in order to get things done the way they want them," confided Tullio. And yet these phone calls, blatantly manipulated calls for offers, and the continuous need to be on guard wore the managers down considerably. "You saw how it was the other day on the worksite," Gennaro recounted. "You know they are going to screw you. You just have to decide what to pick on and what to allow. What you will accept and what you will not because you'll be too afraid to tell your children about it. For instance, you saw the plant they proposed to use to provide us with concrete. It was barely functional. They had no capacity to deliver a consistent standard. And I would need to use that material for a capital infrastructure? Now the contractor called the ministry, who is the client on whose behalf I supervise the site, and now they are telling me that it is okay. But of course they will never write it down in an official letter, it is all this formal, but really informal, way of saying things, so that you will be the one who makes the decision. There's a constant pressure." Gennaro then took a deep breath, and entrenched himself in his black leather desk chair. "They even tried to steal my engineers, offering them almost double
the sum I give them. But they wouldn't leave us. They know what you have to do once you're working for one of these big Macedonian companies—the pressure is unbearable."

Gennaro knew that Macedonia's political economy was both oppressive and very closed, requiring a very specific kind of personality in order to be able to live in it. He did not feel adequate, as he saw his profession as technical. In contrast with Antonio, for whom belonging to the Italian ministry had allowed him to be exposed to and to internalize rentier behaviors, Gennaro felt his position in Macedonia was very close to leading him to a personal crisis. Bribing and pressuring others was not what he wanted to do for a living. "As for me, I requested a transfer from my company. I was about to go, but then the whole Ukraine thing happened, and then I could not move there anymore. But you see, my predecessor could not take it either. You either move, or you end up like him, with three lovers, spending one week every two in Thessaloniki to fuck them."

Managers like Gennaro and Tullio are stuck in a different situation compared to Giovanni and Marco. Their social position and working connections allow them to call upon European and international institutions for support, benefiting from the rent generated by Neucolonialism. Rent-seeking behaviors force managers like Gennaro or Tullio to face a difficult choice: they can either spend their Europeanness as a political value to extract rent, or they can keep their own European and personal moral values intact and abandon their company's monetary value. Whatever they choose, they cannot escape the VMRO politics of subjection, as their own source of power, Neucolonialism, is precisely what empowers the VMRO's capacity to skim, appropriate, and destroy value. While their class condition allows them to dodge the violence of rent-seeking behaviors, they still bear the constant pressure of subjection.
1.8 Institutional Neocolonialism: Projects, Harmonization, and Rent

Macedonia entered the European Union's orbit relatively early. In 2001, its government signed a Stabilization and Association Agreement, advancing Macedonia to the status of candidate for the European Union in 2005. Despite its peaceful separation from Yugoslavia, Macedonia's path towards EU integration was not smooth, partly because of ongoing tensions with its neighbors Greece and Bulgaria and partly because of the lack of significant progress on some key criteria that defined EU membership. Recently, Macedonia's slow advancement through the EU Chapters can be attributed to the VMRO's attempts to manipulate its peripheral position to extract rent from the EU and, at the same time, constitute an autonomous space of political sovereignty (and domination). It is clear that in their search for international trade partners and investors, the VMRO has beaten not only the EU track but also other paths leading eastward to Russia, Turkey, India, and China, or westward to the USA, Brazil, and the rest of Latin America. The growing influx of capital from China, which included a credit of 574 million euro at very low rates for the construction of a significant portion of highway in the country, has allowed the VMRO government to relativize the growing concern from EU institutions regarding its political oppressiveness.

Though waning, EU influence is still strong in Macedonia. The EU still provides important aid through the so-called Instrument for Pre-Accession (IPA) funds. But the EU also has a host of other, often smaller, projects nested within Macedonian institutions. These bilateral projects aim to strengthen and harmonize Macedonian institutions in various sectors (called Chapters in EU jargon), bringing them up to European standards—a prerequisite for brokering accession to the EU. Some of the areas involved include digitizing the borders of land plots with GPS technology, training officials in the environmental sector, building intergovernmental partnerships on issues
like sex trafficking, and promoting new pieces of legislation in the field of agriculture. While there are various formats of EU projects that perform the activities I described above, in the following sections I will focus on a specific kind, called Twinning Projects. Funded through IPA funds, Twinnings are led by one or more European countries that not only transmit official EU theory and praxis but also provide valuable insights from the application of EU standards in their own countries and predict future developments from within the EU. This helps Macedonian institutions to anticipate EU regulations.

The pairing of EU and candidate countries looking for EU admission is fraught with tensions, and it is these tensions that I explore in order to outline the similarities and differences between rentier strategies of EU and Eastern European states like Macedonia. Contrary to other colonial projects, Neucolonialism entails a high degree of collaboration and mutual exploitation between elites of the colonizing and colonized countries. In these intergovernmental environments, I observed expats expressing racialized comments about locals on an everyday basis. Yet Italian and Macedonian bureaucrats were also able to have very close interactions and collaborations. Italians sent to Macedonia through EU projects often balance the need to teach locals how to properly work with the need to keep Macedonian officials satisfied.

The Twinning project I examine aims at capacity building in agriculture by specifically targeting organic production and enhancing the quality of agricultural products. At the core of the projects are three people: one Italian Resident Twinning Advisor (RTA) and two Macedonian staff members, an assistant and a translator. Antonio, the Italian RTA, had been part of the project since its very beginning, when the Emilia Romagna region (one of the richest regions in Italy that has a well-developed department for agricultural organic and quality products) built the project in partnership with the Italian Ministry of Agriculture. He was also an important player in convincing
the Macedonian Ministry of Agriculture (defined as the beneficiary in EU terminology) to choose the Italian proposal over those made by other EU states. The Italians had some advantages over projects from other EU countries: in their team, they had one of the leading European experts in organic agricultural production, they guaranteed a single country management with streamlined operations, and they had a better design than the competition. Antonio's interpersonal and communicative abilities also made a crucial difference during the final presentation and the dinners that followed.

In designating Antonio as the RTA, the Italian ministry wanted to forge a new course in its international cooperation policy. With about seven years of experience in the Ministry of Agriculture, he was a young, energetic, and hardworking official who had served as an expert in a previous Twinning project in Poland. Antonio was also "the biggest paraculo around" as he defined himself jokingly. Paraculo (literally, one who is able to cover his/her own ass) defined his ability to deal with different people and manage unexpected challenges with wit and a non-confrontational attitude, manipulating the situation and those around him to land on his feet. Antonio then insisted that his two collaborators had to be female; as he told me, he considered women easier to work with, more precise, and more accepting of hierarchical roles. Hiring Martina, whom he considered the right fit for her professional and personal qualities, pitted him against the Macedonian minister, who had instead promised the job to a protégé. That was Antonio's first political statement vis-à-vis the Macedonian administration. While he was willing to compromise, the Italians were still in charge.

The project had a particular form. Most of the team's activity consisted of flying in experts from Italy to Skopje in order to train local personnel on the development of organic and quality products in agriculture (a term that, in EU lingo, defined products that are locally grown, certified,
and from the *terroir*). The experts were charged with helping Macedonians to design legal instruments that regulated and promoted these sectors. Antonio, Martina, and Elena, who mostly worked as a translator, were busy scheduling, organizing, and easing the travel and presence of Italian agricultural experts in Macedonia, which included not only seminars and meetings with other professionals in the field but also field trips to see the countryside and the productive capacity of Macedonia.

However, for Antonio, the value of the project did not reside only in its technical aspect. He had in mind a much more ambitious plan for the team, which corresponded to Rome's idea of utilizing the project in the wider perspective of international cooperation. While the team worked hard and did manage to promote the institutional changes mandated by the project's goals, Antonio, Martina, and Elena added significant effort to make the project a reference point for investments between Italy and Macedonia in the field of agriculture. Additionally, the trio spent many hours establishing themselves in the diplomatic scene of Skopje, earning a reputation as a reliable go-to team for diplomatic issues. Antonio quickly grew close to the new Italian ambassador, who suggested contacts and consortia to involve, and invited him to international events. He spent long hours at cocktail parties, opening ceremonies, and cultural events. Most importantly, he socialized with both Italians and local actors, bringing them to clubs, fancy ethnic dinners, and making sure that their wishes could be fulfilled.

Martina and Elena were particularly important in Antonio's diplomatic activities. While Elena had the task of translating in official and unofficial venues, keeping a low profile, Martina established herself as the face of the project. Her expansive personality and graceful presence created a positive atmosphere around the team. Beautiful, young, and speaking perfect Italian, it was Martina who smoothed the everyday frictions that emerged from different cultural
expectations, and from Antonio and other EU expatriates' cultural isolation (see Shore 2000). While she was invested with important responsibilities that occupied her well beyond her working day, Martina never received the full array of benefits that Antonio did. Her pay of 1,000 euro before taxes was much lower than what he received, and she was only partially included in the project's strategic planning. That proved very painful when she had to plan her professional life beyond the end of the contract, and neither Antonio nor the other managers from Rome or Bologna proved willing to give her information about their future plans.

Despite the structural exploitation she was subject to, Martina was nonetheless happy to work for the Italian project. She valued the project because of the possibility of working within Western standards instead of being pressured by VMRO officials, to whose behavior she could not always relate. Additionally, Martina appreciated being part of the elusive world of international diplomacy. With its elegant cocktail parties, and tactical gallantries, the project's nightlife gave Martina insights into the world of international cooperation, with an aftertaste of political power. Coming from a single-mother household and struggling financially to achieve an international education, Martina understood the project as her chance to become part of a different class and show her true worth. Antonio, certainly not indifferent to Martina's charms, banked on her class ambition. Although the stakes for each were different, both saw the project as a tool to convert their personal value into economic and professional advancements.

The beneficiaries had a much more exploitative relation to Antonio's requested generosity compared to Elena and Martina. Macedonian members of the ministry routinely asked Antonio to pay for food, drinks, and even highway tickets that were not related to the project. They also used him to solve internal conflicts that emerged from their own disorganization or lack of dialogue between different sections of the ministry. While they admired the team's effectiveness and
proficiency in their everyday work, they resorted to Antonio's deep pockets and mandated availability to smooth out fights over the project's perks, such as the participation in a study visit to Italy.

While the visit was presented to EU officials as a learning opportunity, Italians and Macedonians had a very different idea about its actual value. For the Italians, this was an occasion to showcase Italian quality products. Hence the study visit was designed to impress, stupefy, and of course, stuff their Macedonian partners with food, even if many of the agricultural realities they visited could not easily be replicated in Macedonia because of issues of scale. The Macedonians, on the other hand, understood the trip as a vacation and an opportunity for sightseeing and shopping in Italy. This created a huge competition for the few spots available: some of the supervisors decided to include themselves in the study visit, even if they were scheduled to come at a later date, excluding other members of the team working on organic products. Once this was known, a fratricidal war ensued, with allegations, letters to the minister, and such. Antonio had to step in and offer to pay for the additional tickets, if the Minister approved. The Minister did not approve and instead decided to reprimand the whole group by circulating the informal news that nobody would be allowed to go, three days before the scheduled date of departure. Exasperated, Antonio canceled the visit only to receive the minister's approval the following working day.

The team's extra efforts were partly Antonio's personal initiative, but they were also dictated by the Ministry of Agriculture in Rome, which made sure to stress the need to appease certain experts over others and to appease the beneficiaries whenever possible. This approach did have important results: Macedonian beneficiaries within the Ministry and beyond loved both the project and Antonio, to the point that they requested him and Italy for a follow up project of two years once the original one expired. This was not an inevitable result. A German project had been
stalled by the unwillingness of the beneficiaries (some of whom were the same Antonio dealt with) to collaborate with the German advisor, whom they thought too strict and not agreeable. While Antonio had a personal stake in remaining in Macedonia, given his large salary of 8,000 euro per month (note that other EU advisors in Macedonia earned over 30,000 euro per month, while Macedonia's average income was less than 400 euro per month in 2013), that was not his ultimate goal. His objective was to impress Rome and create a network of contacts in order to move to Brussels in the future. Rent for him and for the Italian ministry did not only mean gaining money or partaking in a middle-class status—an aspiration for the Macedonian beneficiaries. Antonio and the Italian ministry saw rent as a political opportunity to appease their internal hierarchies and make inroads in the Neocolonial bureaucracy. It was no secret that Antonio treated his post in Macedonia as a way to gain contacts and visibility that would lead him to more lucrative and powerful positions in Brussels.

Moving to the periphery was, for Antonio, a way to find a space to shine, a possibility he would never have had in Rome. There, positions of power were already filled or reserved for people with powerful connections. Antonio's strategy was very reminiscent of older colonial times, when administrators were sent overseas and looked to further their chances in coming back to the capital by working in a remote land. But it also corresponded to the more general experience of international cooperation professionals, required to be in the field before coming back to an organization's headquarters (Cole 2007). Antonio understood that in multilateral international settings, which involved EU and Macedonian officials, local administrative personnel, and Italian ministry supervisors and experts, the best way to further his contacts and chances was to please everybody. This was not impossible, given that his financial resources were significant for Macedonian standards. He could afford to satisfy local rent-seeking behaviors.
The Italian Ministry, on the other hand, had different expectations: officials in Rome used the trip to Skopje as a bonus for their experts, whose generous travel allowances were paid for through the project's funds. Pampering important experts in Skopje was particularly useful to soften hierarchies within the Ministry in Italy. It also granted international visibility to Italian cooperation and furthered the Ministry's chances to win other projects, securing both money from Brussels and political influence in Neocolonial circles. Reaching the goal of the project was important for the EU, but the ultimate goal was spending the budget while granting the EU visibility as a donor. The EU placed significant emphasis on the project's visibility strategy; while the project had a budget for things like mugs, agendas, calendars, and other promotional material with flags and titles of the project, they could not invest in productivity tools such as smartphones, or research activities. In a way, the EU conceived of the project as a way to legitimize its own presence, claiming a civilizing value that hid rent processes at the core of Neocolonialism.

1.9 Conclusion: Neocolonialism and Rent-seeking Behaviors
How does one generate resources from a country that does not have many? Macedonia does not have extensive natural resources, except for some minerals that compose up to nine percent of its exports. Its productive system had been substantially reduced during the transition, and it was mostly composed of heavy industry with low value-added production (in Yugoslavia, those were mostly located in northern republics). At the onset of the financial crisis, just a few years into the VMRO government, it looked like the best way to generate wealth was to attract foreign investments that wanted to exploit the country's low salaries, utilize abundant aid packages from Europe, take out international loans, and transform the economy into a financial haven (a project that was later abandoned).
The VMRO, however, was not interested only in promoting richness in Macedonia. Data about the increase in wealth possessed by the top one percent (from six percent in 2006 to 12% in 2015) suggest that it was mostly interested in siphoning money towards its core. Rumors about the content of confidential reports from the US embassy posted on WikiLeaks, as well as the ethnographic data I presented above, suggest the same. The VMRO did not want to attract every investor but mostly those that could be manipulated and utilized to build its power basis. In fact, international investors did not flock to Macedonia. While the country's FDI is important, it never was as flourishing as that of Hungary or Poland. By examining the rentier approach of the VMRO system, presented here at various levels through the eyes of international investors, we can see why.

This strategy has had unexpected positive results. Rentier structures are often described as unproductive, their profit as unearned (Congleton, Hillman, and Konrad 2008) and unconnected to merit (Yates 1996, Schatzberg 1988). Such a negative portrait of rent structures comes from two distinct theoretical perspectives. On the one hand, classical and neoclassical political economists such as Tullock (1974) and Kureger (1974) see rent as antithetical to the market. Rents derive, in their perspective, from public monopolies and lead to a wasteful utilization of resources. Critical theorists often agree on this point. Veblen (1934) identifies a "leisure class" that spent money on generating status rather than on creating wealth. His theory, however, follows more closely Marx (1993) and describes the predatory schemes with which capital (and capitalists) generate more capital without investing in actual production.

Two points are not adequately represented in this discussion. The first one is linked to the idea, suggested by Veblen (1934) and highlighted by Hudson (2012), that rent is a way of generating something from nothing. While such a critique is extremely valid from the perspective
of a production system based upon a Calvinist morality, there are situations in which generating something out of nothing is one of the few options available. This is what Macedonia has had to face since the transition from socialism in a climate where international competition made attempts to sustain, revive, or recreate production systems futile. The VMRO won the 2006 elections (and all those that followed) precisely because it was helping common citizens and businesses create wealth, albeit by redistributing a small portion and keeping the larger share. The asset it exploited was one of the few available: the EU. This meant both cashing in on its status of candidate country, as we saw for the Twinning project, but also cashing in on direct investments for infrastructure.

Creating something from nothing, then, did not only work to empower oligarchs and generate inequality, as Stiglitz (2015) and others suggest. It did not create a petty bourgeoisie dedicated to leisure, in the sense highlighted by Veblen (1934). Instead, it opened the possibility for formerly working-class citizens, especially in the provinces, to become members of an aspiring rentier class. Such a monetary and existential status was mostly granted through employment in the public sector, which increased enormously during the VMRO tenure, and further by the creation of networks of businessmen connected to the government. Working in the public administration granted substantial resources without the need to prove actual productivity, thanks to the substantial overemployment in low-skilled positions that I witnessed. Salaries were, after all, one third higher than in the construction sector and came with various perks. They were often granted for life and included facilitated access to credit.

At the same time, the aspiring rentier class never quite coalesced into a unitary body with collective interests (Boone 1990). Apart from fear of the VMRO structure, individual bureaucrats spent long hours fighting each other. Uninterested in transforming their voters, mostly from poor, rural areas of the country that had been largely ravaged by the transition, the VMRO appealed to
nationalism and rent seeking as two existential and economic strategies to mobilize voters. Nationalism, ethnicity, and the allure of rent, especially in the form of public administration or public contracts, became the VMRO's basic tool for economic redistribution (Boone 1990). However, the weak political economic foundations of Macedonia's financialization have made rent seeking a very unstable process. Even within the VMRO, very few in Skopje have a solid rentier position, if one excludes Prime Minister Gruevski, his best man and vice Prime Minister for finance, Zoran Stavrevski, and Gruevski's cousins, the advisor to the customs administration, Vladimir Mijalkov, and especially the head of the secret services, Sasho Mijalkov. A wealthy magnate in the Czech Republic, Sasho Mijalkov increased the budget of the Ministry of the Interior from USD 146 million in 2006 to USD 212 million in 2014; the security apparatus he constructed resulted in over 30,000 citizens being wiretapped, various political imprisonments, and nearly total control over the media (Cvetkovska and Holcova 2014).

Entering the VMRO's aspirational rentier class was generated by economic insecurity as well as by hopes and ideas about social modernization promoted by EU values. Martina and Elena, the two assistants for the Twinning project, found themselves helping the process of integration of two rentier structures. Partially, they took such a position because it paid well. In addition, however, they felt they had the possibility of belonging to a political project. Having both worked in Macedonian structures before, they wanted to see changes in the efficiency and approach to work. In order to achieve that goal and to become part of an international elite, they felt comfortable with mediating the interests of local and international bureaucrats, even if their primary interest was not the values they believed in but various forms of rent extraction.

This highlights a difference from accounts of the Milosevic regime or other aspiring rentier or authoritarian regimes (Fischer 2007). As will be clear throughout the dissertation, individuals
who support the VMRO and smooth the working of the regime are not a crowd of thugs, nor are they all hardcore, belligerent nationalists. Many of them are impoverished, former working-class citizens, entrepreneurially minded youth, or fearful bureaucrats who saw in the VMRO an existential anchor, a financial opportunity, or a fearsome new patron. In general, the level of conflict and repression, while high, is also hidden from plain sight, and the regime has been both pervasive and informal; extremely effective in security deals, and unable to attract capital; brutally repressive in the mobilization of the judiciary and unwilling to conduct raids against protesters. This shows the peculiar aspect of rent-seeking behaviors in Macedonia as opposed to the famous hawker culture in Naples, or the "friendship that strangles" observed in Rome (Herzfeld 2009). Rent-seeking behaviors do not appear in Skopje with the bravado of a young, well-dressed impostor; instead, they oscillate between the raucous commands uttered by the bulky and bold-headed figure of a VMRO official and the anxious and despairing argument between a company owner and his worker, who tries to at least extract rent, if not the wages he is owed.

The insistence on the party and the aspiration to recreate a state structure with its distinct ideology distances the regime from completely relying on a network of underground criminals, such as in the case of Montenegro (Strazzari 2007), or from simply being a tool for preying on state resources (Ganev 2007). It is undeniable that the regime has favored new and old oligarchs. It is also now evident that members of the regime have gained a substantial amount of money themselves. Yet the regime has also significantly built up state capacity, rather than simply preying upon its inefficiency like the gang-like politicians that run Bulgaria in the 1990s (Ganev 2007).

This leads directly to the second aspect of Macedonia's rentier structure that is not quite captured in classical economic understandings of rent. The VMRO has been formidable in generating domestic political power by taming international and European sources of credit. The
case of Martina and Elena is again telling. Because they were not hired by the Macedonian government but by the Italian one, they were freer to act and speak than their local colleagues. They also did not need to get involved in the internal fighting at the Ministry where they worked—although they often did by distributing perks to all the parties involved in order to keep them quiet. Such a position generated jealousy from those other bureaucrats and aspiring rentiers, who instead had to bear the full weight of the VMRO's oppressive system.

Being part of an oppressive system, where individuals were often pitted against one another, was a consequence of the VMRO's capacity to mediate international markets. If one compares Macedonia to other countries, it appears clear that the country has been able to navigate the crisis better than others. This is not because Macedonia has huge trade surpluses, like Russia, or has significant household savings, like Italy. I believe the reason for this must be found in the specific strategy adopted by the VMRO in selecting and attracting foreign capital. My ethnography and the classified documents I accessed show that the VMRO was interested not only in attracting money but also, and more importantly, in controlling it. The party purposely mishandled some high-level meetings with international investors who would have been too big to control (including major US corporations). This, in combination with domestic forms of credit I describe in Chapter 2, limited the country's exposure to international capital and helped expand it over time without the need to borrow all at once. In other words, while the VMRO's rent seeking might have saved the country from financial meltdown, these behaviors condemned it to political oppression.

Why did the emergence of the VMRO not trigger some warnings among EU professionals? As my ethnography shows, Twinning project officials from the Italian state and local Macedonian administrators had a lot in common, particularly when it came to skimming EU funds for their personal or political interests. EU officials and entrepreneurs understood the EU as a pot of money
to utilize for converting and enhancing their personal value through international connections, projects, and money. While the Twinning project was ultimately successful, I had the impression that tackling actual issues and problems fell on a second plane. What was created was a network of legal "harmonized" structures and a tight system of interdependence and connections—which could work both to empower some few marginal subjects (like Martina, Elena, and, in a much more significant way, Antonio and Gennaro) and to reinforce structures of power.

With the tacit approval of EU emissaries, who also use EU funds for funding their own political goals, the VMRO elites convert European financial aid and private investments into political credit towards enterprises and personal benefits. I believe this highlights a specific trait of the Neocolonial regime of governance, one in which different rentier projects come together in uncanny symbiosis (Langdon 1981) that are, however, often uncomfortable, riddled with conflict and mutual attempts at exploitation. Such a form of colonialism seems very different from British domination or even US-based regimes of (under)development, insofar as it involved, directly and indirectly, a wide array of bureaucrats, elites, and entrepreneurs in common pursuit of rent, rather than outright domination. In these spheres, rent stops being a gain-oriented activity and begins to look like a trait of one's subjectivity, which involves a reorientation of one's value as well as behavior.

Neocolonialism ties together in uncomfortable symbiosis EU elites, authoritarian leaders from peripheral countries, aspiring middle-class citizens of Eastern European countries, and entrepreneurs fleeing the crisis in EU semiperipheral states; all of these actors make Neocolonialism into a multilayered form of governmentality, akin to "humanitarian" regimes observed in other parts of the world (Pandolfi 2003, 2010). But what is its core mechanism? Dunn and Bobick (2014) argue that for Putin's Russia, the central technology of domination is occupation
without occupation: seizing hold of a portion of a neighboring state, Putin mimics the rhetoric of Western interventionism, rendering the occupied state dysfunctional without actually having to govern it. In this way, Russia avoids carrying the burden of occupation while still sabotaging the independence and geopolitical capacity to act (that is, sovereignty) of the (non)occupied state—a move that for the authors is a direct reaction to the EU's eastward expansion.

The article, written before the dramatic unfolding of the 2015 Greek crisis, argues that this imperial project stands in contrast with the EU, which instead insists upon transparency, rule of law, and the building of a Weberian bureaucratic complex (Dunn and Bobick 2014). But that is not the kind of image of the EU that emerged from the events in Greece. While Putin took hostage parts of the Moldovan, Georgian, and Ukrainian territories, the EU kidnapped Greek banks using not the fifth army, but the Central European Bank. The result was the same: Greece, just like Georgia, Ukraine, and Moldova, was put in a state of tension, with its institutions unable to function. The difference is thus not one of "kind" of governmentality but of a different historical conjuncture that confronts the two imperial projects. Until now the EU had no competitor in Eastern Europe and could count on friendly governments. When Greece's leftist party Syriza confronted the EU with a competing idea of politics, the Eurogroup acted in the same way as Putin's Russia, crippling the Greek state, draining its monetary means of payments and ensuring that it will be kept as a dysfunctional, limited sovereign entity for the near future. Note the difference with Putin's imperialism: Neocolonialism used illiquidity instead of territorial control to disintegrate Greece's sovereignty.

Flows of money are the crucial tenet of Neocolonial governmentality and correspond to the EU's aspiration to bypass territorial limitations—a goal that has been reached not through political government but through currency integration (Shore 2000, Peebles 2011). As I will show here,
much of the EU's influence is not of a directly territorial kind, except for the rather shortsighted attempt to fortify its external (and internal) boundaries against the byproducts of its wealth, that is, migrants (Jansen 2005, Agier 2010, Green 2013, Zontini 2008). By and large, the EU works through financial institutions: loans, aid packages, assistance funds, and private investments that aim to shape the receiving's country sovereignty. The ways these funds are received and put to work show that Neocolonialism is not currently geared towards the construction of a solid bureaucratic system of a Weberian kind. Instead, it aims to legitimize the EU as a system of redistribution that encourages rent-seeking activities from elites and citizens in the receiving country as well as from EU states' bureaucracies.

This mechanism fell out of sync in late 2015. While for about nine years, EU technocrats and political elites had been complicit in Macedonia's authoritarian financialization, the sudden explosion of political protest that followed the allegation of widespread wiretapping by the government and the release of recordings of high-level officials forced them to take a stand. It is unclear who leaked those tapes to the leader of the opposition, Zoran Zaev, and why. Yet in the aftermath, EU officials and ambassadors have been united in condemning the VMRO government and brokered a deal to change the regime. This ultimately led Nikola Gruevki to resign, to the creation of a special prosecutor for the crimes committed, and to anticipated elections in April 2016. Yet as of the time of writing April 2016, the date of the election has already been postponed once, given the little progress made in dismantling the VMRO mechanisms of power (which included false lists of electors, fake I.D.s, etc.). Similarly, the prosecutor's requests to detain suspects of significant crimes and former VMRO officials or ministries has been denied. This led the top EU negotiator in Macedonia, Peter Vanhoutte, to declare that "regime change by elections is not an option anymore" (NeOnline 2016).
I believe the two are connected. The VMRO regime, while working along and within the framework of Neocolonialism, did not ultimately want to be part of a complex system of governance. Nikola Gruevski and his crew aimed to construct an independent, sovereign, authoritarian state that utilized financial markets opportunistically to create domestic illiquidity and patronage. So far, they have failed, as Neocolonial forces have pushed them beyond their ability to control the population. Yet their grip on power remains strong. In what follows, I will show why.
2. Financialization Without Liquidity: Alternative Payment Systems

In September 2013, I had a long interview with a very successful businessman who owned a construction company. Sitting at a café, he looked at me with glassy eyes, wary of sharing details about his business. The kinds of questions I was asking, focused on finance, were suspicious. He did not even want to concede that there was a global financial crisis, and certainly not in Macedonia. He looked at me as if discussing the crisis would be a compromising subject. For the first time, but not the last, I sensed unexpressed suspicion about my real intents, motives, and political (or security) allegiances. His fears were understandable. While I was not a spy, an undercover agent, or a member of the SDSM opposition party, he owed his fortune to the current right-wing authoritarian government, from whom he had received substantial investments. I witnessed other companies struggling to pay their employees and get paid by their customers. For him, that crisis did not exist. Despairing that I would not get an actual answer, I made a passing comment about the housing market being often prone to bubbles. "The market?" he started laughing, "Do you think I am crazy? I would never invest in the free market!"

There is no free urban real estate/construction/development market; my Macedonian interlocutors of different political sides all agreed on that. What there is, instead, is "an urban mafia," "an octopus that strangles you," "a system that drags you down"—these are only some of the ways in which inhabitants of Skopje describe the rent-seeking behaviors that I presented in Chapter 1. Such social relations are organized around a hierarchy that is deeply intertwined with the financialization of the country's economy. The following figures show that the state, families, and individuals are experiencing an expansion of financial products, especially loans. Contrary to what happened in financialized economies such as Spain or the US (Palomera 2014, Aalbers 2008),
where financial debt generated a wealth effect and a temporary proliferation of money, in Macedonia, salaries stagnated and inflation went negative.

**Figure 13: Inflation rate in Macedonia.**

![Inflation rate in Macedonia](image)

*Source: State Statistical Office of Macedonia.*

**Figure 14: Average salary in Macedonia.**

![Average salary in Macedonia](image)

*Source: State Statistical Office of Macedonia.*
If Macedonia's economy is being financialized, the private and public sectors are heavily indebted, and money is not flowing into wages or increased spending by the population, where has it gone? One could imagine that the money has been funneled into savings by individuals. Yet as the graph clearly shows, household savings have been negative for most of recent history, with a low of 15.4% in 2007. In addition, while the GDP has certainly expanded, most of this expansion is due to foreign companies investing in Macedonia. Household debt in Macedonia is around 21% of the GDP but around 30% of disposable income and 45% of financial net assets. This is certainly among the lowest in the region. Yet many of my middle- and working-class interlocutors were in arrears with their installments and often received threatening calls from banks. This is not the only contradiction unveiled by an examination of aggregate numbers. In 2014, it took on average 234 days to sell properties in the construction sector, up from 193 days in 2013. How can one explain the presence of excess liquidity and, at the same time, of extreme difficulty in selling newly built property?

I believe that the discrepancy between aggregate and ethnographic data needs to be explained by studying the relations between monetary and in-kind payments, as framed by the VMRO authoritarian government. If financialization is providing liquidity to the Macedonian society, who is getting this money, and why did a large portion of my interlocutors have a very hard time getting paid for their efforts? I will begin to answer these questions with a short ethnographic vignette.
Figure 15: Household debt to GDP in selected Eastern European countries.

Source: National Banks.

Figure 16: Disposable income, private consumption, and saving rate of households in Macedonia.

It had been a long conversation. As he unlocked his bike and we were about to part ways, I mentioned that I was interested in kompenzacija. At first, Ilco gestured dismissively, then looked at me baffled. "Kompenzacija?" he asked. "Oh, we need to sit down a whole day to talk about this. You can't imagine how often I did kompenzacija with other people. But most of the time, when somebody mentions kompenzacija, you immediately know that it is not good. I did it myself, you know, I also got people screwed with kompenzacija. But let me tell you this: if people who owe me money want to give me, say, toilet paper, well that's okay. I can place toilet paper in a second. I make a couple of calls, and bam, it is gone. No problem at all. But nobody wants to give you toilet paper. They could sell it themselves. So you get stuck with other things… What do you do then? Listen now—once I did the worst kompenzacija ever. I had sold some stuff to this guy, but for about six months he hadn't paid me; he always had something coming up—some problem with the bank, some issue with the family, something. So one day I go to his house, and I tell him that
I can't wait any longer. I also have my own problems, and I'm about one hundred thousand euro in debt with other people. So I tell him that I really need to get paid now. He has no money, he tells me. But then he says, 'I can give you some stuff, we can do kompenzacija.' I ask him, 'What kind of things?' 'Eggs,' he says."

At this point Ilco stops, turns to me, passing a hand on the bald and sweaty surface of his head. "Can you imagine that? Fresh eggs! So I get the eggs in the van, there might have been thousands of them, and I start driving back home. But you know how our villages are—it was far from Skopje, in the middle of the mountain, and the road was so poor that… You can't imagine the condition my van was in when I got back here. Half of the eggs were broken, and I spent more to clean the van than the worth of the whole load." He paused briefly, then he stared at me "THAT is kompenzacija."

Kompenzacija (literally, "compensation") is the Macedonian answer to financialization without liquidity. Through kompenzacija, in-kind payments are intertwined with the authoritarian regime in the Republic of Macedonia and neighboring countries such as Serbia, Bulgaria, and Kosovo. The data I discuss present cases whereby construction-related goods such as tiles, but especially apartments, are used to pay for labor and services, including installing parquets, mounting bathroom appliances, or drawing architectural plans. While some of these transactions were relatively satisfactory, given the intrinsic social value and status that my interlocutors associated with objects like cars and apartments, in most of the cases, people were forced to accept kompenzacija and lost part of the monetary value of their labor. Like in Ilco's story, if you were paid in kompenzacija you were likely to end up with broken eggs and a van to clean. So why did people accept kompenzacija?
My interlocutors claimed that the forms of kompenzacija I observed from 2012 onwards arose because of the lack of money that Macedonians experience. Chapter 1 has already emphasized how Macedonia has attracted international flows of money, albeit in insufficient amounts compared to the VMRO's expectations. Official data show that Macedonian banks have a capital adequacy ratio of 25% and that the state, the national banks, and some companies have substantial reserves of cash both in Macedonian denars (MKD) and in other foreign currencies such as euros or dollars. Yet companies I worked with were unable to get paid and perennially lacked cash. What explains this paradox? In this chapter, I analyze how illiquidity circulates within the Macedonian economy, becoming a system of redistribution of value. Far from being a condition that is determined by the mechanical presence or absence of money, illiquidity signals a reorganization of political power that regulates equivalences of value(s). It designates the emergence of a new regime of conversion, whereby the VMRO regulates equivalences in payment systems, subjecting companies and workers to its rule.

In this chapter, I discuss the emergence of kompenzacija as an ethnographic object that illustrates the specificity of financialization under authoritarian regimes. The chapter details the role of kompenzacija payments during socialism and the first years of transition in order to foreground the affective and material legacies of power that accompany today's emergence of illiquidity as a tool for financial subjection. Since the ascent to power of the conservative VMRO government in 2006, kompenzacija has become part of a centralized, highly hierarchical system of payments. Kompenzacija, then, is utilized by the VMRO as a way to siphon money to its cadres and business associates and force other companies to subject themselves to political patronage.

I take on several ethnographic questions. Why do we see a resurgence of in-kind payments in Macedonia in the wake of the global crisis that began in 2007? What makes goods like
apartments, eggs, tiles, and cars less valuable than money? Why are certain people paid in MKD and others in eggs or apartments? Why do many people knowingly accept means of payment that they do not want, knowing that they will lose monetary value? The answers to these questions lie in the politics of illiquidity—which I understand not as a mere "fact"; that is, the presence or absence of money, but as a form of redistribution and control of the money supply that allows the VMRO government to build its economic and existential support. Examining strategies of accounting and the hierarchies that make (im)possible the conversion of money into apartments, cars, and eggs, I show how the VMRO produces authoritarian subjection through different methods of payments.

2.1 Barter, Payments, and Politics.

The anthropological archive is rich in examples of complex exchange regimes, where different methods of payment coexisted. Societies as diverse as the Trobriand Islands or the Tiv of Nigeria ascribed specific methods of payments to different kinds of transactions (Malinowski 1978, Bohannan and Bohannan 1968). Among the Trobrianders, prestige was marked by kula, or the exchange of bracelets and necklaces made of cowries and beads, while everyday items of consumption were bartered. Cowries were probably also traded within such barter transaction; it was not only the material or object in and of itself that defined its specific social function. Rather, it was the history of the previous owner of the specific bracelet or necklace that made it meaningful in the sphere of prestige. According to Guyer (2004), while the Tiv society clearly distinguished among three spheres of exchange (one for everyday goods and consumables, one for prestige, and one for rights over women), goods that functioned as currency in one sphere could also move across others.
The list goes on, as noted by others who have reviewed existing anthropological studies on "primitive" money and payments systems (Peebles 2010, Maurer 2006, Parry and Bloch 1989). Without attempting to be exhaustive, I want to stress here some elements that emerged from the pioneering studies of Malinowski and Bohannon and that continue to shape the anthropological canon with regards to multiple methods of payment. First, Malinowski and Bohannon portray different types of exchange as possessing different forms of abstraction. In the kula ring, objects are very personal and it is precisely their uniqueness, what Weiner (1992) has identified as a form of "inalienable wealth," that defines their value. On the contrary, objects transacted in barter exchanges, both among the Tiv and the Trobrianders, are anonymous. At the same time, barter is described as qualitatively different from modern market exchanges—a type of transaction that authors like Graeber (2012) consider more abstracting. In fact, Malinowski and Bohannon (1959) tended to see the introduction of universal money and values as detrimental to local morality and society.

In other words, in-kind exchanges that constitute forms of barter have been conceptualized as part of markets that are neither completely personal nor completely impersonal. Humphrey (1985) has provided one of the best illustrations of the specific nature of barter exchanges, describing barter as horizontal transactions between equal and free partners, who exchange goods (but also services) pertaining to different social domains of value. In other words, barter does fulfill market needs, but it does so through the conversion of use values, rather than through the use of impersonal currency. While a competitive, rational, and self-interested calculation is at play in such exchanges, the reasons that bring each partner to evaluate the other's goods are framed within ethnic or social boundaries that pre-exist or are created by such transactions (Pedersen 2007, Ssorin-Chaikov 2000, Cellarius 2000, Humphrey 1985, Björklund Larsen 2013).
There is, however, no reason to think that every exchange done in kind responds to these characteristics. While economists tend to identify changes in payment systems with the evolution of new (and more efficient) methods of payments, many anthropological studies show that different types of exchanges are defined by their social relations, rather than by the mere objects utilized. In other words, it is not the material cloth that makes a one-dollar bill money. Rather, a one-dollar bill is considered different from a rag because of the authority that issued it and the social context in which we live. Similarly, in-kind exchanges do not need to be horizontal and free at all. Tributes have historically been transactions where goods were used to signal political dependency and domination (Brumfiel 1997). Goods can also be given freely or in payment in order to create dependencies—as is the case with payments in drugs and or other overpriced goods, so as to create debt-peonage across the globe (Mollona 2005, Bletzer 2004).

The second interconnected point is that systems of payments are directly connected to specific forms of political power. In the Trobriand Islands, the kula system defines and ranks chiefs. While barter was not the main aspect of kula exchange, it was, however, crucial to initiate as well as to keep alive over time, especially if one of the two partners did not yet have a valuable to donate. While in Tiv society it was rights over women that defined one's "strong heart" (Bohannan 1959:498), barter of consumption goods could be crucial to solidifying one's reputation if it led to conversion into goods of higher value. Excess goods could be used to buy prestige goods that could then be used to buy rights over wives. While noting very different articulations between different currencies and tokens of exchange, these examples show that in-kind exchanges are not necessarily linked to horizontal, fragmented political scenarios. The Tiv and Trobriand cases show that, at least at a local level, in-kind exchanges can favor forms of political centralization and hierarchies.
These two considerations notwithstanding, more recent discussions of barter have tended to discuss in-kind exchanges in relation to political fragmentation. Hence, much of the literature on barter emerged in connection with dramatic ruptures of nation-states institutions, such as in the case of postsocialist transitions. In places like Russia in the 1990s, barter has been observed in parallel with the fragmentation of political power, now exerted by various suzerains (Humphrey 2000, Woodruff 1998, Seabright 2000). Complex networks of in-kind exchanges emerged as local alternative to ensure the survival of people in a situation of political chaos (Verdery 1996, Dunn 2008). Among the transactions necessary to overcome institutional collapse, a vast literature documented the diffusion of networks of favors: defined as connections or bribes, anthropologists have shown the social value and complex morality that make these informal arrangements acceptable to people caught in the collapse of planned economy and the shock of neoliberal reforms (Ledeneva 1998, Torsello 2010, Rivkin-Fish 2005, Dunn 2004, Brkovic 2015, Sampson 2005, Rogers 2005).

But if in-kind exchanges signal political fragmentation, why are we experiencing a resurgence of barter on a global scale? In-kind exchanges have picked up significantly in recent years. The International Reciprocal Trade Association reports that in 2011, 400,000 companies used barter to earn over 12 billion USD. We could, of course, concur with economists to explain contemporary barter as either a survival mechanism or an attempt to place unprofitable stock that was unsold after the crisis (Keys and Malnight 2012)). Yet this would not explain the qualitative shift that anthropologists who studied contemporary finance have observed (Ho 2009, Zaloom 2006, Riles 2010, Miyazaki 2013, Maurer 2005, Holmes 2009, Knorr-Cetina and Preda 2007, Poon 2009). In the increasingly fast and abstract world of mobile payments and financial transaction, money is dematerialized, and its role as a "means of payment" resembles mostly that of a unit of
When people pay with plastic cards, money exists mostly as a number on bank accounts, making purchases look like a direct conversion of time into goods. In addition, the multiplication of currencies and means of payments suggests that money is often transformed and converted multiple times before actually completing a transaction. Just like goods that had to be converted across domains of values, mobile money undergoes many more transformations than their modern economies' relative, silver or gold coins.

