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Utopia *Europa*? Transition and Responses to EU Rural Development Initiatives in the Republic of Macedonia's Tikveš Wine Region

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Introduction

"Crno e, Tikveško e"—[It's black, it's [from] Tikveš] is a well-known musical lyric about the dark red wine produced in the south-central Tikveš region of the Republic of Macedonia. Grape products—wine and brandy, primarily—from the region are among Macedonia's main agricultural exports, and in a country where nearly one-fifth of the workforce is involved in agriculture, their role in the country's economy is thus significant.[1] In Tikveš, this percentage is even greater, as an estimated ten thousand individuals and their families—half of the local population—grow grapes or other agricultural products. Grapes have supposedly been grown in Tikveš for millenia, though without doubt industriously since the middle of the 20th century when Tikveš was developed into the largest wine region not only of Yugoslavia but of Southeast Europe. Yugoslav growers could maintain ten hectares of private land and had the choice of where to sell their produce; however, the large state-run wineries in Tikveš paid well with little regard to quality, and were the primary buyers of the individual growers' grapes.

These relationships between growers and buyers continued throughout the 1990s despite the country's independence in 1991. The largest winery in the country, Tikveš Winery, was first denationalized in the late 1990s by distributing shares (*akcii*) of the company to its employees. Slowly moving toward privatization, it was first made into a public, employee-owned company (*akcionersko društvo*). However, it continued to buy nearly all of the grapes grown locally at inflated prices until after the company was fully privatized in 2004 when a shareholder and multimillionaire businessman bought a majority stake in it and took full control.[2] What followed was the liquidation of employees, the implementation of new standards and decreased production. Grape purchasing was thus effected. Severely low prices were paid, if growers were paid at all.[3] The winery's ownership shifted as did its relationship with the administration of Skopje, the country's capital. This is perhaps the most prominent example of privatization in the wine industry in the Tikveš region, but is just one instance of it.[4] Overall, privatization has incorporated questionable business practices and dealings, characterized by a strictly for-profit motive and disregard for the livelihoods of the grape-growing communities that have produced for the wine industry for decades.

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The region is undergoing the neoliberal marketization seen by several scholars in the East European, post-socialist world since the 1990s (Alexander 2004; Creed 1998; Hann 2003, 2006; Humphrey 2002; Kaneff 2002; Kideckel 1995; Lampland 1995; Verdery 1996, 1999, 2003; etc.). This paper illustrates the manifestation of neoliberalism via privatization and development in a rural, ethnically homogenous setting at the conclusion of the first decade of the 21st century. Given European Union (EU) integration and emerging inequalities surrounding it, I consider the tension between the social relations of production on the one side, and market capital on the other. In discussing the inequality behind mainly European development programs, and the consequent decreasingly utopian goal of joining the EU, I seek to discuss how Macedonians are struggling between the economic priorities of neoliberal governmentality and whether their subjugation is in fact their exclusion. I thus ask and seek to answer: is marketization occurring, or the reverse?

Macedonia's EU Candidacy and Pre-accession Measures

In December 2005 Macedonia became a candidate for EU membership. In preparation for eventual entry into the Union, the country has been obligated to comply with the EU's Instrument for Pre-accession Assistance (IPA) development scheme. Through the IPA, Macedonia has received half a billion Euros since 2007 for five components, from institution building to rural development. My research here focuses on the rural development (RD) component, known as the Instrument for Pre-accession Assistance for Rural Development, or IPARD.

The IPARD program was adopted by the European Commission (EC) in February 2008 through the National Agriculture and Rural Development Plan. Its overall objective is to "support implementation of policies to promote competitive and sustainable agriculture; develop strong and sustainable communities, and diverse and sustainable rural environment" (Delegation of the European Union, Fact Sheet 2010/03). In addition, the IPA Rural Development component supports the preparation for implementation of the EU Common Agricultural Policy (CAP)[5], including management of the European Agricultural Fund for Rural Development (EAFRD). In September 2009, the European Commission conferred the management of the IPARD to the national authorities in Macedonia—the Macedonian government and its respective ministries. Together, they should ensure the existence of sound financial management and implementation of the funds, including the required structures, rules, and procedures.

