# Albania's urban and territorial dimension was a product of the savage communist past and the difficult transition of the country

The impact of the communist past and transition reforms on the urban development of the country

\_\_\_\_ Dr. Gentian KAPRATA \_\_\_\_\_

gentian.kaprata@uet.edu.al

#### Abstract

Albania of the fourth decade of transition presents a series of problems related to the urban and territorial development. This paper analyzes the initial causes of urban and territorial problems, which are correlated to the savage communist past and beginnings of the political and economic transition of the country. At the end of the communist regime, Albania was one of the countries of the socialist camp with the highest level of implementation of the ideology, principles and practices of Stalinist socialism, which made the Albanian political transition very difficult. Lack of democratic heritage, high level of indoctrination of society and especially the ruling elite of the transition, were the main reasons for this delay. The economic transition of the country also presented a strong challenge. The central planning economy, in the last years of its implementation, would fail in many respects. This would bring, not only an extreme poverty of Albanian families in the moments of transition, but also a real lack of economic activities, which in a private management could bring more employment to the population in the future. This general context of the transition would reflect the same difficulties in the transition of territorial governance, as an integral part

of the transition as a whole. The liberal and democratization reforms pursued in the early years would include land ownership, buildings, housing, urban planning and development processes. As a consequent, the country has experienced a high decline in the resident population, as a result of foreign emigration. But what influenced the strong changes of the urban, territorial and spatial dimension of the country, was internal migration. This massive internal migration would reshape the territorial model of population distribution across national territory, the spatial structure of the inhabited centers and the urban quality of life in Albanian cities. There are four most important preconditions that would produce this massive internal migration, which originate from the savage communist past and the political and economic transition reforms: the inability of the territorial government to understand its new role in urban and territorial issues; the decline of basic public services (education, health) as a result of the departure of 'nominees' from the party-state in cities different from those of their origin; loss of employment of citizens in state-owned, bankrupt, closed or inthe-process -of-privatization enterprises; free movement of citizens and freedom to choose residence. Two would be the main financiers of this construction development that shaped the urban and territorial model of the country, which originate from the political and economic transition reforms: income provided by interaction in the free market of real estate from citizens who had privatized state-owned housing in their use; remittances provided in emigration, after allowing the free movement of citizens outside the national territory.

**Keywords**: concentration of power, political transition, economic transition, territorial governance, urban development, internal migration, forced residency, voluntary residency, liberal reform

#### 1. Methodology and methodological limitations

The methodology of this paper is based on the analytical one. Through analytical methodology and based on rational argumentation it has become possible to explain the phenomenon of the impact of the communist past and the transition reforms to the urban and territorial development of the country. Also, through analytical methodology is made possible the cause- effect relationship of the variables studied, such as the model of communism and Albanian transition reforms and their impact on the urban and territorial development of the country.

The methods used in this paper are qualitative. This paper theoretically assesses the impact that the characteristics and features of the communist regime and the transition reforms have produced on the way the urban and territorial dimension of the country has developed. This is accomplished using secondary sources of

Albanian authors who have spoken on these topics, and evaluation documents from International and National Institutions.

Since the methodology used is rational analytical, this paper is based mainly on theoretical arguments. In this sense, concrete measurements or primary sources derived directly from the researcher are missing. However, the paper has tried to overcome this limitation based on studies by the most important Albanian authors in these fields. As well as reports and evaluations drafted by credible national and international institutions.

#### 2. Purpose, question and hypothesis

The purpose of the paper: The main purpose of this paper is to analyze the impact of the communist past and the transition reforms, on urban and territorial development of the country. Research question: What are the ways in which, the communist past and the transition reforms of the country, influenced the urban and territorial development issues? Hypothezis: The depth of implementation of the communist system in Albania and the difficulty of the transition to democracy, determined the urban and territorial dimension of the country.

### 3. Operational definition of terms

Territorial governance: means the governing activity of those functions, duties and legal responsibilities related to the territorial and urban development of the country. They include: drafting and approving instruments of territorial planning and development (territorial and urban policies, plans and regulations, according to their classification and level of governance); development control (construction permit); territory control (protection of territory from informal construction).

Urban Development: means the entirety of processes of the interaction of people with the territory for the purpose of development. It is the product of all the interventions of specific people, companies and various organizations under the leading and guiding role of the governing authorities.

#### 4. Introduction

In the early 1990s, Albania experienced a leap from a country of Stalinist socialism and a central planning economy to a country of liberal democracy and a free market economy. This transition was not easy for a society that was, for 46 years,

organized and functioning under a very concentrated dictatorship of political and economic power.

