



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!**