THE UNIVERSITY OF HULL

Transition Stories: Politics of Urban Living Space in Tirana City Region, Albania

Being a Thesis submitted for the Degree of doctor of Philosophy in the University of Hull

By

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Abstract

This thesis contributes to the geography of urban transition and to the expansion of knowledge of the post socialist city. Although many cities in transitional countries have inherited similar forms of housing and infrastructure provision and urban development from communist regime, there are important differences in the ways in which the recent decentralization and deregulation of urban development has impacted on, and activated, suburban land development interests and processes. There are different ‘transition stories’ yet to be revealed about urban development patterns, processes and politics in particular countries. A case in point is the process of suburban development in the capital city-region of Albania, Tirana, which exhibits some unique regulatory conflicts as it moves towards an ostensibly more liberal, free-market and decentralized urban development system.

By focusing on the case of Tirana, this thesis provides an example of such multiple ‘transition stories’ of post-socialist urban development and its politics. This thesis aims to contribute to the limited literature on the politics of urban development in Albania during the transition period. It forms the context for the empirical analysis of local transition stories in Tirana city region, examined from the perspective of property rights and livelihood strategies. It concerns the underpinning role of property knowledge in shaping livelihood strategies in the post socialist city.

One key argument that transcends all research questions is that local politics in the living urban space of the Tirana city region is not yet competitive (of a city and suburban area), but remains fundamentally contested. An explanatory analysis is presented of contemporary policy based on secondary and primary data about not only the regulation of new urban spaces, especially in suburban areas of Tirana, but also local property knowledge as it has evolved and is shared between different actors in Tirana city region. This will reveal how transition stories intersect and interact with the new socio-political context. This thesis was written between 2006 and 2010 and used a triangulation of qualitative approach through semi structure interviews, focus groups, and direct observation of local officials in Tirana city region.
Acknowledgement

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My graduate work would not have been finished without the constant help from my family: my husband, Herian, whose love and sacrifices are greatly appreciated and my two children, Hermis and Estela, whose understanding and enthusiasm made my graduate studies hectic but also fun. Special thanks go to my sisters and brother for their prayers and support. In Hull, I have made a new extended family and I would like to thank the many colleagues and friends who I could not all list here.

This thesis is dedicated to my parents, especially my father, Kujtim Shehu, who would not be able to attend my thesis support but have been from the very beginning a source of strength, inspiration and love.
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Pronunciation guide:

The following letters and combination of letters in Albanian are pronounced differently from their English counterparts:

<table>
<thead>
<tr>
<th>Albanian</th>
<th>English Phonetic rendering</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>c</td>
<td>ts (cats)</td>
<td>Pogradec</td>
</tr>
<tr>
<td>c</td>
<td>ts (church)</td>
<td>Korce</td>
</tr>
</tbody>
</table>

Definitive noun – The girl - Kamez, Tirane
Nondefinitive – A girl - Kamza, Tirana
Currency Equivalents

Currency Unit = Albanian Lek

<table>
<thead>
<tr>
<th>Years</th>
<th>Exchange Rate: Lek per US dollar</th>
</tr>
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<tbody>
<tr>
<td>1968</td>
<td>US $ 1 = Lek 5</td>
</tr>
<tr>
<td>In early 1991</td>
<td>US$ 1 = Lek 6.75</td>
</tr>
<tr>
<td>September 1991</td>
<td>US$ 1 = Lek 25</td>
</tr>
<tr>
<td>March 1993</td>
<td>US$ 1 = Lek 109.62</td>
</tr>
<tr>
<td>2002</td>
<td>US$ 1 = Lek 140.15</td>
</tr>
<tr>
<td>2003</td>
<td>US$ 1 = Lek 121.86</td>
</tr>
<tr>
<td>2004</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>US$ 1 = Lek 102.64</td>
</tr>
<tr>
<td>2006</td>
<td>US$ 1 = Lek 98.38</td>
</tr>
</tbody>
</table>

(April 15, 2005) Lek 97.81 = US$ 1 or 1 Lek = US$ 0.01022

Abbreviations and Acronyms

- **ALL** Albanian Lek (Currency)
- **ANR** Albanian National Report
- **Comecon** Council for Mutual Economic Assistance, referred to as CEMA or CMEA
- **Co-PLAN** Centre for Habitat Development
- **CEB** Council of Europe Development Bank
- **CEE** Central East Europe
- **CoE** Council of Europe
- **ECA** Europe and Central Asia
- **EU** European Union
- **FYROM** Former Yugoslav Republic of Macedonia
- **HDR** Human Development Report
<table>
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<tr>
<th>Acronym</th>
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<tr>
<td>HDPC</td>
<td>Human Development Promotion Centre</td>
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<tr>
<td>HDSE</td>
<td>Human Dignity and Social Exclusion</td>
</tr>
<tr>
<td>HIS</td>
<td>Institute for Housing and Urban Development Studies, Rotterdam</td>
</tr>
<tr>
<td>GoA</td>
<td>Government of Albania</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>INSTAT</td>
<td>National Institute of Statistics (Albania)</td>
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<tr>
<td>LAMP</td>
<td>Land Administration and Management Project</td>
</tr>
<tr>
<td>LG</td>
<td>Local Government</td>
</tr>
<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>MoK</td>
<td>Municipality of Kamza</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
</tr>
<tr>
<td>NHDR</td>
<td>National Human Development Report</td>
</tr>
<tr>
<td>NHA</td>
<td>National Housing Policy</td>
</tr>
<tr>
<td>SEDA</td>
<td>Sustainable Economic Development Centre</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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Chapter 1

Chapter 1: Introduction

1.1 Introduction

Urban scholars are increasingly turning their attention to processes of post-socialist urbanism in the former communist states of Eastern Europe. These transitional economies are experiencing processes of economic globalization and neo-liberal state restructuring similar to those in the West but outcomes differ due to the institutional legacy of state central planning. For example, Albania has experienced dramatic political and economic changes since the end of communism in 1990 yet the capital city of Tirana has inherited much of its regulatory, institutional and built infrastructure from the communist period, resulting in various tensions and conflicts around the production of new suburban spaces.

This thesis seeks to develop a better understanding of post socialist cities and the changing form of urban development. The research was undertaken at a time when the change of economic and political systems from socialism to free market and neoliberalism was associated with profound economic, political and social impact on city regions and their communities, which has fuelled widespread interest among policymakers, academics, state and local agencies.

In a capitalist system, the free market and private land development can be encouraged and delivered through ensuring property ownership right. Over the last two decades, during the transition period the private property issue has shifted from being perceived as having a marginal impact on interurban living space to being an important constituent of a wide range of land development processes and local livelihood activities, often producing conflict and tensions around these dimensions of urban living spaces. These issues require consideration as to how they interact and how they influence economic, institutional and political processes, which in turn shape the politics of urban development in post socialist context.
Recent interest in transition economies and urban development has facilitated a growth in the range and types of theoretical models or so-called transition theories. Post socialist cities are a central part of the debate that contributes toward a growing appreciation of the complexity of the transition process. It has been well recognized in western urban theory that private property plays a key role in land development and in interurban competition. How the politics of the living space matters in terms of fostering local geographies of property knowledge is crucial in understanding the post socialist city.

These connecting concerns are of particular interest in the Tirana city region, Albania. In promoting economic competitiveness and livelihood strategies, entitling property ownership has emerged as a key issue in the transition process. It is therefore important to observe how different actors' strategies develop at an intersection of private property and suburban land development.

1.2 Post Socialist City and Urban Development

This dissertation aims to contribute to the expansion of knowledge of the post-socialist city. Specifically, it examines how urban residents have garnered knowledge of property rights and livelihood strategies in suburban informal settlements in Tirana, the capital of Albania. After the fall of communism in 1990, political change in Albania was followed by economic transformation and rapid urban development. The transition from central planning to a free market regime set 'new rules of the game' in regards to urban development. It was associated with inter alia the decentralization of urban policy, the proliferation of local private property rights, new forms of local democracy, and new patterns of settlement around Tirana. However, in these early days of post-communist transition in Albania, urban development was poorly planned and by-and-large unregulated. Residents and migrants struggled to take claims on urban governance, private property and livelihoods. The purpose of this dissertation is to examine how, in the context of ongoing political changes and attempts to re-regulate urban development, local interests in property rights and livelihood strategies have adjusted to new forms of urban development in Albania.
The wider theoretical context of this dissertation project is the growing interest in the politics of post-socialist urban development. A number of scholars have examined the nature of urban and regional development of Eastern European countries, seeking to explain the transition from the socialist era of central planning to more liberal market economy (See, for example, Szelenyi, 1996; Sykora, 1999; Musil, Eneydi, 1996; Sjoberg, 1999; Tammaru, 2000; Smith, Pickles and Stenning, 2002, 2005, 2007; Balchin, 1992 etc...). Despite the growth interest in the post-socialist city, there have been relatively few studies of urban development in post-communist Albania.

Housing policy scholars have examined South Eastern Europe (Lux, 1992, 1998; Hegenus, 1991, 1995, 1999; Tsenkova, 1992, 2000, 2005, 2010; Tosic, 1994, 2000; Kovacs, 1999, 2000, 2005; Eskinasi, 1994; Milanovich-Pichler, 1991, 1994; Stark, 1989, 1992), but little has been written about Albania. Most research in East - Central Europe (ECE) covers countries that are recently part of EU, leaving very little space for studies of the Albanian economy and urban transformation in the transition era. One exception is the research on urban management in some Albanian cities produced by the Institute for Housing Studies (HIS) and Urban Development Studies in Holland; Urban Land Center, Wisconsin, United States and Institute for Liberty and Democracy, Lima, Peru A branch of the institute - the Center for Habitat Development, has given assistance to Co-Plan (an NGO Albanian organization) on planning, urban development and governance in Albania. However the work of Co-Plan itself has not been subject to independent academic scrutiny.

The studies of East - Central European cities have tended to emphasize the distinctiveness of the socialist model of urban development (Murray and Szelenyi, 1984 cited in Sykora, 1996 and Eskinasi, 1994). Although there were variations in urban development trends between socialist countries, urban patterns and tensions in Eastern Europe reflected wider central state housing, infrastructure and urban development goals. Local suburban political interests and regulatory structures such as land use, taxation, planning, and property development played little part in urban development policy and politics. The system of urban development under socialism tended to be conforming to nationalist goals and the interests of dominant national political elites rather than local or even, for that matter, global forces (Enyedi, 1990).
At the same time, the more recent pressures and opportunities created by economic transition have encouraged researchers of the post-socialist city to focus less on the national political and policy arena and more on the international context. One aspect of this is a tendency to draw upon theories of, and comparisons with, the neo-liberal or globalizing city in the west. Research in Western Europe suggests that in the context of neoliberal policies the re-emergence of local growth coalitions has been encouraged by the state in an attempt to introduce competitive market forces into otherwise quasi-monopolistic urban land markets (Jessop et al. 1999). The ‘growth coalition’ represents a collective response to the threats and opportunities arguing from the mobility of private investments relative to urban (territorial) interests associated with private property and land rent (Molotch, 1976; Cox and Mair, 1988). As a result of the activities of such growth coalitions, city-regions (and equivalent local authorities) now compete with each other for new investments and employment. Recent interpretations of the growth coalition concept place emphasis on the role of central government agencies and policies in shaping city-region development and in managing local politics and conflict. However, against this view, it is suggested that the re-activation of local development coalitions is producing new tensions and conflicts across city regions. These tensions centre upon suburban land use, housing and infrastructure. For example, there are tensions between cities and suburbs around fiscal subsidies for new economic developments and land use. Additionally, there are problems of building and locating affordable housing, which contribute to problems of service provision, suburban sprawl and environmental regulation. These are not uncommon features of urban development in North America and Western Europe and may also manifest themselves in Eastern Europe especially under the transition from socialism to market economies (i.e., neoliberal urbanism).

A particular focus of post-socialist urban scholarship has been on understanding the processes of privatization, commercial land development, the role of international agencies in urban management, and changes in national urban policy. At the same time, there has been growing interest in the impact of privatization and de-regulation on post-socialist urban spatial forms (Sykora, 1994). Here comparisons are drawn with the American and Western European experiences, prompting a growing interest in the degree of institutional convergence around
competitive and entrepreneurial forms of urban development and regional governance (Halkier and Sagan, 2005).

Sykora represents a newly emerging viewpoint among some European scholars that it is worth examining examples of the post-socialist city on their own terms within a given national context. In this respect, in the same way that there are many variants of neo-liberal urbanism in the West, it could be that there is no such thing as the 'post-socialist city' (Pickles and Theodore, 2007). Rather there are different trajectories of urban transition across and within the former socialist and communist countries of Europe. Hence there are different 'transition stories' yet to be revealed about urban development patterns, processes and politics in particular countries. By focusing on the case of Tirana, this dissertation provides examples of such multiple 'transition stories' of post-socialist urban development and its politics.

Whilst focused on a specific set of case studies of urban transition stories, this study of the Albanian context can nevertheless serve as a basis for useful comparisons and contrasts with the other post socialist economies. Furthermore, it will help to establish a base of knowledge for context-specific generalisations about the post-socialist city. Using a case study of residents and migrants in Kamza, a suburban informal settlement within the Tirana City-Region, I engage critically with some wider theoretical issues which could explain of the changing intra-urban pattern of post-socialist cities.

There has been some notable scholarship by British scholars, who are interested in post socialist cities, starting from Stark (1986) and Turnock (1988) during socialist era and recently to Pickles, 1998, 2005; Smith, 2002, 2004, 2006, 2007; Stenning, 2002, 2006; Swan, 2002 and Sheppard, 2007 during transition era. Smith and Stenning (2002, 2006) paid attention to transition theories of everyday practice transformation but not on suburbanization process and the politics of urban development. Most of the new development in Tirana city region is occurring at the edge of the central city. Within the existing urban areas authorities are working with inadequate infrastructure and social facilities. Many parts of the urban region have hardly foregone any capital investment during the last decades and are severely unable to manage new growth pressures. The high housing demand of overcrowded urban and
rural dwellers and pressure from rural-urban migration has led to a construction boom. Kamza, a new suburban area during transition, is an ideal place to investigate the living politics of urban living space. The so-called ‘transition theory’ does not travel well in Tirana city region, largely because local conflicts do not give way to an intense interurban competition.

Like many Eastern European countries, since 1990 Albania has undergone a political and economic transition towards free-market policies, democratic elections, and closer economic integration to the rest of Europe. However, being part of globalisation, Tirana is still not like other East - Central European cities, for example Prague, Budapest or Warsaw. Due to a long period of isolation from the world economy, Tirana was not directly affected by globalisation processes prior to the 1990s. Subsequent transformations of political and economic systems in Albania and other former socialist countries created preconditions for a rapid link of such urban territories to global space (Sykora, 1995). However, theories and models derived from other capitalist urban contexts may not be appropriate for understanding new urban forms in Tirana city region because of the legacy of feudalism and communism, and the existing conflicts around property rights. There are still intense conflicts in the living space and absent of growth machine.

The analysis of urban and suburban change in Tirana will show how patterns in transitional economies cannot always be explained by the well-known theories. I would therefore stress a need for the investigation of urban-spatial structures, focused on social-political processes in specifics contexts.

The underlying premise informing the research is that, far from representing a conflict-free transition to a western or global form of neo-liberal urbanism, various conflicts have emerged around suburban development associated with the deregulation of housing and the land development process. These tensions include an explosion in the growth of informal private housing, problems around the provision of infrastructure, and the issue of the funding of local government especially in the burgeoning suburban areas of the capital city-region. It is expected that new suburban spaces of re-regulation reflect the interaction of Albania’s inherited legal and administrative structures with new pressures of land development under a free market system.
1.3 Aims and Objectives

A persistent narrative is that neoliberalism has penetrated even wider and deeper into all aspect of daily life across Tirana city region. However, this process has been associated with conflicts and tensions around the regulation of suburban areas of Tirana city region.

The overall aim of the project is:

- To develop insights into the local political-economic dynamics of suburban land development in Tirana as Albania moves into a new and potentially more regulated phase of urbanization.

The following specific objectives are outlined to support the main purpose of the study.

- To investigate how different spaces of land regulation and property rights are emerging in suburban areas of the Tirana city region
- To examine concretely the neo-liberalisation of land development in a transitional economy focusing on conflicts around regulating different local modes of property ownership rights, including state ownership, local informal or self-regulated modes, municipal ownership and private one.

Research questions

1. What new urban spaces have emerged during transition in the Tirana city region?

2. What tensions and conflict are associated with the development of such new urban spaces in Tirana city region?

3. To what extent can conflicts be attributed to local interests in land development (housing and infrastructure) rather than central state policies or perhaps more global forces?

4. How does theory travel in transition countries, especially in the Tirana city region? Two aspects of travelling theory are examined:
i) Transfers of models of good urban governance

ii) Transfer of theories of western critical urban scholars/writers

A series of subsidiary empirical questions follow on from the main questions:

1. What new patterns of suburban land use, housing and infrastructure provision have emerged in Tirana?

2. Does the location and provision of these new suburban forms reflect wider government ideas and policies on how Tirana (and Albania) should develop post-communism or do they reflect local conflicts and competition around land use?

3. Are central government housing and infrastructure policies in Tirana city-region in conflict with those of local government?

4. Is there any cooperation between City of Tirana, central government and local government? For instance, is there a move towards city-region government?

5. To what extent is land development generating new private property knowledge and livelihood strategies at the urban fringe of Tirana?

1.4 Thesis Structure

This thesis is structures as follows:

Chapter 2 is Literature review which introduces the context for the proposed study and identifies some key themes that relates to research questions. Based on the main themes, the literature review is organized into five sections, mainly focus on urban development in socialist and transition economies of Eastern Countries; tensions around urban development in transition countries, especially in Albania. Chapter 3 has provides an overview of urbanisation trends in Albania in the communist and post-communist eras. This chapter

8
argues that urbanization and urban development are integral to the transition process in Albania, but arguably have intensified conflict and tensions around urban spaces. Urban transformation brings up conflict and tension. Chapter 4 discusses the methods used for the collection of data and describes the detailed procedures of the semi-structured interviews undertaken in the study of suburban spaces in the Tirana city region. Chapter 5 provides an overview of the decentralization process in Albania and considers the arguments for local governance fragmentation and local government, demonstrating their main features for different periods. Chapter 6 examines the various ways recent processes of local government in Tirana city region and especially in the Kamza case study plan and regulate suburban development and how the residents are responding. Chapter 7 looks at different actors' relations and the politics of urban living space in Kamza entitling property right issue. This chapter examines whether a formal 'growth machine' relating to land development has emerged on rather privatization of urban land has resulted in the fragmentation of property rights. Chapter 8 examines the complex ways in which property rights in transitional urban economies of Tirana city region relate to survival mechanism. This chapter concerns the underpinning role of property knowledge in shaping livelihood strategies in Tirana city region. The final chapter discusses the study's findings in a more focused manner and interprets the empirical findings.

1.5 Conclusion

The dramatic changes since 1990 have reconfigured Tirana and influenced its re-integration into European and global networks. This thesis examines the ways in which Tirana demonstrates how broader processes of post-socialist (social and economic reforms) are enacted and performed, along with the ways in which city is itself constitutive of such transformation. From occupying a privileged position under state socialism, Tirana has experienced dramatic and far-reaching changes in the post-socialist era. The expectation is that in a global (and liberalization) context, it is possible to identify a distinctly 'post-socialist' city.
Chapter 2: Literature Review

The Post Socialist City and the Politics of Urban Development

2.1 The Post-Socialist City and the Politics of Urban Development

This chapter aims to contribute to the limited literature on the politics of urban development in Albania during the transition period. It forms the context for the empirical analysis of local transition stories in the Tirana city-region, examined from the perspective of property rights and livelihood strategies. It is worth considering at the outset why a discussion of property rights is so crucial issue to the research and how does property knowledge in practice inform local livelihood strategies in Tirana.

Albania has experienced a drastic change from a collectivization and nationalization of land and assets in the communist era to privatization and a free market economy in a democratic era. Underpinning transition has been an explosion and fragmentation of private property rights, which has introduced a deal of complexity into the transition process. Albania was unusual -- if not unique -- among transition economies in the prompt and radical manner in which it privatised provision of urban housing, complete the process in a matter of two or three years by the end of 1993. Since the Ottoman Land Code of 1858 (Frasheri et al. 1982) Albania has seen the creation of a palimpsest of property rights, which are of great legal complexity. In this respect, undisputed property rights are not a feature of the large areas of illegal buildings which have arisen around Tirana since 1990. Rather knowledge of property rights and the disputes surrounding them are central to understand the politics of urban development in Tirana. Given that it would be both impractical and unjust to demolish informal housing, property rights have formed the basis for migrants and residents to improve quality of life in the city even as they remain marginalised from other aspects of Albania democracy including new forms of urban governance. In these respects, the Albanian case offers a unique insight into housing strategies, infrastructure provision and local governance which contrasts with studies that pay more attention to other contexts in
Central and Eastern Europe. This research examines the direct impact of securing the property right on livelihood, local government and provision of infrastructure of urban and suburban spaces in Tirana City Region, Albania. In order to examine the impact of property ownership, this study develops a case study of Kamza, which is burgeoning suburbs of Tirana.

In this chapter, I review trends and patterns in urban development across Central and Eastern Europe during and after socialism, focusing on studies of the privatisation of land and housing, national policies on urban development, the role of migration, and the appearance of a new urban politics of development. Although I focus on trends across Central and Eastern Europe, I will emphasize similarities and differences in urban development and migration patterns between Albania and neighbouring states. It is important to bear in mind that Albania is often considered to be a unique, special or extreme case. But based on knowledge of its own conditions, Albania could be regarded as following, variously, an unregulated East European neoliberal or a developing country model of urban development. This is an open question and depends on what kinds of concepts and theories are applied to the Albanian case, and the contexts in which those theories are evaluated. In this respect, we need to consider carefully and critically the ways in which theories developed in one context 'travel' and are applied to another context. Given the limited research done on the Albanian situation, it is important to proceed with caution, drawing on evidence to hand available in existing academics treatments and statistical yearbooks.

The academic context for this dissertation is the growing interest in the politics of post-socialist urban development. The available literature on this topic has identified some patterns of urban development taken to be characteristic of the socialist and transitional or post-socialist city (Szelenyi, 1996).

The academic context for this dissertation is the growing interest in the politics of post-socialist urban development. The available literature on this topic has identified some patterns of urban development taken to be characteristic of the socialist and transitional or post-socialist city (Szelenyi, 1996). In the following section, I provide an overview of urban
development in East - Central Europe before 1990, trying to identify common patterns and
differences between Albania and the other socialist countries in urban development politics.

2.2 Patterns and Processes of Urban Development in Central and Eastern Europe
during the Communist Era

Urbanisation under central planning has been examined by the work of many scholars (See,
for example, Enyedi, 1996; Szelenyi, 1996; Sjoberg, 1999 and Tammaru, 2000). The main
feature of socialist urbanisation was its relation to industrialisation under the centrally
planned economy (Szelenyi, 1996; Sykora, 1996, 1999; Smith 2002, 2007). A particular
feature of socialist urbanisation was underurbanisation. Sjoberg (1991: 27-28) analysed one
of the orthodox cases of socialism, Albania, where rural retention and zero urban growth
were achieved. The result of closed-city policies and no access to urban housing was a pattern
of diverted migration—that is, prospective urban in-migrants were deflected to extraurban
settlements, close to the most attractive towns originally targeted, and where jobs were to be
hand. As a result of this, extensive commuting was generated. Thus, suburban areas grew, but
the mechanisms were quite different from Western countries.

In Eastern and Central European countries, a more dispersed migration to suburban areas did
occur, labelled as diverted migration to exurban areas (Sjoberg, 1992) and para-urbanisation
(Mezga, 1993), as people tried to take advantage of both urban and rural ways of life. In the
former Soviet Union, the result was the growth of more compact and often industrially based

Tammaru (2000) argues that general views on urbanisation in socialist countries are the
baselines for assessments of possible post socialist developments. I provide an overview on
how urban development has been impacted by the approach of national and local
governments during socialism, and consider the particular experience of Albania in relation
to other East European states. Map 2.1 shows the location of Albania in relation to other
countries in Eastern and Central Europe.

¹ Their common feature was their growth due to the continued concentration of population in the suburban areas
of large cities, rather than an internal decentralisation of population within urban agglomerations (Tammaru,
2001).
Map: 2.1 Political-Administrative Map of Central and Eastern Europe

Source: Adopted from http://europa.maps/index_en.htm
Past studies of East European cities have tended to emphasize the distinctiveness of the socialist model of urban development (Murray and Szelenyi, 1984). Even though Central and Eastern European countries considered themselves as socialist countries, they have experienced different pathways of urban development. The level and structures of urbanization varied greatly between and within the countries of Central and Eastern Europe depending on their geographical, historical, ideological, and political factors (Enyedi, 1992; Eskinasi 1995; Milanovich, 1995; Sykora, 2009). Even though the soviet model of ‘rapid industrialisation, centrally planned within a system of state ownership’, was a motto for the Communist parties of Eastern and Central Europe, under communist rule, land reforms were implemented, enterprises were nationalized and governments moved to control all aspects of economic and social life through programmes of nationalisation (Turnock, 1989: 15).

According to Turnock (1989: 46), even though USSR’s influence on Eastern Europe was uniform, many countries differed in some key respects despite sharing a common frontier with Soviet Union. However, somewhat separated from the Soviet frontier Albania and Yugoslavia were in a strong position to remain independent of Moscow. Albania was considered a “non aligned communist regime”. Accordingly, Albania’s development profile has been marked by hostility to Moscow and deep suspicion of Yugoslav intentions, not least due to historic Serb ambitions and unequivocal advice from Stalin to Tito to ‘swallow up Albania’ (Blejer et al. 1992: 75). However, close links with Moscow continued for some years and brought important economic benefits. Stalin’s death in 1953 and Krushchev’s progress in healing the break with Tito in 1955 encouraged Albania’s President Hoxha to react by opening up links with China and purging the Party’s ranks over the period 1955-1957, tactics that were initially successful in consolidating his regime and attracting capital from China and USSR to develop the oil industry and improve education and health issues. Turnock (1989: 48) suggests that the Cultural Revolution in China gave Hoxha the opportunity to launch a new attack on traditional Albanian attitudes. There was a shake-up in bureaucracy and women gained greater equality. Most radical, however the abandonment of religion made Albania the first atheistic state in the world. But he goes on to argue the break with China in 1978 was followed by a determination to get by without foreign assistance: Self-reliance became the keynote of the 1981-1985 Five Year Plan (Turnock, 1989: 51).
The socialist countries, in Central and Eastern Europe, were Czechoslovakia, Democratic German Republic (DGR), Bulgaria, Romania, Hungary, Poland, Albania and Yugoslavia. These socialist economies were very different from each other. However, we might allocate them to two larger groups having some commonalities in urban development. The first group comprises Czechoslovakia, East Germany, Bulgaria and Romania. This grouping followed the classical Soviet model of detailed central planning and administration which allocated development resources to individual settlements through an intermediate regional planning (Enyedi, 1992). Albania was similar to this group in terms of its degree of central planning. Sudar (1998: 1) and Pashko (1991: 128) both argue that Albania followed all the typical institutional features of Stalinism in an extreme and rigorous form, dominated by the state and Communist Party. This pattern also influenced urban development in Albania, resulting in totally restricted internal migration and the elimination of private property rights. A second group was Hungary, Poland and Yugoslavia. These followed a more decentralized planning and decision-making model, in which the central planners designated only desirable long-term trends in national settlement development, but actual planning and decision-making occurred at the local level (Enyedi, 1992). Albania does not fall into this group in the communist period but arguably in the post-socialist era it has witnessed a concerted period of decentralization (See Section 2.3).

2.2.1 Urban Policy in the Socialist Era

East European urban policies passed through several phases in the socialist era. In the early 1950s there were no explicit urban policies. Sectoral planning was dominant and principles of socialist urbanization were applied only in certain sectors or in certain settlements. The planning system in socialist countries was more a political category than an economic one. Planning was split into territorial and economic planning (Enyedi, 1990). Under this system, the development of the urban hierarchy was directed ‘from above’. Urbanisation policy concentrated attention almost exclusively on large cities. The city became an arm of national government, responsible for translating into practice central policies and decisions on economic development, social services and infrastructure (Eskinasi, 1995).
The late 1950s and early 1960s witnessed the introduction of the first comprehensive regional and urban strategies in East European countries. The key instrument was industrial decentralization to provincial cities to create employment opportunities among regions and later to diminish inter-regional migration (Milanovich, 1994; Sykora 1994, and Eskinasi, 1995). There was some migration to urban centres but for the most part the pattern of urban development reflected national priorities, which tried to reduce intra-urban disparities in wealth. For example, Kolodko (1999: 19), Balcerowicz (2002: 28), Sykora (2009: 389) argue that the system of central planning integrated political control and economic coordination of the state, with the communist party. The central system impacted on the spatial allocation of housing and urban development. Sykora (2009: 390) goes on to argue that the urban population in socialist cities was differentiated by demographic rather than income characteristics. During this period the national urbanisation strategy used to favour smaller settlements over large settlements. Town development policy encouraged or promoted the development of small towns (Milanovich, 1994; Misja 1998: 58; China, 2006: 1). The same strategy was applied in the case of Albania. With the exception of Tirana’s role as capital city, secondary cities were allowed to develop, sometimes growing in size close to Tirana’s population. The key principles of Albanian urban policies of that time were both the development of rural areas and the restraint of urbanisation.

Table: 2.1 Population (millions) in Eastern Europe during the Socialist Period

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>1.22</td>
<td>1.61</td>
<td>2.14</td>
<td>2.59</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>7.27</td>
<td>7.78</td>
<td>8.49</td>
<td>8.88</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>13.09</td>
<td>13.65</td>
<td>14.33</td>
<td>15.28</td>
</tr>
<tr>
<td>GDR (East Germany)</td>
<td>17.94</td>
<td>17.24</td>
<td>17.06</td>
<td>16.74</td>
</tr>
<tr>
<td>Hungary</td>
<td>9.80</td>
<td>10.00</td>
<td>10.34</td>
<td>10.71</td>
</tr>
<tr>
<td>Poland</td>
<td>24.82</td>
<td>29.70</td>
<td>32.53</td>
<td>35.73</td>
</tr>
<tr>
<td>Romania</td>
<td>16.31</td>
<td>18.40</td>
<td>20.35</td>
<td>22.20</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>16.35</td>
<td>18.54</td>
<td>20.37</td>
<td>22.30</td>
</tr>
</tbody>
</table>

Sources: Based on Statistical Yearbooks and Lavegne (1995: 34)
Table 2.1 above shows clearly that all Eastern European countries have a general trend in controlling population growth, with the exception of Albania. Its population is already double because of the state’s pro-natal policy. However, in Albania, mobility from one city to another could not occur without permission from the Interior Ministry.

By the late 1960s, the restriction of labour mobility through the ‘interior passport’ -- referred to ‘pashaportizim’ in Albania and ‘Hukou’ in China -- allowed central government to control the size and growth of towns and cities (Sudar, 1998: 70; Misja, 1998: 58; China, 2006, Aliaj, 2003 and 2008). In this regard, Albania might seem as unique among former socialist countries.

In order to establish control over urban growth, around every city growth, boundaries were introduced or the so-called ‘yellow lines’ (Alimehmeti, 1986; Aliaj et al. 2003). The purpose of these yellow lines was to prevent the growth of informal urban settlements, as often happened in countries with rapid rural-to-urban migration. Urbanization was in this respect restricted and the rate of urban growth in Albania was low. Table 2.2 below shows clearly some of the urban population in Eastern Europe and Albania in this respect has the lowest percentage.

Nevertheless, during the socialist period, urban population in Tirana was increased slightly higher due to the process of industrialisation, which attracted a workforce from the rural areas and the installation of State party and all ministries.

Table 2.2: Urban Population in Some former Socialist Countries (%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>20.5</td>
<td>30.0</td>
<td>31.8</td>
<td>33.6</td>
<td>36.1</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>22</td>
<td>17.9</td>
<td>34.8</td>
<td>45.3</td>
<td>56.1</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>25.3</td>
<td>38.6</td>
<td>51.8</td>
<td>61.2</td>
<td>67.7</td>
</tr>
<tr>
<td>Romania</td>
<td>24.6</td>
<td>37.2</td>
<td>50.4</td>
<td>60.1</td>
<td>66.3</td>
</tr>
</tbody>
</table>

Source: Misja (1998: 67)

Albania had not only a low urban population but already a nil migration out. Table 2.3 below shows that if in the other socialist countries the international migration was limited, in
Albania was prohibited and unauthorized attempts were severely punished (Alimehmetaj, 1985; Sudar, 1998: 8; Misja, 1998: 67; Aliaj, 2003).

<table>
<thead>
<tr>
<th></th>
<th>Albania</th>
<th>Bulgaria</th>
<th>Czechoslovakia</th>
<th>GDR</th>
<th>Hungary</th>
<th>Poland</th>
<th>Romani</th>
<th>Yugoslavia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-1984</td>
<td>0.00</td>
<td>11.4</td>
<td>12.2</td>
<td>112.6</td>
<td>8.8</td>
<td>39.6</td>
<td>17.0</td>
<td>53.7</td>
</tr>
</tbody>
</table>

Sources: Based on Turnock (1989: 15)

The above evidence has tended to emphasize the distinctiveness of Albania in the socialist model of urban development, which will carry on in the following sections with some more evidences of urban development trends in housing policy, land development and land development.

2.2.2 Housing Policy and Land Development in the Socialist city

Most of the socialist countries had a centralized housing policy. In these countries, politicians and planners on the national level determined the number of new flats to be built under a framework of five-year plans. However, these were the responses of individual countries to particular challenges in the development process of the socialist economy. Bulgaria, Russia, and Eastern Germany introduced a strict control mechanism, while Yugoslavia and Hungary allowed quasi-market processes (Hegedus, 2009: 1). Albania had a strict housing control mechanism as well.

By the 1970s, in Eastern Europe, the state played a dominant role in the formulation and implementation of housing and urban policy, determining the needs, project design and financial allocation for construction, as well as the spatial distribution of housing. Socialism created specific features in cities. New construction was concentrated right at the city edge in the form of high density residential areas, mainly designed as pre-fabricated, multi-storey apartment buildings (Milanovich-Pichler, 1994; Eskinasi, 1995; Sykora, 2009: 389). The state was likewise instrumental in urban planning, particularly with regard to the adoption and approval of the urban plans of the large cities and of industrial estates. Local urban authorities were responsible for co-coordinating development - but they had no decision-
making power. Public participation was reduced to largely symbolic involvement (Enyedi, 1990).

In that period of extreme state centralization, housing policy enjoyed widespread political support, since it was general and universal, rather than selective and targeted. The objective was to maximize new construction. The basic form adopted for state housing provision was rented flats, which were available either through the nationalisation of the private rental sector or through new build. Rents were set at levels below even the economic costs of maintenance and replacement. New investments in the housing market were limited by the regulation of ownership. Nationalisation in the 1950s had effectively eliminated speculative land markets. Most land was distributed by planning decisions rather than by market competition. Land price variations from zone to zone within central and eastern European cities appear to be relatively small. Most socialist countries tried to limit home ownership by strict regulations such as zoning or restricting the construction of private homes within built-up areas. Under socialism the state allocated land free of charge and for use in perpetuity and no value was placed on location (Milanovich-Pichler, 1994; Eskinasi, 1995; Szelenyi et al. 1996).

The same housing policy and land development process was applied in Albania. However considering the special conditions of Albania it must be stressed the extreme form of nationalization and elimination of property right was unique except to some extent Rumania and Bulgaria.

2.3 Urban Development and Spatial Governance in Post-socialist Cities

Since the late 1980s, most Eastern European socialist cities have experienced significant changes not least in the context of the transition from central state planning to neo-liberal systems of planning and urban governance. This trend mirrors in some respects the transition in Western Europe from Fordist urban development to post-Fordism, with similar implications in terms of the diminishing role of the state and the dominance of particular urban development processes. These include the growing imprint of extra-territorial forces of competition and the activation of local development or ‘growth’ coalitions (Jonas, 1991;
Jonas and Wilson, 1999). Typical factors that have played a role in this transition include accelerating globalization, new devolved political systems, and fiscal localism, prompting competition between cities for inward investment (Jessop et al. 1999; Leitner and Sheppard, 1999; Brenner and Theodore, 2002). In this context, urban politics has shifted away from distribution through provision of social services and towards developmental politics that promote land use and fiscal policies for inward investment and growth. These policies in turn have had implications for urban and metropolitan-scale jurisdictional arrangements, including pressure on local authorities to find new arrangements that exploit economies of scale and deflect public opposition away from controversial infrastructural and economic development projects (Cox and Jonas, 1993). The next section reviews the experience of East European transitional economies. It considers to what extent they fit the patterns of neoliberal urban development outlined above or, instead, have followed unique and context-specific pathways of urban development.

2.3.1 Transition Economies and the Politics of Urban Development since 1990

According to contemporary scholars of the post-socialist city, most of East European countries are now entering a second stage in the consolidation of urban development (Sykora, 1999). A feature of this second phase is the intrusion of wider international and global spaces of regulation into the national contexts of urban development in Eastern Europe. For Sykora (2009: 391) “post-socialist transition does not proceed in vacuum as the replacement of one reality with another”. Instead, there are continuities and discontinuities between different phases of urban development.

When studying the transition from a socialist to a market economy, it is important to take into consideration that the socialist economies in Eastern Europe were very different from each-other and economic processes were always intersected by specific political and ideological factors (Sjoberg and Wyzan, 1991: 69; Eskinasi, 1995; Sudar et al. 1998: 67; Sykora, 2006: 189). The first three countries that embraced the new democratic governments in Central Europe were Poland, Hungary, and Czechoslovakia. The next were Southeastern European countries designated as ‘Balkan’: Romania, Bulgaria, Albania, Serbia, and Montenegro (Lavigne, 1995; Sudar et al. 1998; Altrock et al. 2006: 2).
The complexity of problems involved in transition has presented both Eastern and Western scholars with a challenge. The available data concerning the Albanian economy, for example, are so few and so difficult to verify that no one, for the time being, can make a proper and thorough analysis. The process of transition to an open market economy in Albania involved economic hardship and political unrest. In 1998 the so-called Ponzy economy\(^2\) created political and social turmoil, and hardship; a pattern replicated in other East European countries like Romania and Bulgaria.

Even though with their common experience of a rapid transition from centrally-planned to democratic, market oriented states, former socialist countries have very different regional economic and land use structures, also owing to the diverse political and socio-economic history of the various newly created the reconstituted states. In addition, the transformation processes had different affects on the different societies. In some countries, one can observe a shrinking of the population (Hungary, Czech Republic, Lithuania and Estonia) while others are growing (Poland). In Albania, as illustrated in Table 2.4 below, a shrinking of the population has occurred. And the overall total population of Albania has remain static.

TABLE 2.4: The Population of former Socialist Countries (millions)

<table>
<thead>
<tr>
<th></th>
<th>1989</th>
<th>2000</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>3.2</td>
<td>3.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>9.0</td>
<td>8.1</td>
<td>7.6</td>
</tr>
<tr>
<td>Hungary</td>
<td>10.4</td>
<td>10.2</td>
<td>10.0</td>
</tr>
<tr>
<td>Poland</td>
<td>39.0</td>
<td>38.6</td>
<td>38.0</td>
</tr>
<tr>
<td>Romania</td>
<td>23.2</td>
<td>22.4</td>
<td>21.7</td>
</tr>
<tr>
<td>Slovakia</td>
<td>9.8</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Slovenia</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Sources: EBRD, Transition Report, 2009

International migration has been one of the crucial issues of the socio-economic changes in post socialist countries, but for Albanian case this was in extreme. The rapid out-migration

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\(^2\) Pyramids' schemes or the so-called Ponzy economy are informal financial institutions in which people invest their money while getting very high rates in return.
resulting from an agrarian crisis and rural unemployment associated with the collapse of communism. Albanians’ unique response to the stresses and opportunities of the new order was mass emigration. Albania might be defined as ‘a country on move’ (World Bank, 2007: 3). This happened to a degree quite unmatched elsewhere in the transition economies. From 1991 to 2008, more than 25% the total Albanian population migrated (35% of the labour force) (Gegeshi, 2008). From 1989 to 2001, Albania’s total population was reduced by 3.6% from 3 182 417 to 3 069 275 (INSTAT, 2002: 16, 18). Like many other Balkan countries, Albania also witnessed large-scale domestic migration, mainly from villages to the city. As a result of massive rural/urban migration, between 1990 and 1994, the built up area in Tirana grew at an unprecedented rate (Agorastakis, 2007: 472; Bertaud, 2006; Agorastakis, 2007: 472; Andoni, 2004, 2007, 2010). The Albanian transition introduced new patterns of land ownership and occupancy. It led to rapid privatization of building ownership, and a legal environment characterized by constant change and new relationships between the central and local authorities.

Another characteristic of the post-socialist cities is huge and growing disparities in rates of urbanization due to internal migration. In some of the countries, there is only one major metropolis which serves all central functions, such as Budapest, Prague Tallinn, and Riga. In other countries there are several large cities, such as in Poland, Lithuania, and Slovakia (Altrock et al. 2006: 1). In Albanian case there is only one city: Tirana City Region, which serves all central functions, and with 41% urban growth between 1993 and 1999 (Agorastakis, 2007: 475).

Urban change is associated with the redistribution of population between cities. While major cities loose population through migration, small municipalities gain it. In Czech Republic, for example, out-migration has occurred to suburban areas, especially around Prague and Brno. Moreover, housing construction has contributed to booming suburban areas, especially around the capital city of Prague. In some districts of Prague, the rate of housing construction is nearly three times higher than the national average (Sykora, 2006: 114). These patterns can be found in Albania. At district level, in Albania, the population fell drastically. In only nine out of 36 districts was there positive growth, and most of these were in the Tirana city-region. Internal migration has mainly resulted in the enlargement of Tirana and centre-
coastal area of Albania (Gegeshi, 2008: 3). The case of Poland is examined by Walter (2006) cited in Altrock et al. (2006: 9), who focuses more closely on the relationship between city and suburban development in Warsaw. The capital of Poland witnessed an outright boom of investment.

Analyses of the urban development identify an expansion, transformation and differentiation of the system of towns and cities in the formerly socialist countries of Poland, Hungary and Czech Republic and a number of researchers have reported its origin in strong political action at the level of the central state (Altrock et al. 2006: 8). Lorens (2006) cited in Altrock et al. (2006: 7) discusses various factors influencing the current urbanisation tendencies in Poland. Starting from remarks concerning the history of urban development, he brings together different factors shaping the Polish model of urbanization, like land ownership pattern, planning situation, administrative structure and level of government involvement in the process.

Ruoppila (2006) cited in Altrock et al. (2006: 8) analyses the housing situation and housing policies in Tallinn and the changing picture after the city became the capital of the newly independent Estonia. He describes the Estonian politics of privatization and of restitution of formerly private apartment buildings. The accelerated residential mobility resulting from this development and from limited state intervention into the housing market has re-established a diverse pattern of neighbourhoods in the periphery. The observed pattern may be typical for post-socialist cities, but the future must determine whether the renaissance of redistributive policies by the states and the cities will help limit residential segregation as they do in Tallinn after the turn of the century.

Marana, 2006 describes the Latvian Planning system and illustrates the situation with current examples of planning in Metro Riga and the historic core. The new challenges for the capital of Latvia are a result of demographic, economic and social changes and the ongoing urban development since Latvian independence in 1991 (Altrock et al. 2006: 8).

Daunora and Juskevicius, 2006 describe principles of regional development consolidated in the first Lithuanian territorial planning scheme. With a transition to market conditions, the polarization in the quality of life in regions has been expanding fast. In the context of the
strengthening economy, there is a need for a more precise determination of state regional policy and an escape from speculative ideas in addressing urban development towards concentration (see also Altrock et al. 2006: 7).

Sykora (2006) argues that countries with very dominant capitals located close to old EU will experience an increasing division, between a booming West and a poor East. The major growth in post-communist metropolitan areas is concentrated in the suburban zone. What we know about Sykora is largely based upon empirical studies in Check Republic cities for example Prague and Brno that investigate how the former socialist city of Prague is being changed “through rapid commercial and residential suburbanisation that takes the form of unregulated sprawl and is fragmented into numerous locations in metropolitan areas around central cities” (Sykora, 2006: 121). So far however has been little discussion about politics of urban spaces around metropolitan cities. These rapid changes of suburbanization are having different effects in different post socialist cities entitling property rights. Questions have been raised about politics of urban living space entitling property rights.

Another major impact of suburbanization is in the field of spatial mismatch in the distribution of jobs in metropolitan areas. Suburban jobs are namely in retail, warehousing and distribution with low paid employees taken by people from inner city and surrounding region. On the other hand suburban areas are now becoming home of wealthy population that commute to their office jobs in central and inner cities (Sykora, 2006: 121). This polarization is being exacerbated by the additional contrast between urbanized and rural-agrarian life styles. For example, Baltic States are still characterized by non-urban structures (Altrock et al. 2006: 5).

Plenty of urban scholars like Sykora give a description of what the model of a postsocialist city, contouring a map of it. Despite a growing interest in post socialist cities and urban development there are still not much done on politics of urban development around suburban areas.
2.3.2 Re-regulating Urban Space under Transition

Since 1980, but intensifying into the 1990s, there has been an almost-continual process of economic restructuring, political adaptation and transformation of urban space across Europe (Ref). In Eastern European cities, however, these changes began much later and they accelerated only after 1989, when radical economic and social reforms were initiated with the changes in the political system. In this part of Europe, the industrial transformation was accompanied by the downfall of the socialist system and by efforts to establish market economies. Radical reforms, such as organizational and structural reforms have contributed to the modification of the spatial pattern of urbanization in many cities (Sykora, 1999). It is important to take into account these differences when examining the politics and policies of urban and regional development in comparative and global contexts (Ward and Jonas, 2002).

Although many cities in transitional countries have inherited similar forms of housing and infrastructure provision and urban development from communist regime, there are important differences in the ways in which the recent decentralization and deregulation of urban development has impacted on, and activated, suburban land development interests and processes. A case in point is the process of suburban development in the capital city-region of Albania, Tirana, which exhibits some unique regulatory conflicts as it moves towards an ostensibly more liberal, free-market and decentralized urban development system.

It is usually assumed that the long term objective of reform across Eastern Europe is the development of a more market-oriented housing system that is consistent with the economic reforms currently in progress (Struyk, 1990; Eskinasi, 1995; Tsenkova, 2005, 2006). The tendency of socialist economies to produce systematic shortages and their inability to adapt in a flexible manner to the challenges of world markets are related to certain restrictions and unclear regulations of property rights and the failure of the planning system (Turner et al. 1992). These changes will affect housing markets and policies in a way that facilitates private initiatives, but which also leads to decreasing subsidies for housing. The price and availability of urban land will have major repercussions for housing markets. Rising land costs, which can be rapidly influenced by planning decisions, will affect not just the price of new housing units but the resale values of existing properties (Eskinasi, 1995).
During the present period of transition an attempt is being made by the state and by the local authorities to cut considerably their intervention in housing provisions (Hegedus et al. 1991). However, these reforms could have had different consequences for places like Tirana; differences which can be attributed to the legacy of national development policies and in particular underinvestment in urban infrastructure and housing (Andoni, 2004). Rather than attempting to fit Albania into an “East European” model of urbanization, this project emphasizes the uniqueness of the regulatory transition process in the capital city region of Tirana.

