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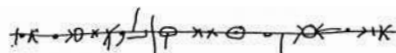
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Albanian Peasant Economy in the Aftermath of Property Right Reforms - A Review of the 20th Century Tenure History



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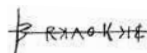
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ABSTRACT

This study reviews some of the most important changes in Albanian land tenure. This historical description of the tenure systems from the Ottoman period to the recent reform will provide a deeper understanding of the evolution of tenure arrangements in Albania. It will point out their policy objectives, their implementation in practice and their impact on structural features of the agriculture system in Albania.

KEYWORDS

Land Tenure, Land Reform, Peasantry, Albania, Southeast Europe



Introduction

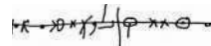
Land reform is one of the key aspects of broad agrarian changes. At its core stands the redistributive element (de Janvry 1981; Allen 1982; Hayami 1991; Lipton 1993), though the direction of the transfer processes varies. While land reforms of the early 20th century aimed at transferring land from large landowners or feudal-type estates to landless people - peasant or tenants, depending on the arrangements in place -, reforms of the early 1990s in countries of the former socialist bloc involved transferring land from collective agricultural entities, established during the communist period, to private farmers. Both processes entail social, economic and political implications, depending on the goals and objectives of the reform initiators. As Sikor and Müller (2009) point out, socialist movements in many parts of the world used land reforms as means for deep social transformations, in which large landholders were dispossessed not only of their economic endowments, but mostly of

their political power. Southeast Europe could not be left out of this trend (see, for instance, Cartwright 2001 for the case of Romania). Also, in Albania, feudal-type practices with few big landowners controlling the social and economic life of rural communities were gradually replaced by socialist-style organizations, with the "collective" being at the centre of any social and economic relations. Although agriculture showed improvements in terms of production and mechanization, farmers' livelihoods did not experience significant changes. The land privatization reform that followed the demise of agriculture cooperatives and state farms, aimed at increasing the welfare in rural areas and development of the agriculture sector, through free-market mechanisms, has so far been able to provide subsistence means to rural populations and reshape distribution of property rights on land. While, in most cases, land reforms of the early 1990s in Central and Eastern European countries were aimed at restoring this historical injustice by returning the confiscated land that communist governments utilized in the created

collective entities to its previous owners, the Albanian government opted for a distributional approach driven by equity considerations (Matthijs 1997; Swinnen 1997). Land was distributed on a per capita basis to all family members of agriculture cooperatives and state farms, ignoring the original property rights on land. As such, the peasantry emerged as an actor of social resistance through customary rights, who managed to survive the radical regime of communism reappearing in the chaotic evolution of the post-socialist period. In many instances, customary rights acted as an opposing instrument against government interventions, although their legitimacy depended on resource endowments and the structure of rural society. Many rural communities, especially in the hilly and mountainous areas, disregarded the formal law stipulations, reinstating the original property rights on land and other natural resources such as forests and pastures (Aliko 2001; Meçani 2009; de Waal 2004; Stahl 2012).

The aim of this work is to look at the impact of the reforms on the Albanian peasantry and the distribution of rural assets. We argue that the transformation of land-right institutions based on legal reforms has been the main trigger of the transformation of the agricultural systems in the country, the modes of production and the rural livelihood. At the basis of land-right institutions stand the concept of property rights and its ability to provide peasants with the necessary security and incentives to undertake initiatives that will help them improve their livelihoods.

Some theoretical considerations on the role of property rights and tenure security on development of agriculture will be presented in the subsequent section. It will be followed by a historical description of land tenure systems in Albania, from the Ottoman rule to present days. Next, implications of land reforms, especially of the recent one, will be discussed. Finally, the concluding section will summarize the main arguments presented throughout the work.