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

The IPARD program is thus significant for a predominantly agricultural country such as Macedonia, and one aspect of my fieldwork was to investigate how its implementation has affected rural communities. Indeed, its clearly stated aims are to transform not only the agricultural industry in Macedonia, but also the communities in which they exist. Yet such reorientation of production is difficult, as rural producers are rarely capable of generating the required capital needed for change by themselves, particularly such as the IPARD program calls for. Further, the EU's policies, reflecting "free-market" capital priorities, intend to incorporate Macedonian agriculture into an economic structure that does not seem to promote opportunity, but instead inequality at the hands of local elites who seek to exploit the increasingly impoverished pool of labor available to them. Ironically, Macedonian agriculture had until a decade ago looked more like that of the rest of Europe than it does now: protected by government price setting, subsidized for government-owned industrial production, and not meant to be competitive at all costs. This has all changed with the selling of state-owned wineries and the hands-off approach taken by the state, yet this process has occurred at rapid speed in the past five years in Tikveš. Although many have called foul on the connected businessmen and politicians behind the wine industry in Macedonia, even a wine law passed two years ago to purportedly help the struggling grape growers receive a fair price for their crop was struck down by the country's Constitutional Court, which considered it interference in the marketplace.

However, as David Kideckel (1995) observed early on in Romania's transition[6], agriculture is a unique branch of industry because land *is* a fixed and limited resource, and influenced by local customs and conditions which growers cannot quickly adjust to external demands such as those imposed by market-development priorities. For example, in Macedonia several grape growers were advised through the media publicity of a USAID agricultural consulting report to grow edible, table grapes for the Western market. But of those who did, few found a market for them: "Nema plasman," they said—[there is no channel/outlet]. In fact, growers see little incentive to shift to another crop, particularly when grapes are not only what they have produced for so long, but like other crops, require a significant initial financial investment and several years of growth before literally "bearing fruit." Who would rip up their land in order to plant other produce which might take just as long to create revenue at best, and which in all probability will not have a solid market in the near future? No one can blame growers in Tikveš for lacking the inclination to take chances with a new crop. Indeed, the current transition there is a game of chance with few rules, and an international affair whereby most grape growers are anything but confident in the future of their livelihoods. They continually ask: Will there be demand for their grapes or other produce in the future? Will the country actually join the EU and have access to that market? Only a few business-minded growers and traders would consider the latter in terms of market opportunities, but everyone wonders whether the country will even join the Union at all. With Greece's ongoing opposition to the country's name[7] along with the European financial crisis, "Euro-skepticism" runs high and the Europe of a decade ago seems to be an increasingly distant utopian ideal.[8] Moreover, agricultural support for current EU candidate countries has been decoupled and limited compared to that provided to the countries which entered the Union previously.[9]

Besides the IPARD program, the rural development plan for Macedonia is outlined in great detail in a 486 page document produced by the European Bank for Reconstruction and Development (EBRD). One of many observations within the text is the following: "Wine grape producers suffer from several management problems. Grape producers do not have the ability to obtain credit, or to influence raw materials supply, exert price control of the grape, and ensure timely payments for their deliveries" (EBRD FYR Macedonia Strategy 2010, pp.70-71). Therefore, powerless growers are facing a multi-pronged EU policy perspective that is essentially intent on downsizing wine-grape production through standardization and regulation. From an EU perspective, this aim is somewhat understandable, as the European wine-market is saturated and competitive.[10] Yet whereas Macedonia overall stands to fare well in the near future with its agricultural production in tobacco, fruits, and vegetables, given abundant produce and niche markets in Southeast Europe and Russia, one study states that "the only direction in which trade with Southeast Europe is expected to occur with EU countries is in viticulture and the wine trade" (Totev and Shahollari 2001).[11] That is, direct competition with other EU grape growers and wine producers is expected to significantly challenge the country's wine industry from 2013, when Macedonia must cease its tariffs on EU member-state wine imports. Further, because the EU agricultural policy has traditionally rewarded farmers who produce more, larger farms (of which there are few in Tikveš) benefit significantly more from subsidies than smaller ones, such as the family-labor holdings of Macedonia and the former Yugoslavia in general (OECD 2010). Therefore, Tikveš is in transition, yet the blueprint for the region's future may not be the most compatible with the EU nor viable for the country's wine industry.

