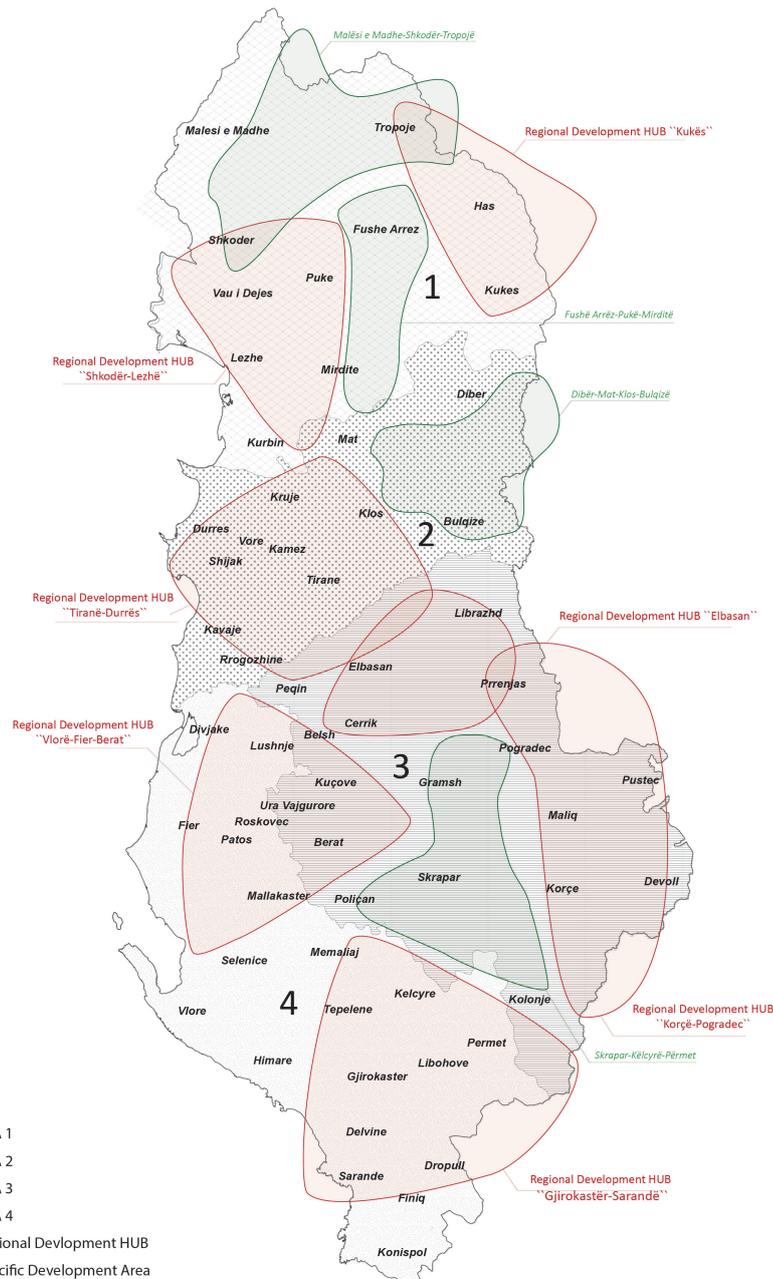


Figure 90. Planning regions versus development regions



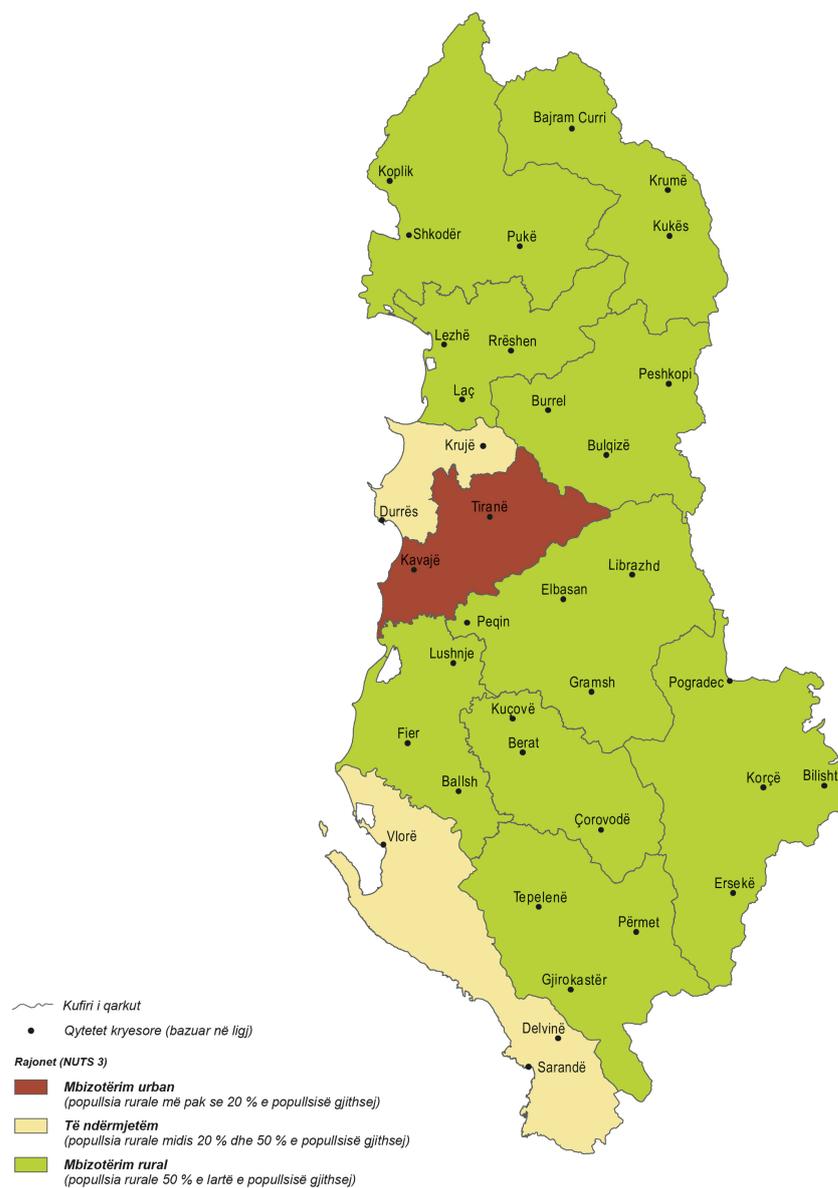
Source: NTPA (2015) and the Council of Ministers (2015)

These typologies or regions (also delimitations as presented above) are considered as soft territorial constructs in comparison to the hard regional government form. They are both dynamic and ‘volatile’. NTPA proposes planning regions for the sake of better and sustainable exploitation of territorial resources. But their boundaries are neither mandatory (in the long-rung these may change shape), nor subject to the implementation of any government function. The government has proposed development regions to consider them for the purposes of the implementation of regional development programs and for measuring disparities. While the first purpose

could be easily satisfied – a government policy needs territorial indications for implementation, the second is misleading. Not only lowers disparities among territories, it also hides them – for instance, it hides rural and urban disparities and it ‘ignores’ the position/conditions of Dibër versus other *qarks*, by placing it in the same region with Tiranë and Durrës.

Figure 91. Comparison between various typologies

Figure 90/a. Classification of *qarks* into urban-rural territorial typologies as per INSTAT



Source: INSTAT, 2014/b

Figure 90/b. Share of local territories for altitudes above sea level: 0-100m (on the left) and 100-300m (on the right)

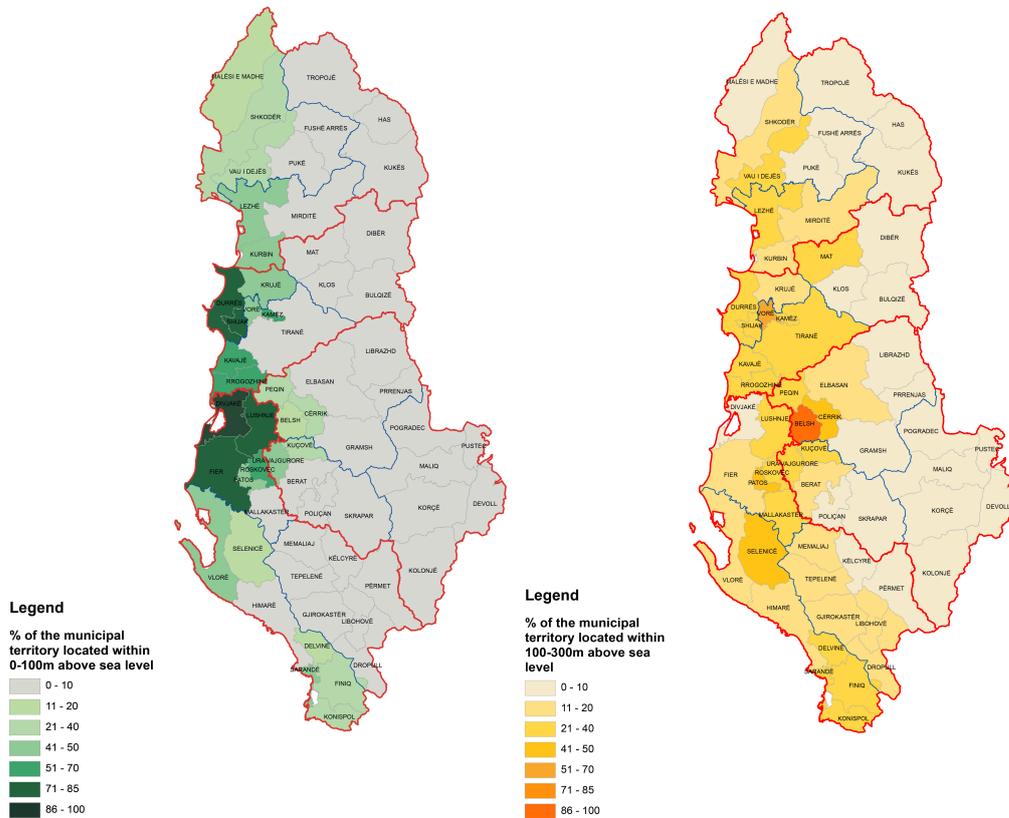


Figure 90/c. Share of the local territories for altitudes above sea level: 300-500m (on the left) and 500-800m (on the right)