Role of property rights on agriculture development

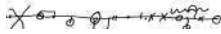
Property rights are a class of institutional arrangements. There are different understandings over what constitutes a property right. Furubotn and Pejovich (1972: 3) understand property rights as “the sanctioned behavioral relations among men that arise from the existence of goods and pertain to their use”. Meanwhile, Bromley and Cernea (1989: 5) argue that property should not be viewed as an object, but rather as “a right to a benefit stream that is only as secure as the duty of all others to respect the conditions that protect that stream”. Both arguments point out the aspect of security and use of the property. A very important aspect of property rights pointed out by many scholars is to identify the entities entitled to reap the benefits derived from the access to that property. Four basic categories of property rights over natural resources have been identified: private property, communal property or common property, state property and no one’s property or open access (Bromley and Cernea 1989; Feder and Feeny 1991; Schlager and Ostrom 1992). Under private property, the rights are assigned to an individual. Under communal property, rights are assigned to a group of individuals. Under state property, management of the land is under the authority of the public sector. Meanwhile, under open access, rights are left unassigned. In each of the categories, the right-holders are entitled to undertake certain actions related to that particular property. Alchian and Demsetz (1973) developed the concept of “bundle” of rights that include the right to use, alienate and transfer property. The concept of “bundle of rights” was further elaborated by Schlager and Ostrom (1992), breaking down the use concept into management, withdrawal and access rights. This way of specification of rights provides a basis for understanding how property rights structure the incentives of farmers to invest on agriculture

land. One of the basic arguments over property rights - for example, on land - is that the clear definition of these rights creates incentives for investment, leading to higher land productivity (Pejovich 1990; Deininger and Feder 1998). The security of land rights by means of a clear definition, accompanied by land registration and titling is recognized by many economists as a means to provide security to the owner that his / her investments and efforts will not be lost and help her / him to resolve land disputes (Demsetz 1967; Feder and Feeny 1991; Binswanger et al 1995; Feder and Nishio 1996). Clear property rights and tenure security improve the transferability (temporary through rental agreement or permanent through land sale) of land to cultivators who have the resources to make better use of it (Deininger and Feder 1998; Binswanger et al 1995). Such approach was the basis for the titling reforms carried in the 1980s and 1990s, for the developing countries which implemented land reforms for allowing redistribution and reducing poverty and inequality (Bouquet 2009). These state-led reforms aimed at achieving tenure security, distribute individual and transferable property titles (for some countries not since at the beginning), as well as formal registration of land transfers (Deininger 2003). The same approach was used also for the CEEC post-communist countries. In these reforms, the state took a primary role on promoting land redistribution and titling for family farms established from the dissolution of former state farms and cooperatives (Cartwright 2001; de Janvry et al 2001; Sikor and Müller 2009). On the other hand, in their "access theory", Ribot and Peluso (2003) argue that property rights alone may not be sufficient to guarantee security, but other instruments such as factor markets, networking, authority, and sources of revenues may all play a role. In particular, decision-making over land sales may be affected by capital, labor and input and output markets, as well as general and direct perceptions of insecurity which stem from the relations between formal and in-

formal institutions. In this formal-informal clash, social identity and access to authority are equally important (Thomas 2006; Deininger 2003; Ribot and Peluso 2003).

The theoretical underpinnings discussed above, except for the work of Ribot and Peluso (2003), consider primarily economic factors and incentives that guide decision-making on reform choices, land use practices and overall livelihoods of the rural sphere. They point out the crucial role of the state in a classical approach where peasantry is seen either as a beneficiary or victim of the decisions taken by state policies. However, the way the Albanian peasant has behaved along the last century history, as covered in this chapter, calls for a more flexible approach, as mentioned in the work of Wolf, who sees the peasant population as a dynamic and an interactive group in which cultural and inner-institutional factors are interlinked with the external forces brought about by state changes (Wolf 1982). This model is the best for translating the political changes that have happened in Albania and in the region within a century. Such changes have transformed the power and activities of the state through land reforms, which alternated the access of peasants to the endogenous rural assets with the associated benefits, which results in peasantry differentiation, discussed at different times by various scholars, such as de Janvry (1981), Cartwright (2001) and Stahl (2012), to name a few. As mentioned in the work of Thelen et al (2008), these changes are hard to capture by the simple notion of "state withdrawal" since the state never stepped back despite the changing nature during its history: for example, from a supranational one, as during the Ottoman period, to a national / central one during socialism and then again to a dichotomous one (central and local) headed again by supranational forces emerging from the EU integration. The role of the state during this chapter will be depicted through the types of reforms implemented, considering the motivation and the controversial forces.