2.4 Decentralisation, Fragmentation and Urban Governance in Albania

From the discussion above, it is clear that the transitional countries of Eastern Europe are in the midst of a profound economic and social transformation. This transformation has enormous implications not just for the form of urban development but also for the regulation of new urban spaces especially in suburban areas of major city-regions, which are attracting new migrants and investments. There is little dispute about the growing role of the private market and reduced state intervention -- or what North American researchers call neoliberal urban development (Brenner & Theodore, 2002) – in shaping post-socialist patterns of the urban development. Their impact is rapidly transforming the built form, regulatory landscape and political control of the major cities of Eastern Europe.

Under the centralized planning regimes of the former socialist and communist states of Eastern and Southern Europe, territorial fragmentation was generally viewed as antithetical to state control of economic development. Even in the less centralized socialist states, ruling national elites feared that fragmentation might encourage urban social movements, give succour to political opposition, and perhaps even engender counter-nationalist or regionalist sentiments, eventually leading to balkanization. In more recent times, the transition to capitalist forms of development has hastened territorial decentralization and fragmentation across Eastern and Southern Europe; yet age-old centralist forces continue to operate. Despite the local democratic benefits that have undeniably accompanied decentralization and fragmentation, serious obstacles to urban economic development and effective urban service
provision remain, not least in those former communist states now experiencing rapid growth around their capital city-regions.

Albania, a transitional country, after 1990s has undergone concerted attempts to decentralize power to its regions, improves municipal government, and enhances local governance. During the transition period, changes in local government came about following the passage by Parliament of a Law on the Functioning and Organization of Local Government in June 1992. Such reforms have been encouraged by NGOs, policy advisers and outside academic experts, reflecting a desire on the part of Albanian officials and politicians to be viewed by western governments and outside investors as a model example of urban governance reforms. Nevertheless, academic commentators continue to express concerns that the link between decentralization, the expansion of the free market, and local democracy in Albania is weak and that urban development remains for the most part informal, unplanned and unregulated. Economic transition has engendered rapid yet chaotic urban development and growing demands on municipal and district governments to provide necessary services and infrastructures, both to existing urban residents as well as new migrants. In this context, NGOs, academics, planners and governance reformers operating in the capital city, Tirana, have been active in developing local governance capacities.

Given the scant literature available, there is a need for examination the decentralization process in Albania and to consider the arguments for local governance fragmentation, the provision of urban services and development of local fiscal capacities across the Tirana city-region. In general terms, the Tirana city-region lacks strong accountable and inclusive forms of regional governance, and is confronted with fiscal and political challenges of economic development and conflicts around urban growth. In this context, local governance offers a means for local citizens to develop skills and capacities to address shortfalls in urban services and to acquire knowledge of public participation and the legal exercise of property rights. The urban political arena is characterised of anything by ongoing struggles to access

3 Law No. 8652.
livelihoods often in the absence of formal government and modes of democratic participation.

The first negative impact of the agriculture reform was thousands of unemployed peasants in each region of Albania who used to be employed in cooperatives or state farms. This massive contingent of un-employed farmers emigrated abroad (mainly to Greece and Italy) or settled down to low lands and especially to the peri-urban areas near Tirana and Durres. Thus they established the so-called illegal/informal urban settlements areas like Bathore and Kamza (Seda, 2004: 37).

Resulting pressures and demands on local municipalities, such as Kamza, including conflicts around access to housing, rapid rural-urban migration, informality, infrastructure provision, and uncertainties around the legal status of property and land ownership rights. Although more difficult to prove empirically, the prevalence of corruption and bribery in local politics and distrust of the political process impose further constraints on fiscal efficiency and public accountability in urban government. Privatization process in Eastern Europe helped to find ‘real owners’ of the previously not very efficiently managed public goods, but this led simultaneously to the almost total withdrawal of public subsidies as a consequence of which previously subsidized and well-developed services started to deteriorate (e.g. multi-family housing, urban transport, water-sewage services).

New suburban development in Kamza demands customised infrastructure for new retail developments and inward investment. Suburban growth coalitions may demand emphasis on particular spaces for infrastructure at the expense of other areas. The result is a shortfall of investment in infrastructure for some parts of the city-region as Babru and Kashar. In the context of Tirana, the issue is how such tensions map onto particular spaces and interests across the post-socialist city-region. How do interests in suburban property and land development -- homeowners, providers of local services, local governments -- stand to benefit or lose from the promotion of growth. How are services and infrastructure funded? Who incurs the tax burden? Is there conflict around land development and what is its geographic form (city-suburban; low income groups versus higher income groups, etc)? In short, the matter of conflict and tension around the regulation of suburban spaces -- and how
this is managed -- in the post-socialist urban context has not received sufficient attention in the literature. The Tirana city-region exhibits many of these tensions and provides a good case study for examining the conditions of post-socialist urban transition.

Regarding overall policies, the present fragmentation of the local government system (and usual lack of the middle level of administration, between the central and the local governments) limits the possibilities of national policies in governance, especially regarding the options for any big city policies. Regional policies are missing. Comprehensive privatization has led to serious constraints in any attempts to directly influence land policy. Taxation policies became often into direct contradiction with sustainability aspects of urban development to soak out from cities the higher income households and the more profitable businesses.

In Tirana, for example, the legal regulation for condominiums was not in place when mass privatization happened, thus the responsibilities for maintenance of the common space in privatized buildings was not clarified. Besides, the families who became suddenly owners from being tenants earlier for decades were poor. Neither they, nor the local governments did have power, money and willingness to intervene into the maintenance and renovation of commonly owned parts of the property.

2.5 Private Property, Property Knowledge and Livelihoods

Secure property rights are considered a key determinant of economic development and livelihoods in transitional economies. The privatization in agriculture exemplified an ethical and political conflict between the principle that the land should be returned to those who have been disposed by the communists, and the principle that the land should belong to whoever farms it. Lavigne (1995: 173) observes variations in the ways in which the restitution of property has occurred across Eastern and Central Europe:

"Only in Poland and in Yugoslavia were agricultural cooperatives dissolved (in the 1950s) and the land returned to the farmers. The principle of land restitution has been retained in Bulgaria, Hungary, Romania, Albania and the Baltic states and it was coupled with redistribution to the farmers in kind (but
generally not in full property of all the land confiscated) or in farming rights.

Scholars have different views about the role of property rights in producing political and social stability. The former cooperatives have on the whole resulted in better management skills, and provide some social security benefits for owners. Capitalist farming on a large scale is so far impossible, and scholars like Lavigne believe that the forcible elimination of cooperatives would be very counterproductive. In actual fact, the legally revamped ownership structure proves the most unyielding to change. However, it should not be looked upon just as a case of political resistance to transition Lavigne (1995: 173). For other scholars such as Sykora (1999) and Andrusz (2006: 2) property rights and the land market shaped the post socialist cities and intensified phenomenon of gentrification and suburbanisation that were ‘hidden’ in socialist era.

Seda (2004: 38) notes that in Albania the privatization of all flats and houses were well below the construction cost. At the same time the new democratic state has made little or no effort at all to restitute properties (even private houses) to the original owners5. Numerous illegal settlements have been constructed on private land, making property issues problematic, especially in the peri-urban areas of Tirana city region.

One issue that perhaps warrants further attention in the post-socialist urban context is the political role of land development and property interests in the re-regulation of suburban spaces. It might be expected that the privatization of suburban land and the emergence of new interests in property development is producing similar tendencies and conflicts as in the North American or western city. Specifically, it could have resulted in the activation of land development interests or ‘growth coalitions’ around various projects of suburban development (Logan and Molotch, 1987; Jonas and Wilson, 1999). These projects depend on the harnessing of local government powers to build upon and develop land, encouraging inward investment and growth of a local revenue base. Key issues here involve identifying what sorts of actors are involved in suburban land development in cities like Tirana and the kinds of powers and resources they seek to harness (Cox and Jonas, 1993). Correspondingly,

5 whose properties had been confiscated by the communist during the period 1945-1955
the interests of local government in land development processes needs examination (Jonas, 1991).

Tsenkova (2009: 1) argues that one important development from housing reform in post-socialist economies is that local authorities are become more active in the urban land market. Some countries have been more successful than others in designing and implementing housing reforms. The difference between housing system in socialist and market economies is the role the public sector plays in ownership and control of housing assets. A transition of a market based system implies a higher degree of private ownership over housing, no restriction on market exchange and less state (public sector) involvement in the provision of housing services. While in the Western European countries the period of high-rise construction can be evaluated as a distortion of public policy by private interests, in the socialist countries it was an essential part of public policy, in which the decision-makers became largely influenced by particular interest groups (large public construction companies and planning institutions) within the public realm, having created strong interest-coalition (Hegedus and Tosics, 1992). According to Tsenkova, 2006 the second phase of housing reforms in South East Europe since the mid-1990s has proceeded through ‘trial and error’, focusing on problems to be remedied rather than strategic intervention. The housing policies did not evolve reciprocal relations between bureaucrats, politicians and representatives of interest groups, especially in Moldavia, Albania and Romania.

Development of the legal framework is the cornerstone of the second phase in urban development and housing reforms. However, even if the legislation exists, the enforcement in Albania and Moldova is inadequate (Tsenkova, 2006). The primary problem is access to land and cumbersome planning and building permit process. In addition, massive illegal construction, especially on the periphery of urban settlements, testifies to a failure to develop a coherent and comprehensive urban planning and zoning policy.

In South East Europe there are differences in access to basic infrastructure between urban and rural areas. While the majority of the urban housing (80-98%) has piped water, two thirds of the dwellings in rural Moldova, Albania and Romania lack modern water and sewerage facilities. At the national level, the provision of piped sewer is particular critical. It
is lacking in close to 70-80% of the dwellings in Bosnia and Herzegovina (BiH) and Moldova. While in Albania and Romania the share is 60% (Council of Europe Bank, 2004). The available data indicate that half of the housing across the region was built between 1971 and 1989.

In Albania and Bosnia Herzegovina (BiH), due to housing shortages, war-related damages (BiH) and low quality of infrastructure provision, still overpopulation is a common phenomenon with an average of 1.9 persons sharing one room. Housing production in post-transition years added an average to 13% (Seda, 2004: 14). Housing construction is booming in Albania in certain urban areas. Despite the construction boom after 1992 which led to the construction of 25% of the entire number of buildings, the current situation shows that there are serious housing deficiencies in the country.

Most of the new housing (80%) in South Eastern Europe is produced by private developers with a significant share family housing built mostly in the form of self-help (Tsenkova, 2005). Reportedly, a significant share of new housing across the region is illegal leading to the formation of informal settlements in Tirana, Belgrade, Pristine, Sarajevo. Among other systemic reasons, the flow of refugees and internally displaced people has contributed to illegal construction in larger cities (Wegelin, 2003).

2.6 Urban Development and Livelihood Strategies

Most households in South Eastern Europe do not have the income and savings to purchase a home. Low wages and employment uncertainty coupled with escalating housing costs and mortgage rates have reduced effective housing demand. The gap between income and entry costs has increased dramatically. Current mortgage arrangements, income levels and house prices have created significant affordability constraints for new households. The previous housing shortage has been replaced by a shortage of affordable housing.

A high level of new construction in post socialist cities enabled mobility (e.g. access to public and private rental, filtering of existing owner-occupied housing). In the other cluster of countries - Albania, FYROM (Macedonia), Serbia and Montenegro- due to high demand
in housing in urban areas, households were themselves investing in new, often illegal, construction.

Albania was unusual, if not unique, among transition economies in a prompt and radical privatization of urban housing, which again was almost complete by the end of 1993. It would appear that only Georgia and Moldova had done anything at all comparable by that date. The political history of Albania (since the Ottoman Land Code of 1858) has created a palimpsest of property rights which are of great legal complexity. Indisputable property documents are unusual in the large areas of informal housing which arose around Tirana since 1990. The supposed land owning class from pre-communist (Zogist) days has attempted to recover their lands. The problem of illegal buildings is growing in scale and to bring the illegal construction back to the formal sector to enforce rule of law, to develop financial system and legal frameworks is a challenge. Massive migration brought illegal settlement built on an agricultural land with obviously no infrastructure. It has been now for 15 years those settlers built there and still are building their homes. Informal settlements had serious economic, social and environmental impacts.

A considerable of conflicts and tensions were tied up in unplanned settlements. It would however be both impractical and unjust to demolish informal housing, much of which goes through a process of improvement and has attained a good quality (Felstehausen, 1999; Bertaud, 2006; Children, 1999, 2006).

Urban infrastructure provision and the development of the urban living space in the Tirana city region require that land occupation be legitimized. Such documentation would form the basis for a property market. It would create an exchange value and allow families to mobilize their asset to satisfy other needs. It would also encourage responsible citizenship. For example, it would encourage people to invest in the property; to maintain the cleanliness of the area and to pay for local infrastructure (and its maintenance). They would become ‘stakeholders’ and part of the urban growth characteristic in Western countries.
2.7 Conclusion

In general, causes for informal settlements in Albania were rapid urbanization, lack of land administration and spatial planning, the marginalization of population groups, bureaucracy, inconsistent legislation, and the lack of political will to address the situation. Accordingly, there are tensions around the suburban areas in Tirana city region and the extent to which the location of illegal housing and regulation of suburban areas reflect state priorities or local political concerns and interests.

This chapter has situated the interconnected issues in the politics of urban living in a transition country mainly through reviewing transition theory, especially travel theory in Albania to which the politics entitling the property right belong. The review reveals the politics and regulation of suburban areas in the transition countries depend on a number of factors. These revelations therefore bolster the need to research in to the current topic for more insight on the dissemination dynamics of politics of urban living in Albania. Different spaces of land regulation entitling property rights are emerging across Tirana. This relates to wider debates about the politics of urban development in transitional economies. It might also suggest that the neo-liberalisation of land development is problematic due to conflicts around regulating different modes of property ownership rights. Albania, as a unique case, shows that the local ‘growth coalition’ is not yet a characteristic feature of urban development politics in Albania and local knowledge is very important in the politics of urban living space in Tirana city region.

In order to establish a theoretical framework that best guides this thesis for the realization of its main aim, a number of urban theories and model have been reviewed and discussed. These include the transition theory, path dependency, travel theory, regional studies, etc. Works based on policy documents and interviews with different actors suggest that securing property rights result in the regulation of urban and suburban spaces in Tirana City region. These findings are relevant for future policy tools for dealing with informality and how it effects economic growth and urban development.
Chapter 3:

Forms of Urban Development in Albania in Recent Historical Context

3.1 Introduction

The purpose of this chapter is to provide an historical overview of the urban development in Albania, with a particular emphasis on the changing political and economic context of urbanization brought about by the collapse of the communist state and the transition to a free market economy after 1990. It divides urban development in Albania into four different phases. The first three phases are discussed in the first part of the chapter. The latter or fourth phase covers the creation of new urban and suburban spaces in the Tirana city-region after 1990 during the free market phase.

The overall argument is as follows. Urban growth and associated state regulatory structures governing urban development in Albania reflect a long and complex history. Notably throughout the twentieth century there have been several distinct periods of urban development and administration by the Albanian state. Some urban regulatory forms date back to the early years of the twentieth century, when the country first began to urbanize on a significant scale for the most part under the external influence of imperial powers and fascism (Aliaj, et al. 2003, Tirana Council, 2004). This was followed by a prolonged period of centralised planning under communism and urban containment. The period since 1990 has seen the fastest rate of urban growth around the Tirana city-region, where attention focuses on pressures to regulate private property in new informal suburban settlements surrounding the older urban centre.

The regulatory forms of urban development in Albania can be grouped into four main periods as follows:

*Period 1: Austro Hungarian rule. 1914-1925.* During the Austro-Hungarian invasion, in 1917, the first designed urban document appeared in the form of the first topographic master plan of Tirana (scale 1: 5000). At that time, the city had a surface area of 305 hectares and a population of 15,000 inhabitants. Located in the central part of Albania, Tirana occupied a
strategic location linking the north and south east. A plan of existing and new road networks was applied to the topographic maps of 1921. Due to its strategic position, Tirana started to grow into a major city and began to play an important national role in this period.

**Period 2: Zog 1 Kingdom, 1925-1945.** During the reign of king Zog, great importance was attributed to city development and the introduction of urban regulatory planning. Hitherto a backward country and society, for the first time Albania, was transformed into a more 'civilised' modern urban society largely due to the influence of Italian fascism.

**Period 3: The third period, lasting from 1945 to 1990,** represented the rise of the communist party. Providing huge support from mass population, the communist party gained influence on political life and attempted to establish a prototypical socialist country. Tirana in particular and Albanian cities in general, did not suffer large-scale damage in Second World War. Nevertheless provision of physical infrastructure and addressing housing shortages were priorities. Urban policy became a central platform of national economic policy and was promoted by communist state ideology.

**Period 4:** The start of the fourth period from 1990 onwards represented the change from central planning to a free market economy. It was also a period of democratisation. A new era of urban policy evolved based around introducing principles of governance to help encourage the spread of the free market and neo-liberal ideas. Urban policy transformation was built around principles of free movement, the privatization of public housing and encouraging private enterprise around new urban spaces.

Despite urban reforms, the recent periods has witnessed out migration and inter migration, increasing disparities of urban growth, and the proliferation of informal settlements on the fringe of main Albanian cities. These phenomena, regarded as characteristic of the transition era, reflect in turn a poorly managed urban policy during urban transition. The remained of this chapter provides an overview of recent urban transition stories in Albania, and sets the context for a discussion of the transformation of Albanian cities from informal towards formal and regulated forms of urban development.
3.2 Albania’s Historical, Geographical and Economic Context up to 1990

Despite being part of Europe, little is written about Albanian’s history and, until recently, there was very little published work on urban development patterns and trends across the country. For that reason, it seems necessary to give a general panorama of its historical, geographical, political and economical context, before analysing the main characteristics of urban development in Albania.

Albania is a small country with an area of 28 750 sq. km and a population of 3 365 000. It is situated on the west of Balkan Peninsula on the eastern coasts of Adriatic and Ionian seas. Albania is bordered in the north with Montenegro and northeast Kosovo, in the east with FYROM Macedonia, while in the southeast and south with the Republic of Greece. Approximately 35% of the population, or around 900 000 inhabitants live in the Tirana city-region, which has been the official capital of the Republic of Albania since 1925. Other major cities are Durres, Elbasan, Shkodra, Vlora and Korca⁶.

⁶ In the Albanian language, suffixes are used instead of definite and indefinite nouns, e.g. Tirane- indefinite and Tirana- definite; Vlore-Vlora; Kamez - Kamza, etc.
A country with a long and diverse history, Albania has been shaped by external influences since when it was part of Roman Empire. Albanian scholars like Faik bey Konitza, and most historians of the Balkans, believe the Albanian people are descendants of the ancient Illyrians (Albania Academy, 1982; Frasheri, 1982: 12; Zickel and Iwaskiw 1994: 3).

In the south and along the Adriatic Sea coast, the Illyrians were heavily influenced by the Greeks, who founded trading colonies there. The city of Durrazo (modern day Durres) was founded at the end of the seventh century B.C. Another famous Greek colony was Apollonia
(close to Fier), which arose at a site located between modern Durres and the port city of Vlore (Zickel and Iwaskiw, 1994: 5).

The Roman Empire was divided into eastern and western halves and the lands that now make up Albania were administered by the Eastern Empire (Byzantine) and Albanian clans started paying tribute to the Ottomans. However, the 14th century was marked by resistance to Ottoman rule and in the fifteenth century, Albanian clans united against Ottoman Forces. But the long period of Ottoman repression left Albania politically fragmented and vulnerable (Frasheri, 1982: 35; Zickel and Iwaskiw 1994: 9; Vullnetari: 2007: 9).

After the Turkey-Russian War, the Treaty of Berlin in 1878 changed the borders of the Ottoman Empire. In Albania, there was great resistance along the borders. In November 1912, Ismail bey Vlora established an independent state with a provisional government. By 1918, the European powers began a struggle for dominance over Albanian territories. In 1920, League of Nations admitted Albania as an independent state under Austro Hungarian influence.

In the interwar period, Ahmed Zog emerged as ‘a conservative Muslim landlord’ and, with the Serbian help, proclaimed himself president in 1925 and later King (Zog I), ruling from 1928 to 1939. He changed Albania’s status from Republic to Kingdom. In return for aiding Zog's invasion, Serbia expected repayment in the form of territory and influence in Tirana. In 1925, the two nations signed an agreement returning the town of Saint Naum on Lake Ohrid, and also the town of Vermosh, in the Alps, in the north part of Albania. However, Zog shunned Serbia and turned Albania toward Italy for protection (Zickel and Iwaskiw, 1994: 30; Vullnetari, 2007).

Under the reign of Zog I, Albania inherited from Ottoman rule a society with deep-rooted feudalism, extreme poverty and misery. Indeed, Zog I’s contribution to economic development and Albanian cites is controversial. During the socialist period, he was seen not to give much support for the foundation of urban Albanian cities. The Marxist Albanian academy often compared economic and urban development in the socialist period with that of Zog’s rule to make it clear how backward Albania was at that period of time (The Marxist Albanian Academy: 1982, 1985; Miho, 1984; Sjorberg, 1991).
Towards the end of World War II after a period of domination by the Fascists, first Italy and then Germany, the Communist Party under Enver Hoxha seized power. One of the first actions was the nationalization of real estate. Hoxha copied and promoted the Soviet Union's repressive tactics, imprisoning or executing landowners and opponents who did not follow the socialist doctrine (Zickel and Iwaskiw, 1994; Hall, 1996, Turnock, 1989; Vullnetari, 2007).

After the death of Stalin in 1953, and following differences with Khrushchev in 1961, Albania began to break away from Soviet influence and became aligned with Chinese communism (Zickel and Iwaskiw, 1994: 47). Despite the subsequent liberalisation of socialist doctrine in the Soviet Union, China and the rest of the Eastern Communist Block, Hoxha's regime became more radical. With allies both in the Soviet Union and China, Hoxha acquired 'the ready recipe' with no modification with its own country's conditions (Zickel and Iwaskiw, 1994: 47).

The idea of an ethnic fully-secured country, facing from enemies from every direction, made Albania distinctive and, if anything, enclosed in a nutshell (Sudar, 1998: 8; Vullnetari, 2007: 25). In 1950, Albania had import - export trade with Comecon countries. After 1961, Albania started trade with China but still keep some trade with Soviet Union. From 1970, this trade ceased. In 1970, 25.9% of export trade and 56.9% of import trade was with China, but then in 1980 there was no trade with China and economic performance suffered. The Albanian economy entered an unprecedented period of stagnation (Sandtrom and Sjorberg, 1991). Albania, the so-called economically self reliant, politically self isolation country, went on its own way to forge its individual version of the socialist state and became one of the most isolated, least known and economically underdeveloped countries in the world.

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7 For example Albania copied China's Fanatical Cultural Revolution in 1966 by closing all church and mosques, and proclaiming Albania an atheist country.
8 Comecon (CMEA) pursued international economic relations among the Eastern European countries based on the soviet model. Originally the CMEA was a European organisation, created by Stalin as a response to the launching of the Marshall plan in 1947 and signed by all central and Eastern countries. Albania co-signed in 1949 and unofficially left the organisation in 1961.
3.2.1 Democratisation

The fall of Berlin Wall, September 1989, marked the end of communism in Eastern Europe and the beginning of a more open relationship with the West. Among eastern countries, Albania was the last one to embrace democracy and a free-market economy. In March 1991, the election saw the Labour Party (renamed from the Socialist Party) holding the political majority. However, a general strike and street demonstrations forced the government to resign. In the 1992, the opposition Democratic Party won elections, and Sali Berisha became Prime Minister.

The early 1990s witnessed attempts to open up the Albanian economy to global markets and inward investment. Like other Eastern European countries, Albania faced initial shocks: output fell by nearly between 1989 and 1992 and inflation rose to triple. Reci (2003: 3) states:

"...conflicts, an absence of a political consensus for reform, shallow democratic traditions and weak institutions has all combined to constrain economic and political development in most countries of South Eastern Europe."

Like other Eastern European countries, Albania faced initial shocks: output fell by nearly between 1989 and 1992 and inflation tripled. When transition eventually began, in 1991, the country had been reduced to desperate poverty and the Albanians were unfamiliar with market institutions. Private Banks were no-existent and with no financial regulation a large numbers of Albanian citizens invested in 'get-rich-quick' pyramid schemes (Jarvis, 1999: 3). By the end of 1996, these pyramids schemes collapsed with an estimated $1.2 billion in savings lost and popular rage turned against the government. In March 1997, a civil war nearly exploded and some 2000 citizens were killed. Rioting broke out, the country's fragile infrastructure collapsed, plunging it into virtual anarchy. A multinational protection force eventually restored order and set up the elections that formally ousted President Sali Berisha (Reci, 2003).

The collapse of the pyramid schemes is the explanation most often given for the Albanian crisis. It brought its government and economy into collapse and had wider consequences in Balkans. The Balkan stabilisation and the end to the crisis in Kosovo resulting from United
Nations' support enabled new political solutions to emerge for Albania's own crisis. In 1999 despite his efforts to modernize the economy, privatize business, fight crime, and reform the judiciary and tax systems, the premier Ilir Meta (Labour Party), resigned in January 2002. In June 2002 the president Alfred Moisiu led negotiations between the Socialists (headed by Fatos Nano) and the Democrats (led by Sali Berisha) in an effort to end the unproductive political fractiousness. The political duel between Nano and Berisha continued, however, and little improvement was evident in the standard of living for Albanians. In 2005 elections, Berisha replaced Nano as prime minister.

3.3 Forms of Urban Development in Albania in the Period up to 1945

3.3.1 Albanian Cities and Tirana's Transformation under King Zog I
At the end of 19th century, Albania had inherited from Ottoman rule cities with oriental style, with simple urban characteristic based on the bazaar and religious institutions. In the beginning of 20th century, a majority of the Albanian population was rural. However, in some Albanian cities emerged the first modern urban elements. Zog I borrowed from Austrian culture and tried to interlink the oriental style with western one, such as building wide roads and boulevards, and constructing prominent administrative institutions especially in the capital city Tirana. Tirana's transformations under Zog I rule produced some significant buildings with historic value. In terms of foreign policy, Italy provided support in economic and political respects. In 1926, Rome and Tirana founded the 'Treaty of Tirana', which allowed Italy to exploit Albania's mineral resources (Zickel and Iwaskiw, 1994; Vullnetari, 1997). Italy directed the pattern of development and influenced the transformation of Albanian cities, providing Tirana with a master plan in 1930 and proper infrastructure.

Italian planning also influenced the creation of new industrial towns and existing cities in the lowland and subsequently an increase of the urban population. Pollo and Puto, 1981: 108; Vullnetari, 2007: 10 argue that under hard economic circumstances many left the village to seek work in towns. However, the difficulty of finding work in towns addressed people toward emigration. Before 1945, the south and south-east of Albania (the highlands of Korea, Devoll, Permet, Kolonja, Pogradec and Gjirokaster) had little or no productive land with
mainly marshlands. These areas close to neighbouring country borders were the most influenced by emigration (Tirta 1999: 146; UNDP-Albania 2000: 35; Berxholli 2005: 170). Besides negative effects in terms of demography and social conditions, emigration also became a motor for economic and socio-cultural progress in Albania, by bringing money from remittances and "more open societal and democratic norms" (Myers et al. 1945: 140; Karne, 1979: 12).

During the Fascist period some significant buildings were built, now deemed of historic value. These included the Ministries, Dajt Hotel, University Complex, Stadium, Airport, Catholic Church, etc. Many of these were funded by the Italian state (Frasheri, 1982: 90; Zickel and Iwaskiw, 1995: 40). However, Velo (2002) argues the Italian Colonial architecture failed as an instrument of cultural integration into Fascist ideology. But it did transform the cityscape, bringing in the modernist style.

Atkinson (1997:18) argues Mussolini was interested in increasing urbanisation and especially rural urban migration. Subsequently, Italian architects tried to apply the Fascism Empire’s brilliance in architecture and urbanisation in many Albanian cities, especially Tirana, the capital of Albania. With Tirana’s with North-South orientation, Italian architects applied the axe’s emblem (Fascism symbol), starting with Zog I Boulevard in Tirana and finishing with the Corpus Building (formerly xhandarmeria), on the east Colonnades and in the west artistic lyceum.

As Tomes (2004: 181) stated, once a provincial market town Tirana was quickly and irreversibly transformed into a modern national capital under Zog I’s personal initiative. Tirana city experienced rapid growth, from 10 225 inhabitants in 1918 to 35 000 inhabitants in 1937. Elsewhere in Albania, the establishment of new towns and existing cities were limited because of shortage of investments and funds (except some effort by Italians, Ford foundation in the north of Albania). Given the existing marshland along the western littoral coast and along the main rivers, such bushy and undeveloped terrain needed a great deal of money before urban development could happen (Tirta, 1999: 62).

Along with the expansion of the existing cites intermediate satellite towns grew up, such as Kavaja, linking Lushnje-Fier-Kavaja-Durres into a continuous urban corridor. Between 1923
and 1945, the urban population grew by more than 80 percent as compared to less than 30 percent population growth experienced in rural areas (Laçi, 1997: 60; UNDP-Albania, 2000: 46). The growth of some cities was followed by the location of new industry branches and associated labour forces. During this period, new towns were built near to mineral resources and strategic position. These new towns included: in the south western part of Albania, Selenica (bitumen), Orikum (port); and in the western and coastal parts of Albania Ura Vajgurore, Kucova, for oil field (Zickel, 1995, Berxholi, 2005).

Between 1923 and 1945 the Albanian cities with the highest population were in the western plain like Tirana, Durres, Vlora, Saranda. According to Sjoberg (1989: 106), between 1939 and 1945, especially during the Italian occupation, urban growth quadrupled as compared to the previous two decades. However, some scholars argue that internal migration and its effect on urbanisation remained limited until 1938 (Sjöberg 1992a: 35; Berxholli, 2000). In spite of this rapid growth of urban centres, in 1930, 84% of the population was rural and even in 1945 almost 80% of the population was living in rural areas (Sjoberg, 1992b: 106; Berxholli, 2000: 20; UNDP, 2000: 46).

3.4 Forms of Urban Development during the Communist Era, 1945-1990.

3.4.1 Urbanization under Communism

At the end of the Second World War, Albania embraced the Soviet system of central planning. The priority for the newly-established communist government was rebuilding the economy, developing physical infrastructure (e.g. repairing bridges destroyed in the war), and addressing housing shortages. While the architectural forms inherited from the Zog I still dominated the Albanian cities and Tirana, urban policy by comparison lagged behind. One of the first actions taken by the Communist regime in 1948 was the nationalisation of real estate. All private houses became state property.

In the first phase (1945 to 1960), the urban population increased to 30 percent as a result of urban-industrial developments. During this period Five Years Plans were implemented and since priority was given to industrialisation, housing shortages continued.
In the second period, from 1961 to 1989, government policy led to a limited and controlled urbanization. The urban portion of the population in Albania grew to 35.7 percent (UNICEF, 2000: 14). In this second phase, there was no co-ordinate urban policy. A uniform architectural form was applied to Albanian cities. Most eastern European countries were based on a cheap and fast construction economy. As Mehilli (2005) argues, it was often in the spirit of 'self-reliance' that official policy encouraged the use of pre-fabricated elements in the mass construction of residential structures. As Table 3.1 shows, the urbanisation of the socialist states of Europe, including Albania, was quite deliberately held back. This was achieved in part by neglecting investment in the physical and social infrastructure in urban areas.

Table: 3.1 Eastern European Capital Cities: Area and Population, 1970-1990 (thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Warsaw</td>
<td>1315.6</td>
<td>1436.1</td>
<td>1596.1</td>
<td>1649.1</td>
<td>1655.7</td>
</tr>
<tr>
<td>Prague</td>
<td>1140.8</td>
<td>1169.6</td>
<td>1182.3</td>
<td>1193.3</td>
<td>1214.17</td>
</tr>
<tr>
<td>Bratislava</td>
<td>305.9</td>
<td>340.9</td>
<td>381.2</td>
<td>417.1</td>
<td>436.5</td>
</tr>
<tr>
<td>Budapest</td>
<td>2001.1</td>
<td>2055.7</td>
<td>2059.3</td>
<td>2071.5</td>
<td>2113.6</td>
</tr>
<tr>
<td>Ljubljana</td>
<td>257.8</td>
<td>283.6</td>
<td>318.7</td>
<td>334.4</td>
<td>333.1</td>
</tr>
<tr>
<td>Tirana</td>
<td>161.3</td>
<td>180.0</td>
<td>190.2</td>
<td>200.0</td>
<td>243.0</td>
</tr>
</tbody>
</table>

Sources: Based on Pichler-Milanovich, 1994: 1103; INSTAT

3.4.2 Restricted Migration Policy

From 1945 to 1990, urbanisation in Albania was controlled. This was in line with state policies on supporting industrialization and the emphasis on building a working class for a socialist country. Nevertheless, a pattern of high population densities in areas outside the town proper (as defined by administrative boundaries or zones subject to planning rather than by built-up areas as such) emerged in the socialist period (Eskinasi, 1995). Berxholi (2000: 27) gives two reasons for this growth: intensive rural-urban migration and the administrative change which brought the number urban centres from 24 in 1945 to 37 in 1955. However, urban growth during the communist regime was artificially slowed down because internal movements were strictly regulated. Albania would therefore seem to be a model of a zero urban growth policy (Sjorberg, 1992; Vullnetari, 2007: 22).
The soviet model of industrialization gave priority to industry, and especially to heavy industry, and was applied in Albania (Turnock, 1989: 179). The national interest was in developing direct control of natural resources. This was followed by the establishment of new urban areas, like as Ballsh, Cerrik, Memaliaj, Mezez, etc., and the expansion of existing ones such as Tirana, Fier, and Elbasan (UNDP-Albania 2000: 47). New towns such as Fushe-Arres, Rubik, Kurbnesh, Burrel, Lac, and so forth, were founded near major resources.

Out of the 36 cities in Albania, only nine had populations greater than 25,000 in 1987 (Zickel, 1995; Misja, 1998; Berxholli, 2000 and Laci, 2000). In the second phase of urbanisation from the early 1960s onwards the Albanian authorities pursued a policy of rural retention and minimal urbanisation (Hall, 1996: 187).

After 1960, migration to cities was discouraged by the policies which promoted the development of smaller towns. People were required to live within the established city boundaries, or the so-called yellow lines⁹ (Sjorberg 1992; Zickel, 1995; Misja, 1998; Aliaj et al. 2003).

### Table: 3.2 The Urbanization Trends/dynamics in Albania and Tirana

<table>
<thead>
<tr>
<th>Year</th>
<th>Population of Albania (thousand)</th>
<th>Urban population in Albania (in %)</th>
<th>Population in Tirana towards total urban population (in %)</th>
<th>Annual growth of urban population in Tirana</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>1,215</td>
<td>20.0</td>
<td>20.6</td>
<td>N/A</td>
</tr>
<tr>
<td>1960</td>
<td>1,607</td>
<td>3.0</td>
<td>28.8</td>
<td>6.1</td>
</tr>
<tr>
<td>1990</td>
<td>3,256</td>
<td>36.1</td>
<td>20.7</td>
<td>2.0</td>
</tr>
<tr>
<td>1995</td>
<td>3,249</td>
<td>42.5</td>
<td>31.0</td>
<td>12.0</td>
</tr>
</tbody>
</table>

**Source:** Misja (1998: 70)

Unlike some communist countries of this period, Albania introduced a pro-natal demographic policy. As a result, "...the average annual growth rate of the Albanian population for the period 1960-90 was 2.4 percent, or approximately three to four times higher than that of other European countries" (Zickel and Iwaskiw, 1994: 66; INSTAT, 2002). Population growth was actively encouraged by the government, which deemed it necessary to establish control over urban growth round every city were introduced town borders, or the so-called ‘yellow lines’ (Aliaj, 2003).

⁹ In order to establish control over urban growth round every city were introduced town borders, or the so-called ‘yellow lines’ (Aliaj, 2003)
"essential for the further strengthening and prosperity of socialist society" (Zickel & Iwaski, 1994: 66). As a consequence of the high natural growth rates and lack of emigration, in the period 1945-1990, population of Albania almost tripled, growing from 1.12 million to 3.25 million inhabitants (Laci, 2000).

The Albanian population grew very fast by European standards during the communist period, tripling in size over forty-five years, but the rate of urbanization was in comparison slower (Zickel, 1995: 74; Sudar, 1998: 50; Russell & Vullnetari, 2003; Laci 2000; Berxholli, 2003). Up to 1965, Albania was the most sparsely populated state in the Balkans (Zickel and Iwaski, 1994: 66).

During the Third Five Year Plan (1961-1965) the priority was not “urban growth but build up agriculture and accelerate rural development” (Zickel and Iwaski, 1994: 74). Between 1965 and 1970, electric power was provided to every village. As a result the Albanian population is more evenly distributed across regions than in many European countries (Sudar, 1998: 50).

Table 3.4 below shows the little differences in size between Albanian cities. In 1987, 9 out of 36 Albanian cities had populations greater than 25,000. Tirana, the capital and largest city, grew from about 60,000 inhabitants in 1945 to 226,000 in 1987, largely because of the expansion of industry and government bureaucracy. Tirana was the country's main political, industrial, educational, and cultural centre. Other major towns were Durres, the principal port, Elbasan, Shkoder, and Vlora. The remaining towns or about 35 percent had no more than 5,000 inhabitants. It might be assumed that urban development served as political tool to fulfill the desirable long term centralised party's initiatives to build up a socialist country. There was no planning to make cities competitive or to promote satellite towns. There was no urban governance at all as cities were centrally planned, growing up in a closed national space.

10 Conform soviet model making Albania country with priority in agricultural sector
Figure: 3.1 Total and Urban Populations in Albania (1923-1989)

Urban population in Albania (1923-1989)

Source: Based on Sjorberg, 1991: 34, 51; Zickel and Iwaskiw, 1994: 66 and author’s calculation

This assessment overlooks, however, two essential features of Albanian demographic development (as discussed in Sjoberg, 1989 and 1990; Vullnetari, 2007: 24). Although rural-to-urban migration continued during the communist regime (1950-1987), urban growth was artificially slowed down as internal movements were strictly regulated (See Graph: 3.2).

Table: 3.3 Albania: Population of Largest Cities and Towns, 1987

<table>
<thead>
<tr>
<th>City or Town</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tirana</td>
<td>226 000</td>
</tr>
<tr>
<td>Durres</td>
<td>78 700</td>
</tr>
<tr>
<td>Elbasan</td>
<td>78 300</td>
</tr>
<tr>
<td>Shkoder</td>
<td>76 300</td>
</tr>
<tr>
<td>Vlore</td>
<td>67 700</td>
</tr>
<tr>
<td>Korca</td>
<td>61 500</td>
</tr>
<tr>
<td>Berat</td>
<td>40 500</td>
</tr>
<tr>
<td>Fier</td>
<td>40 300</td>
</tr>
<tr>
<td>Lushnje</td>
<td>26 900</td>
</tr>
</tbody>
</table>

Despite national policy emphasising an even spatial population distribution throughout the country, in 1987 the highest density was in the western part of Albania. Density ranged from 30 person/km$^2$ in the eastern district of Kolonje to 281 person/km$^2$ in the coastal district of Durrres (Zickel and Iwaskiw, 1994: 74). If rural-to-urban migration in Albania was limited and controlled, international migration was completely prohibited in the communist period. Turnock (1989:123-126) argues that post-war migration in Eastern European countries was part of national development policy albeit that travel outside the Soviet Bloc was difficult. The so-called Party-State in Albania made free movement difficult (Turnock, 1989: 126). After 1975, a certain tolerance was observed towards travel individually or collectively for private or official business.

<table>
<thead>
<tr>
<th>Country</th>
<th>1950-1984 (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>0.0</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>11.4</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>12.2</td>
</tr>
<tr>
<td>GDR</td>
<td>112.6</td>
</tr>
<tr>
<td>Hungary</td>
<td>8.8</td>
</tr>
<tr>
<td>Poland</td>
<td>39.6</td>
</tr>
<tr>
<td>Romania</td>
<td>17.0</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>57.3</td>
</tr>
</tbody>
</table>

**Source:** Turnock, 1989: 124 - Estimated annual average out-migration (thousands)

However, Table 3.4 reveals that compared with other countries in the region migration out of Albania was negligible, and was in effect as case of "total prohibition" (Sudar et al. 1998:8).

### 3.4.3 The Development of Tirana prior to 1990

Tirana lies between Dajti Mountain (1612 m) and Mail me Gropa Mountain (1828 m) in the northeast and east. Located on the Ishm River, Tirana is Albania's main industrial, administrative and cultural centre. Tirana started to develop its function as capital after the first war of Balkan, under the Austro-Hungarian's protectorate. The city's population,
estimated at only 12,000 in 1910, occupied an area of 3 km², but rose to 30,000 at the 1930 census and 60,000 in 1945. During the 1950s Tirana experienced a period of rapid industrial growth, raising the population to 137,000 in 1960. In 1990 Tirana had 243,000 inhabitants. A massive influx of inhabitants from all the other parts of the country into the capital has since then increased the population of Tirana to over 750,000 inhabitants in 2009.

Aliaj et al. (2003: 4) argue Albania's rich history is reflected in the landscape and built form of its capital city. Kico (1980: 26) and Frasheri (1982: 151) argue that Tirana has inherited an urban structure similar to 'oriental' cities style under its long Ottoman rule. Tirana officially took the capital status on December 31, 1925. Estef Frasheri compiled the first regulatory plan of the city in 1923. 'Durresi' Street was opened in 1922. Many houses and yards were demolished for its construction. The existing Parliamentary Building was built in 1924. There, on September 1928, Ahmet Zog proclaimed the Monarchy (Kico, 1980: 31; Frasheri, 1982; Vullnetari, 2007).

In the communist period, all the buildings inherited from the fascism period were used with the same function as at the reign of King Zog and were interlinked with elements of the socialist period. However, between 1959 and 1964 some monumental buildings were constructed in the Russian style, including The Palace of Culture, the National Museum, the Theatre of Operas and Ballet and the National Library (Tirana Council, 2005).

3.4.4 Tirana and Diverted Migration

It is safe to assume that Tirana during the communist era was a preferred destination of urban-bound migrants. Supplies of housing and food and the quality of services were better there, as was the range of social and cultural amenities. As a labour market, Tirana remains unchallenged within the borders of the country as far as diversification and social prestige were concerned. It was also by far Albania's leading industrial centre, especially given that enterprises often violated planned targets for labour through generous hiring practices (Zeri i Popullit, 12 July, 1987). However, the growth of Tirana was by no means spectacular or out of the ordinary. By 1987, 7.32 per cent of all Albanians lived in the capital (State Planning Commission, 1988: 24-26).
Tirana represents an interesting case – the most desirable destination for a considerable number of (young) Albanians, yet out of reach for most of them. As a major industrial, administrative, educational and cultural centre, its periphery attracted what Sjöberg (1992b) calls ‘diverted migration’. This is when migratory flows heading for a particular destination, such as Tirana, experience a diversion to nearby destinations, in this case Tirana’s rural hinterland. It appears that migrants, who were not able to obtain permission to move their residence to Tirana proper, managed to migrate to one of the rural cooperatives or state farms in the vicinity of the city and contributed to migration of 40% growth over the period 1971-1984.

These ‘diverted in-migrants’ in turn contributed to the formation of densely populated ‘extra-urban settlements’ (Sjöberg 1992b: 13; Vullnetari, 2007: 27). Map 3.2 below shows the distribution of these settlements in 1985. A significant number of these people commuted to the capital, and their aim was to be settled in the capital city, Tirana. In other words, the frenetic recent migration to Tirana was not without historical precedent, and was something that should have been expected. Some degree of commuting took place also to other urban areas, such as Elbason and Durres (Alimehmeti, 1986: 80; Vullnetari, 2007: 27).
Map: 3.2 Population densities (inhabitant/ha) in the villages of Tirana’s rural hinterland, 1985

In an unpublished dissertation, Alimehmeti (1986: 95-97, Table 17) shows at the perimeter of the city those settlements (villages under the jurisdiction of the state farms) which had the highest registered densities. These included: Mezez, 654 inhabitants/ha; Selite e Vogel, 558; Paskuqan 375; Sharre 373; and so on. This pattern can in turn be interpreted as an effect of a faster population growth than forecasted or accepted by planners drawing up the physical plans now in force in these villages.

3.5 Economic and Political Trends in Albania after 1990

Before 1990, Albania was an isolated socialist country and one of the least known countries in Europe. On the eve of transition from socialism to capitalism, available data about economic performance of the Socialist block showed a wide gap between Albania and other states (Bjeler et al. 1992: 1, UNICEF, 2000: 10; USAID, 2005: 13).
The transformation from central planned economy to free market was followed by price liberalization. A prompt privatization, in March 1991 started with the transfer of the ownership of some small shops and service establishments, mainly to workers. The privatisation of land of the collective and state farms into 450,000 family-size units began ‘spontaneously’ in 1991. It would appear that among the other transition economies that inherited collective or state farming, only Romania is similar to Albania in the privatised land process (EBRD: 1994: 16-41, Sudar, et al. 1998: 12).

Economic restructuring aimed to transform the Albanian economy into a free market system. In the period 1989 - 1992, GDP decreased 50 percent and prices rose by as much as 226 percent. Despite economic growth, and a decrease in inflation, in early 1997, the state collapsed and political instability ensued. The collapse of massive pyramid financial schemes in 1997 was followed by violent social unrest and “in the space of a few months, Albania’s progress was set back a number of years” (UNICEF, 2000: 14). During the period 1997-1998, political, economic and social problems persisted. The rate of economic growth in 1998 was 8% lower than in 1994-1996 (See Graph: 3.4). Albania still remains one of the poorest countries in Europe. Annual income per capita in the year 2000 is 810USD (UNICEF, 2000, USAID, 2005, Sudar et al. 1998, Vullnetari, 2007, King, 2003, Berxholli, 2005).