This paper aims to observe the transition in urban and territorial issues along with the political and economic transition. It presents the specific characteristics and features of the socialist system in Albania, compared to other countries of the Socialist Camp, which would affect the country's transitional processes in the first years of Albanian post-communism.

There are two main reasons why the paper aims to observe together these components of the overall transition of the country. First, both the political and economic transition, as well as the transition in dealing with urban and territorial issues, must be carried out by the same social mindset, which was the product of the savagery of the former communist regime. This means that, since both of these thematic transcendences were inspired and developed by the same society and socio-political elite, then both of these transcendences will present the same symptoms. And the second reason (cause) is the fact that the progress of urban and territorial issues in the first moments of transition would depend on other political and economic reforms in the country.

As it will be presented in the paper, Albania of the first moments in political and economic transition would be in a very unfavorable situation to make an easy transitioning. This was greatly influenced by: the high level of Party-State control over other social, political and constitutional institutions; non-existent historical heritage in the democracy of the Albanian society; the mentality formed and ingrained in communism, of society and especially of the political elite that led the first reforms; the deep level of implementation of the central planning economy; the extraordinary economic situation of the country, before the liberalization and privatization reforms; the bankruptcy of socialist enterprises and the high level of unemployment that this created; implementation of liberalization and privatization reforms, not because of a deep understanding of them by the political elite, but as an obligation by the International Institutions, etc.

The difficult transition and especially its causes (the savage communist past) would affect the way the territory would develop in the first years of the transition. Territorial governance presented great difficulties in understanding its new role, from a government that had everything in hand (land owner, authorizing and controlling urban and territorial development, financing this development), into a government that must take care that all already private operations in the territory have a unified product that brings a good urban quality of life to citizens.

Political (human rights, including free movement and land ownership) and economic (liberalization of the construction, real estate and housing ownership) reforms that the first governments pursued in Albania also had an impact. These would be the preconditions and causes of a strong emigration movement that would

accompany the first years of the transition, and would reshape the demographic-territorial model of the country. This would have its impact on the way of urban development of Albanian inhabited centers, because these migrants would build new houses and buildings in the new settlements.

The paper begins with a presentation of the general situation of the country's entry into the transition to democracy and the transition of urbanization processes, which would create the preconditions for further development of the urban and territorial dimension of the country in the years of transition that would follow. It will focus on describing the high level of statism and socialist understanding of society and the ruling elite, as well as the failure of many centralized economic planning devices; which acted as a deterrent to a smooth transition to liberal democracy and a free market economy.

The paper will continue with the presentation of liberalization and privatization reforms that affected the territorial governance, the demographic-territorial model of the country and the way of urban development. It will further focus on the political and economic preconditions for shaping the construction sector (territorial governance and urban / territorial development) under the new conditions. The paper will close with a modest presentation of the conclusions it has reached and the recommendations it offers.

### 5. High level of statism as a deterrent to rapid political transition

At the end of the year 1990, Albania broke away from the communist totalitarian regime and began the journey towards a democratic system, allowing the country to open up to political pluralism through the creation of the first opposition party, the Democratic Party of Albania.

Fuga in 2001 would maintain that:

"The Stalinist regime in Albania, after ruling completely in the social and political life of the country, after calling for help all the energies and virtues of its citizens, after justifying its power through a magnificent and heroic ideological discourse, ended more banally, ordinary and dull as it can ever be done" (Fuga, 2001: 12).

It was this year's student movement that shamed the ruling communist caste, changed the course of the political system in Albania and marked the end of the model of totalitarian dictatorship and the introduction of Albania into the model of multi-party democracies (Krasniqi, 2009: 235). Albanian communism had self-presented itself as one of the fiercest in the Socialist Camp (Biberaj, 2000; Gjura, 2003, 2015; Krasniqi, 2009). As a result, efforts to change and reform it would be

more difficult than in other countries, both politically and economically. According to Biberaj in 2000 "[Albania is] going through a process of multiple transitions: political transition from one party to many parties, economic transition from a planned economy to a market economy and the transition of national security to an international security regime" (Biberaj, 2000: 15).

The high level of party control over other state and constitutional political institutions is evident from the first moments of entering the transition, because the decision to allow political parties was taken in the Central Committee of the ALP (PPSH). Krasniqi in 2009 would underline that:

"The very fact that the last decision of the Central Committee and the Politburo [Political Bureau] was public and unmasked on the label of constitutional and state institutions is a proof that at the last moment the ALP (PPSH) accepted what was known for 45 years, that the Albanian state was de facto governed by it" (Krasniqi, 2009: 235).