While obstacles of some sort are inevitable in the country's transition (for countries and their policies are always in flux), to return to the above mentioned aspect of the EBRD's strategy for Macedonia—the lack of organization and control among the grape growers—the admonishing Macedonian proverb "bucni prčka, pij vino" [bury the vine and drink the wine] comes to mind. This is said to those expecting too much, too fast, and in referring to it I suggest that perhaps the fault lies partially among the growers. Perhaps they are continuing to plant without concern for changes to come through European policy, are in a sense hasty to earn without thought for demand, and are therefore woefully unprepared for the reality that awaits them. While technical expertise and the distribution of information about this transition in policy and production are much needed, many growers refuse to form cooperatives and some stubbornly continue to plant old varieties of grapes and assume that someone (likely the central government) will look out for their interests. But this is unlikely in the short-term, at best. It therefore becomes apparent that the complications associated with the transition to contemporary European agricultural standards in Tikveš are deep-seated[12], and make it essential to look at the balance of power, the social relations of production, and the local experience with the transition there. For in reality, policy coming from Brussels and implemented through Skopje seems to result in something akin to the children's game of "Chinese whispers" or "telephone," where a sentence whispered from ear to ear among a circle of children ends up rather different at the last child than what it began as. The same could be said of European policy as well, not only because the government has its own interests and concerns with how its agricultural industry is run, but because the on-the-ground reality of implementation in a country like Macedonia depends greatly not just on bureaucratic measures and funding, but social relations and connections. In short, there is an "economy of favors" (Ledeneva 1998) at work in Macedonia, whereby individuals must express deference, utilize connections, and return favors for assistance with whatever endeavors they participate in. Indeed, there is a form of patronage in Tikveš that dictates norms and customs.

In the rest of this paper, I therefore not only look at the local experience and how the IPARD's focus on rural development is implemented and utilized, but I consider the cultural influence and illustrate it through testimony from a local perspective. While national ministers and EU bureaucrats may idealize that rural agricultural development measures such as that of the IPARD can be taken advantage of by any citizen with the will to do so, this does not reflect the social hierarchy in place, and is thus simply not the case. In addition, procedural steps for the IPARD application include gaining access to credit, providing documentation that verifies ownership of the land to be worked or built on, various permits and official registration as a farmer (*zemjodelec*), and last but not least, having the connections to see through the combination of these into a viable and successful application.

The IPARD in Tikveš

One problem with the IPARD has been the poor transmission of information about the application process, and thus attempts to draw potential applicants to the presentation sessions held. Throughout the bulk of my fieldwork in 2011[13], during which there were four rounds of applications and funding for the IPARD, only on a few occasions did I see posters advertising the program beyond the Rural Development Agency (RDA)[14] office, where the program's management and administration is locally based. Although in central locations, information session posters had been placed in the windows of either the local library or cultural center in the two largest Tikveš towns, Kavadarci and Negotino, as well as in a café in the smaller town of Rosoman. On at least one occasion, the RDA advertised the presentation to be made in a nearby town only a day in advance. Yet, as I further discuss below, for those I know who were even aware of the program and attended such presentations, they perceived the application process as extremely complicated at best, and often impossible given a lack of official documentation, a solid business plan, and accessible funding needed to match the IPARD grant.

One of the IPARD presentations I attended was in Demir Kapija[15], a small town which sits on a flat bed of riparian growth at the convergence of two rivers. The resulting river, the Vardar, then proceeds through a stunning rock gorge (*klisura*) on its way to the Aegean Sea, and the town is famous for this natural metal-rich, geological barrier, its name in Turkish meaning something akin to "Iron Gate." Vineyards dot the landscape along the riversides, and growers depend on the country's wine production for their income. I visited Demir Kapija often for this reason, as the economies of Negotino and Kavadarci, in particular, were more diverse.

On a hot summer day in July 2011 I drove there specifically for an IPARD presentation. I had only found out about the presentation the day before, as it was in fact only decided that day when it would be.[16] Only a day of planning meant little time for advertising, so I was surprised to see even nine persons in attendance. The presenters, however, rapidly proceeded through a lengthy and difficult to follow session. Lasting just a half hour, two representatives from the RDA office in Negotino showed slides on a screen behind them on the stage in the town's cultural center (*dom na kultura*), which because of small letters and an over-abundance of text on the slides, were unreadable. Concurrently, they discussed the details of the application and then asked for any questions, but hastily dismissed the two they received. One was from an apparent farmer asking about a parcel of land in a certain vicinity of the municipality and whether it was suitable for IPARD rural tourism funding (it was not), and the other was about developing beehives for honey production. This was possible, but the answer to it reflects the natural difficulty most interested individuals face: although the IPARD funding could support honey production, the total application expenses must be at least €5,000 for there to be any agreement and contribution from the IPARD. Many growers, however, cannot consider matching half of that, or €2,500 plus, so must dismiss the idea of participating.