The first democratic elections in Albania held in 1991 marked the end of Albania as one of the most isolated socialist countries in the world. Like many Eastern European countries, since 1990 Albania has undergone a political and economic transition towards free-market policies, democratic elections, and closer economic integration to the rest of Europe. This had implications for migration and urban development. In 2000 the urbanization level of Albania was still at the lowest rate among Eastern European countries, being 41.2% in 2000 (See Table 3.5).
Table: 3.5 Urban Population in East European Countries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>41.2</td>
<td>2.1</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>43</td>
<td>1.8</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>69.6</td>
<td>-0.1</td>
</tr>
<tr>
<td>Croatia</td>
<td>57.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Macedonia</td>
<td>62</td>
<td>0.7</td>
</tr>
<tr>
<td>Moldova</td>
<td>46.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Romania</td>
<td>56.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Serbia &amp; Montenegro</td>
<td>52.2</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Source: Based on UN Population Projections, 2003

One of the striking features of post-communist demographic trends in Albania is that urban migration has taken place during a period when Albania’s total population has shrunk (See Figure 3.2). In 1989, the population in Albania was 3.2 million and 65% of the population lived in rural areas (UNICEF, 2000: 14, Vullnetari 2007, Misja 1998, Berxholli, 2005). Despite an estimated exodus abroad of around 20% or 1/5 of the population, inhabitancy of many cities grew over 50% in the 1990s\textsuperscript{11}. In some urban areas such as Tirana, Durres and Fushe-Kruja, the urban and surrounding rural population grew at quite alarming rates.

\textsuperscript{11} Economy and Transition, Albanian Economic Periodical, Issue 2, 1998
Estimates done by INSTAT³ suggest that a majority of emigrated about 600,000 Albanians, were young males and that the average age of young people in 2007 was 33.5. Internal population shifts have dramatically changed the ratio of rural-to-urban population. The urban population rose from 36 percent of total in 1989 to 46 percent in 1997. In the past 10 years, the density of population in Tirana, Durres and Fier has doubled. However in the remote areas of the country, such as the regions of Kukes, Tropoje, Diber, Gjirokaster, it has decreased markedly (See Figure 3.2).

Albania's economy is structurally imbalanced. In the eve of transition, the closure of many state enterprises e.g. mines, factories, state farms increased the unemployment rate to 15%. According to INSTAT (1998, 2001, 1002) unemployment rate has decreased in recent years, from over 25% in 1993 to 14.4% in 2004. Nevertheless this rate is much higher than the levels in neighbouring countries. In the period between 2001 and 2007 almost 25% of population lived below the national poverty line (INSTAT 2006; World Bank, 2008).

From 1989 to 2000, Albania’s total population was reduced by 6.1%. It is assumed that the massive fluctuating rates of emigration during the years between 1989 and onward was
linked to critical moments of economic hardships and political instability in Albania. Between 1991 and 1992, the first moment of economic reforms following the initial political turmoil, social unrest and economic downturn has been accompanied by a huge exodus to Italy and the parallel mass migration to Greece (Map 3.5). Even though there is no official data on the exact number of emigrants to Italy and Greece, the years 1991-1992 show the greatest flux of emigration. Since 1991, the post-communist exodus in Albania happened to a degree quite unmatched elsewhere in the transition economies (Gegeshi, 2008).

King (2003) argues the international migration, in the Albanian context, is the first step that is followed by an internal migration. Cora and Wissen (2007: 98) state:

> "According to different sources of data\(^{12}\), during 1991-1992 alone around 20 000 people emigrated every month resulting by the end of 1992, in a 9% decrease in the total population."

\(^{12}\) INSTAT, 2001; Doka, 2005; Misja, 1998 etc.
During the years 1993-1996, Albania undertook a political and economic reform supported by IMF, World Bank and the European Community. It received some financial aid from other countries at the same time. The other reason for stabilizing the mass migration rates was the socio-economic 'instability' under pyramid scheme.\(^{13}\)

In 1997 the 'pyramid schemes' failure followed the second phase of exodus and the illegally massive emigration were towards Italy and Greece and EU countries as well. In 1999 another period of emigration was related to the Kosovo crisis with Kosovo people entering Albania, especially from the north.\(^{14}\)

By the end of 2007, more than 25% of Albanians were estimated to be living abroad (Gegeshi and Ngjela, 2008). Despite emigration greatly reduce the total population figure it has some positive effects. Emigration not only relieved unemployment but also produced a considerable inflow of cash remittances available for internal consumption or investment. In the period between 1990 and 2004 remittances sent by Albanian emigrants increased from $150 million in 1990 to well over $700 million in 2004. According to Gegeshi and Ngjela (2008) remittances represented 12% of the country's DGP in 2007. They were three times higher than the net Foreign Direct Investment and the net exports and accounted for half of the trade deficit, playing a significant role in poverty reduction but insufficient to increase domestic production. Recently, remittances of Albanian emigration are believed to have reached a new phase of maturity and are likely to undergo a gradual decline in the short term.

After 1995, the two kinds of migration (international and internal one) interacted with each other, influencing the Albanian population density and redistributing the population to the centre and west coast areas. While southern areas close to Greece experienced massive or seasonal emigration to Greece, north eastern and remote north areas produced internal migration to the west coast and places such as Tirana, Durres, Lezhe, Fier, etc. Figure 3.2 shows that despite a tendency for the total population to decrease, there was a particularly marked loss of population in the north-east part of the. But an absence of migration policies

\(^{13}\) Pyramids' schemes are informal financial institutions in which people invest their money while getting very high rates in return. Albanian's formal financial system was rudimentary. During the transition, there were few private banks. With the banks unable to satisfy private sector demand for credit, an informal credit market grew, based on family ties and financed by remittances (Jarvis, 2000)

\(^{14}\) Albania has a language, religious, culture in common and geographically border with Kosovo.
followed a spontaneous movement of population from rural to urban areas and from northern to central and western regions (Agorastakis et al. 2007; King, 2003; Cora and Withen, 2007). The rural-urban migration and the concentration of people more in urban areas than in rural ones increased the overall urban population (Cora and Withen, 2007; INSTAT; Berxholli, 2005; Vullnetari, 2007). Since 1990, "unparalleled population redistribution with rapid urbanization and extensive in-migration occurred" (USAID, 2005). Even though the total population was reduced by 3.6%, the urban population was increased from 35.7% in 1989 up to 42.2% in 2001.

The internal migration reflects on the de-populating of some areas while over-populating other regions. According to several sources and data sets (INSTAT 2002, 2003, 2004 and World Bank 2002, 2003, 2005), the most serious population loss was observed in the rural north, as well as in the rural south, particularly villages in high up mountainous areas. The regions that have gained the most in terms of total population are lowland areas interior to the coast, such as Tirana, Durres, Lezhe, Vlore and Fier. Between 1998 and 2002, the rural population fell by 15 per cent (INSTAT, 2004) while urban areas, especially Tirana, grew disproportionately (Cora and Withen, 2007: 95; King and Vullnetari, 2003; Berxholli, 2005; Vullnetari, 2007).
In only 9 out of 36 districts was there positive growth. As Figure 3.2 depicts, this migrant population settled in the periphery of Tirana city, along the coastal tourism areas, including Saranda, Vlora, Durres, Fier, Kruje. The greatest growth was recorded in Tirana, with 41%, followed by Kruje and Durres, northern neighbours of the capital district, at 17.5% and 10.4% respectively. Less than 10% growth was experienced in Lezhe and Kurbin (coastal district north of Kruje) as well as in Lushnje, Peqin, Elbasan, and Librazhd (southern
neighbours of Tirana). Table 3.11 shows the migration from prefecture. The prefecture with the highest percentage of in-migration was Tirana with 54% of the total migrants; this was followed by Durres at 44% and Fier with 8.4%.

In conclusion, the increase in urban population in Albania after transition was an outcome of uncontrolled and chaotic movement of the rural population to the urban centres, as well as within and between districts.

The massive migration towards urban areas has promoted chaotic and disproportionate development in these areas (UNDP, 2000). The consequences for coastal and central cities included the destruction of existing flats, creation of illegal and informal buildings and the beginnings of a suburbanisation process, which represents a new phenomenon for Albania.

### 3.6 Conclusion

This chapter has provided an overview of urbanisation trends in Albania in the communist and post-communist eras. Reviewing the evidence, one factor stands out: the rate of urbanisation accelerated sharply in the post-communist era. Despite an estimated exodus abroad of around 20% of the population, inhabitancy of many Albanian cities grew over 50% in the 1990s\(^\text{15}\). Moreover, as the result of internal population shifts, the urban population rose from 35.7 percent of the total population in 1989 to 42.2 percent in 2001. Some urban areas such as Tirana, Durres and Fushe-Kruja have grown especially rapidly. However, in comparison the population in the region of Kukes, Shkoder and Diber has decreased markedly (UNICEF, 2000; INSTAT, 2002: 16-18; Agorastakis and Sidiropoulus, 2007: 472).

The conclusion is that the post-communist transition period has seen the Tirana city-region consolidate its role as the main economic and political centre of Albania.

Since the fall of communism, Albania has experienced three further phases of urban development, with each phase characterized by key social and regulatory developments as follows:

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The first phase (1990-1997) was dominated by the expansion of the informal sector. There was spontaneous settlement and little government intervention. The form of urban development in the early 1990s was dictated by the need for additional housing stock in some of the major cities where the influx of the internal migration has been directed. There was not any particular policy with regard to creating an enabling market, but rather there was a "passive" attitude on the part of the government towards the private sector (Bertaud, 2006). The chaotic pattern of development in Tirana during this period is arguably the best indication of a difficult political, economic and social transition from a centralised economy to a free market society. Yet the realisation of political freedom came at the expense of the public interest. At least 70% of construction in Tirana after 1990s was without building permission. Alij et al. (2003: 67) state that the situation degenerated further because of the hesitation in the restitution process affected private estates that were expropriated without compensation after 1945.

After 1992, migrants started to build illegal buildings, using any kind of material (concrete, bricks, and woods) for construction. Residents and the new arrivals from rural areas or other cities extended existing buildings, making them bigger and higher. They did not take into consideration the actual technical conditions but they transformed and changed the facade of their apartments in the so-called - 'individual architecture'. The national government set up a Housing Programme in 1993 and all state owned housing was transferred to ownership of individual flats. The liberalisation of housing market enabled people to change housing into office space or commercial one. The ground floors of existing flats inherited from regime were changed massively from housing to office or shop retail, where the basic rent has been increased 180% (Eskinasi, 1995 and Andoni, 2004). Since the rule of law did not exist, migrants and existing residents occupied public and green areas of the cities, setting up numerous small and medium sized kiosks, composed of wood and iron mainly for commercial purpose. The councils in the years 1992 up to 1998 could give temporary permission for kiosks with 2-3 m² area. In the following years kiosks were increased to 15-20 m². Since many were composed of metallic and concrete construction, they were hard to demolish.
Nonetheless, the second phase of post-communist urban development started in 1998 with the beginning of the demolition of illegal constructions. The Albanian authorities began to exercise control after the civil unrest of 1997, demonstrating their resolution in the matter of regulating urban development. The first demolitions began in the capital city. The Municipality of Tirana in cooperation with the Construction Police tore down about 550 illegal buildings along a 4km length of Lana River (Aliaj et al. 2003: 70). However, in the of Bathore neighbourhood, where the buildings were primarily private homes, the local authorities have hesitated to demolish them. Similar attempts had been made in 1995 and the 1998 efforts only aggravated social conflicts with the inhabitants of the area. The authorities preferred to take a softer approach, that of improving and integrating the areas in question.

During the elections of 2002 the issue of ‘legalization’ was in question (Aliaj et al. 2003: 73). This is the beginning of the third phase of urbanization, in which the legalization process is being implemented in all other illegal settlements in Albania. The third phase consists of consolidating the formal sector and the regularization of the informal sector. The main government objective during this third phase is to formalize the operation of the real estate sector. The design of new regulations and urbanization procedures, including master plans, will have to take into account the historical process of the first two phases. The government aims to ensure that low income households are not excluded from the formalization effort (Bertaud, 2006).

Previous studies on Eastern European cities have examined the nature of urban development in the transition from socialism/state central planning to more liberal market regimes (Sykora, 1994). This research has identified some “key attributes of urban processes during and after socialism, including the privatisation of land and housing, the role of urban social movements, and the resurgence ethnicity and nationalism in the new urban politics” (Szelenyi, 1996: 45). During the socialist period, the level and spatial structure of urbanization varied greatly between and within the countries of Central and Eastern Europe, depending on the implementation of reforms and conditioning by economic, political social and psychological/cultural factors. The reforms could have had different consequences for places like Albania; differences that I suggest can be attributed to the legacy of national development policies and in particular in migration policy and underinvestment in urban
infrastructure and housing (Andoni, 2004). Rather than attempting to fit Albania into an “East European” model of urbanization, this project chooses to emphasize the uniqueness of the regulatory transition process in the capital city region of Tirana.

In some respects, Albania is a typical example of a country in the midst of change from a centrally-planned state to new political, social and economic models associated with modern capitalist economies. A society that inherited inward-looking spatial policies, Albania today tries to affiliate with the rest of Europe to which it geographically belongs. Urban development is integral to the transition process but arguably has intensified conflict and tensions around particular urban spaces, notably the capital city-region. In short, urban transformation inevitably brings with it conflict and tension, not the least of which comes in promoting urban development under regulatory and planning systems that have little or no experience of urban-related conflicts and immature powers and capacities to regulate these (Driscoll et al. 2007). It is the specifics of these conflicts in the Albanian context that motivates the present study of property rights, governance and livelihood strategies in the peripheral parts of Tirana city-region.
Chapter 4:

Methodology

4.1 Introduction-Assumptions and Methods

Chapter 2 presented a review of the relevant literature of the transition in social, economic and political arenas in post socialist countries which highlighted the uniqueness of Albania. This chapter will discuss the research methodology employed by this study as a vehicle to answer the research questions stated in Chapter 1. The aim of this chapter is to identify some methodological tools to be used in the study of suburban spaces in Tirana city region. In order to answer the research questions set out in chapter one, this study required primary fieldtrip and involved the use of qualitative research methods.

4.1.1 Concepts of Urban Politics and Problems of ‘Travelling Theory’

An important issue for this research is the status of ‘post-socialist theory’ and its relationship to the methods used to observe empirical urban patterns. In recent years, a considerable body of theoretical and policy work -- mainly developed by scholars in the west -- has been applied to the Eastern European context. Much of this has been devoted to teasing out the complex spatial and social relations of East European economies as they undergo transition away from central planning towards more market-orientated or neo-liberal regimes. Indeed, western theory and policy has helped to shape transformation. As Pickles and Smith (2007) have suggested, the collapse of Soviet-style socialism was not only an event that transformed the political and economic landscapes of Europe but also had wider global ideological and theoretical effects.

For many Eastern European countries, the end of communism brought an opportunity to embrace a revitalized global neo-liberalism and the new economic and political opportunities it portended. In this view, the end of communism ushered in a period of great hopes of a return to Europe; a return that would expand economic opportunity and open personal and
political freedoms (Pickles, 2005). At the same time, and in support of these developments, 'theory' travelled widely across Europe and to great effect, mainly orchestrated by neo-liberal intellectuals and institutions. Networked into the global neo-liberal think-tank system, such ideas (in debates over social assistance system, tax policy) had a transformation impact on a state open until elections in 2006 to embracing liberal market ideologies. In this sense, neo-liberalism in the region was constituted through the shock therapy policies of international institutions.

Pickles and Smith suggest that global neo-liberalism appears to have structured thinking about post-socialism in more powerful ways than have social democratic development models and critical political economy. In this context, how does the 'visitor' -- albeit a native of Albania -- who is carrying out research in the region understand and represent urban development in the transition away from state socialism? In the same way the neo-liberal discourse has dominated policy analysis in the region, is there not a danger of allowing political economic theory to determine what is investigated and what conclusions are reached about the urban spatial effects of transition in Albania? In what ways can, or should, 'travelling theory' be grounded in the evolving complexities and contradictions of urban life in Tirana city-region?

Pickles and Smith (2007) argue that one solution is to encourage a renewal of the historical imagination, which challenges the totalising tendencies not only in theories of the socialist city but also those of post-socialist transition. The duty of the research is to uncover more complex views of post-socialist transition, focusing on the nuances of social relations, economic practices and political conditions in grounded historical (and spatial) contexts. In this respect, 'travelling theory' is used to establish broader concepts and discourses relevant to particular transitional contexts but these contexts in turn shape how and in what form theory travels back to its original context. The result is less of a totalising model of post-socialist urban development and more a set of concepts and abstractions that are more or less sensitive to place, process and context. This approach is similar to the mode of geo-historical synthesis and abstraction as outlined by the likes of Sayer (1989) in the study of urban and regional geographies. This research takes into account the ways in which particular abstract
concepts may or may not be useful in explaining specific processes in particular material and social settings.

4.1.2 Data Challenges in Albania: Filling in the ‘Gaps of Local Knowledge’

It is argued that there is a need for detailed case studies in a comparative context of socialist (communist) and post-socialist urban forms in the Tirana urban region. This is necessary to establish a base of empirical knowledge for making generalizations about the processes influencing the changing private form of the post-socialist city and, in particular, identifying important generative conditions and mechanisms (Sayer, 1992). There is also a need to infer comparisons with existing studies of post-socialist cities in other parts of Central and Eastern Europe, as these have identified certain empirical characteristics from changing intra-urban patterns of post-socialist cities.

Whether or not such generic empirical characteristics also apply to Tirana is the focus of this project. Tirana as the capital of Albania, and the most prosperous town, is rapidly expanding as a result of migration. Rapid growth, which has occurred through the informal development of land, has overloaded the capacity of existing infrastructure networks (World Bank, 1997).

Given well-rehearsed problems of applying western theories to non-western contexts (Gritsai, 1990), a detailed and locally sensitive focus on conditions and processes within urban Albania is seen to be advantageous. The project will deploy mixed methods. These include detailed case studies using an intensive research strategy based around semi-structured interviews and documentary evidence. An analysis of social and regulatory aspects of suburban development in the Municipality of Kamza is made, drawing directly from the data collected through interviews, participant observation and other secondary data.

4.2 Justification of Case Study Strategy for the Research

Saunders et al. (2009) define research strategy as the general plan of how a researcher will go about answering the research questions. However, Yin uses the terms ‘research strategy’
This study adopts a case study method as its major research ‘tool’ to provide answers to all its research questions. There are several justifications for this decision. First, the case study as the research strategy represents one of the primary research methods. In addition, the case study method also works well with the inductive approach. Kamza case study is very useful for descriptive and exploratory analysis being investigated in the real context, with the aim of adding and developing new aspects of the existing transition theory in this particular area. This analysis have the ability to generate answers to the question ‘what new urban forms are emerged in the last decade in Tirana city region?’ as well as ‘why is Kamza chosen a case for suburban development analysis?’ and ‘how theory in transition countries can travel?’ Finally, the case study, as a research strategy enables the researcher to obtain deep understanding of individual, social and political phenomena within its own unique context, in the journey to propose a new concept and theory or to add to the current ones.

The benefits of utilising the Kamza area as an empirical case study are numerous. First, Kamza is considered a unique case, changing its morphological form from a state farm before 1990 to a town in 2006. Kamza case has been considered as unique example of dealing with regulation of property and land development in Albania (Coplan, 2002). The Kamza case study strategy is particular interesting to gain a deep understanding of the context of the research and the processes around property rights being enacted. Moreover, Kamza is considered to be a representative of an extremely disordered urbanization process that took place during the 1990s in the entire country. The municipality in 2002 counted 53,727 inhabitants, which was 10 times higher than before 1990 (Co-Plan, 2002) and around 90,633 inhabitants in 2009 (See Figure 4.1). A dominant feature of Kamza’s development is spread out informal settlements without appropriate planning and management interventions. The suburbanization concept used in the western context is not relevant for the Albanian context, which make it peculiar and interesting issue to explore.
4.2.1 Study Area – Kamza

Kamza introduces a unique example of a typical suburban area, revealing changes from informal settlement to formal one. New suburban spaces are emerging and this project looks at what tensions and conflicts are entitled with property rights and associated with development of these new spaces of regulation around the Tirana city region. From this case study, it may be possible to infer wider processes in terms of the role of particular causal mechanisms in shaping spaces of suburban regulation in post-communist transitional countries.

The field work in Tirana City Region, Albania was conducted in September 2007, May 2008 and March 2009. The main aim of Tirana city region fieldwork was to explore and develop an understanding of property development process and to bring in a contemporary assessment of urban development (property rights, urban governance, infrastructure provision, service delivery) through an evaluation of its current aims and objectives. The fieldwork in Kamza was necessary because an early literature review for this study revealed that urban land pattern had been disseminated more in Kamza than in other informal settlements.
Kamza with its units is shown in Map 4.1. Since 1991, the population of the Tirana city region (involving Tirana and Kamza) has been grown at an alarming average rate of 7% per annum (CoPlan et al. 2002:1). The free movement of population has fuelled the concentration of a new influx of migrants, mainly from north and north east remote areas of Albania, in the suburban zones of Tirana in Kamza and Bathore. Bathore is a former state farm and agricultural land use has given way to housing and buildings.

Kamza study area is situated 7 km on the north edge of Tirana city region. Map 4.1 indicates that the Kamza area has undergone rapid urban growth. In 1996, Kamza area changed its status from village to town because the rapid demographic changes in the region were coupled with dramatic economic, social and urban changes. As the result of privatization, people occupied and settled in agricultural land that formerly belonged to state farms, changing the land structure to urban. Consequently, Kamza is one the newest town in Albania, and according to the new territorial division of Albania in 2000 and INSTAT
estimation in 2005, Kamza as part of Tirana region is ranked the second place after Tirana
council and is one of the top six cities in Albania (Kamza Bulletin, 2008: 8).

**Figure: 4.1 Kamza Population Trends**

Kamza area occupies 21.7 sq km with a population increasing from 53,727 inhabitants in
2002 to 90,633 inhabitants in 2009 with a density 4,354 person per sq km. Bathore, one of
Kamza’s units, is example of rapid urbanization development especially in the period from
1990 to 1997. Once hilly land free of development, it is now fully covered with building. The
southern part of Kamza is the most urbanized area and represents a rather complex set of
characteristics. Within this part there is a heterogeneous type of construction, ownership,
density and this is the area which the researcher selected the relevant groups.

4.3 Selection of the Relevant Categories/Groups

The selection of relevant actors available to participate in the study and who can provide
information that answers the research questions is really crucial. Different categories are
selected based on the researcher’s judgment that they are capable to focus on key themes and
engage in in-depth data gathering (Saunders *et al.* 2009). The chosen categories are
believed to be reliable in revealing detailed information required in the exploration and
understanding of the central themes of the research that relates to specific experiences
(Saunders *et al.* 2009).
The idea of putting interviewees into different categories is a mixed blessing. On the one hand all categories are connected to ownership rights and no analysis of suburban areas would be complete without them. Yet the analysis of politics in urban living in Kamza requires looking at different categories to shed light on a different body of theory; it helps in connecting theory to empirical research.

Based on these considerations, it was decided to structure the interviews around the different categories of actors. The details of participants are provided in Appendix 4.3 and 4.4. Table 4.1 and Table 4.2 below show four categories of respondents with a certain number from each category: migrants, residents, ex-owners, local officials.

The interview method provides a better assessment of the economic and social status of neighbourhood in Kamza from the perspective of different categories. For example, in the case of migrant’s category participants described the major events of their life. They were asked about similarities and differences between themselves and other categories. It was important to get divergent perceptions and opinions on the themes studied and inform them with the critical, opposing views from different categories.

<table>
<thead>
<tr>
<th>Categories/Groups</th>
<th>Interviews</th>
<th>Percentages</th>
<th>Group interview percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007-2008</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migrants</td>
<td>10</td>
<td>21.4</td>
<td>2 groups 50.0</td>
</tr>
<tr>
<td>Residents</td>
<td>8</td>
<td>9.0</td>
<td>1 group 6.2</td>
</tr>
<tr>
<td>Developer</td>
<td>4</td>
<td>5.3</td>
<td>-</td>
</tr>
<tr>
<td>Officials</td>
<td>6</td>
<td>12.5</td>
<td>1 group 6.2</td>
</tr>
<tr>
<td><strong>2009</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migrants</td>
<td>7</td>
<td>5.3</td>
<td>1 group 6.2</td>
</tr>
<tr>
<td>Residents</td>
<td>4</td>
<td>9.0</td>
<td>-</td>
</tr>
<tr>
<td>Ex-Owners</td>
<td>4</td>
<td>9.0</td>
<td>-</td>
</tr>
<tr>
<td>Officials</td>
<td>6</td>
<td>28.9</td>
<td>1 group 6.2</td>
</tr>
<tr>
<td>Total</td>
<td>49 resp.</td>
<td>100%</td>
<td>16 resp. 100%</td>
</tr>
</tbody>
</table>

Table 4.1: Categories of Respondents Selected for the Case Study (based on Researcher’s own calculation, 2009)
The processes of the re-regulation of suburban land development in the Tirana city-region were examined focusing on the strategies of respectively, recent migrants and residents, local officials, ex-owners and developers (whether large-scale or small-scale) and investigating how these strategic actors have responded in different ways to issues such as property rights entitling legalization versus urbanization, and their urban living space.

4.4 Research Techniques and Data Collection Methods

Yin (1994) asserts that evidence for case studies may come from six sources, namely, documents, archival records, interviews, direct observation, participant observation and physical artefacts. The Kamza case study provided an important issue to examine the trends in the context of rapid growth of Tirana City-Region, where property rights have been restored.

Developing the theme further, Patton (2002: 247) used the term ‘triangulation’ to refer to a combination of different sources in the study of the same phenomena. The triangulation of qualitative data in this study basically involved interviews and document analysis. In addition the researcher also was engaged in a number of observations during the data collection process.

The range of methods applied in this research was dictated by the research questions (Saunders et al. 2009: 154). Taken together, these methods included a series of structured and semi-structured interviews, analyses of policy documents, participant and direct observation. Direct observation was used as supportive technique to complement the information from interviews. The documentary analysis was based on OSCE reports for Albania, various World Bank projects, NGO reports, national and local newspapers. With a case study strategy the aim was to triangulate multiple sources of data (Saunders et al. 2009: 146). Finally a camera was used to take relevant pictures and a digital recorder for interviews.

4.4.1 Interviews

Interviews fieldwork was carried out in Tirana city region through three phases of fieldwork between September 2007 and March 2009. Only qualitative methods were used at this stage.
The first two phases in September of 2007 and May of 2008, where conducted in Kamza. Semi-structure interviews with a wide range of local actors helped to obtain different insights into these aspects of the suburbanization process. Interviews and different data from secondary sources gave an inside view on the issues of property rights and politics of living space in Tirana city region. These insights were based on ex-owners, migrants, officials and residents' perspective. A review of the impact of Law 7501 on land use, property rights, and livelihood strategies gave the researcher the general principles of property development process.

The fieldwork in March 2009 undertook a deeper empirical research towards the completion of the thesis. One important issue was how local officials were trying to govern the town and regulate suburban development, how local people responded and what pressures were being put on local authorities. Interviews were supplemented with informal (unrecorded) conversations i.e. narratives about how they had access on land, their houses, job occupation, corruption in national and local level mainly with residents/migrants met on streets, bus or in bars having the idea of how people perceived suburban areas.

The nature of interviews was predominated by semi-structure interviews and lasted between 15 min and 35 min, depending on the people interviewed, time available, or the ability of the respondents to expand their answers. The advantage of adopting a semi-structured approach was the provision of sufficient structure to facilitate comparative analysis. This technique allows an evaluation of the data throughout the fieldwork period enabling the research to move with whatever themes and issues developed. The interviews were recorded by digital voice recorder as sound files places on the CD and referring to them as interview x, date, and location.

The semi-structured interviews were organized around an ordered but flexible set of questions. Semi-structured interviews were conducted with political actors in Tirana city-region, representatives of developers and ex-owners, categories of migrants and residents individually or in groups (See Table 4.2). There interviews revealed particular characteristics of suburban development, focusing in particular how property ownership rights influence livelihood strategies in Kamza case study.
<table>
<thead>
<tr>
<th>Phase of data collection</th>
<th>Duration year</th>
<th>Research method</th>
<th>No of groups</th>
<th>No of participants</th>
<th>Participants' categories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Migrant</td>
</tr>
<tr>
<td>Phase I</td>
<td>2007</td>
<td>Semi structure interviews</td>
<td>1</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Phase II</td>
<td>2008</td>
<td>Semi structure interviews/open questions interviews</td>
<td>2</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>Phase III</td>
<td>2009</td>
<td>Semi structure interviews/open questions interviews</td>
<td>3</td>
<td>21</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>6</td>
<td>49</td>
<td>17</td>
</tr>
</tbody>
</table>

Table: 4.2 Research Process at a Glance (Based on Fieldwork, 2007-2009)

The research documented the design, execution and analysis of the data collected through individual and group interviews and participant observation and policy reviews. The research focused specifically on the interviews conducted with categories of migrants, residents, ex-owners, and local officials of the Kamza case study, based in Tirana city-region.

4.4.2 Selection of Interviews

Interview questions used in the fieldwork were developed at the Department of Geography, University of Hull and were completed in Tirana city region. The content and design of the interview questions were informed by the project aims and the theoretical framework of the study. The main aim was to gain knowledge of how people view and develop local property during the different years and how local governance has responded. In designing interview questions, the identification of important issues was required, i.e. property rights and livelihood strategies, property rights and legalization versus urbanization, and institutional constraints.

The purpose of the interviews was to develop different ways of representing people's knowledge, using the semi structure interview to elicit participant's views on local property, i.e. how each participant responded to transition, what limitation were on each of them and how they interacted. To account for the local governance issue, the interview elicited both event-based and belief-based knowledge.
4.4.3 The Selection of Interviewees/Participants

The literature suggests that qualitative inquirers should keep on interviewing the participants until they feel that they have reached a point of theoretical saturation or stability (Patton, 2002). Based on the above sentence, in the research 49 interviews were undertaken from four categories selected in Kamza case study.

The selection of participants was provided from local officials in the Kamza Municipality, residents and migrants around Kamza area. Twenty participants were selected as prospective interviewees. They were provided with a letter describing the purpose of research and informed consent form (See Appendix 4.1). Before conducting the interviews, some information was presented to enable persons voluntarily to decide whether or not to participate as a research subject. After they agreed to participate, the interviews began with prepared interview questions (See Appendix 4.2) and the conversation was digitally voice recorded. In the case of residents and migrants, the researcher tried to conduct the questions openly. The questions were posed in such a way as to enable the respondent to elaborate on any answers given.

Most interviews were conducted at the individual or group's work place. During the phases of fieldwork, the researcher conducted some interviews with the same officials to provide a deeper understanding of the raised issues.

The selected respondents represented four groups of different background whom the researcher believed to be able to give the richness of information required to provide answers to all the research questions. Table 4.3 below summarized the respondents groups for each category.
Table: 4.3 Categories' Composition of Respondents

<table>
<thead>
<tr>
<th>Categories</th>
<th>Respondents</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Migrants</td>
<td>This group included people from different parts of Albania who settled down illegally in Kamza, Bathore and around Tirana city</td>
<td>5</td>
</tr>
<tr>
<td>Residents</td>
<td>This group included people settled in Kamza before 1990s and who, from Land Law 7501 got state land</td>
<td>10</td>
</tr>
<tr>
<td>Ex-owner</td>
<td>This group include people, whose property was expropriated during the Agrarian Reform in 1976</td>
<td>5</td>
</tr>
<tr>
<td>Officials</td>
<td>This group include local and national officials, academics, public and private sector</td>
<td>26</td>
</tr>
<tr>
<td>Developers</td>
<td>This group include people involve in private sector activities in the construction sector and at the same time ex-owner or any other categories. The inclusion of this group is considered important as this group represents the stance of private sector, involved in politics of urban living space in Tirana city region.</td>
<td>3</td>
</tr>
</tbody>
</table>

However, there was not always a clear distinction between different categories i.e. some respondents were official by position, but they were also migrants settled in Kamza after 1992. The questions were addressed depending on which categories they wanted to assure. Some of dual respondents responded to questions in both categories.

On top of that, this research also included another category of respondents in its attempts to obtain a true picture of the overall issue and this is: Developers. This group include people involve in private sector activities in the construction sector and at the same time ex-owner or any other categories. The inclusion of this group is considered important as this group represents the stance of private sector, involved in politics of urban living space in Tirana city region.

4.4.4 Snowball

There were numbers of different ways to recruit potential informants. However, defining and identifying key official and community contacts on one's own can be difficult. As a result of their personal and professional contacts making contact with someone of high status likely lead to additional local recommendations (Raybeck, 1992). To identify the political actors in Tirana, participants were purposefully selected through "snowball" methods. Knowledge of the actors, organisations and institutions of Tirana-city in Tirana was gained mainly through academic literature on Albania and via internet. The snowball method was chosen to facilitate communication to accept the researcher. The newcomers (migrants) often prefer to
have outsiders come and personally experience local livelihoods (Sherry, 2002). Therefore, a migrant local official was chosen to recruit the other participants, providing in advance enough information and allowed to seek out interviewees with particular experiences or backgrounds (Valentine, 2005: 117).

It was important to find people who represent different discourses of urban development i.e. getting involved in land development, infrastructure and local government. Interviews were conducted with people chosen from the public and private sectors, who not acquired knowledge of how the different actors, organisations and institutions worked with urban development. During the interviews they tried to describe their work, what they found important in urban development, what the other actors’ impact were on urban development and property rights.

4.4.5 Direct Observation

The interviews were supplemented with direct observation, which recorded feelings and intuitive hunches, pose questions, and document the work in progress. It assisted in determining whether or not the inquiry needs to be reformulated or redefined based on what is being observed. This technique was used throughout the research, identifying key actors who were seen to be central to the case study selected and understanding respondents’ opinion.

What people said was a major source of qualitative data and obtained verbally through an interview. There were limitations, however, to how much could be learned from what people said. To understand fully the complexities of many situations, direct participation during the fieldwork, and observation of the phenomenon of livelihood strategy proved to be a helpful research method.

Face to face interview involved and required observation and becoming a skilled observer was essential enabling to read nonverbal messages, sensitive to how the interview setting can affect what was said, and carefully attuned to the nuances of the interviewer- interviewee interaction and relationship. Likewise, there was a need to talk with respondents, whether
formally or informally providing the researcher with a great deal of information (Patton, 2002: 27). During the fieldwork, the researcher spent time with migrants, residents, local officials, and ex-owners, where the respondents were interviewed and observed. The researcher in Kamza case study made firsthand observations and interactions between local officials and rest of the local actors. Being present and looking around was not enough for rigorous observation. Skilful interviewing involved much more than just asking questions, such as talking with migrants, officials and residents about their experiences and perceptions as they encountered their daily problems.

4.4.6 Triangulation

Given the difficulties of obtaining reliable information for undertaking conflict analysis, it is often useful to use a mix of data gathering methods. Triangulation serves to clarify meaning by identifying different ways the phenomenon is being seen. Triangulation refers to "the use of different data collection techniques within one study in order to ensure that the data were telling you what you think they were telling you" (Stake, 1998: 96). It is assumed that no observations or interpretations are perfectly repeatable. The process of triangulation in this research included methodologies as diverse as qualitative documents analysis and interview and analysis of secondary data. Triangulation methods checked the accuracy of what the respondents told and compare with evidence from direct observation and documents reviews. Outcomes of the fieldwork including individual and group interviews transcripts, information from document review and personal observation were analyzed and triangulated.

Observational techniques were used to add a further qualitative depth to the work and provide a firm basis to assess and identify key actors within the specific environments. This technique was used throughout the research, identifying key actors who were seen to be central to the case studies selected. Observation is a fundamental technique in understanding respondents’ opinion, and the identification of key actors all established at an early stage.
4.5 Secondary Data Resources

A review of policy literature reviews was undertaken in the Brynmor Jones (BJL) and Map Libraries of the University of Hull. The development of the entire research was greatly facilitated by both electronic and textual database of these libraries including policy documents, project documents, progress reports, leaflets, a list of which can be found in the Bibliography, where a great range of books were on post socialist city in Eastern Europe and Albania (e.g. Sjorberg 1991, 1995, 2008; Turnock 1995; Lavigne, 1995; Zickel 1996; Hall 1994, 1996; Bertaud 2006).

Furthermore, literature searches concerning Albania and Tirana city region were carried out while conducting fieldworks in Albania. Being Albanian, helped the researcher to use different sources of local record offices, in university and national libraries (e.g. Pollo, 1980; Frasher, 1982, 1995; Berxholli, 1995 and 2005; Aliaj, 2003, 2006; Kule, 1993, 2006).

Secondary data are continually being improved and updated. The researcher understands what data are available and the uses and limitations of data from different sources. Multipurpose sources are national statistics (INSTAT), communities and local government, international institutions and organizations and recently new local authority in Tirana Council and in Kamza Municipality.

4.5.1 Web Based Research

Although having access to a variety of information sources—conventional library, news media and electronic—the research topics were selected largely on the basis of available relevant internet information sources, using e-journals, national and local press, NGO organization, e-books via internet that enriched data collection and identified electronic sources (Newnham, 1998: 21)

Through electronic documents, the researcher documented changes on long term national development strategy, housing sector and property right, decentralization process followed by its national legislation. This involved a review of public policies and documents before and
after 1990s. Home Pages helped to document patterns of urban and suburban development, using maps and data to identify areas of growth and development in Tirana city region during the transition period.

4.6 Research Ethics

The understanding the role of ethics and the position of researcher is an integral part of the research process. Potentially the research that involved data gathering and contact with different actors involved ethical considerations as well. As Shaw (2008: 408) states:

"Ethical considerations did not belong to a separate stage of investigation, but arouse throughout the entire research process including major research phases of 'thematizing', designing interviews, transcription, analysis, and verification and reporting".

Details of the strategy and methods employed in the investigation in Tirana city region and the Kamza case study were considered part of the research design. The participants were informed with the nature of the research. Before interviews were conducted, written informed consent was obtained from the participants. A letter of consent from the Department of Geography of Hull University was applied gave approval to do a field work in Tirana city region.

Most studies have paid attention to ethical issues of data collection phase, by guaranteeing confidentiality and no harm of respondents in research (Walter and Young, 1999). Confidentiality and anonymity meant protecting the interests of participants. The interview questions were coded and the name and address kept separately. The interests of participants were best protected by treating the information they provide as confidential (See Appendix 4.1).

The researcher respected the privacy of participants. Some questions relating to property rights and livelihood were considered as a personal nature i.e How did you purchase the property? Did you get help from friends or relatives? Where did you borrow money from? The researcher tried to keep this information confidential.
The researcher tried to build a rapport with participants, especially with migrants and residents, and they were subject to response based on their knowledge about the issue being asked, i.e. if they don’t have the clue about the question, they just claim ‘sorry, I have no idea’. The researcher reoriented the formal interview towards more on the informal discussion i.e. “Tell me about...” or “You said a moment ago....can you tell me more?” leaving them free to say what was most appropriate for them. Questions were asked when the interviewer felt it was appropriate to ask them. It allowed the respondent to talk freely about issues and did not constrain their responses and the wording of questions was not the same for all respondents.

Collecting the fair treatment of secondary data in the Tirana city region was a real challenge. Yin (2003: 15) suggests the researcher has to be careful in determining the accuracy of records and the conditions under which they were produced i.e. issues on population figure, political and bias interpretation, etc. Through the variety of secondary data (taken from OSCE, CoPlan, World Bank and national and local policy) it was not easy to decide which of the data were impartial, reliable. To collect the fair treatment of data was a real challenge. Another issue was whether report and bulletin data i.e. ALUIZNI, INSTAT, Kamza Municipality, Tirana Council, Co-Plan activities were being considered as primary or secondary data. It was crucial to specify from where these documents were derived i.e. demography profile of Kamza collected in Kamza municipality was considered as primary data. However, the other data on economic, social aspect of Kamza were considered secondary data as they have already been gathered or generated by somebody else and were re-analysed by researcher to produce new results.

4.6.1 Dual Role Researcher-Translator

The research conducted on different categories was culturally the same with the researcher. Furthermore, the identity of the researcher and translator were the same. It was part of the debate whether and how translation within the research process potentially introduced bias and how to ensure agreement on the translation of source data. The researcher ensured a correct version of the text and discussed validity in terms of ‘correct’ interpretations, ethics etc., (Temple and Young, 2004: 163).
It is assumed that the researcher had to think about the meaning and understanding of the way language is tied to local realities, as researcher is getting familiar with it. From the categories of migrants and residents, the researcher made decisions about the cultural meaning which Albanian language carried and "evaluate the degree to which the two different worlds they inhibit are 'the same'" (Temple and Young, 2004: 165). It was encountered some typical Albanian phrases not easy to translate in English and was decided to keep the typical idioms in citation and translated roughly in English as footnote.

Keeping in mind the transformation of an informal settlement to formal one and the tensions involved in a post socialist city, a normal assumption was that the research should be carried out in an open-minded fashion with a sense of independence, objectivity or neutrality (Denscombe, 2005). The interviews were conducted into the area of Kamza and the interviewers and their observations and feelings were part of the research data (Shaw, 2008: 408).

The repeated fieldtrips to the study site equipped the researcher with the experience and getting familiar in conducting interviews. The researcher had the capacity to reflect honestly, openly and insightfully on research practice. The researcher was reflective on power relationships in the field and the ethics of conducting fieldwork. Often when academics talk about power relations it is assumed that the interviewer is in the dominant position, mostly with community. However, when researcher had chance to interview elites and people in charge often they controlled access to knowledge, information and informants (Valentine, 2005: 114). In Kamza case study, the chairs of some departments insisted only on Kamza Bulletin's data, while the reality was different.

4.6.2 Positionality of the Researcher

The researcher’s cultural and social situation and ability to understand the different location studied encountered some difficulties of how to deal with them. Researcher’s involvement with the situation and participants studied, and reflection on the influence of that involvement, on them and her study was another issue (Richards, 2005: 190).
Doing group interviews provided the researcher with an opportunity to explain her involvement with the group and clarify the researcher’s role. Interviewing groups provides more spontaneous, richer and validated accounts than those with individuals alone because different group members can corroborate each-other’s stories or challenge inaccuracies in each-other memories (Cohen et al. 2007). As a result joint interviews can give you a clearer picture of the socio-economic reality. However, group interviews can silence individuals, who may find it difficult to contradict other group members because of the lower position. The researcher conducted interviews with four groups and sometimes teacher respondents were unwilling to disprove head teacher’s opinion.

Sometimes relying on snowball for an introduction to members of group i.e. local school teachers, even an individual person may direct researcher to a narrow selection of the members or discourage the researcher from talking to others. In Kamza case study, the researcher encounters the editor of local press ‘Kamza’ preventing from hearing a dissenting voice. The researcher made a discreet effort to talk to other people in a hiding way. The director civil status department’s case was different. The evidence presented here suggests that respondents’ conceptions of urban problems probably lend themselves to political activism, which is reflected in public institution as well. The assistance by one local official was queered dubious by his colleagues.

4.7 Data Analysis

Stake (1995: 77) states that case study helps researcher understand phenomena or relationships between it. However, Yin (2004) argues the generalization from a single case is not a simple one.

The rationale for the use of individuals and group interviews and participant observation dominated this interpretative approach probing deeply into the actual situation of urban development in the suburban areas of Tirana City region. The purpose of data analysis in this study was to provide evidence about regulation of suburban spaces in Tirana city region and the effectiveness of western models in post socialist countries.
The data gathered were analyzed and interpreted through qualitative forms of analysis that included transcription of recorded interviews, analysis of secondary data and transcripts of interviews to reveal key themes and issues. Computer tools based on code-based theory builders: NUD*IST was used for qualitative data analysis. NVivo program was designed to support researcher at every stage in the research, from the earliest idea to the formulation of conclusions. Interviews were formatted using consistent paragraph styles to support auto coding (Richards, 2005). NVivo project was a central place to store all preliminary materials and created a model to aid the research design.

It was important to get diverse and divergent perceptions and opinions on the themes studied and inform them with the critical, opponent views from other informants. This involved asking them questions about the ‘case theme’ and finding out their views on urban development process before and after their living in Kamza. In the context of the cases, it is important to record as much as possible. The interviews were supplemented with historical data, archival records, reports and policy reviews to situate the case study in a wider context.

The researcher paid attention to Co-Plan’s assistance in Kamza between 1992 and 1997 and Urban Planning office in Kamza Municipality and different department in Tirana Council and how some of the previous research findings seem to apply to data analysis. The researcher used the data to develop these findings and produce new results.

4.7.1 Strategies for Interview Transcripts

Interview transcripts provided a protocol for detailed analysis. The researcher transferred all interviews and group interviews from the digital voice recorder into word document directly after each fieldwork while the researcher’s memory was still fresh. The first stage was really time consuming and took three months to be completed testing concentration, thinking and patience. Normally the 30 minutes long interview took around three hours transcription. At the start of each speech, the researcher put the name of the person interviewed, in capitals. After transcribed, the next step was translating the interviews from Albanian language to English version word by word, in order to make it easier later to review their meaning. The researcher was translator at the same time. This process also took another three month to
complete. However, to make translation more accurate, some transcripts were sent back to a read proofer. All names were anonymized in the word processor immediately after transcription (Gibbs, 2007). The next step was using interview transcripts for thematic analysis and coding.

4.7.2 Thematic Analysis of Interview Data

The theme was developed based on content analysis and NVivo used to organise and manipulate data. Analysis of the data was based on two methods of data analysis which were thematic analysis and coding by using NVivo software program (Patton, 2002: 4).

Table 4.6 below displays the way themes were developed. In this study themes emerged from the research questions and several questions addressed to different categories i.e. research question 1: What new urban forms are emerged in Tirana city region after 1990? Based on interview question: How the land use changed during the transition period? (See Appendix 4.5).

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Description</th>
<th>Theme</th>
<th>Subthemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>MiKa2</td>
<td>One of the issue concern to Arben was ‘the dust is going to fill our entire lung’. Arben is not happy with environment in the recent house and he states ‘is much worse recently then 10 years ago, because of the increased population</td>
<td>Disadvantages of the recent houses – critical urban environment i.e. dust, noise, no safety, overcrowded</td>
<td></td>
</tr>
<tr>
<td>MiKa4</td>
<td>I am from Lura village, Dibra, Northeast town of Albania. In 1987 I was member of ‘7 Nentori’ farm, Babru village, northeast of Tirana. Firstly I got pasaportizim and then the farm gave me a land and I built my one house.</td>
<td>Civilization status in Babru Livelihood strategies</td>
<td></td>
</tr>
</tbody>
</table>
How to develop themes

Below the column of description, firstly the text was read repeatedly line by line to emerge the theme and subtheme based on the questions asked. In this sense, this form of thematic analysis is data driven. This process took around two weeks to be completed for all transcripts. Basically, this process triggered the ideas of the research outcome, the patterns of the theme and a potential interest of issues. The answers from one to another respondent came saturate after a certain stage and to this point the conclusion had to be made. The theme and subtheme were re-grouped and aligned in the thematic analysis. At the end of the process, there were many subthemes under i.e. local government-local governance and the process of re-grouping the subtheme is the next step. Table 4.5 below shows the summary of the output from the analysis and the selected theme used in the analysis in Nvivo.

