

CITIES IN EUROPE AND CENTRAL ASIA

ALBANIA



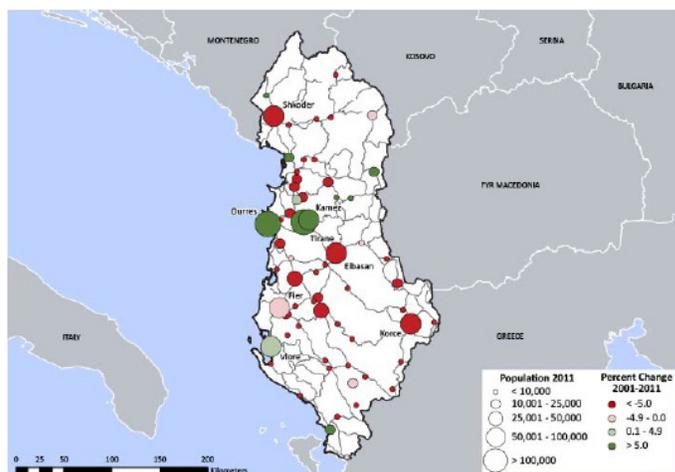
METHODOLOGY

This Country Snapshot was produced as part of an Advisory Services and Analytics (ASA) work developed by the Urban, Social, Rural and Resilience Global Practice (GPSURR). The objective of this ASA is to analyze economic, spatial and demographic trends in the urban systems of countries in Europe and Central Asia. City-level population data was obtained from the (or validated by) Statistics Department of Albania. In the absence of city-level economic and spatial data over the period of analysis, nighttime lights (NLS) satellite imaging was used to assess spatial and economic trends in cities. In previous studies, NLS intensity has been found to be positively correlated with levels of economic activity as measured by GDP. Regional-level regressions of NLS and GDP were conducted to assess validity of using NLS as a proxy for economic activity in Albania. The results suggest a significant and positive correlation between NLS intensity and GDP. In Albania, GDP to NLS elasticity was found to be 1.2 (an increase in light intensity of 1 percent is associated with a 1.2 percent increase in GDP). This country snapshot presents its results at city level. Demographic trends are available for all cities but NLS data analysis is only available for 31 cities; the remaining settlements did not produce enough light to be considered “urban” by the NLS threshold employed in this analysis. Similar assessments made in other countries suggest that NLS are able to capture more settlements with 30,000 inhabitants or more. For additional information on this ASA please contact Paula Restrepo Cadavid (prestrepocadavid@worldbank.org) or Sofia Zhukova (szhukova@worldbank.org)



