# The Economic „Booming" or Economic Booming of a City during Communism

*ROZETA BICI*
*Aleksandër Xhuvani University*
*Elbasan, Albania*

**Abstract**

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*Communism as all the regimes has got its own pros and cons in terms of various fields of life. The party- state had its own objectives on different cities and on different fields. As such many cities started to specialize in specific branches of industry. Concretely, Elbasan, one of the cities which will be in the focus of this paper, became a center of heavy industry. Thus, this paper will give an overview of economic development during communism based on local history. As such, the paper will start with a slight geographical and historical overview of Elbasan. It will continue with the transformation of Elbasan after communist takeover. I have concentrated on the fields of industry developed and on the Metallurgical Plant, as one of the most important works of the time. Done with that the paper gives an overview of what the situation of Elbasan is after the communist collapse. The materials I have accessed vary from oral history, interviewing the leader of the communist regime, Mr. Alia, various directors as well I have analyzed documents from the enterprises and books too.*

**Keywords**: *Albania, communism, economy, Elbasan, heavy industry*

Communism is one of the regimes mostly blamed due to the massive crimes countries underwent. But when it comes to the economic field, this becomes a topic of discussion. Taking this into account, I will focus in my paper on a case study, reflecting the economic transformation a city underwent. Therefore, Elbasan comes into the limelight. This is due to the fact that Elbasan underwent a total transformation during communism, thereby becoming the most industrialized city. A contribution to this was surely heavy industry that the former leaders decided to settle there. Elbasan was chosen by authorities as a pilot project of modernization due to its location, population and natural resources.

First, the soil of Elbasan and the other small towns pertaining to it was rich in various natural resources, and especially coal, chrome and iron in

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Elbasan,[1] oil in Cërrik,[2] water potentials in Banjë etc. Second, its geographical position was strategically linked to all the other cities of Albania from where it imported some of the raw materials needed in the Metallurgical Plant. For instance, as Mr. Alia explained, Elbasan was linked through railway to Pogradec from where it imported pyrites, then to Durrës from where it imported chemicals and as such the transportation was made possible at a low cost.

„*We chose Elbasan because of the working force, the natural resources, but also due to the strategic perspective. Elbasan was the one which needed construction, as it had the raw material, or the raw material was near, so for instance we sent pyrites from Pishkash, Pogradec, the chemicals were sent from Durrës to Elbasan by train and we did not spend much.*"[3]

By 1962, as Mr. Alia asserts, they had built all the railways. Whereas Pipa stresses that public roads had been added to the existing network along with a fragment of railroad connecting the capital with the city of Elbasan.[4] This made Elbasan approachable from many cities, where there was the raw material and the transportation was easy due to the state enterprises, which covered it. Thus the cost of the product was low and the profit was guaranteed for many industrial state enterprises and factories. Consequently the geographical position of Elbasan strategically linked with the other cities through various means of transportation was the other reason Elbasan was chosen for the settlement of heavy industry.

Third, Elbasan disposed a potential of work force for industrialization. Just talking about urban population in Elbasan city we can realize that it was increasing considerably. Thus Derek Hall points out that in 1960 the population number of the city of Elbasan was 29.800 and in 1970 it increased to 41.700, this applies to the urban population only.[5] This is what in the

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[1] Ramadan Marmullaku, ***Albania and the Albanians***, London, C. Hurst, 1975, p. 130.

[2] Miranda Vickers, ***The Albanians***, London, Printer Publishers, 1995, p. 195.

[3] Ramiz Alia, ex-President of Albania, interview by the author, April 27, 2007, tape recording, Tiranë. Ramiz Alia: „*E zgjodhëm Elbasanin sepse kishte dhe fuqi punëtore, pra kishte vendin dhe fuqinë puntore, dhe nga pikëpamja strategjike ishte Elbasani që kishte nevojë pasi lëndën e parë e kishte afër piritin nga Pishkashi, por kishte nevojë dhe për një lëndë kimikate, nga Durrësi në Elbasan silleshin me tren e nuk shpenzonim shumë.*"

[4] Arshi Pipa, ***Albanian Stalinism: Ideo-Political Aspects***, New York, Columbia University Press, New York, 1990, p. 130.

[5] Derek Hall, ***Albania and the Albanians***, London, Printer Publisher LTD, 1994, p. 143.

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municipality of Elbasan is recognized as being within the yellow line that demarcates the city boundary from the village. But these numbers do not exclude the fact that people living in the villages in the outskirts of Elbasan did not work in the industrial building, as the cement factory workers were mostly from the village situated next to it. As seen from the figures, industrialization led to an increase of the city population. Consequently Elbasan became a clear example of the impact of communist plans, the most industrial settlement of Albania due to the working force and the other reasons previously mentioned.

On the basis of the materials gathered I have argued in this paper that Elbasan underwent a total transformation thanks to the dedication of attention on heavy industry and the settlement of all the heavy industrial branches of industry. I have divided this paper into three sections aiming at demonstrating the economic transformation of Elbasan.

Consequently the first section deals with the economic circumstances of Elbasan before the communist takeover, where I have introduced the city, revealed the stratification of the society and the economic circumstances. The second section is concerned with the communist period and the transformation of the city. The main industrial enterprises and plants in Elbasan during communism are a part of the focus for this section. Additionally, I have concentrated on the outcome of the communist economic policies implemented in Elbasan. The last section is related to the ways all these transformations were linked to politics and reflected in the media. Concluding I have sorted out the destiny of the state-enterprises or plants after the collapse of communism aiming at highlighting the economic improvement Elbasan reached during the communist period.