This characteristic would also be presented by Gjuraj when he would underline that "communism in Albania took a very specific form, putting Enverism at the center of official political thought for several decades." (Gjuraj, 2015). A way of expressing this fact in practice would be introduced in January 1991 when the regime issued a decree sanctioning 6 months to 3 years imprisonment for all those who insulted, accused or committed public acts against the name or symbols of the communist dictator Enver Hoxha (Krasniqi, 2009: 237).

After the establishment of the Democratic Party, a number of other parties were created and the Labor Party of Albania lost its exclusive role in Albanian politics and as a determinant in social dynamics (Biberaj, 2000; Krasniqi, 2009; Gjuraj, 2003, 2015).

# 6. The profound failure of the centralized economic planning economy as an inhibitor of economic transition

In March 1992, the Democratic Party of Albania and a group of other parties in coalition with it won political elections and the right to govern the country (Biberaj, 2000; Krasniqi, 2008). Its basic task was to transition the country from a one-party regime of the central planning economy to a system of liberal democracy, the rule of law and a free market economy (Biberaj, 2000; Meksi, 1992, 1997).

The political transition was accompanied by profound changes in the economic and social context of Albania. During this period, a series of changes were undertaken in the political and economic environment of the country (Çili, 2013;

Civici, 2013; Meksi, 2015), which directly influenced the spatial and territorial development of Albania as a country and its cities (Misja and Misja, 2004; Aliaj, 2008; Imami et al., 2008). Through these strong political, social and economic changes, the country entered the phase of transition from the Stalinist dictatorship of a centrally planned state-run economy to a liberal free market economy democracy (Krasniqi, 2009; Gjuraj, 2015).

The economic situation of the country in the period 1990-1992 was very difficult and was expressed through long queues to buy basic foods, which were lacking in their dominance (Meksi, 2015). Gjuraj would also present this situation when, while talking about all the countries of the Socialist Camp, he would underline that "Long lines of people characterized every former communist country. Also, the same situation prevailed in the Albanian society for a very long time, economic difficulties and backwardness, lack of food items" (Gjuraj, 2003: 41).

The closure of many economic enterprises and the payment of workers with 80% of the wage without work, technological obsolescence and lack of investment for the renewal of technologies of productive enterprises, were another aspect that had hit hard the productive economy of the socialist country (Meksi, 1997; Civici, 2013). Even the few economic production enterprises that remained in operation from the socialist period, such as hydropower plants, reservoirs, airports and some mines, needed significant investments to be used profitably in market economy conditions (Meksi, 2015). INSTAT would also talk about this phenomenon, underlining that the productive economy "was seriously damaged during the '80s" (INSTAT, 2004: 47).

To create a concentrated image of the economic situation inherited from the communist system, we will refer to the debate of the last socialist President Ramiz Alia in a meeting with representatives of the striking students of the University of Tirana on December 11, 1990, which as an authentic document speaks of the situation of the Albanian economy. Brought by the Prime Minister of that period, Aleksandër Meksi, Aliaj would say to the students that "The economic situation, as I said publicly even in the meeting with the youth, when it was on November 23, is difficult" (Meksi, 2015 p. 134). What would support our argument is the fact that Aliaj in this meeting would also admit that "One of the basic reasons for this is that we have outdated production techniques and technology" (Meksi, 2015).

Civici had the same assessment, when he would underline that "The mediocre socio-economic results of the communist legacy quickly became the natural allies of the post-communist reformers" (Civici, 2013). This was happening at a time when the structure of the Albanian economy had to change completely and that it should be the private sector and free enterprise who would realize these productive investments (Meksi, 2015: 133). In a narrow context, Meksi as one of the closest witnesses to the situation would underline "This was the economic situation of

the country, where the state treasury had no more than 2.5 million USD and several hundred million debts to Western countries and firms, but also to former communist countries, when the economy was paralyzed and the situation in the country continued to deteriorate" (Meksi, 2015: 137).

## 7. Difficulties and obstacles encountered in the first months of the transition

The first pluralist elections in the country were held on March 31, 1991 and were won by the Albanian Labor Party (Fuga, 2003: 75), a year later, on March 22, 1992, general parliamentary elections were held again, which were won the Democratic Party of Albania and its allies (Krasniqi, 2009; Fuga, 2003).

The political conditions for a transition to democracy were the most difficult in the countries of the socialist camp that had embarked on this path, not only in the economic context but especially in the context of political heritage (Fuga, 2003). A very serious definition of which Gjuraj would present to us, when he underlined that "The premises from where the democratic transition in Albania started have been unfavorable, starting from the lack of democratic tradition in the country, extreme self-isolation for decades, lack of free media" (Gjuraj, 2015).

