

A Competitiveness Analysis of Durres City

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Abstract: *This paper takes in consideration our hometown city, Durres. It is the second largest city of Albania, and the most ancient one. Durres is located in the north-western part of the Western Lowland of Albania. The historical development of the city of Durres is rooted in early connection with other Albanian and foreign cities, because of its suitable location in the region. The port of Durres is the biggest port in Albania, in which export and import processes is regularly handled. This paper includes a historical analysis of Durres city, looked under city's development since the period after the World War II until nowadays. As many other major Albanian cities, Durres has passed through an uncontrolled urban development in the last twenty years. The change of mono system into pluralism, from 1990, and the application of the economical reforms of the trade were accompanied with the appearance of many problems. Regarding to the urban city transformation, the period of transition led to a high city urban growth and densification. Illegal buildings were constructed in previously green areas, such as in the old beach. Is this uncontrolled urban development also influenced the informal settlements in industrial zones, such as the one in Spitalla, Porto Romano, and Keneta. Ongoing these deep change processes, unemployment rate has suffered significant decline. Through a table we can demostate the city life cycle of Durres city. Moreover, analyzing the competitive capacities of Durres, we make a competitiveness analysis of Durres city with two other national and regional competitive cities: Tirana and Istanbul, highlighting the stong and weak points of these capitals.*

Keywords: urban development, urban transformation, city life cycle, urban competitiveness;

Introduction

For this paper we are taking in consideration the city of Durres. It is the second largest city of Albania, and the most ancient one. Durres is located in the north-western part of the Western Plain of Albania. The region is bordered north by Lezha, south and east by Tirana, and west by the Adriatic Sea. Durres region includes two districts, Durresi and Kruja, in which are 6 municipalities and 10 communes. The Durres city area is about 46.1 m², which consists of 10.67% of the total region area. The total number of population of the region is 303742, while the population of the city of Durres itself is about 203550 residents. The city of Durres has a Mediterranean climate with an average annual rainfall figure of 989 mm.

As we see the historical development of the city of Durres we can distinguish the city early connection with other Albanian and foreign cities, because of his suitable location in the region. This has helped Durres to be a competitive city in all the area of the region. We would like to start the analysis from the time of 1945 when Albania became finally an independent state.

During the period of 1945 – 1990 Albania was a socialist country. The economy was oriented totally toward the state property, so there was a totalitarian centralized socialist economy. The priority of the

government was to grow the economic level of the country in general and of Durres in particular. In Durres were settled and developed some light industry, such as plastic factory, cigarette industrial factory (Nish Cigare), factory of tobacco fermentation, the factory of collection and drying of medicinal plants, factory of producing animal food (FUB), ALB-export in which were gathered and exported goods. It was settled also chemical industry for producing agriculture pesticides, soda, pharmaceutical productions etc; mechanical industry for producing and repairing agricultural mechanisms, site marine boats repair, etc.

The port of Durres was the biggest port in Albania, in which export and import processes were regularly handled. These fundamental evolutions led in many changes in social values, technology and demography. Government attempted to create an equal standard of living for all citizens, so not to have a high inequality, even though the welfare was in very low rates. The wrong way of creating a totalitarian centralized system from the government destroyed the free initiative. Therefore there were no private firms. The rivalry among factories was only in overcoming the government rates for production. During the first ten years period there some machinery were imported. Technicians used to study these machineries and tried to produce similar vehicles. This was determinant in increasing the quality and skills of the labor force. Yet there was much to be desired in the technology innovations. The public transport was oriented only in bus and train transport, which were widely used.

In the socialist period the population was oriented to go where the jobs were opened from the government. Therefore there was an inner demographic movement from other small cities to the city of Durres. The role of the government here was very strong, because it was a controlled movement according to the requirements of the city. As there were many new factories opened, the working conditions were inadequate. The employees worked in prolonged hours and requirements and regulatory standards were kept at high level, while privileges were kept very low (like workspaces, food, recreation areas etc).