## The Economic Circumstances of Elbasan before the Communist Takeover

Elbasan is situated in the center of Albania and dates back to antiquity, when it was known as Scampini, one of the first fortresses built by the Romans. On the course time, the city overcame different invasions of Bulgarians, Ostrogoths and Slavs. Various historical events took place in Elbasan, but it was always known for the educational aspect since earlier times, when several congresses attempting to settle the Albanian language were held. It became the center of political resistance as well, starting from 1914 against the decision to position Prince Wilhelm zu Wied on the throne of Albania, and during the World War as well. But the relevant period for my research is the

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Anti-Fascist Liberation War, 1942-1945, when Elbasan became the center of resistance due to the forces led by Enver Hoxha.[6]

As I will deal with the economic aspect of life, it is of relevant importance to consider the economic circumstances of Elbasan during the interwar period. What needs to be stressed about the economic specter is the fact that the Elbasani people were well known for trading during the interwar period. Anyway, the economic circumstances of Elbasan, as in the case of entire Albania before liberation were desperate. Despite the fact that its objective conditions were very favorable, such as the naturally prosperous land and a hardworking population, factors that explained its cultural development since the ancient times, the district of Elbasan, as far as its economic, social and political circumstances on the verge of the National Liberation War, was characterized from important feudal debris.[7] The decay of the latter had advanced in other Albanian regions faster than in Elbasan where the debris were more profound.[8]

During the interwar period, the population was divided into strata in Elbasan in accordance to their wealth. Thus, the ruling class was the estate owners and the beylers. The beylers would be hit gravely from Zogist regime, but they were still strong to resist at the time, as they would resurrect during the invasion. The other stratum of the population of Elbasan before the establishment of communism was the rich bourgeoisie, composed of the traders who actually had their small establishments. Middle bourgeoisie mainly engaged in craftsmanship, tailoring and shoemaking predominated the society and social life in Elbasan.[9] They played an important role in employing people in their own private establishments like apprentices, employees or as servants as well. The employed in these establishments came from the poor stratum or from mid-bourgeoisie as well.[10]

But what were the beginnings of industrialization in Elbasan? The industrial development began in the Zogist period when tobacco and alcohol beverage factories were built and went on in the communist period.[11] The period of Zog was the first step of industrialization for Elbasan due to the fact

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[6] Petro Kito, ***Elbasani në Luftën për Çlirim***, in ***Elbasan in the War for Liberation***, Tiranë, Mihal Duri, 1971, p. 12.

[7] ***Ibidem***, p. 15.

[8] ***Ibidem***, p. 12.

[9] ***Ibidem***, p. 12-23.

[10] ***Ibidem***.

[11] ***Ibidem***, p. 55.

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that in 1913-1914 corn was the main crop production of the zone and industrialized goods were mainly imported from other countries. From 1914-1924 the process of partition of the land properties of the Elbasani beylers giving the first signs of industrialization and controlled economy.[12] Before the communist takeover, Elbasan had progressed to some extent in hydro-energy as well. Thus Edwin E. Jacques argues in his book that one of the testimonies of this last event claims that they would „*never forget the screams of delight rising and falling all over the city of Elbasan as the electric street lights were turned on and off while being tested for the first time one evening in 1934*."[13]

It would be of relevant importance to emphasize the fact that Elbasan was a war field and consequently most of the factories stopped working and the industrial output was menial.

Taking into account the economic circumstances of Elbasan as the entire Albania's ones, the communist government implemented various economic policies, characterized from the distributive character. These policies were mostly focused in the construction of heavy industry and the decision taken for Elbasan aimed at specializing the city mainly in heavy industrial aspect. The reason for the development of heavy industry as it was claimed in the media from the leaders was as Schnytzer argues that in reality the urge of heavy industry was related to the economic independence of the country[14]. We must add to this the desire of the leaders to exploit the Albanian minerals and the hope in the progress of Albania. That is what the party members always claimed when discussing industrialization. The development of Elbasan was attributable to this reason.

After the establishment of the communist regime in Albania its political direction would lead to the transformation of the city and the entire district as well, meaning a conglomerate of small cities, depending upon Elbasan economically and administratively and being classified as constituents of Elbasan.

## The Case of Elbasan after the Communist Takeover

[12] ***Ibidem***, p. 14.

[13] Edwin E. Jacques, ***The Albanians: An Ethnic History from Prehistoric Times to the Present***, London, McFarm, 1995, p. 220-250.

[14] Adi Schnytzer, ***Stalinist Economic Strategy in Practice, The Case of Albania***, London, Oxford University Press, 1982, p. 89.

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Enver Hoxha: „*In this Five-Year our industry will be empowered more. The Metallurgical Plant of Elbasan will start in a wide range the production, which by melting our minerals, will give to the fatherland apart from cast-iron and steel of high quality, nickel and cobalt, which have a great value in the world's market as well.*"[15]

In the report to the seventh congress of PPSH (Partia e Punës së Shqipërisë-Albanian Labor Party) Enver Hoxha launched a comprehensive plan for the industrialization of Elbasan. In the following, I argue that Elbasan underwent a total transformation and from an agricultural city it became the most industrialized Albanian city, encompassing almost all types of industry. Elbasan is a clear example of a flourishing economy under communism thanks to the particular attention dedicated to the development of heavy industry and a declining economy under the transition period to democracy and it is still undergoing the same decline. This was due to the fact that the state sponsored the establishment and development of state plants, factories and enterprises. They were vital as they supplied the entire Albania with goods, but they ceased acting as such after 1991, as a result of the collapse of communism.

