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Emerging Albania / **After Isolation, Chaos**

A Bitter Taste of Capitalism

By Christine Spolar
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VLORE. Albania — Wounded, sedated and stretched out on a hospital bed, Agim Hazizi roused himself to fever pitch when asked to describe the financial crisis that has spun this country into anarchy. "I've worked 32 years," the bus driver shouted. "I don't have a house. I don't have a cent to buy bread."

"I have only my head," he added, pushing himself up from a sweat-soaked bed in a dingy room at the hospital here. "Let them take my head."

After 45 years in the shackles of a repressive Communist dictatorship, in isolation from the rest of the world, Albanians had little notion of how capitalism worked when communism fell in 1991.

At least one-quarter of the population sank their life savings into get-rich-quick investment funds that were essentially pyramid schemes, and seven weeks after they began collapsing one after another, thousands of investors like Mr. Hazizi are screaming. "Where's my money!"

Their fury over the government's failure to warn or protect them has escalated from mass demonstrations into a deadly revolt. Now a fast-paced, all-out armed rebellion, fueled more by avarice and revenge than ideals, is burning through the southern half of Europe's poorest country.

Last week, protesters who were once ignored by the government took on the military and began raiding warehouses and weapons depots. Bands of undisciplined thugs have taken over cities throughout southern Albania, where President Sali Berisha's support is weakest and the financial losses have been greatest.

That the collapse of pyramid schemes could shake any place so deeply can be understood only by taking into

account the desperate and corrupt nature of life in Albania — and by peeking into the pocketbooks of people like Mr. Hazizi, who was shot in a recent gun battle between rebels and government security forces.

Six years after the Communist regime fell, people here survive on \$40 to \$60 a month. Those who have had the most success in these helter-skelter years of change are the ones who have operated outside the law, smuggling drugs, people or guns through Adriatic ports such as Vlore.

But the same chaotic conditions that enabled Albania's emerging criminal element to flourish also ensured the downfall of honest working people. Strangers to capitalism, with no experience in investment or securities, they leaped at the impossibly high profits promised by the pyramid schemes. Such ploys make big payouts as long as a pool of new investors pays up to keep them solvent: when the pool dries up the mirage collapses.

Mr. Hazizi, who has seven people to care for, tested the odds. He sold his home for \$25,000 and promptly plowed all the money into three funds. Within weeks, the funds went belly up. Mr. Hazizi joined the street protests and ended up shot. "All I want to do is feed my children," he said.

ALTHOUGH President Berisha's government has tried to defuse the uprising — first by cracking down with a state-of-emergency declaration last week, then by offering to halt military operations and grant amnesty to rebels who turn in their weapons — the renegades say they will not give up. They blame Mr. Berisha for the scandal and have demanded his resignation.

In an effort to form what he called a "government of reconciliation," Mr. Berisha offered Sunday to hold new elections. The parliamentary voting last May was riddled with fraud and gave his Democratic Party a virtual mono-



Yanna Behrakis/Reuters

Rebels parading through Permet after seizing it from the government. Five civilians were killed in the brief fighting for the town, one of several in the south that have fallen in the last week.

poly on power. But rebels here see his offer as a stalling tactic, and the revolts march on.

The insurgents drove security forces from Vlore on Feb. 28. Nearby Sarande and Delvine went to the rebels soon afterward. Then rebels overran Gjirokaster, near the border with Greece, on Saturday, and Sunday night the government lost control of the towns of Permet and Berat. On Monday, the city of Fier, crammed with secret police last week, appeared to be breaking away from government control.