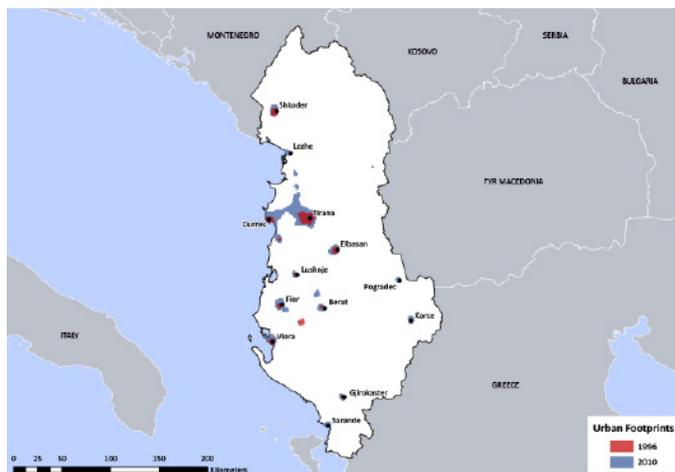
DEMOGRAPHICS

		BEFORE	RECENTLY
Fertility Rates	Albania	3.03 ¹	1.71 ⁴
	ECA	1.95 ¹	1.73 ⁴
Life Expectancy	Albania	71.72 ¹	77.53 ⁴
	ECA	72.05 ¹	76.77 ⁴
% of Population Above Age 65	Albania	4.91 ¹	10.90 ⁴
	ECA	11.59 ¹	15.16 ⁴
Population Growth (Average Annual %)	Albania	-0.20 ⁵	-0.46 ⁸
	ECA	0.27 ⁵	1.68 ⁸
Urban Population Growth (Average Annual %)	Albania	1.08 ⁵	0.04 ⁸
	ECA	1.68 ⁵	0.07 ⁸
Urbanization Level (%)	Albania	36.00 ¹	56.00 ⁵
	ECA	67.59 ¹	70.30 ⁵
Annual Urbanization Rate (%)	Albania	-0.30 ⁶	0.26 ⁸
	ECA	0.12 ⁶	0.24 ⁸
City Average Population	Albania	18,129 ¹	23,312 ³
	ECA	72,515 ¹	75,132 ³
% Cities With More Than 100,000	Albania	1.61 ¹	3.23 ³
	ECA	12.97 ¹	20.02 ³
% Cities With More Than 500,000	Albania	0.00 ¹	2.03 ³
	ECA	0.00 ¹	2.27 ³
% Cities Losing Population	Albania	27.41 ⁶	82.25 ⁶
	ECA	59.58 ⁷	61.58 ⁷



SPATIAL

		BEFORE	RECENTLY
Built Up Area (100,00km ²)	Albania	422.93 ²	654.04 ⁴
	ECA	86,265 ²	163,124 ⁴
Built Up m ² Per Capita	Albania	128.68 ²	186.38 ⁴
	ECA	235.80 ²	338.81 ⁴
Built Up Area Growth (%)	Albania	—	55.64 ⁹
	ECA	—	89.10 ⁹
Built Up m ² Per Capita Growth (%)	Albania	—	83.24 ⁹
	ECA	—	81.79 ⁹
Number of Cities in Analysis	Albania	—	62 ¹⁰
	ECA	—	2,712 ¹⁰
Number of Identified Cities (NLS)	Albania	—	31 ¹⁰
	ECA	—	3,883 ¹⁰
Number of Growing Cities (NLS Area)	Albania	—	14 ¹⁰
	ECA	—	1,645 ¹⁰
Number of Agglomerations(NLS)	Albania	—	3 ¹⁰
	ECA	—	352 ¹⁰

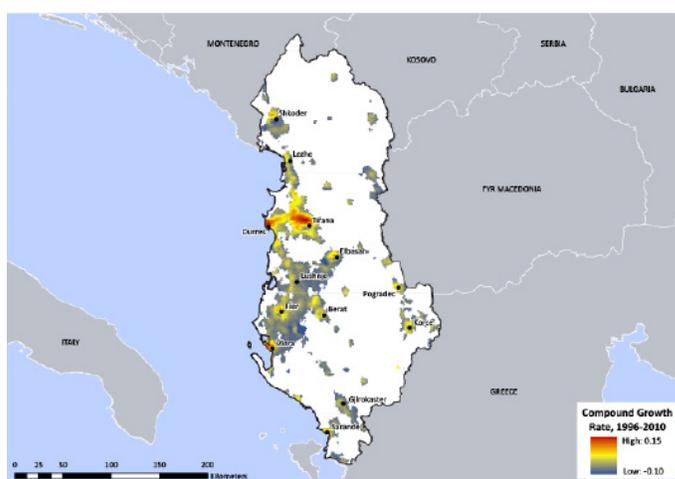


This section uses data from the Global Human Settlement Layer (GHSL) developed by the Joint Research Centre of the European Commission. The GHSL extracts geospatial imagery to map and report on human settlements and urbanization.



ECONOMICS

		BEFORE	RECENTLY
Average Annual GDP growth (%)	Albania	2.35 ⁶	4.28 ⁸
	ECA	2.00 ⁶	1.59 ⁸
Average GDP per capital growth (%)	Albania	2.57 ⁶	4.77 ⁸
	ECA	1.75 ⁶	1.21 ⁸
Estimated contribution of urban GVA to GDP growth (%)	Albania	—	87.33 ⁸
	ECA	—	—
Unemployment Rate (%)	Albania	13.43 ⁴	9.45 ⁴
	ECA	—	13.6 ⁴
Poverty rate (% at national poverty line)	Albania	—	11.25 ⁵
	ECA	—	—
Urban to rural GDP ratio	Albania	—	35.51 ¹¹
	ECA	—	5.95 ¹⁴
Urban NLS Intensity Growth (% annual average)	Albania	—	2.20 ¹¹
	ECA	—	4.03 ¹⁴
% City Economies Growing (in NLS intensity)	Albania	94.37 ¹³	100 ¹⁴
	ECA	58.74 ¹³	81.01 ¹⁴
GVA to NLS Elasticity	Albania	—	1.2 ¹⁰
	ECA	—	0.55 ¹⁰