Evolution of Albania's land tenure

Albania's land tenure has undergone continuous changes throughout history. During medieval times, it was dominated by large land estates belonging to the feudal elite who served the ruling empires of the time. These estates were called timars and were awarded to military lords (beys), to local officeholders (spahi) and to non-landowners who provided supporting troops for the empire (Vlora 1973; Prifti 2004; Meçani 2009). Ownership was granted temporarily and could not be inherited or sold by the appointed administrators. On the timars, peasants could work and own plots whose sale was, however, not allowed. The peasants were tied to the spahi land and had the obligation to pay rent to the timarli. In the 16th century the spahi's power was strengthened, their land ownership enlarged and their power over peasants increased significantly. At the beginning of the 18th century, a parallel system of ownership called *çiftlik* started gradually taking shape. A tenure reform in 1858 (Eraz-iKanuni), dissolved the timar system and formalized the *çiftlik* system, in which the owner had a financial, but no military obligation to the Ottoman Empire (Meçani 2009). The feudal landholding structure started to lose power during these years and, in the second half of the 1800s, the landholdings owned by beys¹ were transformed into mega structures. In this system, the relations with the peasantry severed², as their rights on land were largely neglected (Prifti 2004). The beys kept enlarging their *çiftliks* by purchasing the peasants' land. Cases of distress sales that converted peasants to land workers were numerous (Meçani 2009). At the beginning of the 20th century, half of the total land was administered under large *çiftliks*³ and the Ottoman state, while the other half was dominated by fragmented land structure managed by the free peasantry. This evolution of land relations in Albania during Ottoman rule is not a country-specific process. Similar pat-

1) A different structure was established in the northern highlands, where the power had given for decades to tribal chieftains called bajraktars. The relationship in these areas was not between landowner and tenant; the bajraktar (a community leader) could collect a rent above the administration of its governance and maintenance of security (Prifti 2004).

2) The *çifçi* (the peasant) was renting in the land, the agricultural hut and the instruments and had to plant those products requested by the Bey. The obligations are: 1/10 of the production (*yshyr*) is paid to the spahi as a timar owner, and again 1/3 of the production (in case half of the agricultural instruments were of the owner) as an obligation toward the *çiftlik* owner (Frasherri 2009).

3) This intermediate version between feudalism and capitalism was evident until the beginning of the World War II in Albania, similarly to that seen in the South Italian system of *mezzadria*.

4) Observations made in 1912 by E.C.Sedmayr found that 5 rich families had ownership of 50,000-60,000 Ha. There was also a class of moderate owners (100 ha per farm) and small owners (10 ha) (Gambeta 1999).

terns of land relations have been witnessed in many countries that had fallen under the Ottoman rule (see for instance, Aroni-Tsichli this volume, for the case of Greece), but different reforms paths followed afterwards, driven by political interest and carried out in ethnical lines, as in the case of Yugoslavia (Giordano in this volume). Albania's reform processes were rather slow and largely ineffective in tackling the most pressing issues for the peasantry, with land distribution to the landless being the prominent one.

After Albania's independence in 1912, the Ottoman state land still remained state property and there were no significant changes in terms of land operations. Despite the concentration of ownership⁴, the agricultural operation in large estates was carried out mostly by tenants and, often, the landlords left a major portion uncultivated. The distribution on land in the aftermath of the Albanian independence was distributed as illustrated in Table 1 below.

Table 1: Albanian tenure structure in the year 1912

| Land holders | % of total land |
|------------------------|-----------------|
| State | 14,7 |
| Large owners | 36,7 |
| Religious institutions | 3,6 |
| Farmer owners | 45 |

Source: Wheeler and Waite (2003)

After failed attempts for land reforms in 1912 (by a fragile government which lasted very shortly until 1913) and 1924 (a short-lived left wing revolutionary government), at the beginning of the 1930s, the Albanian government undertook some serious efforts to distribute the state land to landless farmers, but nothing important was achieved. King Zog I established an Agrarian Reform Act which drafted the main rules for free distribution of land to landless peasants purchasing it from large landowners with the provision of keeping at least 40 ha for each owner, plus 5 ha each for spouses and children. At the same time, a financial reform bill was planned to be established

using the National Agricultural Bank for financial compensation of land lost by the landholders (Lorenzoni 1930). However, the Bank was never established and the land redistribution stopped after two years. The ownership structure as shown in Table 2 was still dominated by large landholdings. Frasheri (2009) states that the reform failed to achieve the objectives of redistribution as it benefited only 1880 family farms and involved only 8109,5 ha of land, of which 3411,5 was given from state land and 4698 ha from *çiftlik* land.

