

Housing Models in Albania between 1945-1999

Besnik Aliaj

MA in Urban Management

director, Co-PLAN, Center for Habitat Development
Str. Dervish Hima, Ada Tower (behind the national stadium)
KP 2995, Tirana Albania
Tel: +355.42.57809, Fax: +355.42.62880, E-mail: besnik@breglumi.tirana.al

lecturer, Polytechnic University of Tirana
Faculty of Civil Engineering. Department of Architecture and Urban Planning
Str. M. Gjollësha, No. 54, Tirana Albania
Tel/Fax: +355.42.29046

Background

Albania was one of the least known countries in the world and virtually isolated from foreigners up to late 80s. Most studies on Eastern Europe lacked reliable and complete information about Albania. Usually it was totally ignored, or in the best case mentioned as the smallest and the least developed country of Europe. As a totalitarian system, Albania's communism was immune to criticism for almost 45 years, and information on domestic issues was tightly controlled.

Acknowledgements

This paper was initiated during my stay in 1996 at IHS, Institute of Housing and Urban Development Studies, in Rotterdam the Netherlands. After returning in Albania it was enriched gradually with other information. The ENHR/MRI Conference as a good chance to bring it on light.

The paper summarises information about the Albania's housing model by exploring few official materials and occasional publications. There are especially appreciated materials of:

- (i) *Derek Hall*: Housing policy in the Eastern Europe and the Soviet Union: Albania
- (ii) *Berth Danermark*: Post-war urban and regional development in Albania 1945-1990
- (iii) *Lena Magnusson*: Housing policies in the socialist Third World - Albania

Approaches

Urban development in Albania is quite special, because of: (i) consistent application of planned economy; (ii) strong ideological commitment and homogeneity; (iii) the inherited backwardness - the country was still in many respects a medieval society up to 1945; (iv) the industrialisation and urbanisation are features of post-war time; (v) authorities refused integration of the country into the global economic system; (vi) and they followed strict self-reliance policies.

The article analyses the process of urbanisation and urban structure in itself within a broad framework of: (i) the economic system; (ii) the social system and class structure; (iii) the historical development; (iv) the geopolitical settings; (v) and the specificity of situation in Albania.

The approaches of the paper might be classified as: (i) *historical and empirical* - because of collection and analysing data; (ii) *comparative* - because urbanisation is perceived within the context push-pull forces; (iii) *descriptive* - because it analyses and judges the phenomena.

Method and reference materials

The method used in this paper is traditional: data compilation and cluster analyses.

The reference material are of five types: (i) *public information* - scientific or daily journals, statistics, specialised literature, etc. (ii) *contacts with professionals* - town planners, economists, demographers, university trainers, etc. (iii) *contacts with officials* - from both central and local governments; (iv) *foreign publications*; (v) *formal and informal exchanges*, etc.

I. Albanian economy up to early 90s

At the brink of 1945 Albania was liberated from nazi forces, and power was controlled by a communist regime. At that time the country was known as the poorest and the most backward one in Europe. The policy of communist government was to set-up new industry in a “stalinist” way by: (i) giving priority to the development of heavy industry; (ii) developing parallel light and consumer goods industries; (iii) and developing harmoniously industry and agriculture.

I/1. General development of the economy

The economic development in Albania was characterised by: (i) initially higher levels of economic growth than population growth; (ii) rapid but erratic growth up to the end of 1960; (iii) a continuous decline from the beginning of 1970s; (iv) the worst ever recorded situation, during 1984-85; (v) further decrease of economic activities during 1987-1988; (vi) total economic collapse at the brink of and during early 1990s.

Given such atmosphere, the industry was not able to accommodate a speed-up urbanisation process. Indeed, there were two serious indicators for the deep economic crisis the country faced: (i) the real income per capita, GDP per capita, decreased from 10% in 1990, to 21% in 1991; (ii) after the substantial reductions of infant mortality, it started again to increase - from 121 cases / 1000 birth in 1950, in 30.1/1000 in 1985, and 30.8/1000 in 1989.

I/2. The investments

A characteristic of Albanian economic policy has been the *self-reliance*. As consequence, the economic and technological development in the country were very slow, and from mid-70s all investments had to be financed by domestic production. According to the 74's constitution it was not allowed to take any credit abroad. In this way exports and imports had to be yearly balanced. However, essential contributions came from foreign sources, such as: (i) from URSS during 1950-1960; (ii) and from China during 1961-78.

Investments over the time failed gradually through a negative trend, having negative impact on the possibility for production in the future. From other side, the development of urban system was highly costly, especially as regarding the production of housing. Foreign aid was mainly used for industrial purposes, but not in favour of the urbanisation process, too. Indeed, housing stock has been extended and improved during the period of post-war. However, housing portions over the total investments decreased from 6.6% in 1960 to 4.3% in 1979. To minimise urban costs authorities applied continuously: (i) the industrialisation of the countryside; (ii) the creation of new small and medium industrial towns; (iii) the presentation of self-production methods within the housing sector.

I/3. Industrial allocation

Main principles for the decisions of industrial allocation were: (i) setting up the industry near the raw-material and thermo-energy sources, as well as near the consumption centres; (ii) reduction of transport and production of social expenses; (iii) uniform distribution of specialised and complex industry in various country' districts (iv) harmonic development of industry and agriculture in favour of the general progress of countryside, and supporting the intensification of agricultural production.

Main consequences of such policy were: (i) the spread out of investments and industrial production in different regions of the country; (ii) the industrialisation of rural areas of the country; (iii) ensuring better social (especially health) service indicators supplied to agricultural regions.