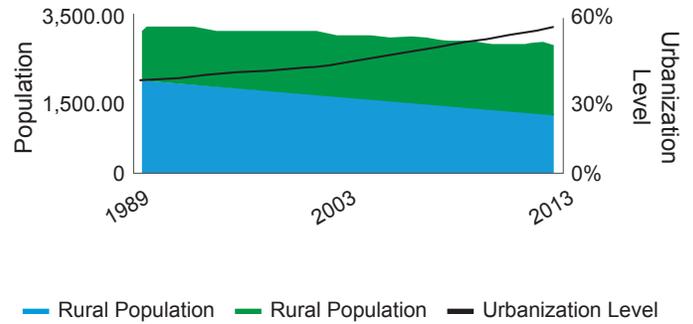
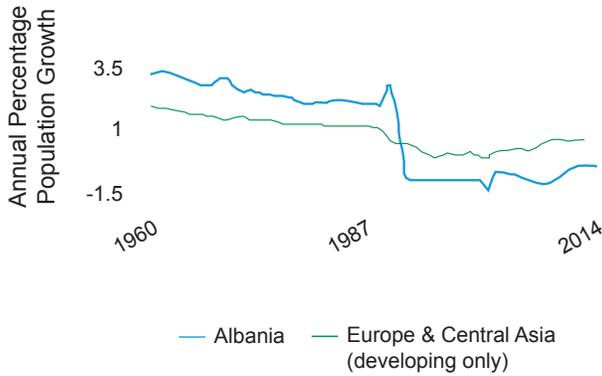
¹ 1989, ² 1990, ³ 2011, ⁴ 2013, ⁵ 2014, ⁶ 1989-2001, ⁷ 2001-2011, ⁸ 2001-2014, ⁹ 1990-2013, ¹⁰ 1996-2010, ¹¹ 1992-2000, ¹² 2000-2012, ¹³ 1992-2002, ¹⁴ 2002-2012.



URBANIZATION TRENDS

Over the last two decades, Albania has experienced a steady decline of its population. Since 1990, the population showed an average decline of about 0.29% annually, mainly fueled by outmigration. Between 1990 and 2000 alone, the population declined in almost 400,000 people, a loss of approximately 12 percent of its 1990 population. Since 2008, after the global financial crisis, population decline has slowed significantly, although the growth rates remain negative. The last decade of decline has been accompanied by an increase in life expectancy, a decrease in fertility rates (*below replacement levels since 2003*), and increases in the average age of the population.

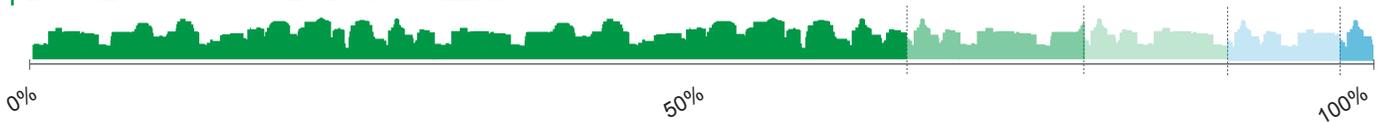
The country's population decline has been fueled by a decline of its rural population. The country continues to urbanize despite the decline of the country's population, as urban population is increasing and most likely absorbing a large portion of the rural outmigration. Between 1989 and 2014, the rural population decreased from 2 to 1.2 million (a 40 percent decline) while the urban population