Between 1912 and 1945 a gradual redistribution of land resulting from the fragmentation of the large holdings was witnessed. Still, land inequality was high as a few landlords, the state and religious institutions owned an average of 2,000 hectares each. Meanwhile, a class of small landowners with farms of 1-9 hectares was working hard to survive. However, the landless population continued to exist (14 % of the total population) and became strong supporters of the emerging communist elite created during the World War II, who then ruled the country until 1990.

Table 2: Structure of the land ownership before the reform of year 1945

| Status of ownership | No of households | % to total no. of households | Surface of land in Ha | % to total land |
|------------------------------|------------------|------------------------------|-----------------------|-----------------|
| State land | | | 50 000 | 12,7 |
| Large Land owner class | 7 | 0,005 | 14 000 | 3,6 |
| Rich proprietors | 4 713 | 3,0 | 91 587 | 23,3 |
| Middle and small land owners | 128 961 | 83,1 | 237 666 | 60,4 |
| Population with no land | 21 544 | 13,8 | 0 | 0,0 |
| Total | 155 225 | 100,0 | 393 253 | 100,0 |

Source: Aliko (2001); Gambeta (1998)

Meanwhile, the period after WWII was marked by radical changes in ownership. In 1945, the communist government initiated

an agrarian reform whose key pillars were expropriation of large landowners and redistribution of their land to landless farmers. Nevertheless, farmers could not enjoy the newly-acquired land for long, as redistribution was soon followed by collectivization of agricultural land through an aggressive promotion. Since the majority of the population was rural (70, 5% in 1946) and thus strongly linked to their land, the communist government addressed the collectivization process slower than it did with other sectors of the economy. Collectivization became more intensive in the 1950s and was completed in 1959 in Southwestern Albania and in 1967, in the remaining mountainous areas (Fishta and Toçi 1984). With the establishment of Agricultural Production Co-operatives and State Farms, the number and size of farms reduced drastically. Individual rights to private land were restricted to 2,7% of the total land, and that in the form of small plots such as home gardens of a maximum size of 1100 m² (1500m² ha in mountain areas) per household, including a cow and / or ten small ruminants (Wheeler and Waite 2003; Civici 2003; Stanfield 2002; INSTAT 1991). Table 3 shows the structure of land ownership between 1950 and 1990.

Table 3: Albanian land ownership by area between 1950 and 1990 in thousand ha

| Year | 1950 | 1960 | 1970 | 1980 | 1990 |
|--------------------|------|------|------|------|------|
| State Farms | 13 | 65 | 124 | 151 | 170 |
| Cooperatives | 21 | 330 | 454 | 532 | 504 |
| Peasant home plots | 357 | 62 | 21 | 19 | 30 |

Source: INSTAT, Statistical yearbook (1991)

The land consolidation program and agriculture intensification continued over the years, where production units were enlarged, while the number of agriculture cooperatives was reduced from 1484 to 492 between 1960 and 1989. Due to economic hardships caused by the self-reliance philosophy, by the end of the 1980s, the government had undertaken some slight modi-

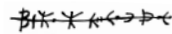
5) Swinnen (1997) defined three options for consideration: (i) the Minimal Reform Option, which implies more autonomy for enterprises, but only with minimal restructuring and limited privatization of assets; (ii) the Social Equity Option, meaning the full distribution of property rights to farm workers and rural households; and (iii) the Historical Justice Option, meaning the full restitution of property rights to former owners.

6) The harsh geographical and demographic changes during the central planning period caused modifications to the village boundaries. In cases where the land of the village was not well-defined, the land per capita index of the cooperative was accepted as a proxy (Stanfield et al 2002; WB 2006).

7) The part of the population resident in the village, but not working in a cooperative were awarded half of the land per capita given to the rest of the population with an upper limit of 0,1 ha (law 7501, Art.6). Later on, this part of the population was also compensated with state land or refused land, whenever it was available in the area of the village. The same *de jure* benefits were given to unemployed families and those who had the status of politically persecuted by the Communist regime (Law 7514, date 30.09.1991) (Meçani 2009).