The presentation had ended quickly, with little casual conversation about the program, so I spoke to an acquaintance, Tošo, in the main-street café restaurant (*kafana*) just outside the cultural center afterward. He said he would have liked to have attended—had he only known the presentation was going on. His idea is for developing a five hectare plot of land that he and his brother have. Two hectares are grapes—but un-irrigated and thus poor quality ones[17]—so he was interested in what he could do with the other few hectares. This round of the program lost him, however, and another guy sitting there commented "nothing's clear to me about this program. We're sitting right here and we didn't even know it was going on in there."

Marketing the program and gaining the attention of potential applicants is in fact problematic. But funding is the most significant issue for most interested individuals. The requirement that a project cost at least €5,000, with half of the investment coming from the applicant, is impossible for many. With an average income of €350 a month for *the employed* in Macedonia, €2,500 is well over half a year's income. Although it is difficult to gauge what a farmer's income actually is, for it depends on a number of factors, the amount of money required for an investment through the IPARD is substantial. Thus it came as no surprise that the RDA officials seemed to have little faith in their presentations resulting in viable applications, particularly from a town such as Demir Kapija.

Back in the RDA's office in Kavadarci, a place I visited regularly and in which I was well-received, we discussed the latter the following day. The administrators there admitted the session I had attended was poorly planned, but did not blame their colleagues in the Negotino office. One said "it's difficult in a town like Demir Kapija. Who can participate? They're all farmers there." This clearly reflects the administrative attitude around the IPARD and who should or is likely to participate. But having missed a presentation that the RDA officials from the Kavadarci office had done the same day, I asked them how theirs in the nearby town of Rosoman had gone. It had been better planned and advertised, as I had even seen a poster for it the week before when in the small town investigating their peach market.[18] My main informant in the office, Dragi, said that they had 34 people show up. I asked whether any were applying and he said some will, but whether they would receive funding was debatable. "It takes large investments which farmers don't have. How can they be expected to conform to EU [via IPARD funds] standards when they're hardly paid for their produce? Are they expected to put what they earn into investments for an uncertain future (*neizvesna idnina*)?" He has a good point and knows personally—Dragi is from a farming family and is not employed by the RDA, but has immersed himself into the local office as a volunteer of sorts. On several occasions we discussed over Turkish coffee the plight of grape growers in the region, and I consider him a friend. But with no guarantees for export markets and thus income, life for growers like Dragi and his family is full of uncertainty, and utilizing the IPARD funds does not provide any remedy. We had spoken, for example, about why there are not individuals renovating their homes for rural tourism, an issue which had come up several times when chatting with grape-growers about other opportunities, such as the IPARD might assist with. Dragi, as did my grower acquaintances, towed the typical line of "there aren't tourists in Macedonia," to which I countered and said that indeed there are—just look at Popova Kula in Demir Kapija, or other wineries in the region providing tours and building tasting rooms. "But they won't come," he muttered, and the point was clear: rural agriculturalists, and even someone affiliated with the agency such as himself, lacked optimism, and seemed unwilling to admit and thus recognize the change necessary to make a program such as the tourism component of the IPARD work.

For the individual who does not come from a connected or well-off family—as most successful IPARD applicants do and which I discuss momentarily—there are not only the bureaucratic hoops to jump through in submitting a good application, there are true dangers in accessing the necessary capital to match the IPARD grant. One story I heard about was of a few grape growers sitting in a café in the town of Negotino. They had an idea for an IPARD application and were speaking about how to get the funds to match their share of it, when a man near them approached and said he could help them out. He claimed he was from the capital, Skopje, and had the connections to get them the money they needed. Skilled in what he was doing, he said he needed some money up front, which they provided. The sum is uncertain, but they never heard from him again, and soon after the local media notified the general public of the scam-artist at work. This is unfortunate, but in some ways banks are doing the same. There are several advertisements for agricultural loans, with banks claiming they are "supporting agriculture" (*podržuva zemjodelstvo*). One bank in particular, the Austrian-owned Sparkasse, loaned out three-quarters of a million euros to agriculturalists in Macedonia by the middle of 2011. While many grape growers seek these funds for new equipment, such as tractors, and for installing better irrigation systems in their vineyards, I am well aware of some individuals who took the loans simply to cover costs during what has been a very difficult period of unpaid or under-paid grape harvests. The repercussions of taking these loans, however, are significant. With high interest rates (*kamata*), individuals must provide collateral to qualify for such loans. Their inability to pay off their loan could thus result in the confiscation of a variety of property, from the machinery they purchased to other possessions, including property such as their vineyards or home.

