

## Problems of Poverty Level in Albania

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### Abstract

Hunger and starvation are the main challenge of the humanity and the main enemy of the progress, pace and human stability. This is why all the partners of United Nation are conscious about an urgent engagement as in political program and in the compilation of a concrete plan to grow-up effectively the war against this negative phenomenon, that is present in the time we are living.

Based on the FAO and Feeding World Program figures, Albania ranks among the states who do not suffer from hunger. However is the lowest income state in Europe.

The transit process highlighted the negative potential effects on the inequality standard of living. Most part of the inequality standard of living in the transition economy touch the decrease of the guarantee employment, and inexperienced employee. Although from our point of view, the disparity increase is being a social problem every day bigger for the region ECA society, and this is germane with the social cohesion and the mean government.

There is little difference as far as the expenditure food structure among zone is concerned, this talks about a unique structure of the food tradition in Albania. Differences among zones exists on the income level for capital and on the exception of the social levels among zones.

**Keywords:** Poverty, food, revenue, food structure.

### 1. Introduction

Hunger and lack no-nutrition are major challenges to humanity and the main enemy of progress, peace and humane stability. This is why all members of the United Nations are very aware of the need for a commitment as in the political plan as well as in the design of a concrete plan to increase effectively the fight against this negative phenomenon, which appears in our era. Based on data from the FAO and the World Food Programme[4], Albania is ranked in countries where the population suffers from hunger. However, it is the country with the lowest incomes in Europe.

Albania is undergoing one of the most difficult stages, that of the open economy and trade. Albania is ranked 85<sup>th</sup> in the 162 countries in the Human Development Index of the United Nations Development Programme, where 46% of Albanians live with incomes below the poverty line. According to Albanian Strategy of Poverty Reduction, poverty is more evident in rural areas. In this context, the poorest areas are: Kukes, Laci, Gramshi, Bulqiza, Dibra, Librazhdi and Puka [1,2,3]. This means that 4 to 5

poor people live in rural areas. Of those who are poor, more than 1/3 are without education or have only the low primary education. Only 45% of the population has running water in their homes. Less than half the population uses iodized salt, etc., these data indicate poverty as well as the way and the culture of nutrition.

Albania is ranked among the countries with medium human development. Advancing step by step of the country towards the European Union and members of the World Trade Organization, have contributed to a new and modern legislation, in full compliance with European Union standards and the World Trade Organization regarding consumer protection and food policies in general.

### 2. Poverty and income sources

The data show the change of income between a poor household head and a non-poor one. The main source of income for poor families is the business of agriculture (37%), followed by employees in the state (27%).

For not poor heads of households the individual work is the main significant source of (35%) followed by agriculture (25%) and of various (14%). Non-

agricultural business provides only 6% of the income of poor households, and "Economic Aid" (7%). For both groups the pension occupies 14% of the total value. Also, it is not observed any change in the division of revenues earned by unemployment (less than 1%), motherhood, social care and other low incomes, and other sources (all less than 1%). Families are classified according to the primary source of income, which include more than 50% of the total. More than 1/3 of households participating in Level Measurement of Living Standards Survey [1] (LSMS) have their income from the salary. This breakdown is higher in urban areas, especially in Tirana where reaches 64%. In this group, the poverty index is about 21%, which ranges from 19% in urban areas to 24% in rural areas.

Poverty is much more evident for heads of households who belong to social assistance scheme "economic assistance", income from unemployment, motherhood, social care and other income where the index of the main indicators is 46%, and is higher in urban areas than in rural areas. The poverty is more stressed especially in families where the household head is more involved in agribusiness (34% of all rural poverty) and among pensioners in rural areas (32%). Despite pension statement, households in rural areas are extremely poor, with a poverty index of 32%, compared with 22% in urban areas.

The state of poverty is lower in families that belong to a non-agricultural business (14%) and others (17%).

**Table 1.** Revenues disaggregated on poverty level (To divide the Revenue in part of Poverty Level)

	Subordinate employment	Agri-cultural business	Non agricultural business	Transfers	NE	Pensions	Revenues from un-employment	Motherhood social care	Others
Non poor	34.6	24.8	8.5	14.4	2.0	13.7	0.4	1.3	0.5
Poor	26.8	36.7	5.7	7.9	7.4	14.1	0.5	0.6	0.3
Total	32.6	27.8	7.8	12.7	3.4	13.8	0.4	1.1	0.4

*World Bank report "Albania Poverty Assessment"*

**Table 2.** The state of poverty based on income sources (The Poverty Conditions in part of Revenue source)

	Urban areas		Rural areas		Total	
	No interviewees	Poverty indicators	No interviewees	Poverty indicators	No interviewees	Poverty indicators
Employee	1029	18.8	341	23.7	1370	20.5
Agricultural Business	24	-	696	34.0	720	33.6
Non-agricultural Business	264	11.6	72	17.1	336	13.5
Transfers	134	21.2	168	14.6	302	16.7
Pensions	339	21.5	178	32.0	517	26.3
Social Assistance: economic aid, motherhood, etc	77	48.1	55	43.1	132	45.6
Others	10	-	3	-	13	-

*World Bank report "Albania Poverty Assessment"*

Economic transition process has highlighted the negative effects in terms of inequality. Most of the increase in inequality in transitional economy could be linked to the collapse of guaranteed employment, and the large number of unskilled workers. The increase of inequality is becoming a social problem more and

more to society in the ECA region, which is closely related to social cohesion and poor governance.