I believe that kompenzacija can productively be analyzed as a relation between money and goods that reflects broader political and economic phenomena. My analysis of kompenzacija shows that financialization and in-kind transactions do not belong to two different worlds. Instead, they are intertwined with many of the same complex political processes that make goods, currencies and debts comparable and transactable. In the case of Macedonia, it is the VMRO authoritarian regime and its capacity to coerce individuals violently and subliminally that frames the relation between kompenzacija and financialization. This means two things: first, that economic actors close to the VMRO that can monopolize the system of conversion can extract fees from others. This is not very different from Maurer's (2012) findings in relation to networks such as M-Pesa or Paypal. These networks of payments constitute de facto private monopolies of conversions that extract fees to proceed and operate the various conversions needed to complete mobile or electronic payments. Such rents (Harvey 1989b), however, do not need to be only monetary or economic in nature. Historically, a monopoly over means of payments and control over the system of payments has been crucial for the consolidation of political power. Locke, for instance, was particularly concerned with the proliferation of clipped money. For him, the diffusion of a currency whose weight did not respect its official value jeopardized the very authority of the British Crown (Caffentzis 1989). Quinn and Roberds (2008), in their survey of
means of payment, show that bills of exchange were widely utilized because they could circulate without a central authority to guarantee them.

What we see in Macedonia in the 2010s, then, is not a proliferation of in-kind exchanges as survival tactics between petty, competitive traders, such as the form that dominated the USSR's landscape in the 1990s (Humphrey 2000). It is also not the accumulation of power and profit through increasing the pace and volume of transactions, as in the case of financial networks of payments. On the contrary, conceptually as well as ethnographically, kompenzacija shows the solidification of the VMRO regime and its capacity to translate international finance into a domestic system of patronage and, ultimately, control. The VMRO utilized international credit lines to expand its reach and convince people to support the party in exchange for public contracts or jobs. In the aftermath of the 2007-2012 crisis, the VMRO strategy proved insufficient to avoid an economic slowdown in Macedonia's economy, as foreign investors seemed skeptical of bringing their production to Macedonia—a process I highlighted in Chapter 1. Yet, this shortfall empowered, rather than jeopardized, the party's political power. Citizens utilized their new public jobs for mortgages or consumer loans. Companies, on the other hand, reacted to the VMRO's availability of money by investing. As economic conditions tightened, indebted sectors of the population turned to the VMRO as the main source of money.

This leads to the second specificity of the authoritarian financialization of Macedonia: illiquidity. Amateurs and professional analysts of the Macedonian economy hear the word nelikvidnost (illiquidity) on a daily basis. Business owners and workers alike lament the delay with which they are paid. Wholesalers and subcontractors complain that they are often offered to be paid in kind, rather than in money. Overall, everybody seems to agree: illiquidity stems from a lack of money in Macedonia's business world. In this chapter, I show that illiquidity is not a mere
"fact," a negative state caused by the lack of money. On the contrary, illiquidity is a system of relations that regulates the convertibility and value of different means of payments, whereby members of the VMRO and their business cronies are empowered at the expense of other citizens. Illiquidity, then, has political and moral implications and is partially caused by kompenzacija. In fact, kompenzacija allows the VMRO to expand its power by restricting, rather than dispersing, citizens' access to money, as happens in other rentier states (Coronil 1997, Boon 1990).

Manipulating the relationship between various methods of payments, the VMRO party has utilized its coercive power to reconfigure the state as a gigantic pyramid scheme. As Verdery (1996) has studied, speculative environments such as pyramid schemes have been significant cultural and economic formations in postsocialist countries. In places like Romania, they emerged as a consequence of the economic downturn of the transition and the reconfiguration of the social, religious, and economic meanings of money. In Albania, according to Musaraj (2012), pyramid schemes emerged in connection with the availability of cash and remittances from international migration. In the Macedonian construction sector, kompenzacija forces companies not only to extend credit to others, but effectively to tie their economic fortune to their debtor. As subcontractors are forced to accept apartments in payments, they pay for contractors' operation and allow contractors to invest their own money somewhere else. But because apartments take a long time to build, this means that subcontractors depend on the economic destiny of the contractor. If the latter fails, their creditors lose everything.

Kompenzacija, one of the main types of exchanges that allow illiquidity to emerge, connects eggs, cars, apartments, and the global crisis as sources of political power. I argue that, through kompenzacija, illiquidity structures a political system whereby, with increasing political distance from the VMRO and their affiliates, individuals lose their certainty of being able to
convert their resources into economic value. The lack of political support, then, generates mounting financial pressure on individuals, who find themselves isolated and yet unable to change their economic situation. The most common solution, for many of these individuals, is to enter the pyramid of the VMRO party in order to get political support and perpetrate kompenzacija further. In these conditions, kompenzacija is both an anchor for failing businesses to delay their financial meltdown and a threat to politically exposed individuals and companies, which risk losing value by being forced to accept goods as payment. Either ways, kompenzacija pushes people to join the VMRO party to minimize the risks of losing economic value brought about by authoritarian financialization.

2.2 The History of Kompenzacija

Kompenzacija was very well known during socialist times. Accounts I collected show that both institutions and private companies often paid with goods instead of dinars, the socialist Yugoslav currency. Yet, the context and the function that kompenzacija fulfilled seem to be radically different from those observed today.

Despite the limited data available on socialist kompenzacija, it is clear that in-kind exchanges in Yugoslavia differed from what was observed in other socialist countries. The USSR, Romania, Hungary, and the DDR (Verdery 1996, Humphrey 2002, Kornai 1992) followed a rigid model of economic planning. This was not the case in Yugoslavia, where central planning existed until 1952 but was modified with the progressive introduction of market mechanisms in 1964, which were then extended in the mid-1970s. Companies operated in a limited "market environment" and were organized around the principle of self-management, whereby a collective of workers directed the enterprise—although not independently from the Communist Party.
(Bartlett 1997). Because shortages were not as dire and fluctuations in production were not as extreme as in USSR-linked countries, Yugoslavia's companies had less need to hoard, exchange, and pay in goods (Estrin 1991, Palairet 1997, Vuckovic 1963, Ribnikar 1989).

While state control of the economy was not as oppressive, it was still extensive. Payments between enterprises, for instance, happened mostly through the Public Accountancy Office (SOK), which coordinated the cashless transfer of money from one company to another (Ott 1988). My interlocutors would go to the Public Accountancy Office with receipts that signaled the amount of money they needed to receive from a third company. The Office itself would then transfer funds to the petitioner. Things did not always work smoothly: often companies did not have funds available, and only personal connections would alert my interlocutors about when it was a propitious time for collecting dues.

This was more of a hassle than a problem, and lack of money did not force companies to close or go bankrupt. Because the ultimate value was production, not profit, the state made sure to redistribute surplus and debt, especially if the financial stability of a company and its subcontractors were at risk. Money worked as a unit of accounting that "followed after production," in Woodruff's (1999) brilliant definition, rather than as a goal of production in itself. Kompenzacija followed a similar path: it was often used to bypass the problems of monetary scarcity that some companies faced and keep production going. Because ultimately what needed to be transferred was labor and the goal was production, kompenzacija worked perfectly as a tool for liquidity in the socialist value system.

In practice, this was a very messy process. The case of the Metallurgic Kombinat Smederevo described by Palairet (1997) shows how the socialist state mediated intricate schemes of in-kind payments between firms. The Kombinat was supposed to become an industrial gem of
the Yugoslav production system and had been designated to receive various technological upgrades. Meanwhile, partially-worked iron slabs produced in Smederevo were sent to other Yugoslavian steelworks so that they could refine them and send them back for the final polish. This temporary solution, however, became the routine, as Yugoslavia broke up before the Kombinat could integrate its production process. Unsurprisingly, this intricate exchange of goods between companies grew financially unsustainable. Banks (which were owned by public enterprises) started lending money at almost negative interest rates. When this proved again insufficient, the Socialist Republic of Serbia imposed agreements on other companies to buy even the defective products or to compensate the Kombinat with materials, such as ore, spare parts, or hard currency—the only gateway to foreign technological fixes. In other words, profitable companies were used by the communist state to subvert the losses of unprofitable firms, either with money or with goods. The assumption was that the total value of labor would not decrease and that the state would balance losses and profits accumulated by different companies, making sure to find buyers for unwanted goods. In my interlocutors' words, liquidity would be ensured by the state, which would "close the circles" of payments.

But there is another reason why kompenzacija was not very dramatic during socialism. It was not uncommon for people who worked in Yugoslavia to have relatively good salaries and yet to have little money left the very day they received their paycheck. Companies often granted their employees credit for a large number of transactions, or supplemented workers' wages with non-monetary benefits, including housing, daycare, and vacation facilities (Furubotn and Pejovich 1972, Bonfiglio 2014, Woodward 2003) recovered directly from the workers' salaries. In such a system, the crucial strategy for fructifying one's labor was not to obtain a wage; it was more important to work within one of the state or socially owned enterprises. The liquidity of one's labor
was not coupled to money but linked to one's professional belonging. Money, on the contrary, was mostly a unit of account that did not define things through profit, but in relation to their production process (Bryer 2016, Horvat and Korošec 2015).

2.3 Kompenzacija and Transition

The transition from socialism generated a peculiar kind of illiquidity: if, on the one hand, the dismantling of the productive system caused a surge in unemployment, on the other, the privatization process allowed many to strip former state-owned assets for cash. Faced with heightened expectations for consumption but a fragmented market, Macedonia saw a resurgence of kompenzacija as a form of exchange through which an emerging class of petty urban entrepreneurs could conduct transactions and accumulate capital.

"It was simple. My dad knew that he could very easily sell toilet seats here in Macedonia. But he did not have the money to buy them. So what he did was to go to Serbia, where he found a company that sold toilet seats. This company was interested in getting door handles—so he went around until he found another company who would sell him door handles on credit. He got the handles, went to the first company, exchanged the handles for the seats, brought them back to Macedonia, sold them, paid back the handles company…and so he became the King of Kompenzacija." According to his son's recollection, the King of Kompenzacija was able to engage in in-kind private transaction precisely because of the dismantling of the socialist Federal Republic of Yugoslavia. In this case, two companies were interested in goods of different kinds but could not rely on the socialist infrastructure to exchange them. Instead, precisely the borders generated by the collapse of Yugoslavia into six different republics created different domains of value relatively distinct from each other. Entrepreneurs like the King of Kompenzacija were then able to
match desired goods in different national markets and extract profit from it. This was particularly important in Macedonia, a country with an underdeveloped consumer industry that had previously provided heavy industry output for other socialist republics. Because Macedonia had maintained a neutral position during the Balkan Wars and had historically strong connections to Serbia, kompenzacija flourished alongside other kinds of informal trade and smuggling that connected Skopje to Nish and Belgrade.

The fall of the socialist system was crucial to this new set of kompenzacija exchanges in another sense: postsocialist societies had abundant "gray," illicit, and sometimes illegal capital. Partly as a consequence of the stripping of previously state- or socially-owned enterprises, partly because of savings from the Yugoslav era, the Macedonian population had faced dire economic conditions but was able to mobilize cash on demand. The number of banks declaring bankruptcy, the unpredictable and sudden blockages to loans or withdrawal, and the vicissitudes linked to converting socialist dinars into Macedonian denars convinced many citizens to literally sleep on stacks of cash, often after having converted MKD into more stable foreign currencies such as the deutschmark. Kompenzacija thus re-emerged not as a tool for supplementing socialist production and allowing exchange in debt circles closed by the state, but as a profitable business: paying in kind became a way to get to money. With the collapse of the socialist system and without socialist companies to finance one's consumption or small investments, money assumed a different role. It became the measure and storage of labor's value, the preferred type of capital, and a means of exchange. It radically shifted its role from means to become the true aim of production.

During the early years of the transition, kompenzacija ensured liquidity in the same way that barter did in other parts of Eastern Europe by matching desires and transferring values at a time of political fragmentation (Humphrey and Hugh-Jones 1992). It also constituted a way for
close businesses to help each other, extending credit through in-kind exchanges. Kompenzacija equivalences also relied on "differences," but not between different moral spheres of value and evaluation. It relied on different markets, the different availability of supply and demand, or on the different monetary price paid for a good across newly established national boundaries. Kompenzacija made possible the social rise of many small entrepreneurs who had no monetary or economic capital but were able and willing to engage in chains of non-monetary transactions that eventually let them join the ranks of petty capital owners. Kompenzacija during the transition supplemented liquidity, allowing for the accumulation of capita and cementing the rise of a dispersed class of petty postsocialist merchants that benefitted from the SDSM party's tolerance of informality.

2.4 Late 2000s: Kompenzacija and Precariousness

In the late 2000s, kompenzacija had already assumed a very different form. From a win-win, horizontal, and sometime moral relation, it became a tool to create and enforce hierarchical relations within Macedonia's economic sphere. In these conditions, kompenzacija became a hallmark of illiquidity, of the loss of value caused by one's peripheral political position vis-à-vis the VMRO party. Kompenzacija was inscribed unexpectedly in working relations as it progressively devalued the labor of those who were not close to the VMRO party.

I met Marko the first day I arrived on the construction site. He was just hanging around outside of the elevated container where the supervisor's office was located. I would see him often in the following days coming and going: either called in to solve some problems by Toni, the supervisor, or simply stopping by as a courtesy, his roaring voice filling the air. Most strikingly, he seemed to have a joke ready for everybody; all the other managers or directors of subcontracting
firms spent time laughing and telling stories with him. Just below the elevated container, Bobi had a different opinion of Marko. "I worked for him about six months," he told me while anxiously smoking a cigarette, "and he never paid me. He promised me 500 euro per month, but he was never on time. 'I do not have the money,' he kept telling me. 'Here is an advance of 100 euro'—and it is three months that I do not get anything. I am not insured, nor do I claim taxes and social insurance. What am I supposed to do?"

Ultimately, Bobi left the company. He joined another firm working on the same site along with seven of Marko's former employees. Reduced to only five operatives, Marko suddenly disappeared from the site, visiting only on occasion and without announcing himself. Instead, he intensified his virtual presence in the company's office to solve his kompenzacija issue. He was scheduled to receive an apartment as kompenzacija for the work he had done on two different buildings. But as his main company was currently in financial trouble and the bank had blocked his account, he begged Construx (the contractor company) to pay him on a different account, belonging to a subsidiary he owned.

For Marko, kompenzacija constituted a problem, although it wasn't as acute and urgent as it was for Bobi. On the one hand, he would become the owner of a relatively coveted and stable good, the apartment; on the other, it was unclear when, how, and if that would happen. Almost a year after that first encounter, I sat down with Marko as he hopelessly explained his difficult situation to me. "You see, I was supposed to get money for the deal. Then they said, 'can we do kompenzacija?' I could not really say no, so I accepted. Now it turns out that the apartment is used as collateral from Construx, and I cannot get the official papers, so I cannot sell it! So I decided, no more kompenzacija. I could not keep my employees, I needed to restructure the whole company."
It was kompenzacija that thwarted Marko's financial stability and strained his relationship with Bobi. His company had already performed half of the work when Construx offered to pay him with apartments. While he had a contract for a monetary amount he would not disclose, he agreed to Construx's terms. In part he felt he ought to support Construx, a company that had been very loyal to him in the past and that he considered one of the most serious in Macedonia. But this moral obligation had also darker roots: Marko knew very well that if he did not comply with Construx, he risked being cut out of the circle of preferred subcontractors. In a small country like Macedonia with raging unemployment, falling outside of such a circle can be the equivalent of business exile. So, unsure about how else he could recover at least some money, Marko decided that kompenzacija was his best call.

Kompenzacija represented a problem for Marko because it did not guarantee a clear conversion rate between the good he received, the apartment, and the monetary price. It was easy to do kompenzacija, and many interlocutors recounted to me that they agreed on it at dinners or drinks. From an accounting perspective, kompenzacija meant simply balancing the contractor's debt with a transfer of ownership of an asset, generally an apartment, to the creditor. While such a transfer would have been the end of a monetary transaction, with kompenzacija, it was only the beginning of a series of other conversions that often failed to materialize. First, subcontractors often had to wait for the company to actually finish building the apartments. Then they had to receive legal ownership, a complex and lengthy process, especially if the building had been used as collateral for a loan. But more importantly, subcontractors like Marko had to deal with the falling prices of housing.
Figure 18: Construction volume index.

Source: Eurostat. Data expressed in points (left scale).

Between 2010 and 2013, Macedonia's construction sector went against the overall European tendency. While countries like Ireland, Spain, or Greece, where financialization had fueled urban development and middle class debts, saw a significant and steep decrease of construction activities, Macedonia's construction sector picked up significant steam. If one excludes civil engineering works, a sector that doubled in 2013 and tripled in 2015 when compared with 2010, the situation looks a bit different. Macedonia's housing sector today has a productivity of about 180% of what it was in 2010. This is still a very high index in comparison with other EU countries. According to the data from Eurostat, Ireland's index in 2007 was at 486 and today is at 115; Spain was at 180 in 2006 and today is at 93. However, Macedonia's intense construction activity does not guarantee profits. In fact, data from the statistical office suggest that the
profitability of the sector radically decreased from a net profit margin of 12.3% in 2013 to 5.4% in 2014. The sector's debt ratio has increased from 50% to 54%. Early analyses (Karajov 2013) stress that the construction sector is increasingly indebted; sales of apartments have been increasingly rare, pressing companies like Construx to rely continuously on promotional discounts. As I highlighted above, the average price of apartments has decreased steadily. Despite the effort from the government to subsidize housing mortgages for young couples, buyers seem to be unable to afford the nominal price of around 1,200 euro per square meter in a decently located, averagely constructed building.

Receiving an apartment as kompenzacija thus becomes a liability. It not only forces the subcontractor to spend increasing time and energy to place it, but its value is destined to decrease over time. Instead of being an exchange of goods considered of equal or equivalent value, today, kompenzacija is an exchange between one good (labor), whose value was supposed constant, and another (apartments), whose value is shrinking. That is, kompenzacija promotes a new relation between labor, goods taken as payment, and money—one in which, without the political connections needed to unload an apartment quickly, the labor and investment put into completing a job risks losing considerable value. In this case, kompenzacija does not spring out of different desires regarding objects whose value belongs to alternative spheres of values. It is a forced transaction that two partners who both aim to collect money cannot complete except with goods. Yet at least one of the partners, in this case Marko, does not want the good in question. But he is forced to accept it, as he does not see any other way to ever get paid.

At worst, Marko and most of the companies I met throughout my research could only rely on a disheartening solution: they could offset the burden of kompenzacija on workers. That meant firing workers—often hired without regular contracts anyway—or keeping them at work with the
simple promise of future pay, while providing them just enough money to survive and come to work. If, for company directors, kompenzacija meant exposing their businesses to the precariousness of a falling bubble market, workers experienced kompenzacija as an even greater mechanism of precarity—one through which they entirely lost control over the monetary value of their labor.

Krste and Bosko, both workers at Construx, were just some of the many other employees in the construction sector who directly experienced the effects of kompenzacija. For Bosko, kompenzacija was about a car: "I worked for an architectural firm that got a contract with an important politician. One day the manager of the company calls me: 'Come out,' he says. I go, and I see him with three black, medium-sized cars. 'Choose one,' he tells me, 'it is yours.' Instead of my fee, they turned up with those cars! Eventually I had to close down my own private activity because of kompenzacija!" Had he not accepted kompenzacija, he would have had no way to retrieve the money he was promised. Courts are simply unhelpful without the right political connections, and because his client was an important man, he was perfectly positioned to manipulate the legal system. Not only did Bosko stand no chance of fighting through institutions, but he was also facing a more direct and practical threat: the VMRO party. Generally referred to as THE Party, the VMRO holds Macedonian public life in a steel grip and has been known to use all sorts of violent means to protect its members. Unable to mobilize political support, Bosko was eventually stuck with non-movable property that he did not need and did not want, and which eventually led him to the brink of personal bankruptcy.

Sometimes, the loss of value embedded in kompenzacija happens through more explicit forms of violence. Krste is one of the most caring construction workers I met. At 1.60 meters tall, he is known throughout the construction site for taking care of a hamster like his own kid. But
after a year of begging his previous employer to pay him his six months of overdue salary, he had had enough. He went to the company's office and sat in the sales room. "Every quarter you make today selling things, I will take it. And if you do not sell anything, I will take stuff from your store until the debt is repaid." His face turned red while he remembered, and his body movements became increasingly nervous, as he continued: "And then I started provoking my former employer. I insulted him, and his family. And so he punched me in the chest. But then—BAM—I hit him straight in the face and he fell to the ground. The brother tried to stop me, and so he was able to flee. But I went after him, made him fall on the street and then BAM BAM, I kept on kicking him until he was all full of blood!" Eventually Krste got some money back—by transforming a labor relation into violence, he was able to avoid the threat of kompenzacija and actually convert blood into money.

There is more violence embedded in kompenzacija than physical assaults or the psychological and existential insecurity reported above. With temperatures as extreme as -15 and +45 Celsius, workers operate on 10- to 12-hour long shifts in which they are required to complete physically demanding tasks with very rudimentary technological help. Despite the dangerous and unsafe conditions they work in, health insurance comes only with a regular monetary wage—if a company does not fulfill its tax obligations, the state cuts all of the workers' benefits, including insurance and pension payments. Kompenzacija thus transfers the burdens of social security and safety from the employers onto workers' shoulders. Workers paid in kompenzacija or employed by a company that gets stuck in it cannot access public health care, a service that they dramatically need because of the risky nature of their labor. While the government has recently tightened controls over the construction sector, with the goal of reducing workers' health hazards and fighting workplace accidents, it is clear that the main purpose is to collect fines from companies that employ
undeclared labor or do not pay taxes regularly. Because almost every company is at fault in some of these areas, inspections have become the main political weapon to hit entrepreneurs who stubbornly do not support the VMRO party. While companies like Construx are periodically inspected and live with the fear of incurring charges and fines, the deaths of many construction workers that happened on major government-supported projects have been completely ignored.

Within this structure of violence, in-kind payments of kompenzacija appear to be defined by a landscape of political and labor violence. As a form of forced credit repaid in kind, kompenzacija shows that money (and monetary debt) are privileged spaces for violence and exploitation (Graeber 2012). Further, exchanges of kompenzacija, while bypassing the use of money as a medium of exchange, subject workers to increasingly authoritarian hierarchies, as well as the threat of (legal or illegal) violence.

2.5 Kompenzacija and the Politics of Illiquidity

Not every company is shoehorned into kompenzacija and precarity. Getting stuck with unwanted goods is instead the result of one's distance from the center of Macedonia's political-economic core. In fact, the informal deals of in-kind exchanges of kompenzacija are tightly linked to the circulation of official money of the country.

While most of the workers and managers I worked with and met lamented an extreme lack of liquidity in the Macedonian economy, aggregate official data of the Ministry of Finance and the IMF seem to suggest the opposite. The Macedonian Central Bank holds a stock of 33 billion MKD, over 7% of GDP—which, for the IMF, is an "excess of liquidity" (IMF 2014: 10). The private banking sector exhibits similar performances, with a capital-adequacy ratio of 17% and a liquidity ratio of about 30%. In other words, this is not an equivalent situation with Russia in the 1990s,
where the ruble was an unreliable currency. The Macedonian denar has been pegged to the euro, making it both stable and available. Yet, as an influential figure within the IMF mission suggested to me, money is not circulating. He blamed banks for not having affordable credit lines for medium and small enterprises. Data I collected within Construx show that banks require collateral up to three times the value of the loan, and usually the interest rate falls between six and ten percent. By August 2014, even accessing these conditions had become a challenge, highlighting another of the implications, which I discussed in Chapter 1, of being a country in the EU semi-periphery.

Banks are just the tip of the iceberg. In Macedonia, the main source of spending and investment is the central and local government, and most of the companies depend directly or indirectly on its political fortunes. During the 2014 parliamentary elections, for instance, most construction sites were blocked. With public investments stopped, they quickly ran out of money. "So we're stuck—it is like they closed the faucet," the director of another construction enterprise told me.

There is a veritable struggle to open the government's faucet, entering the circle of contractors that work with government institutions. Companies know very well that a fixed bribe of 10% of the gross value of the project is needed to win major tenders. In-kind payments also figure as a powerful tool for aspiring contractors, generally in the form of "voluntary" contributions of labor and manpower, but also as free dinners, complementary wellness treatments, sponsorships for local cultural institutions or sport teams, and gratis luxury goods. In the right-wing, ethnically Macedonian municipality of Skopje Aerodrom, such payments have taken a surprising form: the donation of churches.

As one of the fastest growing neighborhoods, locally known as municipality, of Skopje, Aerodrom has been the destination of many investments, from both local government offices and
private investors. Recently, a Turkish holding called Cevahir erected the first of four 40-story towers—a record in seismically cautious Skopje. Immediately after, the municipality sped up the construction of Christian symbols—including a 20-meter-high iron cross—in order to discourage Muslim buyers. Meanwhile, private developers and construction companies have started to build churches. In an area of about one square kilometer, there were four newly built churches just in the summer of 2014.

"Mito (bribery)—that's what it is," commented the director of Construx who, like many other professionals in the sector, had no doubt about how to interpret these donations. He himself had been forced into building a church in a different neighborhood. "It was either that, or money. But at least a church is useful for people," as another employee at Construx clarified. In fact, donating a church is compensated by favors from the local and central government, which include receiving tenders or being able to buy denationalized land at a lower price. But more importantly, a church can directly appeal to prospective ethnic Macedonian buyers interested in the newly developed complexes. In donating churches, companies convert labor power and faith into political capital, which will eventually allow them to access money, both from the government and from potential buyers, while acquiring an aura of public dignity and responsibility—great for promotional pamphlets.

Being within the government's sphere of liquidity also has indirect benefits. Companies can monetize the very fact of having connections to the government and therefore a "secure" source of money either by subcontracting with burdensome conditions or by obtaining lines of credit from banks. While the government can force kompenzacija on its own circle of companies, these big firms are willing to sustain it without too many repercussions, with the promise (or sometimes
illusion) that the government will award them new deals in the future. After all, they can always perpetrate kompenzacija further.

If contractors have to carry the burden of "donations" to public authorities, then the subcontractors' way to enter the sphere of (higher) liquidity consists of competing for exploitative deals. It is a genuine struggle to get subcontracting deals from companies that are directly connected to the government, even if this implies accepting very burdensome financial constraints. Needless to say, kompenzacija is almost always one of these conditions. "The company that won the tender for elevators, that's quite a story," the supervisor of a very important project developed in the center of the city by a businessman close to the government told me. "So the deal is for 100,000 euro, and it is 70% kompenzacija. Some are apartments already built close to Vodno [the mountain that overlooks the city], the rest are other apartments still to be built. But here is the catch: the elevators are from Germany, and the factory there of course would not take kompenzacija! So the subcontractor took out a loan using the kompenzacija apartments as collateral, and then used this cash to start paying for the elevators, waiting and hoping that the rest of the money would come in time to pay back the loan."

Like the government before them, building companies too have learned how to use in-kind payments to force such undesirable deals out of their subcontractors. If companies are placed within the liquidity core of the country and are close to the government, they can easily benefit from huge tenders and push through deals like the elevator deal described above. If they find themselves more at the fringes of the political system, then their scope of operation is more limited. Yet because building companies that build residential units, like Construx, always have the potential to access cash through private sales, they still maintain sufficient power to impose
kompenzacija. "We offer them kompenzacija," one of the managers of Construx told me. "If they do not accept…well, do you think they have a choice?"

For each of these companies, no matter how close to the cash-loaded core of the Macedonian political economy, the issue is not capital *per se* but the possibility of realizing that value in exchange. Construx has many millions of euro frozen in different investments, yet they are struggling to pay their taxes, their employees, and their subcontractors because they cannot convert apartments into money. Subcontractors, on the other hand, have very little contact with private clients and very few sources of cash; for them, becoming embedded in the close circle of subcontracting firms is a crucial step. Lack of cash thus creates a series of concentric spheres of liquidity. People who are in higher liquidity spheres can and usually do kompenzacija to their advantage with companies that are situated further out of this structure of liquidity. And yet, because of the lack of liquidity itself, companies in the periphery rely even further on those placed closer to the liquidity core. In other words, kompenzacija creates an unequal and perverse form of dependency based on conscious exploitation.

2.6 Liquidity and Credit between Global Crisis and Macedonia

The global crisis arrived in Macedonia with some delay. In 2007, neither the state nor the private sector had had the luxury of accumulating crushing debts, precisely because of their bad economic outlook since the fall of socialism. The crisis did not lead to an immediate shock, but slowly, especially in 2012 and 2013, foreign banks that owned almost the entirety of the banking industry started to withdraw credit lines in areas considered at risk, such as construction. Other international investors such as the IMF, the European Bank for Reconstruction and Development (EBRD), and various private banks, however, remained friendly towards the Macedonian state. Prime Minister
Gruevski had cultivated international contacts by working at the World Bank, and one of his first moves had been to pay off outstanding international debts.

This allowed the VMRO government to bank on low short-term credit rates by borrowing new money and refunding older creditors before the deadline. This strategy allowed the VMRO to expand the country's debt from about 1.56 billion euro in 2008 to over 4.10 billion in 2015, raising debt from 23% of GDP to a projection of over 50% in 2016-17 (Janev 2015, IMF 2014, 2015). Just like household debt, such a ratio of public debt to GDP is not extraordinarily high. In comparison, public debt in Hungary reaches 80% of GDP and about 130% of GDP in Italy.

Figure 19: Public debt, selected European countries, percent of GDP.

Yet it is important to note that a large part of the Macedonian GDP is absorbed by local elites. The top one percent of earners has increased its share of wealth from 6.8% in 2007 to over 12% in 2014, the highest in Europe. In addition, over 30% of the GDP contributes to gross capital formation, an increase of 10 points compared to 2000 and seven points compared to 2007. In addition, the GDP has been significantly affected by foreign investments that are located in special
economic zones and contribute little to the local economy. Aggregate numbers, even if correct, largely underestimate the impact of debt and economic deprivation of a large sector of the population, which is, in fact, experiencing significant economic hardship (Jovanovic 2015). My study of kompenzacija shows, however, that the risk and impact of credit are disproportionately allocated to politically marginal groups of the population within the Macedonian political economy. 

For some analysts, like Lapavitsas (2009), the global economic crisis has been essentially an issue of liquidity. The low cost of money led banks to extend credits, exponentially increasing their lending portfolio, without adequate checks and controls on their lending. Banks overwhelmingly targeted low income, working-class workers whose wages had not increased on par with their indebtedness. When Lehman Brothers collapsed, banks became wary of lending money, raising the price of borrowing. As the market panicked, financial institutions that combined both investment and commercial banking found themselves suddenly insolvent and unable to borrow funds on the market to cover their losses. Subprime mortgages, until then a very liquid asset, all of a sudden could not be resold—and that led to an overall contraction of liquidity throughout the Western world. Places like Greece and Spain immediately felt the impact, as their risky sovereign and private debt became bad overnight and instantly lost value.

Note that Lapavitsas’ argument is twofold. First, the process of financialization has meant not only an increase of debt but also and especially the augmentation of credit. Banks, in this perspective, are not only institutions that give out credit, but they are also organizations that siphon off and centralize money that would have otherwise been dispersed in society. Banks' political as well as economic power comes precisely from the capacity to monopolize the money supply and orient it towards investments of their choice. Technically speaking, citizens who deposit their
money in the accounts of banks become creditors towards that bank—yet in virtue of their political and economic position, banks charge people activity fees. More importantly, banks do not keep money deposited in their vaults. Except for a minimum liquidity reserve, generally defined by law, contemporary banks reinvest the money they receive in the form of loans for profits or in various other financial products on the market.

In other words, as the 2007-2012 financial crisis has demonstrated, fractional banking and contemporary investment strategies are not entirely different from pyramid schemes or kompenzacija in Macedonia. In all three cases, various "investors" are drawn to fuel an expansive system of financial transactions that function insofar as new members or buyers can be found. That is, these systems are based upon an expansion of credit. Kompenzacija, as a financial mechanism through which companies at the periphery of the VMRO political economy finance others at its core, is not very dissimilar. The contractor company, thanks to its political connections or potential access to money through sales, is able to pay for its work without using its own money, which can thus be used to finance other activities of the construction enterprise.

In other words, the issues generally presented as problems of liquidity, that is, of presence or absence of money, are in fact questions related to the social relations that regulate credit in a specific economic system. This is interesting, because most of the critical contemporary literature devotes extensive works to the impacts of financial debts on people's lives (Guerin 2014, James 2012, Han 2012). Yet very little is said about the workings of credit. What I believe emerges from thinking about credit in relation to illiquidity is an emphasis on the process of giving rather than having to "return" money or other means of payments. Economic conceptions of liquidity generally reward the capacity of giving money, even without actually having it, by allowing banks or other investors to transform their debts from liabilities into assets. By contrast, anthropologists have
generally discussed the imbalance of power that allows creditors "to pursue debtors with inexorable swiftness" (James 2014:17) and to radically reshape their lives (Williams 2005, Graeber 2011, Palomera 2014).

But what happens when the power of the debtor is such that he or she can decide how, when, and if to pay back the creditor—as was often the case with companies that paid part of workers' salaries with coupons during the transition from socialism? What happens if credit is forced and extorted rather than freely offered? Considering such different ethnographic contexts, it becomes clear that the anthropological archive presents far fewer accounts of the working of credit than debt, as famously noted by Peebles (2010). This chapter on kompenzacij shows precisely that credit, under authoritarian financialization, can be just as dangerous and violent as forms of debt observed in other countries. More importantly, the violence and domination that are employed by the VMRO and its business cronies to force other companies and individuals to accept payments in kind and extend credit are not generated by the fact that "a creditor has the means to specify, numerically, exactly how much a debtor owes" (Graeber 2011). Quite the contrary, it is the impossibility of determining such an equation beyond political and personal relations that turns creditors into dominated subjects.

From the perspective of most of the subcontracting companies I worked with, kompenzacij means a significant amount of financial losses. By and large, it is not the hopes of gaining profit that push entrepreneurs to do kompenzacij, as would be the case in pyramid schemes or financial investments. Rather, it is the need to avoid financial catastrophe. For instance, apartments used for kompenzacij are calculated at full price, without the discounts that companies are forced to give to normal buyers—and they therefore provide (for accounting purposes) a higher profit. On the other hand, companies that are forced into kompenzacij have to find alternative
sources of money—often loans, as in the case of the elevators. In most of these cases, they have to wait for the building company to finish and legally hand over the apartments before actually being able to sell them. They also have to find buyers, a hard task in the current economic setting, and convince them to sign informal arrangements to speed up the legal process of titling. Converting value from one sphere of more liquidity to another sphere of less liquidity, kompenzacija devalues labor as it gets perpetrated further in less and less liquid spheres.

This chain of devaluation has the direct consequence of inflating prices of kompenzacija deals. Subcontractors feel that by increasing the prices of their services or goods exchanged by 20, 30 or even 40%, they can counter the loss of time, energy, and ultimately the falling prices of construction-related products, especially apartments. Yet keeping costs high for building companies, subcontractors ignite an upward spiral of prices in the real estate market. Despite the lack of buying power on the consumer side, building companies cannot lower their selling prices because of the high nominal prices they pay to subcontractors—and the burden of donations and bribes paid to state officials. Even the deeply indebted Construx only started to publicly lower sale prices in January 2015, mostly promoting "exceptional" sales or negotiating considerable discounts in secret with each customer, especially if they were paying in cash.

Because in-kind exchanges of kompenzacija lead companies to lose value, kompenzacija ultimately leads to the appreciation of money. Money as a commodity is an extremely scarce resource for most of Macedonia's population. The construction sector, with its booming returns of up to 60% during the golden years of the early 2000s and its unregulated business environment, attracted many with the promise of easy money. As it happens, the Klondike gold rush has dried up and money has been substituted by kompenzacija. Yet in a financialized economy like Macedonia's, one cannot pay bills, taxes, or groceries with kompenzacija. Macedonians still need
money as a means of payment for most of their daily transactions—kompenzacija cannot be a substitute for money the same way that barter was in Russia in the 1990s. Even if kompenzacija is regulated by law and accountants duly register and account for kompenzacija deals, the state does not usually accept kompenzacija. Apartments have not become a new currency. On the contrary, kompenzacija caused a hike in the value of cash. The by-product of kompenzacija is obviously the appreciation of money as a commodity and the consequent increase in the power of the cash-loaded core of the Macedonian political-economy, the VMRO party and its connected businesses. With no intention of closing the circles of debts, kompenzacija drops the burden of illiquidity on the shoulders of the last link of the chain: workers and companies not connected to the VMRO party.

2.7 Conclusion: Kompenzacija, Illiquidity, and the World Crisis

When I asked the son of the King of Kompenzacija what his plans were for the future, he sipped his imported beer and looked out the window for a moment. Then he answered "I tried to work with my dad. But it is impossible. He does not realize that he's just losing money. We now have three apartments that we do not know how to use, and we can't sell them to anybody. And look, you see my black Golf car parked outside? That was also kompenzacija. He got it because he knew the guy would never pay him back. I tried to stop him from doing more kompenzacija; he did not realize that all his work, all his capital spread around, all his energy spent not sleeping at night and spinning around have a cost. You work more, and you barely break even."

These words sum up the role that kompenzacija plays today. It constitutes an agent of a specific kind of illiquidity, whereby a powerful authoritarian state intercepts international flows of capital, bending the country into a credit machine. In-kind payments as conducted through kompenzacija thus configure a relation whereby more and more input has to be provided in order
to generate output. Labor loses its convertibility into value with increasing distance from the ruling party.

In such a system, the conversion of labor into money via goods follows unequal rates. But this does not always matter for businessmen. If this is the only way to turn some money around, so be it. The King of Kompenzacija and many other company owners are aware of the nefarious effects of kompenzacija only too late, when they have accumulated a crushing amount of monetary credit, which will be paid by apartments they cannot sell. Until then, kompenzacija has a somewhat dream-like quality; like a future derivative, it is just a sign on paper that balances a column of minuses with a single plus, a handshake with a smile, or a disquieting thought that keeps one awake at night. Either way, if the value of kompenzacija seems somewhat stable, though cloudy, at the beginning of the deal, some months later, it becomes clear that the material correspondence of that number, or handshake, is very elusive. The Golf cars, apartments, and churches do not tell stories of social status, but rather dramas of monetary loss and forced labor.

Companies literally fight to get into poisonous kompenzacija deals that carry some mirage of money. In this sense, kompenzacija signals not a fragmentation and proliferation of different and smaller political authorities, as most of the literature on postsocialist political systems argues (Verdery 1996, Woodruff 1999, Humphrey 2002, Rogers 2014, Dunn 2008), but the reconstitution of a party-state-like structure that dominates Macedonia's life economically and politically. Built upon the emotive and material legacies of socialist in-kind payment systems, today's illiquidity marks a radically new articulation of money, value, and the state, generating a regime of conversion based on financial subjection. This new political economy is a hybrid combination of socialist and neoliberal techniques of power, whereby the productive tissue is forced to extend credit to the government or to companies connected to the governing VMRO party. Anchored in
some collective expectations of state paternalism voided from hopes of equality, the party built its authoritarian regime on neoliberal financialization and forced credits.

Illiquidity in Macedonia anchors value transmission into the political hierarchy at a moment when the world crisis causes the pyramid schemes of investment in the construction sector (Musaraj 2012) to crumble. For some, this is a relief. The director of a company close to the VMRO party commented aptly that only fools rely on the market. He, and many others, chose political domination over illiquidity. Construx is no "fool," but it has been pushed further and further away from the political-economic center because of its moderate allegiance to a different political party. And so, with time, Construx has been forced to rely more and more on kompenzacija, dangerously approaching the chasm of bankruptcy. As I have shown, kompenzacija positively impacts companies close to the VMRO government while dumping economic risks and uncertainty on the shoulders of companies that are not politically close. Kompenzacija is not simply an exchange of two goods that partners want; interlocutors transact goods and labor as temporary means to be ultimately converted in money. Yet the value stored in kompenzacija items is not stable, nor is it assured at what rate it will be convertible into money—unless, of course, one finds adequate political connections.

When my interlocutors were faced with kompenzacija, they felt powerless. Most of them knew, or figured out quite early, that kompenzacija would force them to lose money and time. Yet they also felt they had no other choice. Kompenzacija threw individuals and business owners against the proverbial wall, where they directly faced the specter of financial collapse. As Construx's director put it, his subcontractors had de facto already invested in the company by working or providing materials for a future pay—if they did not accept kompenzacija, they faced the risks of financialization alone. If they did accept kompenzacija, on the other hand, they became
directly involved in the destiny of the company—a Faustian bargain, which could lead to even further economic disaster. The VMRO banked upon the feeling of powerlessness that was generated by kompenzacija. For many entrepreneurs, joining the VMRO's pyramidal system transcended simple economic necessity. It became a way to find an existential footing against the tidal wave of illiquidity and financialization, even if it was precisely the VMRO system that made it so threatening.

Illiquidity, as it appears in Macedonia, is linked to but not dependent on the global financial crisis. In fact, reticence to lending money impacted the private sector of Macedonia but not the public one. On the contrary, international banking institutions entrusted the VMRO authoritarian government with credit as a secure source of profit. As the global financial crisis unfolded, banks withdrew their support from the construction sector; local companies fell deeper and deeper into the concentric politics of illiquidity orchestrated by the government. Illiquidity, in Macedonia, is reinforced and banked upon by the VMRO government that utilizes it as a source of political power. In these economic conditions, kompenzacija reorganizes the convertibility of labor, goods, and money according to political connections. Kompenzacija denotes the emergence of a system of forced exchanges that gives Macedonia's working life its disquieting shape. As the director of Construx puts it, "There's no way to survive outside of [the system]. But once you're in it, God help you."
3. Temporality, Uncertainty, and Meaning

What is the impact of authoritarian financialization in the workplace? How do forced credit and illiquidity affect everyday activities and identities there? Starting with this chapter, I discuss how Macedonia's financialization translates into authoritarian politics by showing the transformations of workers' value system and subjectivities that follow Macedonia's system of forced credit. In what follows, I show that illiquidity upsets existential categories like time and gender/ethnic identities and forces people to resort to different models of action and identity. My interlocutors perceived this new articulation of subjectivity and economic life as a shift in their moral horizons; reconfigured as rentier subjects, workers and managers found comfort and meaning in the VMRO's hierarchical rule and moral system.