Overall, the IPARD did not have what could be considered a successful year of rural development funding in 2011. Out of 245 applications through the first two rounds of funding in Macedonia, there were 27 agreements and three projects completed. The EC's representative, Gerrard Quille, commented "maybe it is a small number of accepted applications, but in general we are on the right path and farmers should take advantage of this opportunity" (Angelovska 2011). Yet of the 112 applications in the second round of the IPARD funding, for example, most (67) were for individuals interested in replacing equipment, such as tractors and other machinery, 25 were interested in product processing and promotion (such as juice, canned or jarred goods, etc.), and just 20 were for rural economic development activities.

From Dairy to Wine: the IPARD at Work

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

Funding for wine related expenses includes the "cap-by-cap" (*kapka po kapka*)[19] irrigation systems, new vineyards altogether, machinery for soil tilling and pesticide spraying, as well as cooling tanks and barrels for wine production facilities. Although I met no one personally who had used the IPARD funding for a cap-by-cap system, it has been a growing trend to put such a system in place given the decrepit state of the Yugoslav-era irrigation system. The family winery which received funding in 2011, however, was a large investment which was publicized in the national media. During its opening ceremony, the representative from the European Commission, Gerrard Quille, the head of the head of the RDA, and many members of the family behind it, the Teodorovi (pseudonym), were present. Besides the pomp surrounding the special guest visitor from the EC, including the imbibing and promoting of Macedonian wine, Quille spoke about the program. Stating he was very pleased with the "interest by Macedonian agro-businessmen," he added of the IPARD that "the goal is the realization of the European Union's standards, which will act as a guarantee for greater interaction with those markets."

The Teodorovi—a prominent family in town with strong ties to the socialist wine industry—had put significant effort into the wine production facility they built using the IPARD funding, including new tanks to stabilize their wine and its fermentation. They consequently multiplied their production by a factor of six, which led me to ask the Teodorov's daughter, Elena—who has a degree in agricultural engineering—where would all of this wine go. She said "we will focus on both regular and dessert wines. The wine sector is difficult right now, but that is just more of a challenge for us. The domestic market is very small, but we have some agreements in outside markets (*nadvorešnite pazari*) which I think will be realized, and we've already sold a portion of our wines." The Teodorovi, who have long been involved in the region's wine industry, seemed enthusiastic about opportunities awaiting them in the national and international wine market. But another significant IPARD recipient was less so, and seemed to have utilized the IPARD opportunity in order to merely expand the facilities for their hobby wine-making.

Fraud and the IPARD? The Case of Meca Komerc

Another example of the IPARD funding's recipients is that of a family who lived down the street from me. As their son Vlado (pseudonym) explained, the company's history is lengthy: During Yugoslavia, Vlado's grandfather, Meca, began transporting grapes among other produce to Croatia and Serbia and selling them there. Unlike most enterprises his was "private" (*privatno*) from the beginning. He used a *kombi*, or van, to transport the produce at first, then bought a truck with a camper trailer, so that he could stay in Croatia and Serbia all summer, sleeping at the markets and transporting produce to and from Macedonia. As his family and business grew, his sons bought the produce in Macedonia and a driver brought it up to wherever Meca was located. Over several years Meca's connections and business meant growth in his distribution and earnings.

The company was divided into two a decade ago, in order for Meca's two sons to have an equal share in it. Yet they still manage the businesses together, and the other half of the business, Kavdion Komerc, has its warehouse and office facilities directly next to Meca Komerc. They are thus only divided on paper, and over three decades the business as a whole has grown into the largest produce import-export group in Kavadarci and the region, owning a dozen trucks and sending their produce throughout the former Yugoslavia and into Ukraine, Belarus, and Russia. They not only transport a variety of produce from Tikveš and the large Gevgelija-Valandovo region to the south, but wine grapes bought at extremely low prices (due to the crisis in the last decade), which they then export to other countries for wine production there.[20]

The family has thus been opportunistic and successful, and is comparatively wealthy as a result. They have taken advantage of not only EU funding, but USAID as well—they traveled to California on a wine development trip, visiting the oenology labs at UC Davis to learn about modern wine production. They enjoyed this visit and opportunity greatly, and told me about it at length. In terms of the IPARD, the family took advantage of the IPARD funds for their winery project early on, purchasing two cooling tanks for the cellar beneath one of their warehouses in 2009. For it, they acquired two cistern tanks which cool the wine to kill off bacteria and better preserve it. With both together costing upwards of €30,000 and the IPARD covering half of the cost, this was a significant amount of money "poured" into their wine cellar. Yet, as they told me, their bottling is mostly hobby and for local sale, and they only sell abroad just over the border in southern Serbia.

