Monetary and Non Monetary Poverty in Albania

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Abstract
The living conditions in Albania have been in continuing improvement and this is confirmed by the poverty reduction, as measured from the beginning of the century. But the overall situation seems to change, affected also by the international climate and the economic crisis, and poverty can be again a factor of concern. Hence, the importance of exploring their interrelating effects. This paper investigates which measures of poverty reflect better the needs of the society, especially in Albania. Based on the specific literature and the already used definitions of poverty, that have been applied to the Albanian case, the different measures of monetary poverty and non-monetary poverty are explored through the generation of a specific multidimensional poverty index for Albania - AMPI. Moreover, the extent of overlapping and correlation between monetary poverty measures and non-monetary ones shows that, at first there were more people suffering from non-monetary privations than from monetary ones. Yet, in time, more improvements have been achieved in the direction of non-monetary wellbeing that keep the trend even when the monetary poverty displays an increase, as is the case by the end of the study period. The evolution of the multidimensional index ensures the effectiveness of social policies focusing not only in material resources, but going along with tailored actions to improve basic services, access in health and education, as indicators of a minimum standard of well-being.

Keywords: poverty, multidimensional, index, monetary, privation