In this chapter, I describe the connection between subjection and time, focusing on the meaning of uncertainty. At the worksite, the financial precariousness of companies like Construx translates into volatile working rhythms. Workers not only find themselves without money, but their work schedule is also made unpredictable, with longer shifts, unexpected pauses, and uncertain decisions about their future. This shift implies both a quantitative and a qualitative change in workers' relations to time. Unpaid work time loses both its social and existential value, as workers' activity becomes more and more marginal to Construx's own priorities, which are now devoted to repaying financial debt rather than constructing buildings. Timing, rather than clock time, comes to rule the temporality of the workplace as an essential source of value. Manipulating time in order to find opportunities, rather than abiding by a temporal structuring of their labor, workers and managers find both monetary and existential value. By stopping work, producing
uncertainty, and exploiting opportunities, they regain forms of agency and meaning over their own lives.

Conceiving and utilizing timing as a source of value is a morally complex endeavor. Workers and managers turn opportunistic timing into a new modality of action, thus extracting value from time, rather than generating it, as they did laboring. Timing becomes an ambiguous moral behavior not only because of residual socialist ideas about the value of work, but also because it reproduces Construx's structural dependency. While actions that could be understood in moral terms as opportunistic actions appeal to individuals as a means to affirm their own existential and economic values, these forms of temporal agency impoverish Construx's capacity to cope with increased financial pressure or replicate the VMRO's hold on its activity. Focusing on individual actions and reactions, this chapter discusses the domestication of illiquidity in an intimate expression, temporality, and the implication that this has on people's subjectivity.

I find it useful to think through a term introduced by Kathleen Millar (2015) in her paper on catadores, the Brazilian super-poor who pick up recyclable items from one of Rio's biggest dumps. Observing how breaks, gossiping, and social relations constituted an integral part of catadores' working rhythms, Millar suggests that post-Fordist economies do not separate leisure and working times, as E.P. Thompson has argued for the birth of modern capitalism; rather, post-Fordist labor is characterized by the interaction of different kinds of activities, and temporalities. Time, in our contemporary world, is not separated into clock and leisure time, but rather woven in a continuum, a new temporal experience that affects a deeply post-Fordist understanding of work and personhood. At Construx, workers resorted to woven time as a last resort to conciliate the rhythms of finance, life, and work.
The chapter starts with an ethnographic voyage through the everyday rhythms of work on construction sites. As Construx becomes unable to keep up the tempo of its financial repayments, the company decides to stretch working hours, holding workers on the site for longer periods. Focusing on workers' temporal experience, I argue that illiquidity creates a surplus of empty work hours (which I refer to as clock time), which sucks free time into commodified relations. As the relation between working and free time becomes blurred, a new paradigm of action comes into being, based on a new tempo: woven time.

Examining time, timing, and ways of embodying temporality is a crucial element for understanding how economic regimes translate into the living reality of workers. Since the work of E.P. Thompson, temporality has been considered a key factor in understanding how power shapes workers' subjectivities through temporal discipline. With financialization, new ideas about time, timing, and temporality circulate and produce different orientations towards the future and actions in the present. Financial trading futures, for instance, are based upon a strong belief about the imminence of profit and the teleology of the market. It is precisely such a vision of the future that shapes financial realities in the present and generates both markets and subjects performatively (Caliskan and Callon 2009, Callon, Milo and Muniesa 2007, Leyshon and Thrift 1999, Zaloom 2004, 2006, Poon 2009, Knorr-Cetina and Preda 2007). As Guyer (2007) has noted, this is not unlike Christian temporal teleology: the endgame, the advent of profit, is assumed and projected in an undetermined but always incumbent future, thus rendering every moment precious. The apocalypse can come overnight, and so does financial gain—in Guyer's words, "a fantasy futurism and enforced presentism" has caused a "decline of the near future," the preferred domain for human agency and political change (Guyer 2007: 2010). Clearly, the ability to seize the moment populates the world of finance, as does the ability to jump in and out of the right flows of money. It regards
the capacity of reading, interpreting, and seconding the market, a limited, non-human, and collective form of agency, according to many contemporary theorists (Calişkan and Callon 2009).

The near future has long declined in the Balkans, and not just because of financialization. But that has not meant the demise of agency altogether—just the temporary renunciation of collective progressive action. Kurtovic (2012) documents the importance of waiting, as an agential alternative to near futurity, in Bosnia and Herzegovina. The stalling of the future in Bosnia and Herzegovina is a structural condition, caused by the paradoxical fragmentation of power along ethnic lines and the unrealistic expectation of the international community to witness the rebirth of democracy. But it is also a more intimate and subjective experience that translates into waiting as a mode of being. In Eastern Europe, waiting is not just the febrile and anxious goal-oriented activity that precedes the fulfillment of a wish, as described by Crapanzano (1985) in the case of white South Africans. On the contrary, waiting means finding ways to fill time with actions that are not planning to achieve a substantial change, but that accept the unavoidability of the stalling and at most try to provide momentary relief. Seizing the moment emerges as the counterpoint of waiting, exploiting political connections (veze/stela/blat, as documented extensively in the literature, [Brkovic 2015, Torsello 2010, Humphrey 2000, Ledeneva 1998]) in order to speed up the stagnating time of waiting.

Macedonia partakes of both worlds. While financialization permeates the productive and political life in Macedonia, it does not bring about the same certainty about future gains described in the Western, functioning financial system. On the other hand, the Macedonian future has a clear orientation: it does not appear like a stuck present, or a returning of the same, as in Kurtovic's (2012) description of Bosnia. On the contrary, the future proposed by Macedonia's failed financialization is filled with debts to be paid and with the looming shadow of crisis. The endgame
for companies like Construx is financial meltdown and bankruptcy. In this configuration, timing is a necessity that grants breathing room to individuals fighting to postpone doomsday for yet another fortnight, filling their less and less important activities with meaning.

I advance two hypotheses here. From an existential perspective, timing merges the uncertainty born out of the postsocialist transition with the uncertainty derived from financialization and constitutes a bridge of agency over the emergence of authoritarianism in Macedonia. The capacity to seize the moment, seen as an act of weaving time, grants meaning to people who walk the tightrope of financialized postsocialism. Workers at Construx jumped upon opportunities not only as viable strategies but also as a way to affirm their own existence. They manipulated the moment, extending present pauses beyond the allowed time, in order to affirm their own worth, which had been called into question by the temporal discrepancies between financial obligations and construction work schedules. Workers at Construx conciliated the erratic temporality of illiquidity and their existential needs not by making history, allowing time to pass and inscribing their existence in continuity, but by blocking time—by exploiting opportunities to protract the present, slowing down work.

On a meta level, weaving time signals a different temporal regime compared to the lines of bodies on hold that constituted the temporal hallmark of etatized time during socialism (Verdery 1996); it is also distinct from the erratic accelerations of institutional figures attempting to avoid citizens that embodied the temporal ruptures and social fragmentation of postsocialism (Greenberg 2013). With the hardening and centralizing of liquidity and the spreading of financial obligations throughout the productive sector, uncertainty did not constitute a problem to navigate, an impediment to action; on the contrary, people actively engaged in weaving time in order to stretch
it. Paradoxically, uncertainty granted individuals a way to stabilize time—a time that otherwise seemed lost (see also Halawa 2015).

I believe this point to be of great comparative interest. Uncertainty is a central issue in current analyses of capitalism, both in postsocialist and post-Fordist societies. Generally, uncertainty is understood as a negative condition, characterized by the disappearance of the mechanisms of collective care that made life regular under welfare states, capitalism, or paternalist redistributive regimes like socialism. Production has become globalized, economic and social transactions have increased in speed, and risk is increasingly unloaded from the state's (or corporation's) shoulder onto the workers. These factors contribute to the perception that uncertainty in the workplace constitutes a new condition of existential precarity in the age of financial capitalism (Harvey 1989b, Ong 1987).

While the political economy of financial capitalism can often be oppressive, the sweeping equation of uncertainty with a dehumanizing, negative condition is generally made from the normative viewpoint of welfarism. Human beings have dealt with different kinds of uncertainty well before welfare states, developing specific social mechanisms to approach the unknown. Writing about witchcraft, Malinowski (1948) shows how Trobrianders have an acute understanding of uncertainty as risk, which indeed rules a consistent part of their daily life. Yet he does not see uncertainty as a petrifying condition but as yet another historical component of his interlocutors' subjectivities. Similarly, the capacity to mobilize spatial uncertainty, modulating time and space, has been crucial for protest movements like the red shirt taxi drivers in Thailand. Without the capacity to make mobility in the city uncertain, the movement would have not lasted through brutal political repression (Sopranzetti 2013). On the other hand, analyses of neoliberalism forget that Fordism itself was not a great time to live in for everybody. As Blim (1990) and others
have shown, a wealth of small industries were deep into the business of precariousness and self-exploitation, while Ford, Fiat, and other colossal companies granted certainty to a small fraction of the workforce. Similarly, socialist production forced individuals to face constant breakdowns of work time and to devise workarounds to the current social arrangements (Verdery 1996).

Going beyond the moralized perspective of welfare capitalism to describe uncertainty means analyzing the conditions of liquidity that foreground it. Important theorists like David Harvey (1989b), Zygmunt Bauman (2000), and Georg Simmel (2011[1907]) assume that uncertainty is produced by an increase in connectivity. Because more and more things are connected and made convertible through monetization and the removal of social protections, our society becomes uncertain. Financial flows are central in this process, and they are portrayed as the chief mechanisms that reduce various domains of social life to their monetary value, to assets. As social and cultural specificities are erased, finance ensures not only that highly paid white-collar workers are "liquidated" (Ho 2009), but also that especially vulnerable populations around the world experience liquidity as increased uncertainty and precariousness (Han 2012, Karim 2011, Williams 2005, Bletzer 2004, Buckley 2013, Allison 2013, Dore 2003, Graeber 2011, Elyachar 2005).

In each of these accounts, uncertainty presupposes liquidity—that is, the equivalence and permanence of value throughout exchange. But this is not an automatic outcome of financialization. On the contrary, as already observed in Chapter 2, the Macedonian case shows that liquidity depends upon hierarchies of conversion. In Skopje, financialization provided a small political elite the opportunity to become liquid at the expense of the rest of the country, which is now financially and politically oppressed. In a scenario in which financialization has been hijacked by authoritarian state structures to strip the majority of the country's population of their own
economic value, uncertainty assumes a radically different meaning. A condition well known by the population since socialism and its collapse, uncertainty today collides with new state-driven hierarchies of conversion and a newly minted political subjection. In a social landscape that is tightening, uncertainty appears at times as a welcomed opportunity, whereby it is possible to individually negotiate the hardship of financial collapse and stabilize the temporal schizophrenia of political and financial subjection. Yet uncertainty and woven time produce only a momentary escape from the temporal lockdown of politically marginalized companies and individuals. By adopting opportunistic strategies, individuals become much closer to the VMRO's morals and rent hierarchies—to whom they turn for emotional and economic support.

3.1 Incongruities Explained: Temporal Cycles Falling Apart
At 5:30 a.m., the alarm rings. Six o'clock a.m., breakfast. Six thirty a.m., meeting other workers to drive to the construction site. Seven o'clock a.m., the workday starts. Eleven o'clock a.m., lunch time. Two o'clock p.m., coffee break. Five o'clock p.m.: end of the shift.

Construction workers often described their life as a succession of different cycles. First, their workday is marked by the change of the seasons: during the bright days of summer, Construx requires them to start working at 7 a.m. and finish at 5 p.m. When the nights become long and cold, their shifts shrink to 4 p.m. or even 3 p.m., sometimes starting at 8 a.m. The weather strictly regulates their presence on the site and the activities they can perform. If the temperature is below -15 Celsius (c.a. 5 F) or above 40 C (c.a. 104 F), work activity is stopped by law—although the actual enforcement of such provisions of safety depends greatly on the goodwill of the contractor. Excessive rain or frost can impede the casting of concrete or other outdoor activities.
Other temporal cycles regulate life on the construction site. The week is clearly marked by the ritual calendar of saints, house festivities (slavi), and periods of fast, observed every Friday or in preparation for major Christian celebrations with abstinence from fat, dairy and meat. The dust and dirt of the workplace were constantly infused with religious transcendence through social rituals. Often, workers were not present in the workplace in observance of one of the many Christian Orthodox festivities, or they brought along homemade wine, brandy (rakija), sodas, or other sweets celebrating their "onomastic" (imenden) or household saint's day. The occasions to inscribe the everyday into a more solemn or special cycle of events went well beyond the religious sphere. Any trip or major event in a worker's life was signaled by offering (chastanje) treats to their colleagues—a social event that I will discuss further in Chapter 5 from a gendered perspective. Customary social obligations, such as weekly visits to relatives in Skopje and yearly meetings with other relatives in Serbia (or abroad in other countries) completed the ritual, social, and work scheduling of time: hour after hour, day after day, year after year, a worker's lifetime flows regularly like a river.

Despite these cyclical temporal relations, time at Construx became increasingly oriented towards one goal: money. "Is there anything new?" Pietro, the director of field operations, asked Folco, one of the workers' leaders. "Nothing," replied Folco, shrugging his head and lowering his glance. "Everything is like before." Such coded exchanges had a very clear goal: workers wanted to know if something specific had changed. They wanted to know if they were about to get paid. By September 2013, when I was granted access to Construx's working site in the neighborhood of Skopje Aerodrom, workers were waiting for the salary of the previous month. In the following months, the delay in salaries increased dramatically, reaching a maximum of six months of arrears.
by March 2014. Every day workers would recount collectively the number of months, and days, that they had not been paid and then ask, "Is there anything new?"

Although many of them still celebrated major religious and social occasions, they felt particularly embarrassed by not being able to do so properly. Their calendar, a cyclical temporal schedule, depended upon money-oriented time, and the current discrepancy put them in a difficult spot. Easter became an especially painful moment; promised to receive some, if not all, of their monthly salary, they were given nothing. Every day that passed and brought them closer to the festivity, a major one in the Christian Orthodox calendar, their nervousness increased, and it eventually exploded in the only case of open rebellion I witnessed, which I describe in detail in Chapter 5. Tired, frustrated, and without hope, they felt humiliated in front of their families for not being able to provide proper food and gifts, despite being at work every day. As one of the workers told me, "Every year I buy myself a new shirt for Easter. That is not much, but I always do it. This year I could not afford it." His eyes were red, his voice low, and he was about to break down. "And this weekend is my daughter's birthday. What am I supposed to do? You know, a cake costs money. What can I get her? Not to mention a party! But she's a kid, how can she understand that I have no money?" As the social and religious calendar entered in collision, it became clear that there was one element that kept all these temporal relations in synchrony: money. With the spread of illiquidity, various temporal relations fell apart and started colliding with each other.

In fact, the temporality of the work sites that I observed from the fall of 2013 bore very little resemblance to a cyclical routine or to the repetitive and normalized cycle of events that workers recounted to me and that I transcribed at the beginning of this chapter. Their working rhythms, for instance, were mostly organized around moments of intense activity or others of extreme inactivity. Workers complained about the long hours of the work day, but at the same
time, they also felt they had very few tasks to complete. That also was a constant source of complaint: they privately objected to and criticized the decision of Construx to engage subcontractors and reserve the longtime expertise of their own twenty manual laborers for the details. But it was never just about details and never about what they were supposed to do. Inevitably, something would happen—a task that needed to be completed immediately, a problem with some subcontractor who did not show up or did not complete the job as anticipated—and then Construx's workers would be summoned and asked to finish the job. It often happened that managers decided to "speed up" (da se forsira) the activities and work throughout the weekend, despite the obvious lack of materials or anything to be done (front). Workers were in the paradoxical situation of not having much to do but being asked to work extra hours.

3.2 Finance and Clock Time

The chasm between the duration and the quality of workers' temporal engagements increased as Construx found itself engaged with the temporal horizon of finance, which increasingly diverged from the clock time of construction. In the 2011 fiscal year, Construx had risen to the attention of the Macedonian public. Ranked the fourth-fastest growing and most successful construction company, Construx had shifted from long term slow and sure investments for international investors, such as embassies and banks, to more lucrative and faster construction on the local market. In 1991, the company had started with just two friends "who met in a dark basement, with two broken chairs and a bucket," according to Construx's director. The company began designing small projects until the beginning of the 2000s, when it took on some major construction projects with Alpha Bank and some foreign embassies. In 2004, Construx had started building in the municipality of Kisela Voda, its first of four multi-dwelling units, completing various
infrastructures for the same municipality. Since 2008, the year when the VMRO took power, the company received fewer public works and mostly relied on its own investment in dwelling units. In 2013, the company had three nine-story buildings under construction and completed a process of hiring thirteen new high-level workers (four engineers, three land surveyors, one architect, two financial experts, and three planners)—effectively doubling its administrative cadres. The buildings were scheduled to be completed at different times in the near future. The building in the "Novo Lisice" neighborhood (hereinafter the Den) was receiving the finishing touches; the building at "Aerodrom" (that I will call the Pool) was expected to be completed by October 2013; and the third in "Kisela Voda" (hereinafter the Nest) was scheduled for completion during the summer of 2014, but it was not yet completed at the time of writing (December 2015). Construx used to employ its own workers for most construction activities, relying on subcontractors only for highly specialized phases, such as electrical, plumbing, or steelworks. With only twenty-five manual workers, Construx opted for delegating most of the positions in the three buildings to subcontractors. The expectation was, of course, that the market was ripe to absorb new housing units and that it was necessary to build faster to maximize the profit. There were also other motivations behind this move, including family links between some of the subcontractors and the directors that might have pushed the management to adopt a more expansive politics. After all, if one can profit, so can more partners.

Construx did not have the liquidity to support such a wide spectrum of investments. The company thus decided to increment its credit lines and rely more than before on banks. Thanks to a number of building plots Construx had bought cheaply, the company had enough collateral to obtain the loans necessary to begin the construction. To build the Pool, the company contracted a progressive loan with a major player in the Macedonian banking industry, Stopanska Banka.
Because banks in Macedonia are owned by foreign investors, with the notable exception of Komercijalna Banka, the 2008-09 global crisis had a very immediate effect on their lending policies. Stopanska Banka, founded in 1944 and active during socialism, was bought in 2000 by the National Bank of Greece. Scared by the international chaos in the real estate market, banks grew stricter with deadlines and less flexible with payments. Alpha Bank, also a Greek bank, was a very close partner of Construx, and it was Construx that built most of the bank's offices in Skopje. Yet Alpha Bank almost completely ceased to finance the company's operations; Stopanska Banka, on the other hand, augmented the pressure to increase collateral and respect the construction plan.

As a result, Construx was forced to accept loans with more burdensome conditions. By the fall of 2013, Construx had put up an ample portion of the buildings under construction as collateral, agreeing to a clause according to which the entirety of the income from the sales of apartments would be destined to pay back the loan; only after fulfilling the loan would Construx be able to generate profit. Construx's only resource of liquidity, the sale of apartments, went directly to the banks, depriving Construx of income early in the construction process.

When the crisis manifested itself on the Macedonian market in the spring 2013, Construx was stuck in a very vulnerable position. It had very few cash reserves, three buildings to complete, and, suddenly, few buyers. More dramatically, the company was without political support, as the directors had always refused to align with the VMRO party despite making concessions to local municipal mayors—including sponsorship for a local basketball team and the building of a church. While other companies rose to prominence thanks to their political allegiance, the VMRO capture of the state forced Construx towards the periphery of the political economic structure. With the decrease of liquidity came kompenzacija—as I described in Chapter 2, the progressive loss of value. Construx was less and less able to provide materials to subcontractors on time or to pay
them their salaries. With time, subcontractors stopped working or became so unreliable that they could not be trusted to complete the tasks with the standards of quality for which Construx had worked so hard to be known. So the company turned to its own workers: they were suddenly called in to complete most of the positions. Forced to abide by the tight schedule of loan repayment, the company struggled to speed up the completion of the projects, although it lacked the financial infrastructure to compensate its workers' labor. During the winter of 2013 and the early months of 2014, Construx became less and less able to pull together the temporality of its own work and that of financial obligations—completely upsetting the temporal horizon with which workers had to negotiate. The more the pressure of repaying financial obligation oriented Construx towards the progressive goal of creating profit, the more erratic its work schedule became.

3.3 Temporal Subjection

Every worksite has very peculiar temporal arrangements. Between twelve and fifteen of Construx's own workers were needed to complete the earlier stage of construction of the Nest; there, the pace of work was more intense and workers had a more constant flow of activities. Workers still took breaks and sneaked out of the worksite to conduct personal business, but they had to be more careful. Although often they lacked the proper construction materials or did not have the machinery or specialized workers to complete the scheduled work for the day, workers could always be asked to switch to other tasks. In that worksite, breaks were clearly linked to conscious rebellions motivated by the lack of salaries, and they therefore carried a direct political meaning—as we shall see in Chapter 5. Additionally, the presence of the Brigadir, the workers' foreman, and of a set of security cameras implemented another collective dynamic at the Nest compared to the Pool. In the
Nest's dustier, messier, open, and unfinished hallways, not working was a charged activity, done either in secret or with a collective resonance and approval from within the workers' hierarchy.

At the Pool, work was more diluted, and workers ended up stretching any given task to cover the entirety of the day and leave something for the day after, "because tomorrow too we have to work," as Aleksandar used to say. But this slow tempo could be reversed into intense and randomly urgent working patterns at any time. During the various weeks I remained with them, Folco and his group could be called at any moment by the site director, Toni. From emptying a truck of heavy wooden boards to fixing broken tiles to measuring, leveling, and excavating canalizations, they had to have a wide range of expertise. Even if they did not, they were still required to find a way to do a given task. They switched from killing time during self-proclaimed breaks to dragging out normal working activities, speeding up and down the various buildings to complete an urgent task. They switched from imagining being the owners of some apartments to digging in the mud cursing saints and patrons. They were sleeping in empty, hidden apartments, and, a moment later, they would find themselves running with angry buyers that shouted and promised legal consequences for the whole company. Every day, new problems would need solutions and urgent tasks would need to be solved with overtime work, substituting the required materials or specialists with improvisation.

Workers did not like this temporal arrangement. Why were they forced to come to work on Saturdays and Sundays when they did not have the material conditions to complete their tasks? The issue was not that workers did not want to work, sweat, or be tired. They were not afraid of painful, long days. On the contrary, they welcomed long days, because working longer hours would raise their paychecks, reducing their expenses for coming to work. And they often came to work even with fevers or in debilitating conditions, shrugging off the idea of going to a doctor.
But coming to work without being able to accomplish much and without being paid—that was absurd. As their unpaid checks accumulated, they started to receive calls from banks and other creditors. One worker feared he would lose his own mortgaged apartments; another did not know how to pay the small consumer loan he had taken out to pay for renovations on the house, for their kids' university books, or their family doctors' appointments; one could not pay his family's rent. Most of the workers had their own houses, built by their fathers in a small village some thirty minutes northeast of Skopje, close to the airport. Ironically, the village had a Turkish and Muslim name, as it used to be inhabited by Ottoman subjects until the beginning of the 1950s, when they relocated en masse to Turkey, in a partially forced process that I will explore more in depth in Chapter 4. As the previous population left the area, the workers' families were able to acquire (or occupy) some agricultural land; it was that land that today eased workers' survival, providing a minimal amount of produce and often allowing them to raise some chickens or pigs for household consumption. Stores were no longer willing to do *rabush* (store credit), however, and there was very little chance for bartering produce for other goods. They needed money for everything else beyond subsistence.

At first, workers cut back on every expense not directly needed for survival. They eliminated presents for little kids, negotiated the purchase of university supplies or pocket money for older children and reduced purchases of clothes. Some even stopped betting on sports. But with time, such austerity measures proved to be insufficient and workers were forced to find new sources of money. The most popular option was to accept private side jobs, something that workers had done routinely since socialism but during the years of construction boom had stopped doing. Long days and weekend shifts were suddenly no longer just meaningless words, but they became real problems, as Construx kept them chained to a worksite while they needed to be in private
homes or on other construction sites to find some alternative sources of liquidity. Workers would often complain: "You see, I am at work 10 hours. That already leaves me very little time with my family. I get home at 5:30 p.m. I take a shower, change, eat, and it is already 6:30 or 7:00 p.m. Just some time to play with the kids, maybe to fix something, and it is already time to go to bed."

Matei was a case in point. Without a father and with a retired mother, he needed extra income to support the family. He tried to make a living out of betting on sport events—especially soccer. But that did not go as well as planned, and after a few months he lost count of his own profits or losses. So he started waiting tables at a local restaurant specialized in weddings and other celebrations; that forced him to work until two or three in the morning on Fridays, Saturdays, and Sundays. Working at Construx seven days a week with shifts of ten hours a day (eight on the weekend) for the whole summer, and for a good part of the winter 2013, he was exhausted. Monday mornings, especially during the cold days of November, were excruciating. With only two or three hours of sleep, he was never late. He did not complain, nor did he stop pacing around the workplace with a quickness and dexterity appropriate for a cruise ship waiter. But not everybody was able to maintain such a high morale, and over time, the preoccupation with money affected workers' productivity. Thus, workers ended up increasingly avoiding their shifts of labor-intensive activities, if they were not urgent, in order to save the core of their energy for their free time, when they would actually be paid for their time and efforts. "We work, but let's be honest, we do not really work," one day one of the workers admitted, as they collectively discussed the option of going on strike.

Saving energy during the workday to invest in after-shift private jobs is a common temporal tactic in the Macedonian construction industry, especially among ethnic Macedonians. Most of the big formerly socialist companies such as Beton or Granit pay skilled workers as little as 200 USD
per moth (9,000 MKD) for eight- or nine-hour shifts, without additional money to pay for lunches or transportation. General calculations show that a family of four needs about 700 USD (30,000 MKD) to survive; workers need additional income and thus devote only part of their energy to their official employer.

Successful and liquid companies such as the one that I will call Imagine exhibit a very different temporal regime. The majority of these companies combine legal and illegal work—hiring workers completely without contracts, benefits, or insurance, forcing them not to take paid vacation leave, but also declaring to tax agencies only part of their workers' income. Workers are then paid in cash for whatever sum exceeds the minimum wage of 9,000 MKD, even if their agreed-upon wage is often around 20,000 MKD. The problem with cash payments reflects another temporal aspect: the future. The undeclared part will not count towards the worker's pension, thus leaving him with enormous worries about his future. Additionally, if by any chance the company conveniently forgets to pay taxes on the minimum wage, workers find themselves to be without any health insurance whatsoever. "I thought about it, I asked around, you know," confided Marko to me on a cold night in January. "But there you do not count for anything, the owner bullies you, you have no machine to help you bring heavy weight up and down. There, you're just a piece of meat that moves." Thanks to the VMRO system of forced credit, money gives liquid companies' owners tremendous power over their own workers. Imagine, for instance, is known for its brutal working conditions. On a new construction site, their work begins at 5 o'clock a.m. and continues without interruption until late in the afternoon, despite a temperature of around 45 degrees Celsius. The owner is often present on the site, shouting orders and insults to motivate workers and to spur them to work faster. As one of Imagine's workers told me "Every time he is on the site, I hide. I can't take being shouted at, so I try to find a place to avoid him."
Workers at Construx knew the temporal tyranny of other employers very well. The protracted crisis at Construx gave them doubts about the very future of the company. But most of them had worked there for more than ten years and had a high level of respect for the owner and the cadres. They were torn between prognoses of unavoidable decline and hopes of sudden rebirth. On one thing they all agreed: there were no good days ahead of them, and there was no future in Macedonia. "Leave, you who can. Take your girl, marry her, and leave," they continuously suggested to me, "and if you find work outside, call me. You know it is easy money: you find us work, we work, and we give you a cut. You do not even have to do anything."

At this point, they were faced with two opposite choices; either to keep their current job, waiting at work and working at night, or to rush around on the construction site trading their dignity for a bully-owner's cash. It was what they imagined about their future options that pushed them to take one direction or the other; workers who were young and saw no future in front of them, let alone retirement, chose to go and try their luck on the closed and stagnating job market. They had nothing to lose, and they found it useless to sacrifice their present for an uncertain future. After dealing with increasingly delayed wages for six months, between April 2014 and April 2015, seven among the youngest workers resigned; one found work as a truck driver, another in a gas station, two migrated to Germany, and one found a job in a foreign-owned company that produces vehicles. Two more, however, changed their minds and went back to Construx one day later. From what I am told, they resigned again in the fall of 2015, but were back to working with Construx in the summer of 2016 when I visited the company again.

Resigning from Construx was not an easy decision. The company paid workers decently by Macedonian standards; unskilled workers made 300 euro per month, while skilled maistori had salaries up to 500 euro. The company declared the whole salary for tax purposes, which meant that
workers would receive welfare benefits, such as health insurance, and especially a pension based on the whole 500 euro once they retired. While the lack of salary affected workers' health insurance, given that the Macedonian Health Fund gives workers vouchers for medical services every month only if the employer has paid his dues (which are linked to salaries), pensions were not affected by actual payments. The months of work, even without pay, counted towards the total they needed to reach the benefits from state pensions. Those older workers who could envision retiring in their (not-so-distant) future decided to stay—they chose the security of a safe pension to help them traverse the dark and uncertain future ahead, even if that meant working additionally with some side jobs. In fact, workers were convinced that the director would eventually pay, even if the company went bankrupt. While they claimed not to know the director's intentions, with time, they increasingly discussed the company's finances in public, calculating the assets the company had in land, buildings, and the profit that they should have made. Something was not right, as their approximate calculations were unable to account for the current crisis; yet they were more fearful that if they left Construx, they would be condemned to work even longer hours, with no future security.

### 3.4 Holding Time to Exist: Uncertainty as Blocked Flow of Time

While workers thought about the drastic decision to leave, they still had to negotiate everyday temporal requirements at Construx. At the beginning of my fieldwork in September of 2013, their opinion of the director and the fortunes of the company was cautious but somewhat optimistic. As the salary delay increased, they became more and more convinced of Construx's financial collapse. Construx started to question workers' temporal discipline, and the director insinuated that they were not working well—which was actually true but also informally allowed by the cadres who
did not want to exasperate workers. Meanwhile, their long hours of work had become less and less important—they were not in charge of the main building activities and received materials only after the credit installments were paid. The paradox of working longer hours while not being central for the company's fortune reduced workers' worth and filled their days with empty time. It is in this context that they resorted to uncertainty as a temporal tactic to block the expected flow of time, creating pockets of existential meaning.

It is a warm day in October, and I am duly conducting field observation at the Pool. The building is almost completed and was supposed to be handed over to buyers on October 1st. My friends at Construx tell me that it will be finished any day now, but workers suggest otherwise: they hope to be done by the end of the month, although they swear that they will still be there at the end of the year. The building is composed of a ground floor designated for shops, most of which have not yet been sold; on top of that are nine more residential floors and one last lofted floor. While the roof diminishes the volume of some of the last floor's apartments, in the central part, they have the opportunity for additional lofted (and illegal) surfaces. The building has two entrances and is constituted by about seventy apartments of various sizes, with the smallest one being around forty square meters and the biggest one about one hundred square meters. Despite being in a relatively central and coveted location, there is no paved street servicing the building. The entire neighborhood is being developed anew out of a former training ground for the army. Increasingly, green or abandoned urban spaces that used to be fairly common in Skopje are being turned into construction sites with the investments of building companies.

After a customary visit to Toni, the director of the worksite, I climb up the stairs to meet Folco and Marco, who had been working to fix an apartment's wall. As I approach the fifth floor, I can't hear any noise, just the echo of my footsteps that accompany my footprint on the dusty
granite hallways. I find Dino smoking a cigarette on the balcony, while Folco is lying down in the hallway, his eyes closed. We start talking about wine and brandy, when suddenly Dino hears some voices and swiftly moves from the banister into the apartment. He then peeks out again to check if Toni, the worksite's director, has seen him. Reassured, he resumes drilling the wall, and Folco proceeds to fix it with plaster. Then they go back to placing laths to cover the fissure between the parquet and other surfaces. Folco, more experienced, measures and tells Dino the sizes and angles to cut the pieces; Dino operates a medium-sized circular saw to model the parts of lath to the desired length or form. It is light work, which usually facilitates joking and exchanges. But not today—Folco's mind is full of troubles about his salary. Dino is exceedingly, frustrated as none of the pieces they cut seems to work immediately, given the poor leveling of the surfaces that requires constant reshaping of the laths.

Aleksandar shows up. He starts talking about Dylan Dog, Corto Maltese, and other comics—he himself is an author and used to be a hotel executive before his structure was closed down by a political decision. He had no other option but to take up a position as a manual worker. After a good thirty minutes of discussion he looks at the clock, realizes that it is 10:30 a.m., and decides it is time to do a little task, "just to work on something" before lunch, and then heads directly into the break. Over time, I will see this pattern over and over again from different workers, who would time their pace so as to slow down until about thirty minutes before any given break. With gravity, they would accomplish a small task before calling it a day. After all, it would make no more sense to start a new task with the break so close. And anyway, there is no urgency; as Folco puts it, they "have little work left now. Before we were running like crazy. But now—you see—details! There is not much to do."
At 10:40 a.m., most of the seven manual workers present on site are already in the small, unfinished shop that serves as their dressing and eating room. The room is bare, to use a euphemism. Exposed bricks all around us with a worn table that exhibits years of carvings; small handmade wooden hangers for clothes; and, most importantly, seats, made of upside-down plastic buckets, wooden benches, or actual old rusty chairs. Workers have turned all sorts of different materials into seats. They constantly create seats in the workplace, looking to rest their legs after hours of going up and down the stairs and standing around carrying weight. Anything can become a seat: a package of tiles or parquet, a stone, a step—as long as there is some plastic on it. It will take me a long time to learn this—and much embarrassment after being forced to take the seat a tired worker offered me when I just sat on the floor. I, as a foreigner, was required to sit on the piece of plastic they had put on their own spot. Such a technique, they claim, is necessary to avoid the workers' main preoccupation in the workplace: dust. Using a piece of PVC or putting a slate of expanded plastic under our buttocks would insulate us from the dusty surfaces, shield us from the pernicious volatile particles. But dust kept on coming back. It was in the food, inside our cloths, under our fingernails. After some weeks everything had the specific smell and taste of dust—and it would take even me, a passive observer, a long time and repeated showering to get clean.

Once seated around the table (on our plastic slates), we eat. There is very little adornment, just some plastic cups, and we summarily wash the residuals of the previous owners' drinks with "construction" water, some dirty metal forks and knives, what was once a cinnamon container that is now filled with salt, and, if we are lucky, vegetables from somebody's garden. But ceremony makes up for the frugality of the setting. And the master of it is certainly Matei, the deputy warehouseman. Earlier in the day, Matei had scouted our various working stations, as well as our hiding places, to gather food orders and secure our wishes (or something similar, anyway) at a
local supermarket or deli. At lunch time, he methodically extracts the various white plastic containers and wraps that are passed around with jokes and frivolous observations until they reach the destined owner. Those containers, maybe embellished with plastic bags he packaged the food in, will be our plates. Meanwhile somebody, usually Aleksandar, has filled everybody's cups with a round of "juice" (unbranded coca cola or orange soda), even if the person will not contribute to the common expenses for drinks.

Suddenly, there's silence. The continuous swish of makeshift plates fills the environment, interrupted by the occasional grunt of somebody dropping one of their ten small *kebapcinja* (ground meat sticks) on the floor. Those of us who eat beef soup solemnly part the bread, while whoever ordered a cheap cold cut fills his own bread with sour cream before passing it on to another comrade. Soon the deed is accomplished: we look at each other, relieved. It might be time for some wine, or homemade brandy (*rakija*). On some particular occasion, we might have sweets. We talk again, usually making fun of each other. If a wife calls in, that might be the joke for the rest of our day. If not, it will soon turn to politics, sports, or possibly the old days. Maybe Igor, an older man who used to be a professional waiter, will tell us of when he served in Tito's guard—especially if he had a few drinks the night before.

No matter what the order of events is, Matei will direct us once again when it is time to wrap up the plastic; then he will sit, take out a pen, and, looking at the receipt, he will call out names, foods, and numbers. "Fabio, soup and bread, 90 [2 USD]. Boris, sour cream and mortadella, half a bread, juice, 120 [3 USD]. Folco, ten *kebapcinja*..." The list goes on and on. Every day we change the menu, but the prices are always there, between 70 and 150 MKD. By now, it is ten minutes into the official break time (but a good half an hour since we sat down). Time to discuss if we are going to bet today, and if yes, how much. Matei has his own schemes, and he will not
share them. Igor can't write and read properly, especially after a drink or two, so we often do it together. Somebody is lying on the bench, pretending with admirable determination to rest or sleep. Sometime he's so determined that he's snoring. By the time we blacken the last box of the betting card, somebody will have mentioned some major political events. There's still time for a major political disagreement, with occasional bumping of fists, collegial laughter, and choleric excess. 11:30 a.m. never fails to show up. Time to stand up: we divide into teams of two or three again, and we all head back to our different positions.

And then it is laths again, over and over. This afternoon, we do not work among white, empty walls. This apartment has been partly furnished, and the owners' spatial decisions quickly become a matter of interest. We cannot understand why they decided to build a closet on top of the buzzer. The chairs and the dining table do not convince us, either. Folco sits on a chair covered in plastic and looks around. "I do not think it makes sense to have the table here," he says to Dino. "Well, it depends were the TV is—see, if you put it there," he moves where the TV should be, "then…No you can't really see it. So no, it is stupid." It is empowering to wander around in the place, to touch everything like it was your own, to outsmart the actual owner of the apartment you will never be able to afford. Folco looks at me: "Sit, Fabio. Anyway, it is useless now, it doesn't serve anybody."

I sit, wondering how much human energy, time, and life has been infused into those empty apartments. As they work, workers leave signs of their presence—marks that will need to be erased, cigarettes that will need to be picked up, and images that will need to be forgotten in order for the apartment to be sold. Everything in the workplace is makeshift and reminds workers of their precariousness: they have to use plastic, portable toilets, even if they are installing actual toilet seats all day long. Their eating tools are plastic containers, soon to be thrown away. Seats
made of broken pieces of plastic that will cease to exist as soon as the worker stands up. Traces of the workers' presence are everywhere and yet will not last. Workers' presence must be eliminated from the spaces they built; in fact, the management engages in veritable struggles to ensure that newly built apartments become pristine, because they certainly are not built so. That temporality, the temporality of building, will need to wither away, because it antedates the date of completion, whence an apartment's time is supposed to start. It is about that temporality that buyers will insistently inquire with Toni. It is that moment that will be marked as the beginning of history for each apartment. What is before, be it weeks, months, or years, doesn't count.

But as I sit on that plastic-wrapped chair, it does count. Workers, who feel useless because of their lack of real work, start wondering "What if?" They, we, feel the space in a different way. We are part of it, in this suspended moment of urgent waiting. Dino now is enjoying his temporary ownership of the apartment. He refuses to go back to work. Folco tells him some new numbers that describe where to cut the lath, but Marko answers, "No." Folco has little patience today, but Dino wants to provoke him. He throws some pieces on the floor, shouting, "NOOO!" Folco jokingly takes him by the ear, and they begin to hit each other with the materials they have at hands. "Come on, don't be stupid, it is late. Where were we? 176, 170. Come on now." Dino laughs, and turns on the saw. Back to "real" time.

I am not inclined to see any of these moments, where the normative rhythm of work is subverted, as spaces of resistance or as "weapons of the weak" (Scott 1987). On the other hand, workers take a particular pride in holding on to the present just a moment longer, with an additional joke, an extra cigarette, or an extra minute sitting in empty apartments before rushing to work. They could stretch time and block the normal flow of work precisely because of the uncertainty, created by the discrepancy between clock time and financial repayments, that upsets their
workdays. Deprived of the possibility to identify with their work—increasingly useless and structurally not of good quality—workers saw in the capacity of slowing down their activity an agential act, a space for claiming meaning for themselves. The resigned care associated with their ritual meals, their constant attempts to sit and produce "clean" plastic surfaces testify to just such a meaning production, aimed not at subverting or resisting but simply at affirming their existence, if nothing else, in their own eyes.

3.5 Uncertainty as Emergency

Inspector (I): So what about the lights?

Toni (site director) (T): As you saw, there is electricity in the apartments.

I: But there was no electricity in the hall—are there lights in the hall?

T: I don't know, maybe something happened with the lifesaver.

T: What about in the other halls? If I go there, will I find electricity? Let me go to the next door and see [starting to move].

T: I don't know, I don't know much about electricity, but maybe there's no light.

I: So there's no electricity in the halls, right. You did not give it electricity there?

T: We did not give it electricity there.

I: But there is electricity in the apartments that are inhabited.

T: That's right, we gave electricity only to the apartments that are inhabited.

I: So how many are those?

T: I do not know

I: Just give me a number, so I can tell them…some [nekolku]?

T: Some.
I: Ok, so then let me go now…Oh, give me your number.

T: Here it is…

I: Not you, him [pointing at the anthropologist].

Fabio (F): Oh, ok, so it is…

I: So ok, so if I contact you then…you're together right?

T: Yes, he's my right hand. I do not want him to leave Macedonia, I will never let him leave!

As she goes outside of the site, we both let out a huge sigh of relief. Toni turns to me and starts crossing himself again, as he did when the Inspector entered the first apartment. "I lie, how much I lie…let me cross myself again. Oh my God I can't lie, I do not know how to lie…and you helped me! So you know, you helped me a lot, speaking about Italy—that she could contact you to help her niece studying there…I was thinking, okay, let them speak about Italy!"