The administrative division of Albania consists of: district, city, municipality, commune. Thus, in accordance to the division of that time, it was named District of Elbasan (Qarku i Elbasanit) and it included the city of Elbasan (Rrethi i Elbasanit) and the other small towns like Peqin, Cërrik, Gramsh and Librazhd respectively named as Rethi i Peqinit, Rrethi i Cërrikut, Rrethi i Gramshit, Rrethi i Librazhdit. But each of the cities consisted of the main town and the villages in its outskirts. The governing unit of the villages was the commune and in the case of the towns it was the municipality.

The Municipality of Elbasan was the coordinator for all the other cities including their villages. Hence all the small towns surrounding Elbasan and the respective villages were regarded by the socialist government as part of Elbasan. Consequently the decisions taken were for all the constituents of Elbasan.[16]

As all the other cities of Albania, Elbasan was an agricultural city as well. Thus, the industrialization process started with collectivization. In a report, the secretary of the Party for Elbasan, Mr. Azen Kërxhaliu, asserted:

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[15] Enver Hoxha, ***Raport në Kongresin VII të PPSH***, (*Report in the Seventh Congress of PPSH*), Tiranë, Shtëpia Botuese 8 Nëntori, 1976, p. 49. Enver Hoxha: „*Në këtë pesëvjeçar industria jonë do të fuqizohet shumë. Do të fillojë në shkallë të gjerë nga prodhimi kombinati metalurgjik i Elbasanit, i cili duke shkrirë mineralin tonë, do t'i japë atdheut, përveç gizës e çeliqeve të cilësive të larta, edhe nikel e kobalt, që kanë vlerë shumë të madhe dhe në tregun botëror.*"

[16] Municipality Documents, Elbasan.

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„*Collectivization opens the way to the entrance of the new and development. The beginnings of collectivization in the villages of Elbasan has been one of the most marked events in their entire life.*"[17] By the term development, he meant industrialization as the Albanian government was attempting to copy the same models of economic development of the Soviet Union.

The outcome of the regime's plans was the creation of an industrialized town, Elbasan whose climate and mineral resources facilitated the plans of the communist regime to concentrate the majority of industrial branches in it and in its surrounding regions. The desire of the leading forces was proclaimed in national newspaper, organ of PPSH. But in reality, the progress of Elbasan did not imply just its development, meanwhile the entire district, including the villages. Thus, referring to two villages of Elbasan, the leaders announced: „*Balëza and Bradashesh will be well-known and Elbasan will be the center of industry…The subject of the talk of people in the bars will not be about wheat, but about iron, petrol and people's horizon is growing.*"[18]

But when did the process of industrialization begin for Elbasan? Whenever discussing industry in Elbasan, the common association is with the Metallurgical Plant. The third five-year plan denotes the beginning of heavy industry. The special credentials given to heavy industry led to the construction of the heavy industry plants during this period. The construction plans for this period grew 16 per cent compared to the first five-year plan, the yield increased 44 per cent, the cost decreased 16 per cent.[19] The construction of the Metallurgical Plant commenced by this time and it was supposed that it would end up in 1962.

Actually, it did end up in 1962 but it could not function in its full potential by 1962, due to the political split with the Soviet Union. The realization of this plant was made possible by Albania's new privileged economic and political relations with China. The aid from China consisted in technical help and expertise: „*the Chinese specialists were hand in hand with the Albanians for the construction of the metallurgical plant, sharing the responsibilities of the work with the Albanian workers. This was a testimony of the great friendship of the two*

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[17] Azen Këxhaliu, ***Elbasani në Vite*** (*Elbasan in the course of Years*) in ***Shkumbini***, July 4, 1967, p. 2. Azen Këxhaliu: „*Kolektivizimi hap rrugën për futjen e së resë përparimtare. Futja në rrugën e kolektivizimit të fshatarësisë të fshatrave Elbasanase ka qenë një nga ngjarjet më të shënuara gjatë gjithë jetës së saj.*"

[18] Zëri i Popullit, ***Ndryshime që nuk do t'i bënin as Shekujt*** (*Changes that neither Centuries could do*), February 25, 1950, p. 1-3.

[19] ***Ndërtimet në Shqipërinë Socialiste***, (*Construction in Socialist Albania*), Tiranë, 8 Nëntori, 1980, p. 27.

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*peoples and our parties*."[20] Heavy industry was very much reflected in the metallurgical plants and the one of Elbasan is the most well-known one named as the „Steel of Party."[21] Thus, the leader of the country declared the plan of construction in the Congress as it further on follows: „*The Metallurgical Plant that will be built in Elbasan is a gigantic work that will strengthen the independence and the self-action of our economy, will provide the necessary raw material for the development of mechanic industry and for the progress in the future towards the production of the machinery, will enforce very much the material basis of the construction*."[22]

Actually, the construction of the Metallurgical plant was interrupted due to the lack of funds and it was finished with the cooperation of the Albanian government and China. The plant was built according to the „*Stalinist heavy industrialization and dogmatic notions of self-reliance*."[23] The Metallurgical Plant in Elbasan was regarded as the „*grandiose deed*," attributed to the „*people's work*." Subsequently, Mr. Enver Hoxha declared in order to praise in this way the workers' outcome: „*Thanks to the golden hands, to the decisive will and cleverness of our workers, the biggest metallurgical plant of Elbasan started to give the first steel in the history of Albania*."[24]

The outcome of this plant for Elbasan would be its economic growth as well apart from the entire country's profits.

The population of Elbasan continued to increase in accordance to the economic development of the city. The Metallurgical Plant started to attract most of the people, who settled as well in Elbasan, without forgetting the ones who lived in the outskirts of Elbasan, especially in the villages next to the Metallurgical Plant. Thus during this period the population of the city grew

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[20] Aleko Hysi, ***Elbasani i Ri në Marshimin e madh Socialist***, (*The new Elbasan in the big Socialist March*), in ***Zëri i Popullit***, June 9, 1966, p. 2-3.