I/4. The agricultural sector

Main characteristics of agriculture were: (i) Albania was the most collectivised society in Europe; (ii) private property was banned as a matter of ideological principle; (iii) private properties of “capitalists” were expropriated during 1945-1946; (iv) the land-holdings were redistributed to 70,000 farmers through the agrarian reform of 1945-1946; (v) all private land was nationalised up to 1976; (vi) small private trade of agricultural sector, including private rural housing, were tolerated; (vii) agriculture was the major producer, employing over 60% of the country's labour force; (viii) 80% of the agricultural output was controlled by almost 420 agricultural collective co-operatives; (ix) all direct taxation and levies abolished in 1969, but wages remained very low; (x) minimisation of differences between distinct occupational groups, such as town and countryside, at the ratio 1 to 2.

In fact, the efficiency of agricultural sector was considered an important condition for high urban growth, because of the capacity to feed a large share of urban population.

The main problematique of agricultural sector might be summarised by : (i) very low level of initial self-supporting; (ii) low level of agricultural production and productivity, which means rapid growth for some branches like grains, but problems in some other branches, like live-stock farming, fruit growing, etc.; (iii) labour-intensive agricultural production; (iv) lack of radical improvement over time within the sector; (v) the difficult growth of urbanisation, whereas living standards decreased.

In practical terms authorities used agricultural development both as a tool to reach egalitarian goals. Furthermore it was used as a barrier for preventing urbanisation.

Finally, the objective of agricultural policy has been: (i) the improvement of living conditions in less-favoured agricultural areas, up to late 70s (ii) the concentration of resources in well-suited regions of high productivity, after 70s.

I/5. Other important factors

Here must be mentioned additional factors that influenced urban and regional development in Albania, such as: (i) the awareness of the historical development; the fact that Albania was part of the Ottoman Empire for almost 5 centuries is not to be neglected; (ii) the spreading of population over all regions for defence purposes, especially in northern and southern part of country, where authorities did not allow any significant migration from these regions; (iii) the geography must also be taken into consideration, as the country is small, very hilly and mountainous over almost 80% of its territory.

II. Urbanisation in Albania during 1945-1990

The whole process and structure of urbanisation in Albania between 1945-1990 were characterised by the combination of two factors: (i) concentration¹; (ii) and centrality²!

II/1. (Anti-)urbanisation policies

Key principles of Albanian urban politics were the development of rural areas and restraining of urbanisation. The main characteristics of this policy were: (i) the distribution of population, 1/3 in urban areas and 2/3 in rural areas; (ii) the increase of urban population during 1945-60, at that time in capital Tirana lived less than 7% of population.

In order to establish control over urban growth, around every city were introduced town borders, the so-called *yellow line*. Town borders constituted the division between rural and urban territory, and it was not possible to allow urban expansion beyond it. If population grew in such levels that urban development reached yellow line, additional people were directed to other existing or new cities. Special permits were necessary for those who wanted to move to certain urban centres. In this case people had to show proofs of a job.

The concept of *urban area* in Albania was defined in terms of *urban administrative area*. There were three main criteria for living centres to receive the status of town: (i) *the activity*, including the dominance of industrial labour market, as well as the location of local administration/authorities in the living centre (ii) *number of inhabitants*, for example the population of area must be of some size but

¹ The concept of *concentration* involves mainly concentration of population, and is mainly depended on demographic and economic processes. The concentration involves centralisation forces of economic, technologic and geopolitical character, which in certain particular time and place generate certain levels of resources for the respective society. Concentration mobilises: (i) politic and ideological structure dominating society; (ii) the way political elite exercises control over production and distribution of resources (iii) and specific ecological settings where distribution takes place.

Different modes of control over production and distribution of resources, depend on: (i) how different elite control the flow of sources between different markets; (ii) how efficient they are at converting resources between political and economic markets. Concentration is manifested in various ways including: (i) *non-economic factors*, such as the demography (population density and development), the country size, and topography; (ii) *economic factors*, such as the primacy of country (agrarian or industrial), relation between spheres of production, as well as type and level of technology; (iii) the allocation of investments.

² *Centrality* is a concept related to: (i) the way control over resources is exercised, for example through material factors (distribution and production), or through symbolic factors (ideology); (ii) the way resources are distributed, which is crucial for urbanisation process; (iii) the identification of ruling elite; (iv) the identification of institutional framework, such as; total control of state over distribution (socialist), or market-oriented distribution without any significant intervention of the state (capitalist). (Source: Berth Danermark)

no lower limit was fixed officially, varying from 2,000-5,000 inhabitants; (iii) and *the impact* on the surroundings (labour market) and on the social dimension (urban life-style).

The objective of Albanian urban policy have been to harmonise the development of the network of human settlements. Rural settlements were characterised by a structure of almost one-dimensional class, because of the dominance of agricultural production and lack of concentration of administration. Urbanisation in itself was characterised by very low speeds.

II/2. Rhythms of urbanisation

Up to 1990, there are distinguished six main periods of urbanisation in Albania:

(i) *Pre-war Period, 1920-1938*

During this period the country was described as extremely poor and rural. Towns had only administrative and commercial functions, and only 15.4% of population lived in urban areas.

(ii) *World War II Period, 1939-1945*

A considerable number of population were pushed for security reasons into towns. The urban population increased temporary 21.4%, but after the war people moved back to countryside.

(iii) *Post-war Period, 1946-1959*

During this period the communist government tried to consolidate power by promoting the establishment of the so-called "working class". For this reason, substantial and permanent increase of urban population took place. During the first half of 50-s, practically the peak of urbanisation, the national annual growth of urban population was 1.4%.

(iv) *The period between 1960-1969,*

The urbanisation process slowed down and annual growth of population reduced at 0.23%.