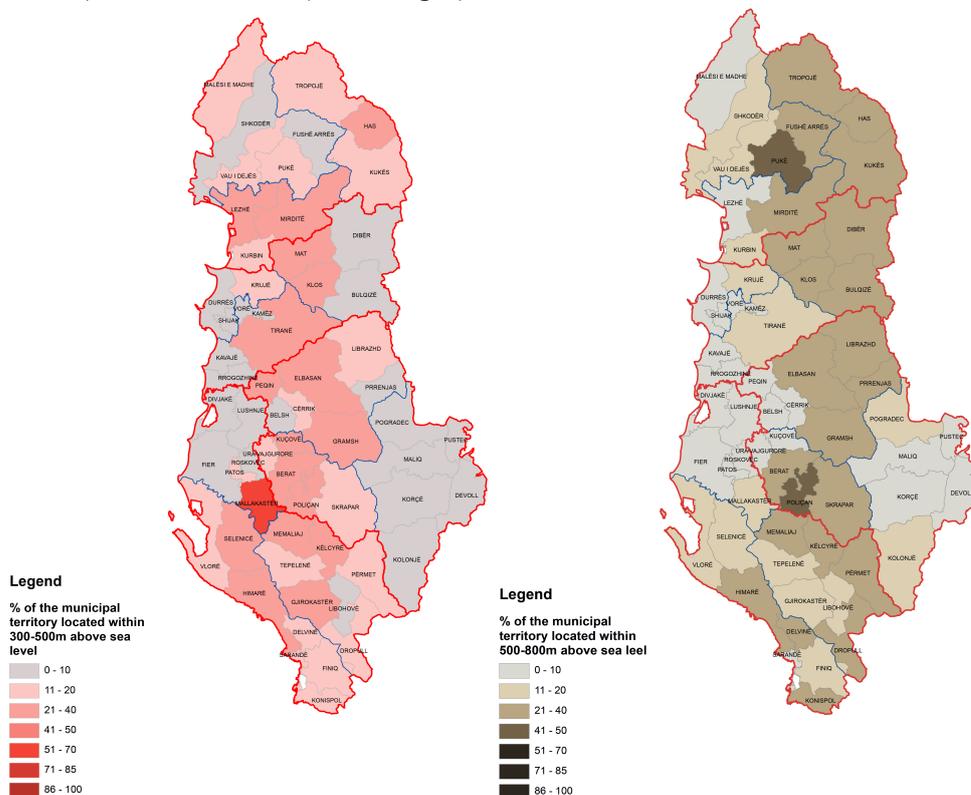


Figure 90/d. Share of the local territories for altitudes above sea level: +800m

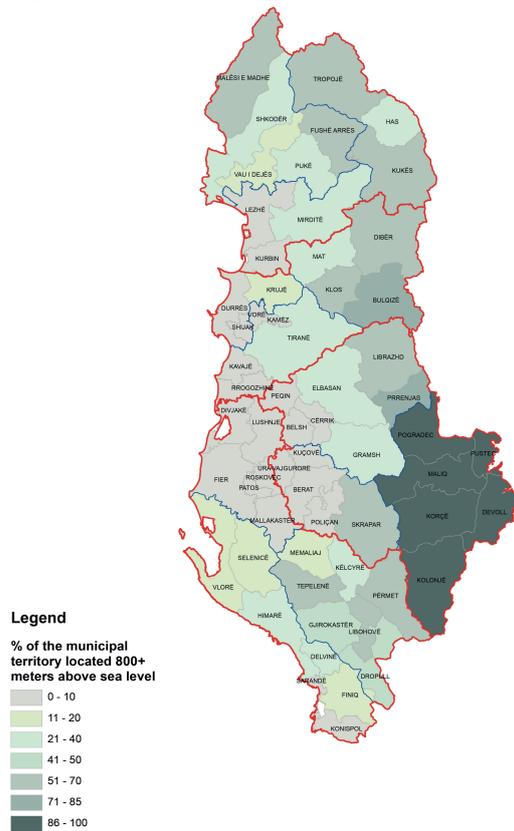
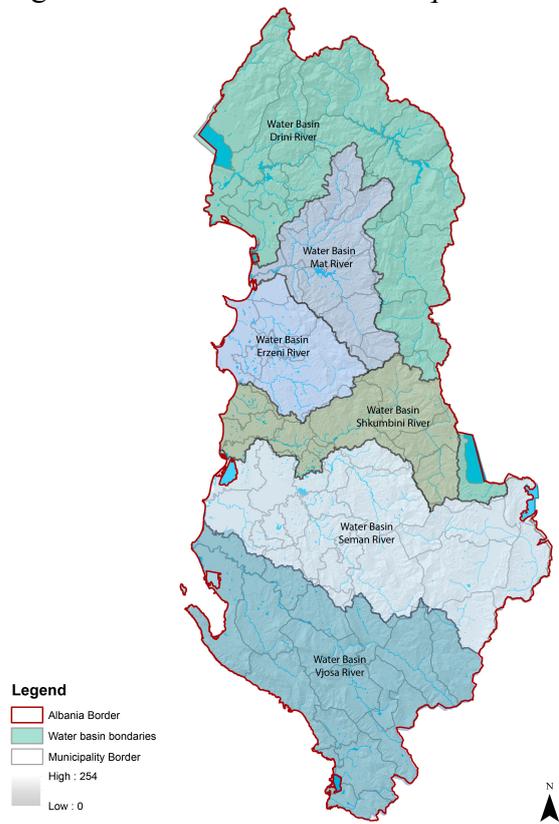


Figure 90/e. River basins versus *qarks*



Source: Author based on information from ASIG

Furthermore, by being predefined, the regional management areas display a picture of territorial disparities. A different regional setting/layout would provide a different picture of territorial disparities. Hence the way boundaries are currently designated predefines the distribution of territorial disparities that policies should be tackling, and therefore also the way the regional policy is implemented and delivered territorially.

On the other hand, there is a time rescaling factor as well. So while the policy may tackle disparities in the current regional grid, those may instead be simply displaced into another grid and will become visible only if, at a certain moment in time, the territorial statistics will be gathered in that new grid. This, together with the large and territorially mixed character of the current development regions, raises a question for what could be the lowest level in which data have to be generated and collected and what could be the possible levels of aggregation (which may have different territorial boundaries) feeding different politics, policies and development programs.

The above discussion leads to the summary of the methods that were used in Albania in the last 25 years to classify regions, not merely as geographical locations, rather as the product of territorial rescaling.

- *Historical and cultural ties and relations*: This classification has always been present, but as the analysis shows, historical regions play an indirect role in territorial rescaling processes in Albania. Historical ties and territorial identities are recognised, but often are left aside, or used when of interest, mainly as a secondary argument. However, in territorial analysis (such as the case for TAR implementation) this factor is listed as a key criterion. In general, the tendency to bypass the historical factor is due to the ‘fear’ from traditional and strong community ties, which may result into self-organisation and therefore affect authority and power status quo.
- *Naturally defined regions*: The natural boundaries constitute another key argument in rescaling, based on the assumption that these are regions of resilient socio-ecological systems. The river basins, or large ecosystems are such regions. In Albania, river basins are often used as a proposal for rescaling at regional level. However, territorial politics and investments have developed into different directions. Human interventions on the territory, such as road networks or water front restoration can shift a territorial element (mountain or river) from being a territorial barrier to being a unifying and integrating space between

regions that were otherwise distant and unconnected. As a result, river basins remain plausible options of regionalization when discussed about water resources management and forests and pastures governance, but economic factors, accessibility and especially political equilibriums outpace the importance of resilient ecosystems.

- *Classification by purpose or policy objective to achieve:* this is the case of regional management areas and planning regions (defined by NTPA) as described above. These regions are defined based on the analysis of several factors, but by being purpose oriented, they reflect subjective territorial constructs rather than territorial realities. Furthermore, these regions have complex profiles, due to being defined on the basis of a large number of indicators and sometimes indexes. The best way to avoid subjectivity in policies addressing development and disparities in purpose-oriented regions is to define various typologies, each being the representation of a single indicator, or a small group of indicators. For instance, there could be lagging regions, inner peripheries, etc. These do not need to exclude one another. On the contrary, the presence of several typologies provides better indications on territories, regardless of the scale of analysis. However, at a domestic level, is better and more accurate if the analysis is conducted and data are generated at municipal or administrative units' level, and then findings aggregated at higher territorial levels (*qarks* and various typologies of regions). This is important also because institutional interactions happen at different territorial scales, and often, as analysis shows, the lower the territorial scales, the more robust and resilient are the institutions and socio-ecological systems. By analysing development indicators at lower territorial scales, it is therefore possible to identify links between the territorial development outcomes and the [institutional] territorial interaction, hence between territorial structures/construct and polycentric governance processes.
- *Classification based on administrative boundaries and scope of government:* This is the most common form of defining regional/territorial typologies. Besides recognising administrative and government subdivisions (administrative units, municipalities, *qarks*, prefectures) it is possible to use the delimitations of these regions as territorial levels to generate data. Furthermore, by having these pre-defined and fixed territories, it is easier to go through

analyses for identifying their features and classifying them upon territorial specificities, and other development features/indicators. This is usually the way that INSTAT deploys when classifying territories.

- *Classification based on dichotomies*, such as urban-rural, central-peripheral, polycentric – monocentric, mountain – valley, etc. and transitory or intermediate categories that [may] fall within each dichotomy. Dichotomies⁷⁴ are important to recognise especially when analysis shows that there are contrasts of empirical evidences on the territory. For instance, as Albania is typically a monocentric country, it is important to understand what territory constitutes the centre and what implications for the rest of the country are. Also, in case of urban-rural dichotomies knowledge is produced on dynamic (usually urban) regions, which tend to produce innovation, and less dynamic (usually rural) regions, which face difficulties in absorbing innovation that comes from urban centres (Ehrlich et al., 2015).

Finally, the methods that were used by the stakeholders (government or not) to define regions as a product of [potential] territorial rescaling were also numerous and summarised below:

- Territorial polycentrism analysis – morphological and functional, for understanding potential for cohesive growth. This was not used by the government, but was proposed by independent reports. The polycentrism analysis presented in this study was also shared with the government as independent contribution to the process;
- Territorial disparities analysis, least favoured regions and inner peripheries analysis, and identification of locations with territorial specificities, aiming at understanding development trends and territorial diversities that will turn into strengths for contributing to sustainable territorial development (Gløersen et al., 2013). In the GEOSPECS study, Albania is classified under two types of regions with geographical specificities, namely mountain (more than $\frac{3}{4}$ of the country) and coastal – the plain area in the western coast. It also contains sparsely populated areas in both the northern and southern mountains, which are categorised as poorly connected, based on the 45 minutes isochrone (Gløersen et al., 2012);

- EU classification of regions, deployed and adapted by INSTAT in the case of Albania;
- Spatial planning as a process that leads to identification of areas for development as used by NTPA;
- The watershed approach: combination between the three stream channel levels and the watershed areas based on altitudes above sea level – this is discussed between stakeholders, but not used;
- Accessibility analysis from polycentricity studies and based on connectivity of regions – This respective analysis, which is part of this study was, at the time, also shared with the government as independent contribution to the process;
- Governance analysis – for institutional networks of polycentric governance, efficiency of services provision, economies of scales for government functions, etc. This was used during the territorial reform in 2015.