Despite his thirty-seven years of experience as director of work sites, the encounter with the Inspector left Toni literally shaking. The Inspector, a middle aged woman, had been sent by Stopanska Banka to verify the conditions of the worksite and confirm that the work was proceeding according to the plan. Based on her report, the Bank would approve or deny the release of the last tier of the credit upon which they had agreed. Construx could not afford to be late in the bank's eyes and miss this much-needed injection of cash. But we were late, and when the Inspector called her boss to confirm that everything was fine, it seemed that Toni had pulled off a miracle. The building had neither electricity nor running water, partially due to Construx's own delay but mostly as a consequence of the municipality's ineffectiveness in digging the infrastructure. Upon releasing the building permit, each investor has to pay the local administration a fixed municipal tax (around 10-12% of the overall value of the building) for such infrastructural work. Because this was a
former military site and the paperwork regarding the measurement and localization of old infrastructure was either classified or lost in the dismantling of the Yugoslav Army, the municipality had not even started to address these issues. That wasn't unheard of—Construx had faced similar delays from municipal authorities before, and managers from other construction companies complained about long, unjustified waits. In the following weeks, we would observe the municipality's engineers and planners on the site. Sometime they would ask us about what they were supposed to build. To everyone's dismay, we would realize that they had no clue about where the infrastructure should be, nor how they would connect our building to the existing street network.

The urban plan used by Construx and other investors had been approved by the municipality, even if it did not respect the actual built reality, a common phenomenon in Macedonian planning, as I show in Chapter 4. The discrepancy between plan and reality also increased because investors had the tendency to implement makeshift variations. As a result, the municipality had no idea how to conciliate plan and reality. When local authorities devised some sort of solution and actually built the fecal canalization, new problems arose. Buildings on the south side of the pipeline were unable to plug their canalization in because their pipes were too low, while buildings on the north site had pipes built too high. Every time a new problem was discovered, dictated either by Construx's own shortcomings or by bureaucratic inefficiencies of the municipality, workers had to rush to fix it. Ultimately each of these issues would weigh on Toni's shoulders. He needed to come up with alternative solutions. As the director of the work site, his main duty had been to supervise and plan the operation. Now, in the time of illiquidity, he was dedicated to keeping everything from falling apart. That involved reassuring buyers that the deadline would be met, and once it was not, reconciling with their demands to the best of his
ability. This involved finding impossible compromises. Some apartments came to be inhabited despite the building being unfinished, with makeshift electric and water arrangements. Toni also negotiated the infrastructures (water, gas, and fecal pipelines, as well as streets) with municipal engineers' or subcontractors' mounting discontent. In sum, Toni lived in a temporal horizon punctuated by emergencies; each could be neither postponed nor resolved. Most of these emergencies needed to be addressed by subcontractors, but that itself was a problem. Because Construx did not pay regularly, Toni needed to rely on all sorts of personal connections to make contractors complete their work or come back to fix their mistakes. I would often see Toni sitting at his desk, slowly smoking a cigarette with a blank stare, suddenly throwing out a joke at me to chase away the nervousness and maybe discuss a new idea to keep everything from falling apart.

The state of emergency that punctuated Toni's temporal horizon was not the consequence of classical postsocialist uncertainty. Toni did not know the details of Construx's financial problems, subcontractors' own reactions to lack of payments, and buyers' expectations. Yet he could see most of the problems coming. Problems were often born out of other people's lack of precision or professionalism, yet he certainly knew how to solve them. But he could not. He did not have the materials, tools, or resources to fabricate permanent solutions. And even if he did, the problems were the consequences of larger issues deeply nested in the functioning of institutions. What Toni could do was to implement some temporary solution that would momentarily postpone the problem. But how do you convince frustrated subcontractors, angry buyers, or suspicious inspectors to postpone the issue?

3.6 Uncertainty as Woven Time

In the workplace, emergencies are handled by *weaving time*, that is, by stretching, shortening, or
otherwise connecting various domains of activity in a temporal continuum. Time is woven in three different senses. First, the weaving of time corresponds to the capacity to rhetorically manipulate the tempo of the dialogue. This includes changing topics, conjuring personal and intimate temporalities, and shortening or lengthening the window available for articulating one's request. Second, weaving time refers to the capacity of isolating or connecting past and present, rediscovering promises long forgotten or instead confining them to the remote time of history, while evoking a future full of possibilities. Third, weaving time constitutes the capacity to produce a shared space of uncertainty, which both interlocutors uncomfortably inhabit in the hope of its undisclosed potential.

Toni artfully wove time and intersected these three dimensions at once. When it became clear that Construx would not be able to deliver the apartments on time, he deflected angry buyers by conjuring their personal shared past or intimacy and by promising future solutions. When that was not possible, he created makeshift arrangements for those who had already sold their previous properties and had nowhere else to go. Some "lucky" (or desperate) buyers found themselves in a quite literal temporal bubble: while everywhere else the building lagged behind the schedule, their living rooms were already furnished. At night, most of the hallways were dark and filled with echoes; theirs, however, resounded with laughter and the smells of home-made dishes.

It was those time-warped apartments that the Inspector visited. Toni managed to prevent her from wandering into other rooms, dark and waterless, by weaving the tempo of the conversation, so as to co-opt the Inspector's protestations and distract her from other incriminating details. He used his powerful laughter as a way to interrupt the professional examination of the building, and insisted on asking me questions about my Italian connections as soon as he learned that she had a nephew interested in studying in Milan. He even admitted that "they did not give
electricity" to the halls, in a desperate attempt to prevent her from discovering that they had no electricity at all. Toni jumped on any glimpse of opening towards personal topics that could reroute our exchanges towards genuinely funny pranks and shorten the Inspector's window of opportunity to ask questions. For instance, Toni eavesdropped on the Inspector's phone call where she confirmed to the bank's headquarters that the building was on schedule and that she was off to dinner: "Oh that one? It is a great place to eat frog's legs. Now you'll go there right away—you know, you can't waste any more time here, frog's legs can't wait." Conjuring the intimate and personal temporality of a relaxed family dinner with an admiring and almost jealous voice, Toni wove the Inspector's future into our present and gave her a good reason to leave the site without additional inquiries. The end of the conversation is indicative of woven time's results in Macedonia: both parties settled on a (un)comfortable middle ground of uncertainty. Not all of the apartments have light. But some do. The reasons are unclear and we'll both leave it at that.

In most interactions I observed, weaving time resulted in a sense of uncertainty. Subcontractors waited for hours in front of the Construx director's door without being told if the director was going to receive them, or even if he was really there. The director used uncertainty as a way to postpone their requests for money, never providing a firm answer (or even an answer at all) to their inquiries and pleas for payment. Buyers, uncertain about the status of their apartments, presented themselves at the construction site with Turkish delights (lokum), coffee, and sodas. Toni joked, talked about the old days and the weather, anything except what they wanted. But sometimes he was not able to avoid confrontation. In these cases, he mostly professed ignorance. Surprisingly, claiming not to know was concurrently unrealistic (after all, he was the construction site's director) but also morally acceptable. Reminiscent of earlier socialist times as well as postsocialist uncertainty, "I do not know" (ne znam) could be used as a last resource to show one's
powerless position within the company's hierarchy. In fact, it was Construx's internal policy to refer every question up the chain of command. That, too, was a temporal strategy to defer and diffuse emergencies, which had the unpleasant downside of crowding the administrative offices with inquirers in search of answers. In sum, the temporal incongruity of finance and construction work was addressed through uncertainty as a temporal tactic to postpone issues.

But why would anybody accept uncertainty? If it is clear why Construx used uncertainty to keep debtors at bay, why did debtors buy into it? Consider the Inspector's visit. On her way out, she pressed questions that, without a doubt, she had had since the beginning. But she raised them at a time when it was already clear that she would not get answers. Toni mobilized uncertainty as a discursive trope again, claiming not to know enough about electricity. At that point, it became clear to me and Toni that the Inspector had understood, but instead of pushing it further, she offered Toni a way out suggesting that "some" apartments had lights. She preferred uncertainty, in the form of an Italian contact for her niece, rather than throwing Toni against the proverbial wall. Weaving time bought Construx some time, while it provided the Inspector with some potential future benefits.

I witnessed many other construction directors try their luck: they would stalk Construx's managers at the office or at their favorite restaurant and talk to them for hours. The conversation often developed as I expected. Construx's director led it round and round, while the inquirer seconded him until he or she found a way to bring about his or her requests. Yet these inquiries sometimes succeeded. I saw Mr. Construx pick up the phone to authorize payments for at least some of the sums requested. Weaving time together, interlocutors in Macedonia conducted elaborate negotiations where both partners participated in the production of uncertainty, albeit with different agendas and interests. Construx's director gave in to some of these cunning rhetorical
plays, evocations of a shared past, or promises of future joint ventures. In the same way, the Inspector accepted a vague answer, took my number, and set off to eat frog's legs. Weaving time is "what you do," confirmed a director of another company. "You go there, pray, cry, and they might give you something."

Ultimately, uncertainty rests upon the recognition of each other's agency in navigating a political economy in which one has to generate something out of nothing—on the acceptance of one's temporary limitations in exchange for future or imaginary benefits. It rests upon the knowledge that illiquidity (and the incongruence of finance and work) is a threat for both the creditor and the debtor and that accepting one's limited agency is better than pushing oneself to the edge of the abyss. Both partners recognize uncertainty as a generative process that is both produced and productive of action. My interlocutors did not need to overcome uncertainty. While they still felt some anxiety and they generally found the process humiliating, they still saw in weaving time a transformative and generative space. More importantly, they gave up planning and exhibited a specific, open-ended intentionality—one that had qualities very similar to what Miyazaki (2006) describes for hope. If we take the example of Toni, it is clear that he had a goal in mind, a rationally defined problem he wanted to solve. But how to get there, what to do, and how far to push his lies was a much messier, improvisational, and not completely rational process. He was very genuinely emotional throughout the interaction, to the point that he felt the need to cross himself over and over again. The production of uncertainty is thus not just the result of strategies; its (forced) improvisation and performance relies at times upon deep emotional involvement. Toni, a 64-year-old engineer, one of eight children of an Orthodox priest, was struggling to justify his own behavior, which he considered immoral. He placed a high value on working, and he genuinely enjoyed discussing the technical difficulties and solutions he had to face in his long career. He had
learned how to solve urgent problems thanks to his experience in socialist construction companies. Yet the alternatives he invented then appeared as qualitatively different compared to those of today. In present-day Macedonia, he simply could not find good solutions, because solving an immediate problem did not reconcile the imperative of financial profit with that of work. While makeshift solutions were conducive to production during socialism, today's gimmicks remained only tricks, very hard to justify in his own morality. He called his current temporal actions a lie. And he did not like lying.

3.7 Conclusion: Uncertainty as Precarious Stability

This chapter has traced the subjective implications of authoritarian financialization in Skopje by discussing how individuals generated new courses of actions and evaluated differently their temporal options in conditions of illiquidity. It has shown that lack of money renders temporal relations divergent. The need to repay financial obligations forces companies like Construx to spend their work time in operations that are largely ineffectual. That, in turn, pushes workers to dilute their labor intensity in order to save energies for side jobs. As the crisis deepens, workers face very hard choices in regard to their future strategies. Their age and proximity to retirement influence their decision to look for different opportunities or remain at Construx. Managers, on the other hand, face a continuous set of emergencies that they cannot permanently solve but struggle to postpone in order to make things work. As clock time becomes less important with respect to financial repayments, workers and managers try to find meaning and agency through uncertainty.

In substance, we are back to the lack of planned, foreseeable, near future described by Guyer (2007) and into the open terrain of the temporary gimmick or stopgap measure. Planning the future was not possible for any of the workers I spoke with, whose plans were all indefinitely
on hold. For those who had enough years of work, the future they hoped to achieve was retirement. For others, the future looked like a foreclosed dimension that they could not take into account; they retreated into the present, leaving the company for more liquid forms of exploitation. But even the present was a very tricky time to live in; to get the job done (*da se zavrshi rabota*)—any job done—was an extremely time-consuming process. This is due in part to the uncertain set of circumstances in which Macedonian society, and especially its economy, lies—a point well stressed and explored by studies of postsocialist uncertainty and fluidity (Shevchenko 2009).

Compared to classic postsocialist uncertainty, however, there are new social forces and political hierarchies that generate temporal paradoxes in contemporary Macedonia. A block of entrepreneurs and politicians solidified around the VMRO has monopolized power in the country, creating a new set of internal core-periphery relations. This is no longer a case in which solid social structures, such as socialist institutions, are torn to pieces, leading to a chaotic loss of power and piecemeal restructuring of the economy. We are witnessing the birth of a centralized political economy in which an authoritarian state uses a financial mechanism to build its power. As a consequence, more and more companies, workers, and ultimately citizens are sliding down the country's social ladder and find themselves unable to grapple with the larger dynamics, let alone change them. What they are left with is clever solutions, rhetorical changes of subject, and other temporary arrangements—that is, uncertainty as a space of action. Unable to be part of progressive, medium-term actions, citizens can only try to seize an opportunity and defer the ultimate collapse for yet another moment.

Such temporal arrangements resulted in the constant multilateral production of uncertainty in the workplace. Instead of being simply the result of macroeconomic restructuring, workplace uncertainty in Macedonia is constantly produced in an attempt to negotiate the postponement or
the solution of impossible issues. As increasingly centralized and hierarchical political structures come into place, people produce uncertainty as an individual attempt to negotiate agency and meaning in a temporally schizophrenic landscape.

Workplace uncertainty is the direct consequence of Macedonia's authoritarian financialization. With the lack of liquidity that characterized Construx's political marginality, workers lost not only money, but also their existential value as workers. This loss manifested itself through schizophrenic working rhythms that increasingly affected workers' lives and their perceptions of the future. Forced to face impossible challenges, workers used various rhetorical and labor strategies to recover forms of agency. These included switching between different discursive registers, postponing or slowing down work, and evading their supervisors' scrutiny.

For those familiar with state socialism, this sounds like an old story. Even my interlocutors mentioned, with a bit of shame, that "we pretend to work and they pretend to pay us." In fact, just as in socialist times, contemporary Macedonia is witnessing a centralization of power, whereby a party (the VMRO now, the communist party then) controls the majority of the economy. Yet, today's context is very different from the pre-1989 era, first because wealth is redistributed only in marginal amounts. Such differences between the two systems are reflected in the actual experience of uncertainty. If one takes Burawoy's (1992) ethnographic study of a Hungarian steel factory as paradigmatic of working rhythms under market-socialism, it seems clear that workers were largely able to avoid bursts of activity. Burawoy explicitly compares his work in a similar factory in the US, where the very oppressive work regimes and tight scheduling created constant scrap materials, "hot" periods of work, and impressively long hours around the holiday season. Burawoy did not have to rush to finish his quotas in the Hungarian firm not because the work was easier, but because
of the horizontal forms of solidarity and flexibility that allowed workers to cooperate by apportioning piece rates and activities autonomously.

In the same piece, Burawoy notices that the real dictator, the problem that challenges workers' rhythms in a socialist workplace, is the norm that defines the amount of time per operation planned by the socialist management. Most socialist norms were, by definition, very hard to achieve and aspirational in general. In fact, many other workers had secondary jobs that paid more than their work in the steel factory, which held true for the ethnographer himself, given his status as a professor at Berkeley. So, he asks, "Why do I calculate how many hours' work, 'real work' at 100 percent, I complete by the end of the shift? [...] Yes, money is an underlying factor, but there is something else in getting through the workday. It turns out to be much more exhausting to work slowly or irregularly" (Burawoy 1992:44).

Burawoy is not straightforward in portraying what that "something else" is. Partly it is the lack of other options. Partly the solidarity among colleagues. But a large component is also the pride in being a socialist worker who brings home results despite the challenging work environment. This is a crucial difference from Construx's situation. Working at Construx did not generate pride for employees. Because of the specific position that the company occupied in the Macedonian political economy, financialization had translated into illiquidity for Construx. That meant that what workers did or did not accomplish in the workplace did not really matter. The construction company was stuck independent of workers' activities. They could have worked hard, or just waited, or combined both strategies. Their work could not fulfill a norm or a plan, and it did not result in successful production. While, by using kompenzacija, Construx was able to soften its financial budget constraints, it did not resolve its financial problems. In the long run, they were stuck.
In such conditions, it is not surprising that workers tried to utilize temporal tactics reminiscent of socialist times. I described extensively how they took breaks, professed ignorance, worked two jobs, and adapted to extended work time when needed. Yet none of these strategies worked well under financialized conditions, because the workplace solidarity that allowed socialist workers to strategize was definitely less present at the time of my research—a fact I explore in Chapter 4. As workers tried to find opportunities to exploit, they had to be mindful of the fact that, compared to the early transition, informal activities were often considered illegal in the country, despite being extensively practiced. In authoritarian Macedonia, it was potentially dangerous to bribe an inspector, for instance. The VMRO party had been very effective in utilizing the widespread informality in the construction sector either to fine and punish or reward companies, depending on their political standing. In other words, workers could not count on informality as a horizontal space of solidarity. This translated into an increased attention to safety protections, such as helmets, especially when in public. But it also translated into significant circumspection when trying to exploit potential opportunities, as noted in the careful and casual way with which the inspector and Toni conducted their conversation. After all, in an authoritarian state, the law exists, albeit not for everybody.

These constraints framed the moral meaning of uncertainty. It was not always clear how two interlocutors evaluated their attempt to produce uncertainty. Enclosed between the negative connotation of opportunism and the positive one of getting the job done, uncertainty generated a space of potential collaboration. Workers felt less and less useful on their daily routines and more and more marginalized in their economic potential. Uncertainty, by contrast, generated a space whereby individuals could produce and play with empathy. In sum, uncertainty, rather than representing a mere transposition of the vagaries of the financial market (Ho 2009) or an
impediment to action (Bauman 2000), constituted a new temporal dimension, oriented towards *woven time* rather than clock time.

From the perspective of woven time, uncertainty is not the opposite of action, negation of the future, or impossibility of the past. Rather, uncertainty is a particular form of weaving time, of connecting past and present, and of prefiguring action. When workers wove their time on the construction site where I conducted research, they often crafted holes in it—carefully including uncertainty in their time continuum. Uncertainty became a room to maneuver and a space of agency that allowed them to reclaim their value as persons and agents, a value that they had lost in Macedonia's increasingly rigid and hierarchical political economic scenario.

Uncertainty and woven time are very effective in creating spaces for empathy that act as existential defenses against the increasing uselessness of work under authoritarian financialization. Yet they do not always help individuals or their company to regain a healthier position in the financialization process in a material sense. Financial obligations stipulate a very clear schedule of repayment, and while uncertainty might postpone the inspector's negative report or a worker's demand, it does not lead to substantial debt restructuring. Toni was successful in deploying uncertainty on this occasion, but financial constraints are not amenable to being solved by means of uncertainty; in the long run, Construx was obliged to increase the amount of resources destined to paying back financial obligations. Deprived of more and more liquidity, workers kept on experiencing uncertainty without its potentiality. While weaving time created spaces of agency filled with existential meaning, the even slower rhythm of work did not help Construx's overall situation. Uncertainty began to look more and more like precariousness, a labor relation of intense economic deprivation, that oppressed workers well beyond the potential opportunity it presented.
Weaving time and producing uncertainty did not solve the loss of value(s) experienced by my interlocutors and other marginalized groups. What it did was to provide an appearance of existential meaning and control. Weaving time destined one's activity towards unproductive actions that exhausted people's energies in attempts to postpone catastrophe rather than resolve it. More importantly, such a temporal strategy produced a rapprochement between subjects at the periphery of the Macedonian political economy and the behaviors promoted by the VMRO, which has made opportunism and lack of productivity a hallmark of its administration. As my interlocutors' subjectivity became increasingly embedded in opportunistic behaviors, they found it harder to locate common interests and engage in collective forms of solidarity. When the spaces of empathy and agency generated by weaving time proved to be illusory, workers and other subjects I observed found themselves isolated and more vulnerable to direct hierarchical domination.
4. Ethnomasculinity and Solidarity

Since 2010, a walk on the main square of Skopje, Plostad Makedonija, is a strange experience: a host of cheap bronze and copper statues of male heroes teleports the passerby back to ancient times. For some, it feels like having crossed the threshold of a wax museum, in which the divide between the parody of a dystopian future and the promises of historical drama is not clearly marked. The VMRO narrative of heteronormative patriarchy culminates at the feet of a colossal, 35-meter high statue of Alexander the Great. The exaggerated masculine body of a warrior astride his pawing horse tops a singing fountain, whence fierce hoplites emerge amidst a cloud of waterjets, ready to stick their long spears into the heart of the nation's enemies and to sacrifice their athletic, semi-naked bodies for the freedom of the Macedonian people.

The bronze shapes of these masculine heroes are empty. What is supposed to bring them to life is their capacity to penetrate the hearts and souls of Macedonian patriots with their spectacular, almost erotic, sensualization (Mostov 2000). Since the VMRO came to power, the Macedonian body politic has increasingly been represented with almost seductive precision as male, aggressively masculine, and ethnically Macedonian—a new form of heteronormative patriarchy that I call ethnomasculinity. While the nation was engraved in the muscular body of heroes, however, male citizens did not morph into hoplites or demi-gods in suits of armor. Male Macedonian workers, and especially those I encountered at Construx, were slightly overweight, often idle or hanging around with sly gazes. They did not exhibit the dynamic, menacing, and fierce poise that characterized the masculinity branded by the VMRO government. Rather than standing as a solid cohort of Macedonian Hoplites against the enemy, workers had a hard time coming together as a group or finding a coherent way to embody their masculinity. Oscillating
between different masculine ideologies, workers often became docile with their managers and moderately belligerent against each other.

This chapter analyzes the complexity of workers' gender identification by discussing the intersection of ethnicity, gender, and economic marginalization. With the VMRO, patriarchal heteronormativity came to be defined by the aggressive and dominant exclusion of ethnicized "others." Such symbolic domination was generally signaled by men's economic status: luxury items, such as German-branded cars or Italian sunglasses, lavishly decorated new apartments, and the consumption of foreign-branded alcohol and food defined ethnomasculinity. Workers, however, had a difficult time achieving ethnomasculinity, especially given that many of them were experiencing the downturn of authoritarian financialization.

The VMRO's propensity to utilize ethnomasculinity as a model for manhood corroborated the ideological emergence of a new rentier class as its building block, a process I already outlined in Chapter 1. Yet this model conflicted with the material experiences of marginalized working-class men. Workers at politically peripheral companies such as Construx could not appropriately provide for their families or dominate other men in public performances, especially if those were based on consumption. More importantly, ethnomasculinity did not provide such workers with gendered tools to address their economic marginality. Stuck in this impasse, workers tried to resuscitate various historical forms of gender identification that allowed them to conjugate masculinity with illiquidity.

This chapter discusses working-class men's choices and challenges in finding a model of masculinity appropriate for the conditions of authoritarian financialization and illiquidity. What follows explores the dissolution of shop-floor solidarities. I document the relation between the loss of economic power experienced by heads of households or firms and their failure to live up to postsocialist patriarchal ideas, rooted in a set of material responsibilities. As working-class men
feel abandoned by their leaders and under constant threat from their peers, women, and other ethnic groups, docility emerges as a new configuration of social values.

Ethnomasculinity and docility have a complex genealogy. In what follows, I analyze the intersection of gender and ethnic hierarchies by discussing their articulation under the political economy of socialism, postsocialism, and financialized authoritarianism. By applying intersectionality (see Mullings 2002) to the historical development of masculinity, I emphasize the role that ethnicity and nationalism, rather than race, have had in shaping gender. Building on the work of scholars who have studied the reconfiguration of ethnic boundaries (Barth 1969) and perceptions of the "other" (Said 1977, Todorova, 1997) in postsocialist and nationalist regimes (Verdery 1995, Brubaker 2006, Gellner 1997, Hayden 1992), I stress the overall reduction of porosity throughout Macedonian society. In the West, financialization has often coincided with an opening towards multiple gender and sexual roles (including the rise of LGBT rights). In an authoritarian regime, however, financialization seems to restrict the potential for alternative gender identifications.

The substantial corpus of literature that describes the intersections of gender and nationalism generally deconstructs the historical, social, and cultural processes that made possible their emergence. It is widely recognized that women are oppressed by nationalist gender ideologies by being turned into passive subjects who should reproduce the nation, a condition that they often resist in both overt and covert ways (Hemment 2007, Helms 2013, Verdery 1996, Gal and Kligman 2000, Mostov 2000, Bringa 1995, Nagel 1998). Men, on the contrary, are rarely viewed as oppressed by nationalist gender constructs. Even when they are forced to face intense and dangerous competition, or are pushed to deny their own sexual preferences for "the nation," they are seen as fitting into established moral/gender categories and subsequently cast in active, if not positive terms (Herzfeld 1985, Neofotistos 2010, Brandes 1980, Creed 2012). This is not my
personal experience, nor the one I observed on the ground in Skopje. Competing for achieving manhood can be, and often is, highly demeaning for the winner as much as it is for the loser. This is especially true in Macedonia, where illiquidity has turned the ethnomasculinity game into a competition without winners, whereby men not only oppress other competitors but also oppress themselves.

I propose studying ethnomasculinity in relation to political-economic factors, a theoretical framework that has long been received in gender analyses concerned with women (Rubin 1975, Engstrom 2008, Davis 1983, Susser 2009). The case of Macedonia is particularly useful to understand how masculinity can be entangled with economic changes. In the past twenty years, the country faced a radical transformation from socialism to a (supposedly) market economy and was radically reshaped by financialization projects. If ethnomasculinity, as noticed by many scholars (Dimova 2013, Vetta 2011, Thiessen 2007, Kim 2015), has been a response to the frustration of former socialist men stripped of their resources during the transition, then the failure to reach, attract, and keep financial capital that made ethnomasculinity impossible has important political significance. In this chapter, I argue that men employed gendered strategies that, in the long run, proved unsustainable. As a consequence, working-class, marginalized men came to inhabit a contradictory gender identity that resonated with the rentier subjectivities promoted by the VMRO.

During the transition, patriarchal domination was made possible by the economic and political contraction of postsocialist societies. As men and women were recast in traditional roles, men could achieve patriarchal domination in families or firms. Under the VMRO, however, such independent spaces have ceased to exist or have been radically re-incorporated into new national hierarchies. Economic and symbolic power is now reserved for members of the VMRO structure. In such a context, achieving ethnomasculinity is a strenuous burden that breaks working-class
solidarity and increases men's socio-political precariousness. Increasingly, working-class men's ethnomasculinity is defined by subordination to superiors and animosity towards competing peers. Paradoxically, while ethnomasculinity urged men to be heroes, fighters, and harbingers of independence, men found themselves to be increasingly embedded in hierarchies of dependence and stuck in relations of subjugation that they have come to naturalize as morally right.

We possess ample evidence that delineates the constructed, historical, and ideological nature of masculinities (Gutmann 1996) and the ways in which marginal groups try to resist them (Creed 2012). As has been observed by other theorists of working-class masculinities, such as Willis (1981) and King (1997), masculinity constitutes not only a site of resistance through which working class "lads" displace bourgeois ideologies but also a reason for their lack of class mobility. Others, like Kalb (2011), have interpreted ethnomasculinity as a return of the "repressed"—as a new, distorted way to bring back class interests, identity, and solidarity. My question, however, is rather different: what happens when working class men fail to embrace an explicit (and rather clunky) model of masculinity, such as VMRO ethnomasculinity? What does the inapplicability of different models of masculinity generate in terms of power relations and belonging? How does it intersect with the emergence of a financialized authoritarian regime? This chapter does not focus on the VMRO definition of ethnomasculinity per se. Rather, it describes how working-class men came to be attracted by the VMRO authoritarian regime precisely because they struggled, and largely failed, to become fully ethnomasculine or to produce a non-hegemonic model of masculinity (Connell and Messerschmidt 2005, Willis 1981).
4.1 Three Macedonian Men, or Different Masculinities in Perspective

Goran is in his mid-thirties. Every time I see him, he is wearing formal clothes. I remember a brand new Brooks Brothers green flannel sport coat, proudly bought on sale at the Woodbury Outlet just outside of New York City. He has recently joined a Macedonian institution in NYC, but he seems weary of non-Macedonians. At cocktail parties, he doesn't mingle much with representatives from other international organizations or governments, even if that is part of his formal duties. Instead, he passes his work time on the phone with Skopje, talking about the political unrest against the VMRO government that started in October 2015. At times, he even refuses to conduct daily administrative activities, which he delegates to his female colleagues who are forced to cover for his lack of efficiency. People I speak with describe him as rather harsh, a bit racist, and ready to blame people around him for his own mistakes. Eventually, he got into a verbal fight with a co-worker after having repeatedly harassed her with unwanted advances and insinuations about her weak morality. Nobody from the office, however, reprimanded him—not even his supervisor, who witnessed the whole scene. Goran is a VMRO party member.

Darko is in his mid-forties. Every day, he wears blue overalls with Construx's logo over a dusty t-shirt or, if it is cold, a discolored heavy turtleneck sweater. He always changes before and after work and devotes significant attention to keeping a proper "civil" attire when away from the construction site: nothing fancy, usually a clean pair of jeans and a polo shirt. He often uses a VMRO cap at work. He supports the party because, as he tells me, "it is a right wing party that employs left-leaning social policies." Darko is hardworking and experienced, and other workers listen to him for work and life advice. He sometimes incites but more often stops arguments, double-entendres, and challenges—not disdaining wrestling playfully with other workers when they do not fall in line. While he occasionally joins in when a group of workers stare at some passing young woman, Darko rarely shares graphic details of his sexual adventures. He addresses
female buyers, managers, or dwellers who pass through the working site with respect and is often smiling or playing down tensions. On the other hand, Darko holds negative views about Albanians, although not quite as offensive as some of his other colleagues of the same age. Despite his increasing sadness and nervousness, he strongly opposes open protest against the director.

Aleksandar is in his mid-sixties. A former hotel manager and a producer of comics, Aleksandar was demoted to busboy after the hotel was privatized and sold to a VMRO-connected company. Eventually, he was fired. Aleksandar also wears blue overalls at work, but his goatee and glasses earned him the nickname of "professor." Left-leaning and slightly nostalgic, Aleksandar is known for his liberal stance toward Albanians, his critiques of capitalism, and his pearls of wisdom. Once, he enlightened me about the meaning of life: "You know what the meaning of life is? A hole (dupka). We come from a hole, we want to get into a hole, and we will end inside of a hole." He is one of the newest recruits of Construx, and his pay grade as well as his influence are minimal. Nevertheless, he took me in with sympathy when I first arrived at Construx, explaining things I did not understand and minimizing jokes I did not know how to address. Aleksandar commuted every day for over four hours in total from the nearby city of Veles. He used to buy a piece of bread from a local shop where it was cheaper and often commented to himself while preparing his side of the table during lunches. "Here is the fork, dobro, where is the bread? Oh here it is, dobro…and today we will eat as well." At the height of Construx's crisis, Aleksandar quit to work for a secondhand shop. In his last days on the site, other workers teased him and giggled about his future under a new and much more demanding boss—his wife.

Goran, Darko, and Aleksandar exhibit three rather different ways of embodying and performing masculinity in Macedonia. All three men operate within a patriarchal and heteronormative horizon which they see as the right set of values to be pursued. However, they understand and perform masculine domination differently. Among them, Goran is definitely the
most powerful (he is a VMRO official) and is in a better financial position, given his guaranteed public salary, which is 30% higher than private-sector salaries. Goran is also the most aggressive and suspicious man, especially towards people who are not members of the party. His behavior is sometimes nasty and aimed at hurting rather than challenging people around him. Confronted with nationals from other countries in NYC, including diplomats from African missions, he does not refrain from insulting them with racist slurs. Similarly, his attitude toward Albanians and women is demeaning at best. He keeps his distance from other white men, including myself or other Macedonians he meets, while he is engaged in constant chitchat with other VMRO representatives in the city.

Darko and Aleksandar are not saints, either. As we will see below, Darko opposed an attempt to call into being a cohesive workers' body to force a reaction from Construx's director. I was told that, after being presented with an offer for a "private" job, Darko quarreled with other workers (also from Construx) and preferred to stall rather than accept dividing the pay equally. Aleksandar's use of rather explicit language was not limited to the "hole" joke; he used to giggle when young and attractive women passed. Darko and Aleksandar quarreled mostly among themselves or with their peers.

I believe that historical sedimentations of masculinity can account for the different behaviors exhibited by the three men. From what I could tell, Aleksandar was the least inclined of the three to engage in confrontation. I had observed his propensity to avoid open confrontation from other managers, functionaries, and workers in his age group. While some like Aleksandar were keen on discussing economic issues and the problems of capitalism, most tended not to comment on controversial topics, or they shied away from overtly providing opinions on concrete issues. On the other hand, they were keen on sharing jokes, tales of their technical achievements, or stories from their families. In fact, most of them quite enjoyed the camaraderie that existed in
the workplace, and seemed much more open to engaging in genuinely horizontal exchanges of food, wine or brandy. This was the case of Ilco, too, the supervisor of the Pool site, who abstained from discussing subjects that could create disagreement in public, and yet enjoyed spending time with many buyers or other non-workers, whom he generally entertained by offering coffee and other treats.

VMRO members and sympathizers I spoke with suggested that men like Aleksandar lacked aggression because they had been emasculated by the communist regime. For VMRO supporters, Aleksandar and his peers were trained to be cowards, to yield or "bend" to external pressure. While it misrepresents the complexity of Yugoslav socialism and the very vibrant internal critiques that generated extensive public protests (Zabic 2010), this assessment uncovers an important point. The socialist machine encouraged working-class men to fulfill plans whose goals were set by central committees rather than develop their own, more realistic objectives (Verdery 1996). Middle managers like Ilco or Aleksandar could not often shape the objectives or metrics of success of their work; yet they still had to find practical solutions to make impractical decisions work. Their masculinity, thus, did not consist of openly challenging others. Rather, it was their ability to balance official and unofficial realities that was rewarded and respected.

For Ilco and Aleksandar, balancing objectives and reality was not dictated by pragmatic considerations alone. They felt it was an ethical duty, which could only be accomplished thanks to the help (or connivance) of others around them. Such a pragmatic solidarity was encouraged by socialist ideology, which operated from a perspective of relative equality. In such a system, being the executor of someone else's decisions was not a threat to one's masculine prowess but instead was the consequence of a good working social order. In other words, men like Aleksandar and Ilco did not see their lack of open contestation or authorship as a problem, because they assumed a degree of social equality whereby each worker played a role in the advance toward a common
goal. Disagreements between workers did not generate challenges to one's position, which rested upon a shared belief in social progress.

Hierarchies and inequality were, of course, abundant in the socialist workplace. Yet individuals like Ilco and Aleksandar could easily consider them as mere setbacks on a quest for equality and progress. Their gender, sexual, and ethnic identification shielded them from confronting some of the harsh and semi-hidden realities of socialism. Ilco, Aleksandar and other Slavic-speaking Orthodox men fit easily into the patriarchal structure of state socialism, in which the state assumed the role of a caring, although obsessive, father (Verdery 1996, Bureychack 2011, Siegelbaum 1998). When they came home after a long day at work, they were still entitled to a warm meal and a prominent role in their family's decisions—a nicer condition compared to that of women, who had to work daily jobs, care for their children, attend to domestic chores, and still accept a subordinate role in the family (Ghodsee 2004, 2005; Verdery 1996).

Despite the rhetoric of equality and the actual material rights granted by socialist states, the social reproduction of households remained a woman's task (Oates-Indruchová 2008). Older women I spoke with explicitly confirmed that they had been able to enjoy socialist equality only in the very short period of their lives after being employed but before being married. Obtaining a job emancipated women temporarily from their paternal control at home. Once they were married, young brides were faced with new forms of practical and ethical subordination. As many older men and women made clear, women rarely rose to prominent positions in the political or economic life of socialist countries. Oates-Indruchová (2008) signals that in the Czech case, official discourses that referred to work often expunged women from the narrative. Similarly, Fodor (2002) shows Hungarian women were treated as if their commitment to the household, itself dictated by the socialist policies, prevented them from devoting total loyalty to the party.
This also included a subordinate equality in sexual matters. Many older women I spoke with did not have access to or were not informed about safe sex practices that could allow them to control their own sexuality. Their sexuality was rigidly scrutinized, especially in Skopje—a city that was more traditional than Belgrade or Zagreb. This is perhaps not so surprising, given the relative aura of modesty that shrouded bodies in socialist propaganda. While images of masculinity circulating through the Eastern Bloc and especially Russia emphasized the dynamic figure and muscular bodies of male workers with great realism (Haynes 2003), these images did not really translate into a sexualization of men, nor to a sexualized dominance over women. As Borenstein (2008) shows, while a pornographic genre existed in Russia since the Czarist era, it had very little to do with erotic appeal. Configured as an intellectual exercise that utilized foul language and forbidden imaginary, it was soon pushed underground by the moralizing censorship of the Soviet regime. Because the socialist state conceived of the social and aesthetic dominance of males as being in tension with the egalitarian charge of the industrial worker, the Soviet representation of men was moralized, rather than inscribed in a sexual context.

Despite these hierarchies, socialist rhetoric and rights were not just a facade. In socialist societies, women had access to political and economic rights that were comparable to those available in the "first world" (Brainerd 2000). A close scrutiny of women's positions reveals a complex set of checks and balances that ascribed to women a position of subordinate equality to men (Meznaric 1985). Women figured in socialist propaganda not only as mothers but as heroines. Female partisans or athletes were very present in the Yugoslav imaginary and were granted important, albeit not leading, roles in the cultural imagination of the nation (see for instance the film about Delfina, the first Macedonian woman to swim the English Channel). In other words, the socialist aspiration to achieve equality was very influential in mediating and structuring gender
relations, orienting the definition of masculinity or femininity towards a shared horizon: that of the worker, an ideally non-gendered being.

The industrial worker was the ideological model when it came to national and ethnic divisions, as well. Socialism stressed departure from an ethnic model of belonging, common to pre-World War II polities, to favor a redistributive attachment to the state as an equal provider. Socialist subjects were entitled to wealth redistribution by working in collective or state-owned enterprises, thus contributing to the country's progress and modernity. While, in theory, everyone was equally involved in the socialist project, the preference for modernist, urban, and heavy industry models of development created implicit (or explicit) hierarchies between different socialist subjects. In Macedonia, Roma were widely employed in state-run companies. Yet they often occupied entry-level positions in hard industry sectors, such as steel mills or construction, and rarely proceeded to leadership or management jobs. Albanians in Yugoslavia, with the notable exception of Kosovo, also had limited access to qualified positions in state-run companies or institutions. Yugoslavian socialism, in practice, discriminated against ethnic (or religious) groups that did not share an urban, modern identity.

Ethnicity, just like gender, constituted a disguised hierarchy throughout the eastern bloc. In Romania, for instance, Germans were excluded from major political roles within the country and suspected to be allies with Western powers (Verdery 1991). Scholars who have studied the role of ethnicity and nationalism in the USSR such as Hirsch (2005) describe how the process of Sovietization, that is, the building of a multinational Soviet Union, was also one of co-opting existing national ideologies or governments. In Ukraine, for instance, the Bolsheviks gained control over ethnic groups by nominating a representative from the same group as their leader (Slezkine 1994, Channell-Justice nd). While this process was reversed with Stalin's centralizing policies, which promoted the "russification" of various republics, ethnicity has been utilized as a
tool to control populations by introducing or pandering to national hierarchies, even if that constituted a counterpoint to official progress towards equality (Brubaker 1994).

The very articulation of Yugoslavia rested upon ethnicity. While there is abundant evidence that the outbreak of ethnic violence after its collapse was heavily engineered by political elites and other ethnic entrepreneurs (Klanišek and Flere 2011, Crawford 1998, Oberschall 2000, Brown 2003), the infrastructure for ethnic relations had a longer and more complex history that intersected with the very fabric of socialist power. During the so-called "administrative phase" (1945-1952), the Yugoslav leadership tried to promote a centralized Yugoslav nationhood (Bertsch 1977). After the split with Stalin, however, Yugoslavia abandoned a strictly planned political economy and reconsidered its stance towards ethnicities. Issues of ethnicity and nationality became crucial in shaping communist policies and promoting economic and administrative decentralization. First in 1952-3, then in 1963, and finally in 1974, the Yugoslav constitution was reformed and autonomous regions (such as Vojvodina and Kosovo) as well as constitutive republics (Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, and Macedonia) progressively gained power. These reforms tried to address the large economic inequalities that existed between different republics. In 1953, for instance, GDP per capita in Slovenia was 34 times that of Kosovo. The Yugoslav leadership hoped to address such developmental gaps with the expansion of a semi-autonomous market (Gregory 1973). They hoped that shifting responsibilities from the federal state to workers' councils (Dunn 1975) and local administrations would generate a market-friendly form of socialism. Susan Woodward (2003) clearly demonstrates how decentralization was a Yugoslav response to the need for rationalized labor. By decentralizing power over salaries, employment benefits, and other matters of production to local councils and territorial organizations (that were also ethnically defined), the leadership attempted to raise production levels without having to lay off workers. With time, republics were given control over crucial aspects of social redistribution,
including social housing (Le Normand 2008) and sovereignty in financial matters, including the ability to contract financial debt with foreign countries (Vejvoda 1996). Yet with economic decentralization also came conflict between ethnic groups. Leaders of republics or autonomous regions represented the interests of the ethnic majority at the republic or regional level. At the same time, these very leaders were part of, and vetted by, the League of Communists of Yugoslavia (what used to be the Communist Party). The power of the LCY and of strong security services was supposed to balance out centrifugal forces and keep the federation united. In practice, this generated a constant tension, whereby ethnicity was at times repressed and generally muffled under the aegis of equality.