The researcher set out to analyse property rights relating to livelihood, local government and legalisation's issues. The interviews were conducted with 20 migrants, 10 residents, 5 ex-owners and 10 officials from diverse backgrounds probing how they thought about property rights, urbanization, local authority, life changes and livelihood. It was worked to group similar responses and stories together, informed partly by previous research, especially by Co-Plan assistance but ultimately the analysis was based on interviewees own individual sense of what categories best captured. The researcher had to think carefully about which responses belonged to each categories. The researcher looked for commonalities and differences. The researcher worked to honour the diverse points of view found while also seeking patterns across stories and experiences. The main three themes ended up with the nine categories relating to property rights were summarized in Table 4.5.
<table>
<thead>
<tr>
<th>Issues</th>
<th>Themes</th>
<th>Categories</th>
<th>Attitudes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Rights – Legalization versus urbanization</td>
<td>Migrants – Property Rights</td>
<td>Migrants -legalization</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Migrants – urbanization/integration</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Knowledge of local properties</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ex-owner - Property Rights</td>
<td>Ex-owner - Legalization/7501 Law imperfection</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ex-owner – Compensation/Restitution</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ex-owner and Urbanization/Integration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local officials and 7501 Law</td>
<td>Local Officials and 7501 Law</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Developers – Legalization</td>
<td>Developers – Legalization versa urbanization</td>
<td></td>
</tr>
<tr>
<td>Local government – Local governance</td>
<td>Decentralization - Local Government</td>
<td>Local Government and fiscal decentralization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local government – Local governance</td>
<td>The new territorial and administrative division in Albania</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The power of Tirana council versus Kamza Municipality</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kamza municipality and its transformation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Politics and urban governance</td>
<td></td>
</tr>
<tr>
<td>Property Rights – Livelihood Strategies</td>
<td>Property Rights and sustainable livelihood</td>
<td>Kamza Municipality Annexation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kamza - Urban living place</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Survival mechanism</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Property Rights and Land/Property market</td>
<td>Livelihood</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urbanization/Integration</td>
<td></td>
</tr>
</tbody>
</table>

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4.7.3 NVivo and Coding of Data

After the completion all the transcription, the edited interviews and group interviews transcript in word document were transmitted to the qualitative software program NVivo with the 'import' icon. The file name was based on the name in word document. The interviews with migrants’ categories stored were shown in Figure 4.2 below and was ready to be analysed with nodes/coding.

**Figure: 4.2 Interviews Transcript in NVivo**

Coding in qualitative analysis was a way of organizing or managing the data. Coding helped define what the data were analyzing about. It involved identifying and recording one or more passages of text or other data items. Coding is a way of indexing or categorizing the text in order to establish a framework of the thematic ideas about it. The list of codes was developed into a hierarchy, to examine further kinds of analytic questions, such as relations between the
codes and the case by case comparisons (Gibbs, 2007). In this stage, once again the transcripts were read line by line in sorting the passage according to theme provided by thematic analysis. In initial, all transcripts in Nvivo were coded by 27 trained coders (called nodes in Nvivo). All the 10-15 pages, double spaces transcripts took an average of 75 minutes to be coded. Each node completed approximately thirty transcripts over a three months period. This stage is smoothly ongoing since the theme already developed and is familiar in mind mapping. The outcome of the analysis shows that there are 27 (twenty seven) themes together, but in the first phase of top ten will be, yet so exited much more nodes. In Nvivo, the data are arranged as below in Figure 4.3.

**Figure: 4.3 Codes/Nodes in Nvivo**

The findings of this research were summarized in Table 4.6 below. The summarising based on the most ranking cited from the analysis using Nvivo which the highest rank illustrates the most important nodes discussed in the interview. The rationale of this predicates the node,
most talked by respondents. The researcher with the themes provided, wanted to explore and begin to create nodes. No ‘readymade’ themes existed, so the researcher jumped straight into sources and created nodes as themes emerged. From the interviews’ coding, the main themes most discussed were: politics priority almost in every interview; service delivery and infrastructure provision; property rights – legalization versus urbanization; property rights and survival mechanism; institutional constraints; psychological/cultural analysis and conquering barriers through law implementation already have the same frequency ranked from 28 to 36 of the interviews.

Table 4.6: The Theme Rank

<table>
<thead>
<tr>
<th>No</th>
<th>Code/Node</th>
<th>Rank</th>
<th>Source</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Property rights as a matter of seize vote</td>
<td>10</td>
<td>19</td>
<td>89</td>
</tr>
<tr>
<td>2.</td>
<td>Politics priority</td>
<td>9</td>
<td>36</td>
<td>238</td>
</tr>
<tr>
<td>3.</td>
<td>Legalization as a political tool</td>
<td>8</td>
<td>21</td>
<td>101</td>
</tr>
<tr>
<td>4.</td>
<td>Infrastructure provision/service delivery</td>
<td>7</td>
<td>36</td>
<td>176</td>
</tr>
<tr>
<td>5.</td>
<td>Survival mechanism/livelihood</td>
<td>6</td>
<td>27</td>
<td>245</td>
</tr>
<tr>
<td>6.</td>
<td>Conquering barriers through law implementation</td>
<td>4</td>
<td>35</td>
<td>180</td>
</tr>
<tr>
<td>7.</td>
<td>Conflicts around property rights</td>
<td>3</td>
<td>28</td>
<td>128</td>
</tr>
<tr>
<td>8.</td>
<td>Psychological/cultural analysis</td>
<td>3</td>
<td>24</td>
<td>101</td>
</tr>
<tr>
<td>9.</td>
<td>Property rights-legalization versus urbanization</td>
<td>3</td>
<td>32</td>
<td>113</td>
</tr>
<tr>
<td>10.</td>
<td>Law 7501</td>
<td>2</td>
<td>29</td>
<td>155</td>
</tr>
<tr>
<td>11.</td>
<td>Institutional constraints</td>
<td>2</td>
<td>32</td>
<td>292</td>
</tr>
<tr>
<td>12.</td>
<td>CoPlan Assistance</td>
<td>1</td>
<td>25</td>
<td>105</td>
</tr>
</tbody>
</table>

In the table below sources were equal with interviews. From the interviews coding the main themes people were worried were: Politics Priority is being mentioned already in each interview; infrastructure provision; legalisation-property rights; Institutional arrangement/management.
### Table: 4.7 Coding

<table>
<thead>
<tr>
<th>No</th>
<th>Code/node</th>
<th>Rank</th>
<th>Sources</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Property rights as a matter of kidnap/seize vote</td>
<td>10</td>
<td>19</td>
<td>89</td>
</tr>
<tr>
<td>2.</td>
<td>Politics priority</td>
<td>9</td>
<td>36</td>
<td>238</td>
</tr>
<tr>
<td>3.</td>
<td>Legalization as political tool</td>
<td>8</td>
<td>21</td>
<td>101</td>
</tr>
<tr>
<td>4.</td>
<td>Infrastructure provision</td>
<td>7</td>
<td>36</td>
<td>176</td>
</tr>
<tr>
<td>5.</td>
<td>Survival, livelihood</td>
<td>6</td>
<td>27</td>
<td>245</td>
</tr>
<tr>
<td>6.</td>
<td>Conquering barriers through law implementation</td>
<td>4</td>
<td>35</td>
<td>180</td>
</tr>
<tr>
<td>7.</td>
<td>Conflicts around property rights</td>
<td>3</td>
<td>28</td>
<td>128</td>
</tr>
<tr>
<td>8.</td>
<td>Psychological analysis</td>
<td>3</td>
<td>24</td>
<td>101</td>
</tr>
<tr>
<td>10.</td>
<td>Legalization – property rights</td>
<td>2</td>
<td>32</td>
<td>113</td>
</tr>
<tr>
<td>11.</td>
<td>Law 7501</td>
<td>2</td>
<td>29</td>
<td>155</td>
</tr>
<tr>
<td>12.</td>
<td>Psychological analysis</td>
<td>2</td>
<td>24</td>
<td>121</td>
</tr>
<tr>
<td>13.</td>
<td>Institutional arrangement/management</td>
<td>1</td>
<td>32</td>
<td>292</td>
</tr>
<tr>
<td>14.</td>
<td>Co-Plan</td>
<td>1</td>
<td>25</td>
<td>105</td>
</tr>
</tbody>
</table>

### 4.8 Conclusion

The literature review shows that there has been limited research on suburban living space around entitling property rights in post socialist countries. Kamza, a new suburban area during transition, provides an ideal place to investigate the urban living space and how conflicts and tensions derive from its development processes. The present research helps to provide a profile of local interurban space during transition. Return to ‘travelling theory’ points in the introduction I tried to justify how my methods are slightly different from other post socialist work as they highlight more the politics of urban space in Tirana city region and its suburban development.
This chapter has presented an overview of the various approaches that were devised to collect data in the field, and how they were analysed and interpreted for this research. Multiple methods were used in the data gathering and analysis processes. The use of various approaches helped to provide answers to the research questions and the objectives of the study. This section has provided an empirical justification for the case studies selected and the methods that will be incorporated as a means of exploring the three central research questions. In addition, the chapter has highlighted problems that affected the collection of the data and the ways in which some of the problems were solved. However, most of the constraints encountered in the field are well documented. Now that all the information concerning the research methodology has been provided, the following four chapters will present the findings of the study.
Chapter 5

Decentralization, Fragmentation and Property Rights

5.1 Introduction

Chapter 3 on urban development in Albania argued that urbanization and urban development are integral to the transition process, but arguably have intensified conflict and tensions around urban spaces. The review of the literature in Chapter 2 recalls that under new regulatory and planning systems, Albania has little or no experience of urban-related conflicts (Driscoll et al. 2007). However, this has been very little literature provided in support of this assertion.

This chapter investigates the transformation of urban governance in Albania. This exercise is done by exploring the process of fiscal decentralisation and its impact on property rights. Property rights underpin local governance and the activities of the growth coalition. This discussion of local governments provides an overview of the decentralisation process after 1990 in Albania, and considers the arguments for local governance fragmentation and local government, demonstrating their main features. In terms of the decentralisation process, local government in Albania has become politically more autonomous. The chapter examines the challenges to local governance encountered by obtaining revenues and promoting service delivery and what the impact of property tax is on burgeoning revenues. The findings show that longstanding issue of unresolved property rights in the urban development of the Tirana city region remain a stumbling block in the transition of urban governance.

Western theories of urban development talk of the rescaling of state and governance around city regions. This process is linked to the demise of the Keynesian state intervention and the rise of the competition state (Brenner, 2004). The introduction of the free market in Albania creates an appearance of a similar process of state rescaling and city regional development. But the context is very different. This chapter looks at the territorial decentralisation process in the historical context and examines the current situation of the local governance.
5.2 New Powers and Responsibilities for Cities in Albania

In the last decade the urban share of population in Albania is estimated more than 42% and is attributable mostly to rural-urban migration. However a considerable number of people are residents in urban and periurban area, but this is not recognized by the official statistics. Towns and cities face a growing number of challenges. Urban areas must generate employment for increasing numbers of residents and migrants and the unresolved issue of property rights constrains urban development.

During the communist period, Albania experienced a remarkable centralization and concentration of power in the hand of small elites. Development mainly occurred in the capital city of Tirana. Even after 1990 Albania suffered from this concentration and Tirana is still the main prosperous centre. Other cities, such as Durres, Fier, Vlora, Elbasan, which before 1990 were to some extent developed, cannot attract investment because they lack resources, general capacity and planning instruments. Today such capacities are mainly present in Tirana (See Map 5.1).

Map 5.1: Map of Albania and the Major Cities

Source: http://www.inforplease.com/atlas/country/albania.html
Since the end of the Communist regime in 1990, Albania has experienced major political, institutional and socioeconomic changes\(^{16}\). As a result of decentralization process in Albania, municipal governments have been given control and ownership of public service companies. Now it is the new responsibility of municipalities to govern urban areas. Yet, after 1990, regional differences in the unemployment rate between cities widened. As Andoni (2000: 2) argues the development of cities in Albania after 1990 is conditioned by the imposed balance that controlled the movement of the population, spatial allocation of resources by means of economic planning.

In this way, as mentioned in chapter 3, some cities have started to lose their attraction and therefore population. Several cities or satellite cities built during the centralized regime were based on old technology industries for example, Rubik, Cerrik, Orikum, etc. The closure of these plants led the population to abandon their cities and towns in the central, remote north east and northwest part of Albania. However, other cities, perhaps because of geographical location, tourist potential, proximity to main roads, cross borders, harbours, or the capital city, attracted population and started to offer new job opportunities. The capital, Tirana, continues to grow at an estimated 7% per annum and now has around 1 million inhabitants (Aliaj et al. 2003; Bertaud, 2006; World Bank 2007). Other cities such as, Durres, Fier, and Vlore are also growing fast. Yet not only have those cities become more attractive, but also the outskirts were offering investment opportunities. As a result, in the periphery of the biggest cities illegal settlements were established. Picture 5.1 below shows clearly illegal constructions along the coastal areas of Albania.

**Picture 5.1:** Some Photos of the Western Cities’ Outskirts in Albania

The pictures provided shows different illegal construction and buildings developed without governmental rules and regulations. The “rolling back” of the state in the neo-liberal economic agenda has led to a physical and social polarization of Albanian cities. As Albanian government could not offer regular shelter and planned land to the newcomers, it concluded with the establishment of new residential areas, built illegally and irregularly (Andoni, 2000: 2). People who abandoned the remote parts of Albania were forced to settle on the outskirts of Tirana and land development brings conflict between Tirana city, and its suburban areas such as Kamza.

Albanian cities are now at the beginning of what might be called a ‘third phase’ of urbanization during which laws and regulations have to be developed and enforced so that, in effect, the informal sector and settlements shift towards becomes formal (Driscoll et al. 2007). As the result of decentralization and the uneven distribution of population, there are new powers and responsibilities for cities in Albania, especially in the Tirana city region.
On the one hand, with a weak local and central government and very limited investments in infrastructure, it might be expected that cities in Albania cannot handle fast growth (Nientend, 1997: 43; Aliaj et al. 2003; Bertaud, 2006). On the other hand, the creation of squatter settlements by internal migrants has led to conflict around property rights and governance instability. The long and slow process of ownership documentation prevents legal transaction in land and property market influencing on local government revenues.

After 2000 with the new territorial division of Albania and The Law on the Functioning and Organization of Local Government, the new role of local governments and cities became very important. Yet the major cities and the local governance encountered various challenges to promote urban infrastructure and service delivery. Property rights, as part of land development, underpinned the transition to western models of urban governance.

A legal framework to prepare master plans was defined in 1998 by the Council of Ministers' Decree, No. 722, but still up to 2005 the regulatory plans did not exist. Arial photography of different cities and updating maps was a costly process. Only recently, with the international donors' assistance, are urban master plans being prepared for some important cities (UNDP 2005; USAID, 2007; World Bank 2006; Co-Plan, 2002-2008).

Up to now, urban development and inward investments are focused mainly on the Tirana city region. However, Albanian cities in general have improved infrastructure and the quality of the built environment compared to twenty years ago "the new floor space built and the number and quality of new dwellings added to the housing stock in such a short time is astonishing" (Bertaub, 2006: 5). These cities very soon will be competitive with Tirana, and Kamza might be considered one of these new competitive urban developments.

5.3 Decentralisation and Local Government in Albania

This section considers to what extent the liberalization of land development in Tirana city region encourages a local jurisdiction searching for new local powers and sources of revenue to fund local services. It examines to what extent this is shifting local regulatory and tax burdens onto local households, developers and local governments.
Privatisation in Albania after 1990 was accompanied by fiscal decentralisation, local legal autonomy and competition between local governments for new revenue. Decentralization reform and empowerment of local governance is a direct instrument, linked with the objectives of economic growth and poverty reduction (USAID, 2000: 36; Buxhuku, 2002; Dedja and Brahini, 2006). Decentralisation in Albania has begun to have a real operational impact, and in this respect follows western model to which urban development is being applied. After 1990, in terms of decentralization, local governments have achieved some autonomy in most countries in the Balkans, but the main consequence of the decrease of direct central control has been fragmentation i.e. the decisions of the settlements cannot be coordinated, and public interests have not been well connected to the level of the larger areas (World Bank, 2006; Dedja and Brahini, 2006; Djokic, 2006). In Albania, the present fragmentation of the local government system and the lack of the middle level of administration between the central and the local governments limit the possibilities of national policies in governance (World Bank, 2007; USAID, 2007; IMF, 2006; Gurraj et al. 2002).

5.3.1 The main trends of local government status during different periods

The main trends of local government status in Albania can be divided onto three phases: the reign of King Zog 1, 1925-1939; the communist period between 1945 and 1990; and transition period after 1990. Each of these periods has been characterised by different patterns of local government.

**The Reign of King Zog 1(1925-1939)**

Albania does not have any long-standing tradition of local government. Between 1920 and 1930 under the reign of King Zog 1, Albania (with foreign assistance) tried to implement a range of reforms in the field of local autonomy. Talking about the main characteristics of the units of local government, UNDP (2000) argues the level of administrative autonomy at that time was moderate, whereas the authority of the state, exercised by the prefectures, was strong.

In 1927 the territorial and administrative division of Albania was composed of 10 prefectures, 39 sub-prefectures and 69 regions with 2,351 villages. Competencies for economic and social
duties were wide-ranging. Local units, in particular town municipal authorities, offered a series of public services, administered a budget which was partially financed by local taxes, owned property and assets, and administered natural resources (UNDP, 2000; Hoxha and Gurraj, 2001; Hoxha, 2007). In conclusion, it might be assumed that for the first time Albania is having to some extent independent municipal authorities.

**Local Government during the Communist Period (1945-1990)**

The main feature of the socialist model was the high level of centralization in decision-making and the high share of public ownership. The local government's responsibilities and functions were formal and were considered part of the central government, reflecting a communist ideology. USAID, 2002: 44 states:

"Local government constituted in essence a deconcentration of executive duties, while decentralization and self-governance were quite weak. A parallel government made up of the organizational structures of the Party exercised ideological control over the activities of the administration, and also had a strong influence on decision-making by these organs".17

Initially, under the communist regime Albania inherited a territorial division comprised 10 prefectures and 61 sub-prefectures. But in 1946, in order to dominate and control the whole territory of the country, the communist system set a clear distinction from the past and undertook a new administrative division.

After 1953, the prefecture term was replaced by that of regions and districts. There were 10 regions and 26 districts, where each district had three or more localities. The term region was removed in 1958 and the territorial division was comprised of 26 districts, 39 towns and 2,655 villages.

The administrative division of Albania in 1968 was composed of 26 districts, 65 cities, 437 unified villages, and 2641 villages. In 1992 after the fall of communist system, Albania still inherited the same territorial division as during communism (Hoxha et al. 2001: 97; Dedja and Brahimi, 2006: 7).

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To summarise the local government system under communism, local government in Albania was only nominally deconcentrated, having limited self-governing bodies (Councils of People). During the period 1944-1990, local government was characterized by a predominantly vertical chain of dependence. UNDP (2000: 43) argues the legal and constitutional framework restricted local government being organs of local governance.

5.3.2 Decentralisation and Local Government after 1990

Albania remained a highly centralized country up to 1998, when the new constitution of the same year incorporated decentralised local governance. In 1999, Albania became a signatory to the charter of local governance of the Council of Europe. After 1998 has been suggested that there was a serious and solid political will to proceed with implementation of decentralization (World Bank, 2001; Cabiri et al. 2002; Gurraj et al. 2002). The decentralisation process, legal framework, and implementation practices have had the continuous support of the international community, especially from the Community of Europe, USAID, World Bank and bilateral cooperation through different NGOs projects. Nevertheless, the structure and implementation of the reform had a number of shortfalls. Different reports (ref) of international organizations, national and local policy documents assume that still there is a mismatch between responsibilities and authority of local governments in Albania. This could have has its own negative impact on investment, service maintenance, regulatory authority, fiscal and budgetary, and property rights.

The Law on the Functioning and Organization of Local Government in June 200018 established a process for local political autonomy and intensified a number of direct responsibilities for local governments in Albania19. However, Albania has no history of political pluralism and has little developed civil society infrastructure. The period between 1998 and 2005, was an intense political environment. The majority of the local government units were under the control of the Democratic Party, while the Socialist Party has controlled the central government. Despite this highly charged political environment, a

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18 Law No.8652, dated 31.07.2000
19 Human development report Albania (2002), Human Development Promotion Centre (HDPC) prepared for the United Nations Development Program (UNDP), p 44.
number of important steps toward decentralization have been undertaken (Gurraj, et al. 2002: 107).

5.3.3 The International Organizations and Local NGOs in Albania

Albania, a transitional country, has undergone serious attempts since 1990 to decentralize power to its regions, strengthen municipal government, and enhance local governance. Such reforms have been encouraged and supported from the international community, especially from Community of Europe (CE), USAID, UNDP, World Bank donors and partners, NGOs, policy advisers and outside academic experts, reflecting a desire on the part of Albanian officials and politicians to be viewed by western governments and outside investors as a model example of urban governance reforms in Eastern Europe. In terms of debate of neoliberal policy transfer we are interested in the policies and models taken from western and developing countries, how these have been adapted with national context.

Up to 1999, academic commentators continued to express concerns that the link between decentralization, the expansion of the free market, and local democracy in Albania was weak and that urban development remained for the most part informal, unplanned and unregulated. After 1999, as mentioned earlier, economic transition has engendered rapid yet chaotic urban development and growing demands on municipal and district governments to provide necessary services and infrastructures. In this context, academics, NGOs, planners and governance reformers operating in the capital city, Tirana, have been active in developing local governance capacities. Based on the surveys carried out by different donor programmers targeting local governance, it is evident that there are good reasons to believe that a trend of improvement of these qualities of governance is appearing. According to UNDP survey for the Early Warning Report 2001-2004, local governments are evaluated among the most trusted public agencies, leaving behind central government agencies, prosecutors and the judiciary (Hoxha, 2007: 8).

Many projects have been funded by grants and concessionary loans from agencies and donor programmes of the Council of Europe, World Bank, Swedish International Development
Agency, IHS-Habitat Holland, etc. in the last five years. The contribution of these projects to local government patterns and structures can be summarized and tabulated in Table 5.1.

<table>
<thead>
<tr>
<th>Name and Head office</th>
<th>Activities</th>
<th>Projects</th>
</tr>
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<tbody>
<tr>
<td><strong>International Organisations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Bank</td>
<td>World Bank is active in Albania (since 1991) through: International Development association, (IDA)-its credits are extended for 20 years, 10 years grace period International Financial Corporation (IFC)-private Sector ‘window’ of the WB South Eastern Development.</td>
<td>World Bank financed project: For the fourth consecutive year, the Government has used a medium-term budget programme for its budget process. For training of more than 1700 civil servants during the last years.</td>
</tr>
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<td></td>
<td>Enterprise (SEED) - support to the development of private sector in the region Multilateral Investment Guarantee Agency (MIGA) - promote foreign direct investment by offering political risk insurance (guarantees) to investors and lenders.</td>
<td></td>
</tr>
<tr>
<td><strong>International NGOs Organisations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Institute for Housing Studies) IHS – Habitat Rotterdam</td>
<td>Assists to create models of urban governance based on Dutch experience and provided technical assistance to Co-Plan</td>
<td>2006 “Good urban Governance” (EGUG II) in cities Elbasan and Fier in Albania</td>
</tr>
<tr>
<td>FLAG – Hungary</td>
<td>In 2007 as part of regional development strategies FLAG provided technical assistance and training staff on public services delivery in three cities of Shkodra, Elbasan, Commune Dajt (Tirana)</td>
<td>2008 “Decentralization and Regional Development” in three cities of Shkodra, Elbasan, Commune Dajt (Tirana)</td>
</tr>
<tr>
<td>ILD - Institute for Liberty and Democracy – Peru</td>
<td>ILD tried to take Peruvian model and compare it with informal areas in Albania. It discussed how to maximize the impact of the Albanian government’s current reform efforts on the majority of Albanians.</td>
<td>2007 ILD under the leadership of De Soto provided assistance in the final report ‘Diagnosis of extralegalit in Albania’</td>
</tr>
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5.3.3.1 CoPlan’s Contribution to Community and Local Governance in Albanian Cities

Since 2002 Albania has been relying on a group of experts from academic centres and NGOs to contribute to the development of local governance. One of the most important interventions in urban governance has come through the activities of Co-plan. This section focuses on the major projects undertaken by this agency and the next chapter will explore the impact that these projects have had.

Co-Plan is an NGO organization, which mediates between local government authorities and communities in supporting the marginalized population, including newcomers settled in informal settlements. In 1997 Co-Plan was a small organization of 13 employees and worked at grassroots level with community-based development. Now, CoPlan is a reputable NGO professional institute influencing central/local government, as well as international multilateral agencies operating in Albania. Areas it deals with include neighbourhood and municipal planning, urban and environmental management, participatory governance and decentralization, and organizational development training (Strategy for Albania, 2004: 23). With a main office in Tirana, Co-Plan has spread out and promotes city and regional planning in several Albanian cities. In collaboration with ENHR (European Network for Housing Research), IHS-Erasmus, Ministry of Public Works, Ministry of Interior, Albanian Association of Municipalities, De Boer and Ritsema van Eck DBR, Rotterdam, Institute for
Co-Plan has organized many different project activities and annual reports during its 15 years of experience. It has contributed more than 20 professional publications in the strategic plans for urban development in the different cities in Albania. CoPlan has been awarded prizes for its projects. The Breglumas Program in an informal zone near Tirana was selected as a model of best practice, as recognized in the “Best Practice Award” by UNCHS Habitat in 1998. The Municipal Council of Kamza honoured Co-Plan’s assistance and called ‘Co-Plan’ one of its roads. Through the community proposal, ‘Tirana’ Association in Tirana city has awarded Co-Plan “Tirana Nobleness” for its special contribution to studies and publications on urban development and management. Finally, CoPlan was awarded with “Albanian Excellence” Award for 2007. Co-Plan has been an important agent in the transfer of western ideas of urban policy and good governance to Eastern Europe and, especially, Albania. It is through such organizations that ideas of urban policy in effect ‘travel’ from ‘West’ to ‘East’.

5.3.4 The New Territorial and Administrative Division in Albania

In the context of this high level of international policy transfer, changes in the political system and the establishment of the political pluralism in 1992 were followed by the creation of new territorial divisions with 12 prefectures, 36 districts, 44 municipalities and 313 communes.
Map 5.2: The new territorial and administrative map of Albania
The current system of local government in Albania is based in part on the systems existed during the reign of King Zog 1 and the former communist regime albeit modified by the western democratic countries' models. One report of ECE for Albania in 2002 has stressed the fact that the legal and administrative codes relating to planning and local government have not been modernized and they are still carried over from the communist era. "They do not work well because they are both too centralized and run counter to the popular sentiment that wants to erase a failed system" (ECE, 2002: 17)\textsuperscript{20}. The current administrative system in Albania is based on the Council of Europe's Charter on local self-government (art. 108) of 1999, the Constitution of 1998 and the decentralisation law of 2000\textsuperscript{21}. However, the Law 8653 “On the territorial and administrative division” passed in 2000, replaced prefectures with regions (Dedja and Brahimi, 2006: 7). According to the Constitution of the Republic of Albania, the units of local government are (a) municipalities and communes (b) the regions.

A Municipality (Figure 5.1) is a large urban agglomeration and is the basic government unit with more than 100,000 inhabitants. A Commune is considered to be a village or a town with less than 100,000 inhabitants. In Albania there are 309 communes. A Region is the second level government unit. It represents a territorial administrative unity, comprising several communes and municipalities with geographical, traditional, economical and social links and common interests. The border of the region fits with the borders of communes and municipalities that compose it. Subdivisions of the region are called district.

Municipalities and Communes in Albania differ by of size and socio-economic conditions in which they operate. Based on Article 24 of the Law Concerning the Organization and Functioning of Local Government the size of the council of a municipality/commune is based on the number of inhabitants of the entities. But this size principle is not yet being applied to Kamza. Small municipalities include a population from 7,000 to 11,000 inhabitants, for example the town of Gramsh in the district of Elbasan. Medium sized municipalities are

\textsuperscript{20} Albania's government is centralized with financial resources and powers concentrated at the national level. Only 6% of the national budget finds its way to local governments (ECE, 2002).

considered towns with a population from 21,000 to 38,000, such as Pogradec, Lezhe, Kukes, etc. Large municipalities are towns with a population from 65,000 to 93,000, such as Durres, Elbasan, Korce, Vlore and Kamza.

Local governments and their councils possess independent authority to undertake initiatives in the interest of the community. In this respect, they should have adequate administrative, service, investment, regulatory, fiscal and property management authority (USAID, 2000: 12; Hoxha and Gurraj, 2001). However, there is no clear relationship between the first and the second level of local government (Buxhuku, 2002). Local governments face a number of challenges relating to a region’s and districts’ role and their own functions to be assigned. The roles of district and regional councils were not altered to include a coordinating function.

Buxhuku (2002) argues the relationship between local, regional and national level is not well defined and co-ordination between levels is rather weak. The regional policies are not harmonised with state policies because the second level of local government has only just been created. The strategic capacities at the regional level are still insufficient for the management of this important policy function.

To summarise, there is no strong function of municipalities and communes as the primary level of local government with responsibility. It is assumed by Aliaj (2006) that the new local and central relationships are not based on rule of law but on administrative orders. Aliaj (2006) and INSTAT (2003) argue a need for a re-territorial administration in Albania based on notions of decentralization and deconcentration.

5.3.5 Fiscal Decentralization on Local Government in Albania

Financial resources are one of the most important internal strengths of local governments. Local governments earn their revenues from a number of sources. These include imposing certain kind of taxes, collection of rents and license fees; and profit from trade and services. It is clear that Tirana with a large number of valuable holdings, commercial properties and industrial activities can earn more money than places like Kamza that do not have such a strong economic base. This explains why Kamza which is smaller and hardly enjoy any
financial stability. Local government units collect funds from the central government in the form of unconditional and conditional grants to perform the functions delegated by the central government. In 2006 the competitive grant was applied for the first time in Albania, as part of unconditional transfer. By means of this grant, the local unit may apply for investment projects to a central government technical committee. These projects consist of construction and reconstruction. The Intergovernmental Relations Directorate in Ministry of Finance that is in charge of transferring the funds from one level to the other has been involved in political debates. USAID (2009: 3-7) argues local government units do not have adequate resources, whereas central government representatives believe there are adequate resources. Finding from assessment of fiscal decentralization on local governments reveals that political debates go across all local governments, irrespective of whether they are large and metropolitan or they are medium or small urban based councils like Kamza.

Until 2002, central government transfers in Albania played an important role in municipal budgets, which are strictly controlled by Ministry of Finance and the line Ministries. As it is shown in Graph 5.1 the expenditures that local governments in Albania have any control over represent a very small share of total public expenditures, which in town is one of the smallest among the countries of South Eastern Europe (USAID, 2000: 8). Yet, some transfers do not provide real autonomy for local governments in their decisions on expenditures. Two types of expenditures were usually included in the conditional transfers: transfers for salaries and transfers for investments. Gurraj et al. (2002: 110) argue that 80% of the conditional transfers were for the payment of salaries, such as for educational staff, and the local governments acted only as the paying agent and had no other role for decision-making. In 1999 the local government received 96.6% of its revenue from central government and there were only 3.7% of local taxes (Hoxha and Gurraj, 2000: 9).
Figure 5.1 The Local Government Revenues 1996-1999 (in %)

Source: Hoxha and Gurraj (2000: 9)

Figure 5.2 below shows, in terms of financial decentralisation, that the budget revenues of local government units had considerable increased. In 2000 the unconditional revenues of the local government units constituted less than 4% of the total revenues of the central government budget. By 2006 this had tripled and reached 11% of the central government budget implying that the local budget was very little.
Yet there already existed a belief that local government at this level was consolidating and was in a position to take over more responsibilities for governing its territory. However, due to the limited funding available to local government it has not been able to expand services and further improve the quality of life. The formal relationships between local, regional and national governments were not clear with regard to infrastructure provision. Local government in Albania not only did not have the legal instruments to play a role in land use local government units we and planning and infrastructure provision but also re still unable fully cover their costs (World Bank, 2006: 29; Hoxha 2007; USAID, 2009: 6). Due to fragmented urban government structure and competitive capitalist economic environment, property investment was becoming the main economic strategy for urban government to create capital accumulation (revenue) to support an autonomous local economy.

Although the decentralization reform faced some fluctuations, between 2000 and 2006 a de facto process of devolution of functions and authorities had also taken place and an expansion
of local fiscal authority, together with an increase in total funding available to local
government, was observed (Hoxha, 2007: 1). From 2003 onwards there was an impressive
increase of revenues, both from taxes and fees. Local taxes are administered and in most
cases collected by the fiscal structure of the municipality itself, while another part through
fiscal agents. As a result of deepening the process of decentralization, greater local autonomy
in favour of local transfer taxes had become important such as: small business tax, vehicle
registration fees, transfer taxes on real estate, tax impact construction of new infrastructure and
a range of other levies (Olldashi, 2007: 226). As far as local taxes were concerned, the increase
in revenue could be explained because of improvement in local administration. Regarding fees
for services, the increase was a combination of improved administration and an increase of
rates. These fiscal results indicate a more effective use of fiscal autonomy by local
governments (Hoxha, 2007).

**Figure: 5.3 Elbasan Municipality’s Fiscal Performance**

![Graph showing fiscal performance of Elbasan Municipality from 2002 to 2006.]

*Source: Urban Institute, Ministry of Finance; adopted from Hoxha (2007: 3)*

The case of Elbasan Municipality, in the centre of Albania, as shown in Graph 5.3,
demonstrates the improvement of fiscal administration with a strong increase in revenue
collections from both local taxes and fees.
The local level of government in Albania has established a new system of taxes with a maximum level of earmarking and does have some fiscal instruments to collect taxes according to the newest legislation. However, after 2006, as the result of economic crisis and political dispute different surveys showed that, the decentralization process is not proving that this positive trend has continued.

5.3.5.1 Challenges for Local Government in Western Balkans and Albania

Albania has begun to decentralize government functions, but the pace of devolution has been slower than expected due to political constraints and limited capacity at the municipal and local government levels. There are several challenges finding local government in Albania.

The first challenge is the vertical balance of power and responsibilities. This challenge is related to what remains an unclear allocation of responsibilities between levels of government: allocations are often both vague and overlapping. Not only is this a question of how the responsibilities are allocated, but also how they are carried out. In other words, even though the responsibilities are clearly allocated on paper, the central administration maintains actual control, and then it is difficult for local governments to act autonomously or to take initiative (Fleiner & Byrne, 2006: 9). One of the challenges of decentralization in Albania is that there is no coordination with the line Ministries as they carry out their own planning, mostly driven by infrastructural investment and land development.

Another challenge is that there is not only a weak local government but also weak central government (in terms of capacities, etc.) that poses an obstacle to decentralization. In a decentralized administrative structure, the central state has a function that cannot be neglected. It must regulate and harmonize, creating incentives that coordinate and rationalize the activities of the parts of the whole. So when talking about the vertical balance of power and responsibilities, according to Fleiner and Byrne "not only local government units are too weak or lacking capacities to deliver services, but central and/or regional governments are often also too weak to provide the framework in which this should take place" Fleiner & Byrne (2006: 9).
The fragmentation of the state structure in Albania is another challenge. A particular characteristic could be centralized in one instance; but it could also pose a decentralized in another instance, interrelated and intertwined in a political web. Central fiscal agents in Albania still collect the majority of local taxes and fees. Only Tirana Council, Durres, and Fier have a local fiscal administration and have strengthened their capacity to collect local taxes. However, the capacity of other local governments in Albania to collect their own local tax and fees remains very limited (Olldashi, 2007).

In Albania and Western Balkan the unstable resource availability and financial dependency on the centre of the local government units in the region is another challenge. However, this dependence varies according to the importance and size of the local government unit, its ability to raise revenue from taxes, local fees and other sources of its own. Taxes remain the principal source of municipal income, but sometimes the municipalities do not have any means of collecting their own taxes and revenues. The state taxation authorities collect the taxes and subsequently pay the yield to the municipalities, which therefore rely organizationally on the state for collection of local taxes and charges. Furthermore, given the poor economic situation of many municipalities, own revenues do come near to covering the costs associated with providing the services that they are required to provide (Miovic, 2006; Fleiner & Byrne, 2006).

5.3.5.2 The Property Tax’s Impact on Local Government Revenue

Albanian cities have gone through more than 15 years of rapid social and economic transformations. As could have been expected, “the spatial transformation of Albanian cities under the pressure of unpredictable political events and economic changes has not been following a smoothly planned transition path” (Bertaud, 2006: 2). In the absence of a proper urban regulatory plan, most development is being undertaken without any consideration for pressures on the existing infrastructure networks and environmental damages, waste water and solid waste, etc. While the speed of informal settlement growth has slowed down, informal settlements continue to spread without adequate access to essential infrastructure or social services. Municipalities are fully aware of the acute need to improve infrastructure. However, in the absence of a property tax, which links the population increase and the
financial basis, many municipalities do not have adequate fiscal resources to cope with these phenomena (Gurraj et al. 2002; World Bank, 2006; Dedja and Brahini, 2006). Secure property rights, proper land management and development control systems are enabling factors in improving investment climate, urban management, natural resources management, and in promoting good governance (World Bank, 2006). It is assumed that the neglect of urban development policies and, in particular, underinvestment in urban infrastructure and housing inherited from the socialist period (1945-1990) informs pressures for re-regulation of urban spaces in Albanian cities after 1990.

The largest portion of the local government units own revenues are allocated to the small business tax and property tax. Municipalities are trying to maximize their local revenue collection by improving the system of property value assessment for the medium and long term. Four components of property tax administration in Albanian cities are identification of properties, record keeping, assessment and collection (Hoxha, 2007; USAID, 2007, 2009).

Effectiveness of the property tax in Kamza is potentially the most relevant source of local revenues. Since 2009 Kamza started the legalization process of informal buildings. Albania is one of the few countries to have created a government agency, The Immovable Property Registration System (IPRS) with the international assistance, to focus directly upon land and land market support. Another government agency is the Agency for Legalization and Urbanization of Informal Settlements (ALUIZNI), which is implementing the legalization of informal buildings in Albania and the legalization permits have been delivered in the main local municipalities and communes as scheduled. Because of the unfinished business of legalisation there is a very low percentage of local tax which is based on property and the renting of real estate. Even though the legalisation issue is still an arguable one, it might be suggested that legalisation could enhance property market, investments and in general economic activities. It could also be a condition for the formation of organised urban growth coalitions which could use property tax revenue to improve infrastructure (Molotch 1976; Jonas, 1991) but for reasons already noted above, such coalition have not yet been mobilised around municipal government. So, further registered buildings and assets and becoming registered owners, proceeding for either sale or lease, are important for Kamza municipality.
is worth pointing out that Kamza municipality will soon have an effective database regarding the collection of this tax from businesses and families as well (USAID, 2009: 13).

5.4 Conclusion

Although Albania, with international assistance, is making some positive progress toward decentralisation, it still faces challenges including the fragmentation of local government units and the undefined role of the regions. There are on-going debates regarding the role of the Regions in Albania relating to the Law on the New Territorial and Administrative Division. The expansion of the roles of local governments that still do not go beyond traditional services, as a result of constant changes in government policies, has been an important theme raised by different donors and NGOs. These are the agents of urban policy transfer in the Albanian context.

The present fragmentation of the local government system (and lack of a middle level of administration, between the central and the local governments) limits the possibilities of national policies in governance. Tosics (2003: 54) argues regional policies are missing and as a result “comprehensive privatization has led to serious constraints in any attempts to directly influence land policy”. The fragmentation of urban government is one consequence of the fragmented property rights, which has characterized Albanian politics in the transition period.

This chapter has described local government units covering both historical and contemporary perspectives. In terms of decentralization, the local governments are still not playing a major role in designing appropriate regulations, enforcing them, monitoring urbanization and market prices, establishing a local tax base to finance the operation and maintenance of urban infrastructure and services (Bertaud, 2006: 7; Hoxha, 2007; USAID, 2009; World Bank, 2009). Albania balances between centralization and factual anarchy: municipalities do not have enough substantial instruments at their disposal. The secondary data concerned the influence
of central level and how such forces dictated or were incorporated in local governments strategies.

The findings show the important challenge posed by weakness of both local and central administrative structures. In terms of the spread of neoliberalism, property right is in demand from different actors for an effective facilitation of business activities and sustainable development. It was in response to this challenge that many of the reform strategies at all levels were designed. Overall reform has not been a smooth transition from central government to local governance. Instead, decentralization has aroused new tensions between all levels of government, with important implications for urban and suburban development politics. The following chapter considers how tensions around infrastructure and urban development are managed. New suburban development in Kamza demands customized infrastructure for new retail developments and inward investment providing enough support from central government. However, the chapter will consider how the local growth interests and coalitions are being overridden by the institutional conflict with Tirana council.
Chapter 6:

The Development of a New Urban Politics in Tirana City Region
– Kamza Case Study

6.1 Introduction

After 1990 in Albania, the pace of rural-urban migration dictated urban growth in the major cities. The need for additional housing stock, urban infrastructure and service delivery in Albanian cities and, in particular, in Tirana city region, encountered a "passive" attitude on the part of the central and local government (Bertaud, 2006). This chapter shows how new spaces of land regulation and property rights are associated with local and central authorities in Albania, and it will further demonstrate how local suburban political interests and regulatory structures such as land use, taxation, planning and property rights play an important role in urban development policy and politics.

This chapter puts emphasis on the role of central government agencies and policies in shaping region development and in managing local politics and conflict. However, against this view, it is suggested that the re-activation of local development coalitions is producing new tensions and conflicts across the Tirana city region. It is taken into consideration how tensions around urban infrastructure and land development are managed, and particularly, whether central state priorities are being overridden by those of local growth interests and coalitions or vice versa.

The political context influences the relationship between land development, infrastructure provision and services. Crucial for this analysis is the degree of decentralisation of governmental power. In Albania municipal authorities do not have significant power and the process of decentralization seems to be reversible. This Chapter tries to examine the various ways recent processes of local government in Tirana city region and especially in the Kamza case study plan and regulate suburban development and how the residents are responding.
6.2 Transition from Local Government to Local Governance in Tirana City Region

Most of Tirana’s new development is occurring at the edge of the city. This unmanaged growth has resulted in new construction at the urban edge, encroachment on public areas and unsuitable terrain, and pressure on agricultural and forested lands, into much of it lacking in electricity, water, sewerage, roads, sanitation and social facilities. There are social consequences of unmanaged urban growth. The high housing demand of overcrowded urban and rural dwellers and pressure from rural-urban migration has led to a construction boom. A growing urban density in Tirana city centre and along corridors toward Durres and surrounded outskirts has been observed. There is a real challenge for local government to govern the city and one of them is because of property rights.


During socialism, the suburban land areas of Tirana consisted of all zones outside of the official boundary of the city known as the Yellow Line. These new growth areas created as
the result of the informal settlements had neither a clear sense of place nor a formal jurisdictional identity. The informal settlements established around Tirana city were attached physically to the original city, but with the distinction that they had been developed horizontally. They had no, or very scarce public services and little access to roads system; neither schools, nor other social services, but they had houses (not informal shelters), which in most of the cases were decent, stable and adequate. Those houses, built as personal residences investments, ranged from $11 000 to $321 000 in value (Driscoll et al 2007). From 1991 to 1997 people in Tirana city seized, designed and used spaces as they wished. This was called the ‘kioskism’ period and led to an enormous proliferation of illegal construction projects for retailing and to a less extent for housing. The majority of illegal housing estates were on the outskirts of the city and various elements of urban infrastructure were still in poor condition, plagued by deteriorating facilities and insufficient equipment. In the meantime, in Tirana city many public spaces such as parks, squares and streets became cluttered with illegal shops and a diverse assortment of companies 22. After 1998 the local government intervened and from 2001 to 2003, almost all of the nearly 2000 illegal kiosks, shops, companies and associated dwellings were demolished. Rama (2003) argues that in 2000 Tirana Council’s entire budget was Euro 3.1 million. However, in 2003 was up to Euro 12.5 million, mainly as a result of increased tax revenues from construction companies and retail business23.

Urban local governance in Tirana city after 2006 was considered a complicated issue because of the central-local power relationship. National politics influenced local urban governance, where most of the major strategies were imposed by central government. Tirana is a good example of the local interactions of the political systems and the development of instruments related to urban land development and infrastructure provision. From 2000 to 2005 there was a close political relationship between the national and local government in recovering from the ‘kioskism’ period and setting up good governance. Figure 6.1 below shows a great amount of revenue transfer to Tirana council from central government.

After 2005 the central government unconditional transfers in the form of competing projects remained at a very low level and are almost at zero in the last four years. However, there are considerable missing data from Tirana council and line ministries. In general the secondary data for local governments in Albania are provided from international organizations’ survey and reports. Their reports gave the impression that local government faced problem in complying with the state’s wishes (World Bank, 2002, 20007; USAID, 2006). In Tirana’s case it seems that the local growth interests are overridden by central state priorities.

During the period 2001-2006, the performance of budget revenues of the Municipality of Tirana presents a generally positive trend growth performance, in terms of income’s indicators and to certain extent, of their growth rates’ indicators where revenues from local taxes and tariffs have an important weight; while the unconditional grant did have a lower contribution (Olldashi, 2007: 228). However, the central government had propagated the notion of increased local government’s independence, but in reality the inconsistencies and changes in central policy have resulted that local government do not have enough power or money to govern the city. During the period 2005-2009 there were characterized by clashes around the ‘Zog i Zi’ project of intersection roads joint system in the entrance of Tirana city, following demolishing of the first phase of the work and the approvals of new buildings’
permissions were drastically reduced. Several times there were rejection for the new regulation plan of Tirana city, etc., (Aliaj, 2007; Shekulli, Koha Jone and Tema, 2006).

After 2005 the changing political climate was followed by a tense relationship between the central and local governments, except 2007, where the local elections could be characterized as one of cooperation. During 2007, legal and institutional measures were taken to transfer competences for the value added tax, local taxation, water supply and sanitation from the central government to municipalities (Nation in transit, 2008: 15). After the election of 2009, the political crisis follows paralysis in the entire sectors of economy, especially the construction sector. There was no coordination and once again a tense relationship between the central and local governments (Dedja and Brahini, 2006; Ollldashi, 2007).

6.3 The Municipality of Kamza-Its History and Transformation from Rural Administration to Urban Local Government Unit

Map: 6.2 Kamza Case Study

Source: Co-Plan, 2002
Up to the 14th century, the area where Municipality of Kamza is now situated was used as agricultural land mostly by the inhabitants of Preza (northern part of Kamza). In the mid of 14th century Kamza became a more and more densely populated area as construction activity started on the low hills in the south, the Limuth area in the centre and the area along the Terkuze riverside. The name “Kamza” was adopted about 100 years later. It was believed to be named after the olive sprouts cultivated in this area. The local population increased by the 18th century as more and more inhabitants started to come from the nearby highlands. Kamza was a relatively prosperous place but due to a dispute between Shkodra’s overlords of the Bushatlli family and the Berat overlords of the Ahmet Kurt Basha clan for more than half a century, Kamza suffered a high level of destruction. In the mid 19th century this region was owned by the feudal overlords of Kruja (35km north Kamza), the Toptans, who were offering land to those who supported them, consequently Kamza’s population started to grow at an accelerated pace (Kamza Bulletin, 2008: 8).