3.6 Conclusions on Albania’s ‘Polycentricity Gap’ – the Way Forward

This research is about territory, development and governance. The accounts on all three arguments have evolved significantly, especially after 1999, with the adoption of the European Spatial Development Perspective by the European ministers of spatial planning, towards developing interdependency connections. The same year is a break-even point also for Albania, due to the reform undertaken at the time on decentralization of local government and the respective territorial rescaling. The need to understand development beyond merely economic outcomes, to harmonise development objectives on the territory as a key aggregate resource, and to develop governance mechanisms that are geared towards efficient and democratic achievement of territorial development, has become paramount in the work of various scholars and European Union regional policy.

Still, strengthening the territorial dimension of policies in the EU remains a challenge (see (Szlachta & Uljed, 2018) and (ESPON, 2018/c)), due to persistent territorial disparities and fragmentation, high Europe’s interdependencies to the rest of the world, and misalignment between geographical jurisdictions for policy-making and the geographies affected (ibid). These challenges are set in a context where the EU multiannual financial framework has lowered its overall budget for the cohesion policy

(though the latter still remains the largest investment policy in the EU), it has increased (among others) funding for climate change and also for urban development (Tosics, 2018); (EC, 2018a); (EC, 2018b). Similarly, multi-level and/or polycentric territorial governance remains a difficult endeavour that has to deal with territoriality, distribution of authority, and power dynamics across government levels and stakeholders (see for instance Hooghe and Marks (2003; 2016), Faludi (2012; 2016), Aligica and Tarko (2012), Araral and Hartley (2013), Shutina and Toto (2017), and (ESPON, 2018/d)).

As it was defined as of the outset, this research is looking at understanding the interdependencies between *regions' or territorial typologies* obtained in the *territorial rescaling process*, due to continuous governance shifts and *emergence of polycentric governance*, as a means for boosting sustainable territorial development and cohesion, in a situation where the regions are peripheral and there is a preconceived expectation that disparities will be present. The research was exploring whether polycentric governance models have an effect on territorial development and to what extent is this defined by territorial rescaling and regional typologies? The answer to this question should contribute to enhanced understanding on the '*polycentricity gap*' and means to overcome it, which, based on the discussion of chapters 1 and 2 of this research, is shortly summarised as follows:

- Territorial disparities are present and to address them, development policies aim strategically for convergence between cohesion and growth;
- Territorial polycentricity is an objective pursued to achieve convergence between cohesion and competitiveness, but empirical evidence shows that at a regional level, territorial polycentricity does not necessarily spurs cohesive growth;
- Polycentric governance, as a mode of governance that embodies network interactions and different degrees of decision-making autonomy for the 'nodes of the network' (aka stakeholders or decision making centres), contributes to the achievement of the territorial polycentricity objective, by eliminating inefficiencies, improving the exchange and flow of information, increasing resilience of the institutional and socio-ecological systems and internalising the effects (positive and negative) resulting from the dynamics of territorial rescaling.

- Knowledge on regional/territorial typologies borne out of, or contributing to territorial rescaling, is needed to understand the *modus-operandi* of polycentric governance in a specific territorial context.

In order to achieve its objective, this research analysed:

1. Territorial rescaling processes in Albania, including factors that stand behind and policy and development results;
2. Territorial disparities, fragmentation and polycentricity/monocentricity in terms of territorial structure;
3. Cases of polycentric governance and related effects on territorial development;
4. Linkages between polycentrism (territorial and governance), territorial rescaling and development.

For the polycentric governance analysis in particular, the research was focused on analysing cases based on the following critical factors:

- a) Level of decentralization for the different types of subnational (local and regional) governments, mostly insights on the decision-making autonomy;
- b) The presence of network governance – hence, of centres of decision-making, independent but complementary to one-another, or highly interactive among them, government and non-government ones.
- c) The existence of at least one subject of common interest for centres of decision-making in a polycentric governance network;
- d) The presence of a common niche of attraction for genuine cooperation between centres of decision-making – hence a minimal need or willingness for cooperation;
- e) Existence of a space or a territory where the autonomous, but simultaneously complementary interests/objectives of the actors are materialised;
- f) The presence of *a commonly agreed system of rules* for interactions and functions, which guarantees that regardless of individual autonomy, decision-making centres do not operate in isolation, but intensively interact and cooperate among them.

It is assumed in this research that territorial typologies, or territorial constructs, resulting from rescaling processes with various delineations over time, play a role in defining the subject/s of common interest and the need that brings actors or centres of decision-making together.

Albania is characterised by rapid accumulation of population and economic activities in key urban areas – those that were best fitted (location wise, residence of the government, and with the best offer of services) to welcome new residents after 1990. These areas grew in size, expanded beyond historical boundaries, and strengthened their core position in development, leaving behind other locations that were and still are subject to shrinking, socio-economic distress and peripherality. The first phenomenon, that of creation of agglomeration economies and metropolis formation, is accompanied by loosening and fuzzy borders between urban-urban or urban-rural areas, therefore resulting into the establishment of city-regions (the case for Tirana, Durrës, and even Fier), or leading towards some kind of urban regionalization (Su et al., 2017). The second phenomenon, where remote areas become even more remote, has resulted into abandoned urban or rural settlements in some cases, and in other cases in weakening local economies, with decreasing population and subject to social depression. As paraphrased by Ehrlich et al. (2015), Keim (2006) states that peripheralisation implies centralisation, where some centres grow and attract population, economic activities, and infrastructural investments to the disadvantage of others. In overall this socio-spatial polarisation (Ehrlich et al., 2015) has led to increasing differences between territories in Albania. Territorial disparities have developed and grown persistently, being highly pronounced between urban and rural areas, among municipalities and among administrative units (territorial subdivisions between municipalities), and among functional urban areas. Disparities are moderately strong between *qarks* and visible between the regional management areas (the development regions).

This trend of increasing territorial disparities is reinforced also by a pattern of obvious monocentricity of the territorial structure. Albania has a high value of the polycentricity index, which shows for concentration of population and economic wealth within one single location – the Tirana-Durrës area. Accessibility and connectivity analysis support further this finding. Infrastructure investments, the road network, the access to motorways' exits, travel times, as well as functional interactions between the functional urban areas, all do favour the Tiranë-Durrës metropolis development on one hand, and the draining of human resources from other parts of the country towards the metropolis, on the other.

Tiranë-Durrës metropolis, more than a mega-region as based on Su et al. (2017), is an urban agglomeration (Karafili, 2015); (Shutina, 2015) created around the two centres –

Tiranë and Durrës, with the first prevailing over the second. Due to proximity reasons, the fast growing ‘thick’ suburbs of both centres are joining every year closer and, during this process, they are encompassing or encapsulating within their area of influence also smaller and adjacent urban or rural centres, being located among the two. The quality of infrastructures that connect the two urban areas and penetrates the region is still low/lagging behind, even though it has absorbed significant public investments compared to other areas in the country. The economic activities, on the other hand, do not create clusters or link into networks (Karafili, 2015). They benefit of economies of agglomeration and proximity, rather than cooperate among them to enhance their effects and outputs into broad networks (ibid); (Toto, 2015); (Shutina, 2015). Therefore, there is a tendency for these urban areas to benefit on synergies created, or advantages that go beyond their dimensions, but there is no cooperation within the network. Referring to (Su et al., 2017), agglomeration and synergies are present, but there are no specialised clustered economies, though there are opportunities (the education sector, the administration, the concentration of services, etc.).

The development profile as depicted above shows for challenges that the society has to face ahead, as well as testifies for the policies used, or for lack of policies needed to guide development over three decades. Albania had to make tremendous political and socio-economic shifts, which resulted into planning and governance shifts as well. *The planning and ‘contained development’ paradigm* (Angel, 2011) aimed for in the beginning of 1990s, *resulted unsuccessful on the territory*, while *the ‘making room’ paradigm* (ibid.) *was misinterpreted and misused* in favour of uncontrolled urban sprawl, fragmentation of agriculture land, deforestation, unintended urbanisation, and unpredictable shifts of the territorial structure (Aliaj et al., 2010); (Aliaj et al., 2014); (Shutina, 2015); (Toto, 2018).

Brezzi and Veneri (2015) state that understanding links between territorial organisation and socio-economic conditions is important for policy-making processes. For instance, though spatial planning is not a European directive, it is so strongly linked to territorial development, that it has given rise to a paradigm of regional development that incorporates or affects planning and helps improving both national and regional growth and prosperity (Alden, 2006). In EU, especially the ESDP as a territorial development advocacy document has affected the planning agenda with the concept of sustainable polycentric development and by redefining the core-periphery model paradigm (ibid). “This reorientation in spatial planning meant a shift in focus from the physical planning

of space using functions such as housing, industry, transport and nature to the development of strategic frameworks and new visions for regional development.” (Burger et al., 2014, p.816)

However, empirical evidence on the territorial development – policy making links and more precisely on the links between territorial polycentricity (as a policy objective) and socio-economic development is not conclusive (Brezzi & Veneri, 2015). The theoretical discussion in chapter 2 concludes that on a country level, higher GDP is associated with high territorial polycentrism. Still, the same finding is not evident at regional level, where often the opposite may occur. Thus, various studies summarise that transport and public services efficiency and territorial disparities (inter and intra-regional) are key policy issues that need to be addressed, in order to achieve the objectives of growth and cohesion, and territorial polycentricity alone may not be able or sufficient to tackle them.

This research showcases that *in Albania territorial polycentricity and disparities are strongly correlated*. The country is monocentric territorially, disparities are high and cohesion is low. In analogy to Burger and Meijers (2012), the monocentric type of spatial organisation dominates the regions and so does for the country; low territorial polycentricity is visible both, morphologically and functionally, leading towards the establishment of a socio-spatial polarization. Empirical research for Albania, showed that this socio-spatial polarisation has started as a process induced by the lack of regulations and policies to guide and/or restrain development flows, but latter has evolved as a process enhanced by national/local discourses, “which place higher value on particular regions and developments and thereby devalue others” (Ehrlich et al., 2015, p.10). To date, this is again typically the case for Tirana, where the Mayor and the municipal staff carry out their tasks under the objective of draining further population from ‘peripheral ’areas towards Tirana, and influence national decision-making not to direct investments in remote locations.

However, in conclusion to the territorial polycentricity – disparities discussion, it is currently not possible to indicate that lack of polycentric territorial development is the reason behind low cohesion. In this sense, more empirical evidences are needed to prove the cause-effect relationship between territorial/regional disparities and lack of territorial polycentricity.

