



TOPIC ABSTRACT

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CONTEMPORARY CRISIS

United Nations
Security Council:
Albanian Civil War,
1997

**THE SIXTY-FIRST ANNUAL NORTH
AMERICAN INVITATIONAL
MODEL UNITED NATIONS**





Dear Delegates and Advisors,

Greetings from NAIMUN LXI! Our staff has been working hard to make this year's conference the most rewarding and educational experience yet, and we are so excited to welcome you all to Washington, D.C. in February!

This document is the topic abstract for the **United Nations Security Council: Albanian Civil War, 1997**. It contains three key elements to help you prepare well in advance for the committee: topic descriptions, questions to consider, and additional research avenues. This abstract will provide you with a better understanding of the committee's content and procedures, and it can act as a starting point for further research.

We hope to be of assistance to you in your preparation for NAIMUN LXI. If you have any questions, comments, or concerns, please feel free to contact the Secretary-General, Director-General, or your Under-Secretaries-General. You may also contact your dais directly at unsc@modelun.org. We look forward to welcoming you to the NAIMUN family!

Best,

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What is a Crisis Committee?

Crisis committees are small meetings of fewer than 30 delegates that narrowly focus on specific issues, geographic areas, and historical periods. While General Assembly-style committees vote on one of two topics to discuss for the entire conference weekend, crisis committees operate under one single dynamic topic, with suggested areas of debate and discussion in the subtopics below. These “Issues to Consider” are not hard and fast topics, and delegates can incorporate them into the committee however they choose. Crisis committees also have the distinguishing characteristic of portfolio powers, which grant each delegate unique powers that they can use to shape the “world” they simulate in their committees. Moreover, crisis committees include crisis updates, which are unplanned real-time “crises” that delegates must urgently resolve through debate and directives. These unique aspects, combined with a dynamic topic, keep crisis committees moving at a faster pace than General Assemblies.

Delegates are encouraged to reach out to their dais or Under-Secretaries-General with any questions. More information on Parliamentary Procedure and participating in a crisis committee can also be found under the Model UN Resources tab of the [NAIMUN website](http://naimun.modelun.org).

What is Contemporary Crisis?

Contemporary Crisis is a dynamic organ that is centered around pertinent modern-day issues. In this organ, delegates have the opportunity to address current dilemmas, many of which remain unresolved or unrecognized at the international level, by stepping into the shoes of important figures in the modern world. Contemporary Crisis is composed of seven small crisis simulations, all of which will allow delegates to learn about lesser-known world issues and apply their diplomacy skills in pursuit of a brighter future. As a crisis committee, delegates in Contemporary Crisis have the added benefit of being able to interact with a dedicated crisis staff who will actively update the committee timeline and provide new challenges for delegates to solve.



Committee Description

In 1992, Albania conducted its first free elections and began the transition to a market economy. At the time, the country was just beginning to enter modern European consciousness after spending centuries in isolation, most recently from the communist dictatorship of Enver Hoxha from 1945 to 1985.¹ Hoxha eliminated almost all forms of private property and cut off Albania from outside influences as much as possible. These conditions meant that by the time the transition to a market economy came along, most Albanians were experiencing desperate poverty while remaining unfamiliar with the practices of a market economy.

Soon enough, the rudimentary financial system became overrun with Ponzi schemes and pyramid investment funds, most of which were fronts for money laundering and arms trafficking that even the government endorsed. The United Nations' sanctions against the Federal Republic of Yugoslavia were suspended in January 1996, which eliminated an important source of income for pyramid schemes, who were dependent on smuggling.² Uncertainty over the upcoming parliamentary elections in May 1996 caused pyramid schemes to multiply and offer increasingly higher interest rates; inflation in Albania reached 17% in 1996. Two investment major schemes, Xhaffair and Populli, attracted 2 million depositors in total—almost two-thirds of Albania's 3.5-million-strong population.³

In January 1997, many of the schemes collapsed after investigations conducted by the International Monetary Fund (IMF), and Albanian citizens—who had lost over \$1.2 billion via investment into pyramid schemes—initiated daily protests demanding reimbursement from the government. The Prime Minister resigned, the President declared a state of emergency, and revolts in northern and southern Albania consumed all major population centers, becoming so severe that the leader of the party in power was held hostage. The government made attempts to issue reimbursements, but these only further enraged protesters. What followed suit was the opening of weapon depots in northern Albania to protect the citizenry from the south. Clearly marking a conflict between the government and its people, several thieves robbed the Northern State Treasury. As foreign countries began to evacuate their citizens and southern Albania fell under the control of criminal gangs, the crisis in Albania began to pose a tremendous threat not just domestically, but to the entire European continent.