(v) *The period between 1970-1979,* the annual growth of population drooped to 0.18%.

(vi) *The period between 1980-1990,* the annual growth of population was only 0.10%.

II/3. Reduction of welfare geographic disparities

One of the objectives of Albanian "marxism" was the reduction of several existing gaps among: (i) different social classes; (ii) urban and rural areas; (iii) and different regions, too. In this respect, the main attention was paid to geographical inequalities and welfare was distributed through an egalitarian policy in terms of class, gender and region.

Main actions for reduction of geographical inequalities included: (i) allocation of industrial investments; (ii) electrical reticulation of all villages; (iii) establishment of the network of roads connecting all villages and living centres; (iv) servicing of new water-supply systems; (v) extension of a network of health institutions and improvement of existing services; (vi) creation of agricultural co-operatives and state farms; (vii) higher incremental increase of incomes for rural population in comparison to urban one; (viii) obligatory appointment and transferring of graduated university students to peripheral and rural regions, at least for 3-5 years; (ix) mobilisation of "volunteers" from education and health sectors to work for 1-2 years in the most backward regions.

Certain variables, correlated to the proportion of urban population, existed and were reflected in the dynamic growth of rural population (it grew for several decades faster than urban population). There were distinguished: (i) *negative relations*, such as the high rate of nativity, the rapid increase of population, and low possibilities for comprehensive services like schools and health care centres; (ii) and *positive relations*, such as the relatively small number of total population, the affordable levels of population density and urbanisation rate.

The last correlation depended on the indicators of collective consumption. For example, the average indicator of social services for country was between 0.499-0.774. Whereas, for education the indicator shows higher, for health it appears lower. However, by excluding Tirana, the health indicator shows half of the national average. It clearly evidences the role of capital, as well as the relative equality between other districts.

A more careful analysis of welfare indicators (education and health) shows that Tirana, scores higher percentages for each indicator. Further, two southern districts, Gjirokastra and Kolonja, score high results in some services and low in some others. The rest of districts (totally 26) could classify in two groups: (i) the average group of 17 districts scores the indicator of 65%; (ii) the low-level group of 6 districts, 5 located in the north-eastern part of Albania, scores the indicator of 23%.

Reasons behind disparities might be explained by: (i) the mountainous and difficult relieve of backward districts; (ii) these region inherited certain historical backwardness before 1945; (iii) they have been historically isolated from neighbouring countries, especially from Yugoslavia in north; (iv) the

inherited traditional life was against the new style of life and made their inhabitants, mainly peasants, less willing to accept the system of "socialism".

III. Housing policy in Albania between 1945-1990

At the end of World War II, housing in Albania inherited a neglecting over the generations, and one quarter of housing stock (over 62,000 houses) were damaged or destroyed. In few words, the country faced a national housing crisis. This was especially a problem in urban areas, because of: (i) rapid urbanisation rhythms; (ii) high birth-rates; (iii) and further aggravations because of earthquakes.

The authorities undertook great efforts for improving situation, including:

- (i) building 185,000 new houses/apartments between 1945-1970, with an average of 74,000 units per annum, whereas the annual population increase was 40,000-50,000 people;
- (ii) introduction of prefabricated building systems during 70s, by setting up in the outskirts of Tirana a special prefabrication plant to meet the demand for new urban housing;
- (iii) further emphasising of rural development, to ease pressure over urban areas, such as rustication of urban youth and cadres, etc.;
- (iv) extension of rural housing programs to meet the needs of urban-to-rural influxes.

As result of these measures over 80% of the total population were accommodated in new houses, that were built after 1944. Starting from 70s, housing in Albania meant usually: (i) blocks of flats in urban areas; (ii) one or two stories dwellings in countryside, mainly in co-operative peasantry; (iii) and small flat blocks in state farm workers.

III/1. State housing policy

During 1945-1990, housing investments in Albania increased from 4.3% to 6.7% of the total investments. The share of government-built dwellings, including those belonging to state farms, increased from 10% by late 40s to 50% by early 70s. During the same period housing investments increased from 4.3% to 6.7% of the total investments. In principle there were three forms of tenure at that time in Albania: (i) renting of flats from the state; (ii) co-operatively owned flats, mainly in rural areas; (iii) and privately owned houses.

The characteristics of dwellings in cities included: (i) renting of state-owned flats; (ii) and construction of multi-family housing blocks. These dwellings were built either through state owned enterprises or by voluntary campaigns of labour.

In rural areas of the country, mainly co-operatives or state farms, lived almost 300,000 households. Dwellings that were produced during 1945-1980 were built mainly by three sectors: (i) state sector; (ii) co-operative sector; (iii) and private sector.

III/2. Characteristics of housing

The main characteristics of housing demand in Albania up to 1990, reflected the respective demographic developments. In 1989, Albania counted 3.2 million inhabitants. Indeed, the average rate of annual growth during 80s was 2%, and population growth was the fastest in Europe. For this reason the Albanian population was relatively young, and the average age reached 26 years. Such demographic characteristics imposed the increase of housing demand.

From the other side, the size of households were comparatively large due to the overcrowding (more than one couple shared a dwelling) and culture (by tradition the eldest son should take care and share dwelling with parents). However, the increase of the number of families went faster than the increase of population due to the tendency for creating smaller families of four to five persons. Precisely, the number of families grew 35%, whereas the population only 25%.

Another issue was the reduction of number of one- and two-person households. Whereas, the European figure for this group in 1990 indicates 30-35%, in Albania it decreased in less than 10%. One of the main factors for this was the strong traditional values of marriage and family.