8) Only a small part of former owners benefited indirectly through some regulations. The ones still residing in rural areas benefited partly as regular members of the cooperatives, with equal rights as every other member and partly from the 100% return of the inner urban part of the village lands (if not subject of privatisation from enterprises). ▶

fications to the legislation, transferring to farmers between 0.1 and 0.3 ha of land, a cow and small ruminants and allowing for a modest agricultural market (De Waal 2004; Civici 1998). This period marked the first signals for transformation of the consolidated agriculture entities which were undergoing deep financial problems and high underperformance (Sandström and Sjöberg 1991).



Land tenure after 1991

The economic difficulties and the external political changes made the government accept political pluralism and adopt free-market principles. One of the major and urgent measures undertaken by the government was the transfer of land and other state-owned assets to private agents. A Social Equity option⁵ was endorsed by the government, which was based on a somewhat debatable law, known as Law on Land no.7501, dated 31st July 1991. The philosophy of the law was driven by an egalitarian principle, which stipulated the distribution of agriculture land, free of charge, to all farm households, in per capita terms based on the land surface that was within the boundaries of each village⁶, strictly respecting the quality of the land and other indicators of its value. The eligible families were the ones that had lived in the village before 31st July, 1991⁷.

The process of land distribution progressed quickly in the first three years, affecting 88% of planned surfaces, including the 91.5% of the of cooperative land (430,155 ha) and the 79% of the state farm land (114,560 ha). Not all regions, though, responded correctly to Law 7501. The World Bank (1996) pointed out that approximately 15-20% of the total agricultural land was redistributed to previous owners based on the pre-1945 boundaries (see also Kodderitzsch 1999; Meçani 2009; Aliko 2001). This phenomenon was witnessed mostly in the northern mountainous regions, where the elderly of the villages, who could remember

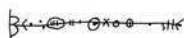
the pre-collectivization boundaries, were endorsed by the local communities to undertake the restitution of the land to historical owners (Morone 1997; Kola 2004; Kaser 2001; Bardhoshi 2007; Voell 2004). In other cases, for example, in several coastal areas, land ownership is still disputed between agricultural landholders under Law no. 7501, former owners and the state, given that the classification of lands in these areas is fuzzy as some lands are classified as forest or pasture, which, legally, are under state ownership. Furthermore, these areas are designated as a potential land fund made available for former owners who are eligible for compensation (WB 2006). During these years, political debates about the fairness and outcomes of the reform continued to be very active, thereby increasing the overall tenure insecurity. Some villages even reversed the first land division and re-distributed the land according to the pre-1945 boundaries. The Albanian government, through the 7501 Law, did not refer to the pre-1945 ownership rights as did other countries in the CEEC. The reform of 1991, with the exception of some partial returns of land in specific cases, did not recognize pre-1945 boundaries, but vaguely mentioned the issue of compensation in Law No. 7501. Under pressure, the government approved Law No. 7514, dated 30.04.1993, “for the restitution and compensation of ownership to former owners”, which supported the restitution of building plots, agriculture and non-agriculture land where possible⁸, and compensation in financial or equivalent land terms. In order to avoid conflicting with other policies, restitution was not applied to all types of land and property. Farmland distributed under Law No. 7501 was not made subject to restitution. The situation became more complex because in some villages in the hilly and mountainous areas, former owners were successful in securing a division of agricultural land based on pre-1945 boundaries. Between 1992 and 2006, there were cases in which some former owners, with personal power, or later using the Res-

titution and Compensation Commissions, were occasionally awarded land that was the subject of the official land distribution process (Giovarelli 2001) or tried to take a part of the transaction value in case of land sale from the post-collectivization owner using the customary pressure, especially in cases of villages with no radical changes in population since 1945.

In other peri-urban areas, however, rural migrants mostly from mountainous and remote areas of the country, but mostly from the northeastern part of Albania, squatted on state lands, which were subject to restitution. Witnessing these movements and the incapacity of the government to react, the former owners called into question the legitimacy of the exemption of agricultural land from the restitution. As a result, a huge gap exists between state promises, which have been quite ambitious, and the perception and trust of the former owners. This situation is still unresolved and the issue is of top importance for the national policy agenda and EU integration processes (WB 2012).