In conclusion for this period of time, Durres passed the industrialization stage. It was characterized by an increasing number of the population and an increasing rate of employment.

This study aims to analyze the competitive capacities of Durres, by making a competitiveness analysis of Durres city with two other national and regional competitive cities: Tirana and Istanbul, highlighting the strong and weak points of these capitals.

Durres city life cycle

As many other major Albanian cities, Durres has passed through an uncontrolled urban development in the last twenty years. The change of mono system into pluralism, from 1990, and the application of the economic reforms of the trade were accompanied with the appearance of many problems. In the first years of 1990, Durres became the focus of mass emigrations from Albania. Many people migrated to Italy and other countries. Very large rates of growth among the 1990's were result of increased movement of population to urban areas, which continued in high rates until 2003. The annual growth rate was 7%, but after 2003 it decreased in 1.4 % per year.

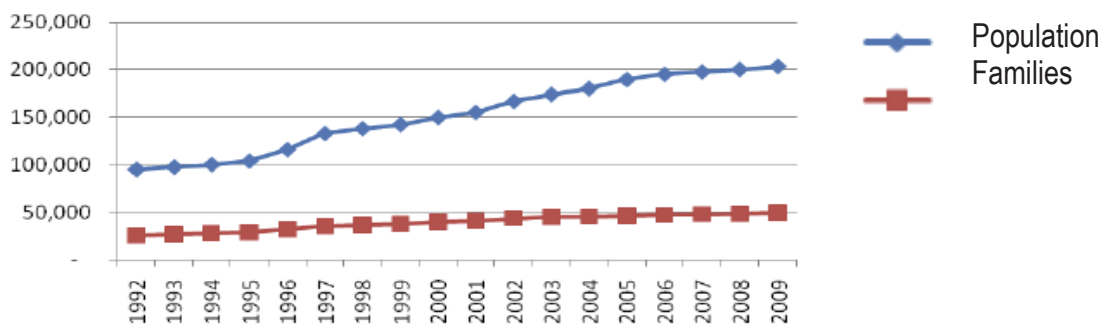


Table 1. Population grow of Durres city over years

The democratically elected government had an ambitious economic reform plan meant to halt economic deterioration and put the country on the path toward a market economy. As a result many factories were closed as they couldn't resist to the free market. One of the priorities of the government policy was the expansion of the transport infrastructure. There were some investments in automobilist roads, but there was much more to do in this sector. Land privatization led to an increase of private initiative. There was a rapid growth of the number of offices and firms. However there was a lack of firm strategies as long as they were not structured in associations. As the economy, in the first years, was destroyed; there was no technology availability for production, and no demand for high quality of product. One of the strongest resources for economic growth of the families was the investments made by the immigrations. The pick of the lower prosperity was in the chaos of 1997 with the demolition of the pyramidal firms.

Within some years this situation changed. Government took a more inclusive role in development policies. There were raised several agencies from the central and local government to improve the institutional framework. Local government invested in improving the roads and infrastructure, in reconstruction of existing networks of water, electric and canalization supplies. Local government has worked in improving and managing of the wastes by preparing a Local Plan for waste management. The municipality of Durres during the period 2010-2011 has invested a great amount of money in creating and improving recreative areas, mostly situated in the center of the city. Also there has been finally settled the online services, such as paying fees or tender participations. Government did a great afford in managing and supporting the private sector. This led to a higher competition between companies, and to the demand for higher quality of products. The creation of QKR (National Center of Registration) eased the procedures of firms to start a business. The Chamber of Commerce and the Association of Durres created a further cooperation between the government and private sector. The municipality has implemented a one-stop-shop plan for local business to minimize the communication gap with the local government; however, the municipality is not doing enough. A report from SNV and UNDP, figured that it is required more cooperation from the local government with NGO's, private sector and public. Also the private sector is not cooperating so well in producing a strong partnership.