DEMOGRAPHICS OF THE URBAN SYSTEM

Albania's urban system is composed of a large number of small towns but the urban population is spread out across cities of different sizes. Mid size cities play an important role, as they contain almost 30 percent of the population while comprising less than 2 percent of the number of cities in the country. Most of the cities in the urban system are shrinking, with 82 percent of cities losing population over the last decade. However, city population growth and decline is not homogeneous across the country. While most towns are declining, the fraction of declining cities goes down to 60 percent when considering cities between 50-100,000 inhabitants; and the two cities with more than 100,000 inhabitants, Tirane and Durres, continue to grow. 2 out of the 3 agglomerations identified in the country present positive growth. Across the urban system, the Tirana-Durres agglomeration concentrates most of the growing cities in the country and many of the fastest growing cities in the country. *Note: this snapshot uses the classification of cities (municipalities) prior to the 2015 territorial reform.*

DISTRIBUTION OF CITIES BY CITY SIZE: 2011



URBAN POPULATION DISTRIBUTION BY CITY SIZE: 2011



LARGEST CITIES BY POPULATION

CITY	POPULATION 2011	% CHANGE 1989–2011
Tirane	418,495	75.80
Durres	113,249	36.91
Vlore	79,513	10.96
Elbasan	78,703	-2.41
Shkoder	77,705	-3.56
Kamex	66,841	1129.37
Fier	55,845	29.61
Korce	51,152	-19.60
Berat	36,496	-15.04
Lushnje	31,105	4.31
Pogradec	20,848	8.18
Kavaje	20,192	-19.73
Gjirokaster	19,836	-18.06

LARGEST URBAN AGGLOMERATIONS

AGGLOMERATION	POPULATION 2011	% CHANGE 1989–2011	CITY COUNT
Tirane-Durres	723,785	74.53	12
Fier	76,217	51.70	3
Berat	56,382	-18.23	3

FASTEST GROWING CITIES

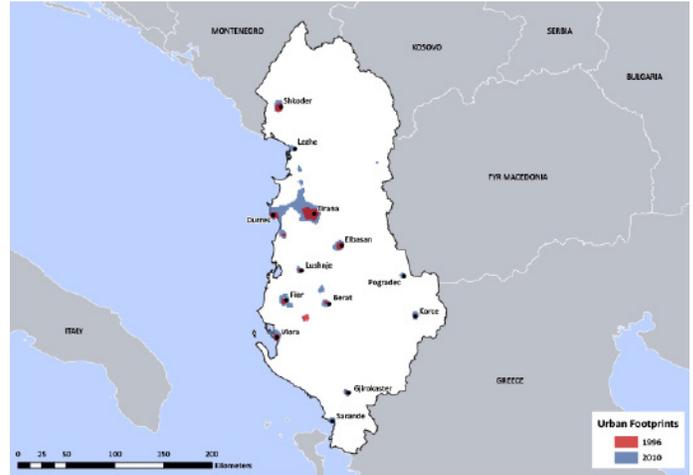
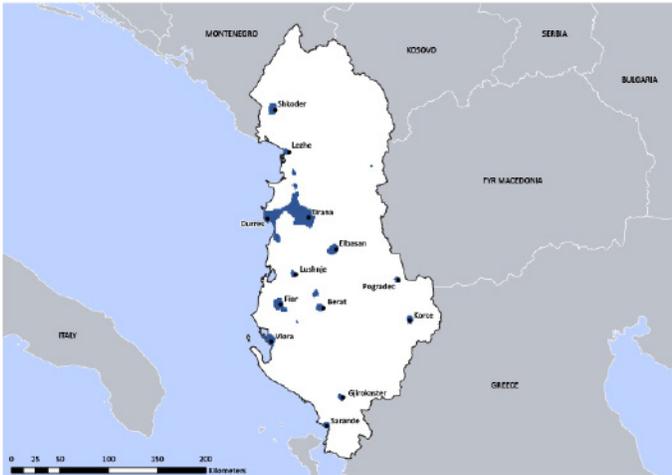
CITY	POPULATION 2011	% CHANGE 1989–2011	BELONGS TO AN AGGLOMERATION	AGGLOMERATION
Kamez	418,495	75.80	Yes	Tirane-Durres
Patos	113,249	36.91	Yes	Fier
Klos	79,513	10.96	No	N/A
Milot	78,703	-2.41	Yes	Tirane-Durres
Vlore	77,705	-3.56	Yes	Tirane-Durres
Mamuras	66,841	1129.37	Yes	Tirane-Durres
Fushe Kruje	55,845	29.61	Yes	Tirane-Durres
Rreshen	51,152	-19.60	No	N/A
Orikum	36,496	-15.04	No	Orikum
Delvine	31,105	4.31	No	Delvine
Rro Gozhine	20,848	8.18	No	Rrogozhine
Tirane	20,192	-19.73	Yes	Tirane-Durres
Rubik	19,836	-18.06	No	N/A



