

Economic Features of Lezha District

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Abstract

The idea of the functional area was extremely important to the territorial reform which was implemented in Albania during the year 2014. Through this reform new and bigger local units were determined and high expectations were set toward a more consistent development and more efficient use of the public sector resources as well as utilization of the private sector energies. This study was conducted in the period of March – September 2015. Data is extracted from existing sources. The main data are retrieved by local government units which constitute Lezha's functional area as well as Lezha District. Tourism and Agriculture are regarded as the most important sectors from all development strategies of local units. There are other growing sectors in Lezha which are making progress, albeit a bit slowly. They are worthy of attention due to the number of businesses and their employees. The most pronounced industries here are timber, fish processing industry, agriculture and livestock products. Another industry of considerable significance in this area is that of extracting and processing construction materials and nonmetallic mineral reserves. The territorial reform implemented in Albania aimed at efficient use of the public sector resources, as well as toward utilization of the private sector energies.

1. Introduction

The idea of the functional area was extremely important to the territorial reform which was implemented in Albania during the year 2014. Through this reform new and bigger local units were determined and high expectations were set toward a more consistent development and more efficient use of the public sector resources as well as utilization of the private sector energies (Kotler and Armstrong 2005). The concept of the functional area is built on the attributes of the economic and social structure of the territory and it is largely determined through working migration, economic potential and value chain, services at disposal and physical infrastructure network (Knapik 2009). The main objective of this study is to evaluate the development potential of the functional area. Such thing can be achieved by identifying the main characteristics of its economic development and by enhancing this progress through cooperation and unification of the resources of existing local units.

2. Materials and Methods

This study was conducted in the period of March – September 2015. Data is extracted from existing sources. The main data are retrieved by local government units which constitute Lezha's functional area as well as Lezha District. The population data are obtained by INSTAT on the 2011 census and are compared against the administrative data of the population kept in the civil registry. The source of each data used in this study is cited. This document is an initial overview of the available sources to get familiarized with the functional area and to establish the development potential.

3. Results

Tourism and Agriculture are regarded as the most important sectors from all development strategies of local units. There are other growing sectors in Lezha which are making progress, albeit a bit slowly (Albanian Tourism Today 2012). They are worthy of attention due to the number of businesses and their employees. The most pronounced industries here are timber, fish processing industry, agriculture and livestock products. Another industry of considerable significance in this area is that of extracting and processing construction materials and nonmetallic mineral reserves. The latter one will be analyzed in the next part although a complete assessment is needed in order to entirely evaluate its potential in the light of its relation with the territory as well (Buultjens, Wilde and Crummy 2011). The main engine of economic growth in the functional area (with regards to the spread of the private sector, number of employees and concentration of important infrastructures for businesses) is the triangle Lezha-Shengjin-Shenkoll. A major part of the key economic activities is

concentrated in this triangle, those being fishing, fish processing, tourism etc (Avdeeva 2009). The economic structure of Lezha functional area changed substantially after the 90-s including but not limited to the following: wood and paper industry, construction materials as well as food industry. However there was one industry which continued to consolidate after the 90-s and that was the fish processing one. Currently the city's economy is always looking for ways to diversify and it relies mainly on industry sectors which employ a considerable number of people (Pankruhyn and Peter 2006). The industrial area of Lezha is almost non-functional as no business activity is concentrated there. The Municipality has tried every so often to advertise it in order to attract foreign or domestic investments, but there has not been any significant success in this direction (Cassalia and Ventura 2013). The Municipality also drafted a feasibility study of the area supported by USAID and Co Plan (Albania Culture Marketing Strategy 2010). This study listed 54.3 acres of land in Lezha and 3.2 acres of land in Shengjin as approved economic areas at country level which altogether will attract a total of 57 million Euros in investments. Lezha continues to remain an area under study process, whereas Shengjin is in the stages of development (Webster, Malter and Ganesan 2005). At any rate, the fact that both cities are strategically located close to airport, ports and main road corridors should not be overlooked. The construction of the Business Park in the northern part of Lezha remains an investment project prioritizing the area which would trigger the concentration of local, regional and foreign businesses within a consolidated territory and equipped with the necessary infrastructure (Kotler and Gertner 2002). The park is planned to bring together mostly activities of small and big businesses such as: confectioner production, shoe production, construction, agriculture food production, aluminum processing, wood processing, transport, different trading activities and service providers. This investment project is regarded as a provision of employment, with an estimation of 3,000 positions which will bring relief in the employment sector. Being situated in a favorable position which allows Lezha easy access to goods and services, makes this city important despite its small surface area (Ventura 2011). Shengjin represents the third biggest port of the country and owing to its size it acts as an important operating and logistic center for these industries (Romat 2010). Activities worth mentioning taking place in this port are: cargo, import/export, passengers transport and fishing. Shenkoll, as well, has a dynamic economic structure whether they are agro-tourism or construction industries (Della Lucia, Martini, and Franch 2010).