In regards to the lack of democratic tradition in the country, "The change of the system did not bring the change of mentality" (Krasniqi, 2008: 229). But in particular the ruling elite of the DP, most of whom came from academic circles, had no political experience and radiated a great difference between their theoretical ideas and the chances for practical realism (Krasniqi, 2008: 230).

Reforms in the service of transition began in this intermediate period of governance between two political parties, one of which had maintained a monopoly of power for 46 years, while the other had just emerged as a need for political pluralism in the country (Meksi, 2015; Fuga, 2003).

Although the two parties are hostile to each other, and rivals throughout the transition, the DP and SP would have the same strategic approach to Albania's journey to West. This would require liberal reforms, and as Civici points out, "the end of the Euro-Atlantic integration tunnel became a powerful driver of economic and financial reform" (Civici, 2013).

However, coexistence in the first year of the transition was not easy between the two parties, which had opposing positions regarding the country's Constitution. This came as a result of the paradox of developments between December 12, 1990 and April 29, 1991, when even though political pluralism was accepted, the political system functioned with the 1976 Constitution (Krasniqi, 2009).

During this period of Constitutional transition, political events on the ground moved in a new direction, which Krasniqi would describe as "legally unconstitutional" (Krasniqi, 2009: 236). On April 29, 1991, the two main populist parties, the Labor Party and the Democratic Party, after close and intensive cooperation, voted for the entry into force of the basic principles of the new political system, through a package of laws called the 'Main Constitutional Provisions' (Krasniqi, 2009: 238).

In accordance with this changed reality, Alexander Meksi would prove that "During the intermediate year April 1991-March 1992 it was possible to lay the foundations of a new state with the first elements of a market economy, thanks to the position-opposition consensus and especially for the drafting of Constitutional Provisions, which enabled the economic, legislative and institutional reform in the following years" (Meksi, 2015: 143).

## 8. The first reforms of the first democratic government and their impact on urban issues

The Meksi Government 1992-1997 established the legal and institutional framework for the sanctioning of the entrepreneurial initiative and for the establishment and functioning of the private land and buildings market (Çili, 2013). This was made possible by strong and direct assistance from the International Monetary Fund (IMF), shortly after the vote of confidence in the first Democratic Government, as Meksi would testify:

"In the meeting room of the Government on April 28, 1992, a working meeting was held with the envoy of the International Monetary Fund Anuph Singh, who assisted the Albanian Government, to be informed about the details of the Government Program. This action plan had to be approved by the IMF to provide the financial and economic support of international financial institutions and friendly governments, which was so necessary to pull the country out of the economic and financial collapse to which it had been led for 46 years by the communist regime" (Meksi, 2015: 137).

Gjuraj would also speak about the support of internationals, and the necessity of their contribution in the years of transition, when he would underline that "After 1990, Albania recognized and accepted the role of international factors in domestic developments, launching difficult reforms "imposed" by the West, cooperation with foreign states and organizations, implication and influence from international events and developments" (Gjuraj, 2015).

Civici would also present the government's commitment to the economic 'lessons' of international institutions, when he underlined that "we have rigorously implemented the specific recommendations and recipes the IMF and the World Bank for the Albanian economy of in regards to the privatization of the economy and its opening" (Civici, 2013).

For a short period of several months, in addition to concrete measures and actions, the entire legal and institutional basis was prepared to begin the most difficult and complex reforms that would be undertaken in any place of the former socialist camp (Biberaj, 2000; Lami, 2013; Civici, 2013). It consisted of the abolition of the 80 percent rule, the liberalization of prices of all food items, the abolition of subsidies to state-owned enterprises, the liberalization of the exchange rate, the liberalization and privatization of transport, trade and construction, as well as other measures in the field of legislation and liberalization of the economy (Biberaj, 2000; Lami, 2013; Meksi, 2015). As Çili would advertise, "Through the Meksi government, [the Democratic Party] made major economic reforms in the first phase. Privatized on a large scale, removed many of the institutions and practices left by the centralized state; opened the markets and so on" (Çili, 2013: 42).

The implementation of a liberal policy, in favor of the privatization of many state sectors and industries and the opening of the economy to international markets, brought the restructuring of the economy in line with the trends of the international economy (Biberaj, 2000: 294-297).

Many low-tech companies went bankrupt in global competition, while other companies whose products were still competitive in the market continued to survive. According to Biberaj, there was another reason which had to do with the fact that "the government was forced to keep large companies operating at a loss" for fear that closing them would worsen the economic situation (Biberaj, 2000: 296).