SPATIAL TRENDS OF THE URBAN SYSTEM

In Contrast with the large number of cities in Albania declining in population, only 2 of the cities in Albania are declining in area. Cities whose population is increasing are also growing significantly more (76 percent) in area than those that are losing population (36 percent) in the period of analysis. The Tirane-Durres corridor played an important role in spatial growth. Although separated in 1996, these two cities have grown extensively and become an agglomeration, by NLS standards, in 2010. They make the largest urban footprint in the country. This agglomeration has presented a growth in area of 60 percent during the analyzed period.

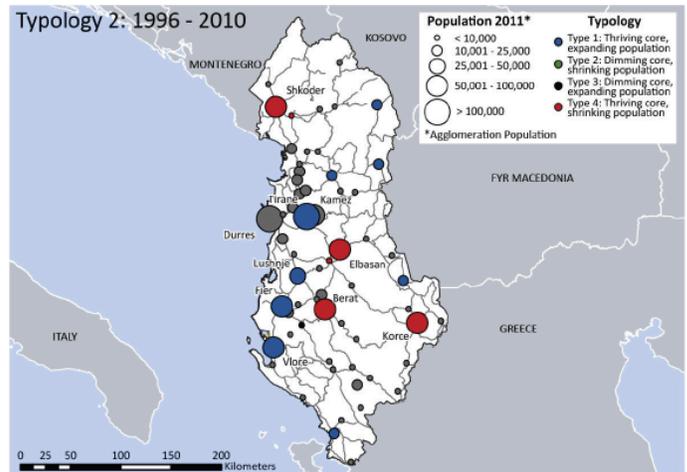
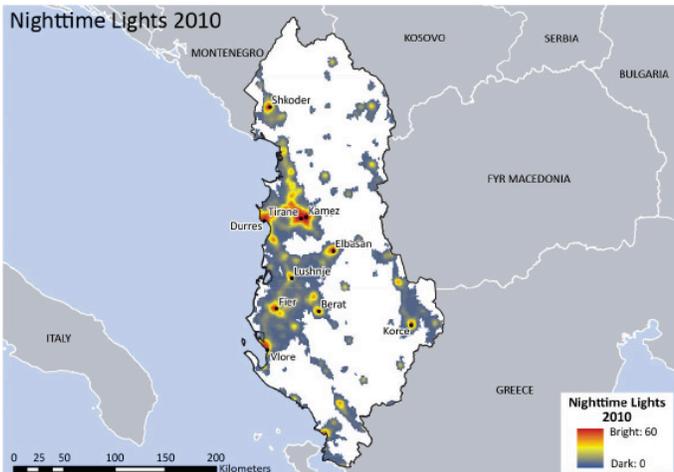
Note: Night-Lights are used to define urban footprints and follow their change over time. a urban threshold (*above which a certain pixel is considered urban*) is estimated for each country and used to delimit cities' footprints. Agglomerations—as defined by NLS—are composed of cities whose NLS footprint merges. Single cities are cities who do not belong to any agglomeration.



ECONOMICS OF THE URBAN SYSTEM

Urban areas in Albania play a fundamental role in economic growth. Estimates suggest that urban production is around 11 times larger than rural production while urban population is only 1.3 times larger than rural population. This reflects much higher levels of productivity in urban areas. Distribution of economic activities across the country can be observed spatially by analyzing light intensity and changes of light intensity over time. Just as the demographic and spatial growth, the growth of economic activity has been focused in the Tirane-Durres corridor, in the Western part of the country. The city of Vlora, further south but along the coast as well, has also presented important growth in NLS.

