Housing and Housing Policy in Albania in One Century - Historic Comparative Analysis

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Rationale for the subject and Time line

• First, because of the 100 years of independence that was 5 years ago
• Secondly, because it is a period that has never been analyzed from this point of view as the main focus of the researchers has been on the historical events and their impacts on the Albanian state formation.
• Third, it is because it is related with the hypothesis the research
Housing and Housing Policy in Albania in One Century

• **Main questions/hypothesis:**
  – The history matters – path dependence as a historical pattern where one event considerably changes the *probability* of subsequent alternative events or outcomes (Bengtsson, et al)
  • Economic and demographic developments are key in shaping the development of housing policy and housing systems
  – Albania in its 100 years of housing and housing policy history, has passed through a similar path of other more developed countries – the CONVERGENCE THEORY;
  – In a period of developing phase, ideology is a less significant determinant of housing policy
Historical phases

– Industrial revolution in Europe (XIX century)
– From Independence to Liberation: 1912-1945
– The socialist system (Post WWII): 1945-1990
– The demise of the communist system in Europe: 1990-up to date
The major events and trends of the 18th and 19th Centuries – the enlightenment, industrialization and revolutions of 1848 have marked the future of many European states.

The Industrial Revolution marks a major turning point in history, increasing urbanization, the standard of living and the economic growth and much more.
The Revolutions of 1848 of the middle class and university students, sharing the same liberal goals, turned the history of Europe into a new direction in the long run. They sought to relieve the oppressive working conditions imposed upon them in the early industrial period.
It was the time when Friedrich Engels put forward The Housing Question

“...housing shortage is the peculiar intensification of the bad housing conditions of the workers as the result of the sudden rush of population to the big towns; a colossal increase in rents, a still further aggravation of overcrowding in the individual houses, and, for some, the impossibility of finding a place to live in at all [...] and [...] it does not limit itself to the working class but has affected the petty bourgeoisie also
First signs of housing organizations

• In Italy housing for lower classes was first addressed by private associations around 1870;
• In Sweden, first known tenants’ association was already formed in 1899
• In The Netherlands, the first housing associations were set up in the second half of the 19th century, initiated by private organizations or companies that intended to develop housing for industry workers
During the same period of time, Albania was still under an absolutist and theocratic backward regime, with a feudal economy. The population suffered from years of oppression and heavy taxes. Historians note that to keep the heavy apparatus of the Empire and to satisfy their luxurious appetite new taxes were introduced, while the existing ones rose significantly.
Conclusions

- In the middle of XIX century, Sweden, Italy and the Netherlands saw the first establishing of housing associations
- There are no similarities between Albania and other countries in this period
- Albania was still a very poor country, with a remote feudal regime and with no signs of industrialization, unlike the other European countries.
- There are no signs of the Ottoman administration to exercise any power or take any specific measure to make housing of a better quality or more affordable
- There are no signs of any association established
Albania gained the independence from the Ottoman Empire in 1912, but the country still remains the poorest.
Attracting emigrated population

Improving quality of planning & architecture

Mid 1800 1st housing associations
1900 1st housing acts
1945 Massive housing construction
1970 Focus on quality
1990 State withdrawal Privatization Enabling approach Decentralization

ITALY

THE NETHERLANDS

SWEDEN

ALBANIA
The beginning of the 19th century has marked the consolidation of housing policies in most of the European countries

- **British** Local authorities to provide council housing since 1919
- In the **Netherlands** the Housing Act of 1902 legally established housing as a shared national responsibility
  - The first **Italian** law on social housing was declared in 1903. IACP (Independent Institution for Public Houses) was established in 1908 in almost all Italian cities
- In 1907 the Act on access rights to immovable regulated matters such as rent, leasehold and tenancy in **Sweden**
Albania during two World Wars

During the first decade, the population dropped due to emigration, as the country suffered from regional Wars that changed perpetually the size of the territories and population, while the political elite was struggling to create the state. This didn’t he