[21] Enver Hoxha, ***Raport në Kongresin e VI të PPSH***, (*Report in the Sixth Congress of PPSH*), Tiranë, 8 Nëntori, p. 67.

[22] ***Ibidem***. Enver Hoxha: „*Kombinati Metalurgjik që do të ngrihet në Elbasan është një vepër gjigante, e cila do të fuqizojë pavarësinë e vetveprimin e ekonomisë sonë do të sigurojë në vend lëndën e parë të domosdoshme për zhvillimin e industrisë mekanike dhe për kalimin në të ardhmen në atë të prodhimit të makinave, do të forcojë shumë bazën materiale të ndërtimeve*."

[23] Derek Hall, ***op. cit***., p. 405.

[24] Enver Hoxha, ***Raport në Kongresin VII të PPSH***, (*Report in the Seventh Congress of PPSH*), Tiranë, Shtëpia Botuese 8 Nëntori, 1976, p. 4. Enver Hoxha: „*Me duart e arta, me vullnetin këmbëngulës e mendjen e mprehtë të punëtorëve, kombinati i madh metalurgjik i Elbasanit filloi të derdhë çelikun e parë në historinë e Shqipërisë*."

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38,3 per cent.[25] Derek Hall gives further accounts as far as the population number is concerned.

| Year | Population | Year | Population |
|---|---|---|---|
| 1938 | 12.700 | 1970 | 41.700 |
| 1945 | 34.300 | 1979 | 61.100 |
| 1960 | 29.800 | 1990 | 83.300 |

*Population of Elbasan*[26]

Furthermore, it employed a great number of people and the majority of the plants depended on it completely. People from other cities were deported to Elbasan by the regime to work in the Metallurgical Plant and just in 1974 there were 859 workers from other cities and they were engaged as simple workers, mechanics, plumbers, solders and engineers.[27] The entire plant was composed of various yards. In 1966-1967 the following yards had the respective number of workers:

| Yard | Number of Workers |
|---|---|
| Construction Yard No. 1 | 1,113 |
| Construction Yard No. 2 | 3,202 |
| Cement Factory | 1,617 |
| External Yard | 701 |
| Black Metallurgy Yard | 723 |

*Number of Workers in the Metallurgical Plant in 1966-1967*[28]

As seen from the table, this plant employed a big part of the population of Elbasan. Whereas according to Mr. Biba, who worked in the Metallurgical Plant from 1970, there were 12,000 people working in this plant.[29]

As always, there was one main problem, that of the technical training of the workers. Consequently as in the other cases the party would project the training of workers. Various professional schools were opened for the young generation to develop their professional skills, in order that when someone would see a worker of metallurgy and his friends in uniforms everybody could

[25] Ramadan Marmullaku, ***op. cit***., p. 130.

[26] Derek Hall, ***op. cit.***, p. 405.

[27] Documents in the Municipality of Elbasan about Metallurgical Plant, 1974.

[28] Documents in the Metallurgical Plant in the Municipality of Elbasan, 1966-1967.

[29] Mr. Kozma Biba, Director of the Metallurgical Plant, for the correspondent of BBC, May 19, 2005.

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think that they were the future of the industry of black metallurgy.[30] The 1970 would mark the completion of the specialization in a high degree of all the workers.[31] The second phase of the production in this plant was related to the embezzlement of the processes of work.[32] Due to this specialization of the workers the yard of the steel forging was completed. This yard was composed of two assembly lines, which would also get engaged in steel rolling in thin strands planning imported to add some more steel products, such as round rods, previously imported.[33] Thus the productions of this plant would discontinue the importing of these elements.[34]

A special role in the development of the Metallurgical Plant played the inventors of the rationalizations. As the main aim was the improvement of the work and moreover the enlargement of the production, the workers and the engineers got engaged in inventing rationalizations. In accordance to the Act 330 of Albanian Constitution: „R*ationalization is the solution that improves the technique of production, increases the volume of production, its variety, produces new output, increases the yield and decreases the cost of the product. Rationalization is also the solution that improves the organization of the work and the administration of economy, when it led to a great economic outcome. It is not called rationalization the fulfilling of the appointed tasks on basis of the approved plans or of the tasks given from the enterprise, institution or organization*."[35]

In order that the incomes of the Metallurgical Plant increased its workers and engineers attempted to improve the processes of work through various rationalizations. It is worth mentioning that in the third year plan there were 8,869 proposals for rationalizations from them tens of spare parts, which were

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[30] Aleko Hysi, ***Elbasani I Ri në Marshimin e madh Socialist***, (*The new Elbasan in the big Socialist March*), in ***Zëri i Popullit***, Tiranë, June 9, 1966, p. 2-3.

[31] *Ndërtimet në Shqipërinë Socialiste*, p. 43-44.

[32] Aleko Hysi, ***op. cit***., p. 2-3.

[33] ***Ibidem***.

[34] ***Ibidem***.

[35] ***Byroja Politike pranë Këshillit të Ministrave, Kodet e Republikës Popullore Socialiste të Shqipërisë***, (*Codes of the Socialist People's Republic of Albania*), Tiranë, Mihal Duri, 1982. Neni 330: „*Racionalizim quhet zgjidhja që përmirëson teknikën e teknologjinë e prodhimit, që shton vëllimin e prodhimit, të llojshmërisë, nxjerr prodhime të reja, rrit rendimentin e ul koston e prodhimit. Racionalizim quhet gjithashtu, zgjidhja që përmirëson organizimin e punës dhe administrimin e ekonomisë, kur ka sjellë dobi të madhe ekonomike. Nuk quhet racionalizim zgjidhja e detyrave të caktuara në bazë të planeve të miratuara ose porosive të dhëna nga ndërrmarja , institucioni ose organizata*."