4. Agriculture, Livestock and Agro Industry

The functional area of Lezha consists of 457 km² or it can be said that it covers 29% of the overall surface of Lezha region. The city of Lezha has the smallest surface area and other subdivisions such as Ungrej and Balldren, Shengjin and Zejmen feature a larger expansion (Berxholi and Dhimiter 1996). Some of these subdivisions also have the highest population density within their territory (or a very low density) as is the case of Balldren with 67 residents per square kilometer and Ungrej with 14 residents per square kilometer (Dinis 2004).

Territorial Marketing: A useful tool for competitiveness of rural and peripheral areas. There are 18.496 acres of agricultural land in Lezha, as well as 19.256 acres of forests, 5.110 acres of pastures and 2.884 acres of infertile land. The agricultural land constitutes 53% of the district equivalence and 3% of the national one. Detailed data are shown below for the land structure of each unit (Pankruhyn and Peter 2006). The agricultural land surface of the area is fragmented. Each farmer family has at their disposal an average of 0.75 acre of land. This amount is well above the district average of 0.6 acres per farmer family. There are three units of the functional area with less than 1 acre per family and six other units with approximately 1-2 acres per family. These figures are way too low to allow for massive and intensive farm production (Brade, Herfert and Wiest 2009). As it is shown on the table below the number of farms in this area is equivalent to 45% to the total number of all farms in the region and 4% of the total number of farms nationally. It is altogether relevant to adduce here the fact that there are several factors that enable a rich agricultural and livestock production in the area, namely the favorable geographical position in the western lowlands of the country, Mediterranean climate conditions, rich water resources (rivers, lagoons), rich forests and pastures. Agriculture is a sector that has been well-established in this area especially in Kallmet, Blinisht, Dajç, Zejmen and Shenkoll. It is a solid source of income for residents (Romat 2010). Additionally, agriculture persists in being a top-priority sector on a national scale. It increased by 18.4% from 2007-2013. Lezha is particularly reputable for its production of field crops and arboriculture. Its plantation structure, which consists of field crops such as bread cereals (wheat and maize), vegetables (peas, watermelons) industrial crops (soybeans) and fodder, as provided in the table below, clearly indicates that Lezha's functional area has the largest surface in the region where these crops are planted. The following table on the productivity of agricultural crops shows that Lezha's Functional Area has the highest productivity relevant to bread cereals at the regional level (70%). Production of vegetables and fodder is important as well in the light of data that they represent around half of the

regional productivity (respectively 53% for vegetables and 50% for fodder). Compared to the national level productivity varies: 1% for beans and potatoes, 2% for vegetables, 3% for cereals and up to 4% for fodder (Zenker and Braun 2010).

As far as the livestock sector is concerned, a certain development is observed in family-owned livestock and it specializes raising cattle, pigs and poultry (Kotler and Gertner 2002). Natural conditions on most of the areas such as Kallmet, Ungrej, Blinisht, Dajc, Shenkoll, Balldren and Zejmen, which consist of lowlands, hills, mountains and great forest resources, significantly promote raising different cattle species and producing dairy goods of a supreme quality (Roos 2006). All these elements contribute to the livestock sector being a crucial trend in these areas (Hospes 2010). The dairy products of the area are: milk and its by-products, meat and eggs. Livestock structure and its relation to the region and/or the country is provided in the below table (Konecnik 2007). As it is shown the functional area is distinguished at regional level with reference to the number of pigs (62% of district total and 26% of national total), wool (51% of the region), cattle (49%), poultry (45%) and bees (43%). Agro-industry is also expanding in the functional area of Lezha, as well as on a national scale (17.8% increase for the period 2007-2013). Nonetheless further investments are needed in order to enhance this sector (Xiong 2010). Figures from Agricultural Directorate show that during 2014 there are 73 agro industrial subjects who exercise their activities in the area (58% of the totality of the region) and employ 657 persons (or 85% of total employees of the region). These businesses include mostly: fish production, oil and wine factories, bakeries, pizza restaurants, fast food etc (Niedomysl 2007).

5. Conclusion

The concept of functional area was crucial to the territorial reform implemented in Albania during 2014. Through this reform new and bigger local units were determined and great expectations were set toward a more consistent development and more efficient use of the public sector resources, as well as toward utilization of the private sector energies.

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