Source: Open Data
Reforms to stimulate the return of emigrants

- To each emigrant family were given half a hectare of land for home and garden and two acres for work
- Exempted for three years from the tax on buildings, the forestry fee of the building material and other taxes
- These exemptions were also enjoyed by farmers families for one year
- The aforementioned properties were inheritable but not tradable
Poor housing conditions of the population by the notes of Mehdi Bej Frasheri

“Housing, the way of building and managing them are one of the most important elements of the economic development of a society. For a society to evolve should be dignified from every standpoint. The sign of the dignity of a people is his dwelling. When a stranger goes to a place, he first sees the dwellings and then judges for the level of civilization and the good of a nation”

1. Albanian intellectual diplomat and politician
THE ITALIAN INFLUENCE
The Italian influence increased in the 1920s and it had an **important role in the urban formation of the major cities** due to the plans that were developed by well-known architects and by investments to implement the plans.

For example, in **1925 Mussolini confirmed a loan of 50 millions of Golden Francs for the construction of public works. These public works included also houses for the employees**

Modern buildings started to be erected during the Italian occupation

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F. Di Fausto, *Piazza Tirana, 13-1-1931* (Credits to Migliaccio, M.C.)
The rationale of the Italian government intervention in housing through urban planning and architecture can be deduced by the Objectives of the Central Office for Construction and Urban Planning

To ensure the best and most harmonious construction in Albania and to lead in the most important Albanian cities interventions that would improve their hygienic conditions as well as the urban and aesthetic aspect

2) Let by the Italian Architect Bosio
The quality of housing can be derived from the Italian architect Bosio’s memories

Tirana seen by Bosio

"Lying in the valley around the Lana stream, Tirana is an agglomeration of adobe houses, of which only a few are elevated on two floors, ending with large gutters that looks like protecting the crumbling walls. Modern homes are built without urban order and of a not good quality construction"

3) Gherardo Bosio was the Italian architect nominated Director of the Central Office for Construction and Urban Planning of Albania in 1939 and author, among others, of regulatory plan of Tirana of 1939-40
Tirana in the 1930s
Conclusions

- In the first phase after the independence, the government used housing as an incentive to attract the Albanian emigrants.

- In the second stage, during the Italian occupation the interventions of Mussolini intended to improve the living conditions of Italians and the image of the Italian occupied territories.

- Although we can see a role of the government in housing at this stage, we cannot say that this role is similar with that of the government in other countries.

- If in other industrialized countries the policies already introduced welfare policies, in Albania we see an enabling role of the government by providing land for free.

- The rationales also differ: in industrialized countries government want to address the housing shortage because of immigration, in Albania the rationale of government intervention is to attract the emigrated population.
The establishment of the centralized system

- Nationalization/Collectivization
- Control over urbanization
- State to provide housing for urban population
- Rural population to provide housing for themselves
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<th>The Netherlands</th>
<th>Sweden</th>
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<td><strong>Mid 1800</strong></td>
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Stages of housing policy in Europe after the WWII

- First stage - realization of a large-scale housing construction program in order to alleviate the housing shortages caused by the war
- Second stage - housing policy was more concerned with the quality of housing
  - Third stage - much attention is given to the problems of distribution
  - Fourth stage – addressing housing shortage

6) According to Boelhouwer and Van der Heijden, 1992
Stages of housing development in Albania

- First stage – rebuilding the damaged houses by the War
- Second stage – mass housing provision for urban population
Stages of housing development in Albania

Mid 1800
1st housing associations

1900
1st housing acts

1945
Massive housing construction

1970
Focus on quality

1990
State withdrawal
Privatization
Enabling approach
Decentralization

- Rebuild the damaged houses by the War
- Mass provision for urban population; land for rural
- Prefabrication
- Faster, better, cheaper
- Voluntary work

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Housing in the constitution of ‘76

  - Article 57:
    - The home is inviolable. Without the consent of the person concerned is not allowed to enter his apartment **none other than representatives of the competent state bodies** and conditions set by law
  - Article 23
    - The personal property of citizens is recognized and protected by the state.
    - Personal property are: income from work and other lawful sources, **housing** and other items that serve to satisfy material and cultural needs of the family
The concept of private ownership

• Although there is a perception that private ownership was not allowed, that on housing was extensive since the majority of population was living in rural areas, where population could build their own homes.

