



THE CASE OF ALBANIA

The Social Effects of the Economic Crisis





A long transition period

- 1990-1994, the crisis following the fall of the totalitarian regime
- The crisis of 1997 (pyramid schemes)
- The crisis that followed the war in Kosovo in 1999



Economic crises in key figures I

- *Before economic crises*: one of the fastest-growing economies in Europe, enjoying average annual real growth rates of 6%.
- after 2008 average growth halved
- between 2002 and 2008, poverty in the country fell by half (to about 12.4%)
- **in 2012 it increased again to 14.3%.**
- Unemployment increased from 12.5% in 2008 to 16.9% in 2013, with youth unemployment reaching 26.9%.



Economic crises in key figures II

- While Albania officially did not experience the economic crises (the GDP increased during 2008-2012 with 10%), the consumption rate shows clearly its effects:
- During 2008-2012, the consumption rate fell with 8% and the crisis period forced the Albanian to consume less and limit the food consumption and even more the non-food consumption.



Needs identified

- Focusing on priority target groups effected more severely by the unemployment: **disadvantaged youth and women.**
- Outreach services to rural areas.
- Mobilise new resources (members, volunteers, supporters) in responding to the economic crises
- Increase awareness of the general public and establish new partnerships.
- Ensure sustainability of the services provided.
- The need to find another alternative to the current *Economic Aid* while the economic crisis continues. **In concrete terms that would be a wide national system for the provision of free meals for poor people.**



Main activities of ARC

- **Increased participation of women in the labour market** since 2007 in 5 ARC branches. Results: about 52% of trained women are employed by businesses and 20 % are self-employed.
- **Daily centers for elderly people** in 14 cities .Results: 650 elderly people benefiting from the services of the daily centers and a free meal for 60 elderly people in Vlora
- 1000 lonely, elderly people receive periodically assistance from ARC branches (foods and clothes).
- **Food support for poor families.** ARC branches provide food assistance for about 2500 families annually. In 2013, ARC in cooperation with State Social Service provided assistance to Roma families evicted in a temporary shelter.
- **Tele-medicine project.** This is a recent project of ARC. So far, has been a very successful programme and unique not only for ARC. It provides access to free health examination using the technology to poor families all over Albania, especially focusing in remote areas.





Challenges I

- **Increase of demands for food assistance** beyond the capacities of the NS.
- **Limited financial resources.** The majority of donors present in Albania, support mainly development projects with a specific focus on EU integration process and do not prioritise projects for the provision of basic food support for the poorest people.
- Albania is a natural disaster prone country and ARC has a major role in preparing and responding to the emergencies. This means that **the priority of allocating resources may shift from regular social programmes to disaster response operations.**



Challenges II

- Need to strengthen our competence in social impact assessments (including: documenting, presenting and using the findings in a systematic way)
- Need to combine traditional social programmes with more innovative ways (ICT as an example)
- Possible negative effects of the new administrative division (reduction of the number of municipalities from 378 communes and municipalities to 61 municipalities).





THANK YOU!