The Government of Albania has gone through various processes of territorial rescaling, especially in the last 3 decades after 1990. Most of these processes are linked to

decentralization of governance and others are related to territorial development and planning. As a result, the government has made three significant revisions of the local governments' boundaries. The first took place in early 1990s, resulting on the formation of 36 districts; the second in 2000, resulting in the establishment of 373 local government units (municipalities and communes) and 12 *qarks* (2nd tier of local government); and the third in 2015 resulting in the formation of 61 municipalities and the safeguarding of 12 *qarks* (though without any significant role to play, besides being the territory for national elections). Furthermore, under the frame of regional development efforts and regionalization support processes, 4 regional management areas were established in 2015, 3 NUTS II subdivisions were proposed in 2011, and a number of planning regions and decentralised regional government territories were proposed during 2011-2016.

Rescaling typologies, those that are government-related and those that are regional development-related, have been seeking, or have promoted and are pushing for new forms of governance (Tolkki et al., 2011). These rescaling processes have given rise to efforts for multi-level and/or polycentric governance in Albania, though the latter is characterised by weaknesses, which rest in both, the institutional form that multi-level governance approaches should embrace, and in the management of governance interdependencies with its territorial dimension. The 7 gaps of multi-level governance, as defined by Charbit (2009; 2011), are present and hamper its efficiency (Pike et al., 2017). For instance, regardless of interest in the EU integration process, the regional development efforts are bound by the information gap. The governance mechanism for regional development is still not in place, because the information on costs and benefits that the country and the community will experience from applying/adopting the EU regional policy is not analysed and made publicly available. Of course, this is related to the capacity gap as well. Capacities to deal with the future regional policy should be built gradually and be in place at the time of accession. Capacities are more than a milestone, or precondition for accession. Institutional capacities are needed for institutions to absorb IPA funds and get ready for societal integration.

The fiscal gap was largely reported above with fiscal decentralization lagging behind for local governments, for *qarks* having no investment and fiscal power at all, and the regional development fund being managed in a top-down fashion. Both the policy and the objectives gaps are reflected in the lack of a regional development policy to date, lack of policies to support the functioning of RDF, missing or poor links between the

National Strategy for Development and Integration, the National Territorial Plan and the ambitions for regional development. The administrative gap is also present, though an administrative and territorial reform is implemented, aiming at closing this gap. The boundaries of the municipalities do not necessarily represent functional boundaries, though this was a key criterion during their designation. Furthermore, the absence of administrative regions (for policies and tasks that need a larger territorial scale than the local one) does not help much in aligning functions with administrative territories and authorities (Charbit & Michalun, 2009); (Charbit, 2011). On the other hand, there are functions (such as the forest commons, water resource management, community planning, etc.) that happen on a very small local / neighbourhood / ecosystem, or administrative unit scale, and whose governance is territorially different from the tasks that each municipality has the competence to administer within its boundaries. The mismatch between tasks and territories, as well as the fiscal gap lead to the presence of the accountability gap. Often, municipalities justify their lack of involvement or action in local tasks with the absence of financial means and autonomy for more resources, due to central government holding the financial power.

However, though the gaps of multi-level governance are present, this has not stopped cases on polycentric governance from being shaped and implemented. First of all, the territorial and administrative reform and the local government decentralization reform represent efforts of polycentricity in governance, by allowing a large number of stakeholders to get a position and influence territorial and governance rescaling in Albania. Both cases are initiated and implemented in a top-down fashion, putting at risk the presence of particularly the first key criterion for polycentric governance – that of significant degrees of decentralised autonomy of decision-making among the stakeholders (centres of decision-making). On the other hand, both reforms went through a multi-level process of governance, with some of the gaps more visible, and others less relevant.

In the case of various small-scale territorial partnerships (such as forums, the local action groups, etc.), the experience was very good for as long as the process was supported by external assistance, or the case was built on local knowledge and direct stakeholders' interests and benefits. Several of the cases fulfil all key criteria for polycentric governance, but their long-term sustainability varies from one case to the other. The sustainability is usually related to the values' systems that are implied in each case over the common niche for genuine attraction for cooperation. The case of

The tourism structure in the north of Albania was initially supported externally, by GIZ (Kuqi & Lukesch, 2012). However, the model was based on the local knowledge, and on the direct and immediate interest of the local residents to pursue their own tourism-related businesses, making use of territorial specificities, relevant to their location. Similarly, the case for sustainable and place-based tourism in Gramsh (Ciro et al., 2019) was successful, because local partnerships were organised bottom-up and in a networking scheme, and were built based on the local knowledge of resources, and on the common need for creating small-scale local development initiatives that the local businesses were able to understand and implement (ibid).

Other types of partnership had a niche for cooperation, but this was mostly induced externally, such as some of the LAGs or the local forums supported by MADA. The need to cooperate in bringing more development to the remote mountainous areas, without a clear target (such as the tourism cases) was not endogenously strong, because there was/is the belief that development is to be provided by the government. Also, farmers for instance, feel that markets are controlled from the government and they are unable to compete with import for a number of products (Seidu & One, 2016); (Skreli et al., 2009); (Bombaj et al., 2016). This is crucial to know in a context, where agricultural land is highly fragmented and the average farm size is only 1.5 ha, and farmers associations (sometimes based on commons, such as pastures) are relatively limited (Toto, 2018); (Bombaj et al., 2016). It means that local farmers can dominate the market in two ways: either by consolidating land and increasing the farm size, or by introducing agricultural goods that constitute a niche in the Albanian market. In both cases, cooperation based on trust is needed, and this cannot be enforced externally.

However, local governments can play a role in promoting cooperation and building trust. This means that local governments should be able to eliminate the capacity gap. So far, local governments feel insecure of promoting or participating in partnership arrangements for territorial development and governance. To a certain degree, the current legal framework is not very supportive to partnerships (Shutina et al., 2012), in the sense that it does not contain regulations, which would, in a way or another, provide directions on how partnerships could be established and be legally accepted. While this may sound as an impeding factor at first sight, in reality it might also be a positive factor (Shutina et al., 2012). Networks and partnerships are based on self-regulation (Berardo & Lubell, 2016); (McGinnis, 2011). Constitutional regulations – hence laws, should not aim at setting [a large number of] limits as this would make partnerships

frameworks very rigid and would move them away from their core purpose, for which partnerships are established (Shutina et al., 2012). Under this frame, it is necessary for local governments to be supportive to local initiatives and/or promote or push for new ones, without trying to regulate the institutional mechanism of partnership, rather than explaining the benefits, exchanging knowledge with the stakeholders, and providing guidelines for how partnerships can work best.

The knowledge factor is very important. The case of forest commons is successful, because knowledge about commons is available and is transferable among stakeholders and generations, and it can improve further if knowledge exchange on ecosystem services will also improve (Toto, 2019). In the case of forums for participatory planning, knowledge and dissemination and exchange mechanisms did increase the trust of the participants among themselves and for the public institutions organising some of the forums, as well as the participants' willingness to be involved in the forum and contribute to the planning output.

Exchange of knowledge between experts, government officials and local communities, is also a key factor in the progress that the '100+ Villages' is having so far. On the contrary, in the case of the 'Urban Revival' program, knowledge exchange was a missing component and the flow of information was only one way (from government to the beneficiary) and was crafted in a top-down fashion. In the case of LAGs, knowledge on benefits was not sufficiently made available. In the case of urban partnerships for land development – which to date continue to fail and are functional only in case there is funding from donors, knowledge is very weak, if not missing at all. This is a typical case, where planning legislation has made enormous shifts (positively) to include a variety of financial instruments that allow for public-private partnerships taking place in cities governance and territorial development (Toto & Allkja, 2018).

However, with the exception of Business Improvement Districts (BID) – an instrument for improving city space in urban core commercial areas, none of the other instruments has made it towards implementation. BID has been 'successful' because it received substantial donor support. The BID associations (the network of shops' and businesses' owners in the central district of a number of Albanian cities) were established and have cooperated with the municipality in taking decisions on how to improve the shopping areas/streets in Shkodër, Berat and Korçë. However, the funds for the implementation of works were supplied externally (by a donor). The sustainability of the network will depend on their ability to implement the cooperation framework set among them (with

the support of the donors), hence to implement the self-defined rules, and on the supporting/promoting role of the municipality. However, other land development financial instruments, such as betterment fees, are not being implemented at all, primarily because there is complete lack of knowledge on the instrument and its benefits. Yet more, there is the general thinking (among stakeholders) that such instruments will simply be used to collect more taxes, without bringing any benefits to the local communities, where the tax/fee was generated. This thinking is based on low citizen trust on local governments and on the negative experiences of public-private partnerships in land development implemented in Albania in the last 3 years (Toto & Allkja, 2018).

The territorial distribution of the cases studied for polycentric governance is also quite diverse. Most of the cases which tend to have a prevalence of centralisation of power and authority, can be depicted as with a hierarchical structure built around a strong centre and several small centres, or as a group of stakeholders dependent on the strong centre, which geographically speaking is usually located in the Tiranë-Durrës metropolitan area. In the cases where decentralisation is higher (such as the case for forest commons or participatory planning), the territorial distribution is also decentralised, and represented by various centres of decision-making distributed across the territory.