Whatever the reasons, this process had an impact especially on small towns, with a one-sided economic base, which due to job losses suffered large population reductions, thus leading to the degradation of the stock of housing, urban units and the general territorial structure of cities (IHS Alumni, et al., 1998; Imami et al., 2008). The abandonment of cities by citizens creates a series of problems related to the urban administration of these cities, which are mainly related to the misunderstanding of the new role of government in urban and territorial development issues.

General political and economic reforms proceeded rapidly and had their impact on the infant free market economy in Albania (Çili, 2013; Biberaj, 2000; Lami, 2013). As Meksi would underline "during the remaining months of '92, for the good fortune of the Albanians, the [economic liberalization] Reform took its

an upper trajectory and its achievements were felt by all, as well as the difficulties of this great upheaval and, especially, in the creation of unemployment" (Meksi, 2015: 137).

These reforms also had components in the real estate market and the construction and housing sectors. The construction sector, almost completely privatized, began to be structured into a series of small and medium enterprises, which began to operate in separate market segments (Misja and Misja, 2004).

Thus began the first development and construction activities in the territory, which included the private sector, which during the transition years would take dominance in the construction industry and the real estate sector (WB, 2007; Imami et al., 2008). The difficult tasks posed by the beginning of the transition could not be solved outside a free market economy that is realized by the self-operation of economic mechanisms, by a regular legal system, by free competition, and by the elimination of state bureaucracy in the economy, which together would enable the integration of the country's economy into the world economy (Biberaj, 2000; Lami, 2013; Meksi, 2015).

The transition required the establishment of political and economic institutions completely different from those of the state of the pluralist dictatorship, unknown and unheard until then by the Albanian society in a country completely isolated to the world, like Albania in the early 90s (Gjuraj, 2015; Civici, 2013). These required new laws, new structures and people with a democratic mentality and chosen in terms of values and skills. As the Prime Minister of the time, Mr. Alexander Meksi would state:

"We committed ourselves to their implementation [of the liberal reforms] that lasted for years, and even continues today, and the results were felt in the beginning. I want to emphasize here that without the help of the IMF and in particular the World Bank, reform for us would have been an almost impossible undertaking. The assistance consisted of financial support and structural reforms, drafting of sector strategies, projects and leadership in specific sectors" (Meksi, 2015: 143).

On this political and economic reform, liberalization and privatization context was developed the construction sector and all its formative components, starting from sectoral legislation, strategic territorial planning, urban planning, to territorial control to allow construction development and informal construction. The latter was a basic social phenomenon that accompanied and often dominated the construction sector, while it was the dominant form of expression of conceptual differences and practical activity in the territory between society and governance during the transition (IHS Alumni et al., 1998; Faja, 2008; Imami et al., 2008; Aliaj, 2008; WB, 2007).

## 9. Political and economic preconditions for shaping the construction sector in the new conditions

Changes in the political and economic sphere through reforms and legislation had major impacts in many areas of interaction of individuals in society (Biberaj, 2000; Lami, 2013). Restrictions on freedoms for individuals under the communist regime, in addition to economic poverty, had produced regression in many areas of social and national development (Meksi, 2015; Fuga, 2003, 2004), and the need for development required gigantic efforts (Biberaj, 2000; Krasniqi, 2008; Lami, 2013).

This specificity of the Albanian society, compared to other countries of the socialist camp, would be noticed by Gjuraj, who would emphasize that:

"Albanians faced immediately after the '90s the consequences of their historic delays in building the state and democratic institutions. The fall of the communist regime was accompanied by the collapse of the state, at all levels, thus creating a comprehensive legal and institutional vacuum." (Gjuraj, 2015).

One of these vacuums was also in the two main public sectors, health and education. These two basic services for life and social health, like many others, were provided by the communist state based on a network of structures scattered throughout the inhabited territories and specialists generally brought from major urban centers (Kotmilo and Kotmilo, 2017).

The fall of the communist system was also accompanied by the departure from the deep mountainous areas north, northeast, southeast and south by doctors and teachers who had been sent there by the state. New political and economic balances could not force specialists in these fields to stay in those places where they had been 'appointed' by the employer and the sole political party-state authority (Fuga, 2004). The fall of the communist system was also accompanied by the departure from the deep mountainous areas north, northeast, southeast and south of doctors and teachers who had been sent there by the state. New political and economic balances could not force specialists in these fields to stay in those places where they had been 'appointed' by the employer and the sole authority, the political party-state (Fuga, 2004).

On the other hand the liberal economic reforms pursued in the first years of post-communism abolished subsidies for loss-making economic enterprises, and payments of 80% to employees of those enterprises who had no raw materials, or who had gone bankrupt due to technological age (Biberaj, 2000: 287-299; Meksi, 2015). This led to the eventual closure of many economic activities in many

inhabited centers and consequently the loss of jobs for many residents of these areas (Civici, 2013; Biberaj, 2000).