After the World War II, and during the communist regime, Kamza became a state farm whose aim was to provide agricultural produce and livestock for the capital. It comprised an urban area that included present boroughs 1 and 2 (Kamza Centre, Frutikulture) and state farms that included the present boroughs 3, 4 and 5 (Bathore, Bulcesht, Zallmner). Up to 1996 Kamza had a rural administrative status. After 1996 Kamza got the status of a Municipality and was included in the Greater Tirana District due to its demographic, socio-economic and urban development. Despite the urban development concerns, the municipality of Kamza is considered one of the municipal units with the highest level of structural changes in Albania. Kamza is composed of number of smaller administrative divisions and is divided in to the Urban Centre (Kamza City), the Bathore administrative division and the five rural administrative divisions: Valias, Valias i ri, Laknas, Zall Mner and Bulcesht (Kamza Bulletin, 2008: 8).

After 1991, as a result of the free movement of people, considerable changes took place in Kamza, which were related to the land structure and to the growing development opportunities in the private economic sector (Kamza Bulletin, 2008: 9). Figure 6.2 below indicates the rapid population growth over a very short period.
The pace of the urban development has not been able to keep up with population growth, which has been a real challenge for local government. For example, in Kamza centre, water and electricity shortages with old pipes and infrastructure can only function at a fraction of their actual need. In 2002, private urban transport was legally licensed on the main Bathore and Kamza roads. Air pollution is attributed to the increased numbers of vehicles coming from the north part of Albania via Kamza centre toward the centre part of Albanian cities and booming of construction sector (Andoni, 2004; Aliaj, 2006).

The economic and financial activity of the Kamza municipality is based on financing sources of municipal income and competitive grants. According to Article 24 of Law on the Organization and Functioning of Local Government, Kamza with a population of approximately 100 000 was considered a big municipality.

Table: 6.1 Kamza Incomes/Revenues (in %)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax and fees</td>
<td>38.47</td>
<td>32.30</td>
<td>39.16</td>
<td>36.46</td>
<td>43.67</td>
<td>45.32</td>
</tr>
<tr>
<td>Unconditional transfers</td>
<td>61.53</td>
<td>67.70</td>
<td>60.84</td>
<td>63.54</td>
<td>56.33</td>
<td>54.68</td>
</tr>
</tbody>
</table>

Source: Kamza local government reforms, available At: www.kamza.gov.al
Table 6.1 above shows the changing percentage between central and local finance in Kamza. From 2004 to 2009 the growth rate was 3.5 times. In 2006 competitive grant was applied for the first time, as part of unconditional transfer, and Kamza was part of that. Kamza municipality, ‘a favourite child’ of central government implemented investment projects of construction and reconstruction (www.kamza.gov.al on 10/04/2009). Table 6.2 below shows a drastic increase in Kamza municipality spending on infrastructure investments, especially on high buildings and roads system, from 2% in 2000 to 61.20% in 2009.

Table 6.2 Kamza Municipality Expenses on Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>0.8</td>
</tr>
<tr>
<td>1999</td>
<td>4.20</td>
</tr>
<tr>
<td>2000</td>
<td>2.00</td>
</tr>
<tr>
<td>2001</td>
<td>5.00</td>
</tr>
<tr>
<td>2002</td>
<td>19.50</td>
</tr>
<tr>
<td>2003</td>
<td>38.20</td>
</tr>
<tr>
<td>2004</td>
<td>38.49</td>
</tr>
<tr>
<td>2005</td>
<td>36.58</td>
</tr>
<tr>
<td>2006</td>
<td>29.91</td>
</tr>
<tr>
<td>2007</td>
<td>32.85</td>
</tr>
<tr>
<td>2008</td>
<td>41.09</td>
</tr>
<tr>
<td>2009</td>
<td>61.29</td>
</tr>
</tbody>
</table>

Source: Kamza local government reforms, available At: www.kamza.gov.al

Figure 6.3 Kamza Revenues (in million Lek)

Source: Kamza local government reforms, available At: www.kamza.gov.al

Regarding the taxes this municipality applies and collects the most important one is the small business tax. This tax constitutes almost 20% of Kamza’s total revenues. Based on Kamza Bulletin (2007, 2008) there were an increased numbers of small businesses subject to taxation in 2009. But unlike reports from Kamza Municipality, several local officials insisted that Kamza showed a decrease in tax revenues of the small revenues. The data provided from
the Kamza bulletin are not shown when they collected the small business taxes no statistics on employment issue.

"The data provided from Kamza bulletin surprised me. I have been in charge of administration staff for already ten years. We don't have to take them for granted as in bulletin is not explain when are being collected these taxes. I am sure they got the collection data from the past. In order to prove this conclusion we need statistics on employment issues."

Local official and resident, Kamza Municipality, March 2009

Another respondent made concerned this issue with corruption issue, mention there are much more than 603.

"It is obvious that these data are not reliable, as there are much more small businesses, but they are object of corruption. My husband is one subject of small businesses and I have been present when the other subject offered money to tax collector."

Female Local resident, Kamza Center, May 2008

Table: 6.3 Kamza Municipality’s Revenue in 2007 (thousands of Lek)

<table>
<thead>
<tr>
<th></th>
<th>Planned 2007</th>
<th>Realised in 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from local tax</td>
<td>25036</td>
<td>38424</td>
</tr>
<tr>
<td>Property tax</td>
<td>5785</td>
<td>15888</td>
</tr>
<tr>
<td>Tax of new building’s impact on infrastructure</td>
<td>15250</td>
<td>15946</td>
</tr>
<tr>
<td>Tax on use of public space</td>
<td>2086</td>
<td>3346</td>
</tr>
<tr>
<td>Merchant tax</td>
<td>638</td>
<td>1250</td>
</tr>
<tr>
<td>Tax on billboards</td>
<td>496</td>
<td>487</td>
</tr>
<tr>
<td>Tax on hotel accommodation</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Setting up business tax</td>
<td>42</td>
<td>644</td>
</tr>
<tr>
<td>Debit from 2006</td>
<td>337</td>
<td>364</td>
</tr>
<tr>
<td>Use tax</td>
<td>30900</td>
<td>32109</td>
</tr>
<tr>
<td>Small business tax</td>
<td>25000</td>
<td>24769</td>
</tr>
<tr>
<td>Tax on annual vehicle registration</td>
<td>5900</td>
<td>7340</td>
</tr>
<tr>
<td>Fee revenues</td>
<td>29949</td>
<td>32725</td>
</tr>
<tr>
<td>Cleaning fee</td>
<td>5867</td>
<td>10973</td>
</tr>
<tr>
<td>Water fee</td>
<td>16841</td>
<td>11453</td>
</tr>
<tr>
<td>Transport, service fee</td>
<td>2751</td>
<td>3039</td>
</tr>
<tr>
<td>Renting real estate (sale or lease)</td>
<td>2500</td>
<td>2301</td>
</tr>
<tr>
<td>Use fee (tariff)</td>
<td>500</td>
<td>360</td>
</tr>
<tr>
<td>-----------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Hunting fee</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>85885</td>
<td>103450</td>
</tr>
</tbody>
</table>

Source: Kamza Municipality, Kamza Bulletin 2007

There has been some land use intensification in Kamza, which may be the result of attempts to entrance the local property tax revenue base. Kamza did not offer the potential for new land. Roadside houses were not at a premium and the new high buildings represented a new form of land management. Figure 6.4 below shows a number of new buildings in Kamza municipality, many of them built in last four years. Property tax seemed to be the second most important tax (which is collected as a percentage on the value that would be invested on the new building). During this period there had been a considerable number of new construction permits. Such a big contribution of this tax to the budget of Kamza indicates the boom of new construction in this town and an increase in the municipal revenues. Nevertheless, the estimation of revenue tax for the year 2009 seems optimistic. This estimation was based on the program for implementation of the new system of addresses, where the municipality intended to register and legalize many properties (buildings) of families. An address system will help to promote this tax. However the new buildings were not being sold due to the decline of the market and demands.

**Figure: 6.4 Blocks of Apartments in the Entrance of Kamza**

Source: www.kamza.gov.al
Improvement of the basic public services such as construction of the sewage, power and water supply system, road infrastructure, environment infrastructure and educational infrastructure is one of the priority objectives of Kamza municipality (Kamza Bulletin, 2008).

**Figure: 6.5 Road “Azem Hajdari”, Bathore, Unit 7**

![Image of road](www.kamza.gov.al)

Several projects have included construction of the national road, construction of the Kamza-Cekreze, Kamza-Laknas junction, and construction of the junction Bathore-Institute, reconstruction of the Co-Plan road. In order to show some of the changes in construction and road system in Kamza during the years some of pictures are shown above.

6.4 The Power of Tirana Council versus Kamza Municipality

Having considered the relation of local government to central government, this section shows how the relations between Tirana council and Kamza Municipality have evolved. The period from 1990 to 1997 the continuing wave of migrants drastically changed the land structure of Kamza. The new democratic central and local authorities had no political experience and both were weak financially to face the land urban challenges. During this period the NGO organization, CoPlan, intervened and assisted by building and changing local government in
Kamza in accordance with the ideas of ‘good governance’ on a community level (Co-Plan, 2002-2004).

From 1997 to 2005 Tirana council started its reforms in local governance and tried to improve the quality of public spaces after the demolishing of illegal shops along Lana River. However, the state authorities could not demolish buildings in the illegal suburbs of Tirana where thousands of migrants were living. Between 1995 and 1998, there were a serious of clashes between residents and the police (Gazeta Shekulli:1996, 1997; Aliaj et al. 2003). The government ‘forgave and justified’ their illegal building and later on, Kamza was used for ‘vote capture’ by various national governments. Throughout this period Kamza Municipality and Tirana council were hardly seen as partners in economic development.

Bureaucratic strategy still interfered. In 2002 local governments in Albania had finally approved their budgets with funds from state budget, but there were questions and concerns about the accuracy of population figures published by INSTAT. INSTAT still does not state Kamza’s population figure separately from Tirana city. One reason might be Kamza grew in a very short period and is not yet precisely 100 000 inhabitants.

Reflecting on the regional contest, Fleiner and Byrne (2006: 12) argue that if some regions receive preferential treatment from the central government, this would also exacerbate tensions. Based on primary data conducted in Tirana in 2008 and 2009 as well as a range of secondary sources (e.g., NGO reports, policy documents and newspaper articles) the Tirana region continues to face particular pressures of urban development and yet lacks the formal structures of government and fiscal capacity to deal with local demands for services especially at the urban fringe.

Municipalities in Albania are reliant on state grants and transfers, which represent a substantial source of funding. One purpose of transfers is to compensate for inequalities arising between municipalities as a result of their size and local tax potential. However, the grants are not always based on objective criteria that take into account the characteristics of Kamza Municipality relating to its population figure. A majority of the interviewees shared the opinion that Tirana council takes the lion shares of revenue and continues to consider Kamza as a small town. They insisted that Kamza Municipality should have equal access to
financial resources and to resource opportunities. One male local official in Kamza municipality said:

"Part of decentralization and the degree of autonomy we should enjoy in dealing with local issues, to be independent as a municipality and provide enough funds from the Tirana Region. How much real decentralization of decision making has actually taken place in Kamza? I am still not sure."

A resident, official, Kamza Municipality, March 2009

Only a few local officials argued that Tirana Region shares its funds proportionally and that there is enough for each municipality, including Kamza. According to Fleiner and Byrne (2006: 10):

"Another important concern is the distribution of funds from the central level and in Albania a tendency has been observed in which the quantity of grants and transfers reflects the political allegiance of the local government unit."

In this respect, elected representatives in Albania pass resolutions on matters about which they know very little. The local officials not only know very little about different policies and strategies. Some of the officials in Kamza Municipality insisted the officials of Kamza Municipality are restricted to information from Tirana district or central levels. Their basic function seems to fulfill the aims and objectives of the upper level administration, rather than to support genuine socio-political consensus around issues of local governance in Kamza.

"Administrative local officials of Kamza Municipality are privy to information from Tirana district. So they are restrained, constraint and lack of information greatly impedes the normal functions of Kamza municipality."

A resident and local official, Kamza Municipality, March 2009

In this respect, elected representatives in Albania pass resolutions on matters about which they know very little. The local officials know very little about different policies and strategies. Some of the officials in Kamza Municipality insisted the officials of Kamza Municipality are restricted to information from Tirana district or central levels. Their basic function seems to fulfill the aims and objectives of the upper level administration, rather than to support genuine socio-political consensus around issues of local governance in Kamza.
“Administrative local officials of Kamza Municipality are not privy to information from Tirana district. So they are restrained; constraint and lack of information greatly impedes the normal functions of Kamza municipality.”

A resident, official, Kamza Municipality, March 2009

Local governments in Albania faced strong influence from their external actors; the important one being the state. As such, some of their major strategies are shaped in response to directives from the state authority. In the case of Kamza municipality, a local official shared his view of how the current structure prohibited from going further in promoting economic development in this locality:

“In my opinion, local officials, not only in Kamza but in other local branches as well, are given basic tasks. Most of responsibilities are still not shifted to us. The government still turn us to undertake the basic roles and doesn’t involve us, for instance, in terms of handing poverty development programmes or any other economic programmes evaluation for the area. I have been living in Kamza for more than 35 years and my heart bleeds for this community.”

A resident, local official, Kamza, March 2009

This local official was reflecting about how his freedom to act more effectively was restricted by the central government, which had limited his scope to design proper strategies better help to the community. His last line indicates his disappointment that local government has not been given the chance to deliver their tasks.

Another respondent further was expressing his feeling of discomfort with that current trend of dictating what to do. While on the other hand his words radiate his principle that one should not interfere in other departments’ matters; it also reflect a kind of ‘maintenance mentality’ on part of this senior manager, being a bit unhappy to expand the current work boundary and to undertake new challenges:

“Although we are in democracy still the socialist ideology survived and is used again. We still don’t have our own voice, because ‘Partia te vret’ (you will be punished by the state-party).”
The same official claimed that the local officials in Kamza Municipality are performing more of a secretarial role than a professional one and can potentially be excluded or sacked by senior officials if not offering the ‘right’ services or disagreeing with current duty.

"I am the chief of registration office and my duty is only putting seals on birth, marriage and death certificate. I would like to get involved and give my contribution on doing a social and economic panorama of Kamza's population, but no chance at all."

A resident, official, Kamza Municipality, March 2009

With respect to fiscal equalization, different interviews with local officials revealed there were a disparity between Tirana council and Kamza municipality. The tax system appeared to be generous to Tirana council and Kamza municipality, but the taxes themselves did not produce much revenue. However, as Daffon (2006) argues, the more the emphasis placed on local revenues, the greater the room for inequality between municipalities. The reform of local finance includes the sources of income from the central government to the local authorities (Fleiner and Byrne, 2006: 12). It has been deliberated earlier that Kamza being smaller and new in urban nature as opposed to Tirana, which is more urbanized and complex, Kamza, the city has gain less income than its counterpart. Tirana council can raise revenue, whereas the relatively poorer and smaller Kamza municipality will not see much benefit from its own revenues. In this context, the taxes on property are crucial, even though not a great source for producing many revenues. Therefore the property rights issue is important as its legal form facilitates the transaction with multi-functional purposes. The city council can get revenue not only by property ownership, but from entrepreneurs and businesses (retail, hotel) as well.

Articles 1, Paragraph 1 of the European charter of self government states “in the range of their competencies, the local units have the right to collaborate in compliance with the law and to join other units for achieving tasks with common interests”. This paragraph refers to the collaboration between the local units, with the purpose of increasing the efficacy through common projects in offering services (Dedja and Brahimi, 2006: 7). They argue that between Tirana council and Kamza Municipality there were no inter-urban collaboration for their common problems, promoting and facilitating cross border tolerance, dialogue and cooperation on infrastructure issues as like urban transport. However, in
Kamza’s case urban transport appeared to be more an issue of intolerance policy. One elected official in Kamza municipality said:

"Neglecting the urban transport services influence in mismanagement of many assets in Kamza. The mayor of Tirana council misinterpret the territorial administrative term with urban services, which is very clear by the transport law 8652. The mayor can make 'a gentleman agreement/deal'. He should put in practice the new forms of transborder and inter-territorial co-operation, i.e. there are two or three communes at urban fringe of the capital city and he should respect and help them at the same time, giving them an a chance for setting up bilateral agreements in order we respect/implement his duties and he tries to implement our duties that stem from us".

A male local official, Kamza municipality, March 2009

This respondent’s reflections indicated his orientation towards changing the status quo that was not a fair approach of Kamza integration. Trying to imply the European Charter of Self Government on the inter-urban collaboration, he embraced the idea of the common initiatives in Tirana city region, for example, by mutual agreements, to improve service delivery to their both communities. However, both Tirana Council and Kamza are still unable to set up bilateral agreements and Kamza had still limited power to make important decisions and to impose its main issues to Tirana. In response to a question about how it might be sorted out the same respondent continued:

"The mayor should make a deal with mayors of Kamza Municipality and other communes around Tirana city. He should introduce these projects to us and what institutional frameworks need to be put in place."

The formal structures of both levels of government and fiscal capacity to deal with local demands are not well defined for services, especially at the urban fringe of Tirana. The interview analysis focused on local officials and other categories verified the pressures in Tirana region’s urban development. The empirical analysis showed that the Tirana City region was lacking strong and territorially inclusive forms of city regional governance and confronted with fiscal and political challenges of economic development and conflicts around urban growth. The idea of the annexation of Kamza to Tirana is being considered, which is discussed in the next section.
6.5 The Annexation – Amalgamation

The local officials in Kamza expressed their worries about the Kamza-Tirana relations if the changes in the direction of Tirana’s expansion may affect the municipality of Kamza and its urban development’s future. Until 2009 most of digital maps of Tirana district did not include Kamza with its borders. It means Kamza still is not being considered as a town, except some institutional buildings in Kamza centre. After 2009, a yellow line of Kamza area was shown in a few maps, but still not a clear definition of a ‘proper city’. The political influence of central government was still strong enough and central authorities are trying to ignore the regional and local issue, paying more attention on national issues of European Union involvement (INSTAT, 2002-2008).

Relating to the term ‘amalgamation or the annexation’, unlike United States and Western Europe, there is a general belief in the western Balkans that it will be easier for citizens to satisfy their own needs if they are live in an independent municipality. Djokic stresses the necessity of “a strong public campaign with the aim to explain and clarify that small territory which objectively and economically is not capable to secure provision of services” (Djokic, 2006: 2). The same might be implied for Albania’s case. Until recently has not been an open question of the use of annexation as a term. From the past history, the term ‘annexation’ means occupation and still a great number of officials in Albania do not accept the idea of annexation. Furthermore, for a long time there has been no public debate about the annexation or amalgamation of two communes or municipalities even though such strategies might be viewed as rational and fiscally efficient from an economic development perspective (Djokic, 2006). The fragmented system of development in Kamza persists. The fragmented nature of local government in Albania has been favorable for competition between Tirana council and Kamza municipality. This fragmentation has historic roots. Since 1992 independent self-government on the local level was perceived as the base for democracy and as the same time was a reaction against forced municipal amalgamation during socialism (Dedja & Brahini, 2006). The pattern of ‘diverted’ in-migrants helped form extra-urban settlements of substantial densities in the vicinity of the capital (explained in Chapter 3) could in turn be interpreted as an effect of a faster population growth. A kind of an
amalgamation was in force in villages as they are shown in Map 6.3. The settlements with the highest registered densities were Kashar, Small Selite, Paskuqan, Sharre, etc. (Sjoberg, 1991).

Interviews analysis of different actors gave different perspectives on the independence of Kamza Municipality.

**Local Official Responses**

The first decade of transition from 1990 to 2000, Tirana city was weak fiscally and politically contested. It could not offer municipal services to Kamza. Therefore, the obstructive idea of annexation was not rooted and considered impossible to imply in Kamza area.

The question of annexation or amalgamation of Kamza by Tirana council was addressed to different respondents. Their responses revealed the contradictory nature of the suburban processes. With some exceptions the majority of officials believed that local autonomy could mean better public services. Education was among the first suburban institutions to be upgraded. Furthermore, they claimed that Kamza area was big enough as a town and could govern itself independently. By contrast, they insisted Tirana was still weak as a town. One local official said:

"Kamza municipality’s population is ranked the second one in Albania and Kamza is ready enough to become an independent local government unit. Imagine Kamza and Tirana as one unit. I think Tirana council will be much bigger and not able to satisfy the needs of citizens and Tirana City cannot manage such a big territory."

Male migrant official, Tirana, March 2009

Furthermore, another local official in Kamza municipality remarked:

"It is true that for a long time we struggled with the issue of infrastructure provision i.e. water, sewer, electricity. The reason we don’t prefer to be part of Tirana is more a moral one and we think once annexed very soon we are at the mercy of the Tirana council."

A resident official, Kamza Municipality, March, 2009
By ‘we are at the mercy of the Tirana council’ he implied higher taxes, and drastic changes in political and urban local structure; Tirana city might have political control, etc. Another local official in Kamza municipality considered annexation as a dead issue and that Kamza is better as a single autonomous government. He claimed:

“In general Albanian local authorities are weak and have no experience in local political issues and strategies and involved different actors. It might be good the alternative of annexation, the first decade after 1990, but local and central authorities never thought of it. Kamza municipality is getting stronger financially, supported by different donor and partners and in 2009 I think is too late to discuss the annexation issue.”

In conclusion, analysis of officials’ interviews reveal that Kamza area has little prospect to become, or to be considered, a part of Tirana city. Instead as Kamza municipality has begun to offer municipal services to its community, its sense of autonomy and territorial identity has strengthened.

Recent Migrants and Resident Respondents

Notwithstanding the views of officials, many recent migrants were willing for Kamza to be joined to Tirana city. Self-consciousness was stronger towards the real issues of annexation, which seemed to be related to upgrading their suburban lifestyle. One small retail migrant owner interviewed in March 2009, in Kamza Centre at his club, stated:

“As a community we have contributed and did our best in setting up a stable and adorable houses and buildings. If the local authorities in Kamza are not strong enough to provide us with good infrastructure service, I am happy to use the annexation process as an alternative.”

So whilst the possibility of annexation of Kamza from Tirana City was welcomed by a few migrants and officials, in reality there are obstacles such as the fragmented nature of governance in Tirana and the absence of public campaign for it. In this respect, urban living place politics has not translated into a wider movement to reform structures of planning and governance across the Tirana city-region. It could be suggested that this is due in part to the pursuit of local livelihood strategies and interests in private property. Even in the more formal and regulated sectors of the urban economy, housing and land development interests remain small-scale and fragmented, as was the system of local government and governance.
Analysis of city-suburban relationship concludes that the group that most supports annexation are recent migrants who live in Kamza area and some building companies, as their livelihoods are associated with the larger city.

6.6 CoPlan Assistance for Local Governance in Kamza Municipality

A number of NGOs, but especially Co-Plan, has been involved for more than a decade in strengthening local society and governance through programmes of public participation and engagement in Kamza. Co-plan focuses on developing local government alongside civil society in the context of the transfer of functioning of land management and urban planning from the state to lower-level authorities in a number of different municipalities in Albania. However, there have not been any empirically studies in relation to their claims, which made me to ask – Are unbiased their claims about local governance transition? That moved me to think that on the hand the NGOs claimed their contribution on local government, while on the other hand, in practice NGOs have behaved differently. These kinds of thoughts led me to undertake this study to evaluate empirically NGOs role in local government.

In the first decade of transition because of the political dispute, the NGOs agency CoPlan tried to mediate between the community and local government. Co-Plan worked seriously to establish a new emerging politics of the living space in Kamza, changing the migrants’ status from rural migrants to ‘real’ citizens. Local government with CoPlan assistance is getting stronger and has helped local governance. However, its positive impact was not broad based as it was not easy with the complex and complicated situation, where people in power were used to taking everything for granted. Another reason was the lack of transparency at the required level i.e. people were not aware and did not get access to information. The empirical data reveals not all respondents considered that Co-Plan has not always brought positive changes in the city and people’s livelihood. To assess the impacts of Co-Plan at the level of community and to investigate the migrants’ issues on property rights, infrastructure provision
and service delivery a number of migrants, residents and officials were interviewed. This section reports the key findings from these interviews.

Between 1995 and 2000, with the exception of the pilot area Bathore 1, the rest of Kamza’s units lost out in the supply of infrastructure, which culminated in a slowing down of vital activities of the migrants and residents. In this respect, it is interesting to discuss the different ways in which CoPlan promoted some of the projects undertaken in the case study of Kamza, identifying the different and common relationships with the Co-Plan’s projects implementation on the ground. Based on interviews in the Kamza area, respondents produced different attitudes towards Co-Plan’s assistance and contribution. Last chapter provided an historical overview of Co-Plan activities. This section examines empirically whether or not Co-Plan was successful in implementing local governance in Kamza. To some extent it truly empowered local people to make all the decisions by themselves. These questions led a debate among different respondents.

**Migrants’ perceptions of Co-Plan**

This section focuses in practice how successful in implementing local governance Co-plan was. The respondents’ claims were helpful to evaluate empirically Co-Plan’s role in implementing local governance in Kamza. However, the questions led to a debate among respondents. Some of them marked the implementation as idealism, while some noted the urgent need for an empirical study to evaluate Co-Plan’s effort and its claims of success in pursuing local government.

The period between 1995 and 2002 in Albanian cities and especially in Kamza was called a ‘vacuum’ period. Participant development was in its beginning and there were still no legal forms and everyone felt free to set up his/her own house. The illegal settlements and property rights issue were used and co-opted by several governments and politicians for their own objectives. For a long time the property right issue was being used for ‘vote capture’ and the newcomers (migrants) were sceptical and looking at everything with a political ‘eye’. They could hardly accept that the idea of cooperation would change their livelihood for better. They thought Co-plan was there for taking things for granted as politicians and several governments did. During the interviews, almost half of the migrants (excluding Zone 1 Pilot
of Bathore) were not aware of CoPlan and it was apparent that the other parts of Kamza had benefitted much less.

**Zone Pilot Bathore 1 Area**

During the transition period, the national and local authorities were weak and could not provide assistance in Kamza area at all. The only way for migrants to survive was by squatting in buildings and houses for more than 15 years. Co-plan chose a pilot area in Bathore 1 and the project of infrastructure provision was possible through funded initiatives. In a short period, migrants started to have a positive attitude as Co-Plan started to be transparent and display each stage of the project cycle, i.e. needs assessment, planning, implementation and evaluation. The migrants viewed Co-Plan as addressing a great economic need in the form of improved infrastructure provision and were becoming more conscious of a need to change their settlements to formal one and they were ready to pay for these process. However, the empirical data revealed that the migrants of Pilot area did not experience what they had initially believed and they subsequently became quite critical towards the implementation. Around half of the migrants indicated that they were aware of Co-Plan, but they showed a sense of dissatisfaction that Co-plan did not do a good job. The main reasons for unhappiness were related to overall high costs and that they had expected more from Co-Plan. A student migrant from Bathore supported this by saying:

"Co-Plan assisted in infrastructure and we paid old Lek 500 or 600 thousands and I am sure they did not do their job well enough because they only laid the sewerage pipes or tubes. We are not very happy with Co-Plan. Co-Plan got Zone 1 Pilot, to see and calculate how much the expenditure was on infrastructure, sewage, roads. Before 10 years 60 thousands Lek was too much and they should do their job much better."

A migrant student, Bathore, May 2008

Other responses to the questions of the existence of CoPlan or any other NGOs Organization that served as a mediator between the people and commune indicated that around half of respondents were not aware of this and replied: "We have not heard of any NGO-s organization".
The rest of them were aware of CoPlan but were not happy. They mentioned their negative attitude about the implementation and criticized its ‘job’ on infrastructure provision. A migrant teacher from Kamza Centre said:

“I have heard of Co-Plan, an NGO organization. They chose a Pilot area in Bathore. Co-Plan did support the road system, but they did not do quite well. They did not check how the companies paved the roads. For example for the main road axis they did nothing. They only laid (paved) the road and they did not widen the road and they did not see check the quality. Kamza Road is a motorway and was built/constructed in the Communist period. Co-Plan’s job is to make it wide enough with prop sidewalks. You can see only some raining and it can be flooded. I think this road is only patched paved. So, Co-Plan could think more of it”.

A migrant teacher, Kamza Centre, May 2008

Juxtaposing the empirical data of local living place with the regional and national context, Co-Plan was also analyzed in relation to the influencing macro and micro level factors, such as donors, central government and community power structures. The critical analysis from INSTAT and different reports and data taken from national papers Shekulli and Tema (2002-2006), suggested that the ideal of Co-Plan was unfeasible because of the complex and complicated transition period. The attitude of several governments was also found to be self-serving. On the one hand, it visibly encouraged such NGOs; while on the other hand, its posture was more personal and authoritarian.

Local Official's Perceptions of CoPlan

Interview analysis with officials showed that a third of participants were aware of Co-Plan’s assistance in infrastructure provision and of its positive effects on the community level. However, the empirical data from Kamza area revealed that Co-Plan’s role was not simple and distinct, but it was complex and complicated as, on one hand, there no local governance on the ground. The area was occupied by migrants in a very short time with no urban planning at all and on the other hand, by the low level of culture of the migrants of the remote areas of Albania, where they were not used to different projects. A former member of CoPlan tried to justify the absence of urban planning and gave some positive feedback saying that:
"...is better to start urban planning and local government from the beginning. It is like teaching the migrants the alphabet from A to Z which it helped Co-Plan to set up local government and infrastructure provision properly".

Resident, local official in Kamza Municipality, March 2009

On the other hand majority of local officials in Kamza area were aware of Co-plan, but not in great detail. The following comments are provided by local officials. A lawyer in Kamza, who had some previous experience of local power structures in Kamza said:

"I have heard of Co-Plan and especially during 1996 and 1999 they undertook some projects on building social centres, school, infrastructure provision (the last one through funded initiatives), etc., which had good impact on people's self conscious; positive effects for community, which benefitted from these projects".

Male migrant official, Kamza, May 2008

A former activist of Co-Plan, still working in Kamza Municipality said:

"Co-Plan's temporary contribution consisted of creating a local government to a required level. While Co-Plan finished their mission, as the donors were leaving because they can't stay permanently."

A resident official, Kamza municipality, March 2009

The private sector respondent was aware of Co-Plan. A developer and ex-owner stated:

"The Tirana urban planning started in 2000 and the city 40% is being conducted by partial studies. As far I am concerned, these studies are done by Swiss Urban Studio, with Co-Plan assistance divided the city in different zones as: residential zone; industrial zone; recreation zone, etc."

A developer and ex-owner, Tirana, May, 2008

However, the rest of interviewees had different opinions about Co-Plan's contribution. A local official, in Kamza Municipality was not very happy with Co-Plan.

"Kamza Strategy Plan with Co-Plan's support fixed the main road arteries but this was not completely finished."

A migrant official, Kamza Municipality, March, 2009

By 'not completely finished', the respondent implied that Co-Plan which already had an active role in the town and had already developed some sort of relationship with
community in Kamza could offer ‘better job/contribution’. His opinion was confirmed by majority of migrants, which later broadens to a critique of the implementation of Co-plan in general. The unsatisfactory nature of its implementation may be partly derived from the complexity of the practice and issues related to cost and benefits. Co-Plan, only an NGO organization did not have the power to control the quality of the implementation and get sanctions towards the private companies. In conclusion, relating to the property rights issue Co-Plan contributed to good land management and the migrants became aware of how to get involved in urban living space. However, the empirical data revealed that residents and especially migrants generally had a lower opinion of Co-Plan than did local officials.

6.6.1 The Role of ‘Elders’ in Local Government in Kamza

Commune/municipalities establish territorial organizations based on neighbourhoods in the urban areas and villages in the rural areas. The representative authority every two years are said to be the “elders” (USAID, 2000:12). The Constitution entrusts such administrative division to the local government. The ‘elder’ represents the village or a small town and the interests of its inhabitants but does not have any legal jurisdiction. The position is exercised on a voluntary basis but is elected by the village pleqesia, or advisory body. The commune council determines the number of members of the pleqesia. However, the majority of some migrants’ opinions of elders’ task were negative. One migrant in Breglumas (3 km away from Bathore) said:

"Neither commune nor elders is helpful to us. We have a formal warden. He only gets old Lek 8000 and all day sells milk in the city. If we need a birth certificate we have to pay a visit to his home late at night".

A migrant, Babru Hill, 5km away of Tirana, March 2009

Furthermore, another migrant said:

"The mayor influences the elected ‘elders’ and to some extend he is his servant. The Mayor is not interested to choose the well educated elders. I am sure he still does not know the community quite well".
It was found that the 'elders' as part of the local power structure of Kamza are being co-opted by Kamza Municipality and migrants found them not helpful.

6.6.2 The Emergence of a Politics of the Urban Living Space: Kamza Municipality

One of the hallmarks of capitalist forms of urban development is the emergence of a distinctive politics of the living place (Cox and Mair, 1993; Jonas 1991). These politics in Albania are associated with new forms of privatized consumption and property ownership. Since 1990, key concerns in the urban living place that has been emerged across Tirana city region are: (1) the struggles for access to housing through the semi-regulated private and informal markets; (2) the role of fragmented local property rights in the maintenance of urban land markets and the character of the built environment including neighborhoods. To some extent, these concerns could be associated with the privatization of the urban land market and the growth of residential private property but the effects on urban governance are varied.

Local Officials’ Responses

According to Jonas (1999a) local governments in United States and Western Europe are fiscally dependent upon property taxes, developers’ fees and sales taxes, all of which tend to increase with new development and investment in the locality. This fiscal local dependence inclines elected municipal officials towards improving development projects. In the Kamza case there is a new tolerance for construction permissions. However, the empirical data analysis revealed that as local authorities are keen on giving building permissions, from the different categories perspectives, this might have consequences for the medium and long term. As one of the local officials claimed:

"Giving too many building permission in my own opinion is risky and very soon in Kamza no one can do a proper urban planning and Kamza itself will be like Manhattan."

Local Official, Kamza Centre, March 2009

Developers’ and ex-Owners’ Responses
In the Kamza area, the change of agricultural to urban land is at the very essence of local politics. When land is treated as a commodity, the property rights issue is very important (Jonas and Wilson, 1999a). The decisive factor in land use change is the capacity of local authorities and private building companies to influence local economic development. As the property rights issue is not yet sorted out in Albania, the role of local government is not strong enough, and is severely restricted compared to that of private construction companies. Some developers might be ex-owners at the same time. However, the developers' interests try to work with political realities. The only issue which really worries the developers is the fuzzy legal status of land in the suburbs. In Tirana city the formal developers destroyed detached houses and built higher 4-8 floor apartments (Bertaud, 2006: 8). Figure 6.5 represents how the land recycling process has resulted in higher densities and land use intensification.

**Figure: 6.5 The land recycling process: from informal to formal**

The land recycling process: from informal to formal

<table>
<thead>
<tr>
<th>Density: 100 p/ha</th>
<th>Density: 700 p/ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor area ratio: 0.28</td>
<td>Floor area ratio: 2.50</td>
</tr>
<tr>
<td>Street area: 13%</td>
<td>Street area: 20%</td>
</tr>
</tbody>
</table>

Source: (World Bank, 2006: 11)

One developer and ex-owner at the same time claimed:

"The formal land redevelopment system avoids the asymmetrical information, which often exists when a developer buys land from a small property owner and the former owner gets a formal title for the apartment."
Another developer continued:

"The land recycling system is initiated by private contract agreements between us and (in) formal occupants and is the backbone of the formal building process in Albania. It seems it has several advantages in term of land use and in term of equity, but it has some limitations, as is the only legal way available to us to obtain land."  
Developer and ex-owner in Tirana city, May 2008

This process – formal private developers ‘recycling’ informal areas while giving equity share in formal development to informal occupants – is unique to Albania. What is unique about Albania is the transformation from informal to formal status undertaken by private developers without government intervention. This is another way in which Albania deviates from the transitional theory of urban development.

As soon as legalization process is implemented, Kamza will have chance for infrastructure and urban planning. This is the reason why some developers are not interested invested in Kamza. They insisted that without legalization implementation, land development in Kamza was considered not safe

6.6.3 Self-Regulation – Building Trust among the Citizen and the Local Government

Another challenge for local government is how to build trust between citizens and the local government. The majority of participants that were interviewed indicated that the government did not interfere with their livelihood and they employed self-regulation instead. One of the participants, a widow said:

“We have road but is patchily paved. We had three campaigns and we got promises to be provided with road, sewage, and energy. The road that goes to the Airport is the worst road in Tirana. There is a high school, there is a military unit, and big community and still nobody paid attention. We gathered as a neighbourhood and had them made. We filled the gaps with gravel. We paid 30000 Lek each family or 40000Lek by those who are richer for the sewage system."

A female migrant, in the entrance of Kamza May 2008
Another migrant, the student from Bathore, supported this:

"If we have any problem with energy supply, we try to sort it out on our own. We have a rich neighbour and we paid 3 million old Lek for the energy cables (wire). An electrician fitted it, but after a while somebody stole it."

A migrant, student, Bathore, May 2008

This finding reflected an important notion of the interpretative approach suggested by the literature. Migrants' stances, beliefs and orientations were influenced by their sense-making from their world and the circumstances encircling them.

**6.6.4 Infrastructure Provision**

There was widespread dissatisfaction about local government’s impact on infrastructure provision. They were unanimously worried about road conditions and said roads were paved every four years for elections goals. A taxi-driver said:

"The distance from my home, Babru Hill to downtown Tirana is very short 5km. However, 1.5km segment road is a real scandal. Alternatively, the road is being paved only in the electoral campaign. The mayor promises us to pave the road, to provide us with water supply, sewages until he takes the votes. After that he forgets. His family is safe. His children play in the city, go in private schools, his wife’s working, they dine out in downtown and he comes home only for sleep."

A male taxi driver, migrant, Tirana, March 2009

The same respondent continued:

"Babru Hill is very close to Tirana city and the inner and outer rings. Even they tried to pave a main road, and took years; this year is deteriorated, because it is out of the standards."

With regard to services, the majority of migrants and residents were dissatisfied with the level of access to water and electricity. Although all the units in Kamza are eventually intended to have electricity, the majority of community doesn’t have electricity 24 hours and some of them use private generators.
Questions on school facilities and leisure provision were asked and there was an even split between those satisfied and dissatisfied. Some commented that something has been done for school academies but very little for leisure provision. The migrants were happy about school furniture and books but worried about labs ICT rooms and especially swapping shifts (afternoon classes). Most of community supported this issue. One migrant respondent said:

"The schools are well regulated. They are furnished but they don't have access to internet and supported materials for modules. There are primary and secondary schools. However the only issue we are concerned with is that there are few schools and teachers and too more pupils and classes are arranged in shifts. This is hard for children."

One teacher in Kamza Centre insisted they should work more with children in school:

"If we are not aware, we can't change. I have two children and in school I try to do my job quite well with my pupils. If a pupil is not behaving well, he is going to be a bad example for my son as well. Somebody told me: Why are you trying to educate these children. Leave them; it is not your job. The problem is if nobody is going to look after these children, how are we supposed to have good children and an educated civil society?"

There was high level of dissatisfaction with access to sporting facilities and playgrounds. In respect to a question if there is any playground or any public space for children and community to spend some time and relax, the student from Bathore replied:

"We play only play station games in Internet Cafe. We don't have a playground. There is a football field but it is private and we cannot afford it."

A migrant, student, Bathore, May 2008

According to migrants the government does not have a proper policy for services for business and is not taking things seriously:

"In my husband's case as a businessman I have problem with energy. I complained about it and the mayor told me that even the Commune is using a generator. I wanted to say – I am sorry, I am private. I bought the generator 6.5 thousand Lek. What kind of compensation did I get from you? I pay the energy bill and I have the generator as well."

A teacher resident, Kamza, May 2008
A majority of migrants insisted that people use tricky ways to run their own business without paying the local taxes, considering this to be a part of corruption and friendship. One of the migrants expressed it as follows:

"I pay taxes regularly. The others should do as I do as well. For example: When the tax collector appears in the centre, all the shops are closed. When he left they open the shops again. They don't care because one of the shop owners has his sister employed in the Kamza Municipality. The other one gives the collector cash. In this way they don't pay any tax or bill and their interests and profit is 100%. In my case, my profit is half of those."

A male migrant, Kamza, May 2008

6.6.5 Political Dimension

In Albania and in the context of the Western Balkans the role of political parties in the local governance system is significant and local governance is being politicised either through the capture of the local government by political interest groups or through the relationship between local governments and the central governments (Fleiner and Byrne 2006: 16). Fleiner and Byrne continue:

"With regards to the political interest group capture of local government, this is strongly related to the electoral system at the local level where, in most countries in the region, local representatives are elected through party lists. This has a greatly negative impact on the accountability of local councillors because they therefore owe their primary allegiance to the party, and are required to be accountable to the (not very democratic) party hierarchy and not to the actual local citizens who voted for them (Fleiner and Byrne. 2006, p.17)."

In general in Albania, urban governance is complicated by the politicization of people in authority. In this section I am trying to explain how politics influences urban governance. Distrust of the political process imposes further constraints on fiscal efficiency and public accountability in urban government.

Respondents reported concerns related to their relationship with local authorities, which were subject to changes after each election process occurred. A great number of migrants and residents insist there is no fixed in short or medium policy but everything is being changed on the basis of political interests. In Kamza the Democratic Party has dominated for a very
long time, which appears to have had a detrimental/negative effect on local policy making. According to Fleiner and Byrne (2006: 17):

"....this makes politics in a sense non-rival, because candidates no longer need the support of voters, as they are effectively guaranteed power by their 'party machines'."

One of the residents in Kamza said:

"Everything is depending on politics. Politics is a priority. For example, the Democratic Party has won the election several times. If I want to keep my job, I am obliged to support the Democratic Party. So I am a silent servant because I have a family. You are asking me if I am unhappy. Of course I am unhappy, but I have no other choice."

A female teacher, resident, Kamza Centre, May 2008

The interview analysis suggests that the absence of strategies from the dominant political forces has not come about by chance or benign neglect. They are interested but there is no political will. One of the officials in Kamza Municipality said:

"Can you answer me, why we don't have unemployment's alleviation? We (political parties) only shake the hands and tomorrow when you will be in my place, you have to keep one eye closed if something is wrong. For example, today I have this fiscal policy and when we will change position you will have the same policy, with the common denominator. And here we stop and no progress at all. What does it mean? We know how to speak, but if you speak you are considered enemy."

A resident official, Kamza Municipality, March 2009

The other relevant point about political parties is to what extent they are actually interested in working for decentralized governance. The political elite in Albania and particularly in Kamza Municipality have not shown a commitment to reform and so ordinary citizens are apathetic and disenfranchised. Most of the respondents are conscious that politics is a priority and hope things to change for better through the electoral system. Empirical data revealed that the position of Kamza city's mayor for four electoral cycles has been captured by the Democratic Party and appears to be less inclined to serve the interest of Kamza municipality. Part of the questions in 2008 and 2009 relating to provision of services by local government in Kamza
showed that citizens clearly feel that the municipal government is not listening to them, and therefore is not representing their interests. One of the teachers’ groups in Kamza centre said:

“One day I went to Kamza Municipality and complained about energy. I told the official I have elected you and you should respect me as citizen. I always pay the energy bill. I was told they had problems carried from the past. I told him at least to give us the time when I am supposed to have energy. Since that day they were really upset with me.”

A female resident, Kamza Centre, May 2008

This pattern is characteristic of the absence of democratic governance and a difference in understanding of local government. In response to the questions how the council city did respond to their needs, a migrant in Bathore responded:

“They don’t bother at all. I assume they get funds but they spend the funds irrationally, and don’t care of us. They will get fund after another 4-5 years and they will do the same.”

A male migrant, Bathore, May 2008

Both respondents raised the discourse of the priority of politics; local governance is weak and fragmented. The respondents’ categories unanimity stated the clash between the majority Democratic Party’s supporters in Kamza Municipality and the dominant Socialist Party in Tirana Council, which refuse to work in inter-municipal cooperation (Shekulli and Tema, 2006-2009). A migrant official stressed the priority of politics and political clash was interfering in promoting service delivery as like urban transport.

“Still in Albania politics is priority. Edi Rama is left wing, the mayors of Kamez and the other communes are right wing and they are using urban transport to reduce Rama’s votes and his reputation as the head leader of Socialist Party.”

A resident official, Kamza Municipality, March 2009

The former director of urban planning in Kamza Municipality said:

“The crucial issue of public urban service is on the way. Institute quarter is the north border of Tirana council and on its right side starts Kamza city. There is a contradiction because so far only Tirana council could give building permission, but in fact shouldn’t be.”

Former director, Kamza Municipality, May 2008
The teacher in Kamza, tried to convince me that after 2008 the mayor of Kamza is doing something on infrastructure, but with low standard and not properly:

"It is said, they are working on infrastructure. First of all, because of pollution, it is supposed to carry on the work during the nights and not in the middle of the day. The work must be done properly and not somewhere sidewalks wider than 5m and somewhere else much less."

A teacher, resident, Kamza Centre, May 2008

The same respondent continued:

"At the entrance of Kamza, there is a secondary road. The former mayor of the Kamza demolishes some illegal buildings in order to make the road wider. In that segment there was one of his relatives. As a result the Mayor demolished all the illegal buildings, except his relative's building. When the road was finished some of the sidewalks were O.K, but the sidewalk close to his relative's house was very narrow. I think he had a personal reason, but I as a citizen don't care."

The same respondent carries on:

"Every time we have election, the deputy promises us too much. He knows already our daily problems, like infrastructure, energy, water supply, waste water and promise to sort them out if we will elect him. There are too many bureaucracies and nothing left to implement what he said. Another one will replace him and will follow another policy. In the case of the intersection (crossroad) Zogu i Zi, the project started during the Socialist Party's election. Now the Democratic Party is in power and pretends to say it was not a good project. The Democratic Party demolished what the Socialist Party did with people's money and started a new project, which is real rubbish."

In response to the anxiety of community about ALUIZNI's implementation the vice director said:

"This is only matter of time and very soon the law will be implemented properly and the other mayor will open the road properly."

Former director of urban planning in Kamza Municipality showed a sense of dissatisfaction about changing officials:

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24 ALUIZNI-Agency of Legalization, Urbanization and Integration of Illegal Buildings
"Political influences in decision making and official are restricted as technical staff when the layout plans are being changed, the majority of the directors and specialists changed on the due course, it is not fair. The Town Planning and its specialists change and are being seen with partisan and political eye. In the Kamza Municipality all the first specialists except one or two are being replaced/swapped with some new ones. I do not know if they are probably better, ....'.