The process of land distribution was prolonged and accompanied by abusive practices, where some non-eligible people benefited illegally, some benefited beyond the per capita dimensions prescribed in the law and the land commission regulations. These led to property overlapping, squatting and further widening of land disputes and conflicts (MoAFCP 2007d; WB 2006). These abuses forced the Parliament to officially close the land distribution reform at the end of August, 2008. From the existing land surface of 697,000 ha of agricultural land, about 561,000 ha are privatized by family farms. About 96,5% of the distributed land was at the same time accompanied by the distribution of land titles through the "Act of Ownership Title to Land" (MoAFCP 2007c)⁹. This process is followed by the registration of agricultural land, which is yet to be completed. So far, only 81.5% of all cadastral rural land has been registered, including the refused and state land, and in order to have full rights of sale and inheri-

tance, farmers need to acquire an "Ownership Certificate" at an Immovable Property Registration Offices (IPROs).



The impact of the 1991 land reform and the current challenges

The last land reform has been in many ways one of the most important land reforms of the 20th century in Albania. It remains one of the most radical reforms in the former communist countries of Central Eastern Europe (CEE), with the highest level of de-collectivization and individual privatization — including the distribution of state farms — giving modest attention to the issue of former owners (Deiningner 2003). Despite the redistribution, which was the first objective of land reform, there were also indirect and undesirable effects such as:

The structural impact. The division of land created high fragmentation with respect to the quality and distribution of land to families. As a result, the structure of the agricultural land tenure changed rapidly after the land reform. The 622 production units, cooperatives and State Farms, were dismantled into 44.500 farms. The large surfaces of slightly more than 1.000 Ha in average ceased to exist. Family farms are now small (1.2 Ha), composed of many parcels (an average of 3-4 plots per farm), often located far from each other and from farm houses (from 1 to 10 km). Most studies carried out in Albania conclude that fragmentation is one of the most negative phenomena of the reform (Lemel 2000; MoAFCP 2007a; Civici 2003; Lusho and Papa 1998). The fragmentation also brought about a reduction of the irrigation and mechanization coverage due to the failure of state services to survive in the emerging market, as well as the massive destruction and theft of the inherited assets (irrigation channels, tractor stations, water pump stations, etc).

Structural changes need, nevertheless, to be viewed beyond the physical fragmentation of the land. Particular attention also

► 8) They had also benefited from the CM Decision No.161, (08 / 04 / 1993) "For some additions to the CM decision No.452, (17 / 10 / 1992) "For the restructuring of the State Enterprises" where the former owners, living in the same District could have an equal share of land with the other workers of the State Farms, but no more than the land they had given in the past for the establishment of the farm.

9) However, families actually possessing this land are not yet provided with the ownership document in some areas of the country (GoA declares that about 3% of the overall privatized area). Law No. 9948 (07 / 07 / 2008) "For reviewing the legal validity of the title of the agriculture land" (O) no. 122, 31 July 2008, p. 5387), amended with Law No. 10136 (11 / 05 / 2009) "For a change in the Law No. 9948 (07 / 07 / 2008)" "For reviewing the legal validity of the title of the agriculture land" (O) No. 86, 2009, p. 3775), includes a special provision defining the state structures and deadlines for the fulfillment of this obligation (MoAFCP 2007d)

needs to be paid to land-use practices and income-earning opportunities available to rural households. In his study on the political ecology of Albania's land reform carried out in Southeast Albania, Stahl (2012) pointed out that there is intra- and inter-village differentiation caused by socioeconomic, political and biophysical determinants, resulting in two distinct patterns of land use, intensification and extensification¹⁰. He argues that land use differentiation was primarily a function of access to production factors, land, labor and capital, where the areas that generated the highest land rents from agriculture activities received the highest concentration of capital and labor (Stahl 2012: 46).

10) By intensification, Stahl (2012: 34) means "the shift inland use where the amount of capital and / or labor applied per unit of land increases", whereas by extensification the opposite is meant.

11) Since 1991 the legal basis of the land distribution has been the subject of various revisions. For example, Law 7501 of 19.07.1991 has had 14 revisions and many CM decisions have been made for its implementation, thus creating difficulties in understanding, accepting and implementing the legislation by the involved parties.

