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Fatos Lubonja: Albania's PM Edi Rama 'makes a better façade'

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Albanian writer **Fatos Lubonja** has been defined by journalist Andrew Gumbel as “the closest thing Albania has to an intellectual conscience: a former political prisoner, publisher, writer and activist who has never been afraid to offer his frank opinions, even in the depths of the Enver Hoxha years”.



Joanna Hanson, LSEE Visiting Senior Fellow, and Fatos Lubonja presenting his book at the LSE

His outspokenness has not been mitigated by the years. He told LSEE:

The difference between countries where rule of law is present and those where it is not is simply that in the chair of power of the first type of countries there is the Law, not one person. Until now, in Albania we have always had a person sitting in the chair of power, not the Law. [The incumbent Prime Minister] Edi Rama is also personalising the institutions, even though he is a more open-minded person, more in line with the 'European values' – if I can define them as such – related to the respect of human rights in their broadest sense.

But, on the other side, there is always a contradiction between the democratic façade and the real work of the institutions in the country, which are very often captured by organised crime. This has created a double language among Albanian politicians: one language for internationals speaking about Europe, and one language for the inside, a mixture of nationalistic rhetoric plus of course the struggle for power.

Rama makes a better façade.

We are grateful to Istros Books for letting us publish an excerpt of Fatos Lubonja' new work: **The False Apocalypse – From Stalinism to Capitalism**, which has been recently [launched at LSEE](#). The book deals with the tragic events that have shaken post-Communist Albania in 1997, when many fell prey to fraudsters who lured ordinary citizens to invest in their pyramid schemes. You can order it [at this link](#).

Chapter XIX

VEFA HOLDINGS

Western journalists, thronging to Albania as never before in that calamitous winter, described Tirana as the 'least European' capital they had ever seen. One compared the Martyrs of the Nation Boulevard, the pride of the city, to a street in Kathmandu. The giant electronic advertisement for 'VEFA HOLDINGS' stuck to the façade of the Palace of Culture was particularly striking. 'Tourism — Supermarkets — Resorts — Exclusive Events — Storage — Refrigeration — Transport — Investment' flickered in turn with continually shifting colours and images. By February, it was the only pyramid advertisement that remained.

VEFA Holdings had the reputation of a company of 'European standing'. Its headquarters were on the square named after Avni Rustemi, whose grimy bust stood in the garbage-strewn central flowerbed, surrounded by dust and rubbish. Nobody paid attention any more to this national hero. People looked at the gates of VEFA behind him, gathering in larger numbers every day and waiting to withdraw their money. Men in leather jackets, clearly secret police agents, were there to ensure the crowd did not try to storm the gates. Western journalists and cameramen also hung around the VEFA railings, filming and interviewing.

Waiting for the counters to open, people talked about the sums they had poured into VEFA and the profits they were forgoing. They also talked to the leather jackets about their misfortunes and flocked round Western journalists to tell them their woes. Speakers of foreign languages first described their own troubles and then interpreted the tragedies of others. But usually at this point they came up against the leather jackets, whose job was, as far as possible, to prevent this kind of contact.

A notice had been fixed to the railings surrounding the firm's headquarters: 'The President can only be contacted at his own invitation.'

President Vehbi Alimuçaj's glory days were over. At one time he had lived like an Arab sheikh in the most expensive hotels of Europe, escorted by an entourage who shared his pleasures, and spending his nights with the most beautiful prostitutes. But now the crowds monitored his every movement, and kept tabs day and night on his white helicopter with the blue VEFA logo that still stood in a clearing in the park of Tirana. The presence of this helicopter was a sign that its owner had not vanished as others had. In fact, Alimuçaj had tried to flee to the United States but the Americans had denied him a visa. He had retreated for twenty-four hours to his native mountains of Kukës and then found the courage to return to Tirana to pose again as a man of power behind his desk at his fine headquarters on Avni Rustemi Square. A journalist friend of Qorri's who had penetrated his citadel had found him in a huge drawing room, with, amazingly, a piano in the corner. 'Do you fancy some music?' Vehbi had said to him. 'Sure,' he had replied, humouring him. Vehbi had rung a bell and immediately a young woman appeared. 'What piece shall she play?' Vehbi asked. The journalist shook his head indecisively. 'Play that thing of Louise's,' Vehbi decided for him, and she had played Beethoven's 'Für Elise.'

