

10th Conference on Urban and regional research
Redefining the Public Interest for Territorial Development in the UNECE Region

Factors influencing the performance of cities, Historic Values vs. Geographical location and the role of politics – Case of Albania

Doris Andoni

Master of Science in Urban & Housing Management
Director of Housing Policy Department
Ministry of Public Works, Transport and Telecommunication
Doan_lund@yahoo.com, doris.andoni@gmail.com

This response paper focuses its discussion on the contradictory role of the Albanian cities: on one side as engine for economic development and on the other, as cause of economic and civic decline, highlighting three main elements: the city history; the geographical location and the influence of the politics, trying in a modest way to rise the hypothesis that geographic location has prevailed the historic values of city during transition. Based on this hypothesis, the paper simply calls for an integrated approach in the spatial distribution of investments as a mean of spatial redistribution of wealth. Illegal settlements are seen as a result of geographical location of the cities in both of the extremes: point of departure and point of arrival, while policies for their integration need further research.

The discussion paper makes a very good and concentrated analysis of the challenges that European cities are facing in the 21st century, although the challenges are relative to each country cluster. But there is a common trend, which is influenced by the last 3 decades of neo-liberal approach: reduced role of the government, more space to private sector and less rules and regulations that suffocates the market. This approach, in different weight has had its impact on the physical and spatial metamorphosis of the cities. Further it will be discussed that in Albania some cities declined despite the historic value, while other cities emerged, not as administrative units but with all the prerequisites of becoming.

a- Factors influencing the performance of the Albanian cities: Historic values vs. Geographical location

Cities are there either because we inherited them from the past, or because of political decision during the centralized regime. Cities that have a history tend to survive to the political and economic changes, although not at the same manner. While the most difficult challenge to face was the cities created during the centralized regime as result of political decision, related with the establishment of any industry.

The development of cities in Albania after the '90ies is conditioned by the removal of the previous forced balance that was kept through a strong control over the movement of the population, strong control over spatial allocation of resources, including human resources, and through a commanded economic planning and development. Some of the reforms that had a serious impact on the city development changing the previous equilibrium, were:

- (i) The **closure of several not profitable and productive plants**; several cities or satellite cities were built during the centralized regime based on an industry with old technology and not profitable. The closure of those plants was catastrophic for the city, which relied totally on that industry. The population started to abandon their cities and towns;
- (ii) The **process of privatization of the productive plants** brought to the shortening of existing workers and technicians and to the request for new trained and educated staff. Those that were left without job were not only the under educated but also with university degree. Poverty started to increase in absolute and relative figures, while a small group started to get rich by legal and illegal activities;
- (iii) The **land privatization and restitution** became the most important “planning instrument”. This is due to the fact that land property was restituted without limitation or restriction for use. Densification of the cities started without long-term plans and short-term control.
- (iv) While the **removal of restriction to move from one city to another**, the attraction of some cities that started to offer new job opportunities, combined with the inability to prevent, plan and assist the new comers, concluded with the establishment of new residential areas, built illegally and irregularly.

Because of these reforms some of the cities started to lose attraction and therefore population. These effects were more visible in the new towns and cities established in function of one industry during the centralized regime. The same situation was represented also in those cities that have a longer history, but that because of their geographical location and lack of spatial development policies and instruments were left in the periphery of development.

It was not the same for the cities that were located in a strategic position. They become point of attraction, because of their tourist potentials, or because they were close to main roads, cross borders, harbours, or because it was the capital city. Not only those cities become more attractive, but also villages that were offering the same opportunities.

As a result, in the periphery of the biggest cities new settlements were established, this time not by political decision, rather than from the inability of politicians to offer regular shelter and planned land to the new comers. It is estimated that 5 –10% of the population is housed in a way or another informally. The population of Tirana has been more than doubled during these 15 years of transition. The city shape is no more recognizable, while central and local administrators are not sure which is the future development model of the city that they would like to develop. One thing is sure: some of the bigger cities as well as some of the rural areas, located in strategic position, have become center of attraction and the main contributors to the national economy.

In this sense the history of the cities didn't play any crucial role in attracting the inner migration, but the geographical location was the determinant factor.

b- The influence of the politics – redefining the role of the state

The “rolling back” of the state in the neo-liberal economic agenda has led to a physical and social polarization of the cities. This is evident not only in transitional countries, but also in the west European ones.