So why would the IPARD fund such a project? Beyond the bureaucratic need to create and utilize budgets, the answer to this helps explain how the connected are able to maintain their success, and how the EU's development strategies are not in fact enabling just anyone in Macedonia but quite the opposite: it is the elite families such as the Teodorovi and the latter who are able to take advantage of the IPARD funding. Further, in all likelihood the wine cellar of *Meca Komerc* was described in their IPARD application as a business opportunity, when in reality there is little actual likelihood of growing that aspect of their business and producing wine to sell. Having studied actual wine production in the course of my research, I noted that their wine bottling and labeling lacks the sophistication of serious commercial producers, and they did not emphasize that they intended to get involved in the wine business. What they and the Teodorovi have, among others who qualify for the bulk of the IPARD funding for such large projects, is the requisite co-funding required of the program. A significant portion of their venture's expenses are thus covered with EU and Macedonian taxpayer money, demonstrating and corroborating the reality that "it takes money to make money" with the IPARD program.[21]

Conclusion

In conclusion, I attempt to clarify what neoliberal marketization and connectedness means in Tikveš, and emphasize that the benefits from them coincide with the confusion in the agricultural sector due to the rapid transformation of agriculture and wine production over the past decade. Locally, the general understanding of the new social order is that "corruption" (*korupcija*), "privatization" (*privatizacija*), and "mafia" (*mafija*) have infiltrated government and society. The grape growers frequently refer to the winery and business owners as "vinska mafija" [wine mafia], and did their best to incorporate this discourse into conversations with me, claiming that the wine industry is run by a group of criminals. Although I am certain that there are a variety of businessmen who are in fact now running the country's wine industry, I do not consider them mafia in the traditional, violent sense. Instead, they are merely opportunistic and connected individuals who get away with what they can, continually seeking to ensure that they maintain their status through influencing the political apparatus. They have consequently benefited greatly from the privatization of the wineries, and are the "wine mafia" only to the extent that they dominate the wine industry and social hierarchy around it; their gain is the other's loss.

A sage older lady who lived near to us, Verica, lamented the catastrophic crisis in their region regularly. Unpaid for their crop for three years, she and her husband had ceased tending to their vineyards, instead growing a variety of produce in a small area they cleared of vines. By forcing herself and others to return to a subsistence based lifestyle, she claimed that the "wine mafia" was "destroying [Tikveš] society" (*uništi opštestvo*). But with ministers claiming that they seek to maximize the absorption of EU funds, it is evident to many I know that politicians are only lining their own pockets through the EU accession process. They rhetorically ask, "What do the politicians care about us? They just want to get rich."[22]

In terms of policy, the government's role in this neoliberally guided transition in Tikveš has been through decreased support for and regulation of not only grape production, but of tobacco—the country's largest export—as well as other produce. Instead of setting prices for produce and ensuring their purchase and distribution, the government has taken a hands-off approach, leaving it up to buyers to negotiate with sellers. This is unequivocally one aspect of contemporary marketization supported by the European integration priorities such as the IPA, yet it has resulted in a de-legitimization of the state in the last five years. Altogether, party politics still make the political apparatus seem well in place, but condemnation by the international community of the government's control of the media, concurrent protests from a variety of factions, from grape growers to ethnic minorities, and fierce political opposition to many of the government's (often nationalist and seemingly irredentist) policies, shows an undercurrent of dissent.

In consideration of this and in terms of the IPARD, we therefore see a dilemma—European integration could benefit EU member states and politically connected elites in Macedonia, yet it is far from ideal for the majority of grape growers and other agriculturalists. Indeed, the EC's representative, Gerrard Quille, stated "This is [just] the beginning for Macedonian farmers. Some of them are not used to the conditions [required] and they do not know exactly how to submit applications. Yet the number of rejected applications decreases every year" (Angelovska 2011). As previously mentioned, however, there is an evident tendency for the IPARD program to support those who already have the finances to invest. Admittedly, this is potentially beneficial for the region and country in terms of increased income and thus capital, but the problem lies in the lack of regulation, justice, redistribution, and thus opportunity and equality for low-income, independent agriculturalists. They not only do not have the income and connections to receive the IPARD funding, but they are subject to the demands of the rich and powerful—the politicians and "wine mafia"—who are left unchecked by the government and judicial prosecution, if they are not in fact commanding it. In addition, the ability by the "wine mafia" to control the market as they do means that they have little incentive to join the EU and become subject to the true competitiveness and regulation of production (including the labor) that the EU demands.