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previously imported, had the nation seal saving to the people 5 million leks.[36] Whereas during the fourth five year plan there were 1.632 proposals.[37] By 1980's Albania was processing most of its minerals and producing its own machinery and industrial equipment including factories and plants.[38]

This plant provided steel and nickel for the entire Albania and thus it was the main provider for many other factories and many people were employed in this plant controlling the domestic production. „*Annual output of nickel outraged 7200-9000 tons in the 1980*."[39]

As all the state owned, the metallurgical plant had its own administrative structure approved by the government. One of the directors of the Metallurgical Plant I interviewed asserted: „… *the structure was approved from up, the personnel was appointed from up well and we had to look after the plan, the methods, the expenditure of the plant, and to fulfill the plans we were sent from the State Planning Commission. We would be evaluated when overfilling the plan and that was our target*."[40]

Depending on this, there were other organisms that controlled each of the processes of work. These were the other administrative organisms according to the Council of Ministers:[41] 1 - *Technical Branch*; 2 - *Planning and Organizational Branch*; 3 - *Financial Branch*; 4 - *Cadres Branch*; 5 - *Administrative Branch*; 6 - *Secretary*.

All these actors cooperated together for one aim, the fulfilling and overfilling of the plans in order that the incomes of the plant could increase. On one hand this plant led to the development of Albania and especially of Elbasan; on the other hand it had some side effects in terms of expenditure to keep it functioning and the atmospheric pollution. As far as state expenditure is concerned for the functioning of the Metallurgical Plant the most important one was related to the electricity used from the „*13 million kWh that Albania produced per day the metallurgical plant of Elbasan exhausted 1 million kWh per day, that was a huge expenditure*,"[42] as Mr. Alia confirms. Nowadays Alia regards the

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[36] Aleko Hysi, ***op. cit***., p. 2-3.

[37] ***Ibidem***.

[38] Elez Biberaj, ***Albania, A Socialist Maverick***, San Francisco, Westview Press, 1990, p. 135.

[39] Raymond Zickel, ***Albania, a Country Study: Area Handbook Series***, Washington DC, Library of Congress Press, 1994, p. 200-220.

[40] F.H. ex-Director of the Metallurgical Plant in Elbasan, interview by the author, April 15, 2007, transcript, Tiranë.

[41] Council of Ministers, File I01965, Archives of PPSH.

[42] Ramiz Alia, ex-President of Albania, interview by the author, April 27, 2007, tape recording, Tiranë. „*Ai kombinat neve na merrte 1 milion kilovatorë energji elektrike nga*

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construction of the Metallurgic Plant and also the development of heavy industry as a mistake of the regime.

„*Thus as I can say, we have made mistakes in industry, the mistake is the heavy industry as it was not essential for us. We could have developed more light industry, as we did not need heavy industry, but not at that time it was a mania to have heavy industry. Why did we need heavy industry, we were a small country, we did not produce cars or tractors, but we hoped we could. Our mistake was heavy industry, as the industrialization of Albania was right.*"[43]

The other negative side of the metallurgical plant is related to the extent of air pollution in Elbasan and in the areas next to it. Especially in the surrounding Bradashesh valley the air pollution degree is pretty high, as it was denied access to the original plans and to the pollution control technology to the majority of the people and to the workers as well.[44]

Elbasan did not become one of the most industrialized cities only due to the Metallurgical Plant but also thanks to other branches of industry, such as heavy industry, hydro-energy, refineries, brick kilns and cement factory. „*The regime's rapid industrialization policy had led to the creation of the relatively modern multi-branched industry, which by 1985 was generating more than 40 per cent of national income*"[45] and quite all the branches of industry had their basis in Elbasan as well.

Which were the main factories and enterprises in Elbasan functioning during communism and what was their potential? Elbasan's soil was rich in chromites and this gave rise to the Ferrochrome Plant, which struggled to walk on the same footprints of the Metallurgical plant and it succeeded during communism. It employed a considerable number of Albanians and the workforce controlled the domestic production. The beginnings of this plant's functioning date one year after the metallurgical ones, as due to the practice that the Albanian personnel gained from the Chinese. First it commenced as a

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*13 milion këorë në ditë që ne prodhonim, edhe sot, se ajo sasi që ne prodhojmë në hidroçentralet tona është e vogël, pra nga 13 milion që ne prodhonim 1 milion na e merrte vetëm kombinati metalurgjik.*"

[43] Ramiz Alia. „*Pra si të thuash, kemi bërë gabime në industri, aty e kemi bërë gabimin te industria e rëndë se ne sna duhej, mund të kishim zhvilluar më shumë industrinë e vogël, se sna duhej e ne skishim atëherë, ç'na duhej neve industria e rëndë, po ajo atëherë ishte si mani të kishim një industri trë rëndë, po can duhej ne ajo ne ishim një vend i vogël se ne sprodhonim makina, traktorë jo, po hë se i prodhojmë dhe ne po ç'prodhonim ne? Gabimi jonë ishte vetën industria e rëndë se industrializimi i Shqipërisë ishte i drejtë.*"

[44] Derek Hall, ***op. cit.***, p. 410.

[45] Elez Biberaj, ***op. cit.***, p. 180.