Table 14. Summary of polycentric interactions based on the key criteria for polycentric governance

| Critical factor for polycentric governance | ‘Urban Revival’ | ‘100+ Villages’ | LAGs and Forums | Participatory Planning Forums | Forest Commons |
|--|---|--|--|--|--|
| 1. The level of governance decentralization | Central decision-making; Communication to other stakeholders in the network. | Central decision-making; Influencing of decision from beneficiaries and intermediaries (experts). | Decentralised decision-making; empowerment from external agents (donors). | Centralised – to – decentralised approaches: unequally distributed across the national territory. | Decentralised decision-making. |
| 2. Subjects of common interest for decision-making centres | Yes: Urban regeneration of city centres | Yes: Establish development practices for rural areas – selected villages; Enhance tourism potential; Increase economic opportunities locally. | Yes: Sustainable local use of natural resources and agricultural potential; Rural infrastructure investments; Build local stakeholders’ capacities for economic development projects mobilization and implementation. | Yes: The General Local Territory Plans approved by the Municipality and the National Territory Council. | Yes: Make sustainable local use of forests; Maintain forests legacy. |
| 3. Independent centres of decision-making | Only the central authorities that manage the program. | The central authorities managing the program; The local villages in terms of influencing the outcome during design stages. | All participants in the LAG and in Forums. | All three types of planning forums as nodes of a larger participatory planning network. | The commoners individually; the groups of commoners on village basis; the local forest associations; the National Forest Federation. |
| 4. Common niche of genuine attraction for cooperation | Weak convergence between improved city centres and local need for better services and economic opportunities. | Economic/business opportunities and tourism activities for local management. | Each territory had a specific niche, usually always based on the unique territorial resources it possesses; Often identified and/or assumed through external intervention. | The concrete proposals made in the plans in regard to housing, commercial land uses, businesses locations and distribution, recreational activities. | Common forests, located in proximity to the villages involved in the nested system of forest governance. |
| 5. Territories to materialise the | Centres of cities – urban cores | Clusters of villages each defining the core a | Sub-regions within qarks and/or within regions of | Municipalities | Forest ecosystems all over the national territory, fulfilling two |

| | | | | | |
|--|---|---|--|--|---|
| common and autonomous interest | | specific rural region, representing sub-regions | geographical specificities (for instance mountain areas) | | criteria: close to villages and owned/managed in common historically before 1940. |
| 6. System or rules accepted by actors in the network | Legal rules and implementation frameworks only. | Legal rules and implementation frameworks mostly. Rules of participation defined on the spot during design stage. | Internal network rules; designed by the external assistance. | Internal rules always. A minimum of legally defined rules for the national forum and for the local forums, not for CAPs. | Internal rules always. Fulfilment of forest legislation as well, though it does not contain rules for forest commons. |

Territorial rescaling processes have had an asymmetric effect on polycentric governance. Hence, the territorial reform of the year 2000, which established 373 local government units in Albania, with the purpose of bringing government as close to the citizens as possible, did not produce efficient results in service delivery and policy making (Toto et al., 2014). However, the relatively high territorial fragmentation of local governments served as a driving force for models of inter-communal cooperation, sub-regional networks (LAGs) and thematic networks (in rural mountainous areas) established in various areas across the country.

The recent territorial reform consolidated the smaller local government units into larger ones, referring in several cases (but not always) to the functional urban area as key criterion for delineation of boundaries. The cases of inter-communal cooperation ceased to exist. LAGs and mountainous forums were also not sustainable, but mainly due to the strong role of the external assistance, not because of any potential conflict with the territorial rescaling. However, in the case of forests commons, the larger scale of the municipalities has helped in the formation of a new layer in the network, which strengthens further the forest commons. As the forest area that each municipality has to manage is increased, and the local administration does not have sufficient (human and financial) resources to administer forests sustainably, the local officials are cooperating for the latter with commoners. Though the system of forest commons is not defined in the legislation, this cooperation happens (genuinely) because of their common interest in governance and development of forests. Though not formalised, these processes strengthen the nested system of forest commons governance.

Also, the presence of polycentric governance has not affected official rescaling (the territorial-administrative reform), but has led to the production of territorial typologies that are being used in policy processes aiming at enhancing territorial development, as presented in table 14. Also, there are cases such as the regional management areas (another regional typology) established due to efforts in materialising the multi-level governance mechanisms of regional development in Albania. Furthermore, there is the proposal of planning regions contained in the national territorial plan. Though these are not administrative regions, they are being used in steering the planning process across the country, in terms of how clusters of municipalities are defined for planning support, and the 100+ Villages are designated for participation in the program. The Urban Revival program on the other hand is not embedded in the territorial rescaling processes, or has not affected them, because of lacking the decentralised management approach.

Finally, *qark* as the second level of local government, has remained intact by the territorial rescaling processes, as well as has not affected polycentric governance practices. This is due to the absence of tasks, as interpreted in the legislation, and therefore absence of power and authority and also of political legitimacy. On the other hand, *qark* constitutes a regional territory – a typology (reflecting several criteria) that affects so far statistical data (usually produced and/or aggregated for publication at *qark* level) and understanding of regional disparities, which in turn influences the way regional programs and development policies are, or will be shaped on the territory.

Empirical research, focused mainly on growth enhancing effects of devolution, has paid less attention to the effects of devolution on disparities, but for as much as country-case studies shows, the findings are mixed (Torrise et al., 2015). In the case of Albania, territorial disparities have remained the same, if not increased with the implementation of the second territorial reform. Data series as presented earlier in the document, but also in the analysis carried out by Toska and Gjika (2018) reinforce this statement, and together with findings on polycentric governance, show that proximity and size are not sufficient for a territorial rescaling process to eliminate disparities and boost growth. As Torrise et al. (2015) defines, successful devolution is subject to government and governance accountability and strength of real democracy. Furthermore, growth policies are key to defining how the effects of territorial rescaling will present themselves on the territory. If a dominant metro-centric discourse and growth-only paradigm is prevalent (as it seems the case in Albania), the presence of lagging regions and inner peripheries will be a self-imposed policy, or a self-fulfilment prophecy.

The findings so far conclude that in order to establish adaptive and robust frameworks for the long-term sustainability of territorial systems, the polycentricity gap should be addressed, and this can be done through taking on board a combined spatial-territorial polycentrism and multi-level polycentric governance approach (Finka & Kluvankova, 2015). This remains however a relatively recent account, theoretically speaking, and it needs more evidence to prove that the connection between polycentric governance and territorial polycentricity is essential in promoting cohesive territorial development. Using the words of Burgers and Meijers (2012, p.1128) on territorial polycentricity, “As regards polycentric development, progress would mean empirically establishing the actual merits of polycentric development as a strategy and establishing the environmental, economic and social consequences of a move towards polycentric urban systems”. The latter should not be understood in morphological and functional

(sectorial interactions) terms only, but also in terms of governance mechanisms that remove inefficiencies and produce cohesion growth.

Knowledge on polycentric governance is expected to entail knowledge on functional territorial polycentricity. The latter is about stakeholders' interactions in regard to territorial development, and interactions are (as a minimum) affected or regulated by governance modes applied. It has yet to be proved whether territorial polycentricity as a relational phenomenon and polycentric governance are fully and positively correlated or not. Still, the case of Albania shows that, while monocentricity of territorial structure (morphological) and of governance are positively correlated, polycentric governance cases can coexist with traditional forms of top-down and/or formal governance, and in absence of territorial polycentricity. Their presence produces positive effects on territorial development and is connected to territorial rescaling processes, whether formal or informal ones. This leads to the understanding that even if the territorial system is not polycentric, development objectives can be attained through implementing governance modes that build on the coexistence of regulating and self-regulating bodies (Tolkki et al., 2011), on visible and invisible, or formal and informal levels of governance (Cole et al., 2015), which however have a clear connection with their territorial scale of interest, and extend their interdependencies to other scales, by transferring also knowledge among levels. Therefore, though polycentric governance may produce inefficiencies on the territory due to overlapping functional areas of the centres of decision-making, its positive contribution to territorial development, in aggregate terms, is higher than that of single government bodies administering alone large territories, such as the case of current municipalities in Albania.

Hooghe and Marks (2003, p.235) support multilevel polycentric governance with three statements: “dispersion of governance across multiple jurisdictions is more flexible than concentration” in a single one; “large jurisdictions are bad when they impose a single policy”; and “centralised government is insensitive to varying scales' efficiencies from policy to policy”. Furthermore, EC (2017) and Brown et al. (2017) state that though the national economy is the sum of regional components, the macro-economic conditions are not equal among regions and do not have the same impact on each of them. The same goes for the way in which the different policies are implemented (when a fully vertical approach is taken) and for the impact that structural reforms (undertaken nationally) have on the various regions. These assumptions and statements lead to the necessity for applying governance approaches that not only take

into consideration the specificities of the regions/places, but also have the ability to reconcile and converge reforms and policies and stakeholders' interests, in order to simultaneously achieve regional balances and development.

Regional or territorial typologies resulting from the territorial rescaling processes, be those formal or informal, provide knowledge on: i) territorial development profiles at different scales and various (often overlaying) territorial scales. This knowledge is as dynamic as the changing territorial scales are, and helps in shaping policies that are flexible enough to address problems at any level of disaggregation. In this way, by focusing on territorial specificities, formal and informal governance stakeholders can avoid static policies built on the basis of self-conceived development scenarios; ii) on the presence of polycentric governance cases and their outcomes, as well as on their linkage to the territory. This linkage is of particular interest, because governance that does not reflect the territorial construct, can work against territorial development and resilience of the resources.

This research provides a framework model for studying the polycentricity gap, encompassing critical factors against which to assess polycentric governance. By connecting the polycentricity gap with territorial rescaling processes and territorial development indicators, it is possible to measure the effects of polycentric governance and territorial polycentricity on the territory (growth and disparities) and draw conclusions on whether a combined approach of territorial polycentricity and polycentric governance is able to define the robustness of territorial systems and produce cohesive growth on the territory. The model needs to be replicated to other contexts and preferably *in comparative terms*, in order to produce final conclusions, based on a large database of empirical findings.

On a country level, the research findings are important to current and future policy processes, related to both, domestic development and tasks that the government and the societal actors are due to carry out in regard to the EU integration processes. In this framework, Albania needs to redevelop polycentricity in its territorial structure and this has to be a *sustainable structure*, sustained by formal and informal actors working together in a polycentric system of cooperation, instead of the governance system being imposed by the government. This might imply i) legislative revisions, especially with regard to partnerships, territorial planning, strengthening of fiscal capacities at the local level, and regional development; as well as ii) transfer of decision-making power to informal or semi-public networks, such as a system of commons' governance for

natural resources and drainage and irrigations networks, participatory planning forums, and the implementation of regional development strategies and allocation of the Regional Development Fund.

Territorial rescaling should also be a continued process and be dynamic. The government should assess the short-term results of the decentralization and territorial-administrative reform (i.e. territorial effects, growth, disparities, efficiency of governance) and take adjustment actions. This process should happen on a regular basis every 2-3 years. Most importantly, the government of Albania should revisit the possibility for a territorial reform at the regional level. This should not necessarily aim for establishment of large regional government bodies delivering tasks that municipalities cannot and in a symmetrical way across the territory. The regions could also be asymmetrical in terms of size and tasks, depending on the specificities of territories and on the presence of self-governance networks. However, political powers and legitimacy should be given to any new form of governance.

In fact, a new reform should look at empowering existing self-governance networks and promote new ones. It is in this way that the government can move away from imposing territorial constructs and development decisions, to enforcing capabilities, hence enforcing collaborative governance arrangements, as Gunningham (2009) would name it. This also requires for the government to analyse how tasks that require network governance, such as common pool natural resources, [community] planning, river basin management, regional development, etc. could best be implemented. But then again this needs more decentralization of power and authority, strengthening of local and regional governments' associations, strengthening of existing forums – even those at the small territorial scales, by supporting them with inclusion in policy frameworks, investments, and legal acknowledgement, to improve their long-term stability.