III/3. General housing trends

The general trends of state investments on housing and dwelling completion include several aspects. Up to 1970, it was distinguished a continued increase of the number of new dwellings,. Since 1970, housing plan targets were apparently not completed. This is reflected by the decline of national birth rate. Indeed, the attention of Albanian authorities after 1970 was concentrated on: (i) softening of country's quantitative housing problem; (ii) the need for replacement of existing housing stock, 20% of which was built before 1945; (iii) the increased attention on the quality of buildings; (iv) the greater use

of speed-up construction methods, such as prefabrication; (iv) the special attention paid to the capital Tirana, where housing was aggravating day by day.

Another factor that influenced the reduction of volume of new housing after 1970, was the loss of importance of voluntary-labour programs, as consequence of the shortage of individual time for such constructions, as well as less availability of building materials. However, self-build dwelling has maintained its pre-eminent role in the countryside.

During 80s, it was distinguished a declining proportion of state investments in total. Whereas, authorities struggled to relatively increase the share of state in new housing by 50%, in practical terms was noticed the fluctuation of average number in completion of new housing.

III/4. Internal domestic provision

In general the apartments built in urban areas had 1-3 rooms, with a kitchen and necessary annexes and a bathroom, in addition. The blocks of apartments were built up to the elevations of six storeys but no lifts were planned. As regarding the allocation of households in certain apartment, some characteristics were taken in consideration, such as: (i) the age of family members; (ii) the physical circumstances; (iii) the ability to deal stairs, etc.

Heating systems were usually of four types: (i) *central oil-fuelled heating system*, for new housing of cold-winter upland areas; (ii) *solid-fuel comprises coal* for urban areas near such sources; (iii) *gas*, used especially on adjacent areas to the country's major oil fields; (iv) and *wood* for the rest of country.

III/5. Communal infrastructure

Until early 60s, many efforts were undertaken for maintaining and upgrading water supplies. During 1966-1970, new systems of water supply were installed into several towns and over 400 villages. New water supply systems and extensions of existing ones in 17 urban centres were also undertaken during 1971-1975.

However, by mid-80s, only half of the country's villages had adequate access to water supply. The rest of rural centres had seasonal or no access at all to potable water. More than half of villages supplied with potable water, used old pipe lines which were built before 1944. For this reason the main objective during 1985-1990, was serving potable water to living centres without water access.

Since 1970, the access to electricity was not a problem for every living centre in the country. The national telephonic network was also completed during 1971-1975, but few households had access to service. The tentative to connect all country's living centres within a network of motor-ways is not completed yet.

As regarding the retailing facilities, they were usually built in the ground floor of new multi-storey urban complexes or as market centres in few cases. Communal services in villages were usually provided by small centres of separate single-storey buildings.

IV. Ownership, standards, types and distribution of housing

There are distinguished two housing sectors in Albania: (i) the state sector of rented accommodation (ii) and private sector, the only form of private ownership in late 80s.

IV/1. The state rented sector

Whereas, the state rented sector dominated the urban housing market during the whole period of 1945-1990, it dominated the countryside housing market only during 1970-1990.

The construction of housing block in the form of flats, both in urban and rural areas emphasised: (i) raising of standards for life and hygiene; (ii) reduction of differences between urban and rural areas; (iii) and egalitarian aspirations for producing equal residential conditions for citizens. As result, by the end of 80s, almost 60% of the country's population, and 80% of Tirana's population lived on flats.

Married couples in Albania had to register to the People's Council Committee, applying for a flat. After this, they received the automatic right for access to an apartment. In practice, it resulted a considerable gap between the application time and the availability of apartment. As regarding to the allocation procedures there existed clear mismatches between: (i) the size of household and the size of

flat; (ii) the changes of household size and constant relocation through internal circulation; (iii) the limited variation of the size and type of flats in relation with high rates of birth.

Collective housing construction in Albania originated on 1968, through the use of important source of *voluntary* work. Programs of voluntary work were based on: (i) the pre-war Albanian tradition in construction and housing provision; (ii) the stalinist methods of mass mobilisation; (iii) the emergency mobilisation, such as in the cases of earthquakes; (iv) the national donation of one-day pay towards reconstruction cost; (v) the dogma of relying solely on Albania's own ability; (vi) the organised groups within the framework of their residential areas or employment place; (vii) the construction undertaken during free time, in addition to the normal work; (viii) the provision of building materials and technical assistance by state building organisations; (ix) the contribution of future residents by their own unpaid labour force; (x) and the mechanism of housing owning right through voluntary labour.

The allocation of housing was made through: (i) the state, executive committee and the people's council; (ii) the enterprise directory and trade unions; (iii) the meetings of all workplace individuals; (iv) the criteria of existing living condition and contribution in the construction of building for each worker; (v) the political criteria, through the neighbourhood people's council.

While mass mobilisation has been ideologically important and sustaining, the result has been poor in quality and in productivity. In rural areas, 60% of dwellers lived in new one- or two-storey state-owned houses, that had three main functions: (i) to provide minimum standards of domestic facilities, that do not existed previously; (ii) to establish new state farm centres; (iii) to support creation of rural settlement nuclei in general; (iv) to respond to particular emergent needs such as earthquakes, through generally rent-free houses.

Main requirements for planning of rural development were: (i) occupation of the least possible agriculture land; (ii) building foundations must be in solid basement ground as Albania situates within a crusted instability zone; (iii) the buildings had to receive ample sunshine and be protected from prevailing winds; (iv) the dwellings should harmonise with each other; (v) each home had to have convenient road access to all village facilities.

Usually there are provided two types of dwelling houses: (i). *Elbasani style*, single-storey dwelling with three rooms and a veranda, with internal facilities and provision for solid fuel; (ii) *Shkodra style*, two-storey houses for two families with three rooms, separate stairway access, internal facilities and solid fuel provision.