Guiding Questions

1. In situations of domestic conflict, what are the limits of foreign intervention and national sovereignty, and what kind of balance should be struck between the two notions?
2. What connections can be drawn between economic, political, and social unrest?
3. What tools does the international community have at its disposal to rectify financial collapse and civil unrest? Conversely, why might these tools coming from external players be met with resistance?
4. How does the Albanian Civil War demonstrate the fact that governmental failures are not exclusive to the Global South and affect many Western countries to equal extents?

¹ Christopher Jarvis, "The Rise and Fall of Albania's Pyramid Schemes," *Finance & Development* 37, no. 1 (March 2000): <https://www.imf.org/external/pubs/ft/fandd/2000/03/jarvis.htm>.

² Ibid.

³ Ibid.

Issues to Consider

Restoring the Rule of Law and Providing Humanitarian Aid

The parliamentary elections held in mid-1997 marked a significant step towards restoring political, economic, and social order.⁴ The formation of a new government was welcomed, with its primary task identified as the reimplementation of law and order, a prerequisite for gaining reconstruction assistance from the international community. However, the Albanian judicial system, already plagued by inefficiency, corruption, and executive pressure, further deteriorated during the chaos, rendering it unable to function in many areas.⁵ Vandalized and burned courts, along with the release of criminals, intimidated judges, and numerous complaints about unqualified and unprofessional judges, exacerbated the situation. President Sali Berisha faced widespread criticism for the country's descent into anarchy, leading to the collapse of government authority and the rise of marauding gangs that seized control of cities.⁶

As a result, international forces were called upon to provide humanitarian aid, restore control, and prepare for new elections. Despite the recent elections, concerns persisted about fostering reconciliation and stability in Albania, which necessitated continued actions from both the government and the international community.⁷ Recognizing the urgent need for humanitarian assistance, the United Nations authorized a multinational protection force comprising troops from nine nations to ensure the safe and prompt delivery of aid and create a secure environment for international organizations operating in Albania.⁸ This force, known as Operation ALBA, arrived in April 1997 and played a vital role in securing the flow of humanitarian aid—especially for food supplies. The European Union also played a significant role in assisting Albania, providing substantial aid for technical cooperation and humanitarian purposes, with a focus on political stability, security, national reconciliation, and the development of democratic institutions.⁹ Despite the stabilization brought about by the multinational force, Albania continued to face challenges in terms of law and order and the rebuilding of a functioning state. Medical and social welfare facilities, previously reliant on state assistance, were particularly affected by the crisis, as highlighted by assessments conducted by the ICRC and the Albanian Red Cross. The long-term objectives for Albania included restoring law and order, ensuring respect for human rights, and implementing democratic principles in the country's development.¹⁰

4 "Security Council Marks Withdrawal of Multinational Force From Albania; Need for Continuing Global Support is Noted," Media Coverage and Press Releases, United Nations, August 14, 1997, <https://press.un.org/en/1997/19970814.sc6410.html>.

5 "Albania Country Report on Human Rights Practices for 1997," U.S. Department of State, January 30, 1998, https://www.state.gov/global/human_rights/1997_hrp_report/albania.html.

6 Paul Kubicek, "Albania's Collapse and Reconstruction," Journal of International Affairs, no. 3 (Spring 1998): <http://sam.gov.tr/pdf/perceptions/Volume-III/march-may-1998/PaulKubicek.pdf>.

7 Ibid.

8 Ibid.

9 Ameen Abbas Natheir and Nour Ali Jassem, "Albanian Foreign Policy After the End of The Cold War Problems – Challenges," Palarch's Journal of Archaeology of Egypt/Egyptology 19, no. 2 (2022).

10 "Security Council Marks Withdrawal of Multinational Force From Albania; Need for Continuing Global Support is Noted."

Addressing Economic Devastation and Funding State-Sponsored Reimbursements

The roots of the mayhem in Albania can be traced back to decades of economic mismanagement and political corruption, given the country's transition from a state-controlled to a free market economy after more than 40 years of communist rule.¹¹ The situation was worsened by the proliferation of hierarchical investment funds approved by government officials, many of which served as fronts for money laundering and illegal arms trading. As a result, by 1997, these pyramid schemes were unable to meet their financial obligations which were essentially equivalent to the annual GDP of the country, leaving almost every Albanian affected.¹² Triggered by the implementation of the Dayton Accords and the lifting of the UN embargo on Yugoslavia drying up funds, these schemes collapsed. That collapse led to their operators taking desperate measures, offering exorbitant interest rates of up to 150 percent per month.¹³ Consequently, citizens lost their life savings and even mortgaged their homes to invest, leading to widespread anger and protests. Southern towns, such as Vlore and Berat, were hit hardest by the schemes and received less government support, and thus, experienced large-scale protests.