Finally, knowledge sharing and exchange is key to taking informed decisions, overcoming the information gap in governance, and increasing the capacities of informal forums and networks in governing specific territorial tasks, regardless of the scale. Polycentric development requires interdisciplinary inputs from various stakeholders and various knowledge groups, in order to produce integrated and widely accepted territorial development visions (ESPON, 2018b). Of course, this will require stimulating knowledge economy, in order to support further development in large urban centres (for instance Tiranë-Durrës metropolitan area) and revitalise at the same time lagging and peripheral regions. The knowledge economy is a combination of efforts

between education, incentives (monetary or not) for attracting high-skilled workers and companies, branding, and especially promoting policies that build on the place-based resources. After all, *polycentricity as an objective* will make it towards implementation only *if the society at large*, regardless of the position of individual members or groups, *will engage into productive interactions and successful cooperation*. This is largely based on *enhanced knowledge of systems*, both *socio-economic and territorial ones*.

IV. Annexes

4.1 Indicators on regions, development, accessibility and disparities

Table 15: Areas, sub-areas and indicators for analysis

| AREA | Sub-AREA | INDICATOR NO. | NAME | DATA RELATED TO INDICATOR | UNIT | TERRITORY | PERIOD | SOURCE |
|---|--|---------------|------------------------|---|-------------|----------------|----------------|---|
| A1 Economic Growth and Development | A1.1. Economic growth and development | A1.1.1 | Economic Growth | Gross Domestic Product (at current prices/constant prices/ EUR/PPP) | ALL/EUR/PPP | Qark | 2000-2015 | INSTAT |
| | | A1.1.2 | Economic Growth | Gross Domestic Product (<i>per capita</i>) | ALL/EUR/PPP | Qark | 2000-2015 | INSTAT |
| | | A1.1.3 | Gross Value Added | Contribution of Qarks in GVA by branches of the economy (branches = 100) | ALL | Qark | 2008/2015 | Regional Statistical Yearbook 2015 |
| | | A1.1.4 | Gross Value Added | Contribution of Qarks in GVA by branches of the economy (Qark = 100) | ALL | Qark | 2008/2015 | INSTAT |
| | | A1.1.5 | GNDI | Gross National Disposable Income (total and per capita) | ALL | National->Qark | 2008-2015 | Own calculations based on methodology BOA |
| | | A1.1.6 | GNI | Gross National Income (total and per capita) | ALL | National->Qark | 2010-2015 | INSTAT & Own calculations |
| | | A1.1.7 | Employment | Employment (by age, gender, sector, educational level, ratio of labour force) | Nr/% | National | 2000-2014 | INSTAT |
| | | A1.1.8 | Employment | Employment (professional status/ownership) | No./% | Qark | 2001/2008-2014 | INSTAT |
| | | A1.1.9 | Employment | Employment in public administration | No./% | Qark | 2010-2014 | INSTAT |
| | | A1.1.10 | Employment | Employment in private non-agricultural sector | No./% | Qark | 2010-2015 | INSTAT |
| | | A1.1.11 | Employment | Employment in private agricultural sector | No./% | Qark | 2010-2016 | INSTAT |
| | | A1.1.12 | Employment | Employment in local public administration | No./% | Qark | 2010-2017 | INSTAT |
| | | A1.1.13 | Employment | Employment in local public administration - communes | No./% | Qark | 2010-2018 | INSTAT |
| | | A1.1.14 | Employment | Employment in local public administration - municipalities | No./% | Qark | 2010-2019 | INSTAT |
| | | A1.1.15 | Employment | Employment in local public administration - prefectures | No./% | Qark | 2010-2020 | INSTAT |
| | | A1.1.16 | Unemployment rate | Unemployment rate by gender | % | National | 2000-2014 | INSTAT |
| | | A1.1.17 | Unemployed job-seekers | Registered unemployed jobseekers (total, gender, age, schooling) | No. | Qark | 2010-2014 | INSTAT |

| | | | | | | | | |
|--|-----------------------|---------|--|---|-------|----------|-----------|--------------------------------|
| | | A1.1.18 | Registered jobseekers in long term unemployment | Registered jobseekers in long term unemployment (total and female) | No./% | Qark | 2010-2015 | INSTAT |
| | | A1.1.19 | Registered jobseekers receiving unemployment benefits | Registered jobseekers receiving unemployment benefits (total and female) | No./% | Qark | 2010-2015 | INSTAT |
| | | A1.1.20 | Bank distribution in Albania (nr) | Number of banks | No. | Qark | 2007-2014 | Bank of Albania |
| | | A1.1.21 | Exchange offices distribution (nr) | Number of exchange offices | No. | Qark | 2014 | Bank of Albania |
| | | A1.1.22 | Financial intermediation indicators | Total credit (by maturity, sector of the economy, usage, currency) | ALL | Qark | 2007-2015 | Bank of Albania |
| | | A1.1.23 | Financial intermediation indicators | Total deposits (by currency) | ALL | Qark | 2007-2015 | Bank of Albania |
| | | A1.1.24 | Enterprises | Total and new enterprises (by gender) | No. | Qark | 2001-2015 | INSTAT |
| | | A1.1.25 | Birth rate | New enterprises vs. total | % | Qark | 2010-2015 | INSTAT |
| | | A1.1.26 | Non-agricultural active enterprises | Non-agricultural active enterprises per 10000 pers. | % | Qark | 2010-2015 | INSTAT |
| | | A1.1.27 | Newly created non-agricultural enterprises | Newly created non-agricultural enterprises per 10000 pers. | % | Qark | 2010-2015 | INSTAT |
| | | A1.1.28 | Foreign enterprises | Foreign enterprises per 10000 pers. | No. | Qark | 2013-2015 | INSTAT |
| | | A1.1.29 | Origin of foreign enterprises | Foreign enterprises per origin country | No. | Qark | 2013-2015 | INSTAT |
| | | A1.1.30 | Active enterprises | Active enterprises (by legal form, economic activity) | No. | Qark | 2010-2015 | INSTAT |
| | | A1.1.31 | Active Enterprises by ownership | Active Enterprises by ownership (Albanian, joint, foreign) | No. | Qark | 2010-2015 | INSTAT |
| | A1.2. Competitiveness | A1.2.1 | Labour costs | Average labour costs per employee in full time units by economic activity (in Albanian LEK) | ALL | National | 2013 | INSTAT Labour Cost Survey 2013 |
| | | A1.2.2 | All of the indicators might be used in order to provide the framework of one | Average labour costs per employee in full time units by size of enterprise, in Albanian LEK | ALL | National | 2013 | INSTAT Labour Cost Survey 2013 |
| | | A1.2.3 | | Average labour costs per employee in full time units by economic activity | ALL | National | 2013 | INSTAT Labour Cost Survey 2013 |

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|-----------------------------------|-----------------|---------|---|---|-------|----------|-----------|------------------------------------|
| | | | of the competitive advantaged of Albania (labour cost advantages) | and size of enterprise, in Albanian LEK | | | | |
| | | A1.2.4 | | Components of the annual labour costs per employee in full time units by aggregated economic activities | ALL | National | 2013 | INSTAT Labour Cost Survey 2013 |
| | | A1.2.5 | | Structure of labour cost by economic activity and size of enterprise | ALL | National | 2013 | INSTAT Labour Cost Survey 2013 |
| | | A1.2.6 | | Coefficient of variation for annual labour cost by NACE Rev 2 sections | ALL | National | 2013 | INSTAT Labour Cost Survey 2013 |
| | | A1.2.7 | | Coefficient of variation for average hourly labour cost by economic activity | ALL | National | 2013 | INSTAT Labour Cost Survey 2013 |
| | | A1.2.8 | Comparative labour costs | Average hourly labour cost per employee in full time units in different countries | Euro | National | 2013 | INSTAT Labour Cost Survey 2013 |
| | | A1.2.9 | Doing business Rank | Doing Business Rating by category | No. | National | 2010-2018 | Doing business |
| | | A1.2.10 | Tertiary education | Nr of students graduated (total/by discipline) | No. | National | 1997-2017 | Ministry of Education/ INSTAT |
| | | A1.3.1 | Economic Growth Change | Gross Domestic Product (at current prices/constant prices) | ALL | Qark | 2000-2015 | INSTAT & Own calculations |
| | | A1.3.2 | Employment Change | Employment | No./% | Qark | 2007-2015 | INSTAT & Own calculations |
| A2 Socio-Economic Cohesion | A2.1. Education | A2.1.1 | Expenditures in Education | % of Central Government budget for education | ALL | Qark | 2000-2015 | Ministry of Finance (RD till 2008) |
| | | A2.1.2 | Pupils enrolled in basic schools | Nr of pupils enrolled in basic schools (by gender) | No. | Qark | 2000-2015 | INSTAT |
| | | A2.1.3 | Pupils teacher ratio in basic schools | Ration of nr of pupils per teacher in basic schooling | % | Qark | 2000-2015 | INSTAT |
| | | A2.1.4 | Success ratio in basic schooling | Pupils enrolled/pupils graduated in basic schooling | % | Qark | 2000-2015 | INSTAT |
| | | A2.1.5 | Public schooling success ratio | Pupils enrolled/pupils graduated in basic public schooling (by gender) | % | Qark | 2000-2015 | INSTAT |
| | | A2.1.6 | Graduation ratio in secondary schooling | Ratio graduated/enrolled number of pupils in secondary schooling (by gender) | % | Qark | 2000-2015 | INSTAT |