Both of these events, the loss of basic services and employment would sever the logical connection of citizens with their places of origin. Abolition of state control over the free movement of people, established by DCM no. 361, ON 1.11.1977 'On the Residence Permit of Citizens' (PPL, 1945-1979: 108), made the state's coercive bond with the citizen regarding the choice of residence to be severed (King and Vullnetari, 2003; Vullnetari 2007). This was made possible by the amendments to the Constitutional Law in 1993, where according to Article 22 of these amendments the free movement of citizens was legal (Vullnetari, 2012: 66). Residents now felt free to choose their place of residence, where they could better meet their living conditions.

# 10. The first reforms that shaped the way of urban development of the country in transition.

The creation of freedom to choose one's place of residence was accompanied by the creation of the opportunity to consume this basic freedom of the individual in a society of liberal democracy (Biberaj, 2000). During this period, two economic opportunities were introduced, or rather economic incentives, to finance the change of the previous residence, which was forced by the state with a new residence. First, in 1992, the Albanian Parliament approved law no. 7652, on 23. 12. 1992 'On the privatization of state-owned housing' (Official Gazette, 1993) through which it privatized about 230 thousand apartments.

A liberalizing reform, this, in the roughness of the transition that had just begun, from a centralized state planning economy, where the state had absolute ownership over land and dominance over apartment ownership, to a free market economy where private ownership had to the same constitutional value as state ownership. In line with this, Meksi would write that "At the end of '92, the privatization of housing was carried out, which opened great horizons to the construction activity, making housing construction an important branch of the economy, understandably along with agriculture" (Meksi, 2015: 137).

This large-scale privatization reform created private ownership for 230,000 Albanian families, for the first time after a 46-year period where, referring to the 1976 Constitution, land ownership was entirely state-owned, and housing was largely state-owned, although private ownership also existed. (PPL, 1945-1979).

In the field of housing and the real estate market, the privatization of land and state-owned housing created the conditions for families and individuals to exchange this commodity in the market, providing a source of income (Misja and Misja, 2004). If we refer to Meks, this state wealth transferred to the ownership of Albanian families was worth about four billion dollars (Meksi, 1992, 2015). This income was used, firstly, to finance the construction or purchase of an apartment in a new residence which would provide you with a better quality of life than that in the place of origin.

Albania's opening to the democratic west was accompanied by a high level of foreign emigration, which would bring large amounts of remittances to Albania (WB, 2007; Vullnetari, 2012; BoA, 2018). This phenomenon would be identified by INSTAT, according to which in the years of transition emigrants "transfer [to families] a total amount equal to 25% of Albania's GDP" (INSTAT, 2004: 47).

This financial income in the form of remittances would be used primarily to finance the purchase or construction of a new home in the areas where these families migrated. The almost negligible role of the state in providing social housing (Misja and Misja, 2004), made families provide housing with their own means (Aliaj, 2008), where an important contribution was played by the income of emigrants abroad (Volunteer, 2012; BSH, 2018). According to the World Bank, "37 percent of all households that (1) purchased or built a dwelling (2) reconstructed or renovated their dwelling reported that their construction activities were largely financed by remittances." (WB, 2007: 25).

This brought consequences in different dimensions, but one of the most important was that the Albanian cities, observed from the general national approach, lost the physiognomy of comparative uniformity. Prior to the 1990s, the regime, through legislative tightening and urbanization policies, had managed to keep territorial Albania organized in similar cities in terms of territorial size and number of inhabitants (Misja and Misja, 2004; Faja, 2008; Kotmilo and Kotmilo, 2017).

## 11. The first urban products and the new role of the state in urban issues.

Thus began the process of requalification of the territorial dimension of the country, which will be presented in only three diametrically opposed typologies of inhabited centers. Territorial and urban Albania already consisted of either large or overcrowded cities with high residential densities; or from small, sparsely populated, low-density cities; or from new towns created by the intensive urbanization of existing villages (Fuga, 2012). Reinforced by the lack of regional development policies, strong changes occurred in the settlement system (Faja, 2008; Aliaj, 2008). Rural and urban areas on the outskirts of the country, which experienced a decline in economic activity, lost population, while major cities with

more developed economic base increased the number of inhabitants (IHS Alumni, et al., 1998; Imami et al., 2008; Aliaj, 2008; WB, 2007).