Beyond causing a political and social crisis, the collapse of the pyramid schemes had far-reaching consequences, undermining economic growth, reversing key infrastructure improvements, and fueling inflation and unemployment.¹⁴ Efforts to restore order and confidence in the economy led to a modest recovery after the formation of a new government in July. However, meeting the demands of the international financial community to outlaw pyramid schemes, audit remaining schemes, and partially reimburse depositors proved challenging, with slow progress observed.¹⁵ President Berisha employed various tactics to suppress the protests, including shutting down the schemes and promising the return of stolen funds.

Unfortunately, the government lacked the necessary financial means to appease the protesters. Berisha resorted to clamping down on the press, arresting protest leaders, and imposing a state of emergency, refusing calls for a coalition government or new elections.¹⁶ The subsequent consolidation of power in his hands further complicated the task of addressing the economic devastation and funding state-sponsored reimbursements.

11 Natheir and Jassem, "Albanian Foreign Policy After the End of The Cold War Problems – Challenges."

12 Kubicek, "Albania's Collapse and Reconstruction."

13 Ibid.

14 "Albania Country Report on Human Rights Practices for 1997."

15 Ibid.

16 Kubicek, "Albania's Collapse and Reconstruction."

Preventing the Spread of Unrest Beyond Albania's Borders

Civil unrest began in January 1997 in southern Albania as pyramid schemes began to collapse. About 50 students at the University of Vlora started a hunger strike in February 1997 that quickly drew in riotous support from all over the city of Vlora and the rest of Albania. Clashes between Vlora demonstrators and Albanian special security forces quickly turned violent in March 1997, with nine people reported dead.¹⁷ Unpopular authoritarian President Sali Berisha soon lost control of the southern districts after this event, and announced the dismissal of Prime Minister Aleksander Meksi and his cabinet in response to the violence. Berisha refused calls for his own resignation and instead opened the army's weapons depots (*Hapja e depove*) to protect the population from violence in southern Albania.¹⁸ These depots contained massive stockpiles of weapons and ammunition, amassed during Albania's previous fifty years of political isolation under Hoxha.¹⁹ Weapons were distributed to the President's supporters, but corrupt police officers and soldiers purposefully left storehouses and depots open to looters so that any Albanian could take weapons in what was essentially a free-for-all.

The country had essentially descended into armed anarchy, brought on by Albania's lack of a democratic tradition and a government who failed to intervene in the devastating pyramid schemes. During the chaos, about 300 prisoners from the Central Jail were released, including Berisha's political enemies Fatos Nona, leader of the Socialist party, and Ramiz Alia, the last Communist leader in Albania.²⁰ Looting of weapons depots soon spiraled into looting of food and clothing stores in the country's major cities and ports.²¹

Albania was disintegrating in real-time and neighboring countries Italy and Greece were already feeling those effects: refugees, armed, were already fleeing to these countries for the purpose of seeking asylum.²² Berisha's appeal to NATO in spring 1997 was an indication that the country's security forces had failed to quell internal violence. Foreign countries, including Italy and the United States, began to quietly evacuate any of their military or civilian personnel in Albania.²³ Without any immediate peacekeeping or stabilizing force within Albania's own borders, civil unrest between Berisha's supporters and the rest of the population is likely to remain unchecked and has the dangerous potential to spill over and threaten the stability of other countries.

17 Andrew Gumbel, "Albania government quits after riots," The Independent, March 2, 1997, <https://www.independent.co.uk/news/albania-government-quits-after-riots-1270523.html>.

18 Jane Perlez, "Bitter Albanians, Facing Anarchy, Arm Themselves," The New York Times, March 14, 1997, <https://www.nytimes.com/1997/03/14/world/bitter-albanians-facing-anarchy-arm-themselves.html>.

19 "Small arms: Thousands destroyed, millions remain," NATO Review, June 8, 2011, <https://www.nato.int/docu/review/articles/2011/06/08/small-arms-thousands-destroyed-millions-remain/index.html>.

20 Ibid.

21 Ibid.

22 Ibid.

23 Ibid.



Resources for Further Research

Questions to Consider

Restoring the Rule of Law and Humanitarian Aid

1. Which areas of Albanian law and humanitarian aid should be prioritized?
2. What can the role of international organizations and other nations be in achieving Albania's objectives to restore the rule of law?
3. How can international organizations provide humanitarian aid without infringing upon Albania's sovereignty or having malignant foreign influence?

Economic Devastation and State-Sponsored Reimbursements

1. How does a long-term economic downturn—not only at the federal level but for common citizens, too—give rise to social and political crises?
2. What measures should be taken to restore order and confidence in the economy, and what will be the challenges faced in implementing these measures?

Preventing the Spread of Unrest Beyond Albania

1. What are the immediate threats that the Albanian unrest poses to the rest of Europe, or the world?
2. How can the rapid accumulation of weapons among Albanian civilians be de-escalated?
3. Should countries outside Albania step in to address the unrest in Albania? If so—how can these countries balance their involvement such that Albanian sovereignty is stabilized?



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