I thus suggest that the EU, through the IPARD in this case, is using economic and political muscle to change a less-developed system than its own in Macedonia into the form it sees fit. Without both the concern for the toll this takes on the large majority of the population, and the realistic probability that the businessmen with whom it is working do not seek to actually become incorporated into the European model, there is a contradiction at work. Indeed, it may be due to a cultural misunderstanding that the EU continues on this path, for the faith it invests in the Macedonian authorities to ensure equal opportunity in the IPARD funding process is in reality met on the ground by a cultural milieu whereby patron-client and kinship relationships, and the power that comes through them, supersede institutional authority. The latter, which the EU is in part attempting to establish through the IPARD distribution of EU taxpayer money, is only one layer of Macedonia's diverse social strata, and the discourse and various tensions playing out through them.

Therefore, as asked in the introduction—is marketization occurring, or the reverse? What tensions exist and how do they influence the region and country's development and incorporation into the global marketplace? Borrowing from the IPARD scheme, it seems that marketization is only occurring among a minor portion of Tikveš society—those with the financial and social means to participate in development schemes and consume the goods of the modern, global economy. One issue that both sides of the spectrum face there is the fact that the state bureaucracy has neglected the people while failing to modernize and transform itself alongside the implementation of neoliberal economic policies.

The place and future of agriculture thus come to the fore. Statistically, only seven percent of registered farmers are under 45 years of age.[23] However, this without a doubt reflects another reality of the transition over the last decade: not only are younger Macedonians less inclined to go into agriculture, they have a visible disincentive in doing so. On top of this, agriculture has gone from being a viable, official occupation to being an occupation of last resort. Plots of land which are owned by the older generation of farmers have remained in their hands as a result, with their children only working the land because there is little other opportunity available. Indeed, including inherited land, less than a quarter of owned land belongs to these younger farmers.

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

The main difficulties with the IPARD for most potential applicants are therefore financial, social, and customary, and infect individuals with feelings of uncertainty. Many doubt that their region will prosper if the country joins the EU, and they lack faith in both. Yet the EU is explicitly attempting to modify Macedonia's agricultural sector and conform it to European standards, and as the European Commission's Gerard Quille stated, to "act as a guarantee for greater interaction with those markets." In doing so though, it may be guilty of not only aiming too high, but missing the mark in terms of understanding what needs reforming in Macedonia instead of the market. For it is not just the agricultural and business sectors, but the culture of corruption at the governmental, bureaucratic, and judicial levels (illuminated here by the "wine mafia") which needs reform and better regulation. Only this will help ensure agriculturalists such as the grape growers of Tikveš a more equitable livelihood, and help alleviate the tensions that have arisen alongside neoliberal marketization and preparation for EU entry.

NOTES

[1] In fact, the republic received significant agricultural subsidies from its wealthier northern neighbors. The result was rapid industrialization and a standard of living which surpassed anything farmers had seen prior to World War II, and which crowned the socialist world in terms of opportunity and travel. "Yugo-nostalgia" is thus an understatement for the older generations who have seen drastic changes to the former Yugoslavia in the past two decades.

[2] His company is a large conglomerate which produces the country's most popular beer, Skopsko, as well as Coca-Cola, and owns franchise rights for McDonalds.

[3] Many of the region's growers have seen unpaid or partially paid harvests since 2007. This has been considered a "catastrophe" (*katastrofa*) for the region and its inhabitants' livelihoods, and is the overall context of my doctoral research.

[4] I mention Tikveš Winery for several reasons: 1) It is a five minute walk from where I lived in Tikveš' largest wine town, Kavadarci. 2) It was Tikveš' largest state owned winery, producing ten times the quantity of wine during Yugoslavia as it does now. 3) It is greatly despised (even "hated") because of the fast-track to capitalist marketization that it was put on, and how it now treats the grape growers it depended on for so long. Its new ownership, operations, prices, and marketing all reflect such changes.

[5] The CAP is the overarching European policy for agriculture, which once a country joins the EU they are thenceforth subject to.