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yard of the Metallurgical Plant but one year later it had its own building. The first examinations of the ovens in the Ferrochrome plant were completed in a few days and the deed was successfully put in exploitation.[46]

The other example of prosperity in the field of industry was the Cement Factory in Elbasan, which produced the highest amount of cement in the entire Albania and it became a source for the other cities. The Cement factory was the product of the fourth five-year plan. In 1979 the cement factory in Elbasan started functioning in full capacity.[47] As the other factories of the time its number of workers was growing and just in 1966 there were 1617 workers.[48]

The Brick Kiln Factory was an important budget-raising unit in the period of communism. It employed a wide range of people[49] and supplied various plants and cities, as there were very few brick kiln factories in Albania during communism. In reality the development of industry revealed the necessity of developing construction industry.[50] Thus the necessary was supplied from the factories within Albania.

The other contributive plant to the constructive industry was the wood factory „Nako Spiru" in Elbasan built in the third five-year plan. To this, a new factory of fiber slates was added in 1976, which was supplied with modern technology for the time. Additionally all the processes of work were automatic.[51] The appointed structure of the Wood Plant was the following: 1. *The Branch of Wood Delivery*; 2. *Mechanic branch*; 3. *The Metallic Production Branch*.[52]

Elbasan became the center of industry and as such the Albanian Electric Enterprise (KESH-Korporata Elektro-energjetike Shqiptare). For Elbasan, the communist period meant economic growth and increasing importance in Albania, as the city was the most industrialized one, KESH was supposed to provide electricity for the developing industry in Elbasan, and the regime did not want to have losses during the transportation of the electricity from other cities. Hydro energy became important and developed thanks to the water potential, high-tension transmission lines from Elbasan to all Albania.[53] It was

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[46] ***Ndërtimet në Shqipërinë Socialiste***, p. 47.

[47] ***Ibidem***, p. 45.

[48] Documents in the Cement Factory, Essential Register of Workers, 1966.

[49] ***Ibidem***.

[50] Vladimir Misja, ***Krijimi dhe Zhvillimi i Industrisë në RPSH*** (*The Creation and Development of industry in People's Republic of Albania*), Tiranë, N. Frashëri, 1963, p. 55.

[51] Bashkimi, April 25, 1976.

[52] J. B. ex-Minister of Industry of Albania, interview by the author, April 20, 2007, transcript, Tiranë.

[53] Documents in KESH.

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built in 1950 and it remained important for the period of communism. Its importance was much visible in terms of the electricians working in KESH for any necessities from the power plant in Banjë, in the surroundings of Elbasan.[54] The administrative structure was composed of the director, the main engineer and the other branches as juridic, economic, division of delivery, division of production and division of controlling.[55]

Another progressive branch of industry during communism was the Oil Refinery Factory. It was one of the most important potential natural resources of Albania and it helped in making good use of these resources. The main oil refinery was situated in Cërrik. As some industrial works the refinery as well was an outcome of the fourth five-year plan. In the first years the country mainly imported or used to buy the equipment to use in the refinery, thus the expenses were high, until Albania started producing some by itself.[56] The Albanian government did not hide this fact, especially when booking a probe, where the leader of the country did ask from the specialists to think about the importance of this equipment before booking it.[57] Surprisingly, he always used to praise the workers, and in this time as well. Mr. Hoxha always showed respect towards workers, in a carefully orchestrated propaganda. In this meeting, held in 1970, he sends his congratulations and best regards to the workers of the refinery.[58]

Përrenjas, situated in the surroundings of Elbasan was the center of mines and railways. Thus, mines developed to some extent but they were never at the same degree as the other mines of the country. The railways of Elbasan-Përrenjas were mostly built through volunteer work in order to make the connection of Elbasan to the other cities, especially Pogradec from where the import of pyrites would be done.[59]

The other direction of the Albanian State in terms of the development of industry was also focused on the armament industry and Elbasan could not escape without one being constructed within its territory. One of the most

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[54] Council of Ministers, File E0581, Archives of PPSH.

[55] KESH, 1966.

[56] ***Ndërtimet në Shqipërinë Socialiste***, p. 45.

[57] Vladimir Misja, ***op. cit***., p. 22.

[58] Enver Hoxha, ***Vepra 66*** (*Work 66*), Tiranë, Shtëpia Botuese 8 Nëntori, 1978, p. 78.

[59] Enver Hoxha, ***Raporte e Fjalime 1974-1975, Mbi Revolucionarizmin e Mëtejshëm të Partisë dhe të Gjithë Jetës së Vendit*** (*Report and Speeches 1974-1975, on the Further Revolution of the Party and the Entire Life of the Country*), Tiranë, Shtëpia Botuese 8 Nëntori, 1977, p. 7.

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important was settled in Mjekës, a village in the outskirts of Elbasan. It functioned in full capacity supplying with arms the military unit of Mjekës and the other ones at the republic level.[60] The existence of this factory was essential during communism. As seen it was equipped with modern machinery and the work was divided in accordance to the specialization of the workers.[61]

In line with the industrialization plan for the city, Elbasan was well connected to the other areas that were economically related.

**The Political Reflection of Elbasan's Industrialization**

The process of industrialization of Elbasan was amply reported in the communist media. The beginnings of the industrialization project for Elbasan would be notified as „*a big socialist march*" or „*the bright perspectives.*"[62] The same happened in all the other enterprises or plants. Apart from this, the dedication of the people who helped at the construction and the beginning of these plants. The First Secretary of the Party Committee of the city asserted that: „*The Elbasani intelligentsia has always answered to the call of the party to serve to the people where the interests of the fatherland have requested them.*"

Simultaneously the role of the party is overestimated. Thus, the party played the role of the mobilizer of the people and simultaneously the role of the educator of the people. They claim that: „*The party has pasted with special consciousness, who prioritize the interests of the fatherland and socialism.*"[63]

The case of the metallurgical plant was specially heralded as the „*never heard industry.*"[64] Furthermore the information given to the ordinary people about the economic development of Elbasan was always present in the media including even the production range and the new plans for the metallurgical plant. Surely, not even the metallurgical plant could be separated from the political development of Albania as it was preached by the leaders. Consequently, the development of Elbasan and the metallurgical plant would be contextualized in the framework of the „*political revolution of Albania.*"[65]

„*This is the big socialist march of new Elbasan in this evolutionary pulse when our party goes to the elections with great victories…*"[66]

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60 *Ndërtimet në Shqipërinë Socialiste*, p. 27.