Because of its increased economic and political decentralization, Yugoslav socialism stressed brotherhood and unity among different ethnic groups. This meant supporting ethno-national claims to self-determination, such as in the case of Macedonia—a country whose identity, language, and history were fiercely affirmed during the socialist period (Brunnbauer 2005). At the same time, Yugoslav socialism and especially the central organs, such as the LCY, embedded modernist aspirations to erase ethnic specificities (Mattioli 2014b). The contrast between these two tendencies was intense and constantly preoccupied the Yugoslav leadership. In a high level meeting in 1972, a significant and influential portion of the LCY that included Kardelj lashed out against two kinds of nationalism: separatism and unitarism (Bertsch 1977). Ethnicity, therefore, had to conform to such a federate model and was framed by the very tension between bratsvo i jedinstvo. Not every kind of ethnicity was admitted. Instead, national identifications were publicly acceptable insofar as they fit within the secular and developmental imprint of the Yugoslav state—the very imprint that gave birth to the identity and material conditions of industrial workers.

This translated into specific urban politics across the republics that first erased (in the years between 1945-1952) and then reshaped (in the following years) the presence and aesthetics of post-
Ottoman subjects. Similarly, rural post-Ottoman subjects—usually Muslim Slavic speakers and Albanians—were given some limited opportunities to "become" socialist industrial workers. But if they refused to blend their ethnicity into this mediating, equalizing, and modern figure, they were forced to leave (Dimova 2013, Mattioli 2014, Ellis 2003). In fact, in 1953, Turkey and Yugoslavia signed an agreement that allowed "voluntary" departures and resettlement of Yugoslav Muslims in Turkey. For instance, the village that was inhabited by some of Construx's workers was until the 1950s inhabited by Turks, who left Macedonia for Turkey. The name of the village still reflects this specific post-Ottoman and Islamic heritage.

This was not a new policy: already in 1938, 200,000 post-Ottoman subjects who had declared themselves to be ethnic "Turks" had been resettled, mostly from the areas of Kosovo, Macedonia, and Montenegro (Kirisici 1995, Rajkovic 2012, Ivanovski 2008). Rajkovic estimates that the process touched 170,000 people in the period between 1953 and 1968. While some individuals left of their own free will, many felt implicit political pressure as a consequence of laws and trials that prohibited Quranic schools, forbade wearing headscarves, nationalized Vakufs, and outlawed circumcisions. Historically, Bosnian Muslims had been less prone to rebellion against the Ottoman state and its political successors, as Iseni (2008) and others (Poulton 1993) argue. Because of its peaceful history, which allowed them to navigate modernization attempts by the Hapsburg and the Ottoman Empires, and because of their economic stability, Bosnian Muslims constituted a well-suited example for Yugoslav brotherhood and unity.

The collapse of socialism revitalized the importance of ethnicity and nationality. In Macedonia, ethnic divisions and discrimination became an item of contention, also thanks to Albanians’ increasing political and economic power. As we will see below, this greatly impacted Macedonian men who grew up in late socialism and who felt betrayed by the state and the process of democratization. Men born in the late 1960s and early 1970s, like Darko, faced the disjunction
between proclamations of democracy as freedom and the reality of economic disempowerment that ethnic Macedonians experienced after the transition. While some of this frustration was also shared also by older men like Ilco or Aleksandar, I generally observed a less pronounced disposition toward aggressive public behaviors in such a demographic. Instead, Ilco, Aleksandar and other workers of their age I am familiar with retrenched to "hospitality" as a nostalgic domain where the equality of socialism could still be remembered. When I spent time in the company of older workers, I was often amazed by the depth of their cordiality. They were willing to pick me up by car, to bring me to the mountains with their friends, and spend entire days drinking or making homemade *rakija*. Stories of their socialist youth were a common thread in such convivial gatherings. One of the workers must have recounted his encounter with Tito to me at least 10 times. As a ceremonial guard, he even opened the elevator for him, and wished *Drugar* Tito a good afternoon.

It was not just the nostalgia of youth that reverberated through these moments of collective drinking and storytelling. What many workers were painfully proud of was the equality, the community, that they felt in these days. In telling me about Tito, my interlocutor always took particular care in stressing the word *drugar*, comrade. That word attested, maybe deceptively, that even the most powerful man in Yugoslavia was equal to a poor, working-class man from Skopje. That feeling of equality was mostly gone in postsocialist public spaces and certainly in current ideologies of ethnomasculinity. Older workers could, however, retreat to private spaces where the "beauty" (*ubavina*) of domestic comfort and simple sensual pleasure eclipsed their economic distress and social losses. There, with their wives continuously bringing food from the kitchen, workers were able to be equal again.
4.2 With or Without Money: Postsocialist Masculinities

Men who came of age in the late 1980s saw their masculinity radically impacted by the transition. With the collapse of socialism, industrial workers lost their symbolic and material dominance. As industrial production plummeted, former socialist heroes turned into unemployed masses. Elites that emerged from the privatization process were not interested in supporting ideas of equality. Instead, they based their political legitimacy on identities defined by ethnic uniqueness (Clayer 2001, Gagnon 2004). In some parts of Yugoslavia, the nexus between masculinity and ethnicity emerged as a consequence of the wars, where the use of rape as a common war tactic fueled the notion that only hyper-masculine subjects could protect the feminized nation (Zarkov 2003, Sofos 1996). In Macedonia, however, masculinity and ethnicity became particularly entangled as a consequence of changes in a group's access to consumption.

Not every ethnicity was equally impacted by the introduction of free market reforms. In Macedonia, for instance, groups that had been marginalized under socialism gained political and economic power after 1992. As Dimova (2013) shows, Albanian men had extensive knowledge of market operations and could rely on vast international networks of relatives who had emigrated abroad. Foreign remittances allowed Albanian men to invest in the private sector and to increase their level of consumption. Their ability to mobilize kinship relations to create very exploitative but lucrative companies allowed many to generate substantial capital even through Macedonia's multiple crises.

"You know, I feel sorry for them, Macedonian men," Besart once told me, while driving home. An Albanian businessman located in Gostivar, Besart had worked in Italy for 20 years, starting as a dishwasher until ultimately buying a luxury bed and breakfast hotel. When the crisis hit the Italian tourist industry in late 2010, Besart decided to come back to Macedonia. He felt that business opportunities were opening up for the Albanian community. "You know, here, people
have money. See that guy? He has 10,000 euro in his pockets right now. If I need any money, I just need to ask. It is not always legal money, but we will put it down for each other if there is a good idea. Thirty years ago we were poor, we had no running water. Now we can build a new future."

After dealing for several years with Italian companies that produced construction materials, he had decided to build his own factory in Macedonia in partnership with an Italian technician. Besart had invested several hundred thousand dollars, a sum that many of my Macedonian interlocutors could not quickly gather or invest at the time. He could not understand why Macedonian men were so angry with Albanian men. Successful Albanian entrepreneurs like himself cared more about money than nationality—so why be bitter with them?

After recounting various anecdotes of situations in which he had been openly or unconsciously discriminated against, he paused for a second, watching the road in silence. "Imagine that their girls, you know, 20, 21 years old, they go with me, a 50-year-old Albanian, just for 2,000 MKD (50 USD). I can basically fuck any young Macedonian, if I want to." I must have made a shocked or skeptical face, because Besart pulled out a phone, connected it to the speakers, and dialed a number. He pointed at the screen, where the name of a Macedonian woman appeared. Soon, a Macedonian woman answered. Besart, while gesticulating at me, excused himself for not having called her recently. As she insisted that she wanted to see him more, he promised that they would meet over the weekend. Then he said, "but you have to tell me that you like me more than all of the others." The girl laughed briefly, then answered: "You know that I do." As the conversation ended, he commented: "They would come with me for anything, just to have some money to eat. And it is a shame. It is really sad that such young girls do this, and there are many of them. Now look at the irony: they despise me, as an Albanian, but I fuck their girls."

The conversation between Besart and his Macedonian lover shows that the shifts in economic prosperity documented by Dimova (2013) and Neofotistos (2015) almost a decade ago
play a role today in structuring gender relations between Albanians and Macedonians. Neofotistos (2010) shows that Albanian men who engage in interethnic extramarital affairs face intense public scrutiny from their Macedonian counterparts. Here, masculinity does not allow for camaraderie and intimacy across ethnic lines: Albanian men systematically refuse to share testimonies of their sexual prowess with curious Macedonian men. Dimova shows a clear gap between Macedonian and Albanian men's capacity to consume—one that is not absolute (most of the oligarchs are still Macedonian) but that has quickly been reversed since the transition. If the current economic conditions allow Albanian men to fuck Macedonian women, what is left of Macedonian patriarchal masculinity? Considering the tendency of political parties to define the homeland as a feminine entity in need of protection (Verdery 1996, Bureychak 2011, Papic 1994), Macedonian men's inability to control the sexuality of their own women challenged their capacity not just to be men, but to be real Macedonians.

Macedonian men like Darko, who came of age in the 1990s, faced these mounting challenges by developing an entrepreneurial spirit and retreating to the domain of the household. While Darko had inherited the socialist aspiration to equality, this reverberated predominantly through his pride in technical expertise and professionalism. After graduating from a high school for machinery, he had gotten a job for a construction company that worked in the local gray economy. The 1990s constituted a chaotic moment for him, where periods of economic downturn followed unexpected moments of plentitude. Among these, he fondly remembers his stints working (without permits) for Macedonian companies in Russia and elsewhere in the former Eastern bloc. There, he saved money and conquered girls. More importantly, informal conditions of work during the early transition allowed him to bond and network with other men—workers, supervisors, and managers that were able to find him new jobs back in Macedonia. Once home, Darko seamlessly transitioned to "private" contracting with two workers from the same village.
Soon, they were hired at Construx, where they came to monopolize the hiring process. Darko and his group, under the leadership of the Brigadir, hired workers that lived in their own village or to whom they were connected by reciprocity or kinship. As Construx grew in the volatile market of the early transition, so did Darko's masculine and patriarchal influence in the company.

While they were not all as lucky as Darko, men overwhelmingly managed to translate their gender identity into an asset for navigating the economic hardship of the transition. Those who did not, however, had a last resort—they could still rely on the household as a safe space that safeguarded their patriarchal prerogatives. It has been widely demonstrated that the transition helped to re-traditionalize women's role (Goven 1993). In fact, starting in late socialism, attempts to open the Eastern bloc to market forces promoted the re-traditionalization of women. Woodward (2003) shows that women and youth were among the first to be laid off in attempts to rationalize socialist companies because of the assumption that they could rely on others as their main providers. As the transition morphed into recession, as was the case for Russia in the late 1990s, it was the rise of a survival economy that forced many women to invest most of their energy within the household. With their husband unemployed and scarce access to items of primary consumption, women were forced to find creative ways to stretch limited food supplies or to contain their husband's disruptive drinking sociality (Ries 2009, Rogers 2005). In some cases, this was a welcome change. Snajdr (2007) describes the re-traditionalization of Kazakh society as a result of women's preference for non-modern identities that privileged strong, patriarchal families. In other cases, women's retrenchment into the private sphere followed the erasure of socialist institutions (Verdery 1996, Watson 1993).

In public, women lost their appearance as heroines and became increasingly portrayed as caregivers, objects of sexual conquests, or frail individuals in need of protection. Ibrošcheva (2007) finds that Bulgarian advertisements overwhelmingly portray women as either economically
dependent or sexually provocative. Eastern European women flooded the mail-order bride industry (Johnson 2007) as well as the porn and escort service industries. Budapest and Prague, especially, acquired international fame as European red-light districts. While for many Eastern European subjects, this represented a form of sexual liberation (Goscilo 1996), it also set the stage for sex-work migratory patterns that extensively affected the life of women in countries like Romania or Russia (Huges 2001, Malarek 2004, Gulcur and Ilkcaracan 2002, Gal and Kligman 2000. See also Cojocaru 2015 for a critique of anti-trafficking discourses).

Women who managed to remain employed in the formal economy saw their roles and wages plummet (Fodor 1997). Of course, there were exceptions: those segments of the female workforce that had been highly educated during socialism found it relatively easy to integrate into a capitalist market economy, at least at its early stages when state structures still mattered (Emigh and Szelenyi 2001, Orazem and Vodopivec 1995, Lafont 2001). Integration into the market economy was also easier for women who belonged to marginal but not stigmatized groups that did not depend on the state for their social and economic reproduction, such as Gorale villagers in mountainous areas of Poland described by Frances Pine (1998).

Although foreign-owned companies provided employment for Eastern European women, this did not always empower their lives. Women employed in global corporations were confronted with Western stereotypes that depicted socialist subjects as lazy or incompetent. Dunn (2002) shows how the US giant Gerber forced its female employees to assume new identities by imposing new ways of working that did not leave room for support and solidarity among the workforce. Free labor and reciprocities that had become part of women's personhood during socialist times were replaced with discipline, self-assertiveness, and accountability. Women resisted this transformation, however, by appealing to a language of kinship and motherhood that mobilized an ethic of responsibility to mediated Western expectations of individualism. While Dunn claims that
the women's fight eventually softened the impact of the transition, recent work suggests that the opposite might be true. Polish women might have been able to avoid massive layoffs and fare slightly better compared to women in Bulgaria or Macedonia. Yet, Fodor and Horn (2015) show that, throughout the Eastern bloc, feminine labor has been relegated to lesser remunerative positions (see also Bonfiglioli 2014). Eastern European countries that experienced a rapid growth did so at the expense of an increase in gender inequality. In countries like Estonia, the Czech Republic, or Bulgaria, women's docility and nimble fingers were a crucial factor in attracting FDI (Ong 1987, Mies 1999). On the contrary, the less abrupt growth of Poland and Hungary and the relatively stronger role of the welfare state in these countries have contributed to keeping a low level of gender inequality, at least until the Euro crisis. It is unclear if women in Bulgaria, Estonia or the Czech Republic mobilized kinship and maternal ideologies to mitigate their work conditions (Dunn 2004). Yet precisely such ideologies might have pushed women to accept increasing exploitation voluntarily, which might have reinforced their marginalization in the labor market.

It is beyond the scope of this chapter to provide an exhaustive review of women's experiences during the transition. The perspectives I summarized above help understand why men like Darko were likely to find their patriarchal role reinforced, rather than challenged, by the transition. Pushed to assume a domestic role in survival economies, poorly paid jobs in foreign-owned companies, or more remunerative forms of sexual labor, women's condition in transitional economies did not pose a threat to male domination. While males were impacted by the collapse of socialism, the rhetoric that accompanied the reduction of the welfare state confirmed their dominance in the household. Goven (1993), for instance, shows that in postsocialist Hungary many political texts encouraged men to become independent from the corrupting effect of women and regain their authority over the family. In such an increasingly nationalist context, male political capital, informal networks, and ultimately migration patterns allowed them to recast their
masculinity as a form of patriarchal domination in the private sphere of their households and their firms.

4.3 Ethnomasculinity, Women, and LGBT Rights

Younger generations like Goran's faced a new set of challenges as a consequence of the VMRO masculine ideology. Take, for instance, a major speech delivered on January 31, 2015, by Prime Minister Nikola Gruevski to downplay the upcoming release of phone recordings that implicated him and his government in criminal activities. In the speech, Gruevski publicly denounced the anti-patriotic machinations of the opposition party SDSM and its leader Zoran Zaev. According to Gruevski, Zaev had obtained sensitive materials from foreign secret services, including recordings of phone conversations between government officials, businessmen and journalists. Gruevski described how Zaev attempted to blackmail the government and force him to resign, a behavior that he portrayed as subservient of foreign powers, immoral, and proper to a powerless person. The VMRO government would never concede to such plots, concluded Gruevski. "Because we are Macedonians, not little Macedonians (nie sme Makedonci, ne Makedoncinja)."

Gruevski's speech utilized nationalist rhetoric to counter the upcoming exposure of his government's pervasive corruption schemes. But the insistence on defining who the "real" Macedonians are reflects the fragile geopolitical history of the country and its multicultural character. As I stressed in the introduction, Macedonia is a small country of about two million inhabitants, of which, according to the census of 2002, 25-35% are ethnic Albanians, 65-55% ethnic Macedonians, 4% Turks, and 3% Romani. These figures are highly unreliable. Ever since the 2001 conflict between ethnic Albanian paramilitary and the Macedonian army, census data have become a source of political power and are thus subject to serious manipulation (Brunnbauer
Given the political tensions surrounding issues of ethnicity, the state has not organized a new census. Internationally, the very existence of the "Macedonian" people is highly contested: the Slavic language classified as "Macedonian" was standardized mostly during the Socialist period, and many Macedonians speak with accents or vocabulary very close to Bulgarian or Serbian. While every nation is a historical construct, the process of "building" Macedonia has been scrutinized and challenged by other nation-states (such as Bulgaria, Greece, and Serbia), or ethnic and religious groups within the Macedonian state. As a result, the Macedonian identity has a very unsettling nature for many Macedonians, who are constantly forced to face the arbitrariness of their own national belonging.

The VMRO contributed to creating and exploiting the political capital of uncertainty surrounding the definition of Macedonian-ness. The party came to power pledging to reinstate Macedonia as a grand nation, against the claim of any neighboring country. Revamping the political tensions with Greece about the use of the name Macedonia, the VMRO laid a series of claims as to who the "real" Macedonians were, which climaxed in the creation of the gigantic statue of Alexander the Great (The Macedonian) mounted in the central square of Skopje. This huge monument celebrates the most admired traits of ethnicity as imagined by the VMRO: a masculine warrior, known for his military ability, who relentlessly fought his enemies. It is this image that Gruevski evoked in his speech. He and his party were the true ethnomasculine descendents of Alexander the Great. Zaev, on the contrary, was a "little" Macedonian, an emasculated subject. How could a "little" Macedonian be taken seriously? He was not a man, he operated in secret, and he plotted with foreign powers instead of fighting for the fatherland. The anti-national portrayal of Zaev coalesced around the contrasting image of the "real" Macedonian. Zaev, in short, was not a Macedonian, and by extension, not a man at all.
The display of ethnomasculinity is ubiquitous in Macedonia's public spaces today, both physical and virtual. The most obvious manifestation of the attempt to build up and define ethnomasculinity is certainly the Skopje 2014 project. This urban renewal plan was launched in 2010 with the explicit goal of re-establishing the European character and the grandeur of Skopje as a pre-communist, mono-ethnic capital (Mattioli 2014b, Graan 2013, Janev 2011). The sheer quantity of statues that have been built since then is astonishing. Almost all of the historical figures ever mentioned in connection with Macedonian history are represented, even if their actual ethnic identification is doubtful. The statues are not historically accurate. Brigands are portrayed as horse-mounted captains, and religious leaders have traits that evoke popes more than hermits. All of the heroes represented are men belonging to the categories of warriors, saints, or intellectuals who have been reinterpreted as supporters of the national cause. The only exceptions are Mother Teresa, a nun who spent most of her life caring for others, and Olympia, the mother of Alexander, portrayed in another fountain between the statues of Alexander and Philippe II (his father). Olympia is captured in four different poses that symbolize the various phases of her pregnancy. The message is unmistakable: women contribute to the nation only as caregivers and mothers of future ethnomasculine subjects.

Other feminine images are heavily discouraged by the VMRO government. One of the latest films produced by Milcho Manchevski, an internationally acclaimed film director who won a Golden Lion for his movie Before the Rain, dislodged the easy equivalence of women as mothers of heroes. The feature film was essentially censored in Macedonia. In a related assertion of patriarchal power, since June 2013, it became mandatory to obtain the approval of a commission before having an abortion. Women have to file a petition, inform the spouse, and wait for the Macedonian bureaucracy, not known for its efficiency, to decide on their own future lives.
If the VMRO rhetoric emphasized a hyper-aggressive model of masculinity, patriarchal heteronormativity was increasingly under threat. Macedonian men faced stiff competition from Albanian men, but also young Macedonian women who had been able to rise among the ranks of the public administration and (some) private companies. In recent years, women have been achieving greater prominence in public life. In 1990, four out of 80 Members of Parliament were women. The number did not change in 1994 despite the enlargement of the assembly to 120 seats. Thanks to the increased mobilization of local organizations supported by international funds from USAID and UNWOMEN, eight women were elected to the assembly in 2000. In 2006, after the approval of a law that forced political parties to reserve a quota for women, 36 women were elected to the parliament (USAID 2009, Greenberg and Macdonald 2000).

Gruevski nominated several women to leadership positions in the government, including the crucial role of Minister of the Interior. Similarly, the government was lobbied by the international community into passing various anti-discrimination laws that included provisions about gender-sensitive measures supported by the Austrian Development Agency (UNWOMEN 2012). This did not mean that the VMRO embraced women's emancipation. Many of the women hired through the VMRO ranks have little political power; rather, they are cast in a supporting role by male politicians. The head of the state anti-discrimination body, a VMRO party member, blamed the rise in the divorce rate on the "wave of emancipation coming from Western countries" that allegedly had influenced Macedonian women (Marusic 2013). Interestingly, he failed to notice how the divorce rate had followed the country's economic performance and the spread of illiquidity. In fact, divorces had decreased from 11% in 2004 to 8% in 2009, only to drastically rise in 2010 to 12% and gradually climb to 16% in 2015, according to data from the State Statistical Office.
While several companies (including Construx and one of its biggest competitors, Ideale) have women in key leadership positions, high-level female managers struggle to be taken seriously on the shop floor. Data show that the gender gap remained essentially the same since 2006. According to the Global Gender Gaps Index, Macedonia ranks 69th, with Russia 75th and Turkey 130th (World Economic Forum 2015). According to the State Statistical Office, in 2006, 11,727 women were employed in the central public administration (CPA) against 27,616 men; in 2014, the CPA employed 15,557 women and 32,806 men. This means a slight increase in the number of women employed in the CPA (29.8% to 32.2%), which had an overall increase of 9,000 employees, or 18% or the workforce (unfortunately, no data about publically controlled companies are available). Women have also increased their presence in other public sectors that were, however, already predominantly female. This includes education (56.1% to 60.6%), social work and healthcare (60% to 70.3%). In the private sector, the ratio between women and men employed in the manufacturing sector did not change between 2006 and 2014, while women increased their participation in the wholesale and retail sector (from 38.3% to 43.2%).

Partly as a consequence of the Europeanization process and the diffusion of ideas about gender and sexual equality, LGBT identities also gained traction in Macedonia's public spaces. The first organization to openly support LGBT rights opened in 2002, in a climate where 80% of Macedonians saw homosexuality as a threat to the family and a psychiatric disorder (Petruseva and Jovanov 2005). Homosexuality had been outlawed until 1996, when the government amended the civil code as a prerequisite for becoming part of the Council of Europe. In 2010, an LGBT bar opened in Skopje, in the upcoming and quickly gentrifying space of the old town. While the bar regularly hosted flamboyant parties that included Eurovision parodies, costume themes, and water-pistol battles, the organizer never explicitly used LGBT language. Although themed nights were clearly an excuse to dress up in drag, organizers and bar-goers were scared of being beaten if they
made their LGBT identity too public. Other explicitly LGBT groups or individuals had in fact been raided, a disturbing trend that still continues.

While their actual economic and political power remained limited, non-heterosexual and non-patriarchal subjects that used to be hidden have gained some public visibility. This might explain why some younger men like Goran felt the need to adopt increasingly aggressive behaviors to fend off mounting challenges to the deep roots of Macedonian patriarchy and heteronormativity. Such examples of aggression and violence are not limited to everyday interactions, such as those I described for Goran above. On March 28, 2009, a group of about 200 students and citizens came together on the main square to protest against the government's plan to build a church on Plostad Makedonija. The group planned to create a human chain that would occupy as much space on the square as was planned for the church, showing how cramped their beloved public space would become. Portraying Skopje as a woman, the group displayed banners that invited the public and the VMRO government to "stop raping Skopje." But as soon as protesters arrived on the square, they were assaulted and pushed back by about a thousand self-identified Orthodox Christians. It soon came to light that those Orthodox protesters were thugs recruited in nearby provinces by the VMRO party, shipped to Skopje by bus, and rewarded with some 20 euro and a sandwich. Some of the most violent ones were subsequently brought to trial, judged not guilty, and then hired in some low-level state or church positions. Symbolically, the state justified the "raping" of the city, and reinforced the patriarchal notion according to which "real" men were to aggressively defend the nation from queering forces. In the VMRO-controlled media, protesters were painted as pro-EU liberals, whose liberal conceptions of gender equality, public space, and anti-violence corrupted the strength of the Macedonian people.

This was not the only way in which the state's increasingly repressive power co-opted men to assert ethno-masculine acts of violence. In 2010, the government passed a law against
discrimination that explicitly overlooked sexual or gender discrimination. In addition, the VMRO government granted practical impunity to male hooligans (including fans of the soccer team Vardar) who insulted, vandalized, and beat ethnic Albanians (and other random bystanders). The LGBT community was also the target of these gangs. On various occasions, "spontaneously" gathered mobs of angry men attacked the LGBT rights center in the old bazaar and the LGBT bar in the same area of town. The VMRO government led a campaign to restrict the legal definition of marriage—a clear reaction to the increasing acceptance of same-sex unions or marriage in Europe and the US. In 2015, the parliament modified the marriage law, changing the socialist definition of marriage as a union between two persons into a union of a man and a woman.

Meanwhile, VMRO officials blamed the mounting civil unrest against their government on Sorosoids (i.e. people instigated by the liberal think tank Open Society Foundations, created by George Soros) and pederi (gays). Protests such as the gatherings of 2010 against the project "Skopje 2014" or the marches against police brutality of 2012 were portrayed as the result of secretive machinations by an international organization, whose goal was to queer and weaken the Macedonian nation. Casting queer subjects as failed and deficient citizens, the VMRO effectively incited violence against the LGBT community in ways that recalled the public support for crushing the gay parade in Belgrade (Greenberg 2006). Unsurprisingly, a recent report considers Macedonia the worst Balkan country for the protection of gay rights, ranking 43rd of 49, in good company with other authoritarian states like Russia (46) and Turkey (48), and well below Hungary (19), Italy (33) or Poland (34) (Rainbow Europe 2015).
4.4 Navigating ethnomasculinity in the workplace

Many workers had ambivalent reactions towards the aggressive rhetoric of the VMRO. If on the one hand they could relate to the VMRO's general intolerance toward minorities (i.e., Albanians, LGBT, women), on the other, they had a hard time redefining Macedonian patriarchal identity as separate from other Slav "brothers" of the Yugo-sphere. Working-class men seem especially unsettled by the VMRO's use of pre-Hellenic imperial figures, such as Alexander the Great, as their founding figure and model for masculinity. "And now, Alexander the Great? Are you crazy? What does a Greek guy have to do with us? You know, I wish I was Serbian," I was once told by a worker at Construx, who said, "At least they know who they are."

On the worksite, Macedonian men were perplexed about the scale, naïveté, and historical arbitrariness with which the VMRO propagandized its project. At the same time, they vindicated some form of aggressive, revanchist, and proud identity for Macedonians, especially against Greeks and Albanians. As a dear friend of mine once put it: "We are Macedonians. And if the Greeks force us to change our name, I'll burn my passport and take up weapons. That's enough."

The wide range of similar comments that I collected suggests that the improvised yet hyped origin of Macedonian nationhood and masculinity pushed by the VMRO's appeal to the existential uncertainty in the heart of Macedonian men. Such uncertainty is amplified by the economic crisis that working class men like Construx workers experience at the margins of the VMRO political economy,. Taken together, these factors presented individuals with arduous choices about how to negotiate their maleness.

Such nationalist and patriarchal rhetoric evokes that of the early days of the transition. Yet the mutated economic conditions render men unable to find solace from their existential and gender uncertainty in private spaces like the household or the firm. In the early 1990s, households and private firms constituted spaces where specific patriarchal ideologies could sediment thanks
to the economic fragmentation of the transition. Today, one of the consequences of illiquidity is an increasing dependency on individuals from the VMRO regime. This interdependence significantly impacts men's gender identification. Women, partially empowered by the party, are not always willing to sustain a triple burden. Increasingly, "gray" jobs are unavailable without the right political connections that shield workers from inspections—and that plunge companies like Construx further into illiquidity. While some highly educated men emigrate, this is not an option for blue collar workers such as Construx's masons.

The social and physical separation of the construction site and the predominance of male construction workers made men's expressions and negotiations of their masculinity particularly explicit. As Macedonian interlocutors put it, "What happens on the construction site stays on the construction site." Construx's construction team for the Nest (usually referred to as a "brigade") was composed of 14 men, but their number increased to 17 men after December 2013. These all-purpose workers were able to complete most specialized activities, except for electrical work, but they usually collaborated or coordinated with subcontractors. At the beginning of construction, steel workers set and bent bars to reinforce the concrete structures of the building; then masons built the external walls, leaving the interiors to specialists of plasterboard and drywalls; as each floor was completed, plumbers, electricians, window and door specialists came in; finally, it was the turn of parquet workers, painters, and cleaners—the only female group. For over a year, the bare walls of the Nest resounded with the metallic noises of drills and hammers, interposed by the jokes, laughter, and shouts of two-dozen sweating men.

It was the site's manager who made me aware of the specific masculinity that permeated the Nest and that I subsequently also found at the Pool. Natalia, a woman in her mid-fifties, was by far the best site manager I ever met—and also one of the very few women who had over 30 years of experience directing sites. She was called sometimes "aunt" by her workers, who made
fun of her ability to speak constantly and without interruption for long stretches of time. Despite such constant jokes, she was highly respected, and workers listened to her words very carefully, even if they downplayed or fussed about her decisions. Natalia took special care of her workers: "I try to help them. If they need some extra job, and somebody from the neighborhood comes and sees me for any problem, I hook them up. What can I do? They are my workers!"

But gaining respect hadn't come cheaply. "As a woman on the construction site, you are disadvantaged. You need to know twice as much as a man knows in order to be taken seriously. And it is a constant fight! Oh, oh—you can't imagine the labor [maka] that it entails. My brain has to go twice as fast, and I need to be one step ahead of them. I need to know beforehand what they will think once I give them directions! Over the years, I have learned how to do it, and how to play the game. You know, construction workers play games all the time. Did you notice? With you too! They test you all the time—but I have learned how to play it, and now I can turn them around on their head if I want to."

It was true. Being in the workplace was a constant tease, aimed at establishing one's masculinity. "Hey Fabio," the Brigadir (foreman) once asked me while we were all sitting idly after (or before) a break. "So, do you like sex with men? You know gnaca gnaca gnaca [hitting one hand closed as a fist with the palm of the other open hand, as to signify anal intercourse]." As workers turned to look at me, with slight smiles on their faces, I laughed. "I do not know. I never tried! If you want we can go and find out together, shall we?" There was a second of suspense, while everyone present looked at the Brigadir's surprised face, and pondered if my spicy rebuttal wasn't in fact too direct. But then, everybody laughed together, stressing that the inexperienced and mildly masculine foreigner scored a point at the construction workers' game of masculinity. Amused, the Brigadir patted me on the shoulder and shook my hand approvingly. "You know I am joking, right?" Others echoed the sentiment, "We're only joking."
Joking about one's masculinity was so constant and continuous that it came to constitute part of my everyday life. I started to expect to be provoked jocularly and to have to prove my manly prowess, as every other worker did, in the multiple occasions when it was called into question. The topics that were generally evoked by these challenges usually were connected with sexual prowess or drinking, but basically anything could be used to ridicule one another, establishing a masculine hierarchy valid in the workplace. For instance, as soon as I started joining workers on their breaks, they began offering various alcoholic beverages to drink. At Construx this was a common occurrence: the director drank with clients (and the occasional anthropologist) during meetings, administrative cadres had occasional "inhalation" meetings (which meant salads with rakija, a strong grape brandy), and construction workers routinely drank small quantities of alcoholic beverages during breaks. Drinking meant different things. It was a way to celebrate important occasions, and often workers brought wine or rakija to share with others when they left or came back from vacation. Workers also drank to celebrate some holidays, such as a family's slava (house saint), or whenever their batches of homemade wine were ready for consumption.

But drinking could also follow a hierarchical structure. When the Brigadir decided it was a good moment for drinking, the bottle was to be passed around and people had to drink from it, no matter what their preferences were. Refusing to drink without serious reasons (like a sickness, or a religious motivation) was made fun of and lowered one's degree of masculinity. Natalia, the site supervisor, was also tested in the same way: "They always try to get me drunk. They pass me the rakija, and observe if I drink. So I drink. A little sip. But then they pass it to me again—and then I do not drink. I fake it. The same way you do it—I saw you!" For Natalia, as for me, masculinity was not a given. It was supposed to be there because of our social role. Natalia was the workers’ supervisor, and my appearance and sexual preferences qualified me as a man. But my status as a foreigner and her femininity forced us to be tested routinely.
Over time, Natalia came to curb her femininity and reserve it for private occasions. "When I was younger, I wanted to dress nicely. I wanted to look gorgeous. But I was on construction sites every day! How can you dress pretty here? It is not just because of the dirt, although of course you do not want to ruin your dresses like that. You cannot wear a skirt in here. You see them? How can I be respected with a skirt? Or with a sleeveless blouse? You know what they would say or think? I can't do that—and with time I lost the habit of dressing up. Now I only dress up at weddings." Natalia always recalled her youth, when she sometimes came to work with heels. Now she wears a long gray apron, and woolen sweatshirts that hide her body; but she stood out when dressed beautifully at my wedding, where she led the dances for a good part of the night.

Despite these limitations on her appearance and sexual identity, Natalia was respected. Workers complained copiously behind her back, but I never heard or observed any rowdy behavior towards her. Workers like Darko or the Brigadir were the first to set the tone for gendered interactions with women on the working site. Except for a drunkard worker who was dismissed some years back, I have never seen nor heard of workers explicitly harassing women on any Construx site, as seems common in British construction firms (Watts 2009). While an employee at Construx might have joked about women's roles or skills with a patriarchal undertone, I have never witnessed a single claim stating that women were biologically inept for working in the trade, an opinion apparently common among construction workers surveyed by Agapiou (2002). While someone had hung a Playboy-style calendar in one of their break-rooms, most of the workers purposely covered it when I asked them to strike a pose for a portrait. In fact, most of the workers chose serious, solemn expressions for the photo session. The poses they assumed for the "official" photo did not transmit aggressiveness and did not represent the macho, threatening, stances that are otherwise widespread in Macedonian public spheres.
Compared to materials gathered by other scholars working with construction workers in England, Sweden, the US, and Poland, Construx's men displayed relatively more jovial and less threatening challenges to each other's masculinities. While generally conservative and pro-VMRO, none of them took part in any violent manifestation in support of the government. Often jokes translated into mock fights (as seen with Darko), but I never witnessed workers push it beyond the boundaries of acceptable playfulness. In addition, workers at Construx did not rank each other on the basis of the physical stress of the job they conducted, which constitutes a significant difference with how physical masculinity is defined on British construction sites (Ness 2012). Quite on the contrary, they were happy to conduct less physically demanding jobs and systematically tried to avoid strenuous tasks. It was professionalism and specialization, rather than brute strength, that was associated with leadership.

While I suspect workers were lighter when they joked with me, I have experienced my fair share of teasing and jokes in establishing my masculinity. In fact, workers were slightly puzzled by my middle-class gender ethos, influenced by years of female-dominated education that lacked manly camaraderie. I looked like a man, for sure. My beard provided a reassuring clue, and the fact that I insisted on having a worker's outfit also suggested that I was on the right track. But I did not provoke people, and I did not recount with other workers any intimate sexual experience. What was the matter with me? Workers never stopped testing me, asking me constantly about my sexual prowess and sharing theirs with me. "Have you ever fucked a black woman?" an otherwise reserved worker once asked, with his eyes stuck between smile and lust. "That is something I would do if I lived in America. They must be incredible." Another would keep on reminding us of the good old times: "Back then during the transition, that was a good time. I was in Ukraine, working for a construction company there. You know, then they had nothing—they were hungry, and they literally had nothing to eat. But the women—ufff, they were so beautiful! Slim, slender,
tall, blonde…and they would come with you just for a piece of bread! We used to go to a restaurant, throw the bouncer a few dollars, and close it up for the night. And then women would come, and we could choose whether to let them in or not." As exaggerated as this account might sound, other workers confirmed their past sexual activity with impoverished Ukrainian or Russian women. "You remember that one who was in love with you?" a worker asked once the Brigadir. "Oh yes. She was an incredible woman. I was with her when I was in Ukraine, you know. She fell in love with me, and she wanted me to be with her, and move to the USA when she got an American green card. She still calls me from time to time!"

These narratives awaited approval and prompted other narratives. Workers used them to challenge other workers. "I too had a lot of women when I worked abroad," insisted Kutliac. "You know, I was working for a very important construction company, Mavrovo. Did you see the Olympic games? There, we worked in Sochi. And back then I was responsible for feeding them all, you know, I was the cook there. But, oh man, we would have weekends free, we would sail in a boat across the Black Sea, and you can imagine the girls there! Oh! I fucked there as well!"

Others weren't too impressed by Kutliac's story: "Yeah right, you did," commented other workers while leaving us for their ordinary activities. Such challenges to one's sexual ability were crucial to establishing hierarchical relations within the company, between masculine and non-masculine workers. They operated in conjuncture with other jokes and puns, not directly about sexuality or masculinity, but that still aimed to prove one's ability in the eyes of others.

The hierarchies generated by challenging each other's masculinity did not generate a sense of community, solidarity, or conviviality. Talking about the most exotic sexual encounters did not change a worker's problems. They were still without pay, and without a clear idea of how to solve these issues. More importantly, the leaders who affirmed their masculinity were unable or unwilling to offer significant leadership on practical issues—except for inviting everyone to think
for themselves and be calm. Instead, what the Brigadir or Darko did was to seek out private jobs for themselves, leaving other workers to find their own. Thus, proving one's masculinity through jokes or other challenges did not empower men structurally. Winning at the masculine game, at Construx, did not generate strong, confident, men who could monetize their reputation as fierce and strong competitors, as in the case of Herzfeld's (1985) sheepherders. Simply put, there was nothing to win behind these performances. Competing only contributed to eroding the trust that workers had in each other every day. Unable to better their economic and social conditions, winners and losers alike came to naturalize the very presence of hierarchies. In a strange way, these challenges emptied the space for critical, supportive, collective action. Instead, they pitted workers against each other and created collectivity only through the constant downplaying of each other's masculinity.

Jokes rendered acceptable the soft form of social fragmentation that shaped workers' daily routines. They helped the Brigadir not only to prove his leadership on the site but also to make it acceptable. These forms of social challenges failed to construct solid "alliances" as well as solid hierarchies of the sort narrated by Herzfeld. Workers like Cigan or Kutliac, who were often targeted by jokes, took enough offense to be annoyed and to not want to collaborate with others in crucial moments, but not enough to surrender their own actions to the patriarchal authority of the Brigadir. Compared to other forms of teasing in the workplace (Nayak 2003, Ghannam 2013), challenges at Construx were relatively benign and, as we will see below, they encouraged a peculiar combination of fragmentation and docility.

Kutliac's attempt to establish himself as a real man who did have multiple sexual experiences with foreign women was generally disbelieved, and he was often contemptuously called a gypsy. Maybe because of his slightly darker skin or because of his specific accent, people on the worksite referred to him as cigan (a pejorative word for gypsy). But he wasn't the only one.
A different worker was officially nicknamed Cigan and generally addressed as "the one that likes to take it from behind," which reflected stereotypes about the ethnic and gender ambiguity of gypsies in Macedonia. He was one of the most educated construction workers and one of the few who constantly worked privately. His monetary resources, education, and relation to the union allowed him to ignore or circumvent some of the workplace hierarchies; as such, he was looked at with suspicion, as somebody whose ethnicity and masculinity did not fall squarely within the hierarchical expectations.

Irrespective of their political affiliations, workers on the construction site embodied many characteristics of the ethnomasculinity sponsored by the VMRO party. They exhibited some forms of aggressive, competing masculinities and used such challenges to force each other into hierarchical roles. Maintaining their masculinity forced them to show off, drink, shut up, or joke, even when they did not feel like it. Yet, despite all of their references to Albanians and gays, workers were never quite as aggressive as Goran, the VMRO man I described above. While they challenged each other, their jokes retained a level or appearance of play and a regard for one's personal worth.

Authors that have approached the historical development of masculinity on construction sites such as Nayak (2003) or Freeman (1993) suggest that, in the UK or the USA, workers' aggression was a consequence of a peculiar combination of confidence and anxiety. In the US, for instance, "hardhats" who used to strive to embody forms of middle-class respectability became progressively more sexualized, conservative, and misogynistic. This was not a consequence of an economic downturn; in the 1970s construction workers were benefiting from relatively high wages and decent working conditions. Yet they had been replaced as a symbol of masculinity in pop culture and had lost symbolic importance—a fact that is also common in post-industrial England (Nayak 2003). Workers at Construx, however, faced the opposite economic and political
conjuncture. While economically under stress, they are pushed towards the symbolic core of the VMRO project not as workers, but as men. Workers' uncertainty and docility were attempts to negotiate such a difficult structural position, where lack of liquidity makes masculinity an unwinnable game.

4.5 The Letter: Docility between Patriarchy and Class

It was the middle of January, right after the Orthodox Old New Year, a holiday still celebrated by workers at the Nest. I arrived at the worksite after lunchtime, which workers usually had between 11:00 and 11:30 a.m. Workers seemed happy to see me, but they did not greet me as warmly as they had previously. They seemed particularly frustrated. Someone erupted: "What is going on? Nothing. Nothing at all. There is no money, that is what is going on. The company is doomed—we all think that. And now the director tells us that those who do not want to stay should just resign, and he will pay them the arrears." Workers were so infuriated that they had called a meeting after the workday to discuss the matter.