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

[7] Since the country's independence in 1991, Greece has opposed use of the name Macedonia, claiming it to be Hellenic and only applicable to its northern province. Greece consequently refers to the country only as FYROM (meaning "former Yugoslav Republic of Macedonia") or informally, by its capital, calling it the "Republic of Skopje." Their opposition has resulted in economic embargoes and political roadblocks to Macedonia's attempts to enter NATO and the EU.

[8] This is due to several reasons: the austerity crisis in the Union and neighboring

Greece, Brussels itself expressing doubt that it can afford to take on new member states, anecdotal evidence from EU member neighbors of the decline in their standard of living (often heard when traveling through Bulgaria and Greece), and last but not least, the Greek government's staunch opposition to the Republic of Macedonia's right to self-determination and use of the name Macedonia.

[9] This may be the result of stagnation within the Union though, and a need to slow its expansion given its internal economic and political strife.

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

[11] Macedonia does not stand to gain much market-share in the EU with its other agricultural produce, due to domination by suppliers in Spain, Italy, and Africa.

[12] The unwillingness of agriculturalists throughout the country to form cooperatives has received significant attention from both the government's Ministry of Agriculture as well as at least one development agency, that of the Netherlands (SNV). I am aware of this through an informal relationship in Kavadarci: the agency's former director is married to a woman from the town.

[13] I was in the field from August 2010 until September 2011.

[14] *Agencija za ruralen razvoj*.

[15] Demir Kapija is also famous for its two wineries. One dates back nearly a century to the 1930s, when the country was under Serbian rule during the inter-war years, and was built for the Serbian King Aleksandar. The second is much newer, and is the product of a Macedonian businessman with an American MBA and dream to see a Napa Valley style winery and tourist destination in Tikveš. The winery, Popova Kula, has been very successful with wealthier Macedonians and tourists. Yet sitting atop a hill in town, the winery and its clientele create a stark contrast with the livelihoods of the town's mainly agricultural inhabitants below. For they live in a town which never had a large factory or other socially owned industrial enterprise, but has been in recent times primarily agricultural. Those I spoke to said it was good for the town, but they would never go "up there." One woman, contrasting the smaller cars of the Yugoslav era that locals still drive, with the larger, newer sedans and SUVs of wealthier Macedonians, primarily from the capital, said "it's for people with big cars."

[16] I know this because two days prior I had been in the Rural Development Agency's office near where I lived in Kavadarci, 20 miles away, and it had not yet been determined.

[17] Though he had still been optimistically tending to and spraying them with pesticides.

[18] Rosoman has successfully shifted its production in the past decade from primarily grapes to peaches. This crop, which is mainly exported throughout the former Yugoslavia, and into Ukraine and Russia, has been a boon for the town. Other farmers have thus sought to get in on the business, but in doing so have created a market surplus, and brought the attention of traders keen on getting their share of the profits. What I witnessed there was thus less positive than I had expected: peach growers were subject to afternoon long negotiations with buyers and traders from other towns in the country, and in the end being paid half the price they had received in years prior. The family with whom I spent one afternoon observing such negotiations had traveled ten kilometers by tractor, and when underpaid for their crop left very angry and upset.

[19] The "cap-by-cap" system requires a water basin which when full distributes water through pierced hoses which run down rows of vineyards, slowly releasing water drop-by-drop. It is a significant investment, and one grower I knew made the investment independently with his brother for their well-known table-grape vineyards (they export most of them to Kosovo). The materials and labor cost him over €4,000, he estimated, but have become more necessary as the former government managed irrigation infrastructure, including a series of canals throughout the region, have fallen apart and no longer provide the water that vineyards need.

[20] Wine production using Macedonian grapes dates back to the Yugoslav era, when Slovenia in particular purchased Tikveš grapes for wine production. The wine, somewhat contentiously, was and remains labeled as Slovenian wine, even though the grapes used are clearly not Slovenian. More recently, grapes have been exported to Bulgaria, whose significant wine industry has also seen radical change but greater abandonment by agriculturalists who, more mobile since the 1990s, have sought work opportunities in other industries and countries abroad.

[21] Vice Minister for Agriculture, Perica Ivanoski, said "the absorption of IPARD assets depends on many factors. The government wants to secure the maximum amount in order to utilize the great amount of money that we are entitled to from the European Union" (Angelovska 2011).

[22] "Ne im e gajle za nas, samo sakaat da se zbogatat."

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

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