61 ***Ibidem***.

62 Aleko Hysi, ***op. cit***., p. 2-3.

63 ***Ibidem***.

64 ***Ibidem***.

65 ***Ibidem***.

66 ***Ibidem***.

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The rationalizations were the other topic to be revealed to the people in order to testify the economic transformation of the city and its areas. Special attention was paid to the volunteer work of students or high school children who were volunteering in the construction of the cement factory. The young students who came just to observe the process of building an enterprise or a factory was not left aside, because this demonstrated the importance of the country for the future generation.[67]

The most important news to be revealed remained always the capital gained in one specific period of time. This was encouraging for the Albanians. The completion and overfilling of the norms was very much discussed about. For instance „*the norms were completed 112 per cent and the yield was 107 per cent*"[68] in the case of the cement factory.

The regime was always pretty much concerned in controlling how the process went. Thus, the meetings of the directors and engineers in order that they could report about the achievements of the enterprise. Furthermore the praising of some of the workers was also evident in such meetings where stimuli were delivered to them.

The most striking were the comparisons done in Elbasan every each anniversaries. The contrast was pretty clear and the leaders and also the directors of the plants and factories were very much appreciated for this change. Despite of the fact that, as one of the directors of the metallurgical plants affirms, the directors were very passive in the processing of the work.[69]

The premises of the metallurgical plant were to such wide extent that the profiles of the products were completely published in the media and in the reports in schools or at work in order that people could have accessibility in all the projects implemented.[70]

The city was supposed to develop every year and as such various other initiatives were taken and published in all the media. In reality there was a wide range of economic progress in quite all the areas falling under the district of Elbasan.[71]

Simultaneously with the economic progress of Elbasan, it became the example of the other cities, and it was prioritized as far as budget sharing per year. Thus, this prosperity in economic terms led to the increase of the role

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[67] ***Ibidem.***

[68] Zëri i Popullit, 1964

[69] H.F. ex-Director in the Metallurgical Plant in Elbasan, interview by the author, April 25, 2007, transcript, Elbasan.

[70] Bashkimi, 1978.

[71] ***Ibidem***.

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and image of Elbasan as well, breaking the stereotype of an agricultural city, or as museum city. At the same time, it traced back in the history of Elbasan as it was always very well-known in trading. This period was also preached as a return in identity, an identity lost during the invasions, as the secretary of the party asserted.[72] It is pretty clear that the development of Elbasan was always related to the political aspect of the entire country and the plans taken for it in order that it could develop.

**Conclusions**

An integral part of the Soviet-dominated communist block, implemented the same type of economic policies as the Soviet Union, transforming the Albanian economy into a „copy" of the Soviet one. Following the example of Magnitogorsks in the Soviet Union, Elbasan was transformed economically into the most industrialized city of Albania. As a result, Elbasan developed all branches of industry, including heavy industry, energy, mines, railways and constructive industry. State directed plants and state enterprises were spread all over Elbasan. Surely, the socialist industry benefited from the economic development of Elbasan. Yet, at the same time, the rapid and forced industrialization of the city had numerous negative sides, manifest at national level as well as at local level. The national one was related to expenditures, whereas the local one to environment and health.

The collapse of communism in late 1990 and beginning of 1991 led to the change of the political system, which brought a completely different view of Elbasan. It led to economic decline and a high rate of unemployment. This conclusion comes out of empirical facts. The new regime's motto was „Let's destroy the old." For the new leaders, the old meant everything, including industrial works, as a result increasing unemployment in Albania.

But what happened to the main industrial works in Elbasan? Opening up its borders after a period of unprecedented isolation, post-communist Albania launched an ambitious program of economic development attracting foreign capital.[73] In this context, the industry of Elbasan was either privatized by foreign capital and private individuals or completely closed down, with hard social consequences for the survival of the local population.

The Metallurgical Plant was privatized in 1991 by a Turkish company, which reduced the number of workforce; moreover, although it promised to apply some filters to reduce the air-pollution, the new owners did not deliver

[72] ***Zeri i Popullit***, 1980.

[73] Elez Biberaj, ***op. cit.***, p. 291.

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on their promise.[74] The same happened to the Wood Factory, which was quite efficient during communism, when wood was the most used energy resource. After 1991, the population used preponderantly electricity and gas, and they abandoned the use of wood. The factory was completely destroyed, while workers became unemployed after its destruction and authorities did not pay attention to it.[75]

The cut off of the energy and the economic chaos in 1990 led to the closing of ferrochrome enterprises in Elbasan and Burrel. The outcome was similar to that of the Metallurgical Plant: privatization and a reduction of the workforce, which led to the increase of unemployment in Elbasan after 1991.[76] The cement factory was privatized by a Lebanese company, which led to unemployment due to the policies implemented by the new owners. The state collects taxes and treats it as the other business enterprises.[77]

The Brick Kiln Factory is at present managed by an Albanian entrepreneur. He has employed a small number of workers and they work more but the payment is lower. Mainly the workers are his acquaintances.[78]

KESH underwent the same changes as all the other industrial state enterprises. As a conclusion, it was privatized and in the present days it is an anonymous company, privatized in shares by a wide number of people, mainly workers who were previously employed in the enterprise. The only difference between KESH and other state owned factories and plants: the Electric Enterprise is still functioning though in a poorer state compared to the period of communism.[79] The refinery of Cërrik ceased to exist, the same happened to the power plant in Banjë.[80] The same happened to the armament factory in Mjekës, which ceased to exist as well and the equipments or the arms that remained were spoilt and in 1997, due to the crisis, various International Organizations sent representatives to help the Albanian leaders to destroy their arms.[81].