I walked up the stairs of the skeletal building to meet Bojan, a young construction worker who was about my age and who enjoyed discussing all sorts of things with me. From the ninth floor we could see the parking lot and the movement of people below us. "Look, here is the director's daughter!" I expected him to tease me. She and I were friends and workers often suggested, half joking, that I should marry her. But this time Bojan was not in the mood to test my masculinity. He was angry with the director and with his daughter, who, according to him, had more interest in feeding stray dogs than them. Then he suddenly turned to me. "And you heard what the Moustache (a nickname for the director) said? Pederska Rabota (what a gay thing!)." As we gathered for a break, workers' frustration turned towards me. "How come you are back [from
a trip to Italy] without anything for us? You should "offer a round" (treba da ne chastis)! Taken aback by the confrontational tone and request, I mumbled that I did not know where to go. So they dispatched a worker to come with me and supervise my purchases as a proper host. We came back with four liters of wine, sodas, snacks, and other sweets, and as they enjoyed the relatively rich treat, they complimented the worker: he had been a real domakin, a real man who knows how to be hospitable.

At 4:00 p.m., workers from each of the three construction sites gathered in a small office room. Given the tension, frustration, and aggressive display of masculinity, I expected the worst. Standing by Natalia, I listened to the Brigadir's speech summing up the current situation and the director's much-criticized statement of indifference. Then Cigan took the floor, reading two letters he had written as their representative to the Construction Workers Union. "Because the director told me that he wants everything in writing, we will write to him," he argued. The first letter officially convened the workers' assembly; the second was a statement, written in legal and union-standardized language, in which workers demanded to be informed of the status of the company's finances and especially why they were experiencing delays in payment.

As soon as he finished reading, workers started mumbling. Darko jumped in: "This is too strong. We cannot make demands; it is his company. We cannot impose things!" Quickly, Natalia made the same point: "Exactly, this is absurd. We need to ask him, but not in such a confrontational way!" The Brigadir agreed: Yes, indeed, we need to beg him (da go zamolime) to tell us." Uneasy, Cigan looked around, and seeing that most of the workers agreed, walked out to smoke a cigarette. Eventually, Bojan sat down on the table, took on the pencil, and said, "How about this. Respected Director, we depend on you." The sound of positive commentaries came from the room, while workers, now comfortable with the familiar tone and language of patriarchal relations, offered alternative formulations. The atmosphere quickly became cordial and jovial, and workers
unanimously (and chaotically) applauded the final text with satisfaction. "Respected Director, we depend on you. We all have a family (familiarni lugje) and debts. We know that you are temporarily in crisis, but we beg you (ve zamoluvame) to tell us when you will pay us." As they slowly walked out, Darko told me: "You see? That is the problem with having a union in a private company. That simply does not work; the patron (gazda) is the one that decides, we simply work for the money."

I found it interesting that as soon as they switched language, from a vocabulary based on rights to a statement organized around "begging," the tension disappeared. It seems that they were uneasy not with their own terrible conditions, which they could bear, but with the idea of fighting for their rights. In this case, workers tried to negotiate different models of masculinity that were colliding because of their economic precariousness. On the one hand, they had an ethnomasculine model, according to which the inability to fight meant renouncing one's masculinity. On the other hand, workers were embedded within a postsocialist model of patriarchy within the family and, by extension, the firm, which granted the director the role of the domakin, the head of the household. Finally, there was the socialist-sounding language of rights and equality, embedded in Cigan's draft.

As they abandoned the everyday joking animosity and tried to build upon their shared condition of exploitation and masculinity, they failed to find a common ground to articulate their demands and conduct actions. What they eventually came up with was a not-quite-so-masculine attempt to elicit transformation by reiterating their belonging to the paternalistic order that had worked so well in the company during the postsocialist transition. By utilizing a patriarchal vision of political and economic functioning, workers did not challenge but reinforced the director's hierarchical position, while also feeding internal fragmentation and infighting.
Clearly, this spontaneous reaffirmation of subordination was a result of the lack of money within Construx. In such conditions of dire need and existential precariousness, workers felt unable to take up the fight and instead voluntarily submitted themselves to a hierarchized vision of masculinity, whereby the owner was to be recognized as the chief patriarch on whom they all depended. But this is not the only way in which patriarchy works: in the case of Cretan sheepherders described by Herzfeld, one's challenges to another's masculinity resulted in the creation of equally competing and recognized masculine identities; that is, of alliances between equally dangerous men. In the case of Skopje, however, illiquidity had turned masculinity into a zero-sum game, not only because one's capacity to provide for his group economically came at the expense of others, but mostly because masculinity per se could not provide economic resources. As economic power is centralized, masculinity matters—but only for those who find ways to insert themselves into the VMRO pyramid. For the others, masculinity is only a game of appearances, only present so as to sugarcoat a structural subordination. In this system the domain of masculinity changes radically. While the masculinity of the owner resides in his economic power, the masculinity of workers is located in their bodily behavior, in jokes that are always being reassessed. In other words, while ethnomasculinity did prescribe men to be *domakini*, what that meant and how individuals were able to embody it depended on their class position.

4.6 *Kuti, Traj, Praj*: The Masculinity of Doubt and Silences

The letter, despite its patriarchal appeal, did not bring good results. The director grew furious because of the inclusion of the word "crisis," which admitted publicly what everybody already knew: the company was in a critical situation. Angry, the director called Cigan. He threatened to fire him if he did not reveal who wrote the letter. Cigan nominated Natalia, Darko and the Brigadir,
who were then summoned for a meeting. "So Cigan, the coward, implicated me, us, you see, even if we were those who tried to calm the waters," Natalia told me. "So we went, and the Director started shouting, aggressively, before repeating the same things he had told us before."

The director had already addressed the problem of delay in salaries. In a previous meeting he told workers that, as a consequence of the current financial problems, he had thought about restructuring the company and dissolving its operative arm. But he felt too responsible and proud of his workers and had decided against it. Then, when the delay had continued, he had avoided meetings and called Cigan, challenging unhappy workers to resign—with the promise that he would immediately honor their arrears. This time, he had simply shouted at workers and accused them of purposefully sabotaging the company. The Brigadir, among the most nervous and vocal in criticizing the director, now looked like a schoolboy and was pushing everyone to work hard and seriously. For the next few days they all kept their grievances to a minimum and instead accelerated their work pace.

Although I was not present for the last phone call, I did observe the first meeting and other individual discussions that were similar in content, tone, and results. Overall, workers utilized a patriarchal approach when they confronted the director. Embodying the domakin ethics, workers had extreme respect bordering on deference towards the director. They also attributed to him, the gazda, a superior knowledge of the situation and the power to make decisions they would not contest. In private, they often criticized his actions and sometimes even cursed him. But in general, workers felt strongly that in a private company like Construx, their role was limited. The director was both responsible for and entitled to making decisions. While the recognition of the power of the director evoked workers' subordination to the communist party (Verdery 1996), the stakes were radically different. During socialism, workers occupied a subordinate position but had a stake in the overall well-being of the company, which was supposed to operate for the advancement of the
common good. Today, workers commented that their role was to do whatever the gazda said. They were paid to be subordinate to the authority of the domakin.

Obviously, positioning themselves within the postsocialist ethics of masculine patriarchy evoked reciprocal responsibilities on the director's side. Workers who wrote the letter explicitly presented themselves as powerless, also hoping to trigger the director's implicit duty to care for and protect them—or at least to inform them. Much like Bourdieu's bachelors (2002), whose habitus was superseded by the changing economic relations, workers' appeal to the ethics and reciprocity of postsocialism backfired. Financialized authoritarianism and the hierarchies of illiquidity had transformed the morality of masculine domination. Contrary to what workers expected, the director exploited his position of strength. While he did not fire workers, as managers at other companies such as Ideale would do, he still utilized the letter to put workers in their place. As his assistant told me later on, he focused on the use of the word "crisis" not because it was an actual issue, but just as a pretext to turn the table and cast doubts on the workers' loyalty and their masculinity. How could they snitch on Construx's hardship? In the first meetings he assured them they would have money soon, but that overall, workers needed to be productive and work with discipline. He challenged them to show their manly strength and their masculine honor while reminding them that he was the patriarch. He would give [money] only whenever he decided to do so. Begging was not tolerated among men—a circumstance that closely reminds one of the definition of manhood by giving, argued in the case of Travesti (Kulick 1998).

In the weeks following the meeting, however, workers were assailed by doubts about themselves, the company, and the director. On the spot, the director had emerged as the only uncontested manly figure. Yet, illiquidity had prevented him from fulfilling his patriarchal duties that consisted of caring for the workers economically. The director could only perform his domakin masculinity rather than act accordingly. Slowly, the meeting represented a switch from a
reciprocal, albeit unequal, relation based on domakin ethics of masculine domination to another hierarchy—best described by the popular saying "kuti, traj, praj." Literally translated as "shut up, endure, and do," kuti, traj, praj was offered to me as a commentary by many interlocutors with whom I discussed the letter incident. When pressed further, the same interlocutors explained that Macedonian-ness, and especially masculinity, is shaped by the capacity to endure humiliation, vexations, and abuse. Macedonians do not fight—they keep calm and carry on, only not quite as gloriously as in the famed motto.

Workers too seemed to adopt such a reaction. For a while, this translated into an increased reticence to speak in the workplace. By remaining silent vis-à-vis my inquiries (but also those of potential buyers or subcontractors), workers fell into line with the director's requests. They defended Construx's image and their honor. But silence was hardly a solution and further aggravated their own problems, now completely eliminated from the public eye and therefore not an element of pressure. In addition, silence and reticence in sharing information about the building's status did not appeal to customers, effectively discouraging potential purchases.

Silence also fueled internal frustration. Instead of collectively discussing the situation, the Brigadir and others briskly briefed the others and urged everybody to keep on working. With time, workers cast all the blame for the failure of the letter onto the Cigan, who now more than ever was considered as an outsider, a peder (gay), and metaphorically emasculated. Instead of recognizing the failure of patriarchal and postsocialist masculinity under illiquidity, workers claimed that it was his attempt to act and to evoke socialist legacies that had gotten them in trouble. As Darko and others saw it, the problem was the union, not their deployment of an outdated domakin masculinity. Some months later, with the company still in unclear financial conditions, Cigan was one of the first to quit and find work in Germany. Workers on the construction site were now speaking of leaving the union, as "the union does nothing for us." They felt they were constantly
duped by the Cigan and started having some paranoid discussions about whether he stole money from them or from the common union fund. Doubts about each other's masculinity spread like wildfire.

The suspicions about the union and its representative signal the workers' intuitive attempts to rework their gender identification away from postsocialist patriarchal models and in line with ethnomasculinity. Just like Goran from the VMRO, workers started suspecting other men around them to be working against their individual interests. Cigan was, of course, the first target of such suspicion; soon, Brigadir, Darko, and Natalia followed. They felt they could always be "fucked" by somebody else: "This is a Macedonian job (makedonska rabota). It means that the Macedonian (man) will always try to fuck you!" Towards the end of my fieldwork, and in my subsequent visits in the winter of 2014 and summer of 2015, I noticed workers' increased doubts and hostility towards each other. Darko and his patriarchal approach were now the target of younger workers' grouches. Workers also complained that the Brigadir lacked "real" leadership and did not know how to stand up to the director. The situation had become explosive once one of the older workers had retired and they had to nominate a new night-shift keeper for the Nest. The private security firm that used to be engaged by Construx had stolen drills and other machinery from the workplace. Hence, the director had decided to hire on some workers as night-shift keeper. While inconvenient, as it required staying up all night, the job allowed workers to have free hours during the day that could be used to work on private jobs. Plus, it was not a physically demanding task, compared to the daily routine of the construction site. Workers aggressively contested various candidates, and when, finally, Natalia picked one of them, it created a massive train of misunderstandings and complaints.

It is important to note here the tentative nature of workers' increased aggression, which did not exactly fit workers into the official model of ethnomasculinity. Contrary to Goran, who was
secure in his political and economic position and had to be on guard only against external enemies, the workers did not know whence challenges to their identity and position could come. Unable to fully embody ethnomasculinity, they were increasingly fragmented and pushed to make individual decisions about their future. Recall that the director had challenged them to quit, individually. While some workers entertained the idea of quitting together, the Brigadir and Darko, among others, were strongly opposed to the idea. Instead, they forcefully convinced others that "each and every one of us needs to make their own decision. You might want to stay, you might want to go, but it is your choice." Some workers came to believe that his stance was not entirely genuine: by letting others go, the Brigadir, Darko, and other older employees could improve their chances of getting paid. On the other hand, Construx's situation was so desperate that downsizing would not substantially contribute to the company's finances. Eventually, I was told that workers organized a march, where all 25 workers walked the whole eight kilometers that separated the Nest from the administrative offices. Clad in blue overalls, iron-pointed shoes, and helmets, workers were not admitted to see the director and had to go back under the summer sun, without even receiving money for the bus.

In such a condition of economic marginality and uncertainty, the inability to fully embody any of the ideological models of masculinity multiplied workers' fragmentation. Individually, workers found their situation resonant with some aspects of the paranoid character of ethnomasculinity. The assumption that forces external to the nation are threatening its members and that the nation needs tough, aggressive, and economically powerful men to protect it became slowly assimilated by Construx's workers. In formal rhetoric, enemies are usually international antagonists (such as the Greek state), but also closer foes (such as the ethnic Albanians, with their American allies). But it is a slippery slope to identify more dangerous and intimate enemies: former communists, pernicious *Sorosoids* and contagious gays pollute Macedonia with queer propaganda
and dangerous Western ideals. In a context in which more and more men are set up for failure to achieve this ideal of ethnomasculinity, the competition to access resources tends to recast these perceived enemies onto closer ground. Everyone who exhibits success can be suspected of being touched by such evil influences. Thus calling a fellow worker peder is not just an emasculating joke, it also becomes a way to test the suspicion that the less masculine could be involved with obscure forces (and powerful people) in trying to climb the social ladder.

The struggle to reconcile their shifting economic conditions with different models of patriarchal and heteronormative domination pushed workers to make choices that reinforced their own marginality. Kuti, praj, traj became a model of collective subordination without vertical reciprocity (with the director) and with scant horizontal solidarity (with other workers). Workers autonomously dismantled the few spaces of collective action and solidarity that could have been mobilized, becoming increasingly fragmented and suspicious of each other. Besides going hand in hand with the increasing reliance on rent throughout the Macedonian economy, workers' attempts to negotiate masculinity plunged them into inaction. On the one hand, workers could not do much, because there was little work on the construction site and no money to pay for materials or subcontractors. On the other hand, they did not know how to help the company solve its issues, nor to whom to turn in order to get paid. The director escaped his patriarchal duties; they could not rely on others for deciding when and if to quit—as one's resignation could have benefited others; their union (or more accurately, the Cigan) was sneaky and unwilling to stand up for them—although they wouldn't have let him do it anyway. The only institution that seemed solid in such a fragmented landscape was the VMRO. Paradoxically, men who had been struggling to make ends meet because of VMRO economic and political hierarchies found themselves cherishing the idea of becoming dependent on the VMRO. In their experience, ethnomasculinity did not mean an aggressive form of agency, but instead a fragmented kind of docile dependency.
4.7 Conclusion: Ethnomasculinity, Subjection, and Docility

Social sciences have widely demonstrated that masculinity, like other aspects of one's identity, is not a fixed quality. Instead, it is constituted of different sides, and it is subjected to changing performances and understandings in conversation with larger social issues. This chapter has discussed the historical evolution of models of hegemonic masculinity, and it has highlighted the evolution of patriarchal heteronormativity in relation to Macedonia's political economy. I described how the socialist model of hegemonic normativity hid the hierarchies between men and women and various ethnic groups behind a pretense of equality embedded in the celebration of the worker. In theory, the worker was a universal human being that was supposed to emancipate everyone. In practice, it remained a male heterosexual and generally non-Islamic subject.

With the collapse of socialism, hegemonic masculinities were neither sanctified by the state nor balanced by inspiration to equality. While men could not anchor their dominance on a solid political and economic structure, they managed to reaffirm their supremacy in private spheres, which included the firm and the household. Supported by nationalist and neo-traditional ideologies, men re-claimed their traditional role of heads of households, or domakin.

In the past ten years, however, many countries throughout the Eastern bloc have seen the development of financialized authoritarian regimes. While oligarchs and illiberal regimes utilized financial mechanisms to strip resources from society, the nation as a whole was increasingly identified with powerful masculine images. From Putin's hunting trips to Erdogan's lavish palace to Gruevski's statues of Alexander the Great, the idiom of masculinity proposed a new state-driven definition of hegemonic gender roles. Masculinity was no longer defined privately by a set of reciprocal albeit unequal obligations (the domakin model). As the state moved to control the market, only those heads of households or directors of firms in the VMRO constellation could secure their patriarchal role.
Transformations in the economic structure have heavily influenced the configuration of masculinity in other authoritarian and repressive regimes. Hafez (2012) notes that it is precisely the deterioration of men's economic conditions and the crisis of the patriarchal bargain that fueled the Tahrir Square uprising. Macedonia's protests against the VMRO, however, were often led by women and lacked the misogynistic character present in other recent protests against dictators, including Ukraine's Maidan (Channell-Justice forthcoming). The fact that women rather than men proved to be the belligerent figures in the protests corroborates my hypothesis about the difficulty of achieving masculinity in Macedonia.

This chapter has argued that the eclipse of socialist notions of equality, the crisis of the patriarchal model (*domakin*), and the consequent difficulty in reaching the state-driven model of aggressive ethnomasculinity left workers in a precarious situation. Marginalized workers had to improvise their own gender identity. Marginalized Macedonian men negotiated their inscription in conflicting models of hegemonic masculinity privately and individually by mixing together socialist ethics, postsocialist patriarchal bargains and VMRO-sponsored ethnomasculinity. Uncertain about how to adapt to the economic constraints they suffered as a consequence of authoritarian financialization, workers mobilized improvisational tactics that drew from the multiple historical repertoires of gender roles.

Economic illiquidity disoriented workers, who found it difficult to identify with VMRO-sponsored ethnomasculinity, as well as with previous socialist and postsocialist models. By and large, workers felt confused about how to reclaim their own manhood. Instead of standing up against the director, they assumed a passive stance towards the company's management and an aggressive one towards their peers. Unable to come together as a group to influence their own economic destiny, they focused their claims to masculinity in sexual, bodily, and rhetorical arenas. It is in this climate that suspicions about one's fortunes became rampant, stimulated by workers'
exaggerated reverence of the VMRO as the only resource of masculine and economic power. Such paranoia fuels workers' challenges in the workplace even if they never have a real victor, as workers' own structural position never allows them to establish themselves as real men.

Continuous challenges to manhood have often been described in anthropological works. Michael Herzfeld (1985), in his well-known study of manhood in Crete, stresses that stealing sheep is a meaningful activity through which Glendiotes acquire a reputation. The more cunningly one steals, the fiercer he will be considered; fierce sheepherders make for prized allies, thus acquiring high social status and economic possibilities. In Herzfeld's writing, the Glendi society operates in relative autonomy from the monetary logic of the state, managing such social competition through community dynamics; because of their capacity to work through the wider political economy, men manage to generate economically powerful social bonds and alliances through masculinity.

Such a community dynamic is very far from the context I observed at Construx. Challenging others at the game of masculinity had the temporary result of establishing hierarchies in the workplace. Yet, these hierarchies were almost always set a priori. The director was to remain the director, the Brigadir stayed the dominant figure in the workplace, and those without money could make some semblance of being more masculine, but at the end of the day they would still be lacking in some fundamental definition of their manhood. The relatively jovial attitude with which challenges were made highlighted the low stakes in winning or losing respect in the workplace, as well as the fundamental fragmentation of the workers' community under the condition of illiquidity. This is in net contrast with men like Goran, the VMRO acolyte described at the beginning of the chapter, for whom embodying ethnomasculinity has real economic and social consequences. It is, however, also in net contrast with socialist masculinity as embodied by Aleksandar, where individual subordination to the hierarchies of the workplace was balanced by extensive solidarity between colleagues.
When workers challenged each other, they did not create new alliances based on the subversion of national power, like the uncanny intimacy between shepherders feeding stolen sheep meat to police officers. Performances did (Butler 2009) and undid (Kelan 2009) masculinity in the workplace, producing short-lived effects. On the contrary, they reaffirmed their own marginality and inability to significantly impact their condition, while assuming that only the VMRO would be able to change it. The ultimate conclusion of many informal discussions, meetings, and sometimes arguments, was that each of the workers had to watch out for himself and make the appropriate decisions. Only if the director joined the VMRO, continued workers, could the company be saved.

Hence, docility. Despite the official rhetoric of ethnomasculinity, the current postsocialist world is increasingly hostile to unskilled working-class males. Men in Macedonia find it hard to change profession, given the worldwide contraction of the heavy and construction industry (Mollona 2009) that relocated semi-peripheries like Macedonia to the backwater of the world system. While Macedonia did enjoy some foreign investments, these new jobs parallel the worldwide shift to a service economy. Foreign direct investment generates opportunities for docile women, to be employed in low-paying jobs such as textiles or hospitality (see Ong 1987, Salzinger 2003), or highly-skilled, white-collar males. Either way, working-class men feel left out—an explosive mixture of economic and symbolic marginalization that in other places has fueled masculine suspicions about the ethnic and gendered "other" (Braun 2016).

Unsettled and frustrated, the workers respond first to a situation they feel they cannot solve, with docility. However, as Ferguson (2013) has argued, docility constitutes also a form of uneasy and existential comfort. In a condition where workers are increasingly fragmented, docility evacuates the anxiety of solidarity and allows them to contain their workplace mock fights. Similar to the Kabyle sharecroppers described in the opening of Bourdieu's *Outline of a Theory of Practice*
(1977), workers often exaggerate their own dependence and docility as a strategy to encourage the patriarchal authority to take care of them. But in a situation in which workers' collective and individual gender identification is threatened by the lack of liquidity, and the inadequacy of previous models of patriarchal domination, docility goes well beyond a simple strategic ruse: it becomes a significant space of meaning through which men can come together and overcome their frustration and paranoid suspicions. Docility transformed resilience from an exploitative condition into an ethical engagement, a habitus (Bourdieu 2002) that made bearable but also justified workers' marginality and recast their performances of crisis as an attempt to reclaim masculinity (Walsh 2000, Robertson 1998).
5. Urban Financialization and Authoritarianism: The Middle Class

On March 14, 2016, Panco, a middle class interlocutor with whom I am very close, shared an article on his Facebook page that described Orban's new urban projects in Hungary. He wrote: "The Skopje 2014 virus is spreading northwards." Like many other middle class professionals working in the construction and architecture industries, Panco had been a fierce opponent of the Skopje 2014 redevelopment plan. Launched in 2010, the Skopje 2014 plan was programmed to give the city a "face-lift" and systematically erase traces of socialist aesthetics from central public spaces. Month after month, construction companies close to the government built Neo-Baroque-looking buildings that hid socialist ones, or workers glued neoclassical facades made of cheap plaster on older socialist residential blocks. The masterpieces of socialist and brutalist architecture, including the EVN glass tower, the Parliament building, and the residential blocks around the central square vanished: their rigid silhouettes became hidden by marble columns and white neoclassical neoprene.

From January 2010 onwards, architects, activists, and common citizens took to the streets in growing numbers to oppose various phases of the project. Initially, it was only a core of 20 activists gathering crowds of some hundreds of urban intellectuals. As time passed, more and more people came to oppose the VMRO urban policy, and in 2016, daily protests gathered more than 20,000 people. Middle-class citizens, some of whom initially thought of Skopje 2014 as a project that added value to urban life by restoring dignity to spaces they perceived as empty or decaying, came to see it as a loss—a loss of public money, public spaces, and finally, of their own political agency. Despite the fact that 67.3% of the population opposed the project, according to a local poll taken in 2013 (Kjuka 2013), the VMRO did not stop. More statues representing very questionable
heroes of the Macedonian past were erected; new facades were built; more trees and public spaces were eradicated—often at night, under heavy police escort.

This chapter focuses on the political context, implications, and impacts that urban transformations had on Skopje's urban middle class. The chapter discusses the importance of the urban during socialism and the ways in which urban consumption and public spaces were articulated to mediate and construct a specific kind of urban middle class. Then, the chapter analyzes the transition and the Skopje 2014 plan as structural changes in urban politics that led to the disempowerment and entanglement of the middle class with the VMRO regime.

Urban spaces have a long and complex role in shaping the class basis of political regimes. Athenian squares, the agoras, have been identified as crucial for the development of democracy (Arendt 1958), a form of rule which supported the birth of an urban artisanal class against the interests of landowners. Authoritarian or totalitarian regimes, including Fascism, Nazism, and Stalinism, mastered urban theatrics and made urban aesthetics and city planning crucial tools to build consensus and subjection among newly created masses. Similarly, rebellions against non-democratic rulers have taken place in public spaces such as Cairo's Tahrir Square or Kyiv's Maidan Nezaleznosti (Independence Square)—instrumental in shaping uprisings like the Arab Spring and various regime changes in Eastern European through Colored Revolutions (Sharp and Panetta 2015) by calling nationalist subjects into being. In more recent times, however, a different push to remodel the urban has come from the financialization of cities. Investments by financial corporations have radically altered the structure of cities, which they presented as playgrounds for new upper middle classes. Public spaces have been privatized; winding skyscrapers have replaced low-income housing; glamorous shops and restaurants have hidden the decline in living and working standards in cities like New York, London, and Hong Kong.
Skopje, just like Istanbul, Budapest, Perm, or Tashkent, is an important political arena for authoritarian financialization. Analyzing the specificity of urban politics is crucial to my overall endeavor of understanding the nature of subjection in contemporary Macedonia. In what follows, I focus on urban aesthetics and planning as a way to understand the social mechanisms that make the urban a tool by which authoritarian regimes defuse the potential for contestation among the middle class. I especially focus on the importance of spatial theatrics in the context of the postsocialist states that have survived a process of economic decline and spatial centralization of power. I contrast the appreciation of Neo-Baroque spaces by working-class individuals with the irony employed by middle-class interlocutors to stress the class basis of the VMRO regime.

In the second part of the chapter, I move to examine the impact of the Skopje 2014 project on middle-class professionals working in the fields of architecture and construction. This section deals mostly with women who designed buildings, interiors, and urban plans at Construx, Ideale, and Planek, a third firm specialized in planning. I argue that, for them, the financialization of urban spaces meant a change in the values they associated with the profession. Constrained by the need to reduce costs and increase profits in a stagnating market, middle-class architects and planners found their abilities to function as professionals as well as citizens severely impaired. I detail how, for middle-class professionals, planning and design became illusions, just like the facades being erected overnight in the city. While they were asked to respect myriad laws and regulations, planners and architects witnessed how such bureaucratic fictions were applied selectively on a regular basis. Disheartened by the bureaucratic and economic constraints to their professional expertise, middle-class female professionals were torn between disillusioned inaction and the hope of becoming part of the rentier VMRO class. Through their dilemmas, I describe the climate of
fear and insecurity that contributed to limiting public opposition of the VMRO among middle-class professionals.

In the final parts of the chapter, I focus on the emergence and traction gained by protests around urban matters in Skopje. What started in 2010 as the "first architectural uprising in history" by the mobilization of a small group of students under the leadership of groups such as Prva Archibridaga, Raspeani Skopjani, or Plostad Sloboda became the basis for massive anti-VMRO protests in 2015. Among various protests, a massive grassroots campaign mobilized citizens in defense of the GTC, an old socialist mall in the center of Skopje. Under the slogan "go sakam gtc" ("I love GTC"), the campaign called on citizens to vote against the proposed measure to apply baroque facades to what was until then an open mall. While the campaign ultimately failed, having mobilized only 45% of voters, the GTC gained over 16,807 votes, according to the Meta News Agency, by far more than any politician ever elected in that municipality. I conclude with the suggestion that, in the eyes of middle-class Skopjotes, authoritarian financialization of space reconfigured the meaning of urban politics among Skopjotes. If, on the one hand, it promoted social fragmentation, on the other it called into being a new political actor: space.

### 5.1 Urban Spectacle between Authoritarianism and Financialization

Discussions about the prominence of spectacles, especially in urban settings, have raged in the past century. Guy Debord, for instance, wrote that "the whole life of those societies in which modern conditions of production prevail presents itself as an immense accumulation of spectacles; all that once was directly lived has become mere representation" (2000:12). In his interpretation, the change in the production system that other authors have associated with the rise of finance (Harvey 1989) transformed social relationships between people into abstract forms mediated by...
images. Urban theatrics, however, have long figured within the calculations of political regimes. Here, I am particularly interested in understanding how specific authoritarian, totalitarian, and non-liberal regimes of the twentieth century deployed urban theatrics to call into being or control specific social groups, in comparison with contemporary financialized urban redevelopment.

Most commentators remark upon the crucial importance of urban theatrics for Italian Fascism. An example is the Altar of the Nation, also known as *Il Vittoriano*, "the typewriter," as it was labeled by American troops in 1945, or the "wedding cake," according to local residents. The building was conceived of in 1885 as a place to remember soldiers who had fallen to defend the fatherland. The Italian capital had moved from Turin to Florence and finally to Rome, prompting a series of spatial interventions that aimed to build a national identity around the new political unity of the country. Among these, the Altar inserted the dead bodies of citizens in an international imperial style, that of the *beaux arts* utilized in Paris, London, and other colonial centers, to glorify the power of the international bourgeoisie (Atkinson 1998, Caprotti 2007).

Mussolini recuperated and expanded the nationalist meaning of the Altar. While it is true that the Altar magnified the bourgeois ideology, Fascism rather appealed to a diagonal class, composed of working-class, former socialist, and some bourgeois subjects. Such a syncretic class base was reflected in the regime's approach to aesthetic expression (Caprottti 2005), especially in urban matters. Fascism was strongly linked to the futurist movement and its exaltation of dynamic movement and heroism; yet Mussolini also embraced Rationalism, Bauhaus, Neoimpressionism and other forms of European avant-gardisms (Stone 1993). Atkinson (1998) suggests that such variety in aesthetic forms derived from fascist awareness of urban theatrics. Occupying the streets and conducting a symbolic fight over public spaces was important for fascists to display its power and to organize its own sympathizers into a cohesive paramilitary organization. Though space,
Fascism overcame its failures to unite the financial, religious, and army elites; unable to seize complete control over the country, Mussolini settled for the illusion of spatial totalitarianism. While the Italian bourgeoisie and elites maintained a contradictory relation with the regime, spatial totalitarianism was very effective in calling into being a transient and class-less mass.

Besides embedding fascist nationalism in space (Atkinson and Cosgrove 1998), the Altar became the culminating point of a project to literally disembowel the city (Atkinson 1998, Caprotti 2007) and control its class structure. Entire neighborhoods around it fell victim to the mistrust that Fascism placed on uncontrolled urban spaces, where workers could spontaneously organize. Working-class neighborhoods in central Rome, designated as slums in official propaganda, were cleared and razed to make space for boulevards that connected the Altar to other monumental places. Via del Mare was yet another case of gutting the city, whereby the regime created not only easy access to the sea (a way to get out of the "corruption" of the city) but also relocated the working classes to more controllable peripheral Borgate (working-class projects, see Caprotti 2005). Tirana and other colonial cities conquered by Fascism followed a similar destiny (Pojani 2015).

A number of authors have suggested that the creation of boulevards and the resettlement of urban working classes have been stepping stones for the construction of authoritarian regimes (Harvey 2005, Cavalcanti 1997). Stalin, for instance, promoted a new urban design for Moscow in 1935, whereby the city was to adopt a radial design in which straight boulevards constituted the connecting lines. Boulevards were as important in Speer's plans for renovating Berlin, where the light-rail rings that were supposed to connect the growing city were to be intersected by large boulevards. Some of these arteries constituted a celebratory trajectory organized around a gargantuan Volkshalle, designed to host 150,000 people standing. In a similar vein, Ceausescu
utilized the earthquake that hit parts of the city in 1977 to reconstruct entire sections of Bucharest. His project consisted largely of replacing single family houses with multi-family buildings—a process that allowed him to displace the older bourgeois intelligentsia. In addition, Ceausescu decided to redevelop a section of the city center with a complex of government buildings that culminated in his residence (Cavalcanti 1977). Contrary to Hitler's plans, which were not completely realized, Ceausescu's redevelopment was carried out, resulting in over 7,278 people being expelled from their former dwellings. By breaking down place-based solidarities among the working class and expelling the bourgeoisie from prestigious locations, authoritarian regimes tried to instill new forms of subjection among urban working and middle classes.

Urban aesthetics in fascist Italy and Nazi Germany was also charged to generate new subjects, whose political perspective bypassed liberal representation (Da Costa and Kabriola 1999). The artistic value of new spaces was articulated around the creation of a new post-rational political subject: the masses, whose irrational and pre-discursive will was poised to coincide with that of the totalitarian leader (Mandoki 1999) and whose political affiliation transcended class allegiances. Quasi-religious buildings, such as the House of German Art built in Munich under Hitler's rule, were a way to connect the Fuhrer directly with the masses without help from traditional religion or political structures. To rephrase Benjamin (1973), with Fascism, political power utilized the technical capacity of reproduction to generate an aura of mysticism around its modernist and developmental projects.

Caprotti (2007, 2005) argues that precisely the intrinsic contradiction between modernist aspirations and anti-capitalist and anti-consumerist rhetoric highlighted the importance of spectacle for Fascism and Nazism. While both regimes depicted the (working-class) city as a place of vices and encouraged resettlement in rural areas (consider land reclaimed for Fascism and the
promotion of urban parks in Berlin), both regimes invested heavily in urban development and industrialization, generating spaces where relocated working classes could become masses. Both Nazism and Fascism promoted electrification and infrastructures such as trains and railways. For Caprotti, then, urban spectacle reconciled these two opposite processes and legitimized what Barrington Moore (1971) has called a form of conservative modernization. This modernizing perspective, absent today, was probably important in generating a respectable image of the regime, acceptable for the urban bourgeois class.

Radically different and yet equally important is the role of urban theatrics for financialization. Today, urban finance is not a by-product of urban development and modernization. Rather, the importance of the two factors is reversed: urban infrastructures matter principally because they generate, consume, and reproduce financial products (Weber 2010). Financial investors have little interest in developing or modernizing societies in which they invest, seeing them instead as a mechanism on which to speculate. Karen Ho's (2008) description of spatial politics within financial firms portrays an astonishing and clear picture of the lack of commitment that financial elites have to spaces, including their own. Trading floors, associate halls, and cubicles where analysts work are ill-maintained, old, and bare. The only spaces that are highly cared for and receive significant investments are the partners' floors, the halls, and possibly the exteriors of the buildings. Data I am collecting with regards to financial professionals in New York City suggest that this is still the case.

Urban aesthetics and consumption, rather than modernization, are what financial elites use as a way to ensure consent from urban middle class. Some recent works on finance-led gentrification show the importance of aesthetic and beautification in driving real estate (Brash 2011, Kruglova 2013). In part, cities promote beautification projects in order to "brand" themselves
and attract international investors or tourists (Graan 2013, Cervinkova 2013). Interestingly, current financialized democracies relocate the urban poor in a manner not so different from authoritarian regimes of the previous century. What they lack, however, is the commitment to urban development, often substituted by consumption as a mirage to gain legitimacy in the eyes of urban middle classes. The financialized urban spectacle is not a moralistic project to modernize the masses under the benevolent eye of a ruling bourgeoisie but an elitist dream of hiding them by concentrating the view on opulent hyper-consumption.

As Halawa (2014) and others have suggested, in the contemporary financialized city, such a dream of (upper) middle-class consumption is increasingly produced through illusory mechanisms. Among these, one can count various kinds of facades. Elegant halls, skyscrapers, and other markers of wealth and success have the function of attracting customers and workers alike with the promise of accessing the same wealth. In St. Petersburg, Dresden, Warsaw, and Sibiu, local governments attempted to renovate the facades of local buildings in the hope of generating revenue. When they failed, gigantic billboards advertising for global brands have covered the entire surfaces of run-down buildings (Gendelman and Aiello 2010). Similarly, financial products promise to generate profits and money through a constant process of repackaging, where debts become assets and liabilities sources of leverage.

5.2 The Theatrics of Solidarity and Urban Consumption in Skopje
In the 20th century alone, Skopje has grown at least twelvefold. Estimates from Ottoman, Yugoslav, and Macedonian sources (including various censuses) collocate the city's population at 33,000 citizens in 1902-3; 43,847 in 1913; 102,604 in 1958; 197,341 in 1961; 408,143 in 1981; and 506,926 in 2004 (Ivanovski 2008, Todorov 2013). Current estimates oscillate between 550,000
inhabitants, according to the state statistical office, and the more realistic figure of 800,000 dwellers that was generally given to me by urban planners.

Skopje's fast expansion has radically impacted its physiognomy and the power relations between various classes and ethnic groups. As architect Jovan Ivanovski (2008) comments, the continuous enlargement of Skopje transformed its urban tissue into an incoherent set of architectural fragments. Ivanovski suggests that "the city of today is nothing but an incomplete materialization of various tabula rasa models applied over its territory" (2008:31). Bakalchev, Bakalchev, and Tasic (2015:75) similarly suggest that Skopje demonstrates "evident fragmentariness, superimposition, and juxtaposition of different layers."

But the heterogeneity of Skopje's urban landscape is not only the consequence of its growth. Instead, it reveals complex attempts to utilize the urban as a tool for social control, through either ethnic or class politics. Originally a Roman settlement, Scupi / Uskup / Skopja / Skopje expanded, contracted, and morphed according to changing economic and political projects. Under Ottoman rule, Skopje was not as prominent as other neighboring cities such as Thessaloniki or Bitola. Still, its bazaar had regional relevance and was well-documented in travelers' writing. Its apex is generally located in the seventeenth century when the famous Evlija Celebi reported that the city had about 10,000 houses and over 2,000 shops (Krstikj 2011). Soon after, however, Skopje declined. In 1689, Skopje was burned to the ground by the Austro-Hungarian army, remaining a small town until the late 19th century. A comparison of a wide array of demographic sources made available by Todorov (2013) shows that in the 19th century, the overall population of Skopje remained between 10,000 and 20,000 inhabitants.

Ottoman Skopje was mostly located on the north (the left bank) of the river Vardar and did not follow geometric planning. Its curved, winding streets were often unpaved and irregular
In 1890, the city appears to have been organized in about 40 *Maala*, agglomerates of urban blocs often defined by religious or ethnic identities. Under the Ottoman Millet system, urban and political affairs were regulated through religious communities, which sometimes intersected with ethnicity, rather than class structures. Between 1903 and 1910, 65 to 70 percent of households were Muslim. This included various ethnicities such as Slav Muslim or Torbeshi, Muslim Roma, Muslim Turks, and Muslim Albanians. According to Todorov (2013), there is room for interpretation in determining the ethnic breakdown of each religious community. Sources that claim that one third of the Muslim population was of Albanian ethnicity offer no explicit evidence to back their assertions. To complicate matters further, the political and cultural organization of the Ottoman Empire pressured Muslim subjects who lived in cities to become Turkish, at least publicly. As Todorov puts it, "being Muslim Urban subjects meant implicitly being Turks" (Todorov 2013: 80, my translation). The remaining 25 to 29 percent of the households were Christian Orthodox, and a small minority of about four percent of the households was Jewish (Todorov 2013).

After the Ottoman defeat in the Balkan wars (1912-1913), the Ottoman region of Macedonia was divided among Bulgaria, Greece, and the Kingdom of Serbs, Croats, and Slovenes (also known as first Yugoslavia, or Kingdom of Yugoslavia). Rather quickly, the new political project of the Kingdom of Yugoslavia was reflected in urban spaces. Skopje started to grow and to accumulate neoclassical architecture, a typical attempt to call into being a bourgeois class. The Kingdom commissioned a new urban plan from architect Dimitrie Leko, the second to be drawn for Skopje after that of 1890. Leko's plan (1914) began an attempt to modernize the city that would continue with Mihajlović's plan of 1929 and Kubesh's plan of 1948, and which would finally be
implemented at a large scale after Tange's masterplan of 1964 (Bakalchev, Bakalchev, and Tasic 2015).

The basic idea shared by these plans was to radically transform the existing Ottoman urban environment in favor of a European city model. Among the changes brought about by Leko's plan and what followed was the introduction of a circular street pattern, or "city ring," that delimited and contained the city center. According to Marina and Pencic (2012), the "city ring" was derived from Vienna's model of a Ringstrasse conceived by Foster. The concept was to replace the current "substandard" urban structure with a pattern that clearly identified a center. That area, designed to host the government buildings, was to be located on both sides of the Vardar so as to radiate into the rest of the city, now conceived of as its periphery, just as in walled European cities. While the 1914 plan mostly tackled the marginal areas of the city, the 1929 plan directly reorganized residential areas in the city center, taking inspiration from Haussman's model for Paris (Marina and Pencic 2012). With the goal of centralizing the city structure, square and public buildings that recalled the style of other European capitals were planned and subsequently realized. The National Theatre and the Army Hall, built with 19th-century European aesthetics, were among the most famous ones and were recalled by my interlocutors (who usually had never seen them except on old postcards) as symbols that made Skopje truly European.

The attempt to tame the Ottoman city also touched other spheres of urban life. Preliminary data I collected from the State National Archives show that Vakufs, that is, estates and buildings left as religious endowments to provide public goods to the Islamic Community, were confiscated or nationalized. In addition, the Kingdom encouraged army officers and Serbian citizens to settle in the neighborhood of Debar Maalo, a coveted residential spot today. One of my interlocutors eloquently traced the history of the buildings and families around his house. Most had been
inhabited by construction workers and skilled masons migrating from Western Macedonia (including the city of Debar). During the Kingdom's rule, however, a number of officers and military personnel of Serb origin were relocated into this zone, and some of their families still lived there.