The inequality is generally distributed in two lines (a) within and among population subgroups; (b) as well as levels and income sources.

The aim of the study is that among the various components of income and inequality to recognize the nature of society, in particular to some changes that have been made in public and private environments, which have played an important role in stabilizing and reducing inequality [2]. Increase of inequality in Albania has been improved continuously, with a coefficient of approximately 0.3 per year. However, indicators of income inequality continue to be very high. Results are given in the tables above, which shows for each component of revenue, total revenue sharing, the coefficient of concentration, and source of inequality. Contributions of all sources are still low, and their marginal contribution is still negative, strongly reflecting their role in reducing inequality. By assessing the current situation of poverty and food made on the LSMS survey and with the support of many donor countries, it is a need to work intensively to stimulate and support agricultural production and processing of food products. Also based on the legal structure should be support and protect the domestic production, which requires a marketing and promotion better.

### 3. Structure of consumption

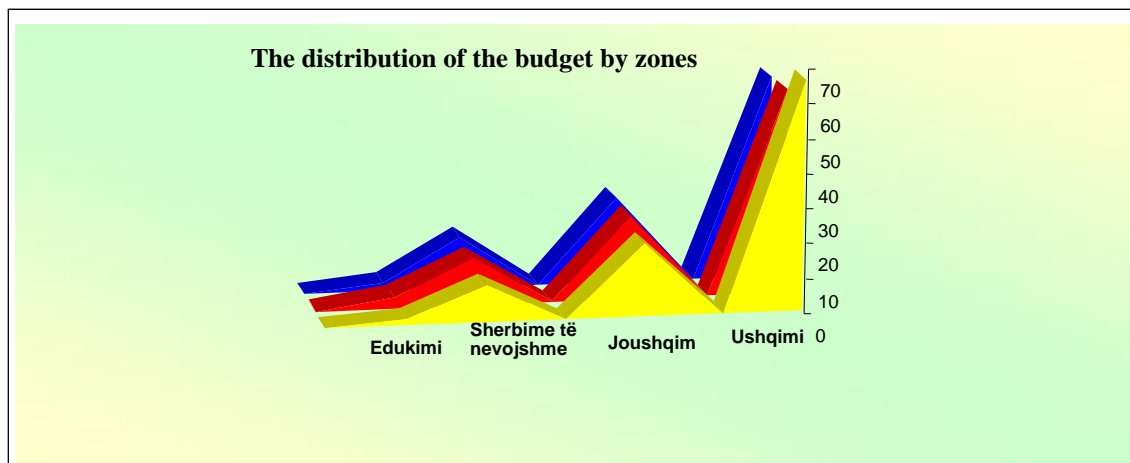
In contradiction with what has been observed in some transition economies, spending on food in Albania continue to be high. They occupy about 63% of the family budget. Other useful expenditures as reconstruction, housing equipment, etc. are calculated about 12% of the total budget with a higher distribution in urban areas, especially in Tirana where they go around 15%. In no foods are included other essential expenses like clothing, telephone, electricity, water, etc. The largest dispersion in urban areas have electricity, mobile phones, telephone bills etc, while about 40% of the non-food expenditures in rural areas related to the use of firewood and fuel. While education expenses are almost identical in different areas and countries. Slightly higher are those in urban areas such as in Tirana, and in areas where there are no schools, especially for vocational education and higher education.

In rural areas, expenses for edible consumption are high. About 31% are provided by their products. Eating out in restaurants and consumption of beverages and coffee in bars is widespread in Albania, especially in urban central areas, and calculations for nearly 8% of the costs of food to people in Tirana, and 6% in other local areas and urban areas. Albanians nationwide define 4.5% of their budget for eating outdoors.