The European governments for almost 40 years have been intensively involved in various forms in housing and urban planning, either through strong statutory planning instruments or heavy subsidies. It is almost impossible to prove which would have been the future of the developed European cities if they would have left housing and urban development exclusively under the auspices of the private sector; or which would have been the model of urban development of their cities and the predominated social class! The results – positive and negative – of this attitude are visible both in the former socialist and Western European countries, while the effects of the minimalist role of the state in housing and urban planning, probably are more visible in the so called “sleeping beauty” of former socialist countries.

The neo-liberal approach has influenced the planning tools and the pattern that cities are managed. Policies had moved to how to release energies of private sector through enabling strategies. But, difficult questions are raised about "who really benefits" from these strategies, at least where they are applied without due regard for equity and sustainability goals, rising fear that corporate interests are gaining more than the urban poor. The “rolling back” of the state in the neo-liberal economic agenda has led to a physical and social polarization of the cities.

Despite of this fact there is general agreement today on the enabling approach though differences continue to surface between those who place more faith in markets to deliver both efficiency and equity goals, and those who emphasize "sustainable human development" as a framework within which markets must be carefully managed - what UNICEF (1993) calls "urban development with a human face." Both schools-of-thought concur on the central importance of capacity building for improved urban management, institutional reform (especially in the public sector), and "local ownership" over policy decisions.

The example of Albania shows how the cities can be developed without governmental rules and regulations in an extreme liberal context. Urban development of the '90 has been dictated by the need for additional housing stock in some of the major cities where the flux of the inner migration has been directed. There has not been any particular policy with regard to enabling market, but the “passive” attitude of the government towards the private sector can be considered as the most powerful tool for establishing and developing the private market. It is considered that during 10 years the private sector has provided some 90% of the total housing production, out of which more than 70% are provided by the informal or irregular sector.

Within this neo-liberal context of policies, in this paper, i would like to rise two central questions:

1- Is the demand driven approach for allocation of public investments at national level a fair one? In this questions there are several other hidden question marks; like what is fair – is redistribution of income fair? Is taxation fair, especially if we refer to Nozick definition of taxation as forced labor, while those that pay taxes as slaves? But the aim of this paper is not to give answers to these questions, but to identify the rationale for the state role in planning the cities, while considering taxation and redistribution as accepted instruments of all governments.

Based on a demand driven approach, very often the public investments are oriented towards those cities that have potential for development, basing this approach in the efficiency of

investments. Therefore, the investments are oriented towards those local governments that are able to compete and that have capacities. To certain extent this approach, if not done with due regard to fair distribution of wealth, might generate serious potentials for increasing regional disparities and for lowering the potential role that peripheral cities can have in economic development. This is not an easy decision to take, since it requires clear view and vision for national territorial and spatial development and implies integration with other spatial development policies.

2- A second question is related with the perceived economic potential that informal settlements hide; in this regard is legalization and privatization the solution that will bring these areas back to economy?

The informal settlements established around the major cities, are second cities attached physically to the original ones, but with the distinction that they lay horizontally. They have no, or very scarce public services, difficult access roads they have no schools, or other social services, but they have houses (not shelter), which in most of the cases are decent, stable and adequate. Legalization is one of political priorities of each government. Legalization is seen as the instrument that will bring back to the local economy these areas.

One of the difficulties related with the process of legalization is linked with the fact that in Europe there are no examples that can be studied, or the examples are not sufficient to bring to conclusions, while the examples from developing countries might bring to mistakes, since the situation differ at large.

Legalization process is planned to start in the near future, based on the new law approved by the Parliament, which requires integrated approach, including data base formation for informal settlements and informal/irregular buildings in the inner cities, payment of legalization fees and land price, as prerequisites for up-grading (Example from Keneta/Durres, Stability Pact initiative). Even though, the model, the process and principles of legalization, will still remain uncertain.

Conclusion

Cities are favored by their geographic location. Other cities need integrated policies to become engine for economic development. The role of the central government is crucial for orienting the development pattern of the cities at national level. Allocation of public investments should keep the economic calculus in mind but not neglect the “human face” of development. Illegal settlements are considered as economic engine for the cities where are located, but more research is needed to develop further thoughts on the pattern of legalization and its impacts in a situation, which differs from the developing countries.