Land use patterns and intra- and inter-village differentiation were determined also by the overall changing social structure. In the early years of the post-socialist transition, the land reform emerged as a contributor to the maintenance of the rural landscapes, which later on underwent significant changes due to the intensive migration in and outside the country. Between 1991 and 2001 more than a fifth of the population moved toward large urban centers (INSTAT 2001) and between 2001 and 2011 for the first time the rural share of the population became smaller than the urban population (INSTAT 2011).

Furthermore, the role of the broader socio-economic-political and biophysical determinants on land use patterns and production modes that farmers employ should be considered in connection to the larger institutional set-up in which they interact.

The institutional impact. Despite the distribution of official titles, since the beginning of the reform, scholars identified property-right insecurity in different areas in Albania. Lemel (2000) found two types of tenure insecurity: formal and subjective insecurity. By "formal" insecurity he defined the insecurity coming from low availability of documentation, the registration discrepancies, inaccurate mapping, etc. Even after more than a decade since the beginning

of the reform, surveys carried in different parts of Albania still observe strong signs of formal insecurity on land rights (Mathijs 1997; Stahl et al 2009; MoAFCP 2007b). By "subjective" insecurity is understood the owner's perception on the insecurity of his / her property. Subjective property insecurity in Albania is affected by the unresolved issue of pre-collectivization owners, creating conflict within rural communities (Lemel 2000). Continual clashes are found in rural communities between those having the land titles of the land reform and those having inherited land before 1945 (pre-collectivization owners) in the villages (similar to Lemel 2000; Musabelliu et al 2004; Wheeler and Waite 2003). Another type of direct subjective insecurity for the actual farmers comes from the clash with squatters on private land. Such perception has implications on the changes done to the law of land distribution¹¹ and to the nationally unresolved issues of restitution and compensation of the land owners before 1945. The negative perception is also emphasized by mistrust towards the agencies in charge of managing property titles and the transfer procedures they employ (i.e. Immovable Property Right Offices, civil courts and notaries). This is relevant in the context of high levels of corruption (WB 2006; CRSSD 2005; Stahl et al 2009).

In a survey carried out by Zhllima and Imami (2011), tenure insecurity is found to be lower in plots acquired through customary rights (predominantly ancestral land), where there are no conflicting claims between post-collectivization and pre-1945 owners, as compared to plots acquired through state reform that exhibit these conflicts. Insecurity is still high (WB 2012) and is perpetuated also by the huge number of disputes arising in rural areas. The unresolved disputes have made that half of the cases to be pending in civil courts and, as consequence, often conflicts are managed by local and customary mediators (such as local village elders, other municipal level officers, religious leaders and NGOs) out

of court. A part of disputes ended dramatically. Statistics from the Ministry of Justice in 2013 revealed that since 1992 there have been 8000 victims of conflict over property.

Another outcome of the reform is the malfunctioning of the rural land market in Albania. Land consolidation has been seen from policy makers as a panacea for the low agricultural competitiveness in Albania and the land market as the main instrument of land consolidation (MoAF-CP 2007a). However, the distribution and registration of land did not stimulate land transfers as the legal incentives to sell or buy were lacking. Until 1995, land sales were legally prohibited, giving rise to illegal land markets. Legal interventions made in 1995 sanctioned the land sale mechanism, defining also the legal rules for the actors arranging a land transaction. Nevertheless, the land sale market remained very weak. Data and surveys from the first decade after the beginning of the reform (Wheeler and Waite 2003; Lemel 2000; Moor et al 1997; Kodderitzsch 1999) until recently (WB 2006; WB 2007; Deininger et al 2012) show a formal rural immovable property market scarcely developed in Albania. Studies found out that property rights insecurity in Albania have a negative impact in land sale / buy decision (Lemel 2000). Zhllima and Imami (2011) found that farmers prefer to purchase land plots previously held based on ancestral rights, which are perceived as more secure, as compared to simple official government titles that are not combined with ancestral rights. The high costs of finding plots with good combination of customary rights deriving from inheritance and formal rights stipulated from Law No. 7501 titles reduce the ability of sellers and buyers to make transactions on land. Another obstacle is the legal ignorance on land sale rights (Lusho and Papa 1998) and the farmers' strong perception of the high costs of the formal arrangements, complex administrative procedures and suboptimal land administration system (CRSSD 2006; Zhllima et al 2010; Stahl et al 2009; ILD 2008).