IV/2. The private owner-occupied sector

The private housing sector in Albania can be divided in two sub-groups:

(i) *pre-socialist housing*, such as:

- houses that survived compulsory purchased and demolition, because of new developments;
- areas of traditional housing that were declared "museum cities" and had been listed under the state protection, such as the historical parts of the towns of Berat, Gjirokastra, Shkodra and Korca;
- 40% of rural dwellings that remained privately-owned throughout the socialist period.

(ii) *self-built dwellings*, which had been limited because of:

- the planing and regulations;
- the primacy of state construction sector;
- the availability of appropriate materials;
- the state enlisted of voluntary construction.

In general, the standards were improved and facilities increased, even that in the rural areas people still cook on open fires and heat with traditional hearths. By the 1967, when the collectivisation of agriculture sector was fully completed, the situation showed that: (i) each co-operative had its own physical development plan; (ii) the majority of dwellings were single-family and privately owned houses built with family funds. In state-build blocks maintenance problems have been a main concern.

IV/3. Housing standards

Up to 1990, the plot size to a house in Albania depended on: (i) planning and regulation normative; (ii) local circumstances and allocation; (iii) wishes of the local people's council; (iii) and family ability to afford the cost of building materials.

The size of the plot was: (i) 150 square meters in urban areas; (ii) 200 square meters in rural areas; (iii) 300 square meters in mountainous areas; (iv) and maximum 500 square meters.

The house plans were standardised. The procedures of plan-permission usually were long from 2-3 months. The same can be said for building materials, often supplied through the informal sector. Cost of construction was minimally reduced by local stone available in all country except the western coast line part. For a single-family house, the surface area was 60-80 or maximum 100 square meters, and additional space (in average 1,000m²) for personal garden, which was usually: (i) devoted to limited personal agricultural and livestock products for family consumption; (ii) located next to the owner homes, with the tendency of phasing them all together in the future; (iii) reduced in the mid-60s between half and two-thirds of size; (iv) and associated by further reduction of the livestock, that was practically reduced in number by half.

Dwellers in private owner-occupied houses retain the right of inheritance over the basic offspring, furniture, facilities and their values. Private houses could be: (i) sold out, without speculation; (ii) rented in the private rented sector, already existent but very limited in number; (iii) rented only for legitimate reasons and when the owner did not live in part or in all dwelling; (iv) rented to no more than one owner, without exceeding the fee of state-owned houses.

IV/4. Housing types

The Albanian dwellings can be physically divided into three various/general types:

A. *Detached dwellings*, are mainly distinguished as:

- rural or urban detached dwellings;
- pre- or post-war detached dwellings.

Rural 1-2 storey dwellings, depended on types and local and regional tradition. They include:

- *kulla*, a semi-nomadic fortified pastoral dwelling in northern upland tradition, made by stone and small windows;
- *zadruga*, large dwellings bordering Kosova region;
- *1-storey dwelling in lowland tradition*, made in simple agricultural style by mud, wattle and thatch;
- *Greek two storey village dwelling*, limestone built on the hillsides, overlooking to the valley
- *early post-war houses*, brick-built with particular local architectural motifs in newly reclaimed agricultural areas as Maliq region in Korca;
- *houses built in emergency cases or natural disasters by rapid voluntary means*, such as in the cases of Dibra and Shkodra earthquakes.

Regarding old urban 1-2 storey dwellings, they were mostly demolished because of new developments in main urban centres. However, some survived due to the particular conditions, such as: (i) cases under study because of their special traditional values; (ii) dwellings surrounded by historically old protective city walls; (iii) dwellings included within the traditional bazaars and urban complexes; (iv) dwellings involved in the former important areas of mixed residential, retailing, wholesaling, manufacturing activities and land uses; (v) well-built pre-war dwellings in favourable locations for recreational purposes, such as Himara, Durresi, Pogradeci, etc.; (vi) dwellings protected by the legislation of the monuments of culture and environment, produced in early post-war period, such as Gjirokastra, Berati, Durresi, Kruja, etc.; (vii) dwellings supported by indirect state investments on housing for touristic purposes; (viii) dwellings that were object of work by the Institute for Restoration of the Monuments of Culture; (ix) dwellings maintained and enhanced for ideological purposes or the past *glorious national history*.

B. *Low rise flats*, built in bricks by mechanised methods. Usually they go up to three or four storeys. This type is mainly built in Durresi, Elbasani, Peqin, Levan, Lukova, etc.

C. *Apartment blocks*, constructed by some degree of mechanisation and prefabrication, up to five or six storeys in cities of Tirana, Durresi, Fier, Ballsh, Kamza, etc. Usually they are:

- brick-built by local stone foundations, with or without concrete, and with similar types of facings;
- very few comprehensive prefabrication had taken place
- lifts, applied only to public buildings, hotels, museums or cultural centres

V. Housing finance in Albania up to 1990

V/1. Incomes

The classification of incomes in Albania between 1945-1990, might be classified as below: (i) up to early 60s, the wage level in Albania were the same as the rest of Eastern Europe; (ii) after the break with the Soviet block in 1961, a shortage of qualified experts called the emergence of a differential income policy to encourage the acquisition of better qualifications, including the physically difficult job; (iii) by mid 60s, the highest and the lowest paid sector, respectively transport and food, have been in average 70% differentiated; (iv) attempts to reduce the highest salaries started in 1967 as salaries above 1,200 Lek were cut; (v). the ratio between the highest and the lowest pay ranged between 1 to 2,5 and 1 to 3; (vi) all forms of income tax were abolished, but supplementary indirect payments were still present.