Former director, Kamza Municipality, May, 2008

The lack of master planning gave an opportunity to independent municipal bodies to act in speculative ways. One former official, used to work in the local government ministry in Tirana stressed the fact that:

"Kamza does not possess a district planning department. Kamza possesses only some short-term city plan, its changes depending on the electoral changes."

Interviews revealed that as a part of decentralization process, responsibility for building permission has been given to the municipality. However, they were using this to get more tax on buildings. Respondents also raised the issue of complacency and resistance to moving out for political reasons. Sometimes this perceived relationship between time served/mobility and motivation led respondents expressing relatively harsh judgments. Based on their beliefs, they would rather look for non political involvement in local agendas and engage more in building programmes and contribution for economic development.

6.7 Conclusion

This chapter revealed that although Albania is making some positive progress toward good urban governance, it is addressing some challenges including the fragmentation of local government units and on-going debates regarding the role of the region. Local government in Albania has not achieved real autonomy and the main consequence of the decrease of direct central control has been fragmentation. The decisions of the settlements are not coordinated; public interests connected to the level of the larger areas are not represented satisfactorily.
Moreover, the transition to urban governance in Tirana city region does not reflect in any way unique urban regime characteristics – for example, the emergence of an organized growth coalition – but instead wider (national and international) pressures and developments. The case study on Kamza shows that local government in Albania is still weak and does not have the legal instrument to play its role in land use planning and urban infrastructure.

In terms of decentralization, the local governments in Albania are still not playing a major role in designing appropriate regulations, enforcing them, monitoring urbanization and market prices, establishing a local tax base to finance the operation and maintenance of urban infrastructure and services (Bertaud, 2006: 7; Aliaj, 2007). It might be suggested that Albania has achieved a balance between centralization and factual anarchy: municipalities do not have enough substantial instruments at their disposal. The transition to capitalist forms of development has hastened territorial decentralization and fragmentation in Tirana City-Region: yet age-old centralist forces continue to operate. In Tirana city-region, serious obstacles to urban development and effective provision of urban services remain. In this vacuum, residents and migrants have engaged in practices of self-regulation.

This chapter has explored and illustrated the distinctive nature and characteristics of local governments in the Tirana city region against different situational and contextual factors. The fragmentation of urban governance is one consequence of the fragmented property rights, which has characterized Albanian politics in the transition period. In the terms of managing the politics of the urban living space, Kamza has still not developed a common agreement with Tirana Council. The next chapter with empirical evidence of Kamza case study will show how local fragmented governance is contested in practice, using the lens of different categories of migrants, residents, ex-owners and officials, which in comparison with the literature will show how the community of Kamza is using property rights to secure their livelihood and how the geography of the local property knowledge is being constructed and contested.
Chapter 7

Property Rights and the Geography of Local Knowledge

7.1 Introduction

Since 1990, Albania has experienced dramatic political and economic changes, including changes in land ownership. The privatization process in Albania has progressed at a rapid pace with the passage and implementation of three main laws: the Law on Land\textsuperscript{25}; the privatization of state owned housing\textsuperscript{26}; and the Restitution and Compensation of the Property Rights to former Owners before 1945\textsuperscript{27}. During this transition process, the question of land ownership and private property have been challenging due to the different impacts of each of these laws on different interest groups and actors in Tirana city region.

This chapter focuses on the development of markets in urban land and property in Tirana city region and how this has shaped local property knowledge as a function of different actors' participation in urban land, exchange and development on the one hand, and the awareness of the rules and regulations, governing the use and exchange of property, on the other hand. A persistent narrative is that neoliberalism expression of the free market has penetrated even wider and deeper into all aspect of daily life across Tirana city region. Recently, however this aspect of transition has been challenged by conflicts and tensions around the regulation of suburban areas of Tirana city region. The aim of this chapter is to examine whether a formal 'growth machine' relating to land development has emerged on rather privatization of urban land has resulted in the fragmentation of property rights.

Before 1990, property ownership rights in Albania were considered a 'forbidden apple' and for more than forty five years were desperately dreamed. After 1990, the neo-liberalization of land development in Albania brought these dreams into reality by opening up the urban land market to individual speculators and allowing residents and migrants to acquire property at the urban fringe. This resulted in the development of the new suburban areas, such as

\textsuperscript{25} See Law No. 7501, “On Land” (1991)
\textsuperscript{26} See Law 7652, “Privatization of State Housing” (1992)
\textsuperscript{27} See Law No.7698, “On the restitution and compensation of ex-Owners” (1993)
Kamza. The transformation of Kamza from an informal settlement to a formal one offers a lens in how the material acquisition of property has engendered local property knowledge. Therefore, the case study on Kamza would be helpful in identifying not only the transactions involved in the suburban land development process but also on how urban development has influenced the knowledge of property shaping livelihood strategies and experiences.

Chapter 7 is divided into main six sections commencing with this introduction. Before I present my argument, I offer two clarifications in Section 7.2: one concerns the context for treating these phenomena under the rubric of land tenure via a historical retrospective; the next one is a brief summary of Albania's de-collectivization and its land laws. Section 7.3 outlines few of the critical challenges during the implementation of the land policy in Albania and its impacts on the different categories of property owners and residents in Kamza. The subsequent sections focus on how local property knowledge has been shaped by suburban land development in Tirana city-region. It examines different points of views, which the representative of the recent migrants (newcomers), existing residents (property owners), ex-owners (former landowners before 1945), developers (whether large-scale or small-scale), and national and local authorities in making landscape themselves and trying to manage that urban living space in different ways. Section 7.5 and 7.6 show how property issue is interacting with the legalization process and how recently different categories are experiencing different strategies to shape their understanding.

7.2 A Historical Overview of Land Tenure in Albania

A historical overview of the land and property reform in Albania, and specifically in the city of Tirana, sets the stage for demonstrating the complexity of the property laws during different period of time (Cungu and Swinnen 1998: 1; Wheeler, 2003: 4). Albania historically has had a very low agricultural land per capita ratio, 0.22 ha\(^2\) per person, making the land distribution very unequal. In Albania around 75% of the surface area is classified as hilly and only 4.1% of total area (1998) is cultivable agricultural land (Kelm, 2002: 6). During the communist era, unlike other socialist countries in the Eastern Europe, Albania

\(^{28}\)In this thesis, 'hectare' is used rather than 'acres' when measuring size of land ownership.
had undergone an extreme and complete state ownership of the land and eliminated private ownership rights (Childress, 2006:113). Albania began a massive and rapid campaign to privatize state owned property after 1991. A major source of tensions is the confusion over rights of property ownership. This section focuses on the importance of property and the consequences to the law of land after 1990 on the interests of different social actors and groups.

The period under Ottoman Empire (1389-1912)

The Ottoman Empire ruled Albania for more than five hundred years. The origin of large holdings in Albania emerged in the fifteenth century when the country was almost completely dominated by the Turks. Most of the land was formally owned by the Sultan, but given 'in use' to military, administrative or religious officials who collected taxes and recruited soldiers for the Ottoman cause. Lords leased out the land to peasants and asked payments in produce or cash (Wheeler, 2003: 3).

The 16th century marks the beginning of the first latifundium in Albania. The latifundium was a large private landholding usually held by a land baron and unconditioned by military obligations to the state. Over time, land ownership was transferred to the large landowners (latifundists), the religious institutions and the state. Towards the end of the Ottoman rule, the ‘ciflik’ tenure system pre-dominated in over half of Albania whereby peasants were obliged to contribute labour and produce either to private landlords, the state or religious institutions. The same strategy was applied in the city of Tirana and Kamza. In the mid 19th century, the Kamza area was agricultural land, owned by the feudal lords of Kruja (a town 35km north of Kamza), the Toptans, who were offering land to those who supported them (Kamza Bulletin, 2008: 8).

Throughout the Ottoman Rule, the land tenure system in Albania did not witness any dramatic changes. Feudalism existed since medieval times together with free peasants and serfs. The Ottoman administration continued to distribute wealth to trusted military officers, landowners or employees of the state (Wheeler, 2003: 3). By the 19th century, private
ownership of small farms emerged, although to a lesser extent. However, the Kamza area was still owned by the Toptans landlord (Kamza Bulletin, 2008: 8).

The period during World War I and World War II (1912-1945)

After the proclamation of Independence in Albania in 1912, the newly independent state confiscated the latifundia created under the Turkish state. However, the ownership was not altered to be as they were and the distribution of the properties was very unequal. In Kamza, the land still was owned by the Toptans landlord. In Albania, between 1912 and 1946, three percent of the population owned twenty seven percent of the fertile land. Small and medium landowners owned 60 percent of the arable land, whereas 14 percent of the rural population was landless (Pata and Osmani 1994: 85; Cungu and Swinnen, 1998: 2). However, signs of the free market were observable such as transactions in newly forming land markets and the division of large estates through inheritance (Wheeler, 2003: 4). In 1928, King Zog, with the help of Italian lawmakers, initiated an Agrarian Reform on estates over 40 hectare. For the first time there is a record of the documentation of the agricultural land data and ownership information in the Cadastral Offices. The urban land ownerships were recorded in the Hipoteke Offices (Kelm, 2002: 7). Therefore, it can be concluded that under the reign of Zog, the first elements of free market and land development were introduced in Albania.

Land tenure in Albania under communism 1945-1990

In 1917 in Soviet Union and 1945-1948 in Eastern Europe under the communist power, agriculture was collectivized everywhere except Poland and Yugoslavia. Two main forms were emerged: 'state farms' and 'collective farms' (Verdery, 2004: 142). In 1945 the Communist Party in Albania, under the leadership of Enver Hoxha, initiated the Agrarian Reform Law. The land (ciflik) was taken from the large and medium land owners and claimed as either state-owned farms or distributed to landless individuals and to those with fewer than 5 hectare of land. They were supplied with the property title documentation called Tapi. Although ownership rights were created, the sale or rental rights of the properties were not recognized (Stanfield et al. 1992; Cungu & Swinnen 1998; Aliko 2000: 4). In 1946 the collectivization of
land led all of the properties and assets to be part of the Agricultural Production Co-operatives (APCs) and State Farms (SFs). This was part of the national policy of achieving agricultural self-sufficiency in 1960. Land was distributed as follows: 72.2 percent of the agricultural land was cultivated by the APCs, 14.2 percent by the SFs and only 3.6 percent was privately owned (Kelm, 2002: 13).

In 1976 Albanian Constitution made all property, residential, agricultural and commercial land officially state owned (Wheeler and Waite, 2003: 5; Childress, 2006: 116). In this respect, Kamza was no exception. In 1965 the Kamza area was considered a state-owned farm that provided agricultural and livestock capita for the city of Tirana. In 1975, a coal mine was discovered in Valias (2 km northwest of Kamza). To accommodate the workers and their families, an extension of the urban centre in Kamza was created along the Kruja-Kamza-Tirana corridor between the North and South regions (Co-plan, 2002: 19; Kamza Bulletin, 2008: 3).

The collectivisation and nationalisation of the agriculture and private sector in Albania resulted in widespread inefficiencies and led to the virtual collapse of the agricultural sector in the early 1990s (Wheeler, 2003: 5). Furthermore, the political and economic changes in the early 1990s and land reform in 1991 made people lose their interest in agriculture, leading to rapid changes in the land patterns. The wide spreading of illegal settlements in the fringe of the major cities in Albania transformed the land from agricultural rural land to urban regions. The following sections are based on interviews and focus on how different local groups are using property rights to shape their understanding of transition process in Kamza.

Land and Property Reform in Albania after 1990

Albania was the only communist country in which private property was totally eliminated. The analysis of the post 1991 land reform and privatization legislation shows how certain constraints where increased on land development and the property market.
Between 1989 and 1991, politicians in Soviet Union and Eastern Europe chose to decollectivise--dismantle, transform these socialist agricultural organizations. In Russia many people resisted decollectivisation and privatisation, whereas in Eastern Europe there was far less resistance. Most of the latter countries adopted some form of restitution rights to previous owners, whereas in the former Soviet Union, rights to land were distributed, regardless of prior ownership (Verdery, 2000).

In 1991 the Albanian Constitution and Law On Land\(^{29}\) established the right to private property ownership. Agricultural land and residential properties were privatized in nine separate programs, while forests and pastures continued to be mostly state owned. Land privatization, registration of ownership rights and land use planning in Albania has been incrementally addressed by the government and supported by international organizations (Kelm, 2002; Wheeler, 2003; World Bank: 2006, 2007 and Children, 2006).

Albania has gone through a series of land and property reforms. Table 7.1 below summarizes the main laws of land privatization in rural and urban land since 1990.

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Law</th>
<th>Title of Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991, July</td>
<td>Law 7501</td>
<td>On Land</td>
</tr>
<tr>
<td>1991, August</td>
<td>Law 7512</td>
<td>On Sanctioning and Defending Private Property</td>
</tr>
<tr>
<td>1993, April</td>
<td>Law 7699</td>
<td>For Compensation in Value for the Former Owners of Agricultural Land</td>
</tr>
<tr>
<td>1995, December</td>
<td>Law 8053</td>
<td>For transferring Ownership of Agricultural Land without Compensation</td>
</tr>
<tr>
<td>1998</td>
<td>Law 8337</td>
<td>On the Transfer of Agricultural Land, Meadows and Pastures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State-Owned Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>1992, December</td>
</tr>
<tr>
<td>2004, October</td>
</tr>
<tr>
<td>2006, April</td>
</tr>
</tbody>
</table>

Municipal sale of the urban land

\(^{29}\) Known popularity as “Law 7501”, it restored ownership rights to the households that were members of collective farms or state farms.
<table>
<thead>
<tr>
<th>Year</th>
<th>No of Law</th>
<th>Title of Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994, July</td>
<td>Law 7843</td>
<td>On registration of Immovable Property (Real Estate)</td>
</tr>
<tr>
<td>1995, July</td>
<td>Law 7980</td>
<td>On Buying and Selling of Building Sites</td>
</tr>
<tr>
<td>1995, April</td>
<td>Law 7982</td>
<td>On the Value Added Tax</td>
</tr>
<tr>
<td>2001, February</td>
<td>Law 8743</td>
<td>On State Immovable Property</td>
</tr>
<tr>
<td>22 February 2001</td>
<td>Law 8743, article 9</td>
<td>On the Transfer of State Public Immovable properties to Local Governments.</td>
</tr>
<tr>
<td>12 December 2002</td>
<td>Law 8982</td>
<td>On the System of Local Taxes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Restitution and Compensation</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Law</th>
<th>Title of Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>April, 1993</td>
<td>Law 7698</td>
<td>On Restitution and Compensation of Properties to Former-Owners</td>
</tr>
<tr>
<td>2004, July</td>
<td>Law 9235</td>
<td>On Restitution and Compensation of Property</td>
</tr>
<tr>
<td>2006, 17 July</td>
<td>Law 9583 (Modified)</td>
<td>On Restitution and Compensation of Property</td>
</tr>
</tbody>
</table>

Table: 7.1 Summary of the Land Privatization Legislation in Albania (based on Author’s Construction)

Land privatization began in July 1991 with the approval of Law 7501, ‘On Land’. The agricultural land was divided among the cooperatives’ peasants and workers on the state-owned farms, but the land initially was “in use”. Albania’s land allocation method was primarily one of per capita distribution rather than restitution, except in the northern part of Albania. Law No. 7501 ‘On Land’ (1991) was not applied in the northern part of Albania. Because of the historical and cultural past, local officials left land with the then-current users or attempted to restitute property to former owners before 1945.

In December 1992 privatization of the urban properties was carried out throughout the country with the rapid sale of the state-owned apartments to their occupants with a nominal fee (Felstehausen, 1999; Kelm, 2002; Aliaj et al. 2003; Andoni, 2004; Bertaud, 2006; Childress, 2006: 122).

Since 1993 the Government of Albania and the international donor community established an updated land registry. This was done with support from international organizations such as, USAID, European Union, and OSCE. The program was called the Immovable Property
Register System (IPRS)\textsuperscript{30}. The agency has registered property rights especially in urban areas and the process is ongoing. In 2001, over 94 percent of all land available for distribution had been privatized (Stanfield, 1998: 4). However, the unresolved issue of restitution and compensation has been the major obstacle, preventing completion of land and property reform. The restitution and compensation process is politically and socially delicate. The government has no funds for cash compensation and there has been no organized action by the state to assign rights to land in tourist coastal areas or to the remaining state-owned land. Furthermore, the sublegal complex acts have made implementation of the restitution law very difficult (Childress, 2006; Driscoll \textit{et al.} 2007).

The process of compensation and restitution was initiated in 2004. In urban areas, especially in Tirana, numerous disputes have been caused between ex and current property owners and land in the Kamza area (Kelm, 2002: 12-13). The reform programs aiming to establish private property rights could not stop the illegal building on properties by individuals without legal authorization. Illegal settlements were common in many areas around the major cities in Albania (Stanfield \textit{et al.} 1998: 17; World Bank, 2007a: 21-22). Due to the delayed restitution action, illegal buildings in city centres and on the fringe of cities were widespread. It was only in 2004 that the government initiated a program to address the problem\textsuperscript{31}. This was focused on each informal urban zone to ensure its proper functioning as an urban district and legalizing them under the administrative law and lease rights of the persons occupying the land and buildings (Stanfield \textit{et al.} 1998: 17; World Bank, 2007a: 22-24).

In the following sections, the interviews reveal the different ways households in the Kamza case study have gained access to land relating to Law on Land 7501.

\textsuperscript{30} The government through the law No.7843 (1994) created the IPRS (Immovable Property Register System). In 2005 an agreement was reached to transfer the PMU from the ministry of agricultural to Ministry of Justice and changed from IPRS to IPRO

7.3 Law On Land 7501: Challenges and Restitution Claims

The Law On Land 7501 was entered into force in 1991 through a compromise between the Democratic Party and Socialist Party. In 2003 the coalition party\(^{32}\), the Republican Party claimed that the abrogation of Law On Land 7501 constitutes one of the main conditions for real compensation of properties. However, the coalition decided to present a draft law that weakens the Law On land, but did not repeal it. Current changes in land and property reforms, which secure of land tenure issues, have brought up many conflicts around different modes of property rights. Secondary sources and interviews’ analysis provide an essential tool for eliciting views on the Law On Land 7501’s impact on the land use and property rights and the general principles of property development process in the Tirana city-region.

Table 7.2 represents the current land ownership in legal and illegal settlements in Albania, including Kamza, characterized by three types of land owners, currently in conflict with each other.

<table>
<thead>
<tr>
<th>Types of land owners</th>
<th>Main characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal owners</td>
<td>The state</td>
</tr>
<tr>
<td></td>
<td>Private owners under Law 7501, Law 8053 and Law 7698</td>
</tr>
<tr>
<td>Illegal or informal buyer</td>
<td>This includes buyers who bought land informally from legal private owners, as well as those who subsequently bought land from the former. They possess no legal documentation certifying these transactions or their ownership.</td>
</tr>
<tr>
<td>Illegal owners</td>
<td>This includes people who have illegally settled on: i) state owned land; ii) land owned by private individuals. Both of these groups possess no documentation certifying ownership.</td>
</tr>
</tbody>
</table>

Table: 7.2 Characteristics of Land Owners (Legal and Illegal) in Kamza (based on author’s Construction based on Aliko and Sherko (2002)).

Whereas the land reforms secured initial ownership of land, they did not offer security in the transaction of land. Land remaining in state ownership in Albania has often been treated as ‘unowned’, leading to illegal occupation and the degradation of the natural resource base. The newcomers built what they could quickly, giving rise to the substantial illegal

\(^{32}\) See ‘Korrieri’ Newspaper, 12 April 2003.
settlements seen in the areas surrounding Tirana such as Kamza (Felstehausen, 1999; Childress 2006: 125; Bertaud, 2006).

Illegal settlements around Tirana and Durres are a feature of Albania’s property reforms. Areas of previously agricultural land on three sides of Tirana have been steadily occupied since 1992, resulting in a significant expansion of the city areas (See Map 6.1, page 117). The biggest areas of spontaneous urbanization are Kamza (northwest), Babruja (north), Sauk (south) and Yzberish (southwest). Much of the new settlement areas are occupied by migrants from rural, particularly northern areas. Most of the migrants have built substantial structures, but lack access to main urban services. They posses land but do not have legal documentation for either their position or their claims of ownership of the land and buildings. In these areas the right to obtain land for housing was not preceded by formal studies or procedures for rapid decision-making concerning people’s request for building. As soon as land was claimed and built on, it was sold or exchanged through informal land markets (Aliaj et al, 2003; Children 2006: 125).

The rationale for the method of land redistribution is still not completely clear. Some authors, such as Cunga (1995), Kelm (2002), Wheeler (2003) and Children (2006), argue that the method was politically chosen. However, discussions with officials who were involved in the formulation of the Law on Land suggested a rationale for the distribution. A dominant view held was that at the time of passage the law provided a fair and equal distribution of property rights for all the rural population of Albania. Agricultural land was divided equally among the families who worked on the cooperatives. However, there were political motivations as well. For the March, 1991 national elections, the Socialist Party advocated land transfers ‘in use’ and a strong desire for restitution to the ex-owners. Since the majority of the population was located in the rural areas and had spent several decades of labour on the co-operatives and state-owned farms, the Democratic Party’s platform was unfavourable to the majority of voters. In March 1992, during the elections, the Democratic Party changed its stance on agricultural land ownership and restitution to support ownership rights for workers. Finally, during the breakdown in the central economy regime, food production dropped drastically. Later, farmers no longer wanted to work on the co-operatives or state-owned farms and these entities were left to decline. The rapid privatization of agricultural land provided an
opportunity to boost food production. In fact, it did not happen. Due to free movement, people started to abandon their land and to settle in the fringe of big cities and coastal areas (Cunga, 1995; Giovarelli and Bledsoe, 2001: 29; Kelm, 2002: 6; Wheeler, 2003; Aliaj, 2008).

7.4 Implications of Reforms for Land Development and Tenure in Urban areas - A case Study of Kamza

In chapter 6 Map 6.1 shows the expansion of land area of Tirana city region, including Kamza. Illegal settlements were created in the peri-urban areas outside the traditional city boundaries of Tirana (the so-called yellow line), which had formerly been state-owned farms and enterprises. After 1991, Kamza likewise experienced growth due to the influx of migrants. Stenning (2004) argues the discussions of mobility in post-socialism are constructed around ideas of labour and housing, encouraging people to move not because they want to, but because in this way, a ‘healthy’ market for labour and property will be developed. However, this argument needs to be supported by some more evidence and Kamza case study will show this is not applicable to Albania.

The former state land of Kamza was occupied as a result of its accessibility to the North-South transportation route, and due to its proximity to the Tirana city which could allow the newcomers to access water and electricity supplies as well as having access to education (Felstehausen 2002: 6; Driscoll, et al. 2007). The illegal settlement in Kamza provides a good insight into the transformation process from informal to formal land, and resulting conflicts in relation to property rights.

The dynamics of urban development in Kamza is not simple. Graph 7.1 indicates the rapid increase in the percentage of population in Bathore between 1990 and 1997. But the rate of increase dropped rapidly in 2001. Bathore is uniquely identified as an example of rapid urbanization development within the jurisdiction of Kamza. The two other areas in Kamza are Kamza centre and Valias (Co-Plan, 2002: 15; Kamza Bulletin 2008: 9).
The categories of interviewees that benefited most from the implementation of Land Law were migrants, and residents. To lesser extent were local officials and the only category that did not benefit from Land Law was ex-owners. However, there were different views expressed on land privatization process.

Migrants, residents, and local officials tried to justify the government’s initial reform strategy. Mobility with the systems’ change happened. At the same time, the government was weak and did not have time to implement the urban planning in advance.

“In the first pluralist Parliament a legislative appraisal was an emergency. The implementation of these laws encountered some serious difficulties because the state was encountered with an unusual phenomenon: not only in Kamza, but in other large urban cities, there was a great flux of uncontrolled demographic movement. The state was unprepared and couldn’t control and discipline the uncontrolled flux on time”.

Local official and migrant, Kamza centre, May 2008

However, most ex-owners respondents and some local officials’ stressed the imperfection of Land Law 7501.

“Since 1976 all the properties were public property and the only owner was the state. In Kamza area the landlords before 1945 were originally from Middle Albania (Tirana) such as Toptans and from North East (Dibra) such as Jegen. The other middle landowners such as Karapica, Rexhajt, Garxhaj,
A majority of respondents insisted that Land Law 7501 was approved for political reason.

“Law Land 7501 was an imperfect one and it was approved for political reasons, in order to use the recent migrants for electoral purposes. Definitely, the politicians were not interested in full compensation of the properties to ex-owners. They restricted the compensation to a limited space, up to 15 hectare”.

Local official, Tirana, March 2009

The following section discusses the land reform’s impact on respectively ex-owners and migrants.

7.4.1 Land Law 7501’s Impact on ex-Owners

Long since 1991, when Land Law 7501 was approved, it still is producing a degree of upheaval and tension in rural areas, nearly as disruptive as that of collectivization itself. The group most affected by this law is ex-owners with their restitution claims.

The opposition for Land Law 7501 by the pre-1945 owners led to the enactment of the Law on the Restitution and Compensation of Properties of Ex-Owners, Law No. 7698, in 1993. This law enabled ex-owners to have their ownership of urban land recognized. As most agricultural land was allocated through law on Land 7501, the restitution process couldn’t apply33. Alternatively, ex-owners could be compensated in areas of potential tourist development. The amount of compensation was to be calculated for land areas up to 15 hectares. This law has not been implemented (Wheeler and Waite, 2003: 6). The dissatisfied, former owners challenged the law on legal and constitutional grounds. In 1997-1998, they had a prominent voice in the debate over the national constitution and they succeeded in gaining a provision, which required the government to draft and obtain approval of legislation resolving the restitution issues by November 2001. The deadline

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33 See Law No. 7699, date 21/04/1993: "On Compensating the Value of the Ex owners of Agricultural Land."
passed and it was not until July 2004 that the parliament acted (World Bank, 2007a: 22). Restitution programs accomplished through AKKP (Property Restitution and Compensation Agency) agency in 2004 have been granted the right to partial monetary compensation in other forms of property. However, the issue of ex-owners claims is still a concern. It has the specific impact of making ownership and disposition rights to property more complicated. The contradictory claims of ownership have had the additional affect of fostering insecurity about property rights (Kelm, 2002: 11). In 2007 and 2008 monetary compensation from central government was the key (Childress 2006; World Bank, 2007a; ‘Mapo’ Magazine, 12 February 2008).

Most of the ex-owners want the compensation payment based upon the value of the land market. However, no easy solution to their theoretical rights to restitution has yet been found. The resolution is thus likely to be a piecemeal set of different solutions as some ex-owners give up claims over time and others accept smaller cash buy-outs or compensation packages of different sorts (Childress, 2006: 121). Given the slowness of this process the ex-owners don’t seem optimistic about the restitution and compensation implementation.

"Return of the property to the owners is really not ever to be implemented in Albania. They are alienated, creating some confusion here. Furthermore none of the authorities concerned is interested to give the properties to the real owners. Anyway, I wish luck to those who still ‘waiting’ their properties to be returned".

Ex-owner, Tirana city, March 2009

The ex-owners’ claims revealed their grief at the passive action of government and the lack of urban policy in advance for impeding illegal buildings.

"In 1991, the government did not return the land to its real land owners, but followed a ‘social policy’ and we are wondering why the government did not calculate this in advance. No policy at all about urban planning and only passive attitude towards informality".

Male ex-owner, Tirana, March 2009

Neoliberalism rests on the principle that civil society acts to defend the property rights that provide individuals with resources they can use. Neoliberals also argue that civil society helps establish the rules and norms, or institutions, by which markets work, such as trust and
sanctity of contracts (Fukuyama 1995). This may be in the form of social capital, such as connections of trust, predictability, mutual aid, and cooperation, which, it is argued, make markets work effectively (Putnam 1993, 2001). However, ex-owners insisted that Albania is the only country where ownership rights and legal forms are not respected. One ex-owner claimed:

"Albania is the only country in world that the property right is impeded. Without ownership rights, we have no land market, no investment, and no democracy and we are shaking the foundation of neoliberalism".

Ex-owner, Tirana, March 2009

Some disputes have been circulating through the court system for years, leaving the ultimate ownership questions unanswered (USAID, 2007: 9). In urban areas, such as Tirana city, numerous conflicts exist between possessors of properties and ex-owners. In some cases, the possessors have a privatization document from the National Privatization Agency or the municipality, in other cases, the possessors built illegal constructions before the land was formally restituted. There are numerous errors or imprecision which have occurred in the privatization programs, often leading to overlapping claims from different owners for a single property. Approximately 40% of all civil cases involve property disputes (Andoni, 2007). Most of the responses of ex-owners, including migrants, residents, and local officials are indicative of this.

"I am still speechless at this point because still in 2009, land laws are not clear enough and this is a political trick. It is clear that politicians of both wings are not interested at land law because most of land is occupied by them. I think we can address our problems nowhere and going to court for my opinion is a waste of time."

Male ex-Owner, Tirana, March 2009

"From my experience we are disappointed with courts because they are slow in adjudicating cases. They are representative and supportive of government. My case will take at least 3-4 years. I might have right but the implementation will never come up to light. I think is very costly process and corruption is obviously high. That is the reason people don’t address their problems to the court but chose other ways, such as fighting, arguing or just ignoring and waiting."

Male Migrant, Babru, May 2008
"Having a property dispute is really frustrating. I think to address these cases to courts you are hopeless. I think the main reason is land laws are conflictive and we still don’t have well trained judges in real estate and property law. In general court administration and corruption is a real problem."

Local Official, Kamza, March 2009

7.4.2 Law On Land 7501’s Impact on Migrants

For the migrants in Kamza the right to use land may be more important than the legal ownership (Barons, 1983) resulting in forceful occupation of unoccupied land, rental arrangements and buying through unapproved subdivisions. Nowadays around 20 years later, migrants are still moving to Kamza for a better life. But many of them are disappointed, however. Lack of access to sufficient land was one of the reasons migrants left their home and moved to Kamza.

"We did not have land. We had only 250m square land. The house was very old, built since the King Zog period, 1930. We had no other chance. All the community left the village and we could not stay on our own. We moved to Kamza for a better life, close to our former friends and neighbours, but we are living in a unbearable situation instead".

Migrant, Bathore, May 2008

Before 1990, Albanians were no free means of acquiring land. With democracy, the flow of locals to the cities was and has been too large for services planned for a small number of people. The unofficial occupation makes them lack support from authorities for the provision of basic social services and infrastructure. After 1990, in Kamza area, the migrants accessed land and built their houses on their own with no title or official permission. With the help of Co-Plan they have acquired some basic services. Migrants and land developers often responded to rising land prices by claiming as much land as possible, constructing houses for their own families and then for sale to others, and upgrading their own houses as capital was accumulated (Felstehausen, 1999; Childress, 2006: 124).
7.5 The Form of Land Development by Illegal Settlements: Differences between Tirana City and Kamza

Interurban politics in Tirana city region cannot be separated from national politics. Power relations between central and local government still influence local politics in Tirana city region. Because of the continuous conflicts around property rights in suburban areas in Tirana city region, there still does not exist any 'growth coalition' to influence local development policy. Conflicts are more common between government agents, politicians and developers than between developers and residents, including migrants, in response to the impact of regional economic restructuring and regional politics. Analysis of the daily lives of poor residents and migrants in Kamza help to develop a better conceptualization of place-based power relations. According to Jonas and Wilson (1999:13):

"A crucial factor in determining whether "local" (i.e., national) conditions are conducive to the growth machine is the extent to which in any given context land is treated as a commodity."

Recently in Tirana city tenancy, rent control, extensive private ownership is helping the transformation of urban space for the private gain of any future growth coalition. However, the decisive factor in land use change is the capacity of centralized authorities and politicians to influence local economic development. Developers and local government agencies in Albania are still not been able to make a deal and encourage growth.

In the US context land use is decentralized and the national judicial - political system encourages private land development for private profit (Jonas and Wilson, 1999: 10). In Albanian case, land use is centralized and the national judicial political system does not encourage private land development for private profit. Local government, which has a revenue stake in land use, in turn cannot influence the distribution of recourses in Tirana city region because of the continuous barriers from central government. One developer, in Tirana said:

"Up to 1999 local agencies played an important role in urban development and provided us with many building permissions. To some extent developers started to be competitive with each other. During 1999 and 2001, due to our
cooperation, Tirana council managed to recover some of the public space in parks and river banks. After 2001 the clash between central and local government influenced our initiatives."

The Kamza area provides land use and exchange for developers’ interests. But the absence of legislative and fiscal conditions prevents land development interests to be tied to this locality. One developer in Tirana said:

"I cannot invest and set up a villa complex in Kamza where there is no infrastructure and short or medium term urban planning. Another reason is that Sauk (a suburban area – west part of Tirana) has a mild climate, fresh air, and still there is some land left".

An urban property market and the construction sector have emerged quickly in Albanian cities. The large-scale construction of high rise buildings in Tirana is completely transforming the city’s structure. But at the same time informal settlements have proliferated around them. Land remaining in state ownership has often been treated as “unowned” leading to illegal occupation (Kelm, 2000; Childress, 2006; Bertaud, 2006). After 1991, as a result of the free movement of people, considerable changes took place in the Kamza area related to the structure of land property and due to its demographic, socio-economic and urban development. In 1996, Kamza changed its administrative status of rural administrative unit. It was renamed a local Administrative Unit with the status of a municipality and included in the Greater Tirana District. Since 1996, Kamza is administratively divided into the Urban Centre (City), the Bathore administrative division and the five rural administrative divisions: Valias i ri, Laknas, Zall Mner and Bulcesht.

Before 1994, the residents of Kamza had access to large areas of land still not occupied. During the communist regime, this land was owned by the state, which planned to use it for agricultural products for the capital city. During transition, parts of the hilly lands in Bathore were highly desirable for occupation and were gradually being occupied with illegal buildings by newcomers. The newcomers believed that they can use their properties however they wish and were given the chance for informal settlements.

In 1992, when central government planning and economic control ended in Albania, the popular reaction was to cancel the old system by removing social and legal constraints on
owners, workers, and merchants permitting widespread chaos before new community organizations could be empowered (Felstehausen, 1998). At this moment, there does not seem to be any regulations for land subdivision. Yet, land subdivision regulations are essential for urban expansion in the city periphery.

The urban growth areas at the fringe of Tirana and the challenge of upgrading them to fully serviced urban land were daunting. Kamza municipality worked together with NGO organisation of CoPlan and the Urban Land Management Project on ‘Urban Land Planning and Site Upgrading’ (Pengu et al. 2003; Work Bank, 2007a). They attempted to offer a set of service upgrades (roads, water, sewages) in exchange for user fees, but the programs were plagued by the very lack of documentation on ownership necessary to hold individual property holders accountable for fees (Childress, 2006: 125).

In the north and west of the Tirana city region land recipients (residents) of Land Law 7501 illegally sold assigned parcels to new migrants and urban speculators seeking building sites. These actions took place without urban planning, street layout, or infrastructure investments. Water and electricity were stolen from the public grid through illegal taps (Felstehausen, 1999; USAID, 2003; Pengu et al. 2003, Bertaud, 2006). This was a general panorama of an informal settlement and how people managed to deal with it. Furthermore, according to Felstehausen (1999: 15):

"Persons claiming land in the suburban growth zones of Tirana have converted more than 200 ha of lands of housing and commercial uses per year since 1994. Each individual family or merchant finds space, buys out or forces out competing claims, and makes his/her physical presence known by building fences, foundations or whole structures."

Later on these ‘speculators’ sold and exchanged their properties with the latter migrants. All of this is making the emergence of an organized ‘growth coalition’ even more difficult.

7.6 Property Rights – Legalization vs Urbanization

The processes of the re-regulation of suburban land development in the Tirana city-region were examined focusing on the strategies of respectively, recent migrants and residents, local
authorities, ex-owners and developers. There are investigated how these strategic actors have responded in different ways in the issue of entitlement of property rights to legalisation vs. urbanization or any linked approach and mediation between them. Legalisation, from the perspective of migrants and local officials' categories, is seen as an instrument that will bring back to the local economy to these areas. Illegal settlements are considered as economic engine for cities. However, more research is needed to develop further thoughts on the pattern of legalization and its impacts on property rights (Andoni, 1998).

The repeated fieldtrips in Tirana city region and in Kamza gave the chance to observe how an informal settlement is being regulated to a formal one and the conflict and tensions involved. The investigation of different categories' perspectives shows how these strategic actors responded in different ways to land restitution and legalization in the Tirana city region.

7.6.1 ALUIZNI and its Impact on Legalisation

The illegal settlements established around the major cities in Albania are second cities attached physically to the original ones. They have very scarce public services, difficult access roads and schools, or other social services. However, they have decent, stable and adequate shelter. Legalisation is one of the political priorities of each national government (Andoni 2004: 4). One of the difficulties related with the process of legalization is linked with the fact that in Eastern Europe there are no examples that can be studied, or the examples are not sufficient to draw many conclusions. While the examples from developing countries might be misleading, the situation in Albania differs at large (Andoni, 2004: 5).

Informal properties cannot be recorded in IPRO because they are technically the result of illegal transactions. The law on the legalisation and urban planning of informal zones was approved in October 2004 in order to allow the persons holding ‘illegal’ land and building rights to legalize their status. The outstanding issue of restitution and compensation has caused resistance to the land registration process in the coastal zones (Wheeler, 2003; USAID, 2007: 9). Initially local government was in charge of implementation of legalization. Lack of trained staff made the central government establish a new agency, called ALUIZNI
(Agency for Legalisation and Urbanisation of Informal Settlements), which is responsible for coordinating the legalization processes and issuance of certification of ownership (Andoni, 2004 and 2007: 13; World Bank, 2007a: 12). This section provides a critical analysis of various dimension of legalisation versus urbanisation with respect the main categories of migrants, ex-owners, local authorities.

7.6.2 Legalisation and Migrants

A law for legalization of illegal settlements and construction was passed by the Albanian Parliament in 2006 to support the legalisation process of informal developments and all those subjects, who have unauthorized buildings, are obliged to declare them. The urban planning office at the local government unit is obliged to accept the declarations for a period of four months. The documentation during the self-declaration process collects and delivers to the office of ALUIZNI to examine for the purpose for issuing the legalisation permit.

Table 7.3 below shows different data of the current situation relating to population, area occupied from migrants, self-declaration on object legalisation ready for the implementation of legalisation in Kamza.

<table>
<thead>
<tr>
<th>Area (ha)</th>
<th>Self-declaration on object legalisation (no)</th>
<th>Family household (no)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bathore 1.2.3.4.5.6.7 + Bulcesh</td>
<td>513</td>
<td>5100</td>
</tr>
<tr>
<td>Kamza centre</td>
<td>536</td>
<td>2800</td>
</tr>
<tr>
<td>Frutikulture-Zall Mnerr</td>
<td>209</td>
<td>19850</td>
</tr>
<tr>
<td>Laknasi</td>
<td>424</td>
<td>1330</td>
</tr>
<tr>
<td>Vallas</td>
<td>687</td>
<td>1420</td>
</tr>
<tr>
<td>Kamza municipality</td>
<td>2368</td>
<td>12500</td>
</tr>
</tbody>
</table>

Source: Co-Plan, 2002

The data in Table 7.3 show that since 2002 most of migrants’ documentation of self declaration is compiled in the urban planning office in Kamza with Co-Plan assistance but
still this process is ongoing. The table shows clearly that already 90% of migrants filed the
documentation of self declaration. Initially migrants were feeling positive for legalizing their
illegal buildings. However, recently the interviews conducted in Kamza confirmed that most
respondents feel hopeless about legalisation’s implementation.

“We feel tired and not interested any more in the legalisation implementation
and do not trust media and papers at all. We think press is writing only for
filling pages and selling papers”.

Migrant, Bathore, May 2008

Some of the officials were not optimistic with legalisation at private land in Kamza. One of
them expressed his opinion that:

“Legalisation process in Kamza would only happen in state owned land, such
as Bathore, Areas 1, 2, 3, 4 were state-owned land, and the problems there
are solved. Titles, plots are divided. There are serious problems to implement
legalization on the private land. There are more challenges relating to Land
Law 7501.”

Most of migrants’ unanimity was for legalization. However they show some anxiety about
the implementation of legalisation. One of the migrants expressed his opinion that:

“The land/property issue is an acute problem. If the government does not
hand the problem it can’t be sorted out or implement the legalisation process.
What the politicians are saying is rubbish. Make first legalisation, and give
money back to the ex-owner and solve this problem”.

The other one stressed the point above:

“In my opinion, the best for migrants is legalization first and urbanization
next. The problem is that government is weak and I am not very optimistic.
Also the people are poor, and have imposed a tax, fee. Old Lek 3 million for
300-350 m² plot. If people will give cash in hand, the state can compensate a
part of the owners, but I have no money. Once I’ve bought land, built my
house, I have no money left, no job, nothing at all”.

Male Migrant, Babruja, March 2009

Furthermore, for most migrants even Old Lek 3 million for legalization was too much and
most of them showed dissatisfaction.
"The migrants can't afford to pay Old Lek 3 million right away and the government is not keen on that. The government has to wait 10-15 years, which is worthless".

Male, local official, March 2009

7.6.3 Comparison of Migrants and ex-Owners

Childress (2006: 127) argues there are negative effects on the security of property rights, especially in areas still claimed by former land owners. The interviews described above could have potential different impacts: An important issue relating to ex-owners was still a high level of skepticism regarding land ownership problems. Economic and social factors form part of the complex web of property issues that determine the implementation of legalisation versus the urbanisation process but they are not the sole determinants. Political factors as well are included. Field data showed that property rights have been used politically for ‘vote capture’ for a long time usually in informal settlements, but particularly in Kamza case study. The political usage of property rights in Kamza can be conceptualised as being direct and indirect. Property rights issue helped the political parties in power historically to capture the majority of votes, promising the migrants to sort out the ownership’s issue due to legalisation. In a question to find out the reasons why ex-owners prioritised the urbanisation vs. legalisation the following respondent said:

"The government has to prioritise the legal form of land first, compensate in physical and cash compensation the ex-owners and then carry on with legalisation".

Ex-Owner, Tirana, March, 2009

On issue of legalisation vs. urbanisation, it might be concluded that interviewee attitudes are going smoothly towards ‘linked approaches’. It means ex-owners’ attitudes about restitution have changed. Up to recently, ex-owners insisted for their land claims and the legalisation issue was seen as an undesirable solution from the ex-owners’ point of view. However,

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34 Throughout Albania people living on the fringe of the big cities are frequently referred to as "migrants/newcomers". During the course of research it became apparent that this term was not entirely accurate description. This qualification is being fully descriptive of their particular situation. Accordingly, the term "migrant" is used.
recently a high percentage of ex-owners have small claims based more on cash compensation than for return of the actual properties. One ex-owner and official in Tirana claimed:

"Honestly, up to recently we desperately wanted our own properties back. We couldn't accept newcomers take and exchange our land for granted. Already two decades are gone and land laws are still suspended. In this context, at least we want some compensation in cash. However, we are not even optimists for compensation in cash".

7.6.3.1 Legalisation versus Urbanisation - Local Authorities’ Views

It has been 15 years since settlers built homes in Kamza, and building continues. The fundamental issue of legal status of those settlements has not yet been addressed (Andoni, 2003). A majority of officials believe the government has to find a balance between migrants and ex-owners. As migrants are in majority the only solution is the middle approach and put the legalization and urbanization in balance. Based on their perceptions, the objective is how to bring the existing buildings into compliance with construction and land use standards and legalising them under the administrative law.

Indisputable property documents are unusual in the large areas of informal housing which arose around Tirana since 1990. The supposed land owning class from pre-communist (Zogist) days has attempted to recover their lands. It would however be both impractical and unjust to demolish informal housing, much of which goes through a process of improvement and has attained a good quality. A local official in Justice Ministry in Tirana said:

"The newcomers are majority in Albania, and the government has a certain obligation. There is not a simple process, but a very complex one".

Male local official, Tirana, May 2008

Even though the owners are dissatisfied by legal law of legalisation, some of local officials argued a need of a kind of ‘sacrifice’ for migrants’ sake. The same respondent continued:

"The legalisation process still persists. If the legalisation issue is good or bad, I think it is good. Government takes the responsibility for migrants. Obviously, some (ex-owners) may suffer, but the government looks after the majority (migrants). As illegal settlements are spreading out the half of Albania, the government must choose this way."
Some local officials and migrants as well, working for a long time in local government in Kamza insisted the government must defend the rights of all citizens in balanced way, including ex-owners. One male respondent said:

"The state should get a solution, and perhaps 'sacrificing' ex-owners, but ex-owners should be compensated at least in cash. But the migrants are poor and is still a puzzle how the government will get money for ex-owners".

The same respondent said:

"Occupiers (migrants) should pay compensation to land owners as the price of legitimating. Rules are needed in law to fix upon such repayment, the occupier would become the owner, and the bank would hold the title deeds to the property as collateral for the loan".

7.7 The Geography of Local Property Knowledge

Lefebvre (1970: 177) cited at Brenner et al., 2009, argued the ownership of land, whether or not it has been built on, it is of feudal origin. During Fordism, landowners tried to mobilize title of land and one of the great extensions of financial capital is the mobilisation of rent and real estate wealth. One of the objectives of neoliberal strategies is the entry of the construction sector into the industrial, banking and financial circuit. In Albanian case, even in the millennium the property rights and land development policies are still not accomplished. During the socialist system, the ownership of land and entire term ‘property’ was an abstract idea. The privatisation reform during the transition period helped different actors to understand the importance of property and how to manage urban living space in different ways. On one hand, local government did not take measures to promote urban planning, land market development, and growth coalitions. On the other hand, state law On Land did not mandate legalisation implementation and restitution, which could mobilize local land use and its development policies.

It can be argue at that much of land development was poorly planned, with minimal provision for basic infrastructure and services. What this meant in practice was that, in order
to get involved in the free market and mobilize the title of property different actors have to actively participate in land development and moulding their urban living space even though law and regulations on property ownership and land market are suspended. The analysis of suburban development in Kamza based on the data collected through field observations and interviews with local actors, migrants, residents and ex-owners showed how local property knowledge differs from different practices and experiences of different actors, on one hand, and how the knowledge of property helps their understanding of it, on the other hand.

Most migrants explained in detail how they moved and settled in Kamza area and how they provided title from the legal owners. To some extent, Kamza area produced an interconnected geography between remote north areas and central and south ones. However, a considerable number of them in the period between 1994 and 1998 got the land from forceful occupation of unwanted or neglected land in Kamza area. Most migrants and residents used to use their land as a basic shelter. One male migrant, settled in Kamza since 1995 stated:

"After 1990 in our remote villages we found ourselves without job and affordable livelihood. This led to squatting on vacant state or private owned land in Kamza. Deprived from land ownership more than four decades, we thought we could use the land however we wish. Before we used to be selfish and did not care too much about our neighbourhood. In this context we were not thinking how to make a vivid interurban landscape and build up neighbourhood but only how to build a house as a shelter."