World War II did not significantly alter Skopje's urban environment, except for the near total extermination of its Jewish community, nor did the early years of the communist regime. While the 1948 plan was drawn with the goal of cleaning out the Ottoman heritage in Skopje, as Marina and Pencic (2012:7) put it, the project was not thoroughly followed up, at least in comparison with Sarajevo and Belgrade (Alić and Gushesh 1999, Abram 2015). These politics radically changed after July 26, 1963, when a devastating earthquake destroyed between 70% and 80% of the city center (Despeyroux 1968). In the aftermath of the devastation, Ottoman heritage assumed a different meaning. It represented an opportunity to show the world the inclusiveness and multicultural character of the socialist regime. While devastating, the earthquake represented a colossal political opportunity for Tito and his regime to promote Yugoslavia's third way as a symbol for international cooperation (Ivanovski 2008, Tolic 2011). What could be a better sign of international solidarity than pooling resources and knowledge from the East and the West to reconstruct a city? The communist leadership then made a drastic decision: Skopje would showcase the convergence of international solidarity, as embedded in the UN, and bratsvo i jedinstvo, the social values of brotherhood and unity that were at the core of Yugoslav self-management.

It should be noted that the different orientation towards Ottoman heritage followed an internal evolution of Yugoslav communism. Not only did the system abandon centralized planning for a controlled socialist market economy, but it also focused on consumption as a tool of social
governance. While not officially glorified as in other parts of the West, the objective progressively became to generate enough wealth and consumption to appease workers. Those who worked in administrative, qualified positions benefited greatly from this economic transformation and started to think of themselves as a middle class, as many of them told me in countless hours of interviews. The reconstruction of Skopje was then not only a testament to international solidarity and Yugoslavia's middle way, but also a way to enshrine the birth of a quasi-middle class in one of the poorest regions of the socialist federation.

The plan worked. International aid, coming from both Western and Socialist countries, made the political climate unsuitable to continuing the destruction of the Ottoman heritage. Under the pressure of the international community, some of the parts of the Old Town that were still standing were designated as monuments and historically significant buildings (Tolic 2011). A specific directorate to protect them was created, although without the appropriate funding and political will, its actions were limited to maintaining the look of the old town. Its social and urban tissue was, instead, disregarded (Shoot 2000). Most of the Ottoman structures were destroyed and replaced with a rational grid of boulevards, streets, and building blocks; what was left, the section around the bazaar, became the "old town" and came to signify an Orientalized "other" to the city's modern identity. Particularly significant was the erasure of older Maala, replaced by homogeneous socialist blocks, and the completion of the "city ring," which radically severed the connections between parts of the Old Town that maintained their Ottoman appearance, either by surviving or being reconstructed in their immediate surroundings (Krstikj 2011, Mattioli 2014b).

The city that emerged from the plans and sketches of Kenzo Tange, Radovan Mischevik and Fedor Wenzler aimed to redraw the very boundaries of human life. Future citizens of Skopje were supposed to emancipate themselves from individualist and bourgeois lifestyles and embrace
a new, social dimension of being—one that both Western and Eastern architects imagined to be filled with consumption and social progress. Skopjotes were to be integrated into a singular social body, inspired by ideals of solidarity that were supposed to be shared by the Yugoslav and UN elites. At the same time, Skopjotes were to become modern consumers, provided with individual cars, washing machines, and other technological wonders. According to the models employed by architects such as Le Corbusier and other proponents of rationalist planning, the urban form was a crucial factor in promoting such new subjectivities.

In the specific case of Skopje, Kenzo Tange and other planners identified a characteristic useful for restructuring sociality in the sequence and structure of urban blocks. The blocks that were to constitute the basis of the city's structure were made of eight- to 12-story dwellings that enclosed a shared space—often a park, a playground, or some sort of common area. While these blocks replicated the Ottoman concept of enclosure embedded in Maala, they also radically transformed it by making such spaces openly accessible and traversable through myriad public passages. In fact, in its modernist shape, the city was conceived primarily as open and connected—that is, a space where social connections were not generated by rootedness in tradition or locality, but by movement and the ability to inhabit the public. The central square, the pedestrian walkways along the river Vardar, the central boulevards, the new train station, and the new GTC shopping center were all designed with the idea of maximizing interconnectivity.

The train station, for instance, had the form of a concrete balloon floating in the air. Train tracks were elevated so as to host other activities below, including what is today a bus station. Spaces like the main square or the GTC commercial center were conceived as points within a network of passages and crossings of the city. Their radical openness transmitted the socialist idea of equality and solidarity—an aspect that was also stressed by the building's aesthetics. Imposing
buildings, like the seat of the government and its adjacent park, the city archive, the central post offices, or the student dorm Goce Delcev presented a brutalist look that made extensive use of raw surfaces of concrete, glass, and metal. With their sharp, geometric shapes, these spaces not only communicated the grandeur of the socialist regime, but they also stripped buildings down to bare functionality, free from any elaborate frills. Brutalist aesthetics, together with open public spaces, promoted a theatrics of radical equality, where individuals of different ethnicities and different geopolitical positions could find common ground.

Many of my middle-class interlocutors remembered with pride the reconstruction of Skopje and many of the socialist masterpieces that had been built. They told me that the new city, modern, open, and enlarged, embodied the kind of solidarity that kept Yugoslavia together, which coalesced in the ideal of brotherhood and unity. Indeed, the resurgent city exhibited signs of international and local solidarity at every corner, including names of streets and commemorative spaces. Yet such solidarity was hardly neutral: it targeted a specific kind of modern, rational, and quasi-middle class subject. What happened, then, to those individuals or groups who did not fit the subject of solidarity?

Officials and architects I interviewed claim that every decision regarding urban reconstruction was made only on the basis of need or personal preference. Albanians and Roma I spoke with swear that they had little access to public housing, and only in specific neighborhoods. The documents I was able to retrieve from the archive of the city of Skopje show that Albanians, Roma, Vlahs, and other minorities did benefit from the millions of dollars and dinars that were donated to reconstruct the city. Yet the newly built urban environment created fault lines in the spatial geography of the city that effectively began a process of ethnic segregation on a larger scale. The distribution of ethnic groups in the city was significantly shifted by decisions made
during the resettlement and housing process. In the cases I was able to track down, the communist leadership tended to provide temporary housing (which is still used today), clustering ethnic groups together. In the neighborhoods of Kozle, Taftalidze and Madzari, out of the 106 families I found documents for, only five had non-Slavic surnames. In the neighborhood of Suto Orizari, which today hosts one of the largest Roma communities in Europe, out of 60 families receiving US-donated prefabricated housing (Amerikanski Baraki), 40 could be recognized by ethnic Roma surnames. In addition, the names recorded on lists of citizens who had urgent need to be relocated were mostly Slavic, despite the fact that destroyed buildings were located in an area with significant Muslim population. While my data are partial, they seem to indicate that the reconstruction of the city proved disadvantageous for Albanian, Muslim, and Roma citizens, who were resettled on the outskirt of the city, even if they used to live in central areas.

The more modern and open spaces of the city proved not so accommodating to different Islamic identities—a fact that has been explored by other scholars of modernism and secularism (Asad 2003). The charshija, the old "Turkish" town, came into being as a separated, "other," and non-modern part of town, significantly severed from the remaining parts of the city by immense boulevards and marked by planners such as Kenzo Tange as a "monumental" area—a leftover from the past. As I argue elsewhere (Mattioli 2014b), this spatial division stratified over time and became increasingly meaningful as the conflict between Albanians and Macedonians grew in intensity.

While urban planning might have been perceived by post-Ottoman subjects as a form of ethnic segregation, other urban theatrics exerted a centripetal traction that fulfilled the integration promised by "brotherhood and unity." Among these, the performance of neighborhood conviviality was crucial. Interlocutors mentioned taking care of a neighbor's children or attending reciprocal
religious holidays as the most obvious examples of how socialist solidarity was performed. Note that the same people who performed such acts of interethnic neighborhood solidarity maintained very negative stereotypes of other ethnic groups. Solidarity also meant a particular form of reciprocity with the state, whereby citizens sacrificed parts of their time and energy and accepted sometimes corrupt and inefficient working conditions but received a wide array of social entitlements and benefits.

In some socialist countries more closely linked to the USSR, such a redistributive power disenfranchised citizens (Verdery 1996) who feared the powerful hand of the paternalist state. In Yugoslavia, however, it was rather cherished. Rather than wages, what made one's work and labor meaningful was the capacity to access other benefits, such as housing, vacation, retirement, credits, family time, and especially consumption items. Spaces of consumption, as well as the consumption of space, were expected as a consequence of socialist redistribution and remembered fondly by then middle-class Skopjotes. Middle-class architects I interviewed remembered their first credit with nostalgia: "I bought my car that way. During socialism you got credits through the company—you did not need collateral, it was the firm that guaranteed for you, and rates were very low. So we all got credits." Conceived not as a result of individualized hard work but as a consequence of Yugoslav solidarity and collective effort, consumption enshrined the urban tissue of the city beyond ethnicity and provided the illusion of attainable comfort for urban subjects—what in the West was generally considered a middle-class dream. Socialist malls, such as Beogradanka in Belgrade, or Sarajka in Sarajevo (Badescu, personal communication), were among the most important public spaces and evoked the fondest memories. In Skopje, spaces of shopping and consumption like the Gradske Trgovski Centar (GTC) and the connected Stokovna Kuka (also known as NAroden Magazin, or NAMA) became part of the everyday routine of Skopjotes by
showcasing consumption items from every republic in Yugoslavia. More importantly, planners explicitly detailed in many documents the need to include retail shops in the ground floor of virtually every new building as a way to stimulate the birth of what they considered, surprisingly, a free market.

As many scholars have demonstrated (Berdahl 2010, Klumbyte 2010, Fehervhary 2002, 2009, Gille 2007, Patico 2005, 2008, Lampland 1995), socialism promoted consumption and embedded in it its own social meaning. In Yugoslavia, a country deeply divided across ethnic lines, consumption cemented the union of differences ideologically and practically—even if goods were not equally available to everyone (see Dimova 2013). Interlocutors who presented themselves as middle class, including Albanians, designed consumption as a crucial part of belonging to Skopje and one of the ways in which socialist solidarity was made real. It was having access to "jeans, technology, and housing," as one put it, that made Yugoslavia an example of socialism. A different middle-class interlocutor recalls her ardent desire to own a baby doll: for her, going to shop at the GTC in Skopje was like a religious experience. Through her young eyes, the shelves of the Naroden Magazen seemed filled with shiny goods and amazing objects. Older architects I spoke with suggested that the consumption they were granted through the socialist regime had changed their lives. "We had nothing. No electricity, no jeans, no water. And suddenly, we could afford nice clothes and goods."

After the 1950s, achieving a significant degree of consumption became an official policy of the Yugoslav Federation. In a 1955 speech, Tito declared a shift from capital investment to the production of consumer goods. As a result, consumption increased by 8.5% on average from 1957 to 1965 (Le Normand 2008). In an attempt to reduce the housing crisis, housing and space came to be conceived as a commodity, built by funds managed by Yugoslav cities (Le Normand 2008)
for citizens' consumption. Consuming spaces made solidarity and equality sensible and embedded new meanings into brutalist architecture and Yugoslav planning, contributing to a specific kind of urban quasi middle-class subject. Urban consumption mediated the fractures created by modernist planning and ethnic divisions—fractures that exploded during the transition with the decline of the middle class. Similarly, urban subjects grew with an expectation of state-linked consumption, one that the VMRO was able to bank upon years later. The picture below, taken from a Facebook group of people remembering the old Skopje and originally published in a Macedonian newspaper, portrays the splendor of the modern Stokovna Kuka in Skopje; it also prominently features an Albanian family, with women wearing headscarves and men the typical Albanian beret while engaging in conspicuous consumption.

*Image 1: Shopping in Skopje's Naroden Magazen.*

5.3 "Wonderful Neglect" and the Decline of the Urban Middle Class

The transition after 1992 radically changed the economic conditions of urban middle classes and their relation to the city. Over time, the theatrics of Yugoslav solidarity, equality, and openess lost traction with my interlocutors, who described brutalist buildings as extremely uncomfortable to use, work, or live in. Workers from the archives of the city of Skopje, for instance, complained that the concrete used to build their offices and the actual archives made them too hot during the summer and too cold during the winter. Because of the construction technique utilized, they found it almost impossible to modify the spaces according to their needs.

Maybe more importantly, socialist spaces started to decay rapidly after the country's independence from Yugoslavia. Concluding the 2009 Architecture Forum Skopje, architect and scholar Srdjan Jovanovic-Weiss observed that "what is really wonderful about Skopje is that some of its most futuristic public spaces are in such wonderful neglect that they remain what they are no matter what happens to them." Capturing a perspective common among foreign observers, Jovanovic-Weiss seemed in awe of Skopjotes' freedom of movement and extensive relations with a neglected public sphere. My urban interlocutors, especially middle-class youngster or elderly folks, spent a considerable amount of their days in grassless parks, or skating on decrepit concrete banisters. They knew the ins and outs of the (non-Muslim) city where they circulated, greeting people at every step.

Despite the feeling of being grounded in the decaying built environment, which welcomed and nourished their rich sociality, my interlocutors complained that their seemingly worry-free urban socialities were, in fact, burdensome. "Everything is possible in Skopje. You wait for the bus, and it does not stop. You walk by the street, and the sidewalks are full of cars so that you have
to walk on the street. If it rains, forget it. Lakes—that's what you'll see everywhere. Not to mention the buildings, they are falling apart! That's because we are not a real state, it is a catastrophe."

Ivana was one of the architects that designed and planned Construx's buildings. Of a middle class background, Ivana had been heavily impacted by the transition. Her father had died a few years after the country's independence, and her sister had relocated to Australia in search of a better economic future. Ivana had also tried to move abroad. She briefly worked in Qatar but could not adapt to the lifestyle. "There, it is incredible. You have an unlimited budget, and they have no idea what they want. My boss used to simply copy famous buildings, say San Marco's square in Venice, and these rich Qatari would pay for them!" Contrary to Qatar, Macedonia and Construx did not have much in the way of available funds. Ivana often lamented that there was nothing happening in the city, and although she enjoyed its social life, she felt economically and professionally limited. I could feel her internal tension, which she tried to limit by keeping a low profile and a conciliatory attitude.

Ivana's comment ties together three crucial aspects of the middle-class perception of urban politics in Macedonia. For my urban, middle-class, professional interlocutors, ruination was synonymous with urban potential. Children growing up during the chaotic years of the transition had unprecedented access to spaces in Skopje: the open architecture of socialism, without the "invisible rules" dictated by socialist policing, had allowed many of them to roam free in the city. The city park, for youngsters growing up in the 1990s, was a crucial place where small groups of youth met drinking beer, playing music, skateboarding, and roller-skating. Couples used its intimate spaces and dark corners to make love, unafraid of the ruined emptiness that surrounded them. The fact that "everything was possible in Skopje," however, also marked an unpredictable urban life, collapsing infrastructure, and a decaying beauty.
Before the advent of the VMRO administration, the fiscal policy of the country had been modeled on classic transitional austerity. Public institutions had to cut their budgets and did not have resources for urban maintenance. Similarly, individual families had little money to carry out important renovations on their buildings. Soon, the concrete that composed external facades started to erode. Interior spaces, plumbing, and heating wore out and began to work intermittently. I observed daily leaks in the radio and television building, one of the most prestigious spaces built under socialism, where I worked as a host for a satirical Albanian radio show in 2010. The technology was old, the windows poorly insulated, and the carpet stained. Water regularly fell from the ceilings due to various leaks that were generally disregarded or only temporarily fixed. Residential buildings around the main square and other spaces in central Skopje, on the other hand, had a persistent bad smell coming from sewages lines. The building where I lived for a part of 2013, right on the main square, had recently been renovated after the government had remade its facades. The issues, however, had persisted. Student dorms, including the famous Goce Delcev building as well as others I visited, were also in very bad shape. A close interlocutor who lived in a centrally located dorm, very coveted by the provincial student population, experienced daily lack of heating and hot water even in the dead of the winter. This was partly the fault of outstanding debts accumulated by the management and partly the failure of the central heating system. Her room was tiny, dark, and right next to a noisy old elevator. She had made it welcoming with mementos and cozy with warm clothes and colors, but she still felt ashamed by the conditions that she was forced to endure.

Ivana's words captured the potential of Skopje, both its ruination and its openness. The "wonderful neglect" referred to by Jovanovic-Weiss was a visible symbol for what he and many other called the "absence of a state" (nema drzava). Even when they enjoyed some of the freedom
granted by unregulated spaces, middle-class citizens felt deeply embarrassed by the lack of state investment. Interlocutors from Skopje and especially middle-class professionals have been directly involved in the rebuilding process and the outpouring of international and local solidarity that followed in 1963. They had been able to inhabit spaces of consumption that were now out of their reach. Natalia, the Nest's supervisor, lamented that she had always been able to eat out. Now, cafés and other spaces of consumption were absolutely out of her reach (especially after she had married). "Nema drzava (there's no state)," she often concluded. "What can you do?"

By commenting that "there was no state," middle-class interlocutors implicitly drew comparisons with the importance of the urban during socialism. The ruination of urban spaces paralleled their own downward trajectory as a class; more importantly, urban ruination had taken from them the promise of social cohesion and consumption assumed or experienced under socialism. Urban decay implied a sense of existential loss (Dimova 2013) and fragmentation (Ivanovic 2013), which has prompted some middle-class architects to call Skopje the "World's Bastard" (Mijalkovic and Urbanek 2011). More importantly, it also provoked a distinct feeling of estrangement from the political realm. Feeling abandoned by a state that had disappeared during the transition, middle-class citizens of Skopje regarded urban spaces as flagrant proof of a political catastrophe—their own. Public spaces were neglected, and new private spaces were dominated by a class of nouveaux riches. Unsurprisingly, Ivana interpreted these urban facts as a consequence of widespread corruption and ineptitude of officials. In such conditions, she added, there was not much to be done, except take care of one's own affairs in the private realm.

Ivana's comment suggests that the collapse of public spaces made the rise of inequality during the transition spatially evident. But there is another reason why middle-class subjects like Ivana were so preoccupied with the condition of the city. During socialism, urban spaces and
especially apartments had been crucial social benefits that allowed for a quasi-middle-class status. In socialist Yugoslavia, private and residential buildings were built and allocated with a very complex set of rules that changed significantly over time. Yet housing had been a priority both for my interlocutors and for the socialist state. Le Normand (2008), for instance, documents the public outrage that arose after realizing that only 5.2% of newly built public housing was destined for members of the working class. According to journalistic sources that analyzed Belgrade's housing question (Le Normand 2008), 167,000 people lived in inhabitable buildings and 50,000 of the city's household shared an apartment with a different family in the mid-1960s.

During the transition, the same urban middle-class citizens who had lost most of their economic and social worth with the collapse of the socialist system were able to survive precisely because of the spatial benefits they had accumulated. If they had had to rent an apartment, most of my middle-class interlocutors would have been starving. In 1994, one family of three I know had the option to buy the one-bedroom apartment of 60 square meters in which they lived. The apartment, which belonged to the Yugoslav Army, was estimated at a Yugoslav dinar price corresponding to 1,000 euro, well below the market price of apartments in the area. In Skopje, entire sectors of the Aerodrom neighborhood and of city's center had been developed to house military personnel. Aware of the fact that Yugoslavia was threatened by both the East and the West, the military had developed a Total National Defense Strategy (Woodward 1995). By housing officers in key urban areas, the Yugoslav Army aimed to embed guerrilla capabilities into the city's tissue. Should a Soviet or NATO invasion happen, citizens would rally around their local officers and fight against the aggressor. Locally known as "army buildings," these structures conformed to the highest construction and durability standards. Not only did the buildings degrade less during
the transition, but officers and their families were also able to purchase them at deeply discounted rates.

Although its cost was significantly lower than the market price, the family did not have enough money to pay it off all at once. Yet they still managed to sign a prorated contracted, whereby the fund for military buildings of the Republic of Macedonia would accept installments of about five euro per month. Surviving for a long time on a single salary of about 200 euro, my interlocutors were unable to conduct the proper repairs; but they at least had a roof over their heads. For twenty years, they kept on paying in installments, although not regularly, and with time lost track of the apartment's financial status. It was only by chance that, in 2014, they discovered they could buy the apartment in full for only 1,000 euro, in addition to the nearly 500 they had already paid. Because its original price was in Yugoslav dinar, a currency that still existed under Milosevic's Serbia, the price was adjusted for inflation each year until 1998. Yet for that specific apartment, the fund had conducted re-valuations only in 1995 and 1996, skipping the following years.

Unequal access to urban resources did not just enable the survival of impoverished middle-class families, such as this one, whose resources had been dilapidated during the transition. A small number of urban entrepreneurs managed to take advantage of the "wonderful neglect" of both urban spaces and urban regulations. Between 1985 and 1997, Skopje did not have a general urban plan, and according to most actors I spoke with, very few urban regulations were actually enforced by either the central or the local municipality. Many local entrepreneurs, including Construx' own director, had benefited from the "gray" urban regulations of the 1990s, developing quasi-legal projects as subcontractors. In the case of Construx, these projects developed into buildings for the Greek Alpha Bank as well as renovating consulates and embassies. Others had invested in real
estate, by either building up their own plot or selling properties they could not maintain in exchange for new ones.

Martina, whom we met in Chapter 1, had lived through the contradictions of gray urban development during the transition. Her grandfather's father, whose side of the family was from Debar, had emigrated to Skopje in the early 1900s and settled in what was then the outskirts of the city, Debar Maalo. This district was one of the few among the flurry of post-1963 redevelopments that had maintained a single-house urban pattern with tree-lined streets. Martina's family owned a beautiful, albeit modest, three-story house, to which they were very sentimentally attached. Martina's mother, for instance, remembers the electricity in the air on the early morning of July 26, 1963, when she had been awake telling stories to her younger sister on an apricot tree. At about five a.m., the earthquake began. Members of the family told me with pride about their efforts to rebuild the house without money or support from the state, a process that Martina's mother ascribed to her father's stoic and "old school" morality. Other members of the family, however, suggested that the problem was political: he had been forced to become a communist to get a job, and he was wary of asking the regime for help. The result of their self-funded reconstruction was a modest yet intimate space with many architectural shortcomings but filled with trees, roses, and family memories. Martina, born in the mid 1980s, had often stayed at the house, and she remembered with great nostalgia the smell of her grandfather's flowers and grandmother's homemade jams.

In the mid 1990s, her grandfather was approached by a longtime friend who proposed to redevelop their plot. In exchange for their property, the family would receive three apartments in a new condominium. Struggling financially to maintain the house, and with three daughters whose middle-class jobs and statuses had been obliterated by the transition, Martina's grandfather agreed. Martina's mother and each of the two sisters received one apartment, which they either moved into
or rented out. Soon after, Martina's mother had to face other financial challenges. Hoping to grant her daughter a brighter future, she sent her to a private American high school and sold the apartment to pay the tuition. In a few years, however, the property value of the building skyrocketed. The area became the hotspot for the city, and the developer realized an incredible profit.

Such stories are very common in Debar Maalo but also in other neighborhoods. Unscrupulous developers exploited the lack of regulations and the "wonderful neglect" of urban spaces to turn ruins into assets. A recent study called "Skopje Grows" shows that in the neighborhoods of Debar Maalo and Bunjakovec alone, the green area was 21% of the total surface in 1991, 13.8% in 2012, and is projected to be 4.5% in 2020 (Reactor and Arhitrektri 2013). Similarly, the work of Ivanovic (2009) shows the proliferation of illegal construction, often prompted by small-scale investors, who either redeveloped plots like Martina's anew or "fattened" existing multi-family buildings. In such cases, the investor added one floor, a loft, and an additional external room to the existing building. Families that had often bought their apartments during privatization at discounted prices but were then unable to buy new dwellings for their growing families were happy to gain an extra room. These added rooms were, however, hardly a bargain: many of those I visited had structural and construction problems, were not very well insulated, had poor air circulation, and blocked the natural light of the original apartment. Families often had to invest considerable resources in fixing these issues, yet because these rooms did not exist in the cadastral documentation, they could not be legally sold nor factored into the overall price of the apartment.
5.4 Disneyland, between Irony and Selfies

It is against this backdrop that one has to understand the social meaning of the Skopje 2014 project. The project involves a complete makeover and re-contextualization of space in central Skopje. A non-exhaustive review of the project includes four multi-story Neo-Baroque parking lots, three hotels, and over 12 public interest buildings such as the Macedonian Philharmonic, the Museum of Archeology, the Museum of the Macedonian Struggle, the National Theatre, the Agency for Electronic Communication, the Criminal Court Building, the Financial Police Building, the Ministry of Finance, the Ministry of Foreign Affairs, the Water Management Building, the Mother Theresa Museum, and a new Orthodox Church. Also connected with the project are a new VMRO Party building, the renovation of the parliament and the seat of government, and the remaking of the facade of most of the blocks on the main squares. Beside the hundreds of statues, other monuments comprise a Parisian-style triumphal arch (with a gift shop inside), a 35-meter high statue of Alexander the Great, a pedestrian bridge filled with statues, a set of fountains in various squares and, in the river Vardar, a Ferris wheel inspired by the London Eye, with three concrete galleys that jut out from the river.

The plan, already underway, was unveiled in a spectacular manner on February 8th, 2010. The following day, I was at the Department of Architecture of Skopje's public university, where I was co-tutoring students. I remember that my colleagues gathered to watch the video online and commented in disbelief about its absurdity. They were shocked primarily by three aspects of the project: first, they decried its patchwork and improvisational aesthetics, which awkwardly recalled baroque and neoclassical styles and mixed them with other random designs. Architects I was working with strongly disapproved of the plan's attempt to hide, cover, or outright destroy previous socialist buildings, which they felt expressed an innovative, avant-gardist way of thinking about
the city. Second, planners strongly opposed the demise of the open city in favor of a claustrophobic urban environment. Identifying with socialist rhetoric rather than the complex planning politics of Yugoslavia, architects claimed socialist spaces and planning had created a dispersed political structure, while Skopje 2014 ranked Skopje and its center as the core of the country's political life.

In addition, they critiqued the poor execution of the plan. The new bridges did not lead anywhere, spaces between buildings were too narrow to allow for fire trucks to effectively maneuver in case of emergencies, and the construction was planned in an area that was at risk for flooding. Sure enough, soon after being built, the basements of many of these buildings, including the Archive, were flooded. Finally, architects opposed the procedures with which the buildings had been chosen and the contracts awarded.

Architects did not reject the idea that Skopje needed a radical architectural and urban facelift. Quite the contrary: both faculty members and students, whom I witnessed become professional planners and designers in 2013 and 2014, agreed that Skopje needed one. Interlocutors nostalgic for socialism welcomed the fact that the VMRO state was again investing in the city. What they disagreed upon were the forms, procedures, and philosophy used to revamp Skopje. Architects and other middle-class professionals I spoke with highlighted the kitsch aesthetics of the Skopje 2014 as one of its most disturbing factors. As an example, some of them referred to Tirana: "Even in Albania they use more forward thinking. Their current renovation plan has been awarded through international competition!" In fact, Tirana's plan involves the design of skyscrapers as a way to rebrand the city. Yet, these plans have been seriously criticized by local scholars and activists for failing to involve the local population and take into account the previous urban heritage (Pojani 2015). Instead of going forward, architects and middle-class professionals argued that the Skopje 2014 pushed the country backwards toward a fake past. International media
and analyses followed similar lines and portrayed Skopje as "the failing European capital of kitsch" (Mayer 2013), a "tragedy or farce" (Zantvoort 2014), a "theme park" (Davis 2011) or a form of nationalist branding (Graan 2014).

But what is so wrong with kitsch, understood in urban environments as an aesthetic that fuses together multiple styles, with a predilection to exaggerate and an appetite for disintegrating the existing context? Why did architects oppose kitsch aesthetics so thoroughly? Dimova's (2013) work is illuminating in this regard. In the postsocialist period, kitsch furniture and aesthetics became appealing to a stratum of the population that was gaining political and economic power. Among these were the emerging Albanian middle classes, as well as certain categories of working-class individuals, such as construction workers, who had moved from the province to Skopje and had taken advantages of the grey economy of the transition. Neo-Baroque furniture and kitsch designs became a symbolic space for identifying their class position through the exaggeration and uniqueness of kitsch aesthetics and locating it in the world of European luxury rather than in the postsocialist context of Skopje. For them, taking a picture (or a selfie) in front of the statue of Alexander became a symbol of a renewed urban identity. "Before you had nothing to see in Skopje, nothing to take pictures of," one of them commented, while taking a snapshot of her daughter for Instagram. A similar process has been observed by Borenstein (personal communication) in Western China, where kitschy skyscrapers designed to look like German folk architecture appealed to people's imaginations thanks to their "international" luster.

Kitsch aesthetics and the Skopje 2014 project had a peculiar fascination for construction workers. In 2014, I interviewed a number of specialized workers from large building companies, such as Beton or Granit, who had participated in the construction of the arts bridge and the Mother Theresa museum. While they were all critical of the VMRO's general positions and of the overall
cost of the project, they found its aesthetics interesting. One of the architects, whom I will call Konstadin, was candid about it. "It was a hard project. It had different surfaces, different materials, and we needed to use particular techniques. I enjoyed the challenges of the project, it was stimulating." As a follow-up, he continued to tell me about some makeshift solutions he had to invent in that case, and then he suddenly shifted to other ingenious fixes he had elaborated in the past during the Yugoslav era. Buzo, a specialized construction worker, commented that "making some of the electrical wiring inside the bridge was hard. We were working suspended, in very uncomfortable positions. But it was also interesting. It is not often that you get to create such a different project, so I enjoyed it."

Young and middle-age architects were very careful to avoid confusion about their class status. Dubravka, a close friend of mine, explicitly avoided bars and cafes that were generally frequented by what she called seliaci, a term used by the urban middle class in Skopje to designate provincial working-class newcomers. Instead, her middle-class architect friends almost regularly congregated in two or three social spots, which were distinguished by their hip décor. Marija, Construx's architect, looked at me with disgust as I proposed to meet later at a spot frequented by seliaci. Middle-class architects were very preoccupied with distancing themselves aesthetically from both older socialist impoverished apparatchiks as well as the nouveaux riches. In that, they often adopted aesthetic trends that in cities like New York, Detroit, Barcelona, and Berlin have been known to drive urban gentrification (Brash 2011, Zukin 1991).

Such a symbolic definition paralleled architects' feeling of dispossession. Marija, for instance, was clearly feeling underappreciated at Construx, where her duty was to fit standardized designs to the size of the plot. The rationale that guided her work was achieving maximum profit. Construx operated in the upper segment of the real estate market, with official retail prices that
exceeded 1,250 euro per square meters. Cheaper companies offered apartments with a starting price of 800 euro per square meter in comparable areas of Skopje. Yet the actual sale price was significantly lower, especially in 2013 and 2014, when the real estate market was sapped by overproduction and illiquidity. In order to be competitive on a market plagued by illiquidity, Construx banked on two factors: reputation and optimization of spaces. Rather than luring clients through advertising or fancy halls, Construx promised superior building quality and innovative materials. In addition, Construx's architects were charged with the task of restricting the space of each room so as to squeeze as many rooms as possible in a small space. Marija did not have much opportunity to invest, design, or otherwise think through various architectural possibilities. Her job consisted mostly of turning around the design to minimize the loss of space.

Largely because of the specific condition of urban financialization present in Skopje, architects had lost much of the flair and prestige that accompanied their profession during socialism. Although in the planning bureau of Construx the climate was relatively serene, the five female architects who worked there knew full well that they could be replaced easily. This further exacerbated architects' incapacity to complete their work according to their ideas: their structural weakness discouraged architects I worked with from actively pursuing more elaborate architectural solutions that could avoid increasing sales prices. At Ideale, it was not resignation but fear of the director's absolute power over architects that stopped middle-class architects from stepping up and trying to conduct their work according to their architectural ideals. His bad temper, screams, and despotic character joined middle-class professionals' structural precariousness to make workers more suspicious and more cynical about themselves. "Look, I know that some of these things are not particularly great. But here I have to meet the interests of the company, you know? So, if I have to plan an urban space, I need to make sure it is as profitable as possible," the chief of Ideale's
design office once told me. Back at Construx, a colleague of Marija used to look at me with a despairing air. "Get away from Macedonia, if you can. There's nothing for you here." That last sentence was completed by a lingering glance, heavy with unfulfilled hopes. Single, in substantial debt, her underwhelming job at Construx was the icing on the cake of her stagnating career. A different architect at the bureau, known for her smiley presence, was not faring any better. Her husband had been laid off, and her daughter was about to get married. A third architect was supporting her family, which included a disabled child, with only her salary.

5.6 Ambiguity, Illusions, and Bureaucracy

Despite feeling the downward pressure of reduced career options and a general aversion towards the VMRO plans, architects and especially planners find themselves at the core of the politics of illiquidity. In fact, Skopje 2014 constituted both a direct and an indirect economic opportunity. According to newly released data, the project has represented an investment of over 633 million euro (BIRN 2015). In the period between 2010 and 2014, the entire value of completed construction projects was 870 million euro. According to data available from the Macedonian Statistical office, the estimated total value for all the building permit issues for the entire country in the period from 2010-2015 was approximately one billion euro, of which the Skopje 2014 project represents 16%.

Yet the meaning of the Skopje 2014 project goes beyond its actual direct impact. Analyzing the trends of the Macedonian construction sector, it appears that the industry faced a significant recession in 2010. In 2008, the country had issued over 2,800 building permits, while in 2010, the number was down to 2,170. The number of completed residential dwellings had been down from a peak of 6,494 in 2006 to a minimum of 4,710 in 2009. Average prices in Skopje in 2009 were
also stagnating compared to 2008 and fixed at slightly more than 900 euro per square meter. Skopje 2014 countered that downward tendency by transferring publicly contracted debts into the pockets of construction companies close to the government. Eventually, some of that wealth would trickle down through the subcontracting chain, and stimulate the forms of kompenzacija that I examined in Chapter 2.

Skopje 2014 stimulated the overall sector, increasing property prices, which in 2010 rose to over 1,000 euro per square meters and in 2011 and 2012 did not go below 950 euro per square meter despite the obvious deepening of the European recession. Thanks to government money, or the illusion thereof, companies were able to complete their current investments, and the number of completed dwellings was augmented to 5,151 in 2010, 6,433 in 2012 and 6,528 in 2013. However, the conditions attached to gaining government money proved to be taxing. Not every company was able or willing to establish political patronage relations with the VMRO. As a consequence, the number of building permits issued, which highlight a company's abilities to invest for the future, collapsed to an all-time low of 2,269 (614 for Skopje) in 2013 before picking up again in 2014 and 2015.

It was in 2013 that the Macedonian construction sector experienced the worst of the crisis. In the same year, the government allowed municipalities to borrow on the market, although with the oversight and approval of the Ministry of Finance. Such a move did not result in the issuance of securities based on future revenues such as the Tax Increment Financing used by the city of Chicago (Weber 2010). Despite the legal possibility of contracting their own debts, municipalities kept on being financed mostly by the Macedonian central government (Lyon 2013). My interlocutors suggested that a significant part of the remainder derived from taxes levied on new constructions or sale of real estate.
Starting in 2013, the VMRO government launched a program called "kupi kuka kupi stan" (buy a house, buy an apartment), designed to subsidize the sale of real estate property. Individuals or households that do not earn more than 900 euro (1,300 for households) per month and do not own properties can apply to one of two sets of benefits: (1) receiving a subvention of 50% of the monthly installment (75% in case of houses) for five years on credits with an interest rate fixed between 3.5 and 4.5%; (2) receiving a contribution of up to 6,250 euro (9,375 for a house) on a credit of no more than 50,000 euro. The program comes with a set of limitations prohibiting, among other things, the rental of the property and a price ceiling of 900 euro per square meter. The program clearly shows how in Macedonia, contrary to real estate in Bulgaria, Hungary, or Poland, the problem was not the excessive liquidity generated by predatory lending. Governments that had to tackle excessive indebtedness, such as was the case in Hungary, opted instead for measures that bailed out or bought back properties from insolvent citizens. On the contrary, the program shows the lack of liquidity in the Macedonian real estate market, where citizens could not put down the required down payment, afford the mortgage, or access credit at a relatively low interest rate.

The results of the program were mixed. While kupi kuka kupi stan stimulated the market during the recession, it also had the paradoxical result of pushing prices down. Companies like Construx, which built apartments for a higher price, found themselves outflanked by others, like Ideale, who had most of their investment in the 900-euro range. As a result, Construx was forced either to create fake deals whereby parts of the transaction were omitted or to take a hit on its already ill-shaped finances. Ideale, on the contrary, was able to capitalize on its large scale investments on the periphery of the city and even built up its brand's value. There, the company had built an entire neighborhood that fit perfectly within the parameters for government-sponsored loans. Rumors circulated that the low prices Ideale offered were a consequence of the privileged
prices they paid on denationalized land. In response, Ideale published a monograph with financial
details on prices, profits, and loans. The company's public relations office, headed by a former
journalist, went so far as to publish a screenshot of an offer about to be made for a plot of land in
an online auction, supposedly designating the actual buying price. In a separate graph, the company
listed the money paid for land, including that of the screenshot. Yet the prices are provided in US
dollars—a curious fact, given that the currency of choice for real estate deals is the euro. The US
dollar, however, had a quite volatile exchange rate compared to the euro and the Macedonian
denar. Once the exchange rate is factored in, then, the prices expressed in dollars on the graph and
the prices from the screenshot in Macedonian denars did not coincide.

The relative impunity with which companies like Ideale can publicly assert their
dominance follows their connection to the VMRO. The director of Ideale previously owned a state
company and was a former SDSM party member. During the 1998 conflict in Kosovo, the
company he managed had been linked to shady deals with Serbian companies to circumvent the
embargo rules. Soon after, he had parted ways with the SDSM, whose cadres he had accused of
plotting to assassinate him. The owner disappeared from the public scene for a period and some
years later founded a construction company with a few family members. In a few years, after
appearing in public events linked to the Orthodox church, his company had become a prominent
player in the country's real estate market and employed over 200 workers.

Besides acquiring land at preferential prices, one of the key mechanisms with which Ideale
was able to squeeze high profits from its investment was the ability to plan entire sections of the
neighborhood. The reasoning was that if one could plan where services, public buildings, parks,
or other infrastructures were located, a location could easily become attractive to buyers. In fact,
various other companies found it profitable to create sister companies to manage urban plans
directly. The director of Construx had drawn detailed urban plans on behalf of the municipalities in which the Nest and the Pool were built. At another company, which I will call Planek, the person in charge of public offers admitted that "sometimes we can go as low as zero, if the manager really wants that plan. It really depends on what kind of interests he has on that land."

Spending time at Planek and following the everyday work of Sanja, a planner in her mid-30s, I realized that planning, just like the aesthetic dimension of Skopje 2014, was a crucial mechanism through which authoritarian financialization shaped the political subjectivities of Skopje's middle class. Sanja had decided to become an urban planner and follow in the footsteps of her father, who had been a planner for a Yugoslav state company. Sanja believed that urbanism had an important function in society and that her expertise provided technical knowledge to create better living conditions.

Yet her actual work as a planner had shaken her faith in progress. In January 2015, when I came back to visit her, I noticed a new sign on the door. It read "Entrance forbidden to non-employees." Sanja appeared tired and lamented that her work was really terrible and constantly gave her trouble. Since she had started working on a new neighborhood in central Skopje, citizens, investors, and entrepreneurs had started coming into her office to plead their cases and influence her decisions. "They come here because they asked at the municipality, and somebody there told them that I am the one drawing the plan. So what do they do? They come here to see if I can give them some more space, or if I can change the construction line…it is crazy! Because they can't agree with each other, they think that they can come here, and I will help them," she explained, pulling out the big drawings of the plan she was working on.

The problem was very complex. First, the area she had to plan was a very attractive one, very close to the center and to Vodno Mountain overlooking Skopje, where the price of land had
mounted steadily in the past years. As revealed by evidence from tapped phones, even Prime Minister Gruevski put pressure on the local municipality and the Ministry of Transport to change the current urban plan in order to maximize profit on a parcel of land he owned. Similar to what happened in the neighborhood of Debar Maalo, the fluctuating enforcement of urban regulations during the 1990s had generated an urban sprawl of what Sanja called "substandard" housing, mostly small shacks or self-constructed family homes. Few of these buildings respected the zoning regulations and many occupied more than 70% of the total surface of the plot. Sanja's plan was responsible for deliberating upon these existing violations. While the plan she proposed had to be approved by the municipality first and by the Ministry of Transport second, she had no fixed guidelines or support to negotiate the different interests at play. Sanja felt she could not just ignore the built reality and condemn delinquent houses to demolitions. On the other hand, she feared that if she simply condoned the current buildings, people might take advantage of her good faith by building additional floors that perpetrated the violations further. Finding an equitable solution while constantly being under pressure took a toll on her. Finally, she came up with her own rule. The current state of affairs would be accepted as it was; if the owners wanted to build further they would have to destroy the parts of the houses in violation of the code before proceeding.

Sanja was not only supposed to normalize urban sprawl and informal buildings but also to plan the expansion of this neighborhood. Whatever perimeter she would draw would become the maximum size and location of any future building on that plot. But how was she supposed to do that? Residents came to see her, pleading to obtain the maximum building surface, in order to be able to get investors interested for the potential economic return. Drawing big buildings meant including more owners, as very few plots of land were owned by one single person. The denationalization of land had only recently been completed, thus reconstituting a new system of
ownership relations (Verdery 2003) in the neighborhood. Some extensive plots of land had been assigned to multiple owners, sometimes because the original owner had died and the parcel had been redistributed among relatives, or in other cases because the plots had been formed by consolidating smaller parcels belonging to multiple households. In addition, a big building would cross over more plots owned by different stakeholders, and that would make the gain from each resident smaller. Additionally, with more stakeholders it would be much harder to come to an agreement about which offer to accept.