Note: Night-light intensity is being used as a proxy for economic activity at the city-level. For more information on the methodology please refer to page 1 of the snapshot. gross value added (GVA) data by sector, as reported by the United Nations Statistics Bureau, is used to measure urban and rural production as a part of total production. The sectors were divided into those that are urban and those that are rural using the International Standard Industrial Classification of all economic activities (ISIC), rev.3.





CITY TYPOLOGIES

Two city typologies were created based on the light emitted by cities in 1996-2010 and population trends (*Please refer to note below*). These typologies are intended to shed lights on spatial, economic and demographic trends of the country's urban system. **Typology 1** divides cities depending on whether they emit enough light to be considered as urban—by NLS standards. 50 percent of the cities in the country were found to emit enough light to be considered urban in both periods (*Identified*); 25.81 percent were only considered urban by NLS standards in 2010 (*Emerging*); 24.19 percent were not considered as urban in both periods (*Not identified*); and none were only considered as urban in the first period of analyses (*Submerging*). Typology 1 results are similar to those found in other ECA countries with mainly cities above 30,000 inhabitants being considered urban by NLS standards and most cities above 50,000 being identified.

Typology 2 classifies Identified cities in four types based on their night light trends (*dimming or thriving*) and population trends (*growing or declining*). 56.25 percent of the identified cities have a growing population and growing economic activity (**type 1**). None of the identified cities have a growing population but a decreasing economic activity, as proxied by nighttime lights (**type 2**). 6.25 percent of the identified cities have a completely different dynamic, a declining population but a strong growing estimate of economic activity identified by nighttime lights.

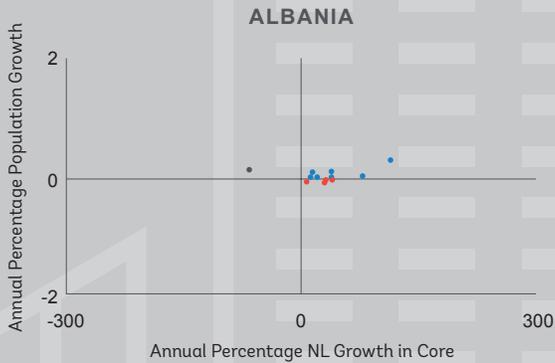
TYPOLOGY 1			
TYPOLGY 1	DESCRIPTION	NUMBER	PERCENTAGE
Identified	City emits enough light in both 1996 & 2010	31	50.00
Emerging	City emits enough light only in 2010	16	25.81
Submerging	City emits enough light only in 1996	0	0.00
Non-Identified	City does not emit enough light in both 1996 & 2010	15	24.19

TYPOLOGY 2			
TYPOLGY 2	DESCRIPTION	NUMBER	PERCENTAGE
Type 1 (Blue)	Growing population & growing economic activity (thriving core)	31	50.00
Type 2 (Green)	Declining population & declining economic activity (dimming core)	16	25.81
Type 3 (Black)	Growing population & declining economic activity (thriving core)	0	0.00
Type 4 (Red)	Declining population & growing economic activity (dimming core)	15	24.19

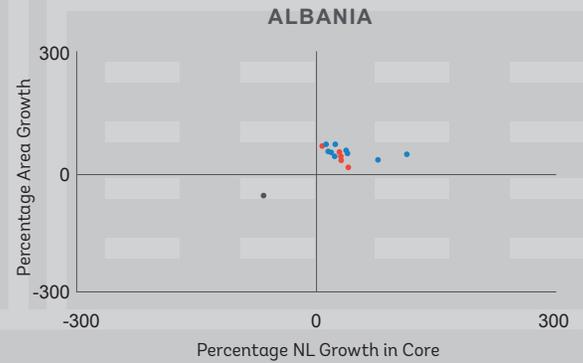
	TYPE 1: Growing Population & Growing Economic Activity	TYPE 2: Declining Population & Declining Economic Activity	TYPE 3: Growing Population & Declining Economic Activity	TYPE 4: Declining Population & Growing Economic Activity
Population 2011 (000s)	109.94 (231.69)	N/A	7.65 (N/A)	46.35 (31.08)
Average Annual Population Growth (% 1989–2011)	0.98 (1.12)	N/A	1.53 (N/A)	-0.60 (0.57)
Total NLS Value in 2010 (000s)	7.57 (16.73)	N/A	0.64 (N/A)	2.36 (1.74)
NLS per Capita (2010)	0.05 (0.01)	N/A	0.08 (N/A)	0.05 (0.01)
NLS Growth (% 1996–2010)	70.43 (38.36)	N/A	-22.86 (N/A)	44.37 (12.91)
Examples of Cities	Tirane, Vlore, Fier	N/A	Ballsh	Berat, Velingrad, Byala