**Table 3.** The main budget items distributed by zones (The fundamental voice of Budget distributed to area)

Items	Tirana	other urban areas	Rurals	Total
Food	58.5	59.1	66.3	62.8
Non-food	24.8	24.0	21.2	22.6
Services needed	14.6	13.7	10.8	12.3
Education	2.1	3.2	1.7	2.3
Total	100.0	100.0	100.0	100.0

*World Bank report "Albania Poverty Assessment"*

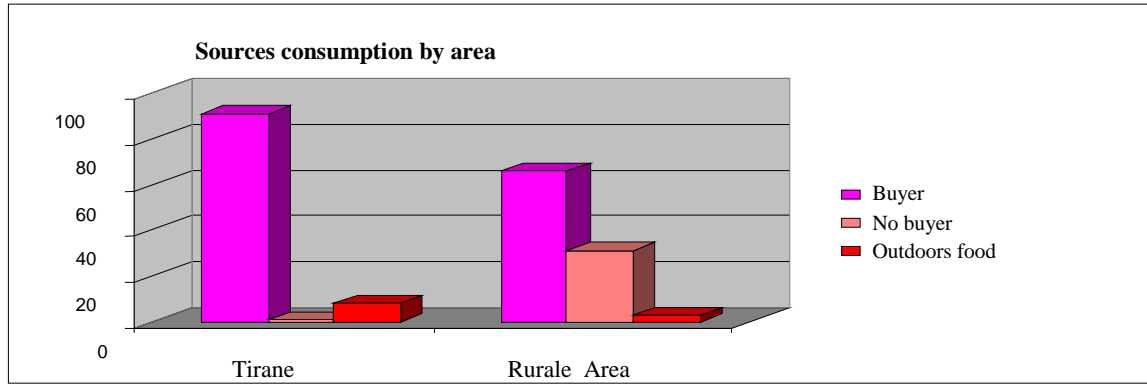


**Figure 1.** The main budget items distributed by zones (The fundamental voice of Budget distributed to area)

**Table 4.** The sources of consumption by area (The source of consumption in area)

	Tirane	Urban areas	Rural	Total
Buyers	91.0	90.3	65.9	76.9
Non-buyers	1.0	3.7	31.2	18.6
Outdoors food	8.0	6.0	2.9	4.5
Total	100.0	100.0	100.0	100.0

*World Bank report "Albania Poverty Assessment"*

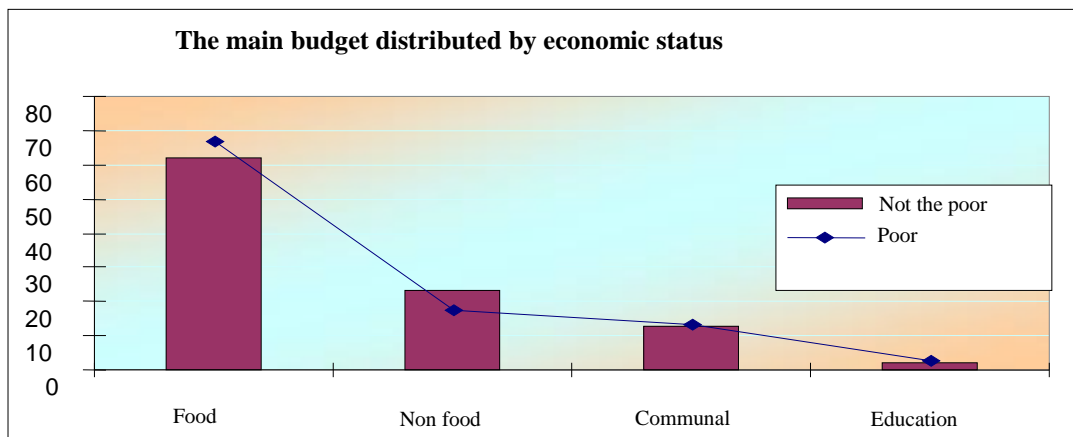


**Figure 2.** The sources of consumption by area (The source of consumption in area)

**Table 5.** The main budget divided by economic status (The fundamental distributed to the Economic Budget statutes)

	Non-poor	poor	Total
Food	62.0	66.7	62.8
Non-food	23.3	17.3	22.6
Communal Services	12.5	13.5	12.3
Education	2.2	2.6	2.3
Total	100	100	100