In 1976, income differences between rural and urban areas, as well as up- and low-land inequalities were reduced throughout: (i) the reduction of all salaries above 900 leks by 4-25%; (ii) the reduction of incomes for teachers and scientists by 14-22%; (iii) the cutting of bonuses for scientific titles, degrees, publications, and other payments by 50%; (iv) the raising of wage for state farm workers, depending by plan fulfilment; (v) the payment of specialists, not on basis of working institution/district but based on their education; (vi) the adjustment of wage disproportion for sectors of fishing and transport.

Consequence of such income policy were: (i) the reduction of average salary ratio for state employ workers and ministerial director level between 1 to 2 and 1 to 2,5; (ii) various subsequent discrimination rural development policies that effected in favour of rural rather than urban areas, as well as upland rather than lowland areas.

In this respect, during 1971-75, the national incomes increased by 14.5%, whereas the incomes of rural workers increased 20.5% compared to 8.7% for urban workers. This was associated by a faster rise in rural incomes than urban one. For example: (i) the difference rate of rise between rural and urban income was 140% greater during 1960-70; (ii) the rate went up to three time greater during 1971-80; (iii) the income per capita in countryside increased 28% compare to 4,1% for whole population during 1980-82.

In addition, rural population increased at 1.75 million in 1980, which was greater than the country's total population in 1960 (1.61 million). This was considered a successful policy to prevent: (i) rural to urban unplanned migration; (ii) upland to lowland depopulation; (iii) slight demographic imbalance in the north-eastern upland part of the country, due to the migration of young females through marriage, as well as the lack of proper co-ordination in the territorial distribution between material elements of productive forces and labour sources.

V/2. The state rented sector

As other former socialist countries had done, Albania did not sold off state flats to the tenants. Throughout the District People's Council the state was concerned about: (i) renting flats; (ii) and their maintenance, in both urban areas and state farms.

The average rent level for an 1(2-3)-room dwelling with necessary annexes and kitchen, was around 20 (33 and 42) leks per month, equal to 1-2 days work income. Whereas, the average salary was 600-650 Lek per months, the rent represented 3.5(5.5 and 7)% of monthly incomes. Since the right to work was forcefully pursued, these figures were at least half for two parents working. Even that income taxes were declared abolished, people had to pay for housing cost of water and electricity.

V/3. The private owner-occupied sector

The concept of the open market was not recognised in Albania. Private houses in urban areas were said to fetch around 20-30 thousands Lek by discussible methods. Urban and rural dwellers in owner-occupied properties were able to retain rights of inheritance at least for their offspring. The former existing property and ownership rights were retained by the individual.

State credits were available for the new self-building private dwelling houses since 1950. This was not the case for purchasing existing houses. The credit repayments were made: (i) up to 20-25 years period; (ii) around 50-60 Leks per month; (iii) and with no interest levied, or no more than 0.5% interest rate.

VI. Housing organisations and institutions in Albania up to 1990

VI/1. Design institutions

Based on the modest Albanian experience and with the Soviet aid, the first *National State Institute of Studies, Design and Town Planning* was established in Tirana in 1947.

Later on it was recognised as the Institute of Architecture and Town Planning. Its branch offices (ZUP), were organised in every administrative district, attached to the respective local Executive Committees, to assist local population. Gradually the urban department took also shape from this institute (nowadays the National Planning Institute).

The regional offices were reorganised by splitting ZUP in two branches: (i) the architectural and urban design bureau, a semi-independent design office; (ii) and the urban planning department attached to local government bodies.

The institute and his branches provided plans and standard designs, which were planned, modified and harmonised in limited elements to local conditions by local branches. Each town had its own five-year target plan framework. Included that was the regulating (structure) plan for construction and services. Usually these plans covered a period up to 25 years previewing both: (i) the major expansion of urban area; (ii) and the comprehensive redevelopment of city centre and existing areas.

The regulatory plan was result of the continuous consultation between: (i) the district administration; (ii) the local office of architecture and town planning; (iii) the national institute of architecture and town planning; (iv) the central ministries.

Another crucial issue were the principles of Albanian socialist housing architecture such as: (i) simplicity and beauty; (ii) anti-extravagance and anti-formalism; (iii) and economic saving policy.

VI/2. Building and physical development

During 1971/75, special attention was paid in Albania to the management of land-use. For this purpose it was pointed especially: (i) the limited arable area of country; (ii) the extremely rugged relief; (iii) the opening up new agriculture land; (iv) the misuse of existing land fund; (v) the loss of 5,000 ha of most fertile arable land; (vi) the misuse of existing land fund; (vii) the inefficient control of land-use planning, both theoretically and practically; (viii) the need for henceforth of several stories buildings; (ix) the replacement of all urban single or two storey buildings; (x) the overseeing responsibility of state for apartments and administrative construction in urban areas.

The non collectivised rural housing in the countryside, were responsibility of co-operative peasantry. All flats built in association with state farms were administered by the state. The newly constructed dwellings were only flats. There were built already equal amount of flats in two ways, through: (i) the state building enterprises, that were arms of the central ministry; (ii) and the voluntary labour, starting from 1968.

VI/3. The allocation mechanism

The allocation of flats built by state-building enterprises was made by: (i) the executive committees of the District's Peoples Council; (ii) and the city quarters of the people's council, in large urban centres.

The allocation legislation included in itself: (i) the planning guidance; (ii) the construction of new dwellings; (iii) and the allocation of flats.

The allocation decision for voluntary-labour built apartments was undertaken in collaboration with the volunteers organised workplace.

VII. Housing problems and policy orientation for Albania up to 1990

The major problems in the provision of housing stock in Albania during 1945-1990 were: (i) the high birth and marriage rates; (ii) the mismatch of housing supply and demand; (iii) and the poor quality control and maintenance.