A third dimension is added to Typology 2 classification to review the interaction between spatial, economic and demographic trends across the urban system. This suggests that most of the spatial growth corresponds to economic growth, as cities whose footprint is growing have also experienced an increase in the nighttime lights emitted. Also, all type 1 cities (*growing in population and economic activity*) are also growing in area. The graphs present the distribution of cities across these 3 dimensions and their interactions. The table presents summary statistics for Typology 2 cities. As can be observed, cities growing in population and economic activity (*Type 1*) are—on average—bigger than Type 4 cities. They are only slightly, however, more productive than type 4 cities.

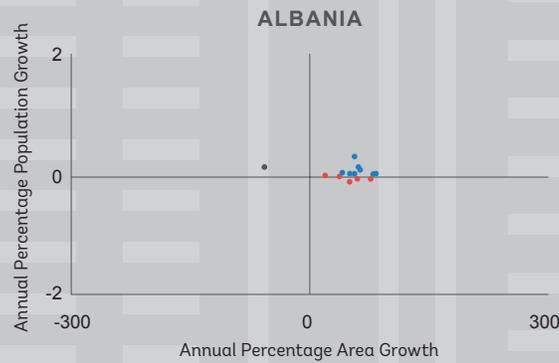
POPULATION AND ECONOMIC DYNAMICS



SPATIAL AND ECONOMIC DYNAMICS



POPULATION AND SPATIAL DYNAMICS





CONCLUSIONS

Albania has experienced a sharp decline of its population over the last decade, especially driven by decline in the rural areas. Urban population, on the contrary, continues to increase. These trends have caused a strong increase in the urbanization levels. Two of the three urban agglomerations found in the country, Tirane-Durres and Fier, show a very rapid growth. In particular, the Tirana-Durres corridor, located along the West coast, has been an important center of population growth and economic growth. While most of the cities in the country (*82.25 percent*) are declining, agglomerations and large cities are capturing the large extent of urban population growth. Cities in Albania play a fundamental role in the country's economy. In fact, despite having many cities declining in population, most cities in the country continue to thrive (*grow in light intensity*). Agglomerations show on average a higher growth of economic activity proxied by nighttime lights when compared to single cities. Again, this is of particular importance in the Tirana-Durres corridor.

The analysis of the urban system reveals the emergence and consolidation of two city types with contrasting economic, spatial, and demographic patterns. The first type is composed of a few urban centers that are large contributors to the economy and continue to be pillars of economic and population growth. As mentioned above, these are mainly represented by the largest cities in the country and agglomerations. The second type corresponds to cities that are declining in population but still are still growing economic activity.

While this snapshot does not intend to study the underlying dynamics behind observed trends nor prescribe specific interventions; the analysis does have important policy implications. In particular in regards to the need to develop a dual approach in the managing of urban areas. Albania needs to put in place the right national policies to better manage the population decline observed in many of its cities. In addition, given the importance of the urban sector, Albania needs to recognize the role of urban areas in economic growth and make sure that they have the right tools to reach their full potential. To achieve increased productivity in urban centers, the right mix of good governance, a beneficial business climate, and an efficient provision of public goods, usually in the form of public services and infrastructure, is necessary so that agglomeration economies are fostered and congestion costs reduced. This is of particular importance in the Tirana-Durres corridor along the West coast, where infrastructure, especially transportation, is fundamental to ensure the continued prosperity of this important urban agglomeration.



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