• However, private ownership was considered as **personal property** and not as a **commodity that could be traded**. Land and some financing was made available for construction for personal use.
Housing stock, created during 1946 and 1996 by different providers

- By the government
- By voluntary work
- By individuals
Some data

- Approximately 500,000 houses were built during the socialist regime, 59% were built by self-help scheme in rural areas.
- Some public houses was provided in rural areas counting for almost 10% of the rural housing stock.
- In urban areas government and other state employers provided housing for most of the population.
- According to 1989 Census, public sector in urban areas accounted for 70% of the housing stock.
  - Public sector provided 122,000 houses, while 75,000 were provided by the ‘voluntary’ work.
  - The average yearly rate of housing provision was approx. 10,000 units.
- The ability of the government to control internal migration, reduced the pressure for urban housing.
Housing quality

- Public sector produced a fairly standard product with limited space standards
- In early stages, low-rise flats were produced; and from 1970s some limited prefabrication was used
  - Six-storey blocks of flats were built from mid 1960s onwards
- Government’s standards during 1977-88 allowed a 61.7m2 of usable floor area for 4-5 people
- Standardized typology of architecture were developed by the State Institute for Studies and Design
KAVAJA STREET IN THE 1960s
Conclusions

- Housing is considered as social obligation to improve the living standards
- State involvement in housing provision only for urban population
- There are similarities with other countries especially:
  • Mass provision in the first phase of European housing policy
  • Focus on quality in early 1970s
  • Prefabricated houses in late 1970s
The demise of the communist system in Europe

- Removal of control over urbanization
- Deregulation
- State withdrawal
- Neo-liberal and “lesser-faire” approach
- Privatization
- Targeting policy
Housing in transition

Main phases:
Transition from centrally planned into market economy
Consolidation of market economy
Convergence ...
Transition from centrally planned market economy (1990-1995)

• **Rationale for Government intervention:**
  
  – Establish the housing market, through:
    
    • Privatization of public housing
    
    • Property restitution
  
  – Addressing ‘homeless’ families:
    
    • Establishing National Housing Agency
    
    • WB loan and state budget

• Rationale for government intervention:
  – Adjust problems created by NHA
  – Make use of the private market already established

• Savings Bank to execute the housing program for the “homeless” families that could benefit:
  – To choose a house in the market that correspond to the needs
  – Benefitted a lump-sum subsidy (based on age & size of family)
  – A subsidized loan from the SB to cover the difference between the price of the house and the subsidy
Convergence: 2004 – up to date

- Reform in the housing policy:
  - Decentralization;
  - Addressing state aid for families that cannot afford housing;
  - Assistance is based on means testing method;
  - Different programmes for different income groups:
    - Social housing
    - Low-cost housing
    - Land development for housing purposes
Conclusions

- During the initial phase of transition, state withdraw from the previous role as main provider of housing in urban areas (similarly with Sweden, The Netherlands and Italy)
- While the rationale for developed countries was reducing public spending, in Albania it was to establish market forces
- In the proceeding phases, state aims to play a role similar with that in EU member States, using in general terms the same instruments and having similar rationale
(Preliminary)

Final conclusions

- A backward, theocratic and feudal regime for 500 years left Albania underdeveloped from economic and societal point of views.

- Albania didn’t have the opportunity to develop a capitalist economic system which would have helped to establish modern state and institutions and therefore comparable systems of housing provision.

- During the centralized regime there are similarities in the system of housing provision with the first phase of European countries.

- During the transition phase Albanian housing policy has similarities with that of other countries studied but the reforms are more exaggerated and outcomes are different (informal housing, 100% private ownership).

- At a later stage policies seem to converge, but still the outcomes diverge (amount).
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To be continue....

How to use the comparative analysis for policy development?