Sanja could sometimes work around that issue, playing with the shape and height of buildings: she knew some technical tricks to have the same amount of square meters distributed over more or less surface, thus making the investment attractive for developers but including or excluding more or fewer landowners. But whom should she choose to benefit? Owners came to her office after having talked to their friends and connections at local municipalities, whom they often enlisted as allies in pressuring Sanja. Sometime these pressures took direct form: at a public discussion of a proposed plan organized by the local municipality I attended, some local residents tried to persuade her to exclude one specific owner on the basis that he was unreasonable and would block all other interested parties. "But that would not be fair," she commented later, "I cannot give to some people and not to others." Sanja clearly understood that her planning techniques were not just about planning, they were also about creating rent, radically shifting the value of land simply by moving a line some millimeters in one direction on a piece of paper. Sanja felt the burden of having to take sides all the time in a profession that she had previously understood as technical and uncontroversial. Financialization, however, made planning anything but a technical exercise. In a context of illiquidity, where money was not circulating, planning became a way to turn space into a resource for monetary or even non-monetary gains. Newly
drawn building plots would then be exchanged in poisonous kompenzacija deals for apartments yet to be built; paradoxically, local citizens fought for self-depreciating goods.

Back at the meeting, Sanja discussed various issues with the few citizens who were present, and then she joined the representative from the municipality who was examining the plan. There had not been an official public presentation and discussion of the plan, but rather an informal one that the municipality had summoned to take the pulse of the citizenry. After a moment of reflection, the municipal representative and Sanja pointed at different buildings and exchanged views. "So that's not good—this solution of three towers does not work here," said the municipal representative. Sanja agreed and asked how she would like to proceed instead. "Nothing, we'll go back to longer buildings, and we'll give them some more space. What should we do? But we won't do it now—we'll let them depose official grievances. You draw it, but we will concede only after the official procedure—you know that by law we have to have at least 50% positive answers to petition in the public hearing. And then I do not know about this other part…"

After discussing some additional changes, Sanja and I went back to the office. "You see? Sometimes the municipality does not know what they want. They ask me to draw something, then somewhere somebody changes his or her mind, and we have to amend everything. Maybe even after making these changes they will ask me to draw it again with some different specifications—which are often against the law. And you never know if it is because a resident has said something, because of some unofficial remarks by higher ranks within the Ministry of Transport, or maybe there is a political interest at stake. There is no way they will tell me that in writing! They call me, they tell me, they organize these events—but there is nothing official."

Sanja felt that she was often between a rock and a hard place. Her solutions were contested by citizens or stalled by endless discussions at local municipalities. When the local bureaucracy
approved her plans, it was the Ministry that raised objections, suggested corrections, or proposed alternatives. Were these changes good, or even legal? Sanja was not always sure, and the informal way (calls, half-words in hurried meetings, and long, angry arguments) were not helping her in deciding which side to take. The owner of her company, a businessman from a provincial city, had enough political and economic power outside of the capital to allow her company some degree of autonomy. But she knew that her principles and moral decisions had to fight their way through multiple interests, inefficiencies, and opaque levels of planning bureaucracy. She was willing to fight, for the time being, but only for her own sense of justice—that is, for maintaining her sense of personal worth and professional integrity. She had no energy left to engage in wider political battles—such as publicly supporting protests against the Skopje 2014 plan, or engaging in contentious politics.

There was more than physical exhaustion affecting Sanja's decision not to engage in classical forms of politics. After the revelation that Prime Minister Gruevski had put pressure on some of the planners, her plans ended up on the internet. Luckily, she had not been implicated, but the company (and the municipality) decided to stall the projects on that neighborhood. Sanja's example shows that planning was part of a rigged bureaucratic system, where risk could be transferred unpredictably across bureaucratic hierarchies. Before 2015, when a series of scandals and protests undermined the authoritarian government of Prime Minister Gruevski, it was typically planners or other middle-class professionals like Sanja that bore the burden of illegal planning.

Not all planners abstained from taking on politically relevant positions against the Skopje 2014 project and the VMRO's urban politics because of fear of repercussions or moral exhaustion. Some, like the planners at the Agency of Spatial Planning of the Republic of Macedonia that elaborated the GUP (general urban plan) of Skopje, found in the VMRO's urban politics a
possibility to redeem their profession. When I interviewed two managing directors of the agency, it became clear that the GUP they had designed was their living testament against the current state of affairs in Macedonia. Disgruntled by the poor planning that was done after the transition and by the "commercialization of space that comes with capitalism," as they put it, they presented their plans as an antidote that would redeem the city. By reiterating the importance of socialist infrastructure and especially the dominance of the road grid over the rest of the city, the two architects envisioned planning as a form of punitive social justice. "They can do what they want with it. They can create an underpass, build a flyover, or simply tear apart the houses that were built there illegally. I do not care. But now it is on the plan: they HAVE to make that route the way it is supposed to be!"

For the client, the city of Skopje, the goal of the GUP was much more pragmatic. First of all, there was the question of regulating areas of the city that had not yet been planned. Much to my surprise, the areas covered by the GUP did not correspond to the actual limits of the built environment of Skopje, nor to the administrative units in which the city of Skopje itself is divided, its various municipalities. Then there was the question of new urban development. Smog is an increasing problem in Skopje, and pollution-linked fog stagnated in the city for months in 2014, making it difficult to fly in and out of the country. The city of Skopje wanted to resettle industrial areas outside of the urban perimeter and increase the green areas of the city. At the same time, the city government, and even more so the local municipalities, relied upon the taxes levied on building permits in order to provide standard maintenance; with a property tax close to zero, Skopje cannot function without new urban developments. Faced with these challenging and conflicting demands, the agency for urban planning found simple answers in planning technology: they made abstract drawings. As they told me, they would stop pollution by limiting urban density (the
number of inhabitants per square kilometer) and relocating factories outside the city. Yet they also increased the number of dwellings, transforming previously green or unused areas into housing.

Imagine you have a bottle full of expired milk. Imagine that your customer asked for a glass of milk because of his recent stomach-ache. What would happen if you changed the label on the bottle, putting a new expiration date further in the future? Designing the current GUP of Skopje, the agency just changed the label, applying unrealistic numbers and solutions through wishful planning: the plan is unreliable, contradicts actual reality, and increases current problems that it is supposed to solve. As such, planners who have to operate on a smaller scale and produce more detailed plans are faced with a number of conundrums. How they are to allow development while at the same time decreasing the density of the population is among the crucial ones. But this is not the GUP planners' concern: they have complied with their duty and formulated a plan that formally respects the requirements.

A number of additional measures inscribed in the GUP are clearly unrealistic. The GUP is based upon a wide array of ill-gathered documentation and data. For instance, nobody really knows the number of inhabitants of Skopje or of its municipalities. This is not to say that plans are based on estimated population size, as per urban planning theory; what I mean here is that GUP planners did not utilize scientific data to project inhabitants' numbers. As the planning division of the territory does not correspond to the administrative one, planners cannot just use the census data for municipalities or even for the city of Skopje. Additionally, the latest attempt to produce an accurate census of Macedonia's population failed because of ethnic tensions, caused by the political consequences of recognizing 20% or more of any given "minority" in a municipality. When I asked the two directors about these problems, which had been raised by every planner I had spoken to, they presented me with a thick set of documents: these were ISO 9000 and ISO
9001 standard procedures—that is, a quality control protocol usually required and applied in productive processes in Europe. In other words, their solution to planning problems was to abide by a different plan: a plan for planning.

This planocentric vision of bureaucracy, whereby built-world problems are subsumed into the (un)reality of the bureaucratic process, is not just a residue of the socialist production system. The two directors were certainly nostalgic for the social and political weight that planning held during socialism. Yet today, plans like the GUP do not regulate the core of Macedonia's political economy and are certainly not the goal for production or even urban development. On the contrary, plans like the GUP function as a bureaucratic facade that appears coherent, respectable, and necessary by those who sit on the outside—and malleable to those who are on the inside. In practice, plans are drawn to be violated by the powerful elite who control Macedonia's illiquidity. As an important planner within the city government put it, "There is a reason why plans are so contradictory and full of holes. That gives advantages to politicians and those who made the plan, who can always play one thing against the other and find a loophole. They do not want to solve these issues!" And yet, elites do want the plan to assume the aura of bureaucratic authority to keep citizens dependent on their authority to solve problems. Not only do plans allow exploitation to take place, but they also produce authority for those very people who are causing it, and are called upon to solve the very problems they created. More importantly, plans are developed with conspicuous holes in them—absences that can be exploited with the right political connections and will.
5.7 Conclusion: Risk, Hypocrisy, and the Birth of Spatial Agency

Utilizing cases of professionals in the construction and planning sectors, this chapter has shown how authoritarian financialization generated a specific middle-class subjectivity. Overall, the chapter has shown the values embedded in urban space during the socialist period. Solidarity and consumption emerged as forces that co-opted urban development to bridge ethnic fractures into an integrated political space. With the transition, the middle class and especially architects and engineers lost much of their symbolic and economic power. This downward class trajectory explains why middle-class professionals found their position vis-à-vis Skopje 2014 and the VMRO's urban politics to be so ambiguous.

Middle-class professionals I spoke with felt deeply embarrassed by Skopje 2014 and its aesthetics, which they associated with the emergent working class and want-to-be rentier class at the core of the VMRO project. At the same time, middle-class professionals had been entangled with VMRO urban development and their bureaucratic initiatives. Companies like Ideale most likely benefited from preferential channels with the VMRO in the denationalization process, while others like Construx indirectly benefited from the unexpected boom in construction that was largely fueled by the VMRO. In addition, the government's economic intervention for buyers (and sellers) under the program kupi kuka kupi stan, while not ideal for companies like Construx, constituted important incentives to avoid openly taking contentious stances. While many professionals had lost much during the 1990s, they had also survived thanks to the gray economy or loopholes in the "wonderful decay" of institutions that regulated urban politics. Architects I knew regularly "rented" their stamp for projects that existed only on paper so that individuals could renovate their houses however they wanted. Others, instead, provided projects that lent a facade of legality of developments that were completely illegal.
With the rise to power of the VMRO, the involvement of the middle class and especially of professionals in urban planning and architecture shifted its stakes. Plans and facades clearly demarcated a new state power that did not eliminate "gray" and informal dealings but rather redefined the boundaries of risk. The message was clear: those within the bureaucratic fiction of planning who stood behind the new urban aesthetics were shielded from past and present legal implications. Those who did not were exposed to the risks of dealing with the inefficiencies and legal consequences of a rigged urban politics. Many middle class professionals, already shaken in their professional identity, felt unable to stand up and oppose such an oppressive system in public. Others felt that their professional worth could be restored by embracing the inherent injustices in the VMRO's planning. Fear, and economic profits, often more promised than real, convinced a large section of the middle class that it was not worth it to go against the VMRO. Urban politics figured as a key part of making such a set of promises, fears, and hopes concrete.

As an important actor at the heart of Skopje's urban politics, Sanja struggled with the individualization of power and rent-seeking behaviors that followed authoritarian financialization. Convinced by the government's fierce commitment to urban renewal and by the correlated mushrooming of private developments, individuals believed that their land, too, could become a source of rent. Instead of considering the ownership of land as part of a responsibility to engage in public contentious politics, Macedonians who had received or were fighting to receive plots of land bought into the illusion of the VMRO's urban policy. The party was too strong to be fought, and it could grant wealth to those wise enough to seek its patronage. Individuals forsook their claims to solidarity and politics, favoring instead personal relations that operated beyond the authoritative facade of institution and plans. I spoke with several landowners who had entered into
patronage relations and had still run into a mounting number of problems. Plans and institutions were inefficient—and purposely so.

Ultimately, exchanging political freedom for patronage did not generate revenues for most of the people with whom I spoke. On the contrary, landowners who enlisted the support of politicians clashed with one other, as one's rents were directly correlated to another's loss of value. Because of the scarcity of Macedonia's monetary supply, based on forced credit, real estate cannot accommodate a large rentier class—citizens found themselves fighting against each other to revalue their own pieces of land through gray planning practices. This dynamic had a clear mathematic dimension. The price of apartments remained constant throughout my fieldwork because of kompenzacija, which avoided the monetary devaluation of nominal prices; because of the lack of inflation and a scarce monetary supply, apartments could not become more expensive either, thus limiting the range of profitable investments for developers. That meant that having multiple owners would kill a deal. Rather than working around this issue through agreements and discussions, citizens divided by individualized political dependencies tried to secure a monopoly of some sort over the contested land—granting it a specific function, shape, or size that would bypass the necessity of solidarity. Sanja told me dozens of stories in which she received the owners of contiguous pieces of land in the same day, each trying to enlarge their construction parcel at the expense of other rightful owners.

Some architects, however, did not accept such a compromise and actively fought to create spaces of collective action. Members of the faculty of architecture of Skopje were very vocal in condemning the Skopje 2014 project, although they did not always engage in acts of public protests or expose the bureaucratic shortfalls they took part in on a daily basis. Originally it was mostly a small group of students who mounted the protest, with very little open support from the urban
middle class, which instead resigned itself to cynical jokes and long tirades against the current state of affairs. After a number of small protests, they were able to mobilize a large amount of people against the baroquization of a socialist consumption space: the GTC. Strong popular participation pushed the SDSM councilors of the center municipality of Skopje, which in 2015 held a non-VMRO majority for the first time since 2006, to vote for a referendum. Since early 2015, many activists organized an extremely effective fundraising and awareness campaign under the slogan of "I love GTC" (go sakam GTC), recalling the central role of this space in shaping the identity of Skopje as a progressive and modern city as well as the individual memories and meanings that citizens associated with the socialist mall.

For activists and for many of my interlocutors among the urban educated elite, the GTC embodied intimate aspects of their urban identity as a space of consumption that connected various domains of social life: through the GTC, people found themselves deeply connected to the wider social body. The VMRO government, on the other hand, saw in the commodification of these spaces a central tenet of its governing strategy. Determined to crush any opposition and to bring socialist open spaces under its control, the VMRO employed all sorts of means to sabotage protesters and their mobilization efforts. Thugs were dispatched to intimidate activists; fake architects spread false rumors about the referendum; and news about the referendum was banned from most of the media. While the referendum ultimately failed, achieving five percent less than the voting quorum, an astonishing 95% of those who voted were against the VMRO Neo-Baroque renewal plan of the GTC. The shopping mall thus resulted in the most voted-upon political persona: no politician had ever received as many votes in the center municipality.

There is a reason why the growing popular discontent became channeled into an old, concrete, socialist mall rather than coalescing around politicians. The emergence of a post-human
political subject signals the critical discontent of middle-class Skopjotes with authoritarian financialization as applied by the VMRO, as well as with the privatization process that had been supervised by the SDSM. Contrary to other postsocialist contexts such as Poland (Halawa 2014) or China (Zhang 2010), the VMRO regime has not empowered the middle class. Rather, it has banked, both symbolically and economically, on an aspiring rentier class drawn from the provinces and often from a working-class background. The VMRO built its success upon the quiet acquiescence and fear of Skopje's middle class, too disoriented from its downward trajectory and fragmented by its attempts to save its own meager spatial benefits to be able to come together and fight against its own oppression.

Such an outcome has been made possible by the specific form that urban politics took under the VMRO's authoritarian financialization. Compared to the urban theatrics of other authoritarian regimes, such as Ceausescu's Romania or Mussolini's Italy, no citizen of Skopje has been displaced by new urban development. Skopje 2014 largely focused on redeveloping empty lots and, when it touched residential buildings, it was only to change their facade. Such theatrics, however, did not have the goal of creating a completely new urban public, a new "mass" directly connected to the leader—as in Nazi Germany. It was quite explicitly based upon a project of antiquization that had very tenuous grounds in the collective imaginary. Facades, rather than connecting the nation, emphasized its disconnectedness and frail nature. I suggest that such facades and plans instead had the objective of covering and hiding the political realm from that of the civil society—that is, facades prevented citizens from accessing the spaces where political decisions were made and financial flows managed.

From the perspective of the middle class, Skopje's urban theatrics do not project an attempt to modernize the city, as was the case with twentieth-century authoritarian regimes, nor promise
an attractive future in the way that contemporary financialization projects and aesthetics might (Brash 2011). Rather, they exclude urban middle classes from accessing the benefits of financialization, whose potential for investment is instead reserved to individuals and companies connected to the VMRO. Those who find themselves on the right side of the facade (or the plan) can then reapportion risks onto the shoulders of the rest of the population. In this sense, facades and plans are the reified reality of authoritarian financialization as a thing, to paraphrase Caprotti (2005). Material and impactful, facades disclose authoritarian financialization as the presence of an absence, as the material and bureaucratic packaging that justifies oppression in the name of future benefits that never come.

Ironically, while the Skopje 2014 facades promise future benefits (such as tourism and financial investment), they recast the city towards a past of political control. The solidarity of middle-class interlocutors towards the GTC, a thing rather than an image, signals the limitation of such urban theatrics. In voting for the GTC, Skopjotes were, in my view, rejecting classical models of liberal politics based on representation. Further, I see a willingness to delegate political aspirations to a material object, one that cannot be pressured or confused, as middle-class professionals are, into supporting the VMRO, or be twisted into an illusory promise that will strangle the economic destiny of a city. Contrary to facades and plans, the GTC is outside of the waltz of packaging and repackaging that determines urban financialization, in both its Wall Street and its Eastern European incarnation. It is precisely its perceived solidity, borne out of socialist solidarity and construction techniques, that make it the perfect champion for urban middle classes subjugated by authoritarian financialization.
6. Conclusion, or the Political Economy of Subjection

On May 17, 2015, over fifty thousand people marched in the streets of Skopje, demanding the resignation of Gruevski. These protests started soon after I finished my research, in October of 2014, with a wide mobilization by students against higher education reform. The VMRO government had passed a bill forcing students who finished at universities to take an additional state examination to validate their diplomas. The official reason was the university system was widely corrupt and the computer-based examination would insure the quality of the degrees. Students, and soon after faculty members, argued that these new tests challenged professors' competences and independence, declaring professors' work irrelevant and leaving the decisions about who would get diplomas to a committee appointed by politicians. A close analysis conducted by some colleagues and friends showed that the new law consolidated the control that VMRO already had on the public university system. Yet the law also empowered businessmen close to the government. They had already bought and organized the testing rooms, to be paid for very dearly by the already meager funds of public universities.

Student protests turned into massive marches through the streets of Skopje, which then led to the occupation of universities. As professors also mobilized (albeit in much smaller numbers), a new scandal hit the media. On January 31, 2015, Zoran Zaev, leader of the SDSM opposition party, was publicly accused by Gruevski of conspiring with foreign powers to overthrow the government. His passport was seized and he and other officials from the Ministry of the Interior were accused of spying against the country. Soon after, Zaev and the SDSM initiated the campaign "Truth for Macedonia." In a series of public events, they released recordings of phone conversations between high-ranking officials of the VMRO, including Gruevski. Their very
recognizable voices openly discuss the bribes they had taken from Chinese construction companies to build the new highway; the pressure applied to change planning in the city center; the demolition of a building financed by a businessman who did not support the VMRO; the various tactics employed to intimidate (and later arrest) a famous local politician who had broken ties with the VMRO; multiple examples of pressure over the judiciary; the use of thugs from the security services for the private intimidation of non-friendly businessmen; the cover up of the murder of a teenage supporter of the VMRO, beaten to death by one of Prime Minister Gruevski's bodyguards while celebrating his re-election; and finally a conversation of Gruevski with his fortune teller, who had an apparently prominent role in shaping his political decisions, including in urban matters.

It is unclear who released these tapes to the SDSM. The VMRO suggested it was the work of foreign intelligence, while the SDSM suggested it was patriots from within the Macedonian intelligence community. While these "bombs," as they were called, were made available through YouTube and circulated widely on Facebook, television stations and newspapers completely ignored them. It took several months for the wider population to realize what was happening. When the conversation about the death of the young teenager was released, thousands of angry citizens spontaneously took to the streets and rushed towards the government building, an older socialist jewel that had just recently been covered by a completely white Neo-Baroque facade. Protesters, led by the mother and family of the murdered boy, broke through the police lines—even forcing one policeman to leave his post in frustration. Soon, the crowded started throwing eggs onto the facade, which they saw as a symbol of the hypocrisy of the VMRO government and a concretization of their own subjection.

This spontaneous protest was a turning point. Many citizens who were not active until then suddenly became eager to voice their frustration. My young urbanite friends and interlocutors in
Skopje spoke about a new energy in town which had superseded the climate of fear that burdened them. The opposition called for a gigantic march on May 17th and started organizing with other advocacy groups and activists from civil society; members of the international community began speaking out in favor of free speech. It seemed that the VMRO's days were over.

Some days after, on May 9th, the protests came to a sudden halt after news of a gun battle between ethnic Albanians and police forces in the town of Kumanovo that left five members of the special forces and fourteen so-called terrorists killed and an entire neighborhood in ruins. Suddenly, what had been covered only sporadically in international media made the front page of the New York Times and many other global newspapers. While the rise to power or protests against an authoritarian regime were not relevant for global news agencies, ethnic conflict in the Balkans certainly was.

Confused by the chaotic information, protesters suspended the demonstrations, while a few met for collective and public discussions. In the following days, many different theories were brought forward, but most of my interlocutors suggested that the "terrorist" group has appeared at a suspiciously convenient moment to stop the protest's momentum. In the following days, Gruevski met with the ambassadors of Italy, Germany, France, the US, and the UK, who, in a joint conference, extended their condolences to the fallen soldiers, but also reminded Gruevski that the Macedonian political crisis was not about ethnicity. In fact, the pressure from the international community augmented steadily after the incident, leading to the resignation of two major players in the Gruevski government, Saso Mijalkov, head of the secret security services, and Jordana Jankulova, Minister of the Interior.

Despite being internationally isolated, Gruevski managed to remain in power; spontaneous protests slowed down and picked up again only once the opposition party, the SDSM, conjured
once again all its forces together on May 17th. Eventually, Gruevski and the leader of the opposition, Zaev, together with the mediation from the EU, brokered an agreement for an interim government, temporarily controlled by Gruevski, that would manage the country until early elections, scheduled for April 2016. Yet as the date of the elections approached, it appeared obvious that very little had been done to ensure fair and democratic voting. Voter lists, for instance, still displayed absurd situations where up to sixty voters were registered as residents in apartments of fifty square meters.

Eventually, the election was postponed until June 2016, and then to the fall. In the meantime, the crimes revealed by the recordings remain unaccounted for. A special team of prosecutors screened the materials and proceeded to request the arrest of various members of the former government, whose identity the team preferred not to disclose to the media for fear of retaliation. At the press conference, local journalists immediately asked the prosecutors vicious questions, doubting their legitimacy and motives for doing their job. Soon after, the tribunal in Skopje turned down the request to proceed and arrest the suspects. In this climate, one of the top EU negotiators left Skopje, declaring that there was no hope to achieve regime change through fair elections, as the current climate of fear and intimidation did not allow for democratic voting. Many members of civil society who had been crucial in organizing the spontaneous protests were left out of the deal-brokering process; meanwhile, many common citizens, disillusioned by Gruevski's resilience, concluded that he and his party would win again.

6.1: The Deep Roots of Subjection

The resilience of Gruevski's regime, even in the aftermath of such an international crisis, is as admirable as it is dramatic. I believe that my dissertation has provided the materials to understand
why Gruevki's authoritarian power is so pervasive. Macedonia's authoritarianism is not based solely upon electoral events (and fraud) or elite cooptation (Ganev 2007). It is not simply a case of "mafia" infiltration of the state apparatus (Strazzari 2007). It is not only based upon a widespread fear of violence. Instead, the VMRO regime is based upon a process of authoritarian subjection that emerges from the condition of illiquidity generated by the financialization of the country. It is the rooting of illiquidity into people's personhood that grants Gruevski, even after having resigned in January 2016, significant power, based in the deep reaches of his political economy. In what follows, I will summarize the implications of my analysis of authoritarian financialization for various theoretical debates.

Debate 1: The EU is either a colonial structure or a harbinger of democracy. During the 2007-2012 crisis, the hegemonic presentation of the EU as a champion of democracy and dialogue has been disputed both in the public sphere and in scholarly circles. At present, two strands of theory describe the EU in antithetical terms. On the one hand, authors who focus on newly peripheralized parts of Europe such as the PIIGS or Eastern Europe suggest that the EU is driving these regions down. This argument is made on multiple levels and echoes former dependency theories (Amin 1979). Böröcz (2014) suggests that the very idea of an eastern enlargement denotes the racialized hierarchies that drive it. Horvat and Sticks (2015) make the case that the EU forces countries with lower economic capacity to sustain overvalued currencies, which results in lower export capacity and excessive debt. Authors such as Stockhammer (2011) suggest that wage suppression in Germany and other places in Europe has not only severely impaired local working classes, but also generated the kind of floating financial capital that has promoted economic bubbles and financial speculation in the region.
Opposite to this perspective are those theorists who envision the EU as a guarantor of peace, prosperity and solidarity. Backed by a solid official discourse that originates in Brussels and echoes through the words of the likes of Schauble, scholars such as Schimmelfenning and Schiltz (2008) suggest that, while not perfect, the EU project remains a benchmark for democracy and development. The fact that more and more people do not seem to want the kind of Europe that is proposed from Brussels, so-called "enlargement fatigue," is then blamed on creeping nationalisms or populisms of member states (O'Brennan 2014). Similarly, the failure of peripheral areas to reach targets of development and homogenization is analyzed in terms of a national propensity for corruption and clientelism (Börzel 2011). Even the Greek crisis is recast in terms of the persistence of local problems (i.e., corruption) that are transmitted on to other members of the union (Bechev 2012). In such narratives, European countries are underdeveloped not because of their Europeanization, but because they did not Europeanize enough.

My data show a complex reality. Macedonian elite capitalize on their capacity to attract EU funding to fuel political patronage and outright bribery. Yet they are not alone in promoting such "un-European" behaviors. Italian EUrocrats and entrepreneurs I conducted research with did exactly the same thing. They did not act alone but under direct supervision from Rome: in one case, the seat of the Ministry, and in the other, the company's headquarters. This helps explain why Macedonia's regime, today so harshly condemned by European ambassadors and mediators, has been developing for a decade without much reaction from EU institutions. Authoritarian elites and EUrocrats share very similar behaviors and understand the EU as a source of funding, a rent mechanism that can be utilized for different political projects.

EUrocrats, just like Southern and Eastern European elites, use the EU as a tool to generate revenues. Yet those at the margins of the EU are stigmatized and the rent they extract is considered
to be unproductive or a symptom of moral decay. This dissertation shows that rent, however, can be very productive in the case of authoritarian financialization. Macedonia and other authoritarian regimes have built an entire political system upon a social class's aspiration to extract rent. In addition, these regimes navigated the 2007-2012 crisis far better than many other financialized democracies. Macedonia, Russia, Poland, and Hungary were shielded from international speculation by their regimes. Investors have found it easier to speculate in countries like Ireland compared to Macedonia; banks have been able to foreclose homes more easily in the US compared to Hungary. While this decoupling of authoritarian societies from global finance was, and ultimately is, a liability for most citizens, in the circumstances of the global financial crisis, it proved to be a positive factor.

Debate 2: Financialization: performative, abstract, or political? An exciting field of research in anthropology and sociology, the study of finance has greatly enlarged our understanding of Wall Street. The spectrum of contributions is too wide to be exhaustively summarized here, but one can broadly say that by examining labor practices (Ho 2009), forms of temporality and subjectivity (Miyazaki 2006, Zaloom 2004) or gender relations (Fisher 2012) we have a very solid insight into the cultural formations that drive finance. This matters, because as Poon (2009) and others (Leyshon and Thrift 1999, Callon, Millo and Muniesa 2007) have shown, financial markets perform their own existence by evoking into being new forms of calculation or modes of thinking.

Graeber (2012) has pointed out, however, that such a world of financial abstractions revolves around a central mechanism: debt. Financial debt today is, in Graeber's theorization, an elusive object. One the one hand, debt articulates moral claims. One has to pay one's debts. On the other, debt derives from a legacy of violence that has seen European armies colonize other societies
and continue their colonization by means of debt. There is much to learn from Graeber's incredibly erudite and brazen discussion of 5,000 years of human history, and his book has made an important contribution by introducing discussions of violence and domination within the anthropology of finance. Yet one wonders: are human economies and debt economies that different? My data show that political domination and violence do not need to reside in either of these two models of financing. On the contrary, as I demonstrated in Chapter 2, it can be generated by the interpenetration of financial and in-kind credit.

I am not sure if this goes against or confirms Graeber's theories: his work is so eclectic that I have a hard time pinpointing whether he draws the aforementioned difference for the sake of clarity, or whether it is crucial to his theorization. Be that as it may, I believe that my dissertation directs a productive line of inquiry towards the intersection of different kinds of payments, and the processes that allow (or not) the generation of credit by connecting disparate objects and people. Seen from this perspective, the VMRO's capacity to draw from international credits is complemented by its ability to bank upon kompenzacija—a set of in kind-exchanges that devalue objects with increasing political distance from the center of the state. In this way, money acquired through international credit is monopolized and rationed, while at the same time companies and individuals have a significant incentive in joining the ranks of the VMRO so as to avoid being paid with depreciating goods.

Debate 3: What does financialization do to human agency? Is financial precariousness any different from other historical experiences of flexibility? There is no doubt that financialization spreads flexibility and risks. Karen Ho (2009) has shown that, in the very New York financial firms that influence financial markets, flexibility is perceived as a risky game balanced by high rewards. High salaries and bonuses normalize risk, job insecurity, and overwork
for white-collar financial professionals. But what about other professions that are also touched by finance, but not by their bonuses? Harvey (1989b) and Bauman (2000) suggest that other strata of the population experience financialization as an increase in the speed of everyday life and work. This, in turn, translates into shorter permanence of capital in fixed locations—that is, into the increased possibility of being asked to be flexible with one's residency or simply to change jobs because of offshoring.

Such debates do not seem to capture the starting point of a society that has lived through a postsocialist transition. In fact, most of the above is everyday experience for citizens of Skopje. Work was uncertain during socialism, during the transition, and today. So how do people cope with such a rooted experience of precariousness? In Chapter 3, I explain that uncertainty in Macedonia can constitute a space of action, whereby increasingly impossible economic conditions can be negotiated. Among other data, I present the example of an inspector, and I show how the rhetorical timing employed by her and the site's supervisor shows a complex play of recognition. Ultimately, I suggest, if one looks at the process of producing uncertainty one realizes that it constitutes an aspiration to agency, an invitation to "weave time" with others. Often, that is only an illusion, but it allows individuals to regain some of the agency they had lost as a consequence of financialization.

Debate 4: What is the gender of finance? In the literature, there is a large consensus that financial hierarchies rest upon male domination. Ho (2009) shows that women, especially of color, have to constantly demonstrate their professional expertise. If female investment bankers sit too close to the tray during a Wall Street meeting, they might be asked to bring it around and serve the men at the table. If they dress in too feminine a fashion, they will be confused with secretaries. If they do not dress sexually enough, they will be teased for looking like grandmothers. In addition,
women are one of the few categories for whom working too hard is a disadvantage. By showing too much compliance with the hierarchy, women are understood by (male) senior partners as naturally predisposed to conduct tedious tasks that will never grant them career promotions.

But what about the impact of finance on manhood? There is surprisingly little scrutiny over the ways in which becoming a man in financialized settings is in and of itself a form of violence, although sugar-coated by high salaries and the possibility of exploiting women. Those scholars (Kim 2015, Ness 2012) who have studied the transformation of manhood in different workplaces, and especially on construction sites, have stressed the aggressiveness and misogyny that permeated construction in the age of finance. I relate to that, insofar as I was often made uncomfortable by workers who teased me and challenged my sexuality and rhetorical skills. Yet workers at Construx were also very respectful of women and were particularly docile with the management. In Chapter 4, I demonstrate that such an ambivalent behavior stems from the challenges that financialization posed to workers. Not being paid for a long time, workers were structurally prevented from fulfilling patriarchal and heteronormative models and found themselves unable to trust each other or the management.

Yet identifying as successful men was important for them, not only because the VMRO rhetoric diffused aggressive masculinity as the new hegemonic norm, but also because Albanian men were not affected by illiquidity in the same way as ethnic Macedonians. Albanians, in fact, had access to remittances and were not as dependent upon government money. This put Albanian men on an upward trajectory, which also included success in sexual conquests. By discussing the various challenges faced by Macedonian men in being real men, Chapter 4 shows the emergence of the VMRO as an existential anchor for fragmented and individualized workers.
**Debate 5: What is the political impact of financialization on the urban classes?** Public spaces are crucial to our understanding of politics (Arendt 1959) and to the very possibility of organizing together and producing social changes (Low 2004). Yet in global cities such as New York City, London, or Mumbai (Whitehead 2008, Brash 2011), the financialization of space has dramatically shrunk public spaces and replaced them with new private buildings destined to maximize developers' profit. Such a trend has been observed since early studies of gentrification (Susser 1982) where the expansion of financial speculation co-opted desires of belonging to the middle class and resulted in the displacement of working class and low income families from coveted urban zones. Yet what are the political consequences of urban financialization in cases like Macedonia, where investments do not necessarily displace a large section of the population and consist of public spaces, such as the Skopje 2014 project?

Current studies of China (Zhang 2011) and of those European countries hit hard by the economic crisis since 2007 (Halawa 2014, Palomera 2014) show that the political implications of urban financialization go beyond the use of space. They often revolve around middle-class hopes and aspirations, crucial components in fueling speculative investments (Smart and Lee 2003). In the case of China, Borenstein's (forthcoming) ethnographic feature explores the connection among rent, urban form, and middle-class dreams. In cities like Chongqing or Chengdu, middle-class buyers are conned by astute Chinese developers into buying properties that resemble famous European landmarks, such as German castles, through the performances of foreigners who generally pose as professional athletes or singers. Providing technical and ethnographic assistance to Borenstein during his filming, I became a famous rafting champion from the Congo for a day and was paid 75 USD. Yet such a scenario whereby urban imaginaries fuel speculation seems to fit societies where cash is abundant. The Macedonian middle class, however, has lost, rather than
gained, professional and economic relevance after socialism, and is not on the same path of economic growth like in China, Spain, or Hungary before the crisis.

Stuck in this position, citizens in the middle class have been extremely ambivalent towards the VMRO. While many hated the VMRO's urban aesthetics and plans, they also longed to transform the aesthetics and planned reality of Skopje. For a while, my middle-class interlocutors felt squeezed between having too little economic security, and yet enough to lose, in order to openly criticize the party. What convinced many of them to take to the streets in 2014 and 2015 was not the heightening of the crisis, as some scholars (Gonick 2015) observed in Spain during the 2007-2012 crisis. My data show that in a postsocialist and peripheral country like Macedonia, where the crisis has been protracted in different forms for twenty years (Belojevikj and Mattioli forthcoming), middle-class citizens came together in an urban space, the GTC. The GTC was a socialist space of consumption, one that had been built to embody the solidarity of the socialist urban fabric. Yet in 2014 and 2015, it became more than a symbol of socialism: it emerged as the most voted-on political actor in the history of the country. I believe this is significant for understanding middle-class positions. Individually, members of the middle class felt unable to stand up to the VMRO. Yet they identified with the stability and resilience of the GTC commercial center, which came to embody their quest for autonomy. The GTC, as a public space, could not be intimidated or subjected to illiquidity—that made it the perfect political actor to stand up against the VMRO regime.

6.2 Beyond Macedonia, or Beyond Financialization?

Much more needs to be done to fully develop a critical but deeply hermeneutic understanding of financialization in cities, especially given the wide layers of meanings and processes in which
financialization can manifest itself. Within the temporal and methodological limitation of a one-year-long ethnographic study corroborated by longitudinal observations and quantitative economic data, this dissertation argues that financialization can find surprising allies in authoritarian regimes and produce unexpected political landscapes as well as authoritarian subjects.

I want to stress here two interconnected conclusions that I think move forward contemporary understanding of financialization. The first one is banal: the financialization of Skopje is significantly different from that of New York or other global cities. This is not just a question of Neo-Baroque aesthetics against glass skyscrapers. In a capital-poor country like Macedonia, without natural resources or even extensive industry or productive sectors to attract offshoring, financialization needs to be actively groomed and captured. The Gruevski regime was very aggressive in branding Macedonia and positioning the country as a prime destination for investments, but with a specific agenda in mind. The VMRO was interested in more than simply opening the Macedonian market to international investors; rather, it wanted to utilize the market to generate political support and state power. That peculiar way of understanding financialization ultimately led to the opposition of European financial elites, who were capable of coexisting with a dictator, but not on his own terms. But what else could Macedonia have done? What other economic forms were available to the country? Without the political connections to the EU of Luxembourg or Switzerland, the size and labor force of Romania or Poland, or the direct links to the Silicon Valley of Taiwan, how could Macedonia have developed differently?

Gruevski engaged in, and encouraged the expansion of, forms of rent extraction whereby people and businessmen close to him were able to extract wealth from the rest of society. In fact, Gruevski implicitly utilized socialist-era instruments, such as social benefits and massive employment in stable public-sector jobs, to fuel the illusion that every citizen could become part
of a rentier class. Yet the lived reality of such a rentier class was not particularly comfortable. The scarcity of money, partly generated by Gruevski's monopoly over financial and domestic credit, pitted workers across business sectors against each other. At the same time, such a system of rent was definitely not unproductive, as some theorists have it. Not only did it push individuals and companies to join the VMRO party, but it also expanded the effect of international credit through in-kind exchanges or other forms of informal credit. Ultimately, I suggest that this might have been one of the reasons why Macedonia, a country without surpluses in the trade balance or national account, was able to navigate the 2007-2012 crisis better than other, more powerful and successful nations in the region. Given the overall peripheral condition of Macedonia, rent seems to have far more productive social functions than classic economists would concede.

This is not an endorsement of the Gruevski regime. I have seen my interlocutors alternate between desperation, resignation, and engagement in a game in which they had no aces. It is also not an attempt to blame Macedonia's failure on the EU or evil international forces, a conspiracy theory common among many leftists. Instead, I believe that my exposition of people's dilemmas with regard to a tightening financial landscape and their increasing reliance on models of personhood that emanate from a party makes the case for bringing back the political aspect of financial technologies and urban infrastructures. This means going beyond the prevailing understanding of finance as a technological and cultural product of Wall Street that proliferates through networks of human and non-human actors. In their current articulation, such theories have offered very little that can help us not only to understand but also to engage politically with the lived reality of oppression experienced in Macedonia and in many other small societies affected by financialization. Urban and financial anthropologists specifically cannot limit themselves to describing different ontologies or modes of being, as some proponents of the existential turn
suggest (Strathern 1988, De Castro 2015); cities around the world are being transformed at an incredible pace by financial processes and so are our ways of being together. Unless we want to redefine our discipline to a catalogue of diversity, even financial anthropology has to analyze the minutiae of power and inequality in a nuanced and practical way. This might require a theoretical shift from a paradigm based on finance and financialization to a framework that focuses on financing, embracing the intersection of different ways to generate, procure, and apportion wealth in societies across the globe.

6.3 After the Posts: What Comes after the Financialization of Postsocialist Societies?
Can the authoritarian subjection and regime that I describe be qualified as postsocialist? This question requires two kinds of answers. First, how significant are Macedonia's results in comparison with other countries in the region? Is Macedonia a unique case, or does it reflect some of the broader trends experienced by other authoritarian states? Second, are there any theoretical aspects that distinguish the authoritarian regimes that emerge through financialization from postsocialist and socialist societies?

Let me start by addressing the last question. Gruevski's regime had a certain appeal because it evoked some of the characteristics of socialism in the eyes of my interlocutors. In fact, some of the working rhythms observed on the workplace resembled and were dealt with in ways not completely different from those recorded by anthropologists working in socialist societies. Just like socialism, the VMRO regime provided people with a framework of meaning through which they could navigate chaotic times. This existential space was also rooted into a political economy that exchanged forms of redistribution for political support.
Instead of representing social fragmentation and political "feudalisms" (Verdery 1996, Humphrey 2000), the VMRO political economy controls the capacity to realize financial value. This suggests that postsocialism as a paradigm that describes a social condition of chaos and fragmentation might have become insufficient for capturing the vertical forms of power that articulate societies of Eastern Europe. This epochal shift, what my interlocutors have described as a second transition and what I have suggested corresponds to the unequal and peripheral insertion of Macedonia into global finance, is a shift of value, in both an economic and a moral sense. It occurs, however, beyond Macedonia, and beyond Eastern Europe. Workers and middle classes in Europe, Asia, Latin America, and North America have had a hard time realizing the value of their work, which is increasingly siphoned towards financial elites.

Yet while Gruevski's regime was interested in controlling citizens through the market, it was not quite as interested in working out forms of existential and economic security that would go beyond propaganda and would be sustainable on an everyday basis. Just like any other financialized institution, the VMRO centralized wealth and passed down risks. This left those groups of the population that did not have political protection vulnerable, as neither socialist nor transitional sensibilities, moralities, or strategies fit very well with the current authoritarian financialization. Patriarchal heteronormativity and solidarity in the workplace are seriously impaired by the lack of money. In a financialized economy, in fact, getting the job done is not enough. In addition, the informal networks that used to circumvent legality during the transition are not horizontal anymore. Under financialized conditions, one needs money and profit, and today, that means navigating an increasingly powerful and structured state system.

I do not know if this a strong enough case to claim that Macedonia is not postsocialist, or that the overall paradigm is obsolete. What I believe is that by considering the political
consequences of financialization, my dissertation creates an intellectual space to draw comparisons beyond the postsocialist region. It is certainly not a coincidence that so many citizens in Europe and the United States are dissatisfied with traditional elites, especially in relation to how they handled financialization processes. After all, if the US is seeing a self-proclaimed socialist and a real estate speculator as serious contenders for the presidential nomination, the Macedonian case not only makes sense but also becomes a good example for making sense of global politics. Only by understanding financialization as a complex interaction between financial markets and various kinds of social relations can we begin to grasp the impact of financialization on people's lives.
REFERENCES


