

ALBANIA'S URBAN DEVELOPMENT AND ITS PROBLEMS

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ABSTRACT

In Albania, without much experience and knowledge about “private ownership rights” and the importance of keeping records updated, people started to move freely from the mountainous interior and to settle illegally either close to urban areas or in the coastal zone. Free movement of people seeking employment and better living conditions is now considered a fundamental human right. Housing need in Albania was not characterized by “quantity”, but was rather an issue of “quality” and “location”. The Albanian government has considered four ways to address the informal development challenge, Demolition, Ignore the problem, Comprehensive spatial planning, Legalization. Albanian government now faces the difficult task of retrofitting infrastructure and providing citizen services, such as schools, transportation and hospitals, within these unstructured informal developments. Spatial planning is only in its embryonic form and is being applied to the defined informal development zones.

INTRODUCTION TO URBAN DEVELOPMENT IN ALBANIA

Without much experience and knowledge about “private ownership rights” and the importance of keeping records updated, people started to move freely from the mountainous interior and to settle illegally either close to urban areas or in the coastal zone. After the political change, a private sector emerged and decentralization of state responsibilities was initiated. Free movement of people seeking employment and better living conditions is now considered a fundamental human right.

In parallel, the construction sector has also developed rapidly. New construction took place mostly on prime agricultural land (outside the yellow line which defines city boundaries) around the largest cities but also outside the village boundaries. This reduced the availability of highly productive land. During that period the migration rate was so high that approximately one apartment block of 20 dwellings was built in the Tirana area each day.

In the meantime, there was a wave of emigration to the neighbouring countries with Western-style free market economies. This was accompanied by a massive urbanization movement, with the population of greater Tirana increasing from 275,000 to 800,000 citizens in a short time.

At the initial stage, most informal settlers' building activity was in, or around the main city and settlements were only used for housing purposes. The legal framework for planning and development control inherited from the communist regime was unable to cope with the increase in population and construction activity.

Housing need in Albania was not characterised by “quantity”, but was rather an issue of “quality” and “location”. During the 50 years of communism, a big need for “good quality” housing accumulated. Thus, many buildings in informal developments are built to a good standard. At present the formal housing market has addressed the “quality” need but has not yet provided affordable housing.

Informal developments

It is estimated that approximately 6 to 8 billion USD has been invested in informal development construction in Albania, and that 40,000 hectares of land is occupied either illegally or informally. Approximately two thirds of buildings in urban areas in Albania are informal developments (almost all new construction since the social and political change). The scale of this phenomenon makes it necessary to evaluate its positive and negative impact both on the origin and destination of settlers. These impacts are obvious and visible in both cases. Rough estimates show that, in parallel to the informal constructions, more than 100,000 apartments were built since 1990 by the formal sector. Most informal constructions are not connected to basic infrastructure, causing supply problems for fresh water and electricity and lack of sewerage systems. Many important planning aspects are overlooked when providing services such as spaces for education, health care, parking, or for traffic management. Illegal connections for water and electricity create urban management problems, while the hygiene of the water supply system is questionable. Most jobs are within the cities, so settlers have to commute daily. The poor quality of the road network and public transportation encourage dependence on private cars, increasing traffic, commuting costs and time, and air and noise pollution.

Illegal squatting on private land has complicated the first registration of property rights and the land restitution procedures and thus weakened the trust of citizens in the new cadastral and land administration system. An informal land market is functioning outside of the formal land market. The result is that bank loans are not available to investors in the informal market. Recently Albania has started making significant environmental progress by initiating countrywide projects that give hope that the country has turned a corner.

The Albanian government has considered four ways to address the informal development challenge:

1. Demolition

Demolition and a return to the situation of the 1990's, in order to force reality to comply with ownership rights according to the first registration or the existing planning regulations, is not a feasible or wise option. It is not politically correct, but it is also unrealistic since two thirds of buildings in the urban areas are informal developments. It is also extremely costly when the informal constructions represent solid investments and are a vital part of the economy.

2. Ignore the problem

Ignoring the problem, which was the route taken for the first 15 years, was not a sustainable and wise option to be continued, since the informal development simply kept growing. Doing nothing was considered a poor solution since the growth of Tirana was running at 7% per annum during the 1990's.

3. Comprehensive spatial planning

The implementation of comprehensive detailed planning to regenerate the settlements and impose controls on development was not considered an option. This approach is too costly and would have taken too long to be implemented. Besides, it would have made things more complicated.

4. Legalization

“Legalization” clarifies ownership rights on land and real estate and solves the land tenure problems only. Violations of planning regulations, or enforcement of new planning regulations, are left to be dealt with at a later stage. Legalizing property rights, with simple zoning criteria for rejection, the provision of registration and providing basic infrastructure as a following stage, was selected as the most preferable option. The high rate of urban growth of the 1990s has slowed in recent years. This raises the hope that better decision making based on spatial planning may be possible in the future.

Legalizing informal Developments

In the past, government admits that informal development is the only way for the average Albanian to acquire better housing, or even a second house. Building through existing formal procedures normally means waiting for several months with unknown results. Allowing informal building procedures, legalization of squatting, and ownership rights provision for informal houses was chosen as the best approach to address service provision, improve the image of the State, and stimulate the economy of Albania. This approach also provided a motive to emigrants to bring their savings back into the country, and activate “dead or sleeping capital”. A law for legalization of illegal settlements and construction was passed by the Albanian Parliament in 2006 to support the legalization process of informal developments.

The main characteristics of the legalization procedure according to this law are the following:

- ✓ Legalization: issuing of ownership titles for land and buildings; squatters must pay a fixed price for the land they have occupied.
- ✓ Equality: fixed land values for land are adopted in order to calculate the legalization fees, despite the economic and social status of the squatter.
- ✓ Compensation: by law, the previous registered owners are to be given compensation. The amount of money will be based on the land value before the illegal occupation by the new occupants. So far no compensation is given.
- ✓ Urbanization: infrastructure for informal settlements that are legalized will be provided through state funds.

The law was based mainly on economic aspects e.g. activating dead capital, increasing local revenue from taxes and avoiding further social and managerial problems like criminality, health risks, and traffic congestion. The aim is to avoid criticism from opposition parties, and to quickly stimulate economic growth. However, many issues remain unresolved and questions unanswered.

CONCLUSIONS

From a political and economic standpoint, the government had no option but to allow the widespread informal development to continue unabated over the past 20 years. However, the government now faces the difficult task of retrofitting infrastructure and providing citizen services, such as schools, transportation and hospitals, within these unstructured informal developments. Spatial planning is only in its embryonic form and is being applied to the defined informal development zones.

Government policy focuses on legalizing and integrating into the formal market the 127 informal settlement areas as fast as possible. Local planning and infrastructure improvements in these areas are scheduled to be the next direct step. This will be a long process and the sources of funding for this are uncertain. Existing dense development and constitutional constraints will hinder alternative solutions. In the interim, the negative impact on the environment and quality of life for urban citizens could be substantial.

The government has successfully engaged the citizens in the legalization process and simplified certain aspects of the process. However, the lack of land administration capacity within local government and central government agencies has hindered the process. Citizens have not yet regained their trust in government to provide security of tenure. This has led to the shunning of the formal land and property market; most people still make deals in the informal market with no formal registration of their transactions. Without re-establishing this trust, the early and on-going investments in land administration solutions will quickly erode. Public awareness and education,

professional capacity building, professional ethics and codes in land related and environmental aspects must all be improved.

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