These changes that took place after 1990 created the preconditions for a reformulation of the role of the state, which can no longer be the sole decision-maker in matters of making and rebuilding the city. Urban reality would be the product of the interventions of people, particular citizens, companies, enterprises and various organizations living, operating and working in the city (Imami, et al., 2008; IHS Alumni, et al., 1998). Like the IHS Alumni, et al. would emphasize:

"The role of the state, built in this new political and economic context, would be to take care that the results of all these private and individual actions in the urban territory turn into a city with a pleasant environment, full of life and work. The state, now, can only influence and guide the individual decisions of city dwellers" (IHS Alumni, et al, 1998: 3).

But these developments also brought their negative aspects regarding the level of the country's population and their distribution throughout the national territory (Misja and Misja, 2004; Imami, et al., 2008). First, Albania would lose population as a result of external migration, as the World Bank would point out in the 'Urban Sector Assessment in Albania' in 2007, "In the first ten years of transition, Albania's population decreased by 3.6 percent because the population took advantage of the freedom to travel abroad, and escaped the economic and political crises in the country" (WB, 2007).

This social phenomenon would be noticed by INSTAT in 2004, according to which "approximately 710,000 individuals" left Albania in the period of 1989-2001 (INSTAT, 2004: 36). The decrease of the population level continued in the following years, INSTAT in 2014 would underline that "Emigration is one of the main reasons for the decrease of population in Albania in the period between 2001 and 2011." (INSTAT, 2014: 31). According to this institution, "the number of emigrants for the period 2001-2011 is estimated at over 480,000 people." (INSTAT, 2014: 35).

On the other hand, the Albanian population was involved in a significant displacement within the country, as a result of internal migration (King and Vullnetari, 2003; King, 2010, Vullnetari, 2007, 2010; WB, 2007). Referring to the World Bank "The most obvious indicator of the redistribution of the population within the country is urbanization, with a population in cities that increased from 35 to 42 percent in the period between the censuses [1989-2001]" (WB, 2007). This 10-year period was characterized by absolute freedom to meet housing needs in those areas where a higher quality of life could be ensured (Misja and Misja, 2004).

Large emigration movements characterized the northern and southeastern areas of Albania in the direction of large cities such as Tirana, Durres, Elbasan. Almost the entire central and western territory of Albania was affected by new and unstructured constructions in the urban dimension (INSTAT, 2004). INSTAT would also state: "From rural areas, approximately 900,000 people migrated to urban areas inland as well as to other countries." (INSTAT, 2004: 10). This phenomenon would continue in the following years, where referring to INSTAT in 2014 "Movements at the city and village level, in the same period [2001-2011] mark a figure of 280,863 individuals" (INSTAT, 2014: 12).

## 12. The inability of the state to take on the new role in urban affairs as the main reason for the numerous urban problems

This new reality was greatly influenced by the way governments deal with urban issues, which came as a result of their non-adaptation to the new role they should have in this new reality (IHS Alumni, et al., 1998; Imami, et al., 2008; Aliaj, 2008). Within a period of a few years there was a complete detachment of the principles and methodology of centralized economic development policies and regional, territorial and urban planning (Faja, 2008).

Transitional governments would not understand their new role in relation to the territorial governance sector in this new political and economic reality. The fall of the communist regime and the deep liberal reforms pursued in the first years of transition in the sector of territorial developments would create the conditions for what Faja would postulate in 2008: "Socialist codes, rules and dogmas were overthrown and the way was opened for a new architecture, free from communist ideology and political dictatorship" (Faja, 2008: 18).

This governing process violated the legitimacy of economic and spatial development policies, creating problems regarding the territorial structure of the country (Misja and Misja, 2004), the urban situation of cities (Aliaj, 2008; Faja, 2008; Fuga, 2004), and the quality of urban living of citizens (Imami et al., 2008; Fuga, 2012).

Unfortunately, the freedom gained was not used to change much of the negative products of communist ideology and dictatorship in the territorial and urban dimension of Albania (Imami et al., 2008). Due to the inability and unwillingness of transitional governments to adapt concrete political positions, legislation, policies and programs in the field of territorial development to the principles of liberal democracy, urban and territorial problems and imbalances changed shape but reinforced a very harmful urban lifestyle for citizens (Imami et al., 2008; Aliaj, 2008; WB, 2007). Simply put, territorial governments did not understand, accept, and appropriate this new role of theirs (IHS Aumni et al., 1998; Imami et al., 2008).

It is these territorial and urban problems and imbalances that on the one hand came as a physical result of internal and external migratory movements (INSTAT, 2004, 2014; King and Vullnetari, 2003; Vullnetari, 2007, 2012), and on the other hand shaped the territorial model of the country.