The speeches of the governments have always claimed an economic and political development of Albania but in reality something else has happened during these years of political pluralism. Mr. Stefani, a political analyst, actually

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[74] Documents in the Municipality of Elbasan.

[75] ***Ibidem***.

[76] Documents in the Municipality of Elbasan.

[77] ***Ibidem***.

[78] ***Ibidem***.

[79] Documents in KESH.

[80] Andrea Stefani, *Albanistan*, Tiranë, Toena, 2005, p. 250-260.

[81] Koha Jonë, 1997.

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sees no change in terms of the political issues related to economy as well. Thus, he states: „*The dictatorship established from Enver was flipped but the order "The party is me" survived infiltrating in the Albanian pluralism*."[82]

The Albanian politician Pëllumbi conducted research on the case of a city, Laç and he applies this pattern approximately to the other cities as well. His data about 1992 are: „*21.700 unemployed people, from 26 enterprises 18 do not function at all, over 400.000 active forces in the entire country, cannot work, 350.000 people are immigrants in the world and over 300 people knock on the doors of the Directory of Immigration.*"[83] Çupi, in his book, claims that every year that passes returns back in the past. He does not see any development from the establishment of the new regime, as the economic circumstances are growing worse and the intellectuals stay away from the parliament[84]. Mr. Alia himself in the interview I conducted with him evaluated the achievements of the communist government in the 17 years after the communist takeover (1945-1962) and compared them to what the democratic governments accomplished since the communist collapse (1990-2007).[85] Until 1962 the achievements of Hoxha's government were pretty high, there was electrification of the entire country, various heavy industrial works had started the work in full or partial capacities, eradication of illiteracy, railway construction was finished, mining was developing and they could not speak about unemployment as the government did not allow this. Nowadays, according to him, nothing new has been achieved.[86] The post-communism Albanian governments are still working with what the regime left them. He still considers the necessity of the previous works, such as the power plant in Banjë as a profitable one due to the low loss of energy.

It needs to be pointed out that Albania was not ready for the democratic regime to be established, as the Albanians themselves were not prepared for such change. Thus Gramoz Pashko, a deputy of the Democratic Party in Albania, also the formulator of the new economic system, observing the Polish models which were characterized according to him from privatization. Thus a total privatization of the enterprises would be pursued. The result was that the

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[82] ***Ibide***m, p. 133. *Diktatura enveriane u përmbys por urdhëri Partia jam unë mbijetoi duke u infiltruar në pluralizmin shqiptar*.

[83] Servet Pëllumbi, ***Dritëhije të Tranzicionit*** *(Gloomy Light of Transition*), Elbasan, Seiko, 2000, p. 149.

[84] Frrok Çupi, ***Kthim në Vitin '91*** (*Return in the Year '91*), Tiranë, Dita, 2000, p. 136.

[85] Ramiz Alia, ex-President of Albania, interview by the author, April 27, 2007, tape recording, Tiranë.

[86] ***Ibidem***.

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country's 2000 small enterprises were sold to their employees by 1991.[87] These employees in reality were not trained at all to manage a business, as a result, they failed increasing the number of unemployment. The other plans coming from the democratic leaders to be accomplished were the following: cause fast reform towards market economy; discontinue the pension payment of 80% to the unemployed; assure emergency food, electricity and water supply to people; privatize the enterprises now owned by the state; complete the distribution of collective land; encourage the creation of new private firms and foreign investments and joint ventures; lift controls on retail prices, excepting only electricity, oil production and telecommunication; liberalize foreign trade; integrate Albania into European political and economic structures.[88]

But in reality they did not succeed in fulfilling all these plans. Consequently, the pension payment of the unemployed stopped being distributed in 1993, food, electricity, water is still a current issues, when the electricity and the water enterprises are privatized. Albania is supplied with electricity just from three power plants - Fierza, Koman and Vau I Dejës, and the three of them are under the level as far as the level of water is concerned. As a result, Albania still undergoes limitations of electricity supply.[89] The only stratum that profited from this were the peasants, although they are facing the high prices of cultivating the land. Nevertheless, they started to profit since the rule of Alia.

Furthermore, a quick balance of what happened to entire Albania that is applicable for Elbasan as well after the communist regime would be, as Champseix admits in her book, the exode of Albanians that would make 200.000 -350.000 Albanians fledding since Albania from 1991-1992 from 3 million and a half of the entire population.[90] The fact numbers of these people fledding from Albania do not demonstrate amelioration of the economic circumstances of Albania.

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[87] Derek Hall, ***op. cit***., p. 222.

[88] Edwin E. Jacques, ***The Albanians: An Ethnic History from Prehistoric Times to the Present***, London, McFarm, 1995, p. 699.

[89] ***Kufizimet e thella të Energjisë Elektrike***, in http://www.lajme.net, (last visited June, 2, 2007).

[90] Elisabeth et Jean-Paul Champseix, ***L'Albanie ou la Logique du Désespoir***, (*Albania, the place of the Desperate Logique*), Paris, Édition la Découverte, 1992, p. 118.

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