VII/1. Housing quantity

The annual increase of population for Albania in 80s was: (i) 32,000 inhabitants in rural areas; (ii) and 22,000 inhabitants in urban areas.

The annual increase of construction rate during the same period was: (i) 6,000 dwellings in rural areas; (ii) and 9,000 dwellings in urban areas. Indeed the sustained population with houses increased from 6.8% on 1970, in 8.1% on 1980, and 8.9 % on 1982.

Even that about 300,000 urban and rural flats were constructed during 1945-1979, the shortage of urban apartments was present because of: (i) the increasing demographic demand; (ii) the need to replace the existing inadequate stock.

This was reflected especially in the cases of: (i) the inhabitation of new flats before services and outer facades had been finished; (ii) and the lack of apartments for newly married couples.

VII/2. Demographic trends

The unique and distinctive position of Albanian demographic pattern within the spatial planning framework was expressed in different ways.

- *The relatively high levels of natural increase*, where consequence of: (i) the Islamic and Roman catholic background; (ii) the total absence of measures to birth control; (iii) the willingness to maintain high manpower levels for military, economic and ideological purposes
- *Birth and death rates were of crucial demographic importance*, because: (i) the into- and out-Albania's emigration movement was virtually nil; (ii) the internal migration was totally controlled by the state for labour/construction purpose.
- *Regional variations reflected an explicit picture of diversity*, probably to: (i) the contrast of birth rates between north (high) and south (low); (ii) the influence of original religious background respectively roman catholic and orthodox, which was somehow softened by the official prohibition of all religions in 1967.
- *The relatively young population*, reflected in the facts that: (i) the average age of the population in 1983 was just 26 years old; (ii) 3/4 of population were born and educated within the socialism framework; (iii) 37% of population were less than 15 years old.

Even the population of urban areas was relatively young, an increasing number of retired people was increasing more than population growth as a whole. During 80s it was distinguished that:

- the present birth rate was around 27 cases per 1000 inhabitants;
- the present death rate was around 6 cases / 1000 inhabitants;
- the annual growth rate was four times the European average;
- in the long-run, the birth rate faced a slight decline, since in 60s it was 35 cases / 1000 inhabitants;
- health and welfare facilities were improved, as paid pregnancy period leaving the workplace was increased from 1.5 to 6 months;
- the numbers of births between 1981-1985 compared to 1977-1980 increased by 22,000 more;
- and the infant mortality between 1979-1985 was half-reduced between 1979-1985.

In order to change the attitudes within the country's leadership, emphasis had been also placed upon: (i) the protection of women's health; (ii) the improving domestic facilities; (iii) the melioration of pre-school education; (iv) the lowering of shop-prices for children's article; (v) the supporting of low income families, in fact an undeclared group.

VIII. Conclusions and discussions

There are two criteria for a country to be defined as socialist:

A. *The concentration*, which represents a high degree of central political control of the local economy exposure towards world market relations. Albania fulfilled the criteria due to: (i) the principle of self-reliance; (ii) the smallness of the country; (iii) the relatively underdeveloped state of industry; (iv) the exposure limitation to the political economy of the world system

B. *The centrality*, which represent a centralised system of resource redistribution. Albania fulfils it because: (i) the resource redistribution was oriented towards political goals and not along market-lines; (ii) of the spatial distribution of social welfare and forced accumulation of heavy industry; (iii) the agricultural production increase was administered by the state instead of private landlords; (iv) of the profound state control over space; (v) the welfare was distributed in terms of class, gender and region; (vi) the orientation of resources emanating from the industrialisation process were not in line with private mass-consumption, but through the growth of public collective consumption, such as public health, schooling, transport, etc.

VIII/1. The economy

The development of the Albanian economy sloped down in 70s and 80s, after the initial high growth of 50s and 60s. The principle of self-reliance had impeded industrial development and the agricultural accumulation had been too slow to promote fast industrialisation and urban development.

The country' elite exercised a strong control over the flow of resources. This played a significant role in shaping the urban structure. The institutional structure was characterised by the planned economy and control over information. Production resources and their distribution, allocation of both heavy or light industries, were in hands of the ruling elite.

Other contingent factors influenced the process, too. Furthermore the welfare elements such as: (i) the higher education has been oriented towards more urban areas; (ii) whereas health institutions and service networks have been reasonably spread out all over the country.

VIII/2. Urbanisation

A very slow and controlled urbanisation process had been the feature of the Albanian society after 50s. The hierarchical concentration has been stable and the urbanisation approximately stopped. The differences between districts and between urban and rural areas diminished. The industrial allocation were according to political objectives. The government policy showed efforts to improve living conditions in rural areas and in previously backward district. Industrialisation and growth of working class continued up to the 80s, meanwhile urbanisation stopped about twenty years before. The long term development was result of: (i) the natural growth (ii) the migration, regulated through the job and housing guaranties.

VIII/3. Housing problematique

The orientation of housing sector up to 1985 aimed at rural areas. This was mainly: (i) to improve conditions for rural workers; (ii) to provide permanent transfer of urban young dwellers towards rural areas.

Given the continued growth rate of 2.2% per annum, by the end of 80s already 75% of population were under 40 years old. The period between 1986-1990 is considered as a de-emphasised and rapid change period for existing housing policy. This was associated by: (i) the need to reorient housing priorities; (ii) the priority to infrastructure and service improvement, especially water supply; (iii) the upgrading of new dwellings quality; (iv) and the tendency for equity and efficiency trade off.