Another aspect that is directly related to the lack of understanding and acceptance of the new role of government is the failure of transitional governments to restructure themselves. Transitional governments failed to decentralize part of their governance scope to local government units (Fuga, 2012, 2019; IHS Alumni et al., 1998; Imami et al., 2008; WB, 2007). Although efforts were not lacking, they failed to redevelop themselves towards multi-level governance, as one of the basic features of the new system.

This was the formative context of urbanization that produced this territorial model we have today and the relationship between this model and the models of other important sectors of social and national development. It is based on the change of the socio-political system, from a monist regime of central planning economy to a system of liberal democracy of free market economy and a wide range of liberal reforms in different sectors of the country that were followed in the first years of this epochal system change (Meksi, 1997, 2015, 2019; Biberaj, 2000; Lami, 2013; Aliaj, 2008; Civici, 2013).

The dynamics of shaping this territorial model are based on two diametrically opposed relations that were established during the years of transition with the territory. On the one hand the relationship of individuals, society and certain groups of it, who expressed themselves in the territory producing a development of extraordinary proportions (WB, 2007, 2018; IHS Alumni et al., 1998; Imami et al., 2008) and on the other hand the governments that failed to unify this development activity in "a city with a pleasant environment, full of life and work" (IHS Alumni, et al., 1998: 3).

#### 13. Conclusions and recommendations

Albania at the end of the communist regime was one of the countries with the highest level of implementation of the ideology and principles of Stalinist socialism, among the countries of the socialist camp. Albanian communism had 'enverism' at the center of political thought, while the Party-State control over the other constitutional and political institutions of the country was of a very high level. Moreover, the new political elite of the country, like the whole society, lacked an open mindset towards the new system also due to the lack of democratic tradition. Extreme self-isolation and lack of free media would further complicate the political transition from a society under a monist dictatorship to an organized and functioning society in a pluralistic system of liberal democracy.

The economic transition of the country also presented deep difficulties. In the last years of the communist regime the central planning economy would fail in many respects. The communist government itself acknowledged this failure due to outdated technologies, lack of raw materials and energy, which had led to the mass closure of many economic enterprises. This would bring, not only an extreme poverty of Albanian families in the moments of transition, but also a real lack of those economic activities, the administration of which would have to be transitioned from a state direction to a private administration. This shortage would produce large-scale unemployment in the first years of the transition and beyond.

This general context of the transition would reflect the same difficulties in the transition of territorial governance, as an integral part of the political and economic transition of the country. The strong communist mentality inherited from the previous communist regime also determined the way in which the political, economic and urban affairs transition was carried out.

But also, the liberal and democratizing reforms pursued in the early years, would also include the land ownership sectors, buildings, housing, and urban planning and development processes. As a result, the country has experienced a high decline in the resident population in the country, as a result of foreign emigration. But what influenced the strong changes of the urban, territorial and spatial dimension of the country, is the process of demographic-territorial remodeling of the country, the spatial structure of the inhabited centers and the urban situation of the Albanian cities. All of this came as a result of the inevitable internal migration, especially from the northern, northeastern, south-eastern and southern cities, towns and villages of the country towards the capital.

The paper concludes that, four would be the most important preconditions that would affect the mass internal migration, and in this sense in the way of urban and territorial development of the country, which originate from the savage communist past and difficult transition of the country:

- the inability of the territorial government to understand its new role in urban and territorial affairs, in line with the new democratic, decentralized and liberalizing contexts in terms of land and building ownership / housing, as well as private intermediaries in the processes of urban and territorial development;
- ii. the removal of state coercion for the connection between the citizen and the city, in regards to 'party-appointed' nominees in cities and towns other than those of their origin; what brought about the lack of basic vital services for the inhabitants of small towns, such as education and health;
- iii. lifting the state constraint on the connection between the citizen and the city, regarding their employment in state-owned enterprises, bankrupt, closed or in the process of privatization;

iv. Lifting the state constraint on the connection between the citizen and the city, regarding the free movement of citizens in relation to the free choice of residence.

The paper concludes that there would be two main financiers of this construction and urban development that shaped the way of urban and territorial development of the country, which originate from the political and economic transition of the country:

- i. income provided by the interaction in the already free real estate market, as 230 thousand Albanian families had become owners of state-owned apartments and had them in their use;
- ii. Remittances provided in emigration, after allowing the free movement of citizens even outside the national territory which was accompanied by large departures of citizens in the first years of transition.

The paper recommends other more detailed studies on this topic. It also recommends conducting further studies in the field of the relationship between territorial governance and the political ideology of the governing parties; analysis of the urban and territorial reality of the country and territorial governance; the demographic-territorial model of the country, in different time periods of the Albanian state; comparative analysis between the demographic-territorial model of the country with those of the EU member states, or the EU itself, etc.

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