| | | | | | | | |
|--|-------------------|---|---|---|---------------------|---------------------|---------------------|
| | A2.1.7 | Pupils teacher ratio secondary education | Ration of nr of pupils per teacher in secondary schooling | | Qark | 2000-2015 | INSTAT |
| A2.2. Health | A2.2.1 | Expenditures in Health | % of Central Government budget for health | ALL | National/ Qark | 2000-2015 | Ministry of Finance |
| | A2.2.2 | Hospital beds per 10000 residents | Number of beds per 10000 inhabitants | No. | Qark | 2000-2015 | INSTAT |
| | A2.2.3 | Health services | Health centres, hospitals, polyclinics, etc. | No. | Qark | 2009-2017 | INSTAT |
| | A2.2.4 | Indicators of social care | Institutions and persons per institution (houses of children, elderly, etc.) | No./ratio/% | National | 1999-2008 | INSTAT |
| | A2.2.5 | Infant mortality ratio | Infant mortality ratio/1000live births | % | Qark | 2001-2008 | Ministry of Health |
| | A2.3.1 | Poverty indicators by region | Poverty indicators by region: headcount, depth severity | No. | Qark | 2002-2005-2008-2012 | INSTAT LSMS |
| A2.3. Poverty alleviation and social inclusion | A2.3.2 | Average monthly expenditures | Average monthly expenditures by type and region | All | 4 Regions of Instat | 2002-2005-2008-2012 | INSTAT LSMS |
| | A2.3.3 | Real consumption per capita | Percentage of real consumption per capita by region | % | 4 Regions of Instat | 2002-2005-2008-2013 | INSTAT LSMS |
| | A2.3.4 | Education attained for 21 years & above by area and economic status | The highest diploma attained for persons 21 years and over by area and economic status | | 4 Regions of Instat | 2002-2005-2008-2015 | INSTAT LSMS |
| | A2.3.5 | Dwellings conditions and access to services | Access to basic needs by economic status | % | Qark | 2002-2005-2008-2014 | INSTAT LSMS |
| | A2.3.6 | Possession of durables | Households' possession of durables (car, refrigerators, etc.) | % | Qark | 2012 | INSTAT |
| | A2.3.7 | Wages | Average gross monthly wage per employee in public sector | ALL | Qark | 2010-2014 | INSTAT |
| | A2.3.8 | Families under social assistance | Average nr of families benefiting social assistance | ALL | Qark | 2010-2014 | INSTAT |
| | A2.3.9 | Social Assistance Fund | Average monthly social assistance fund by prefectures | ALL | Qark | 2010-2014 | INSTAT |
| | A2.3.10 | Average income by social services | Monthly average social protection for family (by family size) | ALL | Qark | 2000-2013 | INSTAT |
| | A2.3.11 | Expenditures for Social Assistance and PLA | % of Central Government budget for social assistance and persons with limited abilities | ALL | Qark | 2005-2015 | Ministry of Finance |
| | A2.4. Criminality | A2.4.1 | Penal offences by type | Penal offences (trafficking, drugs, etc.) | No. | Qark | 2014 |
| A2.4.2 | | Domestic violence | Domestic violence | % | Qark | 2010-2014 | INSTAT |

| | | | | | | | | | |
|---|--|--|---------------------------------------|---|--|-------------------------|-----------|-----------|--------------------------|
| | | A2.4.3 | Juvenile crime rate | Prisoners under 18 years old/ Total prisoners | % | Qark | 2010-2014 | INSTAT | |
| | | A2.4.4 | Prisoners rate | Prisoners rate per 10.000 inhabitants | % | Qark | 2014 | INSTAT | |
| A 3 Environment and Sustainability | A3.1 Agriculture | A3.1.1 | Land use | Agricultural and non agricultural (ha) | ha | Qark | 2000-2015 | INSTAT | |
| | | A3.1.2 | Agricultural holding | Number of agricultural holdings | No. | Qark | 2013-2015 | INSTAT | |
| | | A3.1.3 | Total arable surface | Arable land with field crops, vegies, permanent crops etc.) | ha | Qark | 2009-2015 | INSTAT | |
| | | A3.1.4 | No. of agriculture machineries | Number of agriculture machineries (by type) | No. | Qark | 2015 | INSTAT | |
| | | A3.1.5 | Livestock | Livestock by category | No. | Qark | 2009-2015 | INSTAT | |
| | | A3.1.6 | Livestock structure in livestock unit | Dimensions of livestock units | 000/Livestock unit | Qark | 2015 | INSTAT | |
| | | A3.1.7 | Farm size | Farm size | ha | Qark | 2000-2015 | INSTAT | |
| | | A3.1.8 | Emigrant contribution in Agriculture | Number of emigrants and number of farms with income from emigration | All | Qark | 2012 | INSTAT | |
| | | A3.1.9 | Total livestock production | Livestock production (by type) | Ton | Qark | 2009-2015 | INSTAT | |
| | A3.2 Environ. sustainability | A3.2.1 | Urban waste | Urban waste (total, per capita, inert) | Ton | Qark | 2003-2017 | INSTAT | |
| | | A3.2.2 | Air Pollution | Content of pollution of air in main cities | µg/m ³ | Cities | 2002-2017 | INSTAT | |
| | | A3.2.3 | Sea Pollution | Bacterial pollution of sea water in main beaches | Various indicators | Monitoring stations | 2012-2017 | INSTAT | |
| | | A3.2.4 | Quality of river waters | Quality of river waters as compared to standards | Various indicators | Monitoring stations | 2017 | INSTAT | |
| | | A3.2.5 | Soil erosion | Soil erosion | Ton | Monitoring stations | 2010-2015 | INSTAT | |
| | | A3.2.6 | Water supply | Water supply | (no/m ³) | Qark | 2013-2015 | INSTAT | |
| | | A3.2.7 | Sewage | Volume of water billed for sewage and volume of wastewater treated | m ³ | Qark | 2013-2015 | INSTAT | |
| | A 4 Territorial Development and Accessibility | A4.1 Demography and Spatial development | A4.1.1 | Population | Population (total, female - male, rural - urban) | No./YOY/km ² | Qark | 2001-2017 | INSTAT |
| | | | A4.1.2 | Population density as % of national average | Population density as % of national average | % | Qark | 2001-2017 | Own calculations, INSTAT |
| | | | A4.1.3 | Urbanization ratio | Urban/Total Population ratio | % | Qark | 2001-2017 | Own calculations, INSTAT |
| A4.1.4 | | | Population age structure | Average population by age and gender | No./%/km ² | Qark | 2017 | INSTAT | |

| | | | | | | | | |
|--------------------|---------------------|--|--|--|-------------------|--------------|-------------------------------|--------------------------|
| | | A4.1.5 | Age dependency ratio | Age Dependency Ratios (old, young, total, by gender) | % | Qark | 2011/2017 | Own Calculations, INSTAT |
| | | A4.1.6 | Gross, net international migration ratio | Difference between % incoming and % outgoing flows | Percentage points | Qark | 2017 | INSTAT |
| | | A4.1.7 | Construction permits | Construction permits (total and for housing) | No. | Qark | 2010-2017 | INSTAT |
| | | A4.1.8 | New surface build | New surface build (total and housing) | m ² | Qark | 2010-2017 | INSTAT |
| | | A4.1.9 | Overall forecasted dwellings based on permits approved | Overall forecasted dwellings based on permits approved | m ² | Qark | 2005-2017 | INSTAT |
| | | A4.1.10 | Current dwellings based on approved building permits | Current dwellings based on approved building permits | m ² | Qark | 2005-2017 | INSTAT |
| | | A4.1.11 | Current surface of dwellings (building permits) | | m ² | Qark | 2005-2017 | INSTAT |
| | A4.2 Local finances | A4.2.1 | Revenues | LGU total revenues (total/per capita) | ALL | Municipality | 2010-2017 | www.financavendore.al |
| | | A4.2.2 | LGU autonomy | Own revenues/Total revenues | ALL | Municipality | 2010-2017 | www.financavendore.al |
| | | A4.2.3 | Dependency ratio | LGU governmental transfers/Total revenues | ALL | Municipality | 2010-2017 | www.financavendore.al |
| | | A4.2.4 | Expenditures | LGU expenditures (total and per capita) | ALL | Municipality | 2010-2017 | www.financavendore.al |
| A4.2.5 | | Expenditures by program | LGU expenditures by budget program | ALL | Municipality | 2010-2017 | www.financavendore.al | |
| A4.2.6 | | Expenditures by purposes | LGU expenditures for salaries, investments, operating expenses | % | Municipality | 2010-2017 | www.financavendore.al | |
| A4.2.7 | | LGU Investment Expenditures per capita | | All | Municipality | 2010-2017 | www.financavendore.al | |
| A4.2.8 | | Classification of LGU by Revenue level | | | Low-mid-High | 2017 | www.financavendore.al | |
| A4.3 Accessibility | A4.3.1 | Total roads | Road network length | Km | Qark | 2014 | Ministry of Transport/ INSTAT | |
| | A4.3.2 | Road vehicles for passenger | Road vehicles for passenger (car/business/Minibus) | No. | Qark | 2010-2013 | INSTAT | |

| | | | | | | | | |
|--|--|---------|---------------------------------|--|---------------|--------------|---------------------|------------------|
| | | A4.3.3 | Cars | Cars per 1000 inhabitants | No. | Qark | 2001-2013 | INSTAT |
| | | A4.3.4 | Road vehicles for goods | Road vehicles used for good transport by type | No. | Qark | 2010-2014 | INSTAT |
| | | A4.3.5 | Fixed phone users | Fixed phone users per 1000 inhabitants | No. | Qark | 2001-2008/2014 | INSTAT |
| | | A4.3.6 | Mobile phone users | Families where at least one person has a mobile phone | No./% | Qark | 2002-2005-2008-2012 | INSTAT |
| | | A4.3.7 | Internet users | Users having an email address | No./% | Qark | 2002-2005-2008-2012 | INSTAT |
| | | A4.3.8 | Road accidents | Road accidents (total, killed, injured) | No./% | Qark | 2010-2014 | INSTAT |
| | | A4.3.9 | Irrigation capacity | Area irrigated (actual vs. potential) | % | Qark | 2012/2014 | INSTAT |
| | | A4.3.10 | Access time to motorway exits | Distance from the centres of the 61 municipalities to the nearest motorway exit (min) | Minimum | Municipality | 2017 | Own calculations |
| | | A4.3.11 | Accessibility of people | Travel time of people from the municipality/commune centre to the Qark Centre, by road and public transport | Minimum | Municipality | 2015 | Own calculations |
| | | A4.3.12 | Availability of urban functions | No. of cities with a population >10,000, located in Qark with a distance 60 minutes or less from the Qark centre | No. of cities | Qark | 2015 | Own calculations |

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Notes

¹ “Total value of all income or final product accruing to residents of a country derived from *within* and *outwith* that country” (Pike et al., 2017, p.20)

² “Total value of all income or final product created within the borders of a country.” (Pike et al., 2017, p.20)

³ United Nations Development Program. For more on HDI see <http://hdr.undp.org/en/content/human-development-index-hdi>.

⁴ For more see <https://ophi.org.uk/multidimensional-poverty-index/>.

⁵ For more see <http://hdr.undp.org/en/content/gender-development-index-gdi>.

⁶ For more see <http://hdr.undp.org/en/content/gender-inequality-index-gii>.

⁷ The discourse on territorial development, polycentricity and governance is provided in greater detail in the chapter 2 of this document.

⁸ Treaty on the Functioning of the European Union.

⁹ European Regional Development Fund

¹⁰ Territorial cohesion was considered as the third dimension of Cohesion Policy based on articles 2, 6, 16 and 158 of the EC Treaty (TEC). In the current EU functioning treaty (TFEU), article 3 promotes economic, social and territorial cohesion and solidarity among Member States, while article 4 defines economic, social and territorial cohesion as one of the shared competences between the Union and Member States. Articles 174-178 are dedicated to economic, social and territorial cohesion, covering aspects of the main purpose (reducing disparities and supporting lagging regions, defining funds to support the related actions and focusing especially on the European Regional Development Fund and the Cohesion Fund.