However, recently they started to realize something was wrong and missing in their landscape and neighbourhood. Securing title to property was important. Having a shelter and a piece of land was not enough. They wanted to mobilize their properties via participation in urban land development. They are conscious that awareness of the rules and regulation will help in growing use and exchange of their property. The same male migrant continued:

"After 2000 our attitude about property started to change. Before we used to build a house in an empty land and we hardly asked 'what's next'. Recently, we started to understand that if our land is not registered officially and get a title of it we can't have access on land transaction, infrastructure, electronic post, etc."

Male migrant, Bathore, March 2009
With 'what's next' the migrant wanted to say that in the past they did not pay attention and asked for any existing planning regulations or go to urban office and provide information about area's zoning plan. Between 1995 and 2002, most of migrants considered the right to occupy and use land more important than the legal ownership. However, after 2004 Law On Legalisation of Illegal Buildings was passed and throughout the country was the willingness to pay for legal tenure of land. Another male migrant stated:

"In 1995 the first squatters' buildings were widespread on former state farm land of Kamza. Initially, we built up a very simple house. With remittances provided, we could gradually improve our settlement ensuring basic services. In 2004 Law on Legalization of Illegal Buildings was a good chance for upgrading our settlement and we are likely to be the legal owners of our shelters."

Migrant, Bathore, March 2009

Housing and property patterns, not surprisingly, are structured by social polarization making a difference even between migrants: those who settled after 1995 and those so called 'newly' migrants after 2004. Cheap, poor conditions of houses built by migrants before 2000 now are being allocated to 'newly' poor migrants. This will be explaining more in detail in chapter 8 as a survival mechanism. Illegal acquisition of land through migrants' neighbourhood influence has been a major source of insecurity for those migrants not having clear title to their land. The resulting insecurity has created anxiety and they desperately want to allocate in a legal way. One male migrant moved to Bathore in 2006 stated:

"Everyone left the village and we could not stay on our own. We moved in Kamza for a better life and to stay close to our neighbours. As no land left, we are obliged to rent the houses used as a shelter from our friends before 2000. The existing conditions are very basic and we feel more like refugee than a citizen. We started to realize that without a clear title of property we don't have access even to social benefits."

Migrant, Bathore, May 2008
7.8 Conclusion

Although Albania is faced with political, economic and social problems, important steps have been achieved in moving the country toward a market oriented economy. The steady progress made in completing and implementing privatization laws have combined to provide an entrance into the global market economy (Childress, 2006).

Land and property reforms have played a major role in transforming the country’s post socialist economic life during the last two decades. However, the land reforms have not been a ‘bottom up’ process. The findings from different categories showed that several changes of the land policy could not shape local strategies to land and property development in Tirana city region. It further can be argue that capitalist form of urban development has not yet occurred due to the lack of planning and submission regulation. The government and different actors must play a stronger role in urban and regional development. Nonetheless, urban planning is not functional, as evidenced by the uncontrolled settlements around Tirana and Durres (Childress, 2006: 126).

Some livelihood problems are found to be interlinked. For example, restitution and legalization of illegal buildings’ implementation are major issues. Already six years have gone by and still the promises of legalization of illegal buildings and restitution process have been far from positive. Reforms to land use planning, legalization, and restitution have been patchy. The poorly developed framework of legalization’s implementation is a particular problem for migrants’ category that has delayed solving property right related issues. This situation reflects the exclusion of migrants who suffer more from conflictive problems due to unfinished agenda of urban land market. Childress (2006: 127) argues there are negative effects on the security of property rights, especially in areas still claimed by former land owners. However, the local strategies of the interviews categories relating to property rights are going smoothly and their local knowledge of property is shaping their understanding of livelihood. The next chapter addresses livelihood strategies in more detail.
8.1 Introduction

Following Sykora (2007, 2008), socialist society was considered a temporary phase in the transition to a classless communist society. Socialist ownership (state and co-operative) received explicit preference over private ownership. On the individual and family level, the allocation of resources was governed by needs declared by the state. The administrative allocation set standards and regulated price levels. Post-socialist transition does not proceed in vacuum as the replacement of one reality with another. It is a highly complex process that reformulates the existing institutions and creates new structures. The socialist propaganda of collective will was replaced by individualistic choice in a consumption oriented capitalist city. Sykora (2008), writing on urban development trajectories in transitional economies, examines urban and suburban development in its own particular political and economic contexts. Zakout (2007) likewise stresses how the Czech Republic, compared to Croatia, has secured property rights along with an efficient and transparent land management regime, creating well functioning land and property markets. These in turn, provide incentives for local and international businesses, households and individuals to invest in land and properties.

The post-socialist transition is a broad, complex and lengthy process of societal change. Smith and Stenning (2002) discuss household and community practices for managing increasing social exclusion in post-transition economies. They focus on the strategic role of households in such practices, and on identifying ‘geographies of practice’. In transitional urban economies of South Eastern Europe property rights relate to the use, exchange and regulation of urban and suburban space. There in turn reflect on the complex ways in which livelihoods are secured. This chapter presents the findings from the empirical question derived, which investigates to what extend land development is generating local property knowledge and livelihood strategies at the urban fringe of Tirana and how recent migrants in
Tirana city region use access to property as a means of securing livelihoods in the suburban area of Kamza.

The main findings are as follows:

Migrants develop a range of livelihood activities to enable them to cope with the challenges of living in Kamza. However in a transition context these challenges are made more difficult by contradictions around property rights. Although people in transitional economies have increasing access to private property, there are also pressures to regulate property which creates tensions around those livelihood strategies that depend on ownership and access to property. Usually in developing countries low and middle income people could not cope with livelihood problems and they were found to prefer government of action to solve such problems. However, limited governmental oversight to land development and minimal involvement of financial institutions buttressed different actors in Kamza area to apply diverse practices of land subdivision and house building. This chapter examines the complex ways in which property rights in transitional urban economies of Tirana city region relate to survival mechanism. It concerns the underpinning role of property knowledge in shaping livelihood strategies in Tirana.

From the empirical analysis of local transition stories in Kamza area, the perspective/perceptions of long term residents, recent migrant, and ex-owners were examined. A range of questions were considered, such as the motivation for choosing Kamza area, recognition of the inevitability of tensions and conflicts entitling property rights and gender division of labour. Residents and migrants struggle to make claims on private property and livelihoods. Specifically, recent migrants through self regulation and later through legalization exercised their property rights and at the same time garnered knowledge of such rights. I will investigate in particular how access to property in Tirana City region is affecting the strategies of migrants and residents to secure livelihoods in the city.
8.2 Property Rights and Livelihood in Tirana City Region

As we know in chapter 3 urban change in Albania is associated with the geographic redistribution of population. There has been a significant migration towards suburban areas, especially around Tirana city region and to the western coast of Albania. This has resulted in a regional differentiation in housing construction activity with booming suburban areas. In Tirana city region, including Kamza Municipality, the intensity of housing construction is nearly three times higher than the national average (INSTAT, 2006). Much of this construction is by individual households contributing or improving properties and access to what has been secured.

In Albania liberalisation 'on the ground' were indicated by a belief in a free market political economy: deregulation, privatization and the apparent withdrawal or abstinence of the government from intervening in everyday life. The diffusion of state power was superficial. The eventual emergence of the illegal settlements in Kamza area was a product of unresponsive state government to the needs of migrants (individuals and communities). Lack of access to property for recent migrants was becoming a serious obstacle to sustainable livelihood and limited opportunities for a normal life.

While some cities lose population through migration, small municipalities gain it. During the transitional period (1990-2005), different types of migration flows were observed. Gender is a crucial factor. Overall men predominate in migratory flows, including labour migrations, from North Eastern part of Albania towards Tirana city region, West Coast, and abroad. In general the level of migration toward the urban labour market varied geographically. Most of the migrants settled in Kamza were from Tropoja, Kukes, Mirdite, Mat; these composing the largest group of migrants.

From 1990 to 2005, nearly one third of Albanians -- many from the north east part of the country -- left their homes and land for a better life in the western part of Albania. At the beginning of 1997, the population in coastal areas was 2.4 times higher than in 1960. In 2005 around 54% of Albania’s population lives in the coastal districts, including Tirana City Region (INSTAT, 2006). One of the reasons why migrants left their own land was the implementation of neoliberal policies after 1990, which contributed to the reduction of
investment in job training and professional development, eventually resulting in severe shortages in north eastern part of Albania in many social and welfare occupations.

One of the side effects of this migration is the appearance of an illegal settlement, a pattern not untypical of cities in developing economies that have undergone rapid development process (Santos, 1977). From an economic perspective, the informal sector is important for both the allocation of resources and the impact on individuals’ welfare. This recognizes that the primary reason to start with research on the informal sector in developing countries was related to the problems of mass poverty and unemployment (Gerxhani, 2004).

Suburbanization itself can become a major problem. The compact character of the former socialist city is being changed through rapid commercial and residential suburbanization that takes the form of unregulated sprawl. New construction of suburban residential districts is fragmented into numerous locations in metropolitan areas around central cities. The appearance of ‘fuzzy edge city’ is mainly related to the political, economic and social institutional causes of transformation from centrally planned into free market economies (Carnobell and Gerxhani, 2004). But unlike ‘edge cities’ in North America and Eastern Europe, there are not the result of large scale private development. Instead the ‘edge city’ in Tirana represents an informal settlement created out of fragmented property rights.

The informal nature of suburban development was a way of securing property and access to livelihood (Bertaud, 2006). It is expected that new suburban spaces of re-regulation reflect the interaction of Albania’s inherited legal and administrative structures with new pressures of land development under a free market system. Gaining access to property has given residents and migrants a stake in how their communities deliver and therefore property and land use regulation becomes a way of consolidating livelihoods. The livelihood is being achieved through the use of a number of strategies. The Kamza area is indeed a product of neoliberal approaches yet the mutual and beneficial coexistence of migrants and residents is a hallmark of continuity and civilization.
8.3 Property Rights' Impact on Livelihood Activities

According to Sykora (2004) who has conducted work on socialist cities in transition, the spatial mismatch between the location of jobs and residences, contributes to increased travel toward metropolitan areas. In the Albanian case, the only solution for poor people was the alteration of condominiums (built during the Communist system) and illegal building after 1992, a trend that spread mainly throughout the country. Because of the free movement of population and unregulated land development, the suburban zones of Tirana have taken on a totally new character. Agricultural land uses have given way to housing and building. According to Aliaj et al. 2003:

"The great demographic increase of urban zones following the political change resulted in the enlargement of urbanized areas and the deterioration of the environment in Albania due to the construction of innumerable buildings."

According to preliminary results from a UNDP -backed diagnosis of the country’s economic and legal systems by the Soto’s Institute for Liberty and democracy (ILD)35 between 80 and 90 per cent of property and business assets in Albania are 'extralegal' - outside the formal economy. The construction boom is now subject to greater regulation: illegally constructed buildings in central Tirana have been demolished over the last few years and planning requirements are being enforced to a greater extent than in the past.

Securing property rights is an important part of the new regulatory context in suburban areas of Tirana. According to World Bank, 2007:

"Secure property rights along with an efficient and transparent land management regime are fundamental for creating well functioning land and property markets in Albania. These in turn, provide incentives for local and international businesses, households and individuals to invest in land and properties."

However, for many people ‘property rights’ is an abstract concept. While private property is an important precondition for exchange in capitalism, exchange occurs in different concrete context (or particular places). This chapter examines how the abstract idea of property rights

is grounded in different knowledge practices in urban and suburban areas of Tirana. Such practices utilize access to livelihood strategies.

8.3.1 Property Right – Livelihood Strategies in Kamza

The interviews were to gather information about particular characteristics of urban development, focusing in particular in the regulation of private property and how property ownership influences the securing of livelihood in the city.

1 Long term residents

This category has been in Kamza for a long time of period. Law on Land 7501 provided them with land distribution. Because of the unclear of Land Law and in order to make more profit, most of residents used their plots and sized land for exchange to the newcomers.

Average education tended to be higher among the residents in Kamza compare to migrants settled after 1993. However, because of unemployment, majority of the female respondents occupation as housewife was ranked the highest followed by business and service.

2 Recent migrants

Recent migrants are considered the migrants set in Kamza after 1992. The reasons for moving were the isolation, poor living conditions and insufficient infrastructure. They moved to Kamza to secure a better life. A male migrant said:

"In my village there is no job at all. My village is the remote mountains. During the cold snowy winter, 4 months every year we stay indoors work only 5 months. The winter is very long and we need food to feed our children. In socialism we had primary and secondary school. After 1995 we had nothing at all, even a surgery. If you need a painkiller, you should walk 6 hours to go to Kukes downtown to a chemist, otherwise you may die".
The most common occupation among migrants' is housewife. This is partly because of the culture, but also relates to unemployment and livelihood. The following is an interview with a householder, who refers to a division of labour in the household.

"I have already 500 sq. metre land. I use my building only as a shelter. My wife is housewife and look after children. I have only 50 sq metre land left and it is not enough to deal with planting and gardening. On the other hand I think, is worthless to spend all year planting vegetables, as you can buy four kilos cucumber for Old Lek 1000. There is no profit at all."

Male migrant, Paskuqan, March 2009

This shows that agriculture does not give these families enough income to survive. According to gender issue, male migrants are mainly engaged in the business and service sectors. The unemployment rate is also highest among the people who live in lower income neighbourhood. However, some female migrants sell and run a small business in Kamza.

8.4 Property Rights and the Livelihoods in the Urban Living Space

The following sections will identify the main problems experienced with property rights issues. The analysis here focuses on the four major issues identified based on the responses of interview respondents. Summarising the main problems relating to property rights will help to understand the causes, consequences, and coping strategies of different groups of respondents.

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This shows that agriculture does not give these families enough income to survive. According to gender issue, male migrants are mainly engaged in the business and service sectors. The unemployment rate is also highest among the people who live in lower income neighbourhood. However some of female migrants because of tragic issues in their families used to sell and run a small business in Kamza.
8.4.1 Property Rights and the Politics of the Urban Living Space

The following sections will identify the main problems experienced with property rights issues. The analysis here focuses on the four major issues identified based on the responses of interview respondents. Summarizing the main problems relating to property rights will help to understand the causes, consequences, and coping strategies of different groups of respondents.

1. Illegal Widespread Buildings

After 1992, many buildings were obviously set up without urban planning. The widespread construction of illegal buildings is appealing. As the result, overcrowding and congestion of these buildings is a common problem to most of the community in Kamza area. It has intervened conflicts around the urban living space. Overcrowded has led to air pollution and neighbourhoods' dissatisfaction. A student migrant in Bathore said:

"Recently the population is getting increased rapidly and I think the air pollution is getting worse than 10 years ago. In 1998 Bathore area used to be a quiet and clean. Now Bathore is very busy and noisy area. There are too many houses built, roads or demolition and people don't apply health and safety instructions. I have an appeal for local government to implement new infrastructure project on time and for people to carry on their construction work early in the morning avoiding pollution".

An ex-owner respondent stated that during transition period the weak and complex nature of land law led to unsolved problem of property ownership rights. As the result the occupation of Bathore land/area and widespread buildings in a very short time is leading to a real 'cacophony' and followed by several conflicts.

"The newcomers settle in Kamza area, especially in Bathore with no infrastructure and urban planning. Bathore area was a hilly agricultural zone with open free lands. The houses were widespread with such a high speed and followed at that time by several conflicts. I have some concrete examples. 2-3 households have their houses close to each others. Some others have their houses a bit further and all of them have a common narrow lane. One day one of the households blocked the entry way, leaving the other houses without access to common lane."

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Furthermore, an ex-owner and resident as well from Tirana city insisted there is a widespread of illegal buildings because of the continuously laissez passer approach of government toward illegal buildings.

"In 2008 and yet the road system is half done in Kamza area. In Bathore no one knows where the road axis is. Usually we use Bathore area as a bad example. For example, if we see somewhere any messy construction area we used to say – This is like Bathore. There are some quarters in Bathore with no road where to get through. I will give you some of the strangest examples, such as crawling/jumping over the walls because there is no road access. So people are still struggling for walkways."

Official resident, Tirana city, March 2009

Or another example:

"My friend during his fieldwork in Bathore told me he saw a person with a small poster – ‘Pay old Lek 20 to have access on the road’. To my opinion conflicts are growing and aggravating. We have conflicts between recent migrants for a piece of land or even fence. They hardly tolerate each-other. The property ownership in Albania and especially in Kamza area and is an immediate issue. Legalization is still at the halfway”.

Academic ex-owner, Tirana city, May 2008

Although overcrowding is part of lacking urban planning in advance, it is assumed that unsolved problem of property rights has lead to increased overcrowding and conflicts in Kamza area.

8.4.2 Infrastructure Provision

One serious and frequent problem is the provision of electricity. This issue does have a bearing on the question of property rights. During communist period, Kamza used to have a sufficient energy supply. After 1992 an increasing number of illegal buildings throughout the Kamza and Bathore started to use illegal connection, and theft by metered consumers led to shortage of power supply, system loss of electricity, and insufficient collection of bills. As the result, the respondents are continuously facing with electricity cut off.

"The problem is that there are some irresponsible people, who don’t pay the energy bill even though they can afford it. We are in transition and people think we should destroy everything from the past, socialist system, as part of
their revenge. So, we are unconscious and destroyed things we built ourselves. The electricity network was originated from socialist system, but we were and are the beneficiary. However, we thought if we destroy the electricity system we were not going to pay the energy bills. We had a wrong perception about democracy and thought it means only freedom and no obligation at all toward our society and government. Now, we are carrying the electricity bills from several years ago and we cannot afford them to pay."

Female resident, Kamza centre, May 2008

"Recently we have access on road but we encounter with some other problems such as energy supply and drinking water. I know the electricity network cannot supply enough power to such a flux of the newcomers."

Male migrant, entry of Bathore, May 2008

"The electricity supply is a real concern in Kamza, because it causes other problems too. Our children cannot perform their studies and our running water pump and our business is interrupted when electricity goes off."

Female migrant, Bathore, March 2009

Some businessmen residents and migrants are accustomed to using a variety of alternative methods coping with electricity strategies. Some of them were found to be using modern equipment, such as charger. Some small private companies or restaurants use small power generators.

The residents and migrants have been struggling for access to basic services for a long time. They are conscious that it is not up to local government. This is a widespread problem and only national government and private sectors can be involved. Nonetheless, they are not satisfied with inefficient enforcement mechanism of Kamza municipality. The respondents would prefer that municipality of Kamza intervene and improve services. What makes the residents and migrants especially unsatisfied are the lack of information about how to address problems. One businesswoman migrant said:

"One day I went to Kamza Municipality and complained about electricity. I told the local official I have elected you and you should respect me as citizen. I am very correct with electricity bill. All I wanted was to let me know as a citizen the time when I am supposed to have electricity. He told me that
Kamza had problems carried from the past. Later on I realized he thought I was complaining for energy as a businesswoman and not as a citizen."

Another issue is a high level of corruption and bureaucratic incompetence among the government officials. The same respondent continued:

"In my case as a business woman I have problem with electricity cut off. I complained direct to the mayor and I was told that even Kamza is using generator. I couldn't understand what that excuse. I wanted to say --Sorry, but you are public sector and I am private one. I bought the generator Old Lek 6.5 million. What kind of compensation I got from you? I regularly pay the energy bill and I use the generator as well. I pay every tax. The other small business should do the same. However, there is a great difference. For example: When the collection officer is in the centre, all the shops are closed and reopen again as soon as he left. Some small scale businesses don't care because they have some relatives working in Kamza council. The others give the official money cash. In this way, they don't pay any tax or bill. Their profit is 100%. In my case, the profit is 1/3 of them."

Despite lack of electricity residents and migrants try to find a solution to survive. In this case one migrant said:

"Despite being correct paying the electricity bills, we are the same with the rest of not paying and no energy supply for certain times every day. I have an extended family and in case of any disconnection we are trying to sort it out on our own. We decided that as a neighbourhood of 4-5 families to pay old Lek 3 million and provide our houses with electricity get from another power supply in Paskuqan. However, after a short time somebody stole our electricity cable. So, we have the same problem with electricity."

Male migrant, Kamza, May 2008

8.4.3 Job Opportunity and Unemployment

Subsequent changes in the built environment of the Tirana city region happened in the early 1990s when a number of administrative and economic institutions associated with the free market were introduced. One major outcome of this growth in population and changing administrative functions of the city has been the tremendous growth of commercial activities and the associated proliferation of shops. However, improving purchasing power and
standard of living as well as widening social divisions together with increasing exposure to new lifestyles has led to the introduction of a new form of commercial outlet, the ‘shop’. These ‘shops’ are small-scale distribution outlets, operated by residents and migrants usually by part-time traders operating within their neighbourhoods. However, some goods continue to be sold in the open traditional markets, which have impact on the visual appearance of the city.

**Migrants and Residents’ Responses**

It is often believed that the fragmentation of local government includes competition, which covers twice and comprises levels of service quickly. However, the research found some relationships between conflicts in the living place and public service delivery from local government. Field data revealed that service delivery from local government is not being fulfilled due to corruption and bribery. An owner resident teacher in Kamza said:

"I run a bar cafe in Kamza Centre and I pay every bill and tax. But the other shops are not doing the same. They give the tax collector cash illegally and don’t pay for energy at all. In this case I am the loser and the other one is getting his profit 200%.”

An owner resident teacher, Kamza, March 2009

The same teacher continued:

"Another problem that worries me is providing license to everyone equally, without any condition. I think this is because of corruption. Normally everyone starts a business depends on the money. A few months later, the collectors investigate ‘if you really fulfill or satisfy some criteria’ and if not you have to close your business.”

An owner resident teacher, Kamza, March 2009

The local residents have adapted local livelihood strategies to the fragmented character of Kamza’s development. Today local residents make a living by converting their houses into stores, shops, markets, and restaurants, taking advantage of informal access to building materials, infrastructure and roads. Yet, the majority of respondents indicated that they were unhappy with too many stores in the same area. A great number of stores in a small area brought a sense of dissatisfaction to the rest of the community. For example, one of the migrant respondents, a taxi-driver, was worried about too many shops ran in a small area:
"Our neighbourhood is a small one and still there are 20 groceries, butchers, 20 kiosks. We should buy to our own shops. There are too many shops selling items with the same price and with only a few customers. In a food store you can find smoking items, alcohol drink, fireworks, tools which is not allowed. The government must give permission; put some criteria to provide a license. In our area we need only one or two groceries and a butcher, one hairdresser."

A taxi driver, Tirana, March 2009

The data interviews revealed they were not worried about competition, but about too many shops 'spoils' a residential neighbourhood in some way. Another teacher from Kamza shared the same opinion:

"My mum has got a new flat at the Complex of Airport Field. When they just entered the new flat I remembered there was one condo grocery for each condo. Now there are five butchers in each condo."

Female teacher, Kamza, May 2008

It was found from the interviews that they were worried about their local living place. Almost all respondents mentioned the existence of too many retail outlets as the only 'business' to provide them some profit. Still, there are no techniques or policy to deal with this issue, which have been identified and implemented. The existence of too many stores in a small area is a very common phenomenon, and in response to my question of using their own garden or house as a shelter and as a retail as well, a migrant, motorcycle driver commented:

"I use the house only for shelter. There are too many shops around, unless to buy in my store, who else will do shopping?"

Male migrant, Bathore, March 2009

The student from Bathore confessed that everyone has right to run a business. However, he was worried that as a result of high inflation, too many shops cannot be in competition and prices are going up:

"There are 10 licenses for butchers in a very short distance and the same price. I think should be more competitive. Prices are going up and government does not interfere. I will give you an example. In my family I do usually shopping. One week ago I bought vegetable oil for old Lek 1150.
Two days later, it was up to old Lek 1500. Today it is old Lek 200. Another example, if you are a native, you have a drink old Lek 500 Lek, if you are foreign or a tourist you will buy the same drink at a double price."

A migrant, student, Bathore, May 2008

Migrants are not supported by national policies to get some profit from their gardens and get the family’s members involved. The migrants are happy to plant and use their own garden but the government was not implemented any policy to protect domestic goods and limit imported ones. In response to the question why his wife could not plant some vegetables, one respondent replied:

"It is worthless to spend all year planting vegetables, when you can buy four kilo of cucumbers for 100 Lek. There is no profit."

A migrant, Kamza, March 2009

The student respondent stressed:

"The only solution for people to survive is going abroad and work very hard. Only people with remittance can have 2-3 stories. If you don't have anyone abroad you can't have a nice house."

A migrant, student, Bathore, May 2008

The above views demonstrate many people used their shelter as a retail outlet, but struggled to make money from this as well, unless they were strong financially or having enough remittances (having one of their members abroad) to facilitate setting up retails or a two storey house. It seems that as a result of local governance fragmentation, livelihoods remain insecure in Kamza.

8.5 Livelihood Challenges and Urban Transformation

Literature suggests that successful livelihood strategies are dependent largely on property rights. However, in Tirana city region various tensions are revealed around property rights as, on the one hand, people seek to secure different livelihoods and, on the other hand, there are pressures to regulate suburban land uses. In 2008, World Bank enabled the regulatory plan of four cities in Albania, including Kamza. One big issue was how to deal with illegal construction. One resident official in Tirana involved with Kamza urban planning said:
“Migrants thought if land is state owned one, it means is free. On the other hand, fearing that one day the national and local authorities will destroy their houses, they began to build many storied houses. They thought that if the house was more than one storey would be impossible to break. In this period began to enter the competition of the others. They saw their neighbours’ many storey houses and wanted to build the same house as them, sometimes even bigger. So, mostly remittances used to be for construction.”

Since 2006, legalisation was a constant theme. Whoever I met would be saying - we can do nothing without legal property. The following section introduces the livelihood practices different actors use to survive.

**8.5.1 Self-regulation as a Survival Mechanism**

Self regulation and property knowledge in practice inform livelihood strategies in Tirana. Many illegal settlements in Tirana city region have beautiful houses but insufficient infrastructure. The government was unprepared and did not intervene on time. In the absence of municipal intervention, people turned to strategies of self regulation. One male migrant stated:

“We built what we could quickly, brought our family from Tropoja (northeast of Albania) and in the meantime we gave rise to the substantial settlement.”

One female widow migrant said:

“I bought the land from my former neighbour. I paid Old Lek 500 000 for 500sq.metre. When my family moved here there were only 2-3 families. While the house was building I stayed in my brother’s house. I have a brother who has a house close to me. I and my family stayed one year with him. We have road, but it is not asphalted. 3 elections gone and they keep promising us for road, sewage system, and energy and nothing up to now. As a neighbourhood we did some of the works on our own efforts. The road of Battalion (a quarter close to Mother Theresa Airport) is the worst road in Tirana. In my quarter there is a high School, Army department and they did nothing at all. What we call is self regulation, because we covered and leveled the road with granule. Even for drinking water system we collected money from 4-5 families. Each family paid Old Lek 300 000. When my husband died only one of my children gets a small social assistance of old Lek 100 000, which is insufficient.”
Women have additional burdens of child care. For some women, there is opposition from men to their participation in the labour markets. The only opportunity for women with childcare responsibilities to secure a livelihood is hawking and selling on table tops on the main road or using the rented shops. However, even from this business migrants struggle to get profit. One female migrants selling along the road Tirana-Kamza said:

"All my community left the village and we had no other chance. We moved to Kamza in 2006 and rent a house Old Lek 70 000. I and my husband are running the shop together. We rent the shop along the sidewalk Old Lek 350 000. We can't afford selling new stuff but we sell secondary clothes. I have seven children. I married two daughters since 16 years old, because we could not feed them anymore. One of my sons collects cans in the morning and in the afternoon go to school. There is no comment for our situation. People don't prefer secondary clothes and this month we can't afford even the rent."

Recently, it is observed an increasing economic value of landed property around urban areas and the prices kept rising. In 1995 500 sq metres was old Lek 5 million. The same land 10 years later was nearly 10 fold increase. One male migrant close to Bathore said:

"When I moved to Bathore I asked one of my former neigbour settled here a few years ago. He had some extra land and gave me 500 sq. metre. (1sq. metre = Old Lek 1000). In the very first year I built on my own a simple portable house. I went back to my village, brought my family back and all together built the new concrete house, while living at the hunt. I provided enough money from my part time working construction and some debt to my relatives. Step by step it took around one year to build the house".

In response to the question if they are using the house as a shelter or for running a business, most of them insisted they use mostly their buildings for shelter, except buildings alongside the main road. Inflation has affected trade as well. Respondents kept telling me that it cost those far more to cultivate a hectare of land than to buy the same amount of vegetables at the market. One migrant said:

"I use my house only for shelter. You can't use your house for shop. Everywhere you can see only shops. You should buy on your own shop. She stays home and looks after her children. Now my children are grown up but she still stay home. This is characteristic of men from northern part of Albania. We can't accept their wives to work, because we are fanatic. My elder children are in university in Tirana. There is not enough space for"
planting and gardening. I have only 50 sq. metre left. If I will try to plant any vegetable or fruits they need spray, poisons, compost which are expensive. It is cheaper and faster for me to buy 4 kg cucumber – old Lek 1000.”

Hawking and selling on table tops are the most common marketing strategies in Kamza. A majority of people opt for trading because it generates quick returns on a daily basis. On the whole, traders reported positive impact on income, trading has potential monetary benefits for their livelihoods. Most of my interviewee insisted:

“Hawking and selling on the table are the only choice for us, because we pay a small amount of fee. We can run business with a small amount of money and don’t risk”.

However, there are some more opportunities for members of the Kamza community to survive and have access for their livelihood, such as domestic (cleaning and care) and retail, hotel, which has been risen after 1998s. One female migrant responded to my questions as follows:

“Recently, as the result of polarisation, and the increasing number of poverty families, some women, even unwilling, have to work in the hotels, high towers, business buildings, schools, in cleaning jobs”.

Most of the migrants remitted by far large amount of money to build their own houses or business. There is rapidly expanding private construction sector, to a large extent financed by remittances. Remittance made up to half of the household income for 79% of households interviewed and it is a major source of financing for the Albanian economy, estimated at about USD 1.2 billion in 2005, equivalent to 13.4 per cent of GDP (UNDP, 2006). Albania also benefits from official transfers, estimated at USD 130 million or 1.5 per cent of GDP in 2005 (INSTAT, 2006).

The respondents were asked how many storeys are their houses and what the main functions of their houses were. Only the migrants with remittances could have a chance to have 2-3 storey buildings. The others could have chance only for one ground floor building. One student migrant in Bathore, in May 2008, said:
"Only families with somebody [working] abroad can have two storey houses. In my case, I have only one storey house, as our money is coming from working in construction sector, in Tirana city."

Other sources are state and private sector's employment, borrowing from relatives/friends, profits from business and securing bank loan.

8.6 Migrants: Becoming Urban Citizens

A big issue for migrants is whether their sense of citizenship and participation has been expressed by setting in the city. One of the issues of modernizing societies was to develop the local municipal government. Since 1992 the general situation regarding demography is characterized by an uncontrolled internal migration that has led to an explosive population growth in the capital region of Albania. There are relatively a high percentage of migrants that have moved in Kamza after 1994. The secondary data found that on average over 80% of the migrants living in Kamza had migrated from other parts of Albania. Using the migrants' interviews, this section attempts to show how property right issue enable or restrain migrants' mobility in Kamza. It will also consider whether constrains on mobility induce greater level of public participation and a sense of urban citizenship.

Even though people used to live in Kamza for more than a decade, the unresolved property issue and unemployment make them willing to move somewhere else, using Kamza as a spring board. Intra urban mobility was observed to be relatively high among the people living in the higher income compared to those in lower income. For poor people, lack of access to property is more often a threat, becoming a serious obstacle to returns and sustainable livelihood. However, there is a trend towards migrants who want to move from migrant status to citizenship. They desperately want to be considered 'real' citizens.

A lack of a sustainable livelihood makes people feel unhappy. One migrant said:

"I moved in Kamza for a better life. That's the reason I left my village. We are only 5 km from Tirana downtown, but we still don't feel ourselves as a citizen. My neighbour is still having a cow and tries to sell milk in Tirana, because we are very poor and this is the only chance for survival."

Male migrant, Kamza centre, May 2008
A female migrant expressed the same opinion:

"I have already three years in Kamza and I don’t dare to have a drink with my friends in the club. In a club you can see only men and they will look at you in a strange way".

Female migrant, Bathore, March 2009

"We never go out late in the afternoon, but stay all day home instead. The air and people in Tirana are different, even though we are only 5km away".

Female migrant, Kamza centre, May 2008

All respondents desperately need property ownership rights sorted out. According to different groups of respondents interviewed, they all share their same opinion. One resident in Kamza centre said:

"For us lack of access to property means we don’t have right to sell, to buy and have the rights to run our own business"

Samples like this show that poor migrants need guarantees of citizenship and property rights. During the transition period, the fringe of Tirana city region saw the re-instatement of a commitment to different actors in livelihood practices – including the strengthening of social-economic relations via self regulation, citizenship, and property knowledge.

8.7 Conclusion

This chapter argues that poor migrants and communities in Tirana city region have insufficient access to property and limited opportunities for a normal life and sustainable livelihoods. Specifically, migrants and communities in Kamza area have inadequate access to property and limited opportunities for sustainable livelihoods. Furthermore, it reveals the growing tensions between the regulation of land development and the availability of livelihood opportunities to suburban residents in Tirana. It shows how tensions are revealed around property rights as, on the one hand, people seek to secure different livelihoods and, on the other hand, there are pressures to regulate suburban land uses. Rather than a smooth transition to universal private property occurring, property rights at the suburban fringe are constantly made, remade and unmade by actual livelihood practices. The overview of the suburban experience in
Kamza area during transition emphasizes an evolving and complex geography of local property knowledge. Securing property rights is an important part of the new regulatory context in suburban areas of Tirana. Access to property rights is necessary to preserve natural resources, to control land use and to lubricate the free market. The findings from the interviews reveal that migrants struggle for property title and display a large set of livelihood problems when compared to residents. De Soto (2007) found similar outcomes in his investigation in Lima, in Peru. The low satisfaction with local governance and government in Kamza area and access to property right and livelihood confirm the deprivation of migrants’ category.

Childress (2006) confirms the importance of property ownership rights in the land market. However, as the result of a weak and complex legal framework recent migrants are exposed to a wider range of risk than long term residents, necessarily developing a wide range of coping strategies. Based on qualitative interviews, most of the respondents are found to have adjusted to the neighbourhood via survival mechanism. Local community has adapted local livelihood strategies to the fragmented character of Kamza’s development. Remittances are considered the major factors in mitigating major livelihood problems. The fact is that local residents and migrants with enough remittances make a living by converting their houses into stores, shops, markets and restaurants. Because of high level of corruption and weak law enforcement they are taking advantage of access to livelihood such as small businesses, building materials, and roads. In such a case, local government initiative should fulfill the community need via securing the property ownership rights.
Chapter 9

Theorising the Findings

9.1 Introduction

The purpose of this dissertation has been to shed some light on suburban space and its emergent politics in Albania during a period of transition from communism to free-market capitalism. As Stenning et al. (2010:3) argue, since the collapse of state socialism, various models of economic transformation have emerged across East Central Europe, and each in its different ways was committed to neo-liberalism. However, they go on to suggest (op. cit.) that “the narratives and legacies of the past articulate with contemporary processes of globalisation and neo-liberalisation in their particular manifestation as ‘transition’”. Moreover, as Brenner and colleagues argue, neo-liberalism touches down in different ways, in different places, but these ‘variegations’ are not ‘unruly and unpatterned’ (Brenner et al., 2010:189). Such approaches to understanding the variegated geographies of neoliberalism has tended to fire the imagination of geographers because of its focus on uneven development and the local remaking of the neo-liberal project (Stenning et al., 2010:36). As I discuss more fully in the conclusion chapter, however, the extent and nature of these transformation and the use of these theories to explore the transition and the urbanism in Albania remain open questions. In particular, I examine how well ‘transition theories’ of neoliberalism travel and to what extent they help reveal or suppress the variety of transition stories evident in urban and ex-urban spaces of the Tirana city-region.

Recent interest in transition economies and urban development has facilitated a growth in the range and types of theoretical models of transition, or so-called ‘transition theories’ (Peck and Tickell, 2002 and Stenning et al. 2010). Post socialist cities are a central part of the debate that contributes toward a growing appreciation of the complexity of the transition process. Although it has been well recognized in western urban theory that private property plays a key role in land development and in interurban competition, how these issues play out in transitional economies is less well documented. Moreover, how the politics of the living space matters in terms of
fostering and constructing local geographies of property knowledge is crucial in understanding the dynamics of the post-socialist city.

This research provided empirical insights into the practices and strategies of different actors in the living urban space of Tirana city region, in which are embedded various conflicts and tensions around specific sites at the edge of the city. This study has shown that tensions and conflicts entitling property rights have a strong link to the contested and political nature of the politics of living space of Tirana city region, influencing such issues as public participation, citizenship and livelihood strategies.

The wider context for these investigations is the possibility of identifying a new politics of urban development associated with the ‘free marketisation’ of the Albanian city. It has been suggested previously that the re-activation of local development coalitions could be producing new tensions and conflicts across city regions (Cox and Mair, 1993; Jonas, 1999). In the west, these tensions are understood to have been centred upon suburban land use, housing and infrastructure. For example, there are tensions between cities and suburbs around fiscal subsidies for new economic developments and land uses. However, in Albania new suburban spaces are associated with new regulatory geographies of private property, which in turn reflect the interaction of Albania’s inherited legal and administrative structures with new pressures of land development under a free market system. In contrast to western cities, land development in Albania has inherited different institutional structures and embraced different sets of legal and political practices. Looking from an interpretative lens of property rights, this research contends that after 1990 property rights introduced new values and created new material stakes for urban actors, such as recent migrants and longtime residents, operating in different contexts.

The overall aim of the thesis was:

1 To develop insights into the local political-economic dynamics of suburban land development in Tirana as Albania moves into a new and potentially more regulated phase of urbanization.

This led to the following research questions:
1 What new urban and suburban spaces have emerged during the process of transition in Tirana city region?

2 What tensions and conflict are associated with the development of such new urban and suburban spaces in Tirana city region?

3 To what extent can conflicts be attributed to local interests in land development (housing and infrastructure) rather than central state policies or perhaps more global forces?

4 How does western urban theory travel in transition countries, especially in Tirana city region? Two aspects of traveling theory are examined:

   i) Transfers of models of good urban governance;
   ii) The transfer of theories of western critical urban scholars/writers.

This chapter concludes the thesis by highlighting three fundamental areas – implications for theory and knowledge, and methodological contributions.

9.2 Key Findings of the Thesis

The project of neo-liberalism (or neo-liberalisation) rests on a theory of political economy which promotes markets, enterprise and private property, restructures regulation into more limited forms, and reduces the role of public sector and welfare (Harvey, 2005; Peck and Tickell, 2002; Clarke, 2004; Larner 2003 and Stenning et al. 2010). However, Stenning et al., (2010) assume that neo-liberalism is more than a political-economic project; neo-liberalization is a social project too, which is predicated on a rejection of ‘society’ and on a promotion of individual. Stenning et al. (2010:2) argue:

   “We read neo-liberalism as a process that is domesticated not only by the actions of national elites but also by the everyday economic practices of individuals, households and communities.”

Furthermore, there are ongoing set of practices that at times destabilize neo-liberalism but at other times articulates it with a host of economic, political and social contexts (Stenning et al. 2010:2). Stenning et al. (2010) focus on the Polish and Slovak contexts, both in 203
terms of legacies of socialism and the particular political economies of the post 1989 period. They also explore the particularities of post-socialist neo-liberalism, seeking to understand the difference that post-socialist neo-liberalism makes to the processes of neoliberalization. This thesis offers a discussion of how post-socialist transition and consequent forms of urbanism and urban life have evolved in another post-socialist context, Albania and the Tirana city-region.

9.2.1 Transition Stories: The Unique Case of Albania

The post socialist transition in Albania was a result of the stabilization, liberalisation, privatisation and reconstruction reforms often set in place by means of shock therapy; the process was accompanied by deep structural changes and unknown social wounds (Agorastakis & Sidiropoulos, 2007). Albania has experienced a drastic change from a collectivisation and nationalisation of land and assets in the communist era to privatisation and a free market economy in a democratic era. Neoliberalism’s emergence in Albania developed in relation to a series of political, economic, and social conflicts. For example, internal migrants used property rights as a material stake for securing livelihood strategies in the city. In this way, neoliberalism offered a way out of poverty.

Cities are considered the forefront of neoliberalisation and remain crucibles for new ideas. Leitner et al. (2007: 3) argue: “Cities are where most people live and/or work, and are characterized as the scale at which state policies and practices are particularly sensitive to democratic pressures and local agendas”. Successful implementation of neoliberal urban policy agendas has been the key to building urban livelihoods around the free market and encouraging competitive interurban development dynamics (Leitner et al. (2007:2).

Many studies (Brenner 2004; Leitner & Sheppard, 1998) unravel the top-down impacts of neoliberalism on urban livelihoods and interurban development dynamics in the western urban context. Much less attention has been paid, however, how well this agenda is being adjusted to bottom-up contestation to local level in the post socialist city, with Tirana city region a case in point. Over the past twenty years, the political, social and economic issues to emerge in Tirana city region reflect a highly particular and localised neoliberalism in a variety of different ways.
For a start, urban growth and associated state regulatory structures governing urban development in Albania reflect a long and complex history. The country first began to urbanise on a significant scale for the most part under the external influence of imperial powers and fascism (Aliaj et al. 2003, Tirana Council 2007). This was followed by a prolonged period of centralised planning under communism and urban containment. The period since 1990 has seen the fastest rate of urban growth around the Tirana city-region, where attention focuses on pressures to regulate private property in new informal suburban settlements surrounding the older urban centre. Despite urban reforms, the recent periods has witnessed out-migration and inter-migration, increasing disparities of urban growth, the proliferation of informal settlements on the fringe of main Albanian cities followed by insecurities in livelihoods, environmental degradation and lack of democracy in the political process.

Stenning and Smith (2002; 2006; 2010) explored the varying national and urban engagements with neo-liberalism in the Polish and Slovak case studies, but also took on the challenge of producing an understanding of neo-liberalization which takes seriously the diversity of everyday social relations. They support a theorization of neo-liberalism as a process, which is geographically and historically differentiated, hybrid, constructed at a variety of scales—from the global to the everyday—and enacted not only by economists, politicians, entrepreneurs, but also by ordinary people in their daily lives. Similarly, this thesis examines the everyday practices of the selected categories (migrants, residents, local officials) in the post-socialist transformation. Through this focus, it seeks to understand how the processes of neoliberalisation are promoted, lived, negotiated and resisted/contested in Tirana city region.

The neoliberal project in Albania, like in other East and Central European cities, has been deeply contested; it is mediated through a range of social relations, neoliberal policies and everyday practices. With its rich cultural, historical and economic traditions, Albania offers a different kind of ‘transition story’. The experiences of post-socialism in Albania continue to be distinctively shaped by ‘the socialist past’, which is different from the rest of East and Central European countries due, in the main, to the total abolition of property ownership. During the socialist system, the ownership of land and indeed the very term
‘property’ in Albania was an abstract idea, far removed from everyday life and political consciousness. In this respect, Albania was unusual, if not unique, among the so-called transition economies in a prompt and radical privatization of urban housing.

Accordingly, the political history of Albania (since the Ottoman Land Code of 1858) has created a palimpsest of property rights which are of great legal complexity. Due to indisputable property documents, carried out from the past, and the failure of the state structure, illegal housing around Albanian cities has grown in scale for at least two decades. These illegal buildings, with little supporting infrastructure, have serious economic, social and environmental impacts; and a variety of conflicts and tensions are associated with these spaces (Felstehausen, 1999; Bertaud, 2006; Childress, 1999, 2006). Albania shows its own way of adjusting to post-socialism urbanism.

These findings are relevant for future policy tools for dealing with informality (ensuring property title) and how it affects politics of suburban development in transition cities. This research argues that it was from a complex, intricate and dynamic context that new urban forms emerged in Tirana city region. Acknowledge the ‘power of context’ and ‘peculiarities’ within the particular setting of Tirana city region, the main findings - drawn from analysis chapters - are discussed. These finding are organised around three themes as follows:

1. Urban Governance in Transition Economies
2. (The Geography of) Local Property Knowledge
3. Knowledge of Local Livelihood Strategies

Each of them supports, in one way or another, the main theme of the thesis stated above.

9.2.1.1 Urban Governance in Transition Economies

Post-socialist societies have inherited from their past mistrust in institutions and social restructuring (Bertaud, 2006; Slezeney, 1996). Whereas in the West, lower income groups were
often given priority in state interventions to improve living conditions, in post-socialist countries concerns are based on the assumption that the state should prevent those already rich from becoming richer (Ferge 1997; Petrovic, 2003). Also, post-socialist transformation in Eastern Europe has taken place in the dual context of the West and of the past (Offe 1996; Petrovic, 2003). This creates a danger of betrayed expectations that might cause resignation and political passivity. Consequently, the political elite contend with the tension between the promotion of economic stability, on the one hand, and the maintenance of political legitimacy in newly democracies, on the other hand (Offe 1996; Petrovic, 2003:10-11).

There are indications from documentary review and from interviews, of the existence of such practices in Albania. Chapter 6 stressed that poorly defined formal structures of government and fiscal capacity fail to deal with local demands for services especially at the urban fringe of Tirana. The political drivers were among the most influential forces to local government in Tirana city region. A closer look at the Kamza case study revealed that changes in other external forces (economic, social, technology, environment) and how these changes were responded to by the local government were, in certain respects, triggered by changes in political forces. Changes in economic policies (such as promoting investments for local competitiveness) and changes in physical environment (such as emphasis on sustainable development) often stemmed from changes in government policies. The finding from the selected categories confirmed the dependence of local government on central government and its policies. The unresolved property right issue in this dependency is considered to be crucial. Reflections from a number of respondents in chapters 7 and 8 implied that this issue is far more complex than a simple case of activating a stake in private land development.

Political scientists (Denters and Rose 2005; Le Gales, 2011) working on urban governance have rightly emphasized government/ governance as capacity to change urban society on the one hand, and to raise democratic issues and the participation of inhabitants on the other. Le Gales (2011:755) introduced the urban regions of Milan and Randstadt as a good example of interdependent dynamics between the city centre and other cities. However, in terms of centre-periphery relations Le Gales (2011: 756) argues: ‘There is a good deal of urban governance going on in European cities but not all the time, not for all groups, not for all
neighbourhoods, and not so much for the peripheries of the city'. This citation can be applied in Albania. The Tirana city region is lacking strong and territorially inclusive forms of city-regional governance. Tirana city region is still a long way far from urban governance modelled on the western neoliberal-cum-democratic experiment. Tirana city council has no an elected unified government and mayor and the lack of strong financial incentives is creating weak structure of inter-municipal urban government in Tirana city. The link between decentralization, the expansion of free market and local democracy in Albania is especially weak. The transformation from local government to local urban governance from the perspective of property rights is fragmented.