The impact on investments. Property right insecurity seems to be detrimental to land use and investment in land improvement and conservation, especially on long term impact decisions, such as the planting and construction of fruits trees and vineyards (Lemel 2000). There are a few studies focused on land investments and on the influence of insecurity of land rights in Albania. Zhllima and Imami (2011) found that almost two-thirds of farms in perennial crop plantations were made in plots that were perceived as very secure, as opposed to 5% that were invested in plots perceived as highly insecure. Such factors have caused the late development of the fruit sector. Similar differences were observed also in other types of investments (including light constructions, greenhouses and water irrigation pipes).

~~Резюме~~

Conclusion

Although having a century of self-established state history, the history of Albanian land reforms is endowed with radical changes. This study reviews some of the most important changes in Albanian land tenure covering three types of government regimes: i) a traumatic monarchy established after WWI with high odds for land structural changes, but hampered by inherited land structure coming from the Ottoman Empire; ii) an autocratic regime led by a communist radical approach of land acquisition and collectivization (imported from a radically different agriculture system) and iii) a transition democracy state supporting a strong neoliberal land reform which was challenged by the institutions inherited from the two former regimes.

The description of these reforms, implemented by various types of states, being strong monarchic or weak and captured, is much less difficult to be viewed based on Wolf's conceptualization. Each emerging regime clashed and then cohabitated within the rural social texture mixed in the formal

and informal attitudes above rural assets. Thus, despite the westernized approach used by the monarchy of King Zog I and the intense proletarianization of the peasant during the communist regime, a strong rural familial economy persisted.

Each land reform was guided by different principles. The first one aimed to reduce the number of landless people by defending the position of the tenants and smoothing the situation through the intervention of capital. This was a very modern approach for a state with modest institutional memory, short administrative experience and high pressure from the large tenant families. The reform, although having a weak structural impact, was a good signal for continuing changes in land structures.

The second reform aimed at modernizing the agricultural sector through intensive investments in irrigation and drainage infrastructure, mechanization and input use. This was accompanied by drastic changes in farm structure and, more importantly, on property rights. Abolishment of private property was the most radical undertaking of the reform with significant impact on the rural landscape. Under this organizational constellation, the peasantry was transformed into simply a paid worker for the agricultural cooperatives operating under a hybrid mode of production, between (borrowing from Wolf 1982) capitalist and tributary modes. Although the state invested intensively not only in infrastructure, mechanization and technology, but also in propaganda using slogans such as “let us make the village as beautiful as the city” to attract labor force, the situation of the peasantry and the rural landscape did not see significant improvements.

The third reform faced various policy challenges and many debatable outcomes. The main policy challenge consisted in the choice of the reform, where three options – social equity, historical justice and minimal reform – were on the table, each facing resistance from the interested parties. The Albanian parliament went for the social

equity option distributing on equal shares to former cooperative and state farm workers. The main outcome of the reform was the disappearance of large landowners and the creation of a large number of farms, with a small farm size and highly fragmented land, a farm structure which has negatively affected high productivity and efficiency levels. On the other hand, it allocated land to a large number of the peasantry, making them, at least officially, owners of the land they had been working on for several decades. These structural changes turned them into a peasant-worker class who uses the land mostly for subsistence and tries to complement livelihoods with off-farm work or migration. Moreover, with persistent tenure insecurity brought about, in the best case, from the incapacity and lack of authority from the state, the peasantry has kept being used as a vote storehouse for political parties.

The post-reform attempts to consolidate land institutions, land rights and land markets have been failing due to a very fragmented legal base and a rent-seeking policy approach. The further alignment of the Albanian agriculture policies requires the establishment of a land register system and land right chain, as a measure for the regulation of contractual relations and absorption of investment funds. The existing strong differences between Albania and the EU average call for substantial investments so that the Albanian peasantry withstands the competitive pressures of trade openness toward the single market and globalization. If there are no changes in attitudes and policies from the governments, the rural areas will remain underdeveloped and potential benefits that derive from the EU integration processes may be lost. In the near future, the relations between the state and the peasantry, under the continuous pressure coming from EU institutions remain to be scrutinized further.



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