Regarding to the urban city transformation, the period of transition led to a high city urban growth and densification. Illegal buildings were constructed in previously green areas, such as in the old beach. Is this uncontrolled urban development also influenced the informal settlements in industrial zones, such as the one in Spitalla, Porto Romano, and Keneta. The town is divided in non-homogeneous parts such as the central area, the informal city, the port and the urbanized coastline which is occupied mainly by tourist flats. Nowadays some progress is being made to integrate the informal settlers of these zones into the city life. However, this progress is very low, because in these zones is figured the highest unemployment, school abandonment, poverty, health problems etc.

Unemployment remains a big issue for the city of Durres, despite the progress that has taken place. The official rate of unemployment is 11%, but due to many unemployed persons who do not register as such, the unemployment rate is much higher (around 25%). So, as the population rate is not increasing, the unemployment rate is decreasing.

Urban competitiveness

From the above analysis we come to the conclusion that the city of Durres has passed a mixed urban life cycle. Some of the issues of the second stage have taken place in the period of 1990-1997, with the difference that Durres has had decreases in the economic development. In the late years, from 1997 – 2011, the city of Durres has had an evident progress in many areas. But, as a transition economy, not all the levels of the stages have taken place. There is much more to do in transport, town renovation, and in general the afford increasing the living environment.

As a new global divide is the driving force of city competitiveness, we would thought appropriate analyzing the city of Durres in national and regional scale, comparing with two competitive cities as Tirana and Istanbul. We would determine urban competitiveness as the way that cities compete with each other to have greater success in all aspects. Since we live in a world with high interconnections, cities connect and compete with each other. Therefore we would apply the Kittson's capitals in this analysis.

The capacity of a city to compete and increase urban competitiveness is affected by the rate of the standard of living. By increasing the productivity of the firms of a city and marketing its most productive goods and services, the community can develop and the employment rate will increase fast. This economic improvement will contribute in improving the standard of living for the citizens. According to Kittson, the assets that benefit in city competitiveness are: human capital, social-institutional capital, cultural capital, infrastructural capital, knowledge/creative capital and productive capital. All these assets working together affect the urban performance.