¹¹ In the view of the territorial cohesion framework.

¹² ESPON operates in phases. The second phase was aiming at supporting policy development “in relation to the aim of territorial cohesion and harmonious development of European territory” (Böhme et al., 2011, p.15). The current (3rd) phase, ESPON 2020 is aiming at supporting “the reinforcement of the effectiveness of EU Cohesion Policy and other sectorial policies and programmes under European Structural Investment (ESI) funds, as well as national and regional territorial development policies”, through producing and disseminating territorial evidence¹² (ESPON, 2016, p.2).

¹³ For more on territorial cohesion see http://ec.europa.eu/regional_policy/en/policy/what/territorial-cohesion/.

¹⁴ These areas are also defined in the article 177 of the TFEU. According to this article, the Cohesion Fund shall provide financial contribution to projects in the fields of environment and trans-European networks in the area of transport infrastructure.

¹⁵ For details on this debate refer to chapter 2.

¹⁶ This is based on personal analysis of the INSTAT data and protocol of publishing and providing information to third parties. As such it can also be argued that it is a personal judgment. It has been the case that data shown on maps (www.instatgis.gov.al) are different from those on excel tables and publications, with the previous providing a relatively worse off picture than the excel tables. Furthermore, INSTAT protocols for providing access to data are very strict and it is impossible for researchers to have access to the database. Government reports on economic growth, social development, environmental quality, etc. are based on INSTAT data and in some cases are produced by INSTAT. In this respect, INSTAT constitutes the most powerful comprehensive database in Albania and has a stand that represents government’s position towards data, description of reality and analysis of sectors and territory.

¹⁷ *Qark* is the second level of local government in Albania and this is defined in the constitution. The law no. 139/2015 “On Local Self-Governance” defines *qark* as a territorial administrative unity composed of a number of municipalities (first level of local government) that have geographical, traditional, socio-economic and common interests. *Qark* is territorially equivalent to NUTS 3 subdivisions. Most of the statistics are generated/consolidated at *qark* level. There are 12 *qarks* in Albania. The government has established also 4 development regions, each comprising 3 *qarks*.

¹⁸ Source of information: Author, based on previous engagement with ISD project.

¹⁹ NSDI 2015-2020 Vision: “*Albania - a vibrant democracy on the path to integration with the European Union, with a competitive, stable and sustainable economy, and with guarantees of fundamental human rights and liberties*” (GoA, 2016, p.2).

Regional Development Vision in NSDI: *Balanced development and cooperation among the regions of the country thus enhancing Albania’s global competitiveness.*

Regional Development Specific Objectives in NSDI:

O1: Increasing regional competitiveness for sustainable socio-economic development of regions and their communities;

O2: Strengthening regional cohesion and decreasing regional disparities;

O3: Improve the efficiency of management of regional development (GoA, 2016, p.191)

²⁰ The facts brought in this paragraph are based on the author’s participation as a stakeholder and as an observer (for the sake of this research through the case study approach) in various policy-making processes taking place at national and regional level during 2015-2016. In this period the government was intensively engaged with implementing the territorial administrative reform and [re]initiating a regional development reform.

²¹ www.instat.gov.al and www.instatgis.gov.al

²² <http://geoportal.asig.gov.al/>

²³ For classifying nodes, reference is made to (Boamah, 2018).

²⁴ Nomenclature of territorial units for statistics

²⁵ The EU Strategy for the Adriatic-Ionian Region, covers the territories of Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, Albania, Greece and Italy; while the EU Strategy on the Danube Area covers the territories of Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, Former Yugoslav Republic of Macedonia and a number of other Balkan and Central-East European countries.

²⁶ The treaty was approved as of 2007 and entered in force in 2009. The intention was the reformation of the functioning of the European Union following the two waves of enlargement, which have taken place since 2004 and which have increased the number of EU Member States from 15 to 27 (EU, 2008).

²⁷ Mostly regions in central-eastern Europe: in Bulgaria, Romania, Hungary and Poland (EC, 2017).

²⁸ This group includes almost all of the less developed and transition regions in Greece, Spain, Italy and Portugal (EC, 2017) .

²⁹ These are ESPON’s targeted analyses, namely: SPIMA - Spatial dynamics and strategic planning in metropolitan areas (2016-2017), <https://www.espon.eu/metropolitan-areas>; ReSSI - Regional Strategies for Sustainable and Inclusive Territorial Development: Regional Interplay and EU Dialogue (2017), <https://www.espon.eu/ressi>; and ACTAREA – Thinking and Planning in Areas of Territorial Cooperation (2016-2017), <https://www.espon.eu/actarea>.

³⁰ European Economic and Monetary Union (CSD, 1999).

³¹ See for instance the cases described by Keating (1998) on the rise and development of the New Regionalism in Europe.

³² Currently Albania has 12 qarks (2nd tier of local government) whose boundaries match fully with those of the 12 prefectures (national government power delegated at local level – deconcentrated government bodies).

³³ Gjakovë is a region in Kosovo.

³⁴ Detailed information on local finances in Albania is provided at www.financatvendore.al. The portal provides data and makes analyses based on the data generated by the Ministry of Finance and the Treasury system.

³⁵ The EU’s Chapter of the acquis no. 22 on ‘Regional policy and coordination of structural Instruments’ consists mostly of framework and implementing regulations, which do not require transposition into national legislation. They define the rules for drawing up, approving, and implementing Structural Funds and Cohesion Fund programmes reflecting each country’s territorial organisation.

³⁶ ADF is a development organisation, created in 1993 and operating based on Law 10130/2009. The ADF's field of activity is to promote socio-economic development, and to support state development policies through guaranteeing sustainable, balanced, and cohesive development at regional and local level (Imami et al., 2018).

³⁷ This section of the thesis is drafted as of 2015 and was published in a Co-PLAN report, containing an independent proposal on the designation of the development regions in Albania, referred in the text as Toto et al. (2015). Comments received by colleagues and the study of the process endorsed by the Government in designating these regions, were used during 2016-2017 to revise the chapter as presented in this document.

³⁸ <https://geoportal.asig.gov.al/map/?auto=true>

³⁹ State Authority for Geospatial Information

⁴⁰ The data are for 2016.

⁴¹ The data belong to 2016. The source of information is INSTAT and administrative data published by the Ministries and related agencies.

⁴² The information is obtained in the database that the Ministry of Finances and Economy has provided in 23rd of April, 2018, to the Regional Development Program in Albania, based on official communication through the latter with protocol number 7104, of the abovementioned date. I had the possibility to access the information due to the links with the project, within the case study approach applied in my research. The information is however open to the public.

⁴³ Regional Disparities Analysis, Integrated Support for Decentralization, 2009-2011, implemented by UNDP, funded by EU and UNDP.

⁴⁴ This study was conducted at two spatial levels: the regional level equal to 12 qarks (NUTS III level in Albania), defined by the Constitution of Albania as the second tier of local government; the local level represented by 373 municipalities and communes, given that the study was finalised prior to the territorial-administrative reform of 2015.

⁴⁵ Decision of the Council of Ministers no. 961, date 2.12.2015 on "The Establishment, Organisation and Operation of the National Agency for Regional Development, Regional Development Agencies and the Agency for Regional Economic Development", December 2015.

⁴⁶ Për kalimin e funksioneve të Agjencisë Kombëtare për Zhvillimin Rajonal (AKZHR), Agjencisë së Zhvillimit Ekonomik Rajonal (AZHER) dhe Agjencive Të Zhvillimit Rajonal (AZHR) te Fondi Shqiptar i Zhvillimit (FSHZH).

⁴⁷ As a researcher, I have participated in the disparities' analysis undertaken by the UNDP/EU project on Integrated Support for Decentralization in 2009. The current analysis makes use of the ISD methodology, but improves it and increases the number of indicators. This section provides a summary of the more extended analysis that I have conducted for the strict purpose of my PhD theses during 2015-2016.

⁴⁸ Right hand scale.

⁴⁹ The labour force survey is a household-based survey including all individuals aged 15 years and above in the selected territorial samples, in accordance with Eurostat methodologies. Administrative data on employment and unemployment are collected based on the Official Statistical Programme of INSTAT. Data regarding the non-agricultural private sector are obtained from the National Employment Service, which collects information from employment offices and from the General Directorate of Taxation. Due to the lack of administrative sources for agricultural private employment data, information on the latter is collected only through household/farmers surveys. As of 2007 employment in the agriculture sector is estimated based on the labour force surveys.

⁵⁰ More information at http://reports.weforum.org/pdf/gci4-2018/WEF_GCI4_2018_Profile_ALB.pdf. Methodological details at <https://www.weforum.org/reports/the-global-competitiveness-report-2018/>

⁵¹ Cost of obtaining a certain minimum quantity of calories augmented allowing for *non-food basic necessities* – Source INSTAT.

⁵² According to INSTAT: those with difficulties meeting basic nutritional needs.

⁵³ More information is available at <https://www.espon.eu/tracc>.

⁵⁴ Tirana International Airport 'Mother Tereza' located in the village of Rinas.

⁵⁵ According to the reference study, “accessibility is the main ‘product’ of a transport system. It determines the locational advantage of an area relative to other areas” (Spiekermann et al., 2015, p.1)

⁵⁶ Information is provided at <http://www.instat.gov.al/al/temat/industria-tregtia-dhe-shërbimet/regjistri-statistikor-i-ndërmarrjeve/#tab2>.

⁵⁷ The information is based on the latest update of the Agency for the Support of Civil Society (AMSHC) website in the following link, accessed on May 24, 2018:
<http://www.amshc.gov.al/web/ojf/>.

⁵⁸ Updated on 25.4.2018.

⁵⁹ Updated on 6.2.2018.

⁶⁰ Updated on 13.7.2016.

⁶¹ Updated on 19.4.2018.

⁶² Updated on 6.2.2018.

⁶³ Updated on 26.4.2018.

⁶⁴ Updated on 21.5.2018.

⁶⁵ Updated on 21.5.2018.

⁶⁶ Updated on 24.4.2018.

⁶⁷ Updated on 14.11.2017.

⁶⁸ Updated on 25.4.2018.

⁶⁹ Updated on 19.1.2018.

⁷⁰ More information is available at www.bujqesia.gov.al.

⁷¹ Albanian for ‘I want it’

⁷² Law no 107/2014, ‘On Territory Planning and Development’, as ammended and 3 bylaws on planning, land development and public space.

⁷³ I was personally involved in this project and engaged, among others aspects, specifically with the preparation of the analysis and the related proposal on the subdivision of Albania into NUTS II regions.

⁷⁴ I explored dichotomoies in the study I conducted for the purposes of this thesis on regional disparities (Shutina et al. 2016) and polycentrism.