In Kamza people are the voters for the government. Inter-connectedness between central government and local government in Kamza indicate how both entities are, to some extent, inseparable and might be considered ‘two sides of the same coin’. Local government in Kamza was made of certain structures and system; they possessed certain behaviour and feelings; they were subjected to certain weakness and flaws. The respondents’ responses radiated their perception that local government in the Tirana city region is no more than part and parcel of the central state government.

Research by the Centre for German and European Studies (CGES) (2003) argues that:

"Over the last three decades, neoliberalism and neoliberal approaches to urban governance have diffused around the world, promoting deregulation, privatization and competition and organising state powers in pursuit of these policies."

Neoliberalism also operates at a range of scales, from local to the global, and through local, interurban and transnational networks. In Albania, as with the other eastern European countries, the implementation of neo-liberalization has been mediated by a range of institutions, especially NGOs organizations. The research has found that NGOs like Co-Plan do have roles to play in local government decision making process. Its responsibility to carry people’s voice to the local authority and working close with them contributes to a productive partnership under the name of ‘good governance’. For more than a decade Co-Plan was actively engaged in Kamza and its service is always at the disposal of community. Co-
Plan was hoping for fair and balanced reports that would reveal the whole nature of the problem in Tirana city region, especially in Kamza, while at the same time taking into account of the constraints and limitations it faced. The investigation carried out in Tirana city region revealed that Co-Plan operated some practices for ‘good governance’ only in limited pilot areas. They were less critical and operated in a benign situation where controversial issues rarely arose. In this respect, ‘good governance’ practices were of applied in a spatially selective provision across the Tirana city region (Jonas, 1997).

Some scholars such as Petrovic (2003) and Tosics (2001) have classified Albanian cities as close to the unregulated developing or underdeveloped cities. Petrovic (2003), based on Tosics’ formulation of development of different post-socialist cities, focus on the possibilities of urban governance, argued that:

"Albanian cities were close to unregulated Third World city development, with a total dissolution of the previous public control and no new type of regulations with limited capital investment but with the substantial illegal or unofficial commercial and housing market (Petrovic, 2003:15-16)."

Regulation and property rights would be one important factor in steering urban development along the western model.

Yet the property rights issue in Albania is still considered to be pending. Ownership rights in Albanian cities are starting to be a focus of negotiation through practice. The findings confirmed that the missing ingredient of free market is the entitling of property rights. But the lack of political will to regulate property presents the key challenge for Albanian cities in moving forward. This thesis outlined how the local case-study of Kamza contradicts the ‘Western’ theoretical models (with their defined actors and roles for the state). These Western theories were developed to address North American and, to some extent, Western European scenarios – whereas the different actors and the weaker state encountered in Albania shape the emerging urbanism differently. The thesis acknowledges the different sets of contexts and the different responses to post socialism are negotiated and developed in the particular situation of suburban Tirana. The empirical chapters 6, 7 and 8 showed that the theories of neo-liberal urban development were negotiated in different ways by local context in Tirana and were challenged appreciably by the transitional context in Albania.
9.2.1.2 (The Geography of) Local Property Knowledge

Smith and Timar (2010: 121) argue that engaging with and developing interpretations of post-socialist urban and regional development is no easy task. One critical issue is how the kinds of knowledge can be developed to provide effective understanding of 'post-socialism'. Theories of neo-liberal urban development are grounded in different ways in local contexts in Tirana city region. Tirana is not like the other post socialist cities, such as Budapest, Warsaw, Beograd, and Prague. The Tirana city region differs from these post socialist cities' experiences. The flux of rural immigration and consequent urban sprawl has meant that conflicts and tensions around property rights are likely to happen (Hartkoorn, 2000; Petrovic, 2003:20).

In Tirana city region multiple stories are activated and circulating during the period 2006-2009. Residents and migrants struggled to make claims on private property and livelihoods. Specifically, recent migrants through self regulation and later through legalization exercised their property rights and at the same time garnered knowledge of such rights. The findings not only confirm the complex ways in which property rights in transitional urban economies of Tirana city region relate to the survival mechanism but also it concerns the underpinning role of property knowledge in shaping livelihood strategies in Tirana.

The privatization reform during the transition period helped different actors to understand the importance of property and how to manage urban living space in different ways. It can be argued that much of land development was poorly planned, with minimal provision for basic infrastructure and services. What this meant in practice was that, in order to get involved in the free market and mobilize the title of property different actors have to actively participate in land development and molding their urban living space even though law and regulations on property ownership and land market are suspended. The analysis of suburban development in Tirana city region based on the data collected through field observations and interviews with local actors, migrants, residents and ex-owners shows how local property knowledge differs from different practices and experiences of different
actors, on one hand, and how the knowledge of property helps their understanding of it, on the other hand.

Most migrants explained in detail the main reasons they moved in the fringes of Tirana city region and how they provided title from the legal owners. To some extent, these suburban areas have produced an interconnected geography between remote north areas and central and south ones. Consequently, I used Kamza as a site for exploring and comparing migrant experiences with the other categories, the forging of local and national identities, the impact of migration on the built environment, and the place of informality in economic circuits.

More recently, migrants have started to realize that something was wrong and missing in their landscape and neighbourhood. Securing title to property was important. Yet having a shelter and a piece of land was not enough. They wanted to mobilize their properties via participation in urban land development. They are conscious that awareness of the rules and regulation will help in growing use and exchange of their property. One male migrant continued:

"After 2000 our attitude about property started to change. Before we used to build a house in an empty land and we hardly asked 'what's next'. Recently, we started to understand that if our land is not registered officially and get a title of it we can't have access on land transaction, infrastructure, electronic post, etc".

Migrant 45 years, Tirana's suburb, March 2009

With 'what's next' the migrant wanted to say that in the past they did not pay attention to rules, nor asked for any existing planning regulations nor went to urban offices and obtain information about area's zoning plan. Between 1995 and 2002, most of migrants considered the right to occupy and use land more important than the legal ownership.

For at least two decades property rights was an abstract idea. However, during transition property rights were being mobilised and the different categories got themselves involved in land market. Furthermore, the development of 'local knowledge' of property is gradually shaping their understanding of livelihood.
Property title, for political elites and local officials, is not used chiefly as an economic right but is used for personal and political gain. Verdery (2004) argues the process of restitution rights brought profits to local political elites and they unfairly got involved in land and property market. However, in countries such as Rumania, Bulgaria, and Hungary the percentage of land right restitution was far less than in Albanian case. Property rights in Albania during the socialist era were abolished and that is the reason the conflicts and tensions are far more complex and complicated. In the rest of post socialist countries there is a proper land law. In the Albanian case, the land law is still unclear. There is a politicization of property rights by people in authority. The debate over the ownership of land has become one of the controversial political issues in the recent history of this post socialist country. As Griffin (1995:12-13) argues, one of the reasons for the severity of the economic collapse was the way in which a new regime of private ownership was rapidly and destructively introduced. There have been some ‘winners’- notably local politicians who prefer to delay rather than facilitate the entitling process. By failing to give up titles or to resolve the urgent problems associated with restitution, politicians could keep claimants in a pending and dependent posture. They tried to offer at least temporary solution to ex-owners, until the aggrieved claimant might give up altogether and sacrifice their title. Obviously, the titling process in Albania is slower than other parts of the Balkans and South Eastern Europe in part because land is a political asset. Politicians try to use it to mobilise people and buy votes. These kinds of favours were important in part because conflicts over land had jeopardized relations between different actors.

9.2.1.3 Knowledge of Local Livelihood Strategies

Among the migrants’ category, facing desperate circumstances where legal options were not available, they chose to spread the illegal buildings around Tirana city region. These acts are part of a creative practices enacted in the attempt to secure livelihood strategies. Within the research there is evidence of some everyday strategies to survive, including jobs in construction, emigration and retail.
According to Sykora (2004), who has conducted work on socialist cities in transition, the spatial mismatch between the location of jobs and residences, contributes to increased travel-to work in metropolitan areas. In the Albanian case, the only solution for poor people was the alteration of condominiums (built during the Communist system) and illegal building after 1992, a trend that spread mainly throughout the country. Because of the free movement of population and unregulated land development, the suburban zones of Tirana have taken on a totally new character. Agricultural land uses have given way to housing and building. However, for many people 'property rights' is still considered an abstract concept. While private property is an important precondition for exchange in capitalism, exchange occurs in different concrete context (or particular places). Chapter 8 examined how the abstract idea of property rights is grounded in different knowledge practices in urban and suburban areas of Tirana. Such practices utilize access to livelihood strategies.

The Kamza case study gave the researcher a deeper understanding of the power struggles around suburban development, and the logic and paradoxes of practice for the people involved. Interviews were done with selected actors from the property market and local officials. Semi-structured interviews conducted with migrants, residents, ex-owner and officials categories revealed particular characteristics of suburban development, focusing on the regulation of private property and how property ownership influences public participation in local government. During the empirical process in Tirana city region the researcher set out to find particular group of the selected categories, the composition of suburban migrants, residents and local officials by age, education and how they worked in practice. Most of the connections with different respondents were made via the ‘snowball’ method. Being a participant observer, the researcher tried to put faith in the words of my respondents as verbatim. However, because of the low level of education, the researcher tried to view their words more critically and attempted to contextualise them in relation to wider concepts and theoretical themes. In some cases, especially when the interviews took place in non-arranged street settings, respondents were reluctant and suspicious of the researcher’s motives but they did not change the nature of the interview process. As a whole process there was no barrier to the strategy of selecting different categories of interviewees.
There has been a significant migration towards suburban areas, especially around Tirana city-region and to the western coast of Albania. This has resulted in a regional differentiation in housing construction activity with some rural areas losing population and others, such as the booming suburban areas, gaining. In the Tirana city region, the intensity of housing construction is nearly three times higher than the national average (INSTAT, 2006). The informal nature of suburban development is a way of securing property and access to livelihood (Bertaud, 2006). Gaining access to property has given residents and migrants a stake in how their communities deliver and therefore property and land use regulation becomes a way of consolidating livelihoods. The livelihood is being achieved through the use of a number of strategies.

As others have suggested, the post-socialist transition is a broad, complex and lengthy process of societal change. Smith and Stenning (2002) discuss household and community practices for managing increasing social exclusion in post-transition economies. They focus on the strategic role of households in such practices, and on identifying 'geographies of practice'. One such geography not discussed in great depth relates to household strategies with respect to private property, in transitional urban economies of South Eastern Europe the practices around property rights centre on the use, exchange and regulation of urban and suburban space. There in turn reflect on the complex ways in which livelihoods are secured. In Tirana, migrants develop a range of livelihood activities to enable them to cope with the challenges of living in places like Kamza, where a mixture of informal and formal, private and quasi-private, housing tenure arrangements co-exists. However in a transition context these challenges are made more difficult by contradictions around property rights. Although people in transitional economies have increasing access to private property, there are also pressures to regulate property by the state, which in turns creates tensions around those livelihood strategies that depend on ownership and access to property.

Indeed, the history of property ownership rights is complex, with Albania exhibiting some unique features compared to its eastern European neighbours. Following the ascendance of communist parties in the Soviet Union and Eastern Europe in 1917 and 1945-1948, agriculture was collectivized everywhere except Poland and Yugoslavia. Two main forms were emerged: “state farms” and “collective farms” (Verdery, 2004:142). However,
Albania introduced an extreme case where land was ultimately ‘owned’ by the state. After 1990 the free movement of population and unregulated land development has meant that lands in the suburban zones of Tirana — once collectively owned by the state -- have taken on a totally new character. Agricultural land uses have given way to private housing and other variously regulated or unregulated building activities. As expected, new suburban spaces of re-regulation reflect the interaction of Albania’s inherited legal and administrative structures with new pressures of land development under a free market system. Specifically, the migrants or newcomers in Kamza area have either through self regulation or later through legalization exercise property title and garnered knowledge of property rights. Variations in nature of strategies of livelihood and survival mechanism are treated under the rubric of property rather than something else. Migrants were settled in small groups (often of close kin) in relation to construction and survival mechanism. Thus self-regulation and property knowledge in practice have informed livelihood strategies in Tirana city region. The researcher’s fieldwork suggested that each of the different actors was operating in slightly different surroundings — economically, socially and politically. This necessitated that they design strategies that would best suit their economic, social and political needs. The research revealed how a number of different actors undertook different strategies and approaches in dealing with this situation.

For a number of interrelated factors, the nature of livelihood strategy has generally been accommodative and conservative. The first migrants settled rapidly in a very short time creating a chaotic urban environment that existed for a long time. This study found that migrants desperately wanted to turn the unmanageable urban situation into a manageable one. Most of the time they acted more as ‘defender’ of their buildings, taking a conservative view on urban development and the defense of the use values of the living space. The protecting strategy that initially characterized migrants to maintain the status quo later inclined toward the tendency to transform themselves from migrants into urban citizens. These changes were done gradually and were discernable some two decades after initial ‘transition’ from communism to capitalism.
9.3 Political Geographies of Urban Transition

The dissertation further addressed the role of the state as an agent of transition, and considered the degree to which the transition to capitalism was associated with a neoliberalisation of modes of societal regulation and governance at the urban scale. The findings from different respondents confirmed that central government agencies and their policies did not play an important role in shaping city-region development and managing local politics and conflict. Instead, research revealed that knowledge of property rights and the disputes surrounding them were more critical to understand the politics of urban development in Tirana. Local interests – political interests and regulatory structures such as land use, taxation, and planning and property development – are not in competition but are in a continuous conflict. Residents and migrants struggle to take claims on urban governance, private property and livelihoods. Local government has a limited power to build upon and develop land, encouraging inward investment and growth of a local revenue base. Research evidence from both academic literature and interviews analysis found that from the acquisition of property knowledge, local citizens of Tirana learned how to practice ‘good urban governance’ for themselves in a local socio-economic context.

The everyday practices and livelihood strategies explored in this thesis are enacted in and echo through the home, the street, work, shops and other neighborhood, schools and elsewhere. These nested geographies point to the role of what Jarvis (2005: 135) calls the ‘infrastructure of daily life’ in enabling or constraining households’ everyday geographies. In Albania around two decades after the end of state socialism it is increasingly clear that the choices made by the selected categories and other institutions, private or public during the early years of ‘transition’ can also be seen to have an impact. For example, Stenning et al. (2010: 225) argue the headlong rush to housing privatization in the early 1990s resulted in particular pattern of inclusion and exclusion in the housing market. This section now focuses of two aspects of political geographies of transition: (1) Politics of the Urban Living Space and (2) Regulation of Suburban Space.
9.3.1 Albania: Politics of the Urban Living Space

The political and economic crises of the past twenty years in Albania have mobilised a deep sense of political and urban regional fragmentation, which reflect the geographical movement of migrants from remote areas towards Tirana city region. During the period of widespread mobility, thousands of people invaded and took possession of land on the outskirts of Tirana city region.

Albania balances between centralization and factual anarchy: municipalities do not have enough substantial instruments at their disposal. The transition to capitalist forms of development has hastened territorial decentralization and fragmentation in the Tirana city region; yet age-old centralist forces continue to operate. Martin (2007: 59) argues that neoliberalism and formal democratization in developing countries has hidden sets of political, social, and economic relationships distorted by authoritarianism. In Tirana city-region, serious obstacles to urban development and effective urban services have remained. In the process of decentralization, local government in Albania has no real independence or autonomy; the main consequence of the decrease of direct central control has been political fragmentation. The decisions of the settlements could not be coordinated; the public interests connected to the level of the larger areas were not represented satisfactorily. Moreover, the transition to urban governance in Tirana city region does not reflect in any way unique urban regime characteristics – for example, the emergence of an organized growth coalition – but instead wider (national and international) pressures and developments. The case study on Kamza shows that local government in Albania is still weak and does not have the legal instrument to play its role of land use and urban infrastructure. The weak and fragmented urban governance in Albania reflects, in turn, fragmented property rights.

However, there is evidence that through various programmes of public participation, the activities of NGOs and the acquisition of property knowledge, local citizens in Tirana are learning how to practice good urban governance for themselves.

In outlining the principles of ‘ordinary urbanism’, Robinson (2006:92) argues that there is a renewed interest in understanding processes that are affecting cities in quite divergent economic and cultural contexts, which allow us to build an account of diverse urbanism and
hence ‘ordinary cities’. Empirical evidence in Kamza area, using the lens of different categories of migrants, residents, ex-owners and officials, showed that local fragmented governance is contested in practice. During the transition internal migrants claimed the city to be their own space. After 1990 Tirana city region become a contested space, constructed throughout diverse geographies of mobility and immobility centred upon fragile property rights. Internal migrants studied in the case of Kamza learnt over the years to get knowledge of property rights; to establish their livelihood and facilitate the equality with long term residents. This research showed that the community of Kamza used property rights as a stake to secure their livelihood and with strategies adopted in their local geographical context. This allows the notion of the ‘ordinary city’ to be supplemented with that of ordinary ‘geographies of local property knowledge’.

9.3.2 Albania: Regulation of Suburban Space

As Robinson (2006:110) argues, in place of the emphasis on the global city, ordinary cites are diverse, complex and internally differentiated. Ordinary cities are understood to be modern and distinctive with the possibility to imagine their own futures and distinctive forms of ‘cityness’. Albania has moved, variously, from a country at the centre of international imperial networks, to being occupied, to being isolationist and now re-emerging to be part of a new south European axis. The analysis of urban change in Tirana city region shows how patterns in transitional economies cannot always be explain by well-know theories. In many cases, a different political and socio-economic background, historically and socially different context modifies the form of manifestation of certain processes and their impacts, which produce spatial structures. Previously, little or no empirical research has been done on post socialist suburbanisation in Albania.

During the transition period the increasing numbers of migrants around Tirana city region brought a new interest in the suburbanisation process; the researcher had to work out how local government and NGOs organizations operated in peri-urban spaces behaved over that period. With respect to government regulation, much of the legislation crucial to an understanding of the politics of urban living space and suburban space in the Tirana city
region came with the new powers and responsibilities for Albanian cities as part of the decentralisation process. Migrants and small scale developers were encouraged to conduct their strategies in peripheral areas where illegal housing was under construction and the newcomers/migrants tended to be spatially concentrated. In the Tirana city region there is not suburbanisation of new rich, young (middle class) people seeking a green alternative of urban society. One of the methods for investigating residential suburbanisation in Tirana city region was the analysis of migration flows in Kamza case study and focus on the illegal buildings to describe the spatial pattern of suburbanization development.

Suburbanisation is often portrayed as a ‘spatial process’ by which high socio-economic status residents, offices and retail establishments move to the periphery of metropolitan areas. England et al. (1992) argue:

"Suburbs are typically portrayed as an arena for mass consumption, where political exclusion is practices, where the nuclear family is produced and separated from the arena of production and where a middle class ideal is actively lived out, with all that implies for the idealized role of the domesticated homemaker and the educational opportunities presented to its children."

England et al. (1992: 243)

But unlike suburban areas, ‘edge cities’ in North America, western countries and Eastern Europe, there are not the result of large scale private development. Instead the ‘edge city’ in Tirana represents an informal settlement created out of fragmented property rights. The compact character of the former socialist city is being changed through rapid commercial and residential suburbanisation that takes the form of unregulated sprawl. New construction of suburban residential districts is fragmented into numerous locations in metropolitan areas around central cities. From occupying a privileged position under state socialism, Tirana has experienced dramatic and far reaching changes in the post-socialist era. The appearance of ‘fuzzy edge city’ is mainly related to the political, economic and social institutional causes of transformation from centrally planned into free market economies (Carnobell and Gerxhani, 2004). Almost two decades later and there is not yet a clear definition of suburbanisation or edge city in Albania.
Between 1990 and 2001 as a result of the rapid growth of population at its fringes, there is a real expansion of Tirana city region. There are pressure as a result of the explosion in the growth of informal housing, problems around the provision of infrastructure and the issues of the funding of local government especially in the burgeoning suburban areas of the Tirana city-region. The underlying premise informing the research is that, far from representing a conflict-free transition to a western or global form of neo-liberal urbanism, various conflicts have emerged around suburban development associated with the deregulation of housing and the land development process. These tensions include an explosion in the growth of illegal private housing, problems around the provision of infrastructure, and the issue of the funding of local government especially in the burgeoning suburban areas of the capital city of Tirana.

9.4 Travelling Theory vs. Local Property Knowledge

In a context of urbanization and globalization, urbanists such as Robinson (2002, 2006), Simone (2004) and Roy (2005) suggest juxtaposing case studies from different parts of the world and allowing them to engage either with each other or theoretical understandings of cities thereby not making claims only on the basis of the experiences of a small selection of wealthier cities. In developing a history of urban studies, Robinson (2006, 2011) introduced some moments starting from the early 1950 i.e comparative work of Louis Wirth’s assessment of an ‘urban way of life’ on cities in poorer contexts, as urbanization proceeded in many parts of the world. In the late 1970s and 1980s there was a flourishing of reflections on comparativism (e.g. Harloe, 1981; Pickvance, 1986). Comparative urban research came to be largely restricted to US-European comparisons inspired by studies of globalization. Robinson (2011: 4) argues that the reasons for urban outcomes diverge significantly across different contexts. In comparative perspective, political context and urban practices in Albania provide a good example of whether western theories of urban transition ‘fit’. The thesis offers a post-socialist critique of urban studies, explaining urban theory’s neglect of cities in Albania. The thesis argues that the Albanian case reveals the inherent diversity of urban experiences across the post socialist countries in East-Central Europe.
Since the 1970s, most developed Western cities have experienced significant changes not least in the context of the transition from Fordism and central state planning to neo-liberal systems of planning and urban governance. Other actors have also played role such as accelerating globalisation, developing technologies, and new devolved political systems. As a result, there has been an almost continual process of economic restructuring, political adaptation and transformation of urban space. In Eastern European cities, however, these changes began much later and they accelerated only after 1989, when radical economic and social reforms were initiated with the changes in the political system.

In this part of Europe, the industrial transformation has been accompanied by the downfall of the socialist system and by efforts to establish market economies. Radical reforms, such as organizational and structural reforms have contributed to the modification of the spatial pattern of urbanization in many cities. However, these reforms have had different consequences for places like Tirana.

Many urban scholars think that because of the common past history post-socialist cities share common political and economic environments. This thesis has offered a discussion of the ways in which Tirana city region during transition context is entangled in the world of globalisation. Furthermore, it has examined how post-socialist urban transformation has contributed to the development of critical geography by comparing suburbanisation processes in the Tirana case study. The urban system in Albania has been profoundly affected by increasing globalization and the greater availability of information in the economy: the shift of advanced economies from primarily goods production to predominantly information handling. The capital city, Tirana has a very specific position in relation to globalization. Due to a long period of isolation from the world economy, Tirana was not directly affected by globalization processes prior to the 1990s. But subsequent transformations of political and economic systems in Albania created preconditions for a rapid link of urban territories to global space (Sykora, 1995). Accordingly, theories and models derived from other capitalist urban context are not entirely appropriate for understanding new urban forms in Tirana.
For many Eastern European countries, the end of communism brought an opportunity to embrace a revitalized global neo-liberalism and the new economic and political opportunities it portended. In this view, the end of communism ushered in a period of great hopes of a return to Europe; a return that would expand economic opportunity and open personal and political freedoms (Pickles, 2005). At the same time, and in support of these developments, ‘theory’ travelled widely across Europe and to great effect, mainly orchestrated by neo-liberal intellectuals and institutions.

As a researcher educated in Albania but now based in the UK, I was particularly keen to understand how western theory travels to the Albanian context. By ‘western theory’, I mean the discussions of neo-liberal approaches to the city and notions of urban governance, ‘growth machines’, property right and livelihood strategies and the like. The research was set up to explore how well these theories explain the Tirana city-region and its post-socialist ‘transition stories’. Commenting on urban development trajectories in transitional economies, Sykora (2008:289) suggests that there is some convergence with western urban forms and it is problematic to impose western theories of the transition to neo-liberal urban forms on such transitional contexts. Furthermore, Pickles and Smith (2006) suggest that global neo-liberalism appears to have structured thinking about post-socialism in more powerful ways than have social democratic development models and critical political economy. The neo-liberal discourse has dominated policy analysis in post socialist cities. Said’s (1983) ‘travelling theory’ opens up a crucial research agenda, which establishes the displacements of ideas in different cultural or national sites as an important aspect of the production of knowledge. Drawing from Said’s ‘travelling theory’ Smith (2006) suggests the transition theory travels at a different pace in different post socialist countries.

The transfer of models of urban governance and theories of western writers were interpreted, negotiated and contested in different practices of communities in Tirana city region. It might be assumed that transition theory should be able to ‘fit’ in any post socialist city. This study proposes that this theory does not ‘fit’ well within the context of Albania. It appears that travelling theory has to adapt and modify to the local historical-cultural context and these strategies and theories should be tailored and fixed to such constraints, not vice-versa. In a
global (and liberalization) context, it is possible to identify Tirana a distinctly ‘post socialist’ city.

Smith and Timar (2010: 121) argue that engaging with and developing interpretations of post socialist urban and regional development is no easy task. Theories of neo-liberal urban development are negotiated in different ways by local contexts in Tirana city region. Tirana is not like the other post socialist cities, such as Budapest, Warsaw, Beograd, and Prague. Tirana city region differs from these post-socialist cities’ experiences. The flux of rural immigration and consequent urban sprawl has meant that conflicts and tensions around property rights are likely to happen (Hartkoorn, 2000; Petrovic, 2003: 20). The analysis of suburban development in Kamza based on the data collected through field observations and interviews with local actors, migrants, residents and ex-owners showed that local property knowledge differs from different practices and experiences of different actors on the one hand, and how the knowledge of property helps their understanding of the urban spaces on the other hand. For example, the politics of the urban living space is grounded in the evolving complexities and contradictions of urban life in Tirana city-region. Kamza is a transition city where there is not inter urban competition, but conflicts around urban living space. Different actors manage the urban living space in different ways. To some extent people are making the urban landscape themselves.

Post-socialist urban scholars like Sykora have offered a description of the general model of post socialist city. Yet the story of Tirana’s life and context is not like that of a post-socialist city such as Prague. Tirana is a busy and vibrant city and has its own ‘fuzzy’ model. Rather than a smooth transition to universal private property occurring, property rights at the suburban fringe are constantly made, remade and unmade by actual livelihood practices. This study revealed that the tensions between the regulation of land development and the availability of livelihood opportunities to suburban residents in Tirana can only be smoothed over once the property title issue is solved.

The politics of urban living space in Tirana city region are deeply contested. Neoliberalisation in Albania seems to produce conflict around regulating different modes of property ownership rights. If the property title issue remains unresolved the most likely outcome as
Petrovic (2003) argues is that Albanian cities will become unregulated post socialist cities having more similarities to the developing cities. Nonetheless, the western theories seems not appropriate for the study of post socialist urban forms and patterns, especially in Albania where theories of neoliberal capitalism could not be applied without regard to the specificities of old and new national and local urban contexts.

9.5 Conclusion

The collapse of the communist system resulted in the processes of urban transformation in central and Eastern Europe. The thesis aimed to bring together scholarship of western countries and East-Central Europe to exchange and advance ideas and findings concerning the mutual problems of the transitional countries in the face of urban transformation. It is nowadays increasingly apparent that post-socialist urban change is not a simple evolutionary process leading from a known point of departure (state socialism) to an expected destination. The development of cities in the region shows plenty of variety and this variety may stem from the paths of economic reform chosen during transition, differences in residential preferences and urban transitions’ and not least, the structures inherited from socialist era. The thesis suggests investigating the divergent paths of urban transformation since the demise of socialism in East-Central Europe by identifying the role of both legacy and transition-related factors on 'travel theory' as a policy in the Albanian context.

The discussion here has highlighted the uneven experiences of neo-liberalisation in Albania, drawing attention from the private property issue’s perspective. The findings have shown how livelihood strategies and struggles over property rights in urban and peripheral urban spaces of Tirana shed light on our knowledge of transitional economies and neoliberal urbanism. The politics of urban living space in Tirana city region is deeply contested. It has been suggested that, in transition period (urban neoliberal transformation), all the selected categories, especially the migrants and residents’ categories have borne the often heavy costs of neo-liberalization and that many, including former land owner, have paid a high price, emotionally and materially evidenced in chapter 6, 7 and 8.
The ‘neoliberalisation’ of urban development in Albania seems to have produced conflict around regulating different modes of property ownership rights. If the property title issue remains unresolved the most likely outcome as Petrovic (2003) argues is that Albanian cities will become unregulated post socialist cities having more similarities to the developing cities. Path dependency is a cornerstone concept of comparative analysis of the transition from state socialism. The concept of path dependency earlier appeared in the business and economic literature to account for the lock-in tendency observed when a particular technology becomes accepted as an industry standard. In the studies of transition economies this concept thus far has been evoked to characterize the mechanism that reproduce and perpetuate core features of the pre-existing social order. In classical state socialism, the axial institution was the party state, which not only managed the economy by flat power but also maintained direct political controls over the entire ensemble of societal institutions. In state-centred accounts of transition, the structure of public ownership and long standard vertical ties linking government bureaus with economic actors perpetuate a pattern of resource dependence deeply entrenched in the economy and society (Nee and Cao, 1999: 800). As Fligstein (1996) observes, ‘the heavy hand of the state is everywhere’ in post socialist society.

Robinson (2006:172) suggests that ‘in a world of cities analysing and capturing some important urban aspects of ordinary cities there will always be much to learn’, through this research we concluded that neoliberal (western) urban theories have not travelled well in Albania. On the whole, they fail to adequately assess how post-socialist transition developed in a weak-state context like Tirana city-region. In fact, the findings suggest that theories of neo-liberal urban development are negotiated in different ways by the local contexts in Tirana and are challenged appreciably by the transitional context in Albania.

As Robinson argues:

"Thinking about cities ought to be willing to travel widely, tracking the diverse circulations that shape cities, and thinking across both similarities and differences amongst cities, in search of understandings of many different ways of urban life. Ordinary cities then are distinctive and have the capacity to shape their own futures (Robinson, 2006: 169)."
In the approach of Western theories in a non-western context, Albania is a good example for comparative studies in post socialism and international urban policy/context. As an Albanian scholar I have my wariness of applying wider ‘Eastern European’ models of post-socialist transition to Albania uncritically; the uniqueness of the Albanian case demands recognition.

This thesis has contributed to the geography of urban transition and to the expansion of knowledge of the post socialist city. There are different ‘transition stories’ yet to be revealed about urban development patterns, processes and politics in particular countries. By focusing on the case of Tirana, this thesis has provided examples of such multiple ‘transition stories’ of post-socialist urban development and its politics. It has contributed to the limited literature on the politics of urban development in Albania during the transition period. Post socialist transition theories form the context for the empirical analysis of local transition stories in Tirana city region, examined from the perspective of property rights and livelihood strategies. This thesis examined the underpinning role of property knowledge in shaping livelihood strategies in the post socialist city. Kamza, the fastest growing area in the fastest growing city region of Tirana, has grown in population from 16 000 in 1992 to 90 000 in 2009. Kamza has become the typical Albanian boomtown, a ‘fuzzy’ edge city in the burgeoning urban landscape of Tirana city region. However, in the Albanian context, Kamza is a transition ‘edge city’ where local conflicts have not give way to competition.

The thesis informs a discussion of property rights knowledge and contributes to debates concerning how we understand the politics of urban living space in Tirana city region. The transition story of Albania is, not of course, a peculiar one to post socialism. A unique part of East European post socialism, Albania with its complex and complicated history is only one remarkable story, showing how the suburban living space is involved in this ‘transition’ or post socialist neo-liberalism process.
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Appendix 4.1

DEPARTMENT OF GEOGRAPHY, UNIVERSITY OF HULL

CONSENT FORM: INTERVIEW

In English

I, of

Hereby agree to participate in this study to be undertaken by Marcela MELE.

My name is Marcela Mele and I am a PhD student studying suburban development in Tirana. I am interested in:

a) Finding the meaning of suburbanization and the clear definition of suburban areas in Albania
b) From the beginning of transition to nowadays people are trying to provide their ownership rights in a legal way. Before starting a new house they are looking for urban legislation. I am interested how this property knowledge is being improved during the years.
c) The implementation of compensation is being delayed from different parties during elections. It will be interesting to show how the property rights are using for political “vote capture”.

I will conduct some questions to officials to get enough information how the urban governance is developed during the years and what form does it have. In the frame of decentralization local governments were given responsibilities but not adequate resources.

I am interested in showing some more evidence if the urban governance is fragmented (public sector, infrastructure, planning) or not.

In the summer 2008 I already directed questions to recent migrants, residents, officials in Kamza, Bathore. In February 2009 I will follow up some more interviews to ex-owners, migrants, public workers in different departments, agencies and independent municipal institutions of Kamza and Tirana.

The research will aim to:
1. Examine resident’s perceptions of particular geographical areas
2. Examine people’s knowledge and understanding of property rights and legislation
3. Examine the politics surrounding property rights

I understand that

1. Upon receipt, my interviews’ questions will be coded and my name and address kept separately from it.

2. Any information that I provide will not be made public in any form that could reveal my identity to an outside party for instance that I will remain fully anonymous.

3. Aggregated results will be used for research purposes and may be reported in scientific and academic journals.

4. Individual results **will not** be released to any person except at my request and on my authorisation.

5. That I am free to withdraw my consent at any time during the study, in which event my participation in the research study will immediately cease and any information obtained from me will not be used.

Signature: Date:

The contact details of the researcher are: **Marcela Mele**, Department of Geography, University of Hull, Cottingham Road, Hull, HU6 7RX, tel 01482 465313

The contact details of the Geography Ethics Officer are: **Dr. Lewis Holloway** Department of Geography, University of Hull, Cottingham Road, Hull, HU6 7RX, tel. 01482-465320.
Appendix 2 – Designs of Questions

1. Migrant - Resident Relationships

I am going to choose in Kamza case-study 20 persons (10 migrants and 10 existing householders or owners).

a) Property rights - How they are restored?

I will include discussions of property rights in the relation to homeownership.

1. Questions to the recent Migrants settled after 1991

1. Would you tell me your previous address before you move into the current area?
2. I want to know your reasons to move into current house or apartment. Would you tell me the reasons why you were moving into this area?
3. What are the advantages/disadvantages of previous housing?
4. Do you own your house or rent it?
5. When compared to previous housing, what are the advantages/disadvantages of current housing?
6. If you have extra revenue by purchasing current housing, how much is the revenue?
7. Would you tell me the percentage of the cost of utilities out of living costs?
8. Is there effective public enforcement and protection of property rights?
9. How are you using property to gain wealth? Are you using property as an investment (i.e rather than accommodation) - The answers may be relating to exchange, retail and investment.
10. After 1991, what kinds of changes occur in the composition (i.e ethnicity, wealth) of the residents?
11. What are the local government’s regulations for the construction of housing?
12. What’s your opinion of whether housing policy will improve the condition (quality of housing; utilities; waste management) in the suburban area?
13. What are the problems (i.e sewages; social work) occurring after informal housing was settled?
14. What was the housing type of this area before 1990? Would you tell me the previous situation of this area?

2. Questions to the Existing Residents

1. Do you own your house or rent it?
2. What are the ownership rights and restrictions on ownership of urban land? a) Does the owner have the right to undertake a range of uses that are broadly consistent with existing social practices? b) Can the owner sell the property? c) Can the owner lease the property? d) Can
the owner bequeath the property? c) Is fair market compensation provided for in cases of condemnation

3. Are property taxes assessed in relation to the economic value of the asset?

4. How are you using property to gain wealth? The answers may be relating to exchange, retail and investment.

5. What is the role of local community (residents/business)?

3. Questions to Speculator - Developer

I conducted an interview with the president of the Builders in Tirana and Vice/president of Builders in Albania, Avenir Kika. He with his brothers has also their own construction company “KIK A Company”. Mr. Kika is actually one of ex-owners from Tirana.

2. May you please, explain to me as a developer, what is your involvement in Housing/Construction sector?

3. In the home builder community, because there is land use restriction and there is a group of people who would like to develop affordable housing, but can’t, how does it work?

4. Do you think the development of formal settlement is one of the ways to raise tax revenue? a) How does this development occur? b) What is the role of developers and private capital in this development?

5. In 2007 the government gave you only three permissions for buildings. How did this influence in your business and how did the prices rise up this year?

6. In the construction’s sectors are there any shortfalls in terms of investment? Why does it happen? Where is coming from (crisis, threat of competition, government’s decision).

7. Do you think there is any uncertainty in the near future?

8. Have you planned to invest in the near future in the suburban area like Kamza, Sauk, Bathore, Babru?

9. Which organizations in the business, community and/or public sector tend to take the lead in formulating policies around infrastructure? How is the public involved?

10. What sorts of coalitions and partnerships do you have (do you intend to have) with outside investments (i.e Italian developers), Local and Central government and why?

11. What kind of internal policies (local/national policies that are relevant), and fiscal regulations have your firm (company) put in place on construction?

12. How are labours and consumers involved in this process?
13. What are the major local fiscal, electoral, regulatory, planning or environmental obstacles to investment in infrastructure? Who incurs the cost of new investment?

14. Can the private housing market work for all without subsides and/or tax incentives?

15. Regarding the lack of state property on land in the case of Albania, is it feasible to apply expropriation as compared to buying land for development, relative problems with civil code and on other legal measures on public interest?

16. In the case of Albania, which is still facing problem with property registration, fiscal evasion and with deficiencies with the system of taxation, to what extent is it feasible to use urban planning and fiscal instruments as incentives for the private sector to provide affordable housing? How to make sure that real estate market can provide affordable housing to at least 70-80 of population, can we apply disincentives for luxury or secondary housing?

4. Questions to the Local Officials in the Municipality of Kamza and Tirana

17. What do you understand by the term ‘suburban’?

18. Does this have a particular meaning in the Albanian context as opposed to abroad?

19. What are the main differences between the Albanian model and elsewhere?

20. Are there key lessons which can be learnt from UK and/or international experience which can be adapted/imported to a number of locations?

21. Do you think the involvement of different levels from officers/members present at focus group will be helpful to the housing policy?

22. What are your main issues of concern for local government with regard to the provision of social housing?

23. Who is going to get profit from building rental social housing?

24. Does the central and/or local government allocate money for improving collective housing?

25. What are the major local fiscal, electoral, regulatory, planning or environmental obstacles to investment in infrastructure? Who incurs the cost of new investment?

26. What do you understand by the term ‘suburban’?

27. Does this have a particular meaning in the Albanian context as opposed to abroad?

28. What are the main differences between the Albanian model and elsewhere?

29. Are there key lessons which can be learnt from US and/or international experience which can be adapted/imported to a number of locations?

30. Are you aware of any specific measures (particularly policy-related measures) which have facilitated the transforming of informal settlements in formal one in Kamza or in the other suburban areas?
31. Which types of suburban area do you think exhibit most potential for transforming in formal settlement and why? Other what timescale?
32. At local level, how municipality can afford housing programs in two ways 1. Urban renewal and rental housing program 2. different policy domains (the local economic development, construction standard, labour)

Appendix 4.3

List of participants in the interviews: September 2007

<table>
<thead>
<tr>
<th>No</th>
<th>Dated</th>
<th>Place</th>
<th>Name and anonymization</th>
<th>Background (profession, sex, age, residence)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23.05.08</td>
<td>Club bar, Tirana</td>
<td>MiOfKamza</td>
<td>43 years, lawyer, settled in Kamza in 1996</td>
</tr>
<tr>
<td>2</td>
<td>21.09.'07</td>
<td>Club bar, Tirana</td>
<td>MiOfTirana</td>
<td>45 years, Chief of Statistics Department</td>
</tr>
<tr>
<td>3</td>
<td>20.09.'07</td>
<td>Club bar, Tirana</td>
<td>MiOfKamza</td>
<td>Doctor, 40 years, settle in Kamza in 1997</td>
</tr>
</tbody>
</table>

May 2008

<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Village (Town)</th>
<th>Anonymization</th>
<th>Profession and Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23.05.'08</td>
<td>On my way to Kamza</td>
<td>Mi1Kamz</td>
<td>Student, living in Bathore, pilot No1</td>
</tr>
<tr>
<td>2</td>
<td>21.05.'08</td>
<td>school</td>
<td>Mi2Kamz</td>
<td>Teacher in secondary school works in Kamza Centre School</td>
</tr>
<tr>
<td>3</td>
<td>21.05.'08</td>
<td>school</td>
<td>Mi3Kamz</td>
<td>Teacher secondary school works in Kamza Centre School since 2006</td>
</tr>
<tr>
<td>4</td>
<td>21.05.'08</td>
<td>school</td>
<td>Mi4Kamz</td>
<td>Teacher secondary school works in Kamza Centre School</td>
</tr>
<tr>
<td>5</td>
<td>20.05.'08</td>
<td>Cafe bar</td>
<td>Anonym</td>
<td>A little businessman (retail), in Paskuqan (close to Bathore)</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>No</th>
<th>Dated</th>
<th>Place</th>
<th>Anonymization</th>
<th>Profession and Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21.05.08</td>
<td>School</td>
<td>Alketa</td>
<td>Teacher, secondary school, in Kamza Centre</td>
</tr>
<tr>
<td>2</td>
<td>23.05.08</td>
<td>In front of her shop</td>
<td>Anonym (woman)</td>
<td>Retailer in Kamza Centre, settled before 40 years in Kamza</td>
</tr>
<tr>
<td>3</td>
<td>23.05.08</td>
<td>In front</td>
<td>Her mum's woman</td>
<td>Retailer's mother in Kamza Centre, 70 years, settled before 40 years in Kamza</td>
</tr>
<tr>
<td>4</td>
<td>17.05.08</td>
<td>Club bar</td>
<td>Mi6Kamz</td>
<td>Taxi-driver in Tirana in Babru Koder (close to Paskuqan) since 1987</td>
</tr>
</tbody>
</table>
### Different Officials

<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Anonymization</th>
<th>Institution/Organization</th>
<th>Profession</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 19.05.08</td>
<td>In his office</td>
<td>DevTirana</td>
<td>Private studio</td>
<td>Speculator – developer President of the Builders Association in Tirana</td>
</tr>
<tr>
<td>2 22.05.08</td>
<td>In her office</td>
<td>OF1Tirana</td>
<td>Ministry of Public Works, Transport and Tourism</td>
<td>Director of Housing Policy</td>
</tr>
<tr>
<td>3 23.05.08</td>
<td>In his office</td>
<td>OF2Tirana</td>
<td>Agency (part of Council of Ministers)</td>
<td>Vice/director of ALUIZNI</td>
</tr>
<tr>
<td>4 22.05.08</td>
<td>In his office</td>
<td>OF3Tirana</td>
<td>Ministry of Justice</td>
<td>Director of the legislation law, Directorate of Codification</td>
</tr>
<tr>
<td>5 12.05.08</td>
<td>Club café</td>
<td>OF4Tirana</td>
<td>Ministry of Justice</td>
<td>Chief of Statistics Department</td>
</tr>
<tr>
<td>6 16.05.08</td>
<td>In his office</td>
<td>OF5Tirana</td>
<td>Private office</td>
<td>Lawyer</td>
</tr>
<tr>
<td>7 19.05.08</td>
<td>In his office</td>
<td>OF6Tirana</td>
<td>Geographical Studies Centre</td>
<td>Professor</td>
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</table>

### Ex-owners

<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Anonymization</th>
<th>Institution</th>
<th>Profession</th>
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</thead>
<tbody>
<tr>
<td>1 19.05.08</td>
<td>In his office</td>
<td>OF1ExoTirana</td>
<td>Private studio</td>
<td>Speculator – developer President of the Builders Association in Tirana</td>
</tr>
<tr>
<td>2 19.05.08</td>
<td>In his office</td>
<td>OF2ExoTirana</td>
<td>Geographical Studies Centre, Tirana</td>
<td>Professor</td>
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</tbody>
</table>

### Developers

<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Anonymization</th>
<th>Institution</th>
<th>Profession</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 19.05.08</td>
<td>In his office</td>
<td>DevTirana</td>
<td>Private studio</td>
<td>Speculator – developer President of the Builders Association in Tirana</td>
</tr>
</tbody>
</table>
### List of Participants in 2007 and 2008

<table>
<thead>
<tr>
<th>Categories</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Migrants</td>
<td>15 (12 (2008) and 3 (2007))</td>
</tr>
<tr>
<td>Residents</td>
<td>5</td>
</tr>
<tr>
<td>Officials</td>
<td>7</td>
</tr>
<tr>
<td>Ex-owners</td>
<td>2</td>
</tr>
<tr>
<td>Developers</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>30 Respondents</strong></td>
</tr>
</tbody>
</table>

#### Appendix: 3 Different Organizations an NGOS Assistance for Albania at National and Local Level

<table>
<thead>
<tr>
<th>Different Organizations</th>
<th>National Level</th>
<th>Local Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local council officials</td>
<td>Urban sector</td>
<td>Urban sector</td>
</tr>
<tr>
<td></td>
<td>Permission building office (Urban planning department)</td>
<td>Legalization office</td>
</tr>
<tr>
<td>CoPlan</td>
<td>Member of CoPlan team</td>
<td>Civil status office</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economic office</td>
</tr>
<tr>
<td>National officials</td>
<td>Vice director of ALUIZNI Tirana branch</td>
<td>Former Member of CoPlan team</td>
</tr>
<tr>
<td></td>
<td>Director of Housing policy department, Min of public works and tourism</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Justice ministry, director of legislation office (drejtor i drejtorise se kodifikimit)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Justice ministry, chair of statistical office</td>
<td></td>
</tr>
<tr>
<td>Presence of OSCE in Albania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USAID, UNDP</td>
<td>Several reports: Country assistance strategy of the world bank group for Albania, 2002; Urban land development project, 2006; Albania –Country Assistance Evaluation, 2005; 2009 Country Assistance Strategy (CAS) for Albania closed in June 2009, following Albania’s graduation from IDA, which supports the world’s poorest countries.</td>
<td>World Bank</td>
</tr>
<tr>
<td></td>
<td>New Country Partnership Strategy for</td>
<td></td>
</tr>
</tbody>
</table>

36 The reason the total number of respondents 49 in chapter 4 is irrelevant with summaries (2007-2009) of the tables below is that sometimes there is no clear definition between local official-migrant, resident-ex-owner.
2010-2013 is under preparation. This document will guide the World Bank’s program of policy and investment lending and analytical and advisory services for the country. The new Strategy will be developed based on consultations with the Government, Parliament, donors, civil society, the private sector, and other important stakeholders in the country.

UNICE
Country profile: Albania, Housing sector

In Search of Sustainable Solutions for Informal Settlements in the United Nations Economic Commission for Europe Region

<table>
<thead>
<tr>
<th>Categories</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Migrants</td>
<td>2</td>
</tr>
<tr>
<td>Residents</td>
<td>4</td>
</tr>
<tr>
<td>Officials</td>
<td>17</td>
</tr>
<tr>
<td>Ex-owners</td>
<td>3</td>
</tr>
<tr>
<td>Developers</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>28 Respondents</strong></td>
</tr>
</tbody>
</table>