Although that country's leadership continued to criticise soviet "perestroika", these were part of a general tendency for potential policy changes, including: (i) the adjustments to remove *outmoded* mechanism and ways of thinking; (ii) the slackening discipline amongst the country's youth; (iii) the public debates criticising conservative attitudes towards young people; (iv) and the replacement of the opposers for innovation such as the replacement of all party bureaucrats after five year in office, the efforts to improve foreign relations, and promotion of foreign language teaching and literature.

By the end of 80s these measures resulted in: (i) imports on foreign technology for building construction; (ii) higher elevations for apartment blocks; (iii) greater use of pre-fabrication, lifts installation and improved service provision; (iv) breaking existing constitutional limitations for loans and credits from foreign countries; (v) and promotion of joint-venture development notion, employing foreign capital.

VIII/4. Concluding

- Apart from 50s, the creation period of the working-class, the urbanisation rate has been very low.
- Still 65% of population lived in rural areas, in 1990. The hierarchical concentration was low. Low migration and high natural growth in countryside were main contributing factors for the model.
- Welfare disparities because of geographical location decreased during the post-war period although there exist still differences between urban dominated districts and rural ones.
- Tirana as capital had a crucial importance, while the north-east part of the country was less developed mainly regarding to welfare indicators.
- Rapid economic growth before 1965, has been followed by a sharp decline.
- The principles of industrial allocation were characterised by *uniforming* and *harmonising*.
- The development of both agriculture and industry restricted any significant urban growth.
- It seems that government neither wanted nor could cope with a high speed urbanisation process.
- Main housing problems in Albania were housing quantity versus demographic trends, associated by the maximisation of the role of state, while excluding dramatically private involvement.

IX. Instead of the epilogue...

By late 80s Albania was also influenced by “the wind of changes”. Political and economic transition in the country started disorderly and actually is still undergoing through tremendous shocks and social unrest. The collapse of former communist regime brought in surface many problems that were accumulated during several decades. Dramatic changes during last years have been keenly recognised by western world, but they have also created new problems. The mixture of backwardness of the past, with the new problematique of nowadays, has promoted a kind “wild-west” situation that is still alive to the rest of world, through the image of Albanians leaving country by boats, and dramatic scenes of March 1997 when country went at the brink of a civil war.

The urbanisation rate of Albania has historically been at the lowest European rate. In 1990, only 35% of the Albanian population were living in urban areas, mainly concentrated in the western districts. This percentage was far lower than the European rates, and even lower than the average of developing countries (37%). The central regions within the triangle Durres-Tirana-Elbasan, at that time resulted with the lions share of social-economic potentials of the country, becoming in this way very attractive for the population of rural areas and small provincial towns with increasing needs for infrastructure and services

The political and economic changes of early ‘90s brought in scene new conditions: (i) changes on the form of ownership over land (ii) decentralisation of the economy (iii) and free movement of population. Since 1991 the population of capital city, Tirana, has grown at alarming average rate of 7% per annum (2% natural growth and 5% migration growth). Every year some 200 new hectares are built mainly without the necessary permissions.

Most of the informally developed areas, known as “buildings without permissions”, lack basic facilities, infrastructure and services. Newcomers just tape informal connections from existing networks and services, that in return are deteriorating further the situation of existing areas. It is estimated that actually 50% of Tirana’s population have poor access or no infrastructure/services at all (Co-PLAN 1998). If actions are not taken this figure can be increased to 60% by the end of year 2000. Given the complexity of situation, authorities are showing unable to cope with the increasing problematique of informal developments. Lack of financial sources and knowledge is worsening situation day by day.

The model of urban development in Albania is quite different from the rest of Europe. Indeed it has characteristics, approaching it more with the models of developing countries. This might be explained by different causes, both inherited from the past or created recently. Nowadays urban development is analysed through the relation supply-demand. Factors determining housing demands are: (i) high urban growth rates and migration; (ii) relocation due to restitution claims; (iii) desire to improve existing housing conditions; (iv) individual investment strategies that view housing, both as shelter and investment.

As regarding housing supply two main suppliers are distinguished:

A. *The formal sector*, which involves: (i) the National Housing Agency, which was created and has built since 1993 in national scale around 10,000 apartment units; (ii) large private developers, which are producing housing mainly for high-income groups; (iii) desire to improve existing housing conditions; (iv) individual investment strategies that view housing as both shelter and investment

B. *The informal sector*, that provides more than 70% of the national housing supply. Here are to be distinguished two main categories: (i) informal developments, that are mainly set up in privatised land, which means that ownership over land is clear; (ii) and illegal settlements, that are developed in public land, mainly in cases where ownership is vague

As per incomes, the population of Tirana is classified in five main groups: (i) high-income group, compounded by 10 % of the population (ii) high-middle income group, or 10% of population (iii) middle-income group, or 20% of population (iv) low-middle income group, or 30% of population (v) low-income group, or 30% of population. The last group is classified to live under the poverty line of 30 US\$ per person per month

Given the weakness of state in Albania informal housing is the only remaining option for majority of population. The economic situation described above gives the way to the fact that at least 60% of Tirana’s households can not afford housing. This can be even more evident by analysing expensive prices per square meter for different housing options in Tirana. Situation is further worsened by the absence of housing financial system and high interest rates.

To illustrate the attitude of authorities is to be cited the National Report on Habitat, of 1996, that describes four government housing priorities: (i) housing for 10,000 households of ex-political prisoners; (ii) housing for 30,000 households living in dwellings with restitution claims; (iii) housing for 10,000 households living in overcrowded apartments; (iv) and housing of the lowest-income

households that can not afford it. However, regarding the fourth category, authorities have also stated that without resolving the problem of the first three categories there will be no solution for the last one

The ambiguous policy followed up to now, and further deterioration of the existing situation gives perspective to the conclusion that urgent changes and measures on urban housing policy are required.

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