With his pot belly, bulging eyes, and fat man's waddle, Vehbi Alimuçaj was the laughing stock of half the nation. How had this military storekeeper turned out cleverer than all the trained officers of the Albanian Army, and become the richest man in the country? How could he have deceived everyone? Some people offered the simple explanation that capitalism had produced a new kind of individual with different characteristics from the socialist personality. Hadn't these former drivers and bodyguards shown certain talents that their communist bosses had never displayed? New capitalist man, the model businessman, had a different mentality, and so should look different. This theory had plenty of adherents, but not among intelligent people. Others claimed that behind the drivers and bodyguards stood their patrons, either those from the past or newly acquired ones. Otherwise, how could these people have gained credibility? How many of the distinctly racist Albanians, would have trusted Sudja, the Roma 'boss', if they had not believed that a 'person in charge,' alias Prime Minister Meksi, stood behind her? Even when Sudja was arrested, it was rumoured that she was detained in order to prevent his name being revealed. Most people believed that these characters were fronts who shielded the much more capable ruffians who led the state. So they had trusted them, and now they turned against them in fury.

'I'm a language teacher. I put in \$500. That's a large sum for me. Now I need that money because my granddaughter's getting married,' said a white-haired man, speaking French to a foreign journalist. 'All right, all right,' the leather-jacketed SHIK agent interrupted, shoving him out of the queue with the aid of his belly. 'Five hundred dollars,' the teacher shouted again, trying to make clear to the journalist the extent of his catastrophe.

'What will you do if VEFA goes bankrupt?' the journalist asked the first person in front of him. The Albanian interpreter clinging to him translated.

'If VEFA goes bankrupt, it's the end of everything.'

'If VEFA collapses, all Tirana will take to the streets, SHIK or no SHIK,' people round about chorused, speaking for the leather jackets too.

Berisha's political future was tied to the fate of these hundreds and thousands of people who crowded round VEFA's railings. Vehbi called them 'creditors' because, according to him, their money had been taken in the form of credit to a company that was making investments. Some people still hoped that this former storekeeper could do something. A new rumour had spread that the bosses of Sacra Corona Unita, with whom he had done business, had come to his aid, and \$1 billion in cash had been brought in suitcases loaded onto the ferries

between Brindisi and Vlora and Durrës, which Alimuçaj himself owned. The government, people said, had given carte blanche to some Vlora traffickers linked to VEFA, to find whatever money they could to cover its losses.

From the State Bank on Martyrs of the Nation Boulevard came news that seemed indirectly to confirm the reported billion-dollar lifebelt thrown by the Apulian mafia to the Albanian billionaire. 'It is hard to assess,' a senior bank official declared, 'how much money Alimuçaj has here in Albania. He has accounts and deposits in all the banks in this country, national and foreign. There may be tens of billions. If he's starting to pay back the money, this money clearly has come from somewhere, but it's not money that has moved through normal banking channels.' The source of this money was the last thing on people's minds. The most important question was whether it would be enough to calm the streets and avert bloodshed.

The evening news reported that VEFA had begun to pay out money again, and had closed its counters only at times when the situation had become strained. The company had decided to return the small sums that were most important for ordinary people. Then it would refund investors of \$5,000 to \$10,000 and then \$10,000 to \$20,000. The entire procedure would take three weeks.

Clearly this tactic was designed to gain three weeks' breathing space, with the knowledge that anything could happen in that time. Nobody knew if money was really being paid out or not. The next day, Albania ran the headline: 'VEFA Paying Back Capital Too,' but soon it was being claimed that the rumour of the opening of the counters had been spread because a group of about fifty government grandees had got back their money from VEFA, with interest. The opposition press ran contradictory reports: 'VEFA Suspends Payments,' 'VEFA Fails to Repay as Promised,' 'VEFA Faces Bankruptcy.'

The confusion was growing.

A statement by the Greek interior minister poured cold water on all these conflicting reports. He declared that a large-scale drugs laboratory somewhere between Vlora and Fier was supplying Greece, Italy, and the markets of the East, and that this laboratory belonged to Rrapush Xhaferri, the chief of the pyramid that bore his name.

Xhaferri was another fraudster who had amazed his fellow-citizens of Lushnja not only by becoming extremely rich, but also acquiring fame in the realm of football. With the money he collected, he had revived the town's football team and even bought some Latin American stars who were on the verge of retirement. But this glory was short-lived. Most of these star players left because the massive salaries they were promised dried up after the first few months.

The statement by the Greek interior minister also hastened the collapse of VEFA and Alimuçaj.

Western journalists, after talking to the people gathered outside VEFA's office, returned to the Rogner to meet politicians and diplomats.

'What do you think will happen with VEFA?' they asked.

'Who knows?' came the usual reply.

Note: This article gives the views of the author and interviewee, and not the position of LSEE Research on SEE, nor of the London School of Economics.

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