*World Bank report "Albania Poverty Assessment"*



**Figure 3.** The Main budget distributed by economic status

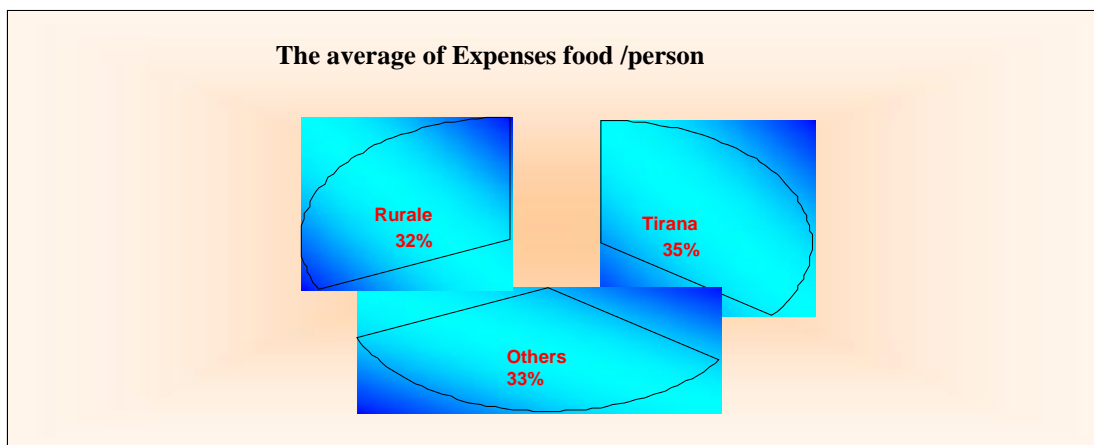
The poverty is higher in the average level of food high distribution of the flour and cereals in rural areas. distribution (67%) and lower than the average of non- This is explained by the high consumption of bread and food (17%). Although according to budget allocation, sweets in urban areas. Officials in urban areas spend much poverty is defined less in absolute terms for necessary of the monthly budget for eating outdoors. As a result, expenses and education. costs for fruits in urban areas are twice the ration in rural

Food consumption model shows almost the same areas and probably reflects the higher costs of food in diet in all areas. The only significant difference is in the urban areas.

**Table 6.** The structure of food expenses to zone

	Tirana	Other urban centers	Rural	Total
Bread and pasta	9.1	9.7	5.2	7.1
Cereals, flour and pasta	4.9	6.5	12.5	9.6
Meat	21.2	20.9	19.3	20.0
Fish	1.5	1.3	1.1	1.2
Milk and its derivatives	18.9	18.2	23.7	21.3
Fruits	6.5	7.1	7.3	7.1
fresh vegetables	6.4	5.8	2.9	4.3
Canned vegetables and frozen	13.2	14.9	14.9	14.7
Sugar and sweets	1.9	1.9	2.0	1.9
Herbs	3.4	3.5	3.9	3.7
Non-alcoholic drinks, tea, and coffee	0.6	0.5	0.5	0.5
Varied foods	4.3	3.5	3.6	3.6
Foods eaten outside	0.2	0.2	0.3	0.3
	8.0	6.0	2.9	4.5

World Bank report "Albania Poverty Assessment"<sup>1</sup>



**Figure 4.** Average food expenditures / person (The average of Expenses food /person)

As seen from the table, there are few differences in of the World Food Programme (WFP) has shown that the structure of expenditure on food between areas, this offering a meal has increased the participation of reflects to a structure more or less uniform in the manner students in school. For example a study of the United and food tradition in Albania. Differences between zones Nations (for poor countries) shows that in countries exist mainly at the level of income per capita and social with about 40% share of education per capita GNP exclusion among social categories than between areas. reaches \$ 210; while in those countries where this

In terms of the percentage of the total expenditures percentage is 80%, GNP per capita is \$ 1,000 and spent on food from one area to another one are almost more. Some other studies show that girls who attend uniform. This is seen in the graph below where Tirana school marry later and tend to have fewer children almost represents about a third of the country.

Food and living conditions directly affect the development of the country and society as a whole. An important indicator of the development of society by international organizations is educational level and the attendance of the school and according to studies conducted in different places of the world is directly linked to poverty and culture of nutrition. Experience

(50%). Also, the study shows that the education of women has a major impact in reducing child maltreatment. Even in Albania, children from poor families abandon the school and the children of mothers with low education are more and more often abused than those with mothers with secondary or higher education. Studies confirm that education is one of the most effective investments to promote

economy, to provide opportunities for children to improve their lives. While in relation to equality in education, the Albanian government reports that no fundamental division between girls and boys, but there is a great differentiation between rural and urban areas. From the records made 87% of the children enrolled in urban areas manage to finish primary school, in rural areas it is only 77%. The reasons for school abandonment are different at different levels, for the preschool system is the closure of public institutions and the inability of the family to pay. For the obligatory education are the economic reasons (35%) and low quality of education (20%).

#### 4. Conclusions

From the conclusions of the study in terms of poverty for its own nature is a complicated phenomenon. In its typology are included the poverty in income or consumption; human development; social exclusion; the poverty, etc. The poverty represents a multidimensional social phenomenon, but in this study as a criterion for measuring poverty and identifying its geographical dimensions, is considered the degree of involvement of people/families in the eligible schemmas for assistance. Considering the data we got into account, we might arrive at the conclusion that:

- Poverty brings no nutrition and consequently it brings the exclusion of people from society.
- Here should interfere with such policies that people are not kept on economic aid but provide income through work.
- People cannot be fed on immigration or emigration, but these should be made to developing programs.

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