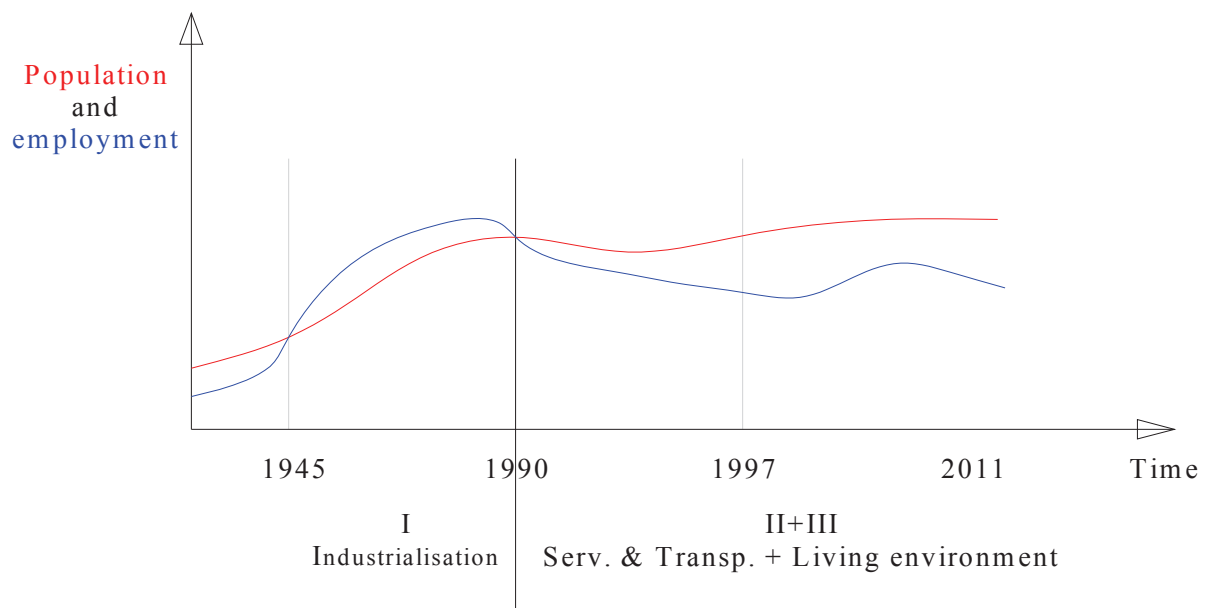


Table 2. The city like cycle of Durres

Findings

The Durres Prefecture has a population of 303742, where 49.37% are males, and the rest females. The city of Durres itself has a population of 195160, and has marked an average population growth of 4.6% per year in the five years between 2001 and 2006.

However, after the political changes of the early 90s, Durres has been faced with large masses of population being settled in the informal zones, such as the one of Keneta, with more than 30000 inhabitants having moved there from different parts of the country. Therefore the city has an existing potential in labor force, which could contribute to the development of the city's labor market. According to the formal statistics the level of unemployment is 11.8 %; but in we take in consideration the unregistered population of the informal zones, the unemployment level should be higher (up to 25%).

Data from Standard Measurement Survey Living (VMNJ) in 2002 show that poverty rate is about 25 %. However the Regional Work Office in Durres has established facilities between employers and job seekers.

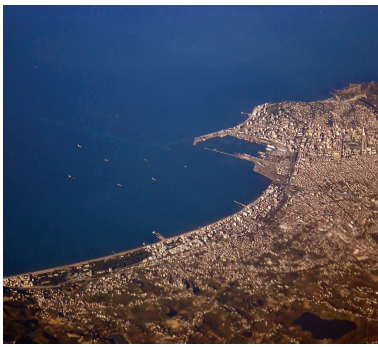


Fig.1 Durres



Fig.2 Tirana



Fig.3 Istanbul

City	Durres	Tirana	Istanbul
Total surface area	46.1km ²	52.2 km ²	5343 km ²
Population	303742	677871	1310000
Population density	497 inhabitants/m ²	460 inhabitants/m ²	1929 inhabitants/km ²
Growth rate	2 %	1.2 %	4.5 %
Unemployment rate	25 %	24.18 %	16 %
Poverty rate	25 %	18 %	9 %
Transportation	On foot, public transport, car, bicycle, motorcycle, ships	On foot, public transport, car, bicycle, motorcycle, airplane	On foot, public transport, car, bicycle, motorcycle, airplane, tramway, subway, ships
Garbage production	1 kg/day/person	0.8 kg/day/person	0.55 kg/day/person
Informal economy	35 %	30 %	10%
Education	35 %	40 %	93 % is literate
Universities	1/40	20/40	29/100
Nr of public hospitals	2/47	5/47	
Patents	2 %	5 %	55 %
Network connectivity rank	-	572/2921	710/2921
Industrial development rate	low	medium	high

Table 3. Competitiveness comparison of Durres city with Tirana and Instambul

Concluding remarks

The results of the analyses indicate that Durres holds good non-exploited opportunities. Lying in a strategical position between north and south of Albania, Durres is the center of trade intersections in the area.

We would recommend a better management of coastal and archeological tourism, as crucial distinctive elements of the city. Futhermore, several problems of land management and development should find ongoing solutions in order to have a sustainable use of it. This will encourage increasing the number of businesses, and therefore an increase in the standard of living of citizens. There is no doubt that a good business climate, regarding a closer cooperation between the municipality and businesses, would improve the today' state of businesses. One other very important issue is the improvement of the facilities of Durres' harbor, since it is the largest port of the country. Finally, the today's market conditions seek more

qualified labour, which can be offered by improving the educational system